

you,
your adviser
and **skandia**



enabling intelligent investment choice

When you buy a financial product from or make an investment with Skandia there are three parties involved – you, your adviser, and Skandia. Each has their individual roles and responsibilities to fulfil, both when you buy the product, and into the future.

you

The way you approach the purchase of a financial product or service is vitally important; this is your money, after all, and it's important that you understand the commitment you are making. Please give your adviser as much information as you can, so that they have the best chance of finding the right solution for you. Your adviser needs to fully understand your financial situation and your financial goals.

When your adviser finds that solution, it is your responsibility to read and take in all the information provided. If there's anything you do not understand, please ask your adviser to explain – it's what they are there for.

DO check the adviser and provider are both authorised.

DON'T be embarrassed to ask questions.

DON'T sign anything until you are confident you fully understand it.

DO ask your adviser to review your investments whenever your circumstances change.

We give advisers the information they need to help them make your choices clear and well informed.

*your role is to share information,
ask questions and understand
the commitment you are making*



*their role is to offer you advice,
based on their close understanding of
what is suitable for your needs*

your adviser

Your adviser will help you assess your financial goals. It's their responsibility to gather information about you to find out your needs and circumstances. They can then use this information to recommend how you can plan your finances in a way that will help you meet your goals. They will explain the features and benefits of any products or investments involved, making sure you fully understand any risks.

When advisers suggest investment strategies and portfolios for you, they have a duty of care to explain why they feel that advice is appropriate to your needs. The adviser must only recommend a solution that is suitable for you. Your adviser is there to answer your questions about the products they recommend and anything in the literature you do not understand. They will then agree with you when they will review the performance of your investments and recommend any changes to give you the best chance of meeting your financial goals.

Some advisers give advice on a wide range of product types whereas others will specialise in particular products, such as investments, mortgages or insurance. Some advisers are authorised to offer advice on the whole of the market, some from a limited number of product providers and some are limited to advising on products from a single provider or group of product providers.

If advisers want to describe their services as 'independent' they must meet two requirements: they must make recommendations to their clients based on products available from the whole market; and they must offer their clients the opportunity to pay by fee for their advice rather than taking commission from the provider of the product recommended.

Your adviser must tell you the range of advice they are authorised to give. The Initial Disclosure Document explains the adviser's status in this respect. Advisers must be authorised by the Financial Services Authority (FSA). They will have an individual within the firm responsible for compliance oversight, who helps to ensure that they follow the FSA's regulations and meet their obligations to you.

It's possible to buy financial products and services without financial advice, by either buying from an adviser without advice, or buying direct from a provider*. This is called 'execution-only' and in these circumstances it is up to you to decide whether the product is suitable.

Advisers are expert in planning for their clients' long-term financial needs. If you don't seek advice you are choosing to address the full complexity of your financial planning on your own, and you may have less cause for complaint if the product turns out to be unsuitable.

**You cannot buy direct from Skandia*



skandia

Skandia is the provider of the product or service. If the name Skandia is not familiar to you, that's because we don't sell or promote our products directly to customers. We do not give financial advice; our role is to create flexible financial solutions to meet your long-term needs. We believe the role of providing financial advice is best undertaken by a professional financial adviser who is expert in their field. That's why we don't offer our products directly to customers, but only on the recommendation of a financial adviser.

We also provide access to a range of investment funds from external fund managers which underpin all our products and services. This allows you, with the help of your adviser, to choose the types of funds that best suit your financial goals and your attitude to risk exposure. We are, however, not responsible for fund performance, since this is the responsibility of the fund managers involved.

It is Skandia's job to process applications and maintain records, ensuring your privacy. Although your relationship is first and foremost with your adviser, we are there to provide additional help and information once you have become a Skandia customer.

Our online systems provide up-to-the-minute information on our investment products and services, while our customer services team is a phone call away to help answer your queries on a product you hold with us.

While your adviser will typically be your first port of call if you wish to make a complaint, our staff are empowered to help resolve issues and enquiries. Where resolution is not to your satisfaction, we have a structured complaints process.

We are regulated by the Financial Services Authority, a Government appointed body, which means that you are also covered by the Financial Services Compensation Scheme, should we fail to meet our obligations.

We have a responsibility to our regulators to ensure our literature is 'clear, fair and not misleading' – and we place the highest importance on achieving this, providing fair and balanced descriptions of the product or service's terms, nature and risks.

As the provider of the product or service, we deduct our charges and collect and distribute agreed ongoing adviser fees (see next section on charges).

the contract is with us and we are obliged to meet its terms



charges

You need to know what you're paying for and how much you will pay. Your adviser and Skandia are obliged to make this clear to you – this is called 'disclosure'.

Initial charges and ongoing charges may be taken directly as a deduction from your payments (or 'premiums') – or indirectly, as a deduction from the investment growth of the funds you have chosen to invest in. The charges are used to pay:

- Skandia;
- the fund managers who manage the funds your contract is invested in; and
- your financial adviser for the advice they give you.

All three parties need to cover their overheads and make a profit. Every Skandia product or contract has a slightly different charging structure depending on its make-up, and you need to be sure to ask your adviser to explain these thoroughly. There may be initial charges (those taken up front) and ongoing charges.

Charges are detailed in the personalised Key Features Illustration that your adviser will give you before you apply for a product or service.

initial charges

Many Skandia products/services have initial charges, and the amount will vary from product to product, and according to the payment structure you agree with your adviser. Advisers may agree with you to provide services in return for a cash payment from you known as 'fees', or they may take payment for those services by accepting commission payments from Skandia. Charges within the Skandia product/service help to cover the cost of these commission payments. Any commission payments from the product have to be disclosed to you by your adviser. These charges also contribute towards Skandia's costs of setting up your product, our overheads and profit.

ongoing charges

Ongoing charges include any annual charges made by Skandia to manage the product(s) you have bought from us and to cover the costs of paying any agreed commission to your adviser. Unless you have made an agreement with your financial adviser to pay directly for the advice they give you, that commission is paid by Skandia, out of the charges we make to your product.

Fund managers charge for their costs within the pricing of the funds you invest in, either directly or indirectly via an investment linked life policy. These charges and costs vary depending on the nature of the fund and the assets in which they invest. Some funds have relatively low charges; others have higher charges, for example, because they rely on particular investment expertise and extensive research. The total expense ratio (TER) is the best guide to the true cost of any fund management charges. It includes the manager's explicit annual charge plus an amount representing the annual costs incurred by the fund, for example, custodian and audit fees.

Your adviser will indicate any other actual or potential costs when considering particular investments. There may be additional costs for cashing the investment in early, for switching funds, and so on. The ongoing costs of maintaining your long-term savings can be a significant factor in the return you get, so be sure to investigate them fully.

Between us – you, your adviser and Skandia – there will be a suitable solution for your long-term financial needs. The process for achieving this need not be complex and long. The expert guidance of your financial adviser will help you through the process – a process that should help you to meet your goals.

www.skandia.co.uk
www.skandainvestmentmanagement.com
www.royalskandia.com
www.skandia.ie

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Selestia Investment Solutions investment platform gives you access to an ISA and Collective Investment Account provided by Skandia MultiFUNDS Limited, a Collective Retirement Account and Collective Investment Bond provided by Selestia Life & Pensions Limited and an Offshore Collective Investment Bond distributed by Skandia MultiFUNDS Limited for Old Mutual International (Guernsey) Limited.

Skandia fund platform gives you access to MultiISA and MultiFUND provided by Skandia MultiFUNDS Limited and to products provided by Skandia Life Assurance Company Limited.

Skandia Life Assurance Company Limited, Skandia MultiFUNDS Limited, Skandia Investment Management Limited and Selestia Life & Pensions Limited are registered in England & Wales under numbers 1363932, 1680071, 4227837 and 4163431 respectively. Registered Office at Skandia House, Portland Terrace, Southampton SO14 7EJ, United Kingdom.

All companies are authorised and regulated by the Financial Services Authority with FSA register numbers 110462, 165359, 208543 and 207977. VAT number for all above companies is 386 1301 59.

Old Mutual International (Guernsey) Limited is regulated by the Guernsey Financial Services Commission and is licensed to write long-term business under the Insurance Business (Bailiwick of Guernsey) Law 2002. Registered number 2424. Registered Office at Fairbairn House, PO Box 121, Rohais, St Peter Port, Guernsey GY1 3HE, Channel Islands.

Royal Skandia Life Assurance Limited is registered in the Isle of Man under 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 & 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.

'Skandia International' is registered in Ireland as a business name of Skandia Life Ireland Limited.

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