

fund news

fund launches

	Fund Category	Life	Pension	MultISA/ MultiFUND	Selestia Investment Solutions	Royal Skandia £
Schroder Income Maximiser	Self Select	18 Aug	18 Aug	-	-	-
Schroder Diversified Target Return	Self Select	18 Aug	18 Aug	-	-	-
M&G Managed	Self Select	18 Aug	18 Aug	-	-	-
M&G Japan Smaller Companies	Self Select	18 Aug	18 Aug	-	-	-
Castlestone Aliquot Active Commodity Index	Self Select	-	-	-	-	22 Aug
Threadneedle European High Yield Bond	Self Select	-	-	-	26 Aug	-
New Star Indian Equity	Self Select	-	-	-	-	29 Aug
Allianz RCM Global Eco Trends	Self Select	8 Sep	8 Sep	-	-	-
CF Eclectica Agriculture	Self Select	11 Sep	11 Sep	-	11 Sep	-
CF Eclectica Continental European	Self Select	11 Sep	11 Sep	-	11 Sep	-
JF India	Self Select	-	-	-	-	19 Sep
JPM Middle East Equity	Self Select	-	-	-	-	19 Sep
JPM Emerging Europe, Middle East and Africa Equity	Self Select	-	-	-	-	19 Sep

fund closures

	Fund Category	Life	Pension	MultISA/ MultiFUND	Selestia Investment Solutions	Royal Skandia £
SEI Enhanced Income Fund	Self Select	-	-	-	15 Sep	-
Templeton Global Long-Short†	Self Select	-	-	-	-	3 Oct

† This Fund is closed to new business with immediate effect.

other events

	Fund Category	Life	Pension	MultISA/ MultiFUND	Selestia Investment Solutions	Royal Skandia £
SG UK Specialist 350 – Name Change to SG UK Active 350*	Self Select	-	-	-	29 Aug	-
M&G Corporate Bond – Objective Change	Self Select	1 Sep	1 Sep	1 Sep	-	-
M&G Gilt and Fixed Interest Income – Objective Change	Self Select	1 Sep	1 Sep	1 Sep	-	-
M&G High Interest – Objective Change	Self Select	1 Sep	1 Sep	1 Sep	-	-
M&G High Yield Corporate Bond – Objective Change	Self Select	1 Sep	1 Sep	1 Sep	-	-
M&G European Corporate Bond – Objective Change	Self Select	1 Sep	1 Sep	1 Sep	-	-
M&G European High Yield Bond – Objective Change	Self Select	1 Sep	1 Sep	-	-	-
M&G Emerging Markets Bond – Objective Change	Self Select	1 Sep	1 Sep	-	-	-
M&G Real Yield – Objective Change and Name Change to M&G Index-Linked Bond	Self Select	-	-	-	1 Sep	-
M&G International Growth – Objective and Name Change to M&G Global Growth	Self Select	-	-	-	19 Sep	-
Henderson UK Opportunities – Objective Change	Self Select	1 Oct	1 Oct	1 Oct	1 Oct	-
F&C European – Objective and Name Change to F&C European Growth & Income	Self Select	-	-	-	1 Oct	-
Aberdeen Global China Opportunities – Name and Objective Change to Aberdeen Global Chinese Equity	Self Select	-	-	-	-	1 Oct
Aberdeen Global Technology – Objective Change	Self Select	-	-	-	-	1 Oct
Lazard UK Income – Objective Change	Self Select	1 Oct	1 Oct	1 Oct	1 Oct	-

* This is due to the merger of SG UK 350 with SG UK Specialist 350. Please note that we only link to the continuing fund, the SG UK Specialist 350 Fund.

Refer to www.skandia.co.uk/funds for full details.

the guaranteed pension fund

guaranteed pension fund bonus announcement as at 1 September 2008

	Monthly bonus rates
Bonus rate on contribution units	0.1500%
Bonus rate on bonus units	0.0000%
Additional bonus	0.0000%

Due to the continued uncertainty experienced by the fixed interest and equity markets, the Fund is currently experiencing what we consider to be abnormal or extreme conditions. The bonuses declared since April have been modified to take account of this as is evident from the table of bonus rates.

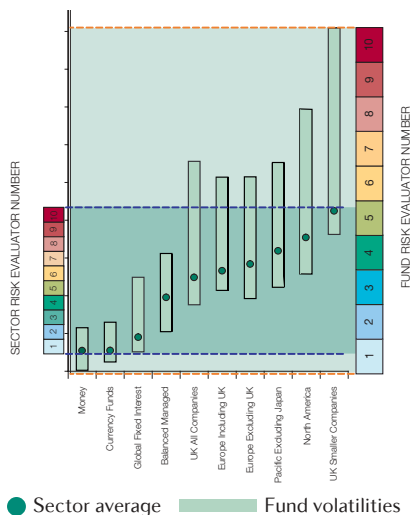
Further information, including historical bonus rates, is available on the Skandia website. Investors should be aware that the value of the investment may fall as well as rise, although units in the Guaranteed Pension Fund have their value guaranteed at a pre-selected date. Bonuses are calculated after deducting an annual management charge of 1.1%. 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 Fund Risk and Sector Risk numbers is so different, as shown on the graph below, 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.

OBSR Ratings

Ratings awarded are AAA, AA or A. There are several key factors which lead to the final 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 OBSR Ratings are more focused towards qualitative appraisals.

OBSR Ratings – multi-manager funds

Ratings are awarded to MultiManager funds ('Funds of Funds' and 'Manager of Manager' funds only). The ratings are reviewed quarterly and are based on quantitative and qualitative analysis. Ratings awarded are AAA, AA or A. Skandia currently only has permission to show Skandia Investment Management OBSR ratings. These can be found in the OBSR column, marked with a '*' symbol.

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.

*It may not be possible to provide Crown Ratings for funds within certain sectors. This is because either the sector contains varied types of funds, which does not allow for a meaningful comparison, or because the sector does not have sufficient members to allow calculation of Crown Ratings.

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 average 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.