



Skandia

Regular Savings Plan
Managed Savings Account

From Royal Skandia
(for training purposes only)



MSA at a Glance

- Straight forward charging structure
- No initial period
- Extra allocation
- Maturity bonus
- Access to capital
- Free switching
- Flexibility

Minimum regular contribution

- **Minimum regular premium**

- | Frequency | GBP | Euro | USD | HKD |
|-------------|-------|-------|-------|--------|
| Monthly | 150 | 225 | 225 | 1,800 |
| Quarterly | 450 | 675 | 675 | 5,400 |
| Half-Yearly | 900 | 1,350 | 1,350 | 10,800 |
| Yearly | 1,500 | 2,250 | 2,250 | 18,000 |

- **Minimum single premium / lump sum**

GBP	Euro	USD	HKD
1,000	1,500	1,500	12,000

Eligibility

- Aged 18 to 65
- Plan term : 5 to 47 (subject to maximum age of 65 at maturity)
- Single life / Joint Life / Multiple Life (up to 5 lives)
- 101% death benefit

Bonuses

- Extra Allocation
 - 105% allocation for first 12 months
- Loyalty Bonus
 - At maturity, on current NAV
 - $0.2\% \times \text{plan term}$, maximum 5%

Charges

- Bid / Offer Spread 7%
- Annual Management Charge 1% per annum (reflected in fund prices)
- Monthly Maintenance Charge U\$8.3 / H\$66.6
- Contribution Servicing Charge
- Early Encashment Charge before maturity

Contribution Servicing Charge

- Applied if a contribution is partially or completely missed, eg. paid up, premium holiday or premium reduction in any account year.
- A contribution servicing charge of 0.67% per month of the missed regular contributions will be payable over the following account year, payable monthly by cancelling units.
- Example :
 - USD300 contribution missed in Year 2; then
 - Contribution Servicing Charge = U\$2 (U\$300 x 0.67%) p.m. over Year 3;
 - ie. USD24 in total for 12 months.

\$ in 1,000

120

120

120

120

120

120

120

120

120

120

1

2

3

4

5

6

7

8

9

10

Year

7% Bid / Offer
Spread

\$ in 1,000

120

120

120

120

120

120

120

120

120

120

1

2

3

4

5

6

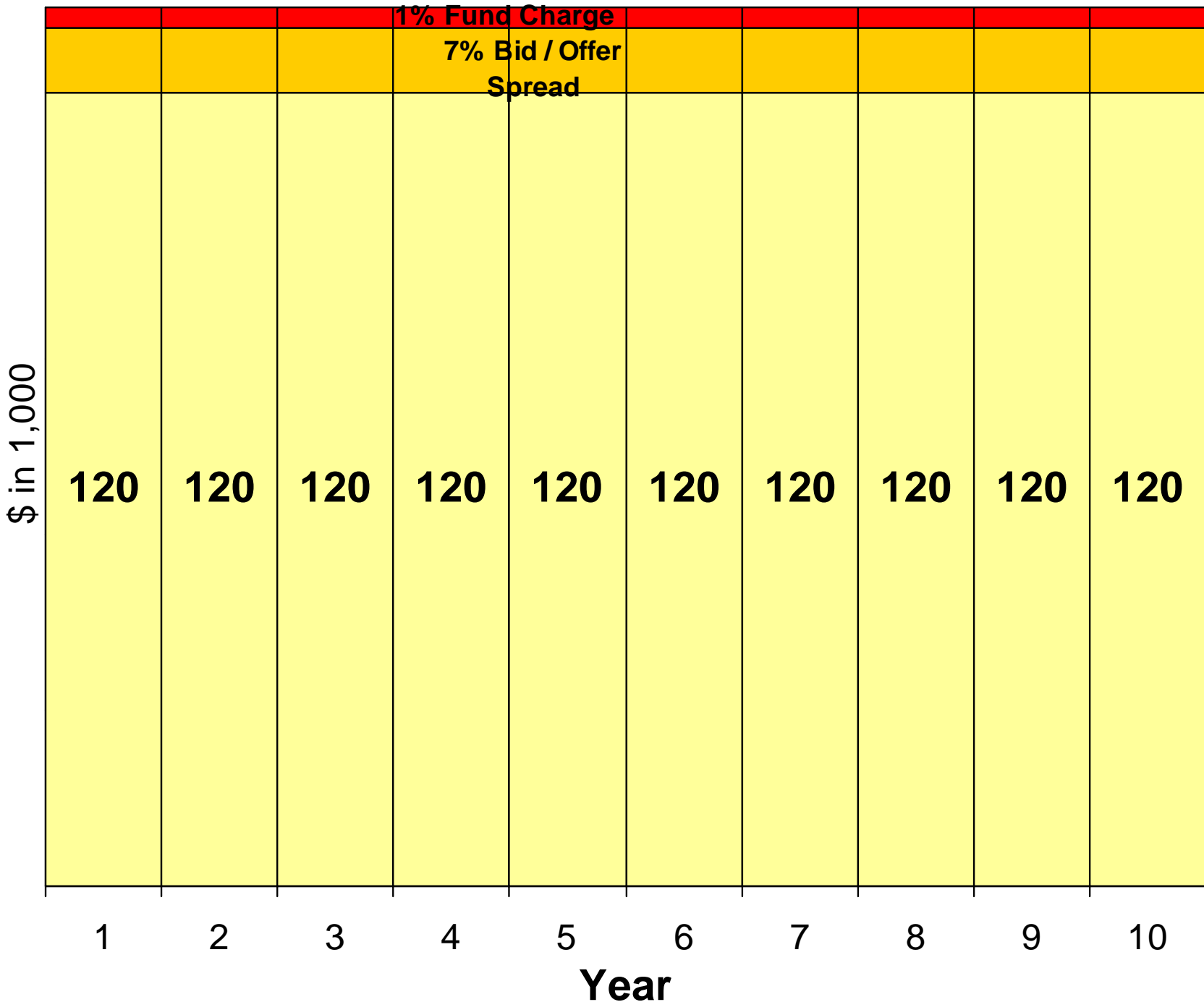
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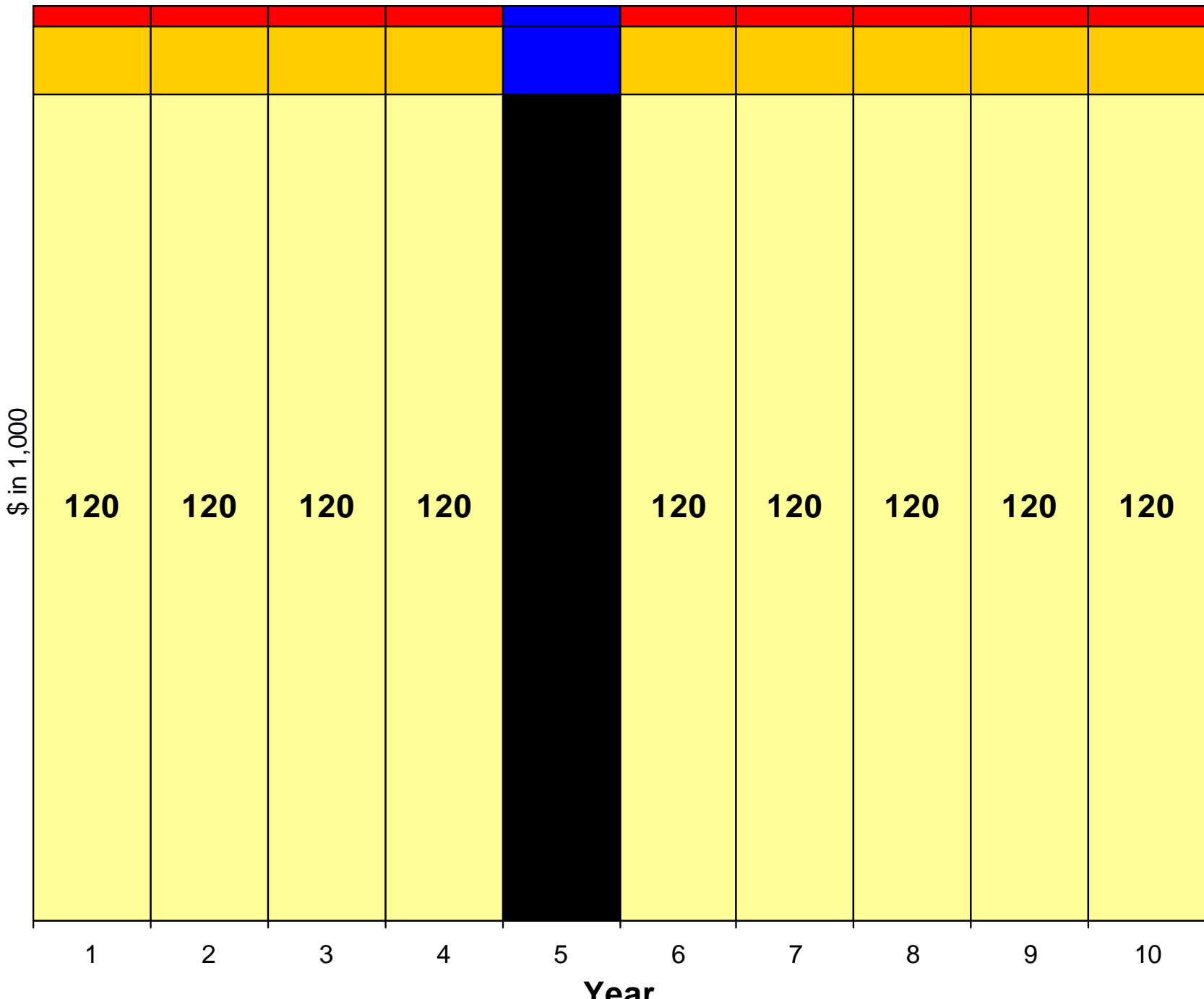
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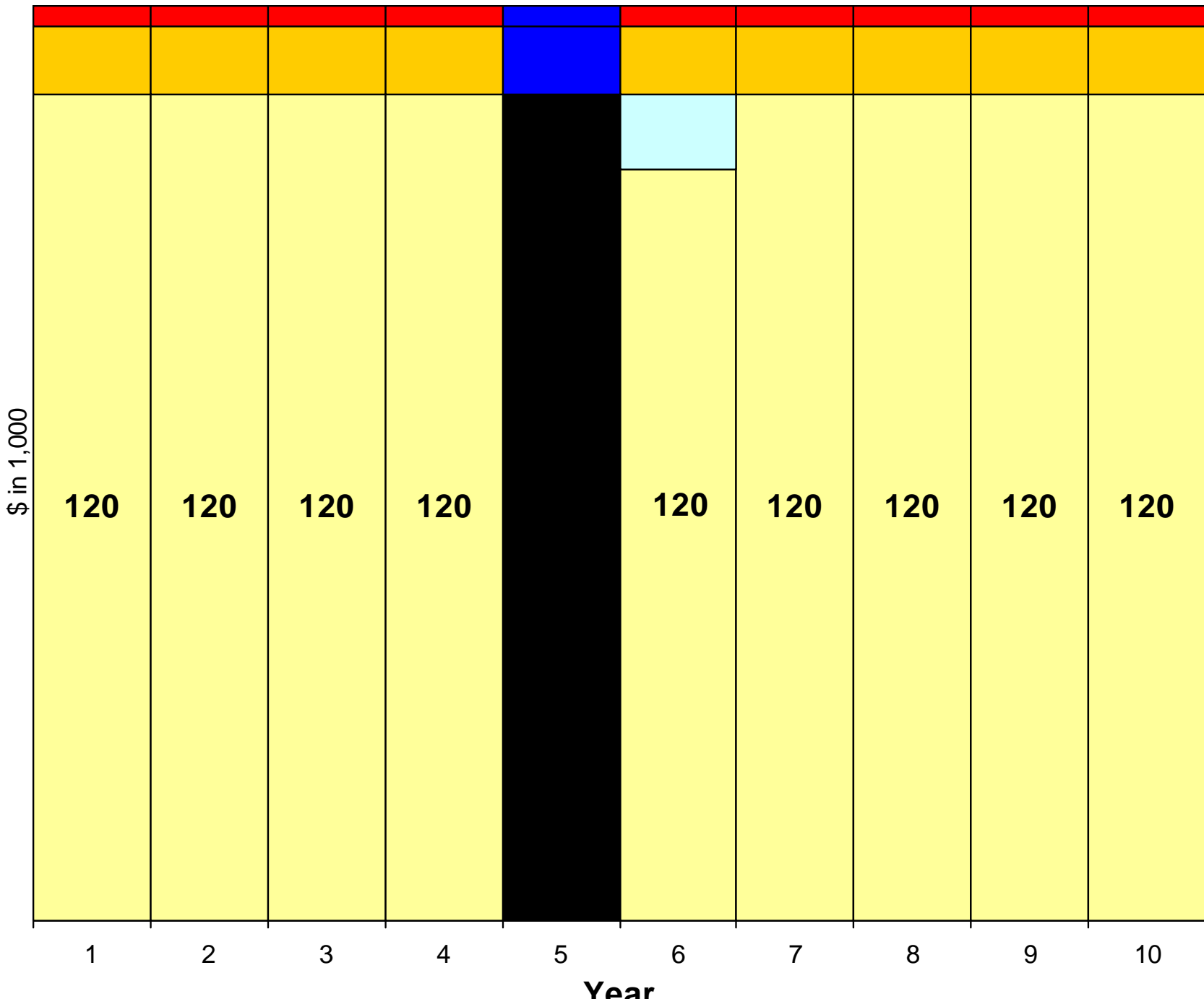
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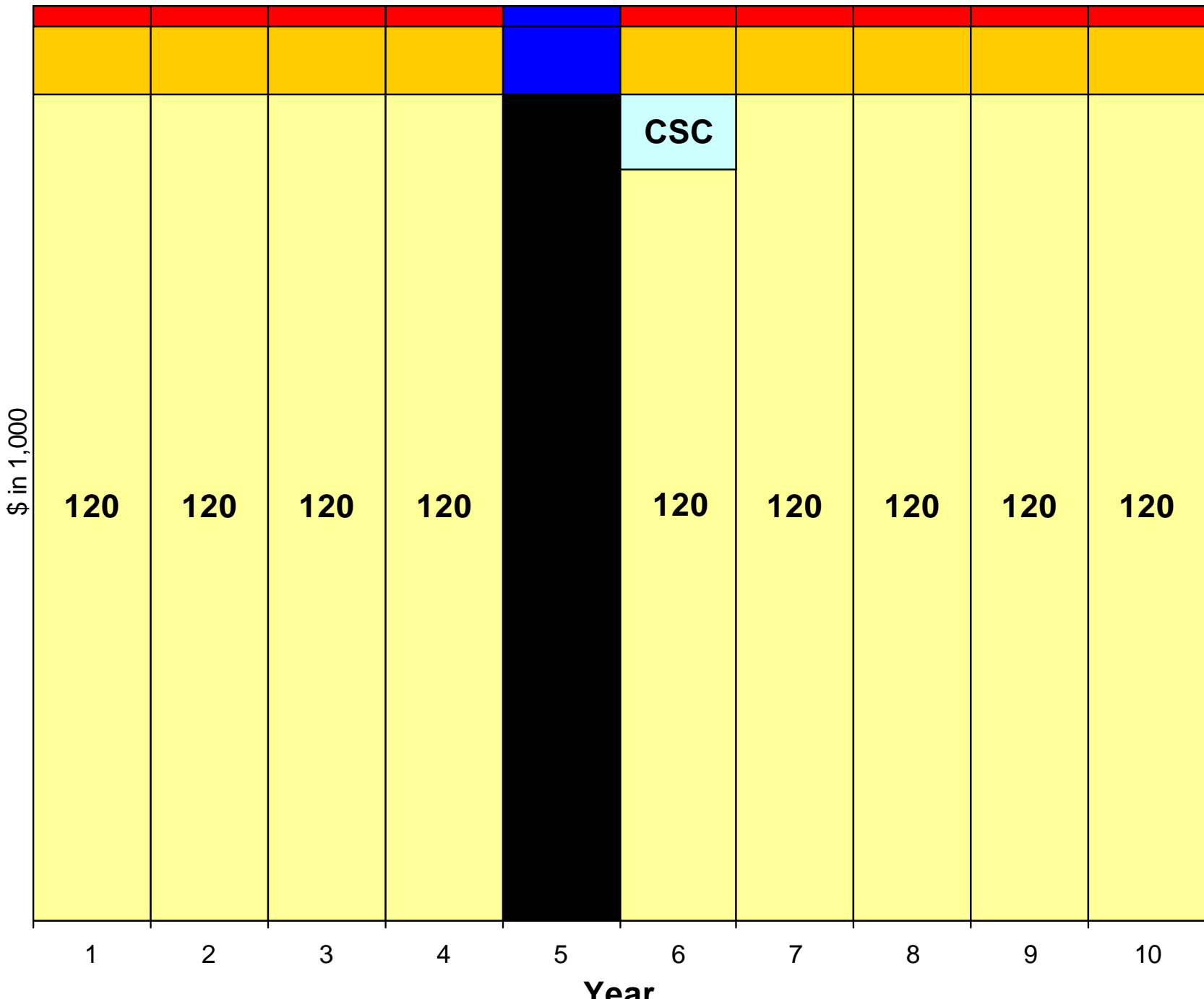
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Year









Preliminary Period

- Preliminary Period = N month of N year term
 - Example : 10 year plan, preliminary period is 10 months. Maximum is 24 months
- Within Preliminary Period, there is no encashment value
- No units are locked

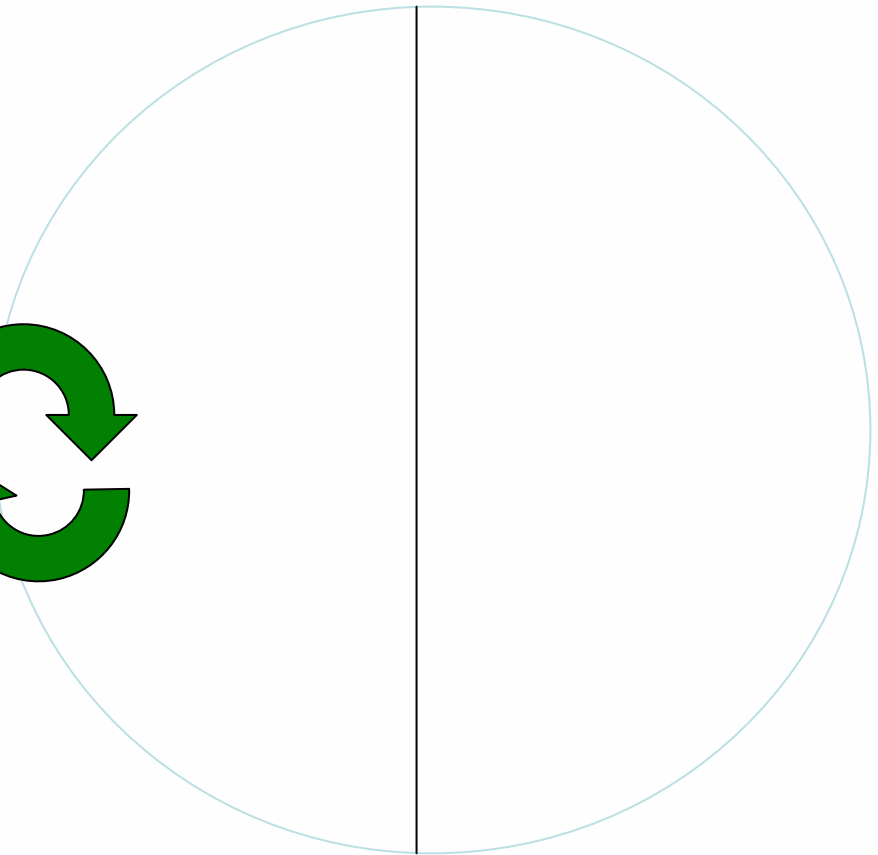
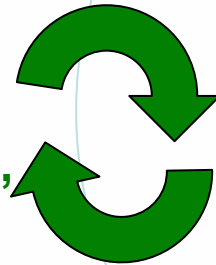
Access to Capital

- Minimum partial withdrawal U\$750
- Penalty free allowance of 1% each year on NAV, can be accumulated
- Interest free loan facility – Fixed Account
 - minimum withdrawal U\$7,500 or HK\$60,000
 - maximum 50% of NAV or 90% of Surrender Value
 - Extra monthly fee U\$8.3 until loan is fully repaid
- Saving money when repaid as it is not treated as top up

Fixed Account (Loan)

- Allow Client to take out money upto 50% of portfolio's market value
- Interest Free
- **RECYCLING \$**
The loaned money, when put back, will not be treated as top-up.
- Monthly Fee of HK\$60 per month

The portfolio



Flexibility

- Unlimited switching
 - bid to bid
- Maximum 10 fund choice, minimum 1%
- Optional waiver of contribution
- Lump sum contribution not subject to Early Surrender Penalty
- No Initial Contribution Period

Extra flexibility or simply extra charges

Sample Capital Unit Plan		Managed Pension Account Managed Savings Account	
Initial Unit Charge (5%)		Contribution Servicing Charge	
Stop contributions after 5 or 10 years		Stop contributions after: 5 Years	10 Years
1	131	0	0
2	358	0	0
3	425	0	0
4	472	0	0
5	524	0	0
6	580	0	0
7	641	480	0
8	708	480	0
9	780	480	0
10	859	480	0
11	944	480	0
12	1037	480	480
13	1138	480	480
14	1247	480	480
15	1366	480	480
TOTAL	£11,208	£4,324	£1,920

The table assumes a 15 year term with contributions fully ceasing after 5 years and 10 years. It also assumes the Accounts remain invested until maturity. It is based on a growth rate of 9%, and includes all charges except external fund management charges. The Amounts show an Account based on £500pm. It assumes no partial encashment during the Term, and all figures are rounded down to the nearest whole £

Special Offer Extended to Q3 2008

- Monthly premium HK\$6,000 or up
- Year term 10-15 years
- 107% allocation through out the Whole term

Reduction in Yield (RIY) on MSA Special offer

	RIY in 15 years (value)	RIY in 10 years (value)
£1,000 per month	0.86% (£343,765)	0.91% (£182,125)
£500 per month	0.93% (£170,931)	1.02% (£90,559)

Target Clients

- Price sensitive clients
- Education planning
- SME owners

MSA - summary

- Straight forward charging structure
- No initial period
- Extra bonus
- Maturity bonus
- Access to capital
- Free switching
- Flexibility

The Skandia logo is rendered in a bold, blue, sans-serif typeface. It is positioned in the upper left quadrant of the slide, set against a white background. A dark blue, wavy banner is located at the top of the slide, partially overlapping the top of the logo.

Skandia

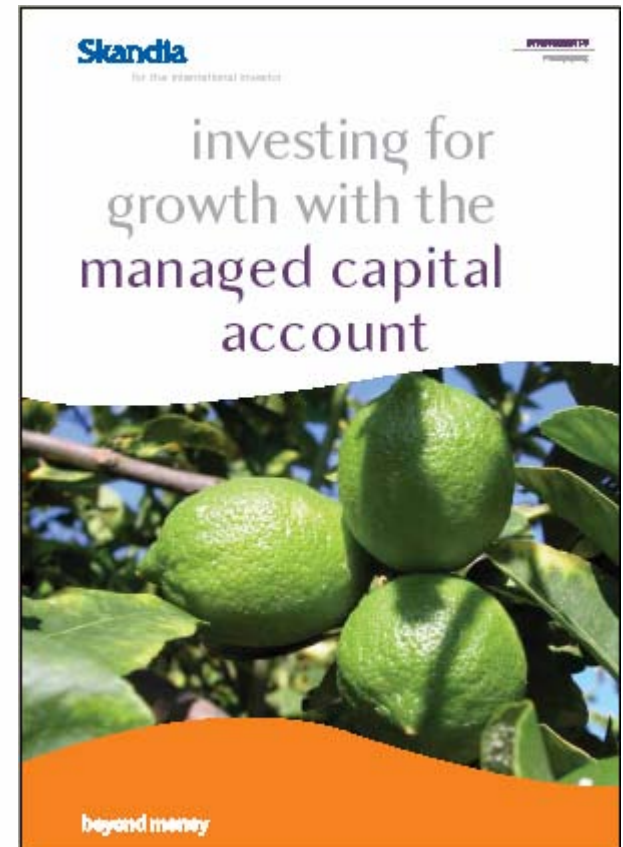
Investing for growth with the
Managed Capital Account

From Royal Skandia

A large, dark grey, wavy shape is located at the bottom of the slide, extending across the width of the page. It has a soft, organic edge and serves as a decorative element.

MCA – at a glance

- Tax efficient – offshore flexible investing
- Medium to long term investments – no fixed term
- Flexible payments options – lump sums and regular
- Easy access to capital
- Wide investment choice through Royal Skandia fund range
- Small amount of life cover included



Investor Profile

- Clients on short-term employment contracts
- High earners - but this may change
- Bonuses to invest
- Don't want to be tied to fixed term savings contract
- Want flexibility to leave investment longer term to grow

Flexible payment options

- Lump sums
 - From £10,000/US\$15,000/€15,000/HK\$120,000
 - £1,000/US\$1,500/€1,500/HK\$12,000 for top-ups
- Regular payments
 - £300/US\$450/€450/HK\$3,600 a month
 - £900/US\$1,350/€1,350/HK\$10,800 a quarter
- No fixed savings term

Flexible payment options

- Contributions can be increased at any time
- Contributions can be reduced*, missed or stopped free of charge

* *Subject to minimum contribution*

Competitive charges

- 100% allocation
- No bid-offer spread
- Establishment Charge – 1.6% per annum for five years following date of payment of cost contribution
- Annual Management Charge – 1% of the value of the selected fund(s)
- No Maintenance Charge*
- Early Encashment Charge – equal to the remaining establishment charge

** £5 pm if the higher of premium paid or fund in that month is below £10,000*

Access to capital

- Penalty-free allowance:
 - Up to 10% of total premiums paid each year without charge
 - Unused allowance can be carried forward
 - Applies during the five year encashment charge period
- Regular income facility:
 - For account set up with lump sum premiums
 - Available monthly, quarterly, half-yearly and yearly
 - Minimum withdrawal - £50 (US\$75/€75)

Access to capital

- Account Loan
 - Interest free loan
 - Up to 50% of bid value of Account units

MCA - Summary

- Medium to long-term tax efficient investment
- Flexible payment options
- Competitive charges
- Easy access to capital
- MultiManager investment – increased investment opportunities
- Phased Fund Choice services available free of charge
- Royal Skandia - benefit from the strength and reputation of a world leader

Investing the MultiManager way

- Access to Royal Skandia fund range – exposure to a breadth of markets, managers and asset types
- Two processes:
 - Skandia Investment Management - ‘managing the managers’
 - Self Select – select funds and fund managers yourself
- Unlimited free switching

MultiManager

'the use of external fund managers'

Skandia Investment Management

- Manage the managers
- Select, monitor and de-select managers
- Blend skills within sectors

Managed Investment Solutions

Adviser delegates asset allocation to Skandia

Asset Allocator Funds

Adviser selects asset allocation from a range of sector solutions

Self Select

- Skandia provides access to a wide range of fund managers and their funds
- You and your client are responsible for choice
- Comprehensive choice across asset types, geographic sectors, and leading fund managers

Skandia Investment Management

- Managed Investment Solutions
 - Managed Growth Solutions - Cautious, Balanced, Aggressive and Diversified funds
 - Managed Income Solutions
- Asset Allocator Solutions
 - Five equity funds - UK, US, Europe, Japan and Far East
 - Two fixed interest funds – UK and Global

Self Select

Access to world class fund managers

- ABN Amro
- Aberdeen
- Artemis
- Close
- Baring
- DWS
- Fidelity
- First State
- Foreign & Colonial
- Framlington
- Franklin Templeton
- Gartmore
- HSBC
- Henderson
- INVESCO PERPETUAL
- Investec
- Jupiter
- JP Morgan
- Lazard
- Liontrust
- Mellon
- Merrill Lynch
- Morley
- M&G
- New Star
- Newton
- Pioneer
- Sarasin
- Schroders
- SocGen
- Threadneedle

Skandia

Introducing Skandia

2007



Skandia

Skandia UK Group



Skandia UK Group

- Established in 1979
- Challenged the market
 - innovative product design
 - commitment to improving service
 - pioneers with investment using MultiManager



Skandia House, Southampton

Skandia UK Group

- Intermediary distribution
- UK's largest fund supermarket
- Assets under management £29.4 billion* (US\$ 54.1 billion)**
- APE £207.1 million*** (US\$380.3 million)
- UK Life and Pensions market
 - financial adviser market share 6.4%#
- Over 2,000 people

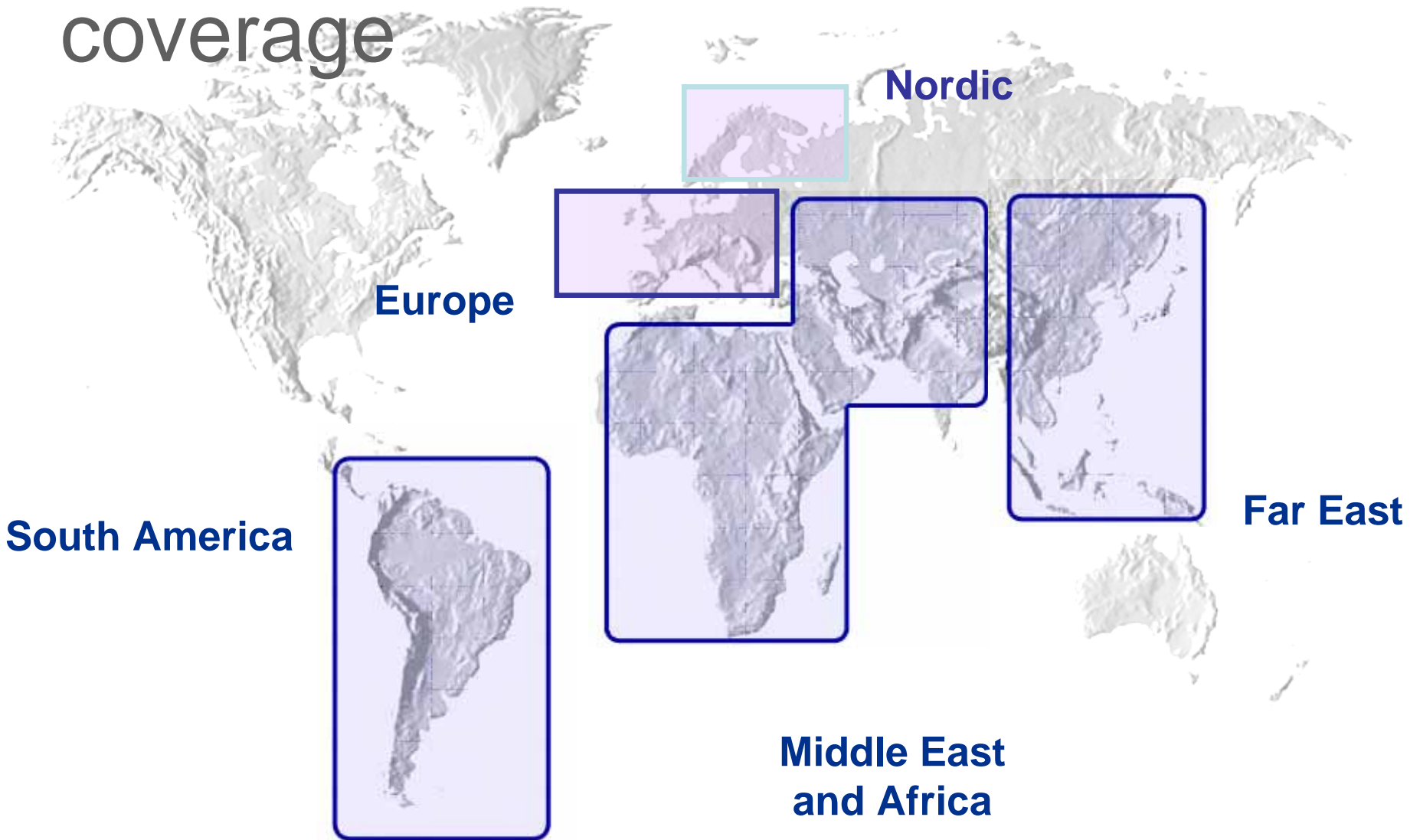
APE = Annual Premium Equivalent (a standard measure of life company new business equal to one tenth single premiums plus annualised new regular premiums)

*30 June 2006 **uses UK definition of billion ***30 June 2006 #30 June 2006.

Source: ABI, IMA and AILO

Skandia

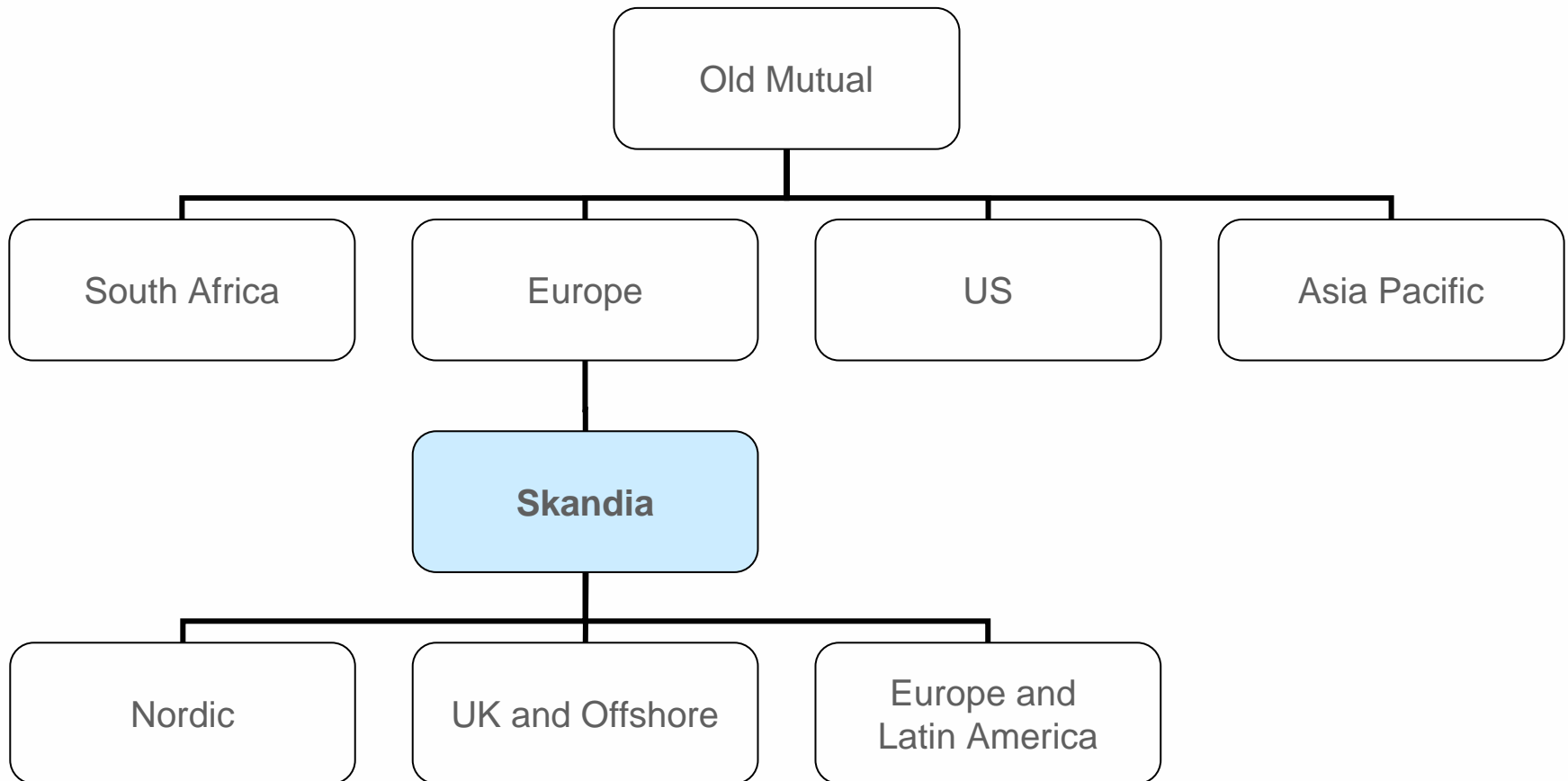
Royal Skandia worldwide coverage



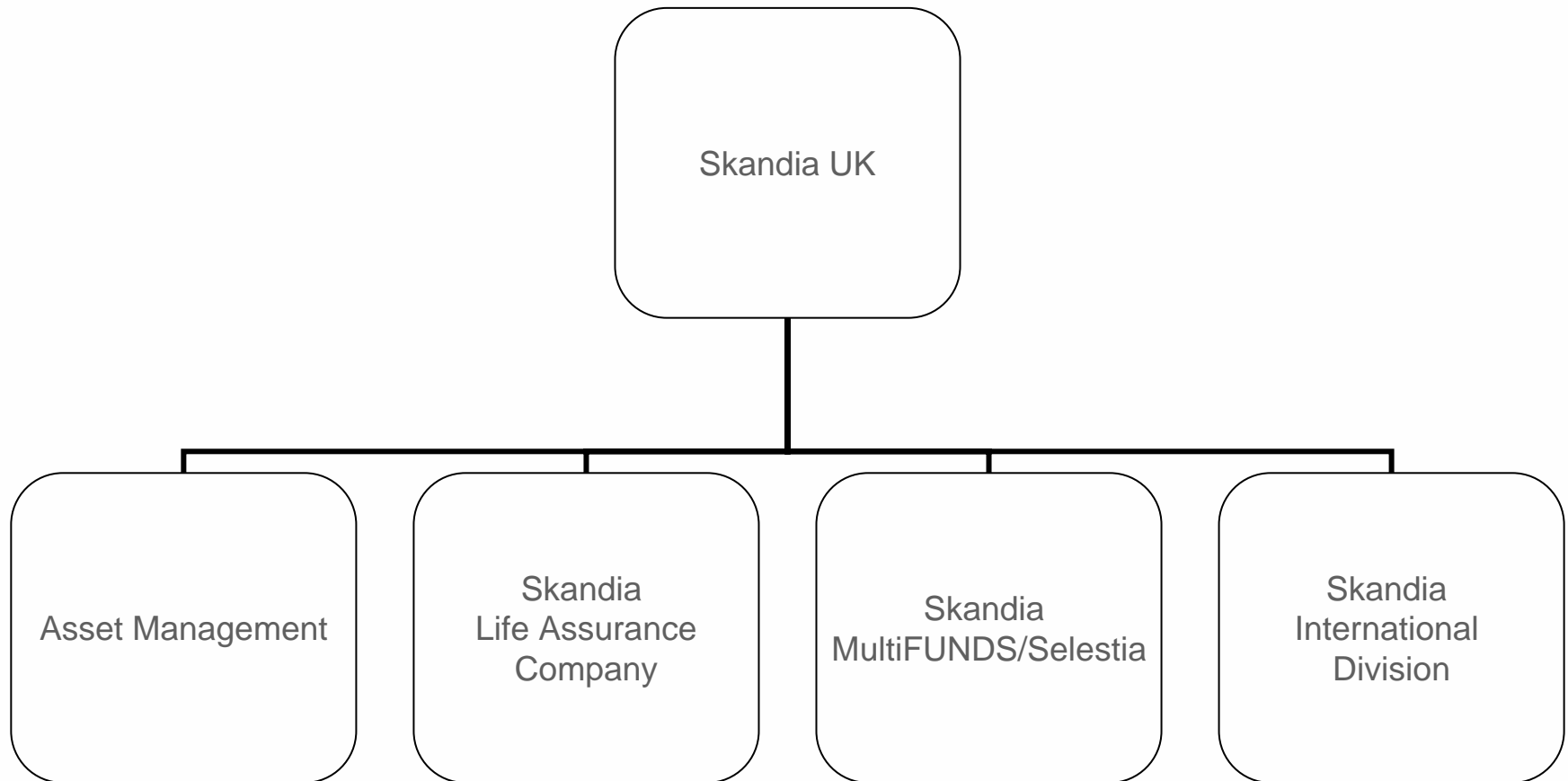
Skandia a part of Old Mutual Group

- Skandia is a part of Europe's seventh largest life assurer - Old Mutual:
 - founded in 1845
 - has market capitalisation approaching £9 billion
 - 38th largest company in the FTSE 100[®]
 - Fortune Global 400 company
 - has £239 billion assets under management*
 - 53,000 employees worldwide
 - Listed in London, Johannesburg and Stockholm

Skandia corporate structure



UK and Offshore



Royal Skandia

- Based on the Isle of Man
- Voted 'Best Offshore Centre' from 1997 to 2006* and 'Best International Financial Services Centre' from 2001 to 2006**
- Combining tax efficiency and security
- First class investment choice
- Flexible solutions

*International MoneyMarketing Awards 1997-2006

**International Investment Awards 2001-2006

Far East

- Hong Kong Regional Office with 20-30 people
- Regional Head of Sales - David MacDonald
- Mark Christal, Regional Operations Manager
- Sales contacts:
 - Aster Hung, Area Manager

Industry commitment

- Royal Skandia is represented on the following:
 - MIA (Manx Insurance Authority) regulatory sub-committee
 - MIA Executive Committee
 - AILO (Association of International Life Offices) regulatory sub-committee and marketing sub-committee
 - Institute of Financial Planners of Hong Kong
 - Committee on Investment Linked Assurance and Pooled Retirement Funds of the Hong Kong Securities & Futures Commission
 - Product Taxation Panel of the Association of British Insurers
 - Tax Committee of the Association of International Life Offices
 - Insurance Institute of London Research Study Group
 - Society of Trust and Estate Practitioners

Latest Royal Skandia awards

- **International Investment – Offshore Fund & Product Awards 2006**
 - Best International Life Group
 - Best International Life Product Range
 - Best International Life Product
 - Best Commitment to Service – highly commended

Latest Royal Skandia awards

- **International Financial Awards for Excellence 2006**
 - Best Single Premium Investment Product Provider

Latest Royal Skandia awards

- **Portfolio International Life Awards 2005**
 - Best Single Premium (Not Guaranteed)
International -
Collective and Executive Investment Bonds
 - Best Online Service

Latest Royal Skandia awards

- **International Money Marketing Awards 2004**
 - Leading Offshore Insurance Company
 - Best Customer Service
 - Best provider of marketing material and literature
 - Best Offshore Provider of Managed Bonds
 - Best Offshore Provider of Portfolio Bonds
 - Best Offshore Savings Provider

www.royalskandia.com

- Company and product information
- Daily fund prices
- Weekly performance figures
- Monthly fund factsheets
- Top ten fund holdings
- Link to Insite

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Skandia

Offshore Investments Funds About us

Monday 9 May 2005: 16:10:03

Welcome to Royal Skandia

Royal Skandia is a leading provider of offshore savings products and offers a range of innovative and market-leading investment solutions to investors around the globe.


At the core of all our solutions is a passion for providing the opportunities for you to build a strong financial base, and a commitment that goes beyond money to help you towards your goals.

This web site gives just a broad overview of our products – for more information, and advice on the suitability of a solution, please contact your professional financial adviser.

The content on this site is not directed at and should not be relied on by Hong Kong residents.

Royal Skandia Life Assurance Limited (an incorporated company limited by shares) Registered Number: 24916 Registered and Head Office: Skandia House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Authorised by the Isle of Man Government Insurance & Pensions Authority. Authorised and regulated by the Financial Services Authority for business conducted in the UK. Some of the FSA's rules do not apply to non-UK based insurers. FSA register number 142309. www.fsa.gov.uk/register/. Information on this site about Royal Skandia is not intended for Hong Kong residents. Royal Skandia does not offer investment advice and information on this site.

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Glossary
Extranet for financial advisers



Royal Skandia
Managed Investment Solutions

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Local intranet

Royal Skandia summary

- Flexible products
- Strong market share
- Diverse and comprehensive regional coverage
- Commitment to service
- MultiManager expertise

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Skandia cannot accept responsibility for any losses arising from actions taken as a result of the information contained in this presentation.

Further details of Skandia products can be obtained from the appropriate product guides which are available from your financial adviser or any Skandia office.

Skandia Life Assurance Company Limited (an incorporated company limited by shares) Skandia MultiFUNDS Limited Skandia Investment Management Limited

Registered numbers: 1363932, 1680071, 4227837 England

Registered Office: Skandia House, Portland Terrace, Southampton, SO14 7EJ, United Kingdom

All companies authorised and regulated by the Financial Services Authority

FSA Register numbers: 110462, 165359, 208543

Royal Skandia Life Assurance Limited (an incorporated company limited by shares) Registered number: 24916

Registered and Head Office: Skandia House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles

Phone: +44 (0) 1624 655 555 Fax: +44 (0) 1624 611 715

Authorised by the Isle of Man Government Insurance and Pensions Authority

Authorised and regulated by the Financial Services Authority for business conducted in the UK.

Some of the FSA's rules do not apply to non-UK based insurers. FSA Register number: 142309

Skandia Life Ireland Limited Registered No: 309649 Ireland Registered Office: Arthur Cox Building, Earlsfort Terrace,

Dublin 2, Ireland

Correspondence address: Skandia Ireland, Regus House - 4th Floor, Harcourt Road, Dublin 2, Ireland.

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