



Inside:

Page 5

**Market Overview:
Great rate expectations**

Page 7

**Snapshot:
Unsettled**

Page 8

**Forecasts:
Bank of England to wait
and see**

Who keeps the boss in line?

A CEO can make or break a business. It's their job to take the reins of an organisation and steer it strategically into the future. But who ensures they are doing a good job in maximising returns for shareholders?

As the largest investor in the FTSE 100, Legal & General Investment Management (LGIM) has a vested interest – and indeed a responsibility – in the answer to this question. It is generally agreed that an unbiased and empowered individual who sits outside the business is best suited to performing this duty. In the article which follows, LGIM's Head of Equities, Mark Burgess, discusses the role of the 'board chairman' and explains just how an independent non-executive chairman can help create value for shareholders.

Corporate Governance

Ever since the Wall Street Crash of 1929, there has been discussion about the need to structure a corporation around a set of processes, policies and laws that help guide how it's run and keep the people running it honest. This need for sound 'corporate governance' has been illustrated time and again – from the East Asian Financial Crisis in 1997 to the high profile US corporate collapses in the early 2000's. Most recently, the problems endured by the banking sector have again raised questions about the effectiveness of the corporate governance model being used.

The publication of the Combined Code by the Financial Reporting Council in July 2003 placed the UK at the forefront of high standards in corporate governance. The Code laid firm foundations for professionalising boardroom activities and providing a clearer explanation of the roles and duties of directors. However, the recent difficulties faced by large, established UK businesses have served to undermine shareholder confidence. People have begun asking - who is ultimately responsible for administering sound corporate governance? And have they been asleep on the job?

With great power comes great responsibility

The role of the chairman is pivotal to corporate governance. The chairman is responsible for running an effective board, ensuring a company has a viable strategy and providing the appropriate checks and balances on the CEO. There are a number of different ways to categorise a board chairman, and their title often reflects the amount of activity and influence they have on a company. Essentially, there are three main types.

1. The Non-Executive Chairman

This is the most common structure. This chairman will typically be part-time and have an outside ‘helicopter view’ of the company in order to analyse its performance in an independent manner. The chairman will adopt a hands-off style of management and will often be in the background when discussing the company’s affairs. The executive team will be at the forefront explaining the business performance to investors.

2. The Executive Chairman

This chairman leads the board as well as executive management and has a pivotal role in the firm’s day to day activities in order to make appropriate operational decisions. The chairman will capture the elements of being both a supervisor and executioner of the company’s strategy.

3. A combined Chairman/CEO

This chairman is likely to dominate the boardroom through force of personality. Unquestionably, this chairman is seen as the figurehead of the whole organisation, including the board.

As a major shareholder in many of the UK’s largest listed companies, Legal & General supports the generally accepted view that the non-executive chairman is the most appropriate structure for boardrooms to adopt, as they are most likely to act in the best interest of

shareholders and therefore promote better corporate governance. The executive chairman, we believe, is only acceptable in the most exceptional of circumstances. To avoid a conflict of interest and concentration of power there is almost no circumstance where a combined chairman and CEO is appropriate.

Figure 1 shows how the non-executive chairman is the most common structure found in the UK’s biggest businesses.

% of companies with:	FTSE 100
Non-Executive Chairman	85%
Executive Chairman	12%
Combined Chairman/CEO	3%

Figure 1 Source: Data from Deloitte, Board structure and Non-Executive Directors’ fees, September 2007

The role of the Chairman

All listed companies in the UK are required to report (in their annual report and accounts) on how they have applied the Combined Code. The Combined Code is a set of procedures that sets out standards which companies need to adhere to in order to provide ‘good practice’ to their stakeholders.

According to the Combined Code, the chairman is responsible for leading the board rather than being directly involved with operational issues.

“The chairman is responsible for leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda...”

The chairman should ensure effective communication with shareholders. The chairman should facilitate the effective contribution of non-executive directors in particular and ensure constructive relations between executive and non-executive directors.”

Combined Code, A.2 (Supporting Principle)

It’s the CEO’s duty to execute the strategy developed by the board. The chairman, on the other hand, is responsible for promoting the best ideas from the board on policy formulation and business performance. By setting the agenda and ensuring that directors receive accurate, timely and clear information, the board should be able to consider innovative ideas and make effective strategic decisions.

Two-way dialogue between the board chairman and shareholders is also vital. The board chairman should ensure they make themselves available to discuss any concerns that may arise and be able to communicate the board’s views on any issues that shareholders may question.

Perhaps the most important, and challenging duty for the board chairman is facilitating the contribution of non-executive directors and maintaining constructive relations between them and the executive directors. This task is important because the dialogue and interaction of these individuals is what leads to the generation of optimal strategy and effective decisions. Without robust discussions, the company may not be able to adapt the business model to a changing external environment. Given the credit crisis currently unfolding in the market place, this is as important as ever.

Directors must, therefore, be committed to the business and engaged in thoughtful debates around the boardroom in order to drive long-term shareholder value. The chairman needs to be prepared to scrutinise the performance of management if the business is not delivering value for investors - for if they don’t, they will be accountable to shareholders.

Other responsibilities

The board chairman is also responsible for a number of other important duties. It is quite common for a board chairman, for example, to be a member and chairman of the Nominations Committee. This is because it is their responsibility to oversee the performance of the board, and therefore it is fitting that they are involved with succession and the appointment of directors. As chairman of the Nominations Committee, the board chairman is in a good position to identify and rebalance the strengths of the boardroom to encourage more diversity of thought, risk assessment in decision-making, the development of strategy and creation of policies.

Once a new director is appointed, it is the board chairman's responsibility to ensure that the new appointee undergoes training and participates in the induction process to enable them to perform at the optimum capacity in directing and contributing to boardroom debates.

Where do we find such a person?

It takes a unique set of personal characteristics, experience and business fit to make an effective board chairman. This individual needs to integrate well with the culture of the company and be attuned to its surroundings.

Although there is no single agreed prescribed model for this person, there are some essential attributes:

1. A trustworthy, empathetic, empowered leader

A board chairman should be able to create open and trusting relationships with board members in order to ensure the whole board is unified and directors are contributing to the direction and health of the organisation. Hence, the individual will need to demonstrate empathy, leadership, empowerment and act as a facilitator in boardroom discussions.

2. Works well with the CEO

As the board chairman is the main figurehead of the board and not the operational head, the chairman should not be seen as diminishing the CEO position. The board chairman should work with and through the CEO and act as a mentor for the greater good of the company and its performance. If the relationship between the chairman and the CEO is unproductive, this could have damaging consequences to the long term running of the business.

3. Unbiased

A board chairman should be objective and have a hands-off managerial style because the chairman will need to act as a catalyst for boardroom debates and to monitor management. An independent chairman will perform successfully in this position because it will be less likely that their neutral judgement will be compromised and that allows for fair assessment of the CEO's performance.

The importance of independence

We strongly believe that the roles of the board chairman and CEO should be separated. When an individual holds the joint positions of chairman and CEO, the concentration of power means the individual may be able to dominate the company without proper oversight and challenge to their decisions.

According to the Combined Code:

“There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.”

UK Combined Code, A.2 (Main principle)

“The roles of chairman and chief executive should not be exercised by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the board.”

UK Combined Code, A.2.1 (Code provision)

We also believe that the elevation of the CEO to the chairman position is not in shareholder's best interests. This is likely to occur in businesses where an individual has dominated the CEO position and led the company over a long period of time. The risk associated with this succession is that it may be difficult for the former CEO to let go of their influence over management once a new appointment is made.

In this type of situation, we strongly believe that a discussion on how a change in these roles would impact the arrangement and dynamics of the board needs to take place in a timely fashion. This consultation process is an opportunity for the company to provide a clear explanation for the rationale behind the move and is seen as good practice according to the provisions in the Combined Code:

“If exceptionally a board decides that a chief executive should become chairman, the board should consult with major shareholders in advance and should set out its reasons to shareholders at the time of the appointment in the next annual report.”

UK Combined Code, A.2.2 (Code provision)

We strongly disagree with the appointment of a chairman who is not independent at that time, or for a company to be headed by an executive chairman. We feel it limits the effectiveness of their ability to carry

out checks and balances on the performance of management. Such cases are rare in the UK and we examine these situations on their individual merits.

The exception to the rule

There may, however, be some exceptional circumstances where it may be appropriate to have a company with an executive chairman.

For example, if a company is in distress, there may be a need for a short period where a strong figurehead is appointed to take immediate and decisive action in order to restore stability within the company. This type of situation should be evaluated on a case-by-case basis and only if the company adopts a number of measures to mitigate risk.

This includes having a strong independent board with a majority of independent non-executive directors and designating a senior independent director to monitor progress.

In addition, the executive chairman's remuneration should be linked to strategic targets that lead to positive shareholder return, the executive chairman should be seeking annual re-election and the Board Evaluation process should be transparent in order to enable shareholders to monitor and highlight key risks at an early stage.

What should they be paid?

The fees paid to the board chairman reflect the greater responsibility that comes with the position and the size and complexity of the company being overseen.

If the board chairman holds an executive position, then their pay structure should be closely aligned with business performance. The majority of an executive chairman's remuneration should be closely performance related and aimed at increasing shareholder value with clear targets set. There should also be a maximum cap in place to avoid overpaying and taking unnecessary risk. Their pay structure should be reassessed annually and closely scrutinised by the Remuneration Committee and senior independent director, to make sure targets are stretching and are linked to the firm's strategy.

The scope of the role of the board chairman will vary from company to company. For example, in highly regulated industries such as the banking sector, a board chairman may be expected to attend more meetings with regulators to demonstrate the financial health of the company. Furthermore, the board chairman may be required to undertake extensive travelling overseas to examine the company's operations, to meet clients or government representatives.

For those reasons a board chairman should be paid fees which reflect the scope and size of the company and should avoid having performance linked pay unless they are considered to be an executive of the company.

Figure 2 displays the variability of Non-executive chairmen's fees in relation to the size of the company.

Our mouth where our money is

The success of a board chairman can be measured in a number of ways including share price performance, profitability and growth against peers. In a company led by a successful CEO, the role of the chairman should unify and enhance the value of the whole board for the purpose of creating and executing the optimal strategy for the company.

The pressure for FTSE 350 companies to devote more time to review business models, to provide effective checks and balances on the CEO's performance and to be accountable to shareholders, will increasingly place more demands on the role of the chairman in today's economic climate.

As the largest investor in the FTSE 100, we take an active interest in corporate governance. We maintain an ongoing, close two-way link with chairmen of major UK companies to ensure that they guide the board to generate shareholder value and lead their company on a successful path.

Non-executive chairman – total fees Market capitalisation (£m)	Lower		
	Quartile	Median	Upper Quartile
400 – 600	£91,425	£108,000	£127,785
601 – 1,001	£99,050	£123,600	£147,625
1,001 – 2,000	£127,180	£152,975	£190,740
2,001 – 5,000	£166,550	£222,575	£283,750
5,001 – 10,000	£232,350	£285,300	£341,800
10,001 – 25,000	£267,250	£389,950	£431,000
More than 25,000	£461,650	£546,425	£581,275

Figure 2

Source: Deloitte, Board structure and Non-Executive Directors' fees, September 2007

Market Overview

Great rate expectations

Financial markets believe the next move in official interest rates is up. There were a number of developments in June which caused financial markets to price-in a series of interest rate hikes in the UK, Europe and the US. With UK inflation tracking more than 1% above the Bank of England's (BOE) target range, the Monetary Policy Committee had to write a letter to the chancellor. The European Central Bank (ECB) pre-announced a rate hike when it met in June and in the US the Federal Reserve (Fed) flagged concern over rising import prices.

Global inflation has set in. In the past year the oil price doubled and world agricultural prices are up more than 60%. Together, food, fuel, gas and electricity account for almost the entire rise in UK inflation during 2008. Under 'normal' conditions this scenario would prompt central banks to raise official interest rates in order to slow economic growth and rein in inflation. The trouble is, developed economies are already slowing.

In the past month economic activity data in the UK, Europe and the US have deteriorated and industrial confidence in the developed world is now the lowest since the Iraq war in 2003. As a result, central banks have chosen to sit on their hands. The ECB moved back to a neutral bias in July, the BOE appears unsure where policy rates need to go next and the most recent statement from the Fed appears fairly balanced.

While actual inflation will continue to rise with a lag, our analysis indicates that global inflation pressures have most likely peaked. Given the deteriorating growth outlook, we don't see scope for central banks in the developed world to raise interest rates further. Instead, we see the BOE, the ECB and even the Fed cutting rates in 2009.

London

Bad news travels fast

UK Equities had to weather a barrage of bad news last month. Inflation is worsening. The housing market is in decline - mortgage approvals are now well below levels recorded during the 1990's recession. Unsecured lending is running higher than most analysts expected, indicating that people may be leaning on their credit cards to finance the higher cost of food and energy prices. Also, all of the surveys which track consumer confidence point towards further declines in consumer spending. As a result, the UK equity market (as measured by the FTSE All Shares) fell almost 9% during the month.

The market was led lower by weakness in banking, media and general retail stocks. After falling 10% in May, the banking sector declined 14.5% in June as a number of banks moved to clean up their balance sheets. Barclays joined the Royal Bank of Scotland and HBOS in announcing a capital raising last month, worth £4.5bn. Together, these three banks have now raised an extra £20.5bn of capital from investors.

There were also a number of profit warnings last month. Trinity Mirror was hurt by companies spending less on newspaper advertising and car dealer Pendragon felt the pinch of fewer new car registrations.

'Defensive' sectors (those which are less tied to the economic cycle) performed better last month – with utilities, pharmaceuticals and oil services companies (namely Petrofac) performing the strongest.

Wall Street

Lacking confidence

Despite falling house prices, tighter lending standards, rising unemployment and the high cost of energy, the US economy has proved more resilient than many anticipated. Tax cuts and relatively low official interest rates continue to support the economy and further progress is being made to repair financial and credit markets.

Nevertheless US firms have had to face a number of challenges. As measured by the S&P 500 index, US equities declined around 8% during June as the rising cost of raw materials and weaker domestic demand reduced profits for many companies.

In June a survey from the Institute for Supply Management (ISM) showed a decline in non-manufacturing business confidence and that manufacturers also acknowledged that their customers are experiencing the greatest inventory overhang since January 2001. Extra inventory on hand indicates that consumers are not buying as much as usual and that firms will respond by cutting back production.

MAJOR EQUITY MARKETS – TOTAL RETURNS £ 2007/2008

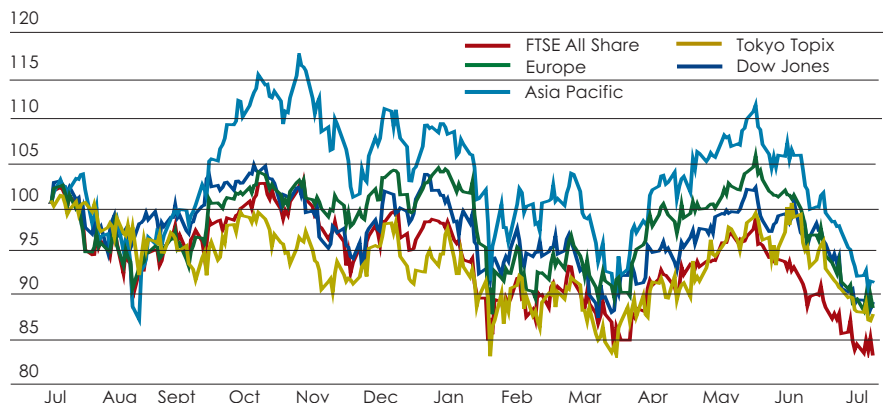


Figure 1

Source: Datastream

Banks have sold off assets to avoid diluting their share prices through excessive capital raisings. While there has been significant improvement made within the financial sector since the credit crisis begun, financial guarantors came under renewed scrutiny last month as Moodys and Standard & Poor's downgraded their debt ratings.

Outside of the financials sector, the price of oil continues to be the major factor driving share prices.

MAJOR WORLD BOND MARKETS – TOTAL RETURNS £ 2007/2008

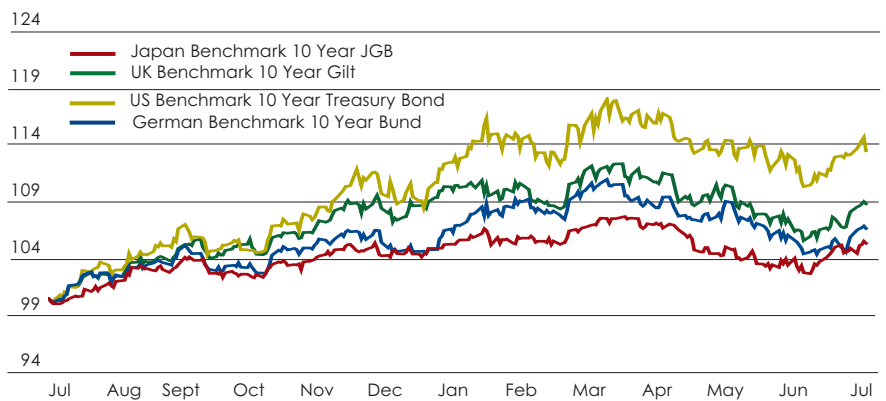


Figure 2

Source: Datastream

Europe

Banks, retailers and car-makers

After holding up reasonably well in the past two months, European equity markets fell sharply in June. As measured by the FTSE World Europe (ex UK) index, the market lost 10.4% in sterling terms over the month.

Unsurprisingly, it was banks which led the market lower. Access to credit remains difficult and the outlook for non-performing loans (typically loans which have been in default for three months or more) has worsened. Banks have actively been repairing their balance sheets by selling off assets and reducing debt levels, however a poor economic backdrop means that the conventional banking model is being painfully re-written for many European lenders.

As economic growth slows and inflation pressures mount, companies that have their profits tied to the economic cycle have struggled. Retailers and auto stocks performed poorly on the back of expectations people will rein in their spending in the months ahead.

On the flipside, businesses that are expected to be able to pass on rising input costs through to the prices consumers pay, held up better. Commodity-related stocks such as French oil company Total and Finnish steel company Rautaruukki also performed well last month.

Japan

Eating at home

While negative for most of the developed world, inflation is good news - in some regards - for Japan. While Core inflation (which excludes oil and foods) remains at -0.1% and headline inflation at 1.3% is not particularly damaging for the consumer, inflation expectations are currently as high as 3-4%. For an economy that has been locked in a decade long period of deflation, rising price expectations is big news.

For the first time in ten years there have been sharp price increases in items such as rice and wheat – historically the government regulated these. As a result, many people have been shying away from eating out at restaurants and are increasingly opting to purchase cheaper brands of groceries and cook at home. The more expensive national brands such as Kikkoman and Ajinomoto have performed poorly, while any food retailers who offer better value brands have performed well.

Another theme playing out within the Japanese equity market relates to alternative energy. With oil prices remaining elevated, any company involved in the manufacture of lithium iron batteries, hybrid cars, nuclear energy or solar cells has performed well. A company like Honda, that is a market leader in the production of fuel-efficient cars and hybrids, is steadily taking market share in the US.

After rising significantly in April and May, profit taking saw the Japanese market decline around 7% in June.

Pacific Basin

Inflation in India

Asian shares, as measured by the FTSE All World Asia Pacific (ex Japan) index, fell sharply by 11.4% in June. India was the worst performing market (down 21%) as inflation jumped to a thirteen year high. In response, the Reserve Bank of India raised official interest rates twice in June to reach 8.5% in an effort to control inflation.

Inflation has swept through the region. Investors are concerned about the impact rising food and energy costs are having on company profit margins as well as the effect slower Western demand will have on Asian exporting companies. While central banks have begun to tighten monetary policy, with the exception of India, they have generally been slow to act.

As a result, countries where inflation is of greatest concern saw their equity markets decline the most during the past month. The Philippines fell 16.8% as inflation rose to 9.6% in May. China fell 13.6% and the People's Bank of China raised reserve requirements by 1% in order to slow bank lending.

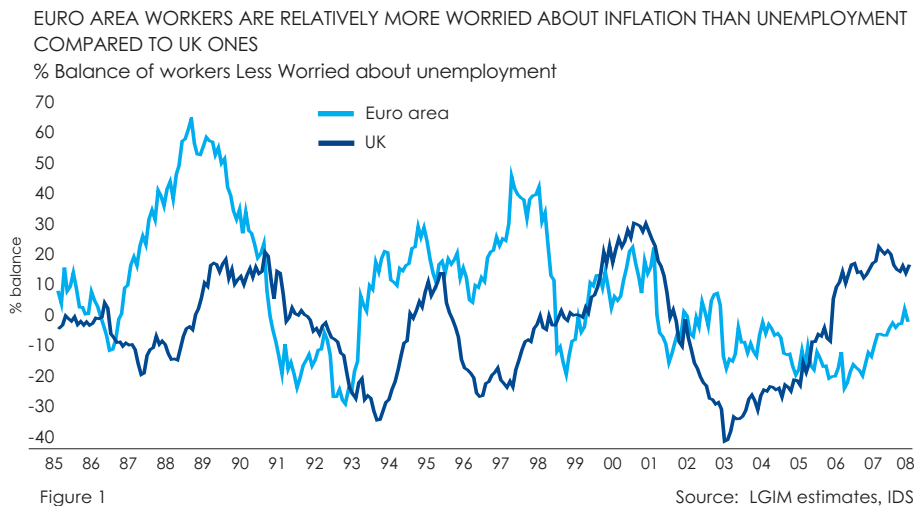
There was a considerable amount of foreign money flowing out of the region in June. It is estimated that foreigners sold nearly \$11 billion of shares in June, summing to around \$32.4 billion in the calendar year-to-date.

Snapshot

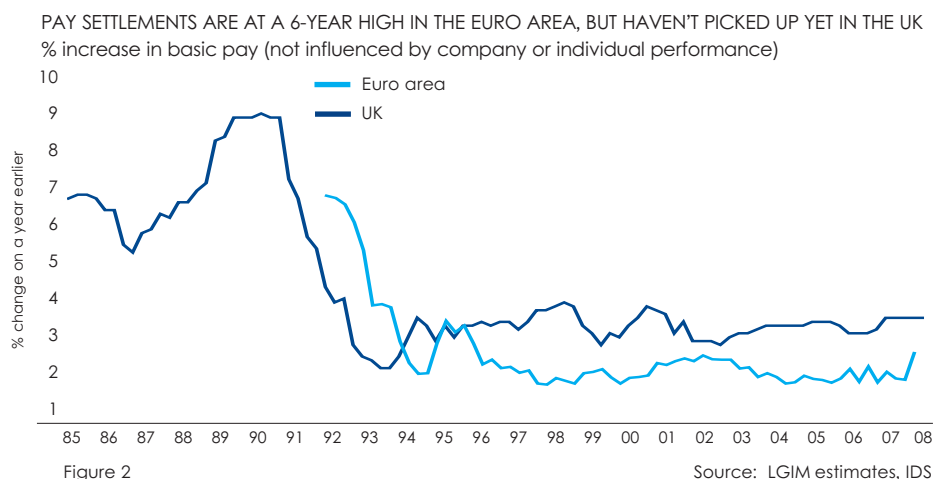
Unsettled

A lot has been written about consumers' inflation expectations. Consumers don't tend to notice if the price of a DVD player comes down (after all, they only buy one every few years). But they do notice if food and energy prices have increased as they purchase them on a frequent basis. A survey of UK consumers' inflation expectations over the next year is currently at a 13-year high. This has worried the Bank of England. If workers demand and achieve higher pay to compensate them for higher food and energy prices, then high inflation could become locked in, even if energy prices stabilize. This is because firms might then try to pass on higher labour costs (and consumers might then demand higher wages to compensate them for more expensive services).

But as I'm sure every reader will empathise, there is a big difference between wanting higher pay and achieving it. Not only are consumers worried about inflation, but they're also worried about their jobs. Unemployment expectations are currently the highest since 1993. To be fair, unemployment expectations have been elevated for some time, reflecting the rise in migrant labour in recent years. So the balance of fears has shifted more towards inflation over the past year. But not as much as in the euro area. Our 'strike' index (inflation fears less job fears) is the highest since the dot.com boom in the euro area (Figure 1).



Historically, this 'strike' index has proved a reasonable indicator of labour militancy in Germany. And it fits in with current data on wage growth. Pay settlements – increases in basic pay not related to company or individual performance – have increased to a six-year high in the euro area (Figure 2). In the UK, they remain fairly stable. This is one reason why the ECB felt compelled to raise interest rates in July. So far, the Bank of England has held off from raising rates. It's unclear whether pay growth is low enough to offset rising commodity prices. If UK pay growth does increase from here, the Bank of England might have to tighten policy. But if – as we expect – rising unemployment keeps pay growth relatively subdued, then the Bank of England might find room to continue cutting interest rates in 2009.



Views Commentary

Bank of England to wait and see

	Price Inflation (HICP)		GDP (Growth)		Earnings (Growth)		10 Yr Gilt Yields		Base Rates		\$/£		£/Euro		FTSE 100
	End 2008 %	End 2009 %	End 2008 %	End 2009 %	End 2008 %	End 2009 %	End 2008 %	End 2009 %	End 2008 %	End 2009 %	End 2008	End 2009	End 2008	End 2009	End 2008
ABN Amro	3.70	2.80	1.50	1.10	-10.00	-5.00	4.80	4.80	5.00	5.00	1.89	1.88	0.82	0.76	5800
Citigroup Smith Barney	-	-	1.70	0.50	11.90	9.30	5.13	-	5.00	-	1.90	-	0.83	-	6200
CSFB	3.20	1.70	0.90	1.70	-	-	4.85	4.65	4.75	4.75	1.90	-	0.81	-	6000
Deutsche Bank	2.60	1.90	1.80	1.60	5.60	9.60	4.50	4.75	5.00	-	1.98	-	0.76	-	6800
Goldman Sachs	4.40	1.80	0.50	1.60	0.10	17.50	4.65	4.65	5.00	4.50	1.95	1.95	0.81	0.78	6100
HSBC Securities	4.70	1.30	0.40	0.90	-	5.00	4.90	4.50	5.00	4.00	1.85	1.75	0.78	0.80	6200
JPMorgan	4.10	2.10	1.50	1.20	-	-	-	-	-	-	-	-	-	-	-
L&G Investment Management	4.60	3.10	0.80	0.80	4.00	-2.00	4.60	4.40	5.00	3.75	1.91	1.88	0.81	0.85	6000*
Merrill Lynch	3.50	2.70	1.70	1.40	4.00	-5.00	4.90	-	4.75	4.00	1.87	1.75	0.79	0.76	6000
Morgan Stanley	4.10	2.40	1.60	1.50	-7.00	-3.00	5.20	5.30	5.00	5.25	1.84	1.76	0.76	0.75	6300
UBS	3.50	3.20	1.60	1.10	12.40	13.00	5.40	5.10	5.00	4.25	1.96	1.89	0.76	0.73	6500
Median (ex L&G Inv Mgt)	3.70	2.10	1.55	1.30	0.05	9.30	4.90	4.75	5.00	4.50	1.90	1.82	0.79	0.76	6300
Last Month	3.35	2.10	1.70	1.45	4.40	6.00	4.65	4.75	4.63	4.38	1.90	1.76	0.77	0.75	6300
Actual end :															
2007		2.10		2.90		6.20		4.51		5.50		1.98		0.75	6453
2006		3.80		3.00		12.20		4.74		5.00		1.96		0.67	6220
2005		2.00		2.00		22.70		4.10		4.25		1.72		0.69	5618

KEY Median figures indicate change over previous month **0.00** increase **0.00** decrease **0.00** no change

*This is our estimate of fair value at end 2008, not a point forecast.

We have revised our inflation and interest rate forecasts higher. Our Bank of England model is currently indicating that interest rates will remain on hold at 5.00% by the end of 2008 and decline to 3.75% by the end of 2009. We previously expected a cut of 0.5% by the end of 2008. Consensus has also revised their 2008 interest rate expectations higher. They believe official interest rates will stand at 5.00% at the end of 2008 (up from 4.63% last month) and at 4.50% by the end of 2009 (up from 4.38%). With food, gas and electricity prices continuing to rise while the UK economy slows, we believe the Bank of England will opt to keep official interest rates unchanged for some time to come.

Our growth forecasts were unchanged this month. Falling housing prices, rising energy costs and higher unemployment continue to lead us to be more cautious on the outlook for UK economic growth than consensus. Our model points to growth of 0.8% in 2009. We remain more bearish than the consensus forecast of 1.3%. It is worth noting that the consensus figure has been revised down considerably in the past few months.

For further information on Fundamentals, or for additional copies, please contact Harriet Moore at harriet.moore@lgim.co.uk

For all IFA enquiries or for additional copies, please call 0845 273 0008 or email cst@landg.com

For an electronic version of this newsletter and previous versions please go to our website <http://www.lgim.com/media-centre/fundamentals.shtml>

Important Notice

This document is designed for our corporate clients and for the use of professional advisers and agents of Legal & General. No responsibility can be accepted by Legal & General Investment Management or contributors as a result of articles contained in this publication. Specific advice should be taken when dealing with specific situations. The views expressed in Fundamentals by any contributor are not necessarily those of Legal & General Investment Management and Legal & General Investment Management may or may not have acted upon them and past performance is not a guide to future performance.

The FTSE UK Indices are calculated by FTSE International Limited ("FTSE™"). FTSE™ does not sponsor, endorse or promote these funds. All copyright in the indices' values and constituent lists belong to FTSE™. Legal & General Investment Management Ltd. has obtained full licence from FTSE™ to use such copyright in the creation of these funds.

"FTSE™", "FT-SE®" and "Footsie®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE™") under licence. "All-Share" is a trademark of FTSE™.

© 2008 Legal & General Investment Management Limited. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the publishers.

Legal & General Investment Management Ltd, One Coleman Street, London, EC2R 5AA
www.lgim.com

Authorised and regulated by the Financial Services Authority