

fund news

fund launches

	Fund Category	Life	Pension	MultISA	MultiPEP	MultiFUND	Royal Skandia
HSBC UK Freestyle	Self Select	21 Aug	21 Aug	21 Aug	21 Aug	21 Aug	21 Aug

funds closed to new business

	Fund Category	Life	Pension	MultISA	MultiPEP	MultiFUND	Royal Skandia
RS GBP Newton Global Managed	Self Select	-	-	-	-	-	11 July
RS GBP Close Property Investment Portfolio	Self Select	-	-	-	-	-	25 July

other events

	Fund Category	Life	Pension	MultISA	MultiPEP	MultiFUND	Royal Skandia
UBS UK Smaller Companies Objective Change (as below)	Self Select	19 Aug	19 Aug	19 Aug	19 Aug	19 Aug	-
UBS US Equity Objective Change (as below)	Self Select	19 Aug	19 Aug	19 Aug	19 Aug	19 Aug	-
HSBC UK Growth Merges into HSBC UK Freestyle	Self Select	21 Aug	21 Aug	21 Aug	21 Aug	21 Aug	21 Aug

UBS UK Smaller Companies*

old objective

To achieve long-term capital growth through active management of a diversified portfolio invested primarily in UK smaller companies equities.

UBS US Equity *

old objective

To achieve long-term capital growth through active management of a diversified portfolio invested primarily in US equities.

*Policy holders will be notified of the changes.

new objective

To achieve long-term capital growth through active management of a diversified portfolio invested primarily in UK smaller companies equities. The fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and near cash and units in collective investment schemes.

new objective

To achieve long-term capital growth through active management of a diversified portfolio invested primarily in US Equities. The fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and near cash and units in collective investment schemes.

the guaranteed pension fund

guaranteed pension fund bonus announcement as at 1 August 2006:

	Monthly Bonus Rates
Bonus rate on contribution units	0.4000%
Bonus rate on bonus units	0%
Additional bonus	0%

Due to the extreme and prolonged decline in stock market conditions from January 2000 to March 2003, the Fund is currently experiencing what we consider to be abnormal or extreme conditions. Although the Fund price remains below £1 per unit, it showed a modest increase during July 2006 and for this month we have allocated a bonus as detailed.

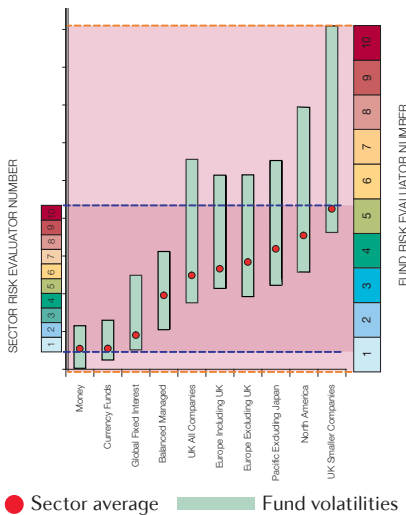
Further information, including historical bonus rates is available on the Skandia website. Investors should be aware that the value of the investment may fall as well as rise, although units in the Guaranteed Pension Fund have their value guaranteed at a pre-selected date. Bonuses are calculated after deducting an annual management charge of 0.99%. A discount may apply if units are redeemed prior to the Selected Guarantee Date.

fund statistics in informer

Fund Risk Number

You are familiar with the Risk Evaluator - telling you the volatility of sectors. The Fund Risk Number takes this idea and applies it to individual funds.

As the universe for each is so different you should not seek to compare one to the other. By virtue of being grouped averages, the spread of sector volatilities will be compacted, whereas an individual fund may be some way from the average, as highlighted on the scale below.



The Skandia Fund Risk Number has been calculated by taking the volatility values of an entire fund universe and arranging them in ascending order. The ordered volatility range has subsequently been divided into ten segments, each representing 10% of the range. The funds have been placed into the relevant segment, depending on where their volatility numbers fall.

The fund risk number will not be shown for funds with less than five years of performance history.

Quartile rank

Quartile rank is a rating of performance on a scale of 1 to 4, where 1 is best and 4 is worst. The entire performance range of a sector is divided into 4, with each quartile rank corresponding to 25% of the range.

Total Expense Ratio (TER)

The Total Expense Ratio (shown for Life and Pension funds) represents the true cost of running a fund. It includes the fund AMC (which is shown for Skandia MultiFUNDS Ltd fund links) as well as the depository and custodial charges, and audit, registration and compliance fees.

Forsyth-OBSR Ratings

Ratings awarded are AAA, AA or A. There are several key factors which lead to the final Forsyth-OBSR Rating determination. These are:

- Strength of investment process and length of time it has been in place.
- Continuity of investment personnel.
- Investment style that has proven durable over time.
- Clearly defined investment objectives.
- Strong and consistent past performance record.
- Favourable risk adjusted returns.

The Forsyth-OBSR Ratings are more focused towards qualitative appraisals.

S&P Fund Management Ratings

The S&P Fund Management Ratings are based on an evaluation of quantitative and qualitative factors that contribute to long-term performance.

- AAA the fund demonstrates the highest standards of quality in its sector.
- AA the fund demonstrates very high standards of quality in its sector.
- A the fund demonstrates high standards of quality in its sector.

Bond Fund Volatility Ratings

Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

The Bond Fund Volatility Ratings range from V1 to V6, with V1 rated funds possessing the lowest sensitivity to changing market conditions and V6 the highest.

S&P Star Ratings

The S&P Star Rating is calculated using a fund's monthly performance relative to its sector average for the past 36 months. The average and volatility of these 36 numbers is used to calculate a fund's star ranking.

- 5 ★ - funds in the top 10% of the sector
- 4 ★ - funds in the top 11-30% of the sector
- 3 ★ - funds in the top 31-50% of the sector
- 2 ★ - funds in the next 25% of the sector
- 1 ★ - funds in the bottom 25% of the sector

Financial Express Crown Ratings*

The Financial Express Crown Ratings are designed to highlight funds that have had superior consistent performance in relation to risk, relative to their peer groups. Peer groups are deemed to be the sectors as defined by the IMA and ABI.

- 3 👑 Awarded to the top 20% of funds (in terms of overall score) within each sector.
- 2 👑 Awarded to the next 30%.
- 1 👑 Awarded to the bottom 50%, all rated funds get a crown rating.

Citywire Ratings

Citywire considers all managers who run actively managed retail funds, assigning ratings to managers who achieve or exceed demanding performance thresholds based on their 36 month risk records. Of the hundreds of active fund managers only 20% receive a rating.

- AAA fund managers in the top 5%
- AA fund managers in the top 6%-13%
- A fund managers in the top 14%-20%

Sector averages

Sector averages denote the median performance of all funds within that particular sector. Sector classifications are governed by the Association of British Insurers (ABI) for Life and Pension funds and by the Investment Management Association (IMA) for MultiISA, MultiPEP and MultiFUND investments. The two bodies do not provide the same sectors. Our Royal Skandia fund range uses the sectors defined by Financial Express.

A new sector will only display sector averages after three months of performance data has been collated.

* It is not possible to provide Crown Ratings for the Specialist sector because it contains varied types of funds which does not allow for a meaningful comparison. The Asia Pacific Including Japan, North American Smaller Companies, Japanese Smaller Companies and Commodity Energy sectors do not have sufficient members to allow calculations of Crown Ratings.