

investing in the managed savings account



managed savings account - peace of mind for the future

At Royal Skandia, we want all our customers to enjoy financial security and the peace of mind it brings.

The Managed Savings Account is designed with this in mind, allowing you the flexibility to plan ahead and help maximise your investment returns.

Whatever your reason for saving - whether for your children's future, or to buy a house, the Managed Savings Account can help you achieve and potentially exceed your investment goals.

It gives you access to an extensive range of international, sector and specialist funds with a wide choice of investment objectives and risk-reward profiles. And as your financial goals change, so too can your choice of funds, simply and quickly.

Your contributions can be from just £100/US\$150/€150 per month and you can add lump sums at any time.

You can also choose to automatically increase your contributions by 5% or 10% each year.



boost your savings from start to finish

When you start your Managed Savings Account we will enhance your account by giving you an extra 5% allocation of contributions free with each premium due and paid during the first year. That means that for every US\$100 you pay we will invest US\$105 for you.

Also, to help your investment grow, we will ensure you receive an extra 5% allocation of contributions for one year with every payment increase you make.

rewarding loyalty

Not only do we give your Account a great start, we also boost it further at maturity with a bonus of up to 5%,

depending on your savings term. (Please refer to the Account Terms for further information.)



product excellence from the Managed Savings Account

- Available to investors aged between 18 and 65 inclusive
- Extra allocation of 5% of contributions for the first 12 months
- Loyalty bonus of up to 5% of account value at the end of savings term
- Option to increase contributions at any time
- Flexibility to pay additional lump sum contributions at any time
- Access to your capital
- Option to stop payments for a time
- Maintain the purchasing power of your account with an automatic increase to premiums option
- Choice of contribution payment methods
- Life cover of 101% of allocated units
- Protection benefits available

Please refer to the Account terms for further information

investment excellence from the Managed Savings Account

- Access to Skandia's successful MultiManager investment approach
- Fund range managed by world-renowned fund companies
- Unlimited switching between funds
- Discounted initial charges on underlying funds - in many cases to nil
- Ability to drip feed lump sums into selected funds through a Phased Investment Facility to reduce risk
- Option to automatically rebalance fund mix of your account to reduce risk

minimum contributions

Frequency	To start your account			Future increase		
	£	US\$	€	£	US\$	€
Regular						
Monthly	100	150	150	10	15	15
Quarterly	300	450	450	30	45	45
Half-yearly	600	900	900	60	90	90
Yearly	1000	1500	1500	100	150	150
Lump sum contributions	1000	1500	1500	1000	1500	1500

maximising your investment returns

Following our successful MultiManager approach to investment, you can benefit from the expertise of some of the world's finest fund managers.

The buying power of the Skandia Group also allows us to negotiate substantial initial discounts with fund management companies for investments into our range of funds and, as a result, more of your money is invested at outset.

The Managed Savings Account provides you with access to a fund portfolio capable of offering exposure to a breadth of markets, managers and asset types.

Fund managers need to be selected and monitored to ensure they remain at the top of their game - and replaced when they do not.

If your clients would like us to take this task on for you, we offer the specialist services of 'managing the managers' using the skills we have built up in conjunction with our sister company, Skandia Investment Management.

Alternatively if you would prefer to select funds and fund managers yourself then we have our Self Select option, with a comprehensive choice across asset types and geographical sectors, from leading fund managers.

investment flexibility

If you wish to change your investment approach at any time, you have the flexibility to change your choice of funds, currently free of charge.

This ensures that you are not 'locked' into the fortunes of a fund or fund management group in the future.

access your capital

You can withdraw money from your Managed Savings Account in two ways.

- You can access your capital after a qualifying period (specified in the terms).

- You automatically have a free allowance each year (1% of your account value). The allowance has been designed to build up over time - an excellent solution for withdrawing money towards, for example, paying education fees.

- You can also access your capital during your savings term with our Fixed Account. You can normally take 50% of the fund value without encashment charges providing your account is maintained until the end of your savings term. An extra monthly fee of £5 (US\$7.50/€7.50) is applied for this service.

For further information on these features, please refer to the Account Terms.

Please note: the free allowance does not apply to lump sum contributions.

truly tax efficient

We like to make sure you keep as much of the money from your investment as possible and structure our products to maximise potential tax advantages for you.

As Royal Skandia is located in the tax-efficient offshore centre of the Isle of Man, your investment will grow virtually tax free.

Royal Skandia is not liable to income tax, capital gains tax or corporation tax on its accountholders' funds. Some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your Account they can accumulate free of tax. Thanks to this, your investment within the Managed Savings Account will grow more efficiently.

The personal tax consequences of investing in the Account will depend on many factors. You may have a personal tax liability in respect of the proceeds of the Account. This will largely depend on your country of residence. It is therefore important that professional guidance is sought before proceeding with any investments.



your account charges

The table below sets out the charges that may apply to your Managed Savings Account

Charges	When does the charge apply?	What is the charge based on?	How often is the charge applied?	What is the charge?
Bid/Offer Spread	Whenever you invest a contribution to buy units in a fund	The value of your contribution	Once per contribution	7%
Annual Management Charge	Account date	Fund value	Daily (1%/365)	1% PA
Maintenance Charge	Account date	Specified monetary fee	Monthly	£5 (US\$7.50 or €7.50) ¹
Underlying Fund Management Charge	Only if the fund selected has an external management charge	Fund value	Daily (0-2%/365)	0% - 2% PA ²
Early Encashment Charge	Only if a partial or full surrender is made from the Account ³	Only to the amount of the encashment less any Penalty Free Allowance	Once per encashment	Variable, dependant on term and contribution ⁴
Contribution Servicing Charge	Only if contributions are missed or reduced for more than three months at the Account anniversary	Monetary amount of the missed or reduced contributions less any Allowance	Monthly, starting in the following Account year ⁵	0.67% per month
Policy Valuation Charge	n/a	n/a	n/a	0%

¹ The maintenance charge goes up to £10 (US\$15 or €15) when a Fixed Account is in force.

² If applicable, the underlying Fund Management Charge is in general between 0% and 2% of fund value.

³ Early Encashment Charges do not apply to lump sum contributions.

⁴ Details of Early Encashment Charges are in the Account Terms and Conditions.

⁵ The charge is applied monthly, starting in the Account year following the year in which contributions were missed or reduced for more than three months at the Account Anniversary.

protection against the unexpected

The Managed Savings Account offers valuable life cover of 101% of fund value free of charge.

You can build in additional life cover - an important benefit to help with any changes to your personal circumstances over the Account Term. Your professional financial adviser will help you choose the most appropriate level of cover to suit your needs.

You can also select waiver of contribution cover to help avoid any extra financial strain if you become ill or have an accident.

choose the managed savings account - the right regular savings plan for you

With the Managed Savings Account you have all the flexibility you need to provide for you and your family's future needs.

Through Royal Skandia you can place your money under the management of some of the world's finest fund management companies, giving you the opportunity to realise your goals in life.

Your Managed Savings Account is also portable. If you move, your account can move with you so that you can continue paying into it.

stability and security

The Managed Savings Account is designed to give your savings every opportunity for growth with security.

Royal Skandia's presence in the Isle of Man means you can be confident that your interests will be protected. The Isle of Man is an established offshore investment centre offering a politically and economically stable environment.

Of all the offshore centres - including Guernsey, Jersey, and Luxembourg, only the Isle of Man has a statutory compensation scheme for offshore life assurance companies. This means that investors benefit from unique protection.

The Island's system operates globally, covering investors no matter where they reside.

From 1997 through to 2004 the Isle of Man has been voted 'Best Offshore Centre' at the International Money Marketing Awards, showing that it is an excellent place for your money. It was also voted 'Best International Financial Services Centre' at the International Investment Awards.

unique policyholder protection - the facts:

- Investors in policies issued by Isle of Man authorised life assurance companies are protected worldwide
- In the unlikely event that a company is unable to meet its liabilities, the policyholder will be protected by this compensation scheme
- The compensation scheme offers investors up to 90% of the value of their policies. There is no upper monetary limit

benefit from the strength and reputation of a world leader

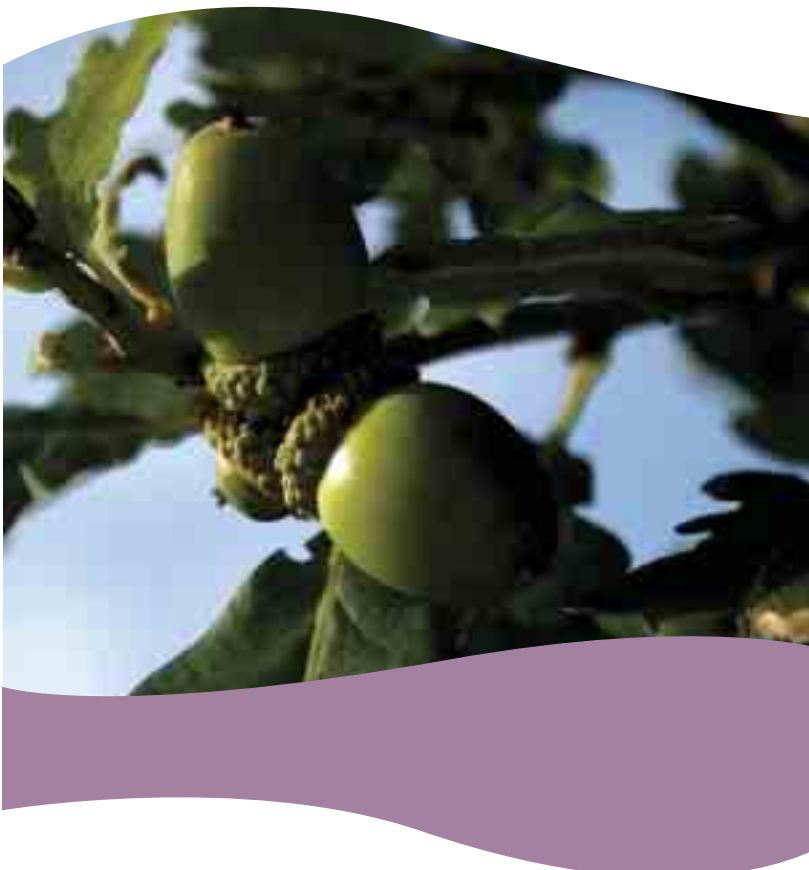
Royal Skandia is part of the Skandia UK Group; a dynamic life assurance, pensions and investment group with extensive experience in international financial services.

Our parent company, Skandia Insurance Company Limited based in Sweden, is a world leader.

Established in 1855, it is one of Europe's oldest and largest financial services companies, with operations in over 20 countries.

You can be confident that you are investing with a company that understands the needs of international investors. At Skandia we also continue to set new, higher standards to deliver ever-improving products and a wider investment choice.

Investors should be aware that the value of unit-linked contracts is not guaranteed as the prices of units may fall as well as rise. The value of funds that hold assets designated in a different currency to the fund may rise and fall purely as a result of exchange rate fluctuations.



Royal Skandia

PO Box 159
Skandia House
King Edward Road
Onchan
Isle of Man
IM99 1NU

T +44 (0) 1624 655 555

F +44 (0) 1624 611 715

www.royalskandia.com



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In order to avoid misunderstandings Royal Skandia may record telephone conversations.

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
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