

YOUR INVESTMENT OPTIONS ARE CHANGING!

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As part of the ongoing governance of the Plan, the Trustees have conducted a thorough review of the investment options available and, following advice from our investment advisers, Watson Wyatt, the Trustees have made some changes to the investment structure.

Here's a breakdown of what's changing...

Five new funds, including a "lifestyle" option, will be added to your existing choices and one existing fund will be slightly modified. These changes take effect on 1 April 2010. You can find more details about the individual funds available, and the lifestyle option, in the enclosed Investment Guide.

In addition, the annual management charges were significantly reduced across the fund range as of 1 January 2010. For example, if you had £10,000 invested in the L&G UK Equity Index Fund, the charges at 0.33% for 2009 would have been £33 for the year whereas for 2010 the charges under the reduced fees at 0.1% would be £10.

Asset Classes	Current Funds	Previous Annual Management Charge	New Funds and Modified Fund	New Annual Management Charge
Global Equity	None	N/A	L&G Global Equity (30/70) Index Fund	0.2%
UK Equity	L&G UK Equity Index Fund	0.33%	L&G UK Equity Index Fund	0.1%
World Equity (ex-UK)	L&G World (ex-UK) Equity Index Fund	0.33%	L&G World (ex-UK) Equity Index Fund	0.1%
Cash	L&G Cash Fund	0.33%	L&G Cash Fund	0.1%
Bonds		N/A	L&G Pre-Retirement Fund	0.15%
		N/A	L&G Over 5 Year Index-Linked Gilts Index Fund	0.1%
		N/A	L&G AAA-AA-A Corporate Bond – All Stocks – Index Fund	0.15%
	L&G Over 15 Year Gilt Index Fund	0.33%	L&G All Stocks Gilts Index Fund	0.1%
Lifestyle Option	None	N/A	Emerson Lifestyle Fund	0.14 – 0.18%

 New Fund  Modified Fund

The purpose of this communication is to give you details about the new funds, and to help you understand your investment choices. Please take time to read this leaflet and the enclosed Investment Guide.

WHAT YOU NEED TO DO...



1. Take this opportunity to review your existing investment choices for your existing balances and investment contributions to ensure they remain appropriate for you. Current investments, with the exception described in 2. below, will remain unchanged and future contributions will continue to be paid into your existing fund choices UNLESS you choose otherwise. **An investment switch form is included which you will need to return to Capita Hartshead** – whether you are making changes or not. Further instructions will be provided by Human Resources.
2. The L&G Over 15 Year Gilts Index Fund is being modified. If you are currently investing in this fund, you can choose to transfer these assets into any one or more of the range of funds shown in the new fund chart by completing the investment switch form. **Alternatively, if you indicate no changes on the switch form your funds will be transferred across to the L&G All Stocks Gilts Index Fund and any ongoing contributions normally paid to this fund will be redirected to the L&G All Stocks Gilts Index Fund.** The All Stocks Gilts Index Fund has a similar remit to the current Over 15 Year Gilts Index Fund, but invests in a wider range of gilts – not just those that are going to mature in 15 or more years' time. The overall level of risk of the All Stocks Gilts Index Fund is broadly comparable with the Over 15 Year Gilts Index Fund but the level of return may differ.

If you don't know what you're invested in...

Contact the Scheme Administrator, Capita Hartshead, who will be able to tell you how your assets are invested. From 1 April onwards, you'll also be able to register with the Plan's new web resource, Hartlink Online, where you can view your investment details along with a host of other information.

Please bear in mind that neither the Company, Capita Hartshead nor the Trustee can make recommendations or provide advice regarding your investment options – they can only provide information and guidance of a generic or factual nature.

If you are unsure of what to do, we would strongly recommend that you seek independent financial advice from your independent financial adviser. If you do not have one you can find one in your area by visiting www.unbiased.co.uk.

Contact Us

You can contact the Scheme Administrator at the address shown opposite if you have any queries about the investment fund options or the Plan in general:

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