



By email:

9 September 2010

Dear Sir/Madam

The Legal & General Group is one of the UK's leading financial services companies. As at 30 June 2010 we were responsible for investing £320 billion worldwide on behalf of investors, policyholders and shareholders. We also had over 7 million customers in the UK for our life assurance, pensions, investments and general insurance plans.

Please find enclosed our response to the below paper:

- Guidelines for the transition from the Simplified Prospectus to the Key Investor Information document (CESR/10-672)

We welcome the opportunity to respond separately to three KII related papers and take this opportunity to highlight some concerns which remain in relation to the current form of the Synthetic Risk and Rewards Indicators (SRRI), the template format of the KII and the proposed timescales for implementation.

We are concerned that the current format of the SRRI does not provide an adequate measurement to enable investors to distinguish between funds. Previous concerns raised during the consultation on UCITS VI by us and other UK firms and trade bodies remain and we feel that further work in this area needs to be carried out. Whilst we appreciate the intention behind the SRRI and the difficulties in accommodating the wide range of funds and fund structures available in Europe we are of the opinion that to make the SRRI a useful document for investors to understand and distinguish funds, change need to be made or additional documentation supplied. We have noted this in more detail below.

We are also concerned that the proposed format of the KII does not provide enough flexibility to provide all the information that needs to be included. Our initial attempts to create a KII has revealed that the restrictions in the format, particularly in the risk disclosure section, mean that we cannot provide all the information which we believe should be included. A more flexible template would therefore be desirable.

Finally, whilst we appreciate the need for an appropriate transition period to introduce the new KII, particularly for new funds, we believe that new funds should be moved to the new KII format at the same time as existing funds, to avoid having documents in two formats.

Here's our response to the detailed questions on this paper:

CESR's guidelines for the transition from the Simplified Prospectus to the Key Investor Information document (CESR/10-672)

Q1. Do you agree with the proposed general approach in Box 2? Are there any other matters which the guidelines should address?

We believe that firms should be allowed to transfer to KII's in the way that is most operationally efficient. We welcome the recommendation for the production of an Simplified Prospectus (SP) in the case where there is the introduction of a new share class in an existing UCITS and that current SP's can be updated during the transition period.

However, to give our customers a better experience, we would prefer the guidance to allow the production of SP's for new funds launched during the implementation period. Customers would then not be offered differing styles of literature containing different information. All SP's for UCITS funds would be replaced by KII's for use from July 2012.

In line with the above, we note that member states could adopt their own implementation dates. We feel strongly that CESR's 12 month implementation window should be followed and that companies must have a complete range of KII's in place by July 2012 to ensure harmonisation across Europe.

Q2. Do you agree with the proposed treatment of cross-border notifications, fund mergers and master-feeder structures? Are there any other special circumstances which these guidelines should address?

We agree with the proposals.

Q3. Are there any circumstances in which these guidelines could be detrimental to consumers?

The only issue we have identified is that if we launch a new fund during the implementation window, a client will receive a different style of literature compared to any other of our funds. The literature will also show differing information making it difficult for a customer to compare funds.

As in our response to Q1, we propose that new funds can be produced in an SP allowing all UCITS funds literature to be replaced by KII's by July 2012. This allows consistent customer literature with less opportunity for customer confusion and conforms more to the principle of treating customers fairly.

We would be happy to discuss any part of our response with you directly.

Regards

Steve Donnelly

Product Technical Manager, Legal & General Investments