

LEGAL & GENERAL INVESTMENTS LAUNCHES
GLOBAL ENVIRONMENTAL ENTERPRISES FUND

Legal & General Investments today announces the launch of the Global Environmental Enterprises Fund, a passively managed fund aimed at profiting from the evolution to a lower carbon economy.

Legal & General Investments has partnered with Osmosis Investment Management on this fund. Osmosis is an independent specialist investment firm with a deep understanding of environmental factors and how they impact investment portfolios. The Global Environmental Enterprises Fund uses the Osmosis Climate Solutions (OCS) Index as the basis of its portfolio.

The fund aims to provide capital growth primarily through investment in companies that are profiting from the global response to energy scarcity, pressures on natural resources and the shift to a lower carbon world economy.

Simon Ellis, Managing Director of Legal & General Investments, said: "We are launching the Global Environmental Enterprises Fund to allow investors to invest at the right price in one of the major investment themes of this decade. Across the world, companies are delivering growth and value in sectors such as low carbon energy production, energy efficiency, waste management and water use."

"These dynamic and rapidly growing markets create current annual revenues estimated at over \$700 billion, forecast to grow to \$2.2 trillion by 2020.* We term the companies in this universe as 'global environmental enterprises'." Ellis added.



The portfolio is the result of a sophisticated stock selection process which identifies a list of 100 'pure play' environmental enterprises from the universe of all globally listed companies.

The portfolio is equally divided into three main sectors:

- energy efficiency and energy management
- low carbon energy production
- water, waste and pollution control

It is weighted by sector rather than by market capitalisation which gives the portfolio a broad, globally diversified, thematic exposure.

June Aitken, CEO of Osmosis Investment Management, said: "We are very excited to partner with Legal & General Investments on this fund. The fact that Legal & General Investments is committed to a fund that identifies efficient solutions to environmental issues is evidence that this space is no longer niche, but a significant investment opportunity."

IFAs who require more information on the fund should call 0845 070 8684. Lines are open from 9 am to 5 pm Monday to Friday. We may record and monitor calls. Call charges will vary.

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Notes to Editors:

[*http://www.research.hsbc.com/midas/Res/RDV?ao=20&key=wU4BbdyRmz&n=276049.PDF](http://www.research.hsbc.com/midas/Res/RDV?ao=20&key=wU4BbdyRmz&n=276049.PDF)

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

- 1) Legal & General Investments offers a range of unit trusts, including equity, fixed income, index-tracking, property, cash and asset allocation funds for professional financial advisers and wealth managers. Legal & General Investment Management is one of the largest investors in the UK stock market, managing more than £365 billion* for our clients. *As at 31 December 2010.
- 2) The value of investments may fall as well as rise and investors may not get back the amount originally invested. This fund invests in companies in this specialist area. In addition, some of these will be smaller companies or companies from emerging markets. This means that this fund is higher risk than other more general equity funds. This fund invests overseas and changes in exchange rates between currencies may cause the value of your investment and the level of income to fall as well as rise.
- 3) There is no initial charge for retail investors and the annual management charge is 1.25%.
- 4) The Global Environmental Enterprises Fund pays a trail commission to advisers of 0.40%. No commission is payable for investments made into the Institutional Unit Class.
- 5) Index construction: The Osmosis Climate Solutions Index is not a conventional market-cap weighted index. Following a comprehensive review of the clean technology market, Osmosis has developed a sophisticated stock selection process to arrive at a portfolio of stocks that provides broad, global exposure to these new and exciting industries.

Inclusion criteria comprise essentially a single factor - low carbon revenues. Osmosis takes its lead from the 2007 Stern Report on Climate Change and subsequent research to identify and classify these activities.

The process begins by screening a universe of globally listed companies, narrowing it down to include only those most active in the clean energy/low carbon space. An external group is used to apply the screening on the business activity of the companies to ensure it is up-to-date and accurate.

- a great number of companies that participate in this space do so as a sideline to their main business. As such, Osmosis screens stocks to include only 'pure play' companies with 50% or more revenue coming from low carbon activities
- only companies above \$100 million market-cap are eligible for inclusion
- negative screens are conducted to eliminate firms operating in sectors considered to have a bad environmental record. For example, nuclear power firms and miners are excluded

- remaining companies are ranked by: trading activity (minimum of six month average of \$1 million turnover a day)
- the main sectors have a varying number of sub-sectors within each
- the number of companies in a sub-sector is divided by the total companies in the overall sector to provide a relative weighting for the sub-sector. If there are more than three sub-sectors in any of the three sectors then a sub-sector cap of 10% applies
- individual stocks are weighted equally within each sub-sector with a maximum weighting of 2.5% for any company.

The Global Environmental Enterprises Fund is provided by Legal & General (Unit Trust Managers) Limited.

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