

how to use indicator

The Indicator provides UK investors with a 12-month stock market outlook from a selection of fund groups linked to Skandia. We provided the fund groups with an index as a benchmark for each sector and asked them how they think the index will perform over the next 12 months.

These views are not fund specific. We have asked the fund groups to provide an outlook for each sector as a whole.

positive currency outlook

If the Indicator shows a positive view for the US\$, Euro or Yen, this represents a view of Sterling depreciating against that currency, which will have a positive impact on the returns from overseas investment.

Example: £1 = YEN 100

You, as an investor, buy Japanese shares costing YEN 100. After buying your shares, Sterling depreciates to £1 = YEN 90, this means you only need YEN 90 to buy back your original £1. You have YEN 100 which, divided by the exchange rate of £1/YEN 90, actually gives you £1.11.

If the fund group view for Japanese equities is positive and their outlook for the £/YEN is positive, then the overall outlook for the UK investor into Japan is positive. This is because the positive currency outlook increases the returns to the investor from the equity investment.

negative currency outlook

If the Indicator shows a negative view for the US\$, Euro or Yen, this represents a view of Sterling appreciating against that currency, which will have a negative impact on the returns from overseas investment.

Example: £1 = YEN 100

You, as an investor, buy Japanese shares costing YEN 100. After buying your shares, Sterling appreciates to £1 = YEN 110, this means you will need YEN 110 to buy back your original £1. You have YEN 100 which, divided by the exchange rate of £1/YEN 110, actually gives you £0.91.

If the fund group view for Japanese equities is positive but their outlook for the £/YEN is negative, then the UK investor would need to exercise a degree of caution when considering the Japanese market. This is because currency movements could adversely affect the positive equity returns.

indicator categories

The outlook provided by the fund group for equities ignores the effect that currency movements can have on the market. For example, if the fund group believes the US outlook is positive, but believes the strength of Sterling will be a deterrent for UK investors, they will still show a positive outlook for the US market.

The outlooks for equities, bonds and property relate to the specific indices shown in the 'benchmarks and market movements' table below the indicator grid. The performance information shown in this table is calculated in Sterling terms.

The currency outlook provides an outlook for Sterling-based investors.

outlook guidelines

▲ a positive outlook

the fund group believes the index they are using as a benchmark will rise in excess of 5% over the next 12 months.

□ a neutral outlook

the fund group believes the index they are using as a benchmark will have either a positive or negative movement of between 0% and 5%.

● a negative outlook

the fund group believes the index they are using as a benchmark will fall in excess of 5% over the next 12 months.

These are Investment House views and are not fund-specific.

	Equities									Property		Bonds			Currencies		
	UK	UK Smaller Cos	US	US Smaller Cos	Europe	Japan	Pacific Ex Japan	Emerging Markets	BRIC	UK Property	Global Property Securities	UK Government	UK Corporate	International	£/\$	£/Euro	£/Yen
Aberdeen	□↑	□↑	□	□	□	□	▲	▲	▲	▲	□	□	□	□	□	●↓	□
Aegon	▲	-	▲	-	●	▲	▲	□	-	●	-	□	▲	□	-	-	-
Allianz Global Investors	□	□↓	□	▲	□	□↓	●	□	□↓	-	-	□	□	□	-	-	-
Aviva Investors	□	□	●↓	□	●	▲	□	□	□	□↓	□	□	●	●	▲↑	□	▲↑
AXA Framlington	▲↑	□	▲	□	□	□	▲	▲	▲	□↑	□	●	●	●	□	□	□
Barings	▲	□	□↓	□	□↑	●	□	□	●	▲	□	□	□	□↓	▲↑	□↓	▲↑
BlackRock	▲↑	□↓	▲	□↓	□↑	●	▲↑	▲↑	▲↑	□↑	●	●	▲	▲↑	▲↑	▲	▲
F&C	▲	▲	●	●	▲	●	□	▲	▲	▲	-	●	▲	▲	-	-	-
Fidelity	●	-	▲	-	●	□	▲	▲	-	-	▲	□	▲	▲	-	-	-
Gartmore#	□	▲	▲	▲	●	▲	▲	▲	▲	□	●	●	●	●	□	□	□
GLG	▲	-	●	-	▲↑	□↓	▲↑	▲↑	▲↑	-	-	□	□	□	▲	□	●
Henderson	▲↑	□	□	□	□	□	▲	□	□	□	▲↑	●	▲	□	●	□	□↑
HSBC	□	□	□	□	□	□	□↓	□↓	□↓	□	□↓	●	▲	●	□	□↑	□
Ignis	▲	▲	●	●	▲	●↓	●	●	-	□	-	▲↑	●↓	□↑	▲↑	▲↑	●
Invesco Perpetual	▲	▲	▲	▲	▲	▲	▲	▲	▲	□	□	□	▲	□	□	□	□
Investec	□↓	□↓	□↓	□↓	□↓	□↓	▲	▲	▲	□↓	□↓	□↑	▲↑	□	▲	▲	▲
J.P. Morgan	▲	□↓	●↓	□	□	▲	▲↑	▲	-	-	-	-	-	-	□	□	□
L&G	▲	●	▲	▲	□	●	□	□	□	▲	▲	●	▲	▲	●	●	□
M&G†	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	□	□	□	●	▲	□
Martin Currie	▲	□	▲	□	▲↑	▲↑	▲↑	▲	▲	-	-	-	-	-	-	-	-
Newton	▲	□	□	□	□	□	▲	▲	-	-	-	●	▲	□	□	▲	▲
Old Mutual	□	□	□	-	□	▲	□	-	-	-	-	□	□	□	□	▲	▲
Schroders	□	-	▲	-	●	□↓	□↓	□	□	□	□	□	▲↑	□	-	-	-
Skandia Investment Group	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	●	▲	●	▲	▲	▲
SWIP	▲	▲	□	□	▲	□↓	□	□	□	▲	▲	□	□	□	-	-	-
Threadneedle	□	□	▲	▲	□	●	▲	▲	▲	□	●↓	●	▲	●	□	□	□
Consensus View	▲	□↓	▲	□	□	□↓	▲	▲	▲	□↓	□	□	▲↑	□	□	□↓	□

Indices Monthly % Performance -4.62 -1.53 -8.46 -10.41 -3.03 -4.79 -2.98 -3.60 -3.69 0.89 -4.48 0.00 0.00 0.00 -2.99 -3.29 0.31

Past performance is not a guide to future performance.

Source for all performance information: Financial Express Limited, from 31/05/2010 to 30/06/2010, bid to bid, in Sterling, with gross income reinvested back into the fund.

* This is the view of Bob Yerbury, Chief Investment Officer of Invesco UK. These views may change and may differ from those of individual Invesco Perpetual fund managers.

Additionally, this 12-month outlook is a shorter term than Invesco Perpetual's normal investment horizon when buying stock and, as such, the views may not necessarily be representative of Invesco Perpetual's portfolios.

† This is the view of the M&G Multi Asset team. The M&G view given on Gilts relates to Index-Linked Gilts only.

These views represent the opinion of the Gartmore MultiManager team and therefore may differ from those expressed by individual investment desks at Gartmore.

U Figures unavailable.

benchmarks and market movements

percentage growth

	3 Months	1 Year	3 Years	5 Years	10 Years
Equities					
FTSE All Share	-11.80	21.14	-16.23	18.66	16.86
FTSE Small Cap Index	-5.29	20.34	-36.81	-11.07	-11.95
S&P 500	-10.33	25.19	-3.60	11.56	-18.50
Russell 2000	-8.67	33.73	2.38	22.03	36.02
FTSE World Europe ex UK	-14.44	15.86	-15.63	31.68	15.91
FTSE All World Japan	-8.73	10.52	-8.11	17.33	-26.71
FTSE World Asia Pacific ex Japan	-10.05	32.49	16.33	80.75	125.07
MSCI Emerging Markets	-7.10	35.56	24.30	118.12	162.86
BRIC	-8.07	31.60	31.21	181.24	-
Property					
UK Property	3.11	23.23	-25.04	-1.99	61.65
Global Property Securities	-6.83	30.78	-18.02	15.85	68.65
Bonds					
Citi UK Government Bond Index, All Maturities	3.05	5.66	27.41	27.37	71.39
Citi WBIG UK Corporate Bond Index	1.12	11.82	21.41	23.38	83.63
Citi World Government Bond Index	2.94	14.81	70.20	55.83	92.58

Past performance is not a guide to future performance.

Source for all performance information: Financial Express Limited, 30/06/2010, bid to bid, in Sterling, with gross income reinvested back into the fund.

U Figures unavailable.

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fund launches

	Life	Pension	Skandia Investment Solutions
BlackRock Active Managed Portfolio	17 Jun	17 Jun	–
BlackRock Balanced Income Portfolio	17 Jun	17 Jun	–
BlackRock Cautious Portfolio	17 Jun	17 Jun	17 Jun
Old Mutual Global Equity Absolute Return	9 Jul	9 Jul	9 Jul

other events

	Life	Pension	Skandia Investment Solutions
Fortis L Fund Equity Europe – This Fund will now be managed by Paribas Asset Management Luxembourg SA	30 Jun	30 Jun	–
Investec Sterling Bond – Name change to Investec Strategic Bond	12 Jul	12 Jul	12 Jul
Gartmore Emerging Markets Opportunities – Objective change	14 Jul	14 Jul	14 Jul
Gartmore UK Equity Income – Objective change	14 Jul	14 Jul	14 Jul
Gartmore UK Growth – Objective change	14 Jul	14 Jul	14 Jul

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

the guaranteed pension fund

guaranteed pension fund bonus announcement as at 1 July 2010

	Monthly bonus rates
Bonus rate on contribution units	0.0000%
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. Bonus rates since April 2008 have been reduced to take account of this. For June 2010, bonus rates have been set to zero.

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 numbers have changed

The new Skandia Fund Risk Numbers have been calculated by mapping the volatility value of each fund against the Skandia risk profiler outputs 1 to 10. The new risk numbers are measured over 1, 3 and 5 years and allow you to match, as far as possible, the result of the risk profiler with a single fund. The old Skandia Risk Numbers were calculated by dividing the entire universe of funds, arranged in ascending order of volatility, into 10 equal parts. As a consequence, the old methodology provided a peer group relative risk number whereas the new numbers are relative to a volatility scale.

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 Investment Solutions funds) 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.

Skandia sector

Skandia sectors mirror the asset classes used with the online investment tools. Please note a fund's Skandia sector may not always align with its IMA sector. Abbreviations for these sectors are listed within the fund performance statistics to help when searching for funds on the online investment tools. A key for these abbreviations is detailed below.

- EMK – Emerging Markets
- IFI – International Fixed Interest
- NAM – North American
- EUR – European excluding UK
- UFI – UK Fixed Interest
- PRO – Property
- FEX – Far East excluding Japan
- MGD – Managed
- UKE – UK Equity
- JAP – Japan
- CMM – Cash/Money Market
- GSP – Global Specialist

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 Financial Express.

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

investment proposition :

a strategic approach to investment

The role you play in providing investment advice to your clients is vital, but it can be complex and difficult. Skandia's investment proposition aims to simplify this task by enabling you to efficiently meet your clients' investment requirements.

a robust process

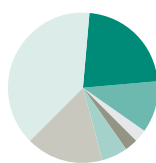
Skandia offers you access to a robust, repeatable and compliant investment process.

Rigorous risk assessment



Our risk profiler helps you meet your clients' expectations with far greater precision.

Tailored asset allocation



Our portfolio construction tools produce risk-rated asset allocations designed to provide maximum returns for any given level of risk.

Fund selection



We have an extensive choice of more than 1,000 funds – with effective solutions to outsource fund selection choices.

Review, reporting and rebalancing



Our online management tools review and report on your client's investments and can automatically rebalance the portfolio to meet your client's expectations.

flexible portfolio solutions

The process of effective portfolio construction involves understanding an investor's attitude to risk and then choosing a spread of investments to match it. This requires access to a range of world-class investment solutions, with the flexibility to refine the investment choices as the needs of the investor change.

Skandia provides you with choice about how you match investment choices to your clients' needs. The solutions we provide offer you a range of strategies – whether it is appropriate to build bespoke client portfolios or to outsource to investment experts.

spectrum

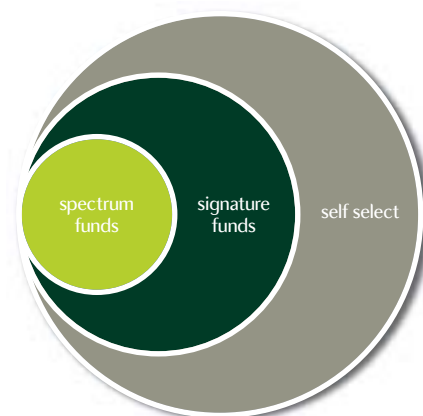
A range of six risk-rated multi-manager funds, incorporating both risk-matched asset allocation and fund selection.

Signature funds

A focused range of 20 single manager funds, researched and monitored by Skandia Investment Group's investment experts.

self select

Over 1,000 funds from leading fund groups.



For more about how Skandia's investment solutions are built to support the investment services offered by financial advisers visit:

www.skandia.co.uk/fasite/solutions/investmentproposition/



spectrum

how the funds work

Spectrum is an innovative range of risk-rated funds that bring greater precision to the management of your clients' investment journey by matching the appropriate portfolio to an acceptable level of risk.

It works by using the pioneering Skandia Risk Profiler, available through SkandiaView or Skandia Investment Solutions, to determine an investor's appetite for risk by way of a risk 'score', then matching that directly to the strictly risk-controlled Spectrum Fund that has the most suitable risk-return characteristics.

The Spectrum solution offers a range of six funds, designed to meet the requirements of investors with a Skandia risk level of 3 to 8. Historically more than 95% of investors fall within risk profiles 3-8, which is why the Spectrum Funds have been built to match these profiles. Each fund will have an asset allocation designed to maximise the expected returns for a given level of risk.

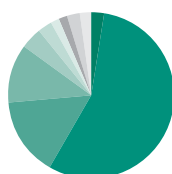
spectrum funds

	Percentage growth calculated to 30 June 2010					
	Cumulative					
	3 Mths	6 Mths	1 year	AMC	TER	Yield
Skandia Investment Solutions						
Spectrum 3	-1.05	2.61	15.32	1.25	2.03	2.53
Spectrum 4	-2.54	1.69	16.11	1.25	1.98	2.29
Spectrum 5	-3.85	0.85	17.07	1.25	1.95	2.08
Spectrum 6	-5.13	0.02	17.90	1.25	2.00	1.81
Spectrum 7	-6.31	-0.78	18.41	1.25	2.32	1.39
Spectrum 8	-7.59	-1.50	19.30	1.25	2.52	1.03
Life						
Spectrum 3	-0.41	2.78	14.13	-	1.95	-
Spectrum 4	-1.57	2.07	14.79	-	1.65	-
Spectrum 5	-2.73	1.31	16.15	-	1.55	-
Spectrum 6	-3.88	0.56	16.02	-	1.60	-
Spectrum 7	-4.69	0.11	17.50	-	1.75	-
Spectrum 8	-5.92	-0.59	18.09	-	1.95	-
Initial Price Pension						
Spectrum 3	-0.50	3.24	16.65	-	1.95	-
Spectrum 4	-2.02	2.43	17.62	-	1.65	-
Spectrum 5	-3.34	1.60	18.36	-	1.55	-
Spectrum 6	-4.65	0.77	19.12	-	1.60	-
Spectrum 7	-5.80	0.00	19.71	-	1.75	-
Spectrum 8	-7.09	-0.69	20.64	-	1.95	-
Single Price Pension						
Spectrum 3	-0.38	3.63	17.58	-	1.95	-
Spectrum 4	-1.80	2.78	18.42	-	1.65	-
Spectrum 5	-3.23	1.90	19.30	-	1.55	-
Spectrum 6	-4.46	1.13	20.10	-	1.60	-
Spectrum 7	-5.63	0.32	20.58	-	1.75	-
Spectrum 8	-6.85	-0.32	21.55	-	1.95	-

Source for Life and Pension information: Financial Express Limited, bid to bid, in sterling, with gross income reinvested back into the fund.
 Source for Skandia Investment Solutions information: Financial Express Limited, bid to bid, in sterling, with net income reinvested back into the fund. Investors should be aware that unit prices and income from units can fall as well as rise and past performance is not a guide to the future.
 The Spectrum Funds are not categorised by sector and do not therefore have peer benchmarks. The performance of mainstream indices is available on page 21.

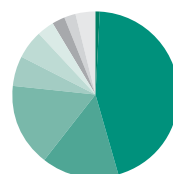
spectrum asset allocations

Skandia Spectrum 3



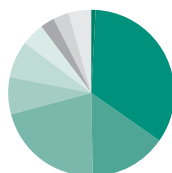
- Cash 2.49%
- UK Fixed Interest 54.84%
- Property 15.00%
- UK Equities 11.25%
- North American Equities 4.11%
- European Equities 4.11%
- Japanese Equities 2.46%
- Far East (ex Japan) Equities 1.64%
- Global Emerging Markets Equities 1.64%
- Global Specialist Equities 2.46%

Skandia Spectrum 4



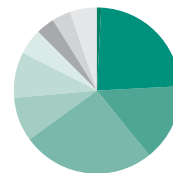
- Cash 1.01%
- UK Fixed Interest 44.84%
- Property 15.00%
- UK Equities 16.27%
- North American Equities 5.72%
- European Equities 5.72%
- Japanese Equities 3.43%
- Far East (ex Japan) Equities 2.29%
- Global Emerging Markets Equities 2.29%
- Global Specialist Equities 3.43%

Skandia Spectrum 5



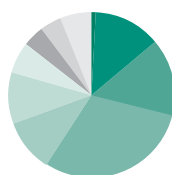
- Cash 1.00%
- UK Fixed Interest 33.84%
- Property 15.00%
- UK Equities 21.08%
- North American Equities 7.27%
- European Equities 7.27%
- Japanese Equities 4.36%
- Far East (ex Japan) Equities 2.91%
- Global Emerging Markets Equities 2.91%
- Global Specialist Equities 4.36%

Skandia Spectrum 6



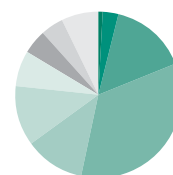
- Cash 0.99%
- UK Fixed Interest 23.34%
- Property 15.00%
- UK Equities 25.69%
- North American Equities 8.74%
- European Equities 8.74%
- Japanese Equities 5.25%
- Far East (ex Japan) Equities 3.50%
- Global Emerging Markets Equities 3.50%
- Global Specialist Equities 5.25%

Skandia Spectrum 7



- Cash 1.01%
- UK Fixed Interest 13.10%
- Property 15.00%
- UK Equities 30.17%
- North American Equities 10.18%
- European Equities 10.18%
- Japanese Equities 6.11%
- Far East (ex Japan) Equities 4.07%
- Global Emerging Markets Equities 4.07%
- Global Specialist Equities 6.11%

Skandia Spectrum 8



- Cash 1.00%
- UK Fixed Interest 3.02%
- Property 15.00%
- UK Equities 34.54%
- North American Equities 11.61%
- European Equities 11.61%
- Japanese Equities 6.97%
- Far East (ex Japan) Equities 4.64%
- Global Emerging Markets Equities 4.64%
- Global Specialist Equities 6.97%

For further details, the financial adviser brochure and supporting literature, please contact your Skandia consultant or visit our literature library at www.skandia.co.uk/fasite/spectrum

fund volatility

	Current volatility target	Annualised volatility since launch*
Skandia Spectrum 3	5.75% - 7.97%	7.05%
Skandia Spectrum 4	7.98% - 9.94%	8.64%
Skandia Spectrum 5	9.95% - 11.90%	10.33%
Skandia Spectrum 6	11.91% - 13.87%	11.99%
Skandia Spectrum 7	13.88% - 15.83%	14.19%
Skandia Spectrum 8	15.84% - 17.80%	16.91%

* Source: Skandia Investment Marketing. Volatility figures based on annualised simple daily returns of Skandia Spectrum OIEC range 28 April 2008 to 8 July 2010.

Skandia comments:

The Skandia range of Spectrum Funds continues to prove popular and has now passed funds under management of over £700 million since launching in April 2008. This demonstrates huge demand for risk targeted funds from financial advisers and their clients, making Spectrum one of the most successful MultiManager fund launches over the past two years in terms of inflows. Despite experiencing a period of extreme stock market volatility during their first year, all six of the funds have performed as they were designed to do.



Signature funds

the funds

Signature is a focused range of 20 funds, where managers are researched, selected and monitored by Skandia Investment Group's global Investment Research team, thereby enabling you to 'outsource' the fund selection process, while retaining control over asset allocation.

The Signature funds cover every major asset class, giving you the ability to precisely tailor the structure of the portfolio.

research, selecting and monitoring

manager research

Skandia Investment Group's size and reputation gives it access to the industry's leading investment professionals. Its 40+ strong team of research analysts and portfolio managers collectively dedicate more than 6,000 hours a year to researching, meeting and analysing managers across the globe, and maintain close, regular contact with over 200 fund management groups worldwide.

selecting the managers

Only the managers that meet or exceed the high expectations of Skandia Investment Group will be considered for inclusion in the Signature range. Many of the managers available in the funds are normally only accessible to institutional investors or the very wealthy, but are available to you as a result of Skandia's size and buying power. If you would like more information on the managers, please speak to your Skandia Business Consultant.

monitoring the managers

All of the managers are monitored on a continuous basis by Skandia Investment Group's portfolio managers. If managers change their style, consistently underperform, or a better manager is identified, they can be replaced rapidly.

Signature funds

asset class	fund
UK Fixed Interest	Skandia Gilt Skandia Corporate Bond
International Fixed Interest	Skandia Global Bond Skandia Investment Grade Corporate Bond Skandia Emerging Market Debt
Property	Skandia Property
UK Equity	Skandia UK Unconstrained Skandia UK Select Skandia UK Opportunities Skandia UK Income Plus
Global Specialist	Skandia Global Equity
North America	Skandia US Large Cap Growth Skandia US Large Cap Value Skandia US Value
Japanese Equity	Skandia Japanese Equity
Far East excluding Japan	Skandia Pacific Equity Skandia Greater China Equity
European Equity	Skandia European Equity Skandia European Opportunities
Emerging Markets	Skandia Global Emerging Markets – coming soon

the Skandia Investment Group 4P Process

Skandia Investment Group works to the premise that no single investment management company can ever be the best in all areas at all times. Instead of managing investments directly, SIG's research teams identify what they consider to be the best external fund managers and outsource the management of funds to them.

SIG carries out an ongoing evaluation and selection process by concentrating on four fundamental research cornerstones – called the '4P Process':

- 1 Philosophy**
 Does the investment manager understand the causes of the market's inefficiencies and how to exploit them?
- 2 Process**
 An investment manager's investment process must be disciplined and repeatable.
- 3 People**
 A fund is only as good as the investment professionals behind it, and the stability and integrity of the investment management company.
- 4 Performance**
 Managers' trading patterns and performance verify and evidence the success of their investment approach.

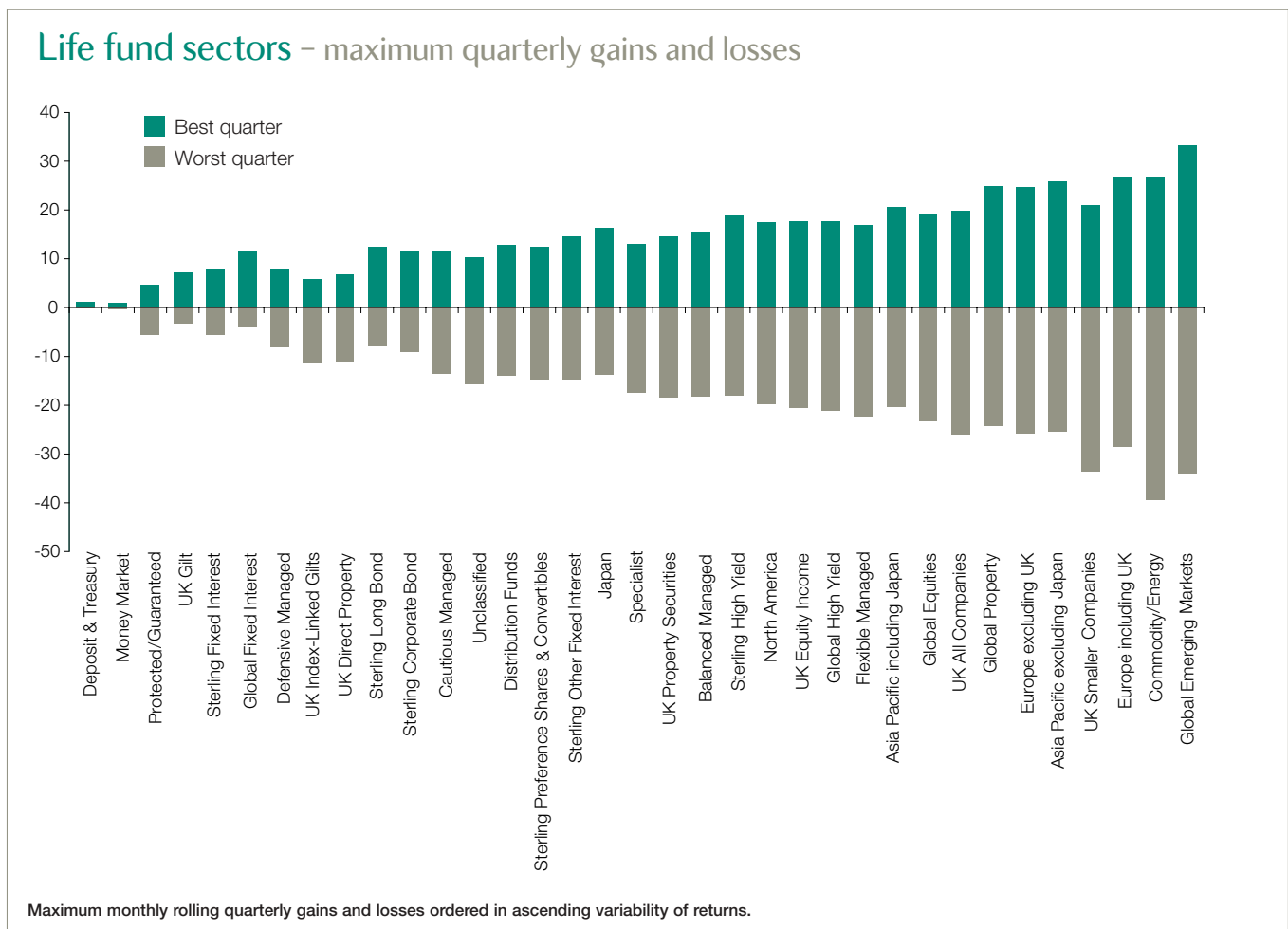
skandia risk evaluator

life funds

The Skandia Risk Evaluator has changed.

As outlined by Graham Bentley in the May issue of *informer*, Skandia is in the process of aligning the methodology for fund risk calculations in *informer* with those used for our online portfolio construction tools. As part of that process, sector risk scores will no longer appear in *informer*. We retain the risk evaluator charts, showing maximum gains and losses, with some enhancements.

The gains and losses for each sector are now measured over rolling quarters (58 periods rather than 20 previously) which not only reflects more recent events but it provides further granularity over the range of returns offered within each sector. Also, please note that the chart is now ordered in ascending level of risk, with lowest variability in returns to the left and highest to the right.



Past performance is not a guide to future performance.

All data is taken as at 30/06/2010. Source: Financial Express Limited, bid to bid, in Sterling, with net income reinvested back into the fund.

For each sector you can also see the best and worst quarterly performance* experienced over the last five years.

*The maximum gain and loss is calculated by taking the sector average for each quarter measured on a monthly rolling basis over the five-year period, and selecting the highest and lowest returns achieved during that period. They are not based on the maximum gain/loss of the individual funds.

Companies in the Skandia UK Group do not provide advice on the selection of investments and cannot accept any responsibility for losses which may arise as a consequence of actions taken after using the Skandia Risk Evaluator, nor do they accept any liability for the investment decisions of investors, nor for any loss arising there from.

Fund Risk Score		Percentage growth and quartile ranks calculated to 30 June										Annual performance % and quartile ranks, over one year to end June						TER	Skandia Sector	OBSSR Fund Rating	Citywire Rating						
1 year	3 years	5 years	Cumulative			Annual				2010	2009	2008	2007	2006													
			3 Mths	Qtl	1 Yr	Qtl	3 Yrs	Qtl	5 Yrs	Qtl	10 Yrs	Qtl															
self select (continued)																											
CAUTIOUS MANAGED (continued)																											
4	7		CAUTIOUS MANAGED (continued)																								
4	7		CF Midas Balanced Income ²	-5.34	4	14.66	2	-23.05	4				14.66	2	-21.15	4	-14.89	4	12.35	1	0.95	MGD					
3			Cirium Cautious	-2.41	1	17.77	1						17.77	1	-7.12	2											
4	4		Fidelity Multi-Asset Strategic	-3.39	2	15.44	2	11.06	1				15.44	2	-4.30	2	0.53	1						A			
4	6		Fidelity Multi-Manager Income Portfolio ²	-3.46	2	14.99	2	-12.64	4				14.99	2	-14.47	4	-11.18	4									
3			Fidelity Retirement Income ²	-1.05	1	17.91	1						17.91	1	-6.47	2											
4	4	3	Gartmore Cautious Managed	-4.47	3	12.35	3	0.75	2	16.98	2		12.35	3	-3.67	1	-6.90	2	7.81	2	7.70	3	1.00	MGD	AA	AAA	
4	6		Gartmore Multi-Manager Cautious ²	-4.40	3	16.19	2	-6.81	3				16.19	2	-14.03	4	-6.70	2									
5	6		Henderson Cautious Portfolio ²	-4.08	3	15.22	2	-14.95	4				15.22	2	-17.10	4	-10.96	4	11.15	1							
5	7	6	Henderson Managed Distribution	-4.55	3	23.41	1	-8.37	3	5.94	4		23.41	1	-13.45	4	-14.22	4	7.16	3	7.89	3	1.30	MGD			
4	5		HSBC Open Global Distribution ²	-3.20	2	15.91	2	1.68	2				15.91	2	-9.82	3	-2.73	1									
			IFDS Apollo Cautious ²	-2.90	2																						
3			IFSL Sinfonia Cautious Managed ²	-3.31	2	9.13	4						9.13	4													
4			IFSL Sinfonia Income & Growth ²	-3.83	3	11.86	3						11.86	3													
2			IFSL Sinfonia Income ²	-2.01	1	7.01	4						7.01	4													
4	5	4	Invesco Perpetual Distribution	-2.67	2	19.63	1	9.33	1	27.68	1		19.63	1	-5.62	2	-3.17	1	8.55	2	7.58	3	1.15	MGD	AAA		
5	6	5	Investec Cautious Managed	-3.39	2	17.16	2	4.47	1	20.93	1	39.63	1	17.16	2	2.10	1	-12.66	4	7.47	3	7.71	3	0.85	MGD	AA	A
3	3	3	Jupiter Distribution	-1.02	1	11.34	4	0.24	2	10.17	3		11.34	4	-3.40	1	-6.80	2	5.33	4	4.35	4	1.20	MGD			
3	5		Jupiter Merlin Income Portfolio ²	-1.16	1	20.28	1	5.45	1				20.28	1	-4.69	2	-8.02	3							AAA		
4			Sarasin GlobalSar IIRD	-3.77	3	9.86	4						9.86	4													
6	7		Schroder Multi-Manager Cautious Mgd Dist Portfolio ²	-4.91	4	20.13	1	-6.78	3				20.13	1	-14.78	4	-8.94	3									
5	5	4	Skandia Cautious Life ²	-4.77	4	16.46	2	-2.97	3	12.65	3	16.56	3	16.46	2	-8.62	3	-8.82	3	6.56	3	8.95	2	0.50	MGD		
4	4	3	Skandia Index Cautious ²	-4.16	3	12.08	3	3.82	2	19.58	2		12.08	3	-2.82	1	-4.68	2	7.46	3	7.19	3	0.25	MGD			
2			SWIP Multi Manager Diversity ²	-2.91	2	7.98	4						7.98	4											A	A	
4			T Bailey Cautious Managed	-5.28	4	12.56	3						12.56	3													
4			Thames River Cautious Managed ²	-4.56	3	10.09	4						10.09	4											AA		
4			Thames River Distribution ²	-3.31	2	15.35	2						15.35	2											AA		
			Sector Average	-3.57		14.39		-2.56		12.37		22.79		14.39		-8.42		-6.99		7.33		7.45					
DISTRIBUTION FUNDS																											
5	6	5	Aberdeen Managed Distribution (SDB)	-2.75	2	21.04	1	-1.01	2	13.11	3		21.04	1	-7.79	3	-11.30	4	8.35	2	5.46	4	0.95	MGD			
4	5	4	Aviva Investors Distribution (SDB)	-2.32	1	19.29	1	-0.67	1	9.58	2		19.29	1	-8.99	2	-8.51	2	4.80	4	5.27	4	0.80	MGD		A	
5	6	4	AXA Distribution (SDB)	-6.02	4	13.31	3	-2.21	2	12.34	2		13.31	3	-10.74	2	-3.31	1	9.06	1	5.34	4	1.05	MGD	A	AA	
5	7	6	Henderson Managed Distribution (SDB)	-4.44	2	23.98	1	-8.24	2	6.48	3		23.98	1	-13.85	3	-14.09	4	7.29	2	8.16	2	1.30	MGD			
5	6	5	Prudential Distribution (SDB)	-4.87	2	17.10	1	-6.61	2	8.35	2		17.10	1	-9.79	2	-11.59	4	8.60	2	6.83	3	0.95	MGD			
4	5	4	Skandia Distribution Portfolio (SDB) ²	-4.02	1	15.43	2	-3.95	2	12.28	2	19.84	3	15.43	2	-5.59	1	-11.86	4	8.01	2	8.23	2	0.45	MGD		
			Sector Average	-4.53		14.26		-7.65		3.81	16.38		14.26		-10.92		-9.27		6.03		6.02						
STERLING OTHER FIXED INTEREST																											
3	4		Aegon Strategic Bond	-0.89	2	20.28	3	15.40	1				20.28	3	-1.50	1	-2.60	2	3.00	3			1.00	UFI	AA		
2	3	2	Allianz PIMCO Sterling Total Return	0.28	1	15.03	4	5.02	3	5.74	4		15.03	4	-5.12	2	-3.77	3	0.00	4	0.68	4	1.05	UFI			
4	6	4	Artemis High Income	-2.34	3	21.36	2	-0.86	4	14.42	2		21.36	2	-14.17	4	-4.82	3	6.77	1	8.09	1	0.85	UFI	AA		
3	6		Artemis Strategic Bond	-2.10	3	16.27	4	7.96	2				16.27	4	-5.73	2	-1.51	1	5.19	2			0.90	UFI	AA		
5	7	6	AXA Framlington Managed Income	-2.92	4	27.00	1	-4.67	4	4.20	4	34.41	4	27.00	1	-18.73	4	-7.63	4	6.05	1	3.08	2	1.15	UFI	AA	
			BNY Mellon Global Strategic Bond	1.16	1																						
2			Cazenove Strategic Bond	-1.01	2	11.82	4						11.82	4													
2			Ecclesiastical Amity Sterling Bond ▲	0.54	1	11.93	4						11.93	4												AAA	
4	5	4	F&C Extra Income Bond	-1.35	2	23.75	2	5.24	3	12.32	3		23.75	2	-11.74	3	-3.64	3	3.78	2	2.84	2	1.00	UFI	A		
3	3	3	Fidelity Extra Income	0.57	1	20.02	3	15.91	1	21.35	1		20.02	3	-2.55	1	-0.90	1	2.42	3	2.22	3	1.20	UFI	A		
3	5		Gartmore High Yield Corporate Bond	-1.01	2	13.44	4	-14.01	4				13.44	4	-22.99	4	-1.57	1	6.91	1			1.00	UFI			
5	7	5	Henderson Fixed Interest Monthly Income	-2.26	3	25.12	2	3.32	3	12.79	3		25.12	2	-12.64	3	-5.47	4	4.34	2	4.63	1	1.00	UFI	AA		
5	6	4	Henderson High Yield Monthly Income	-1.85	3	29.74	1	5.84	3	16.63	2		29.74	1	-13.08	3	-6.14	4	5.05	2	4.89	1	1.00	UFI	AA		
5	8	6	Henderson Preference & Bond	-3.79	4	24.15	2	6.31	3	11.22	3	47.58	3	24.15	2	-12.11	3	-2.57	2	2.64	3	1.93	3	1.05	UFI	AAA	
4	5	3	Henderson Strategic Bond	-3.83	4	16.62	3	12.57	2	23.00	1	51.36	1	16.62	3	-3.40	2	-1.76	1	4.42	2	4.63	1	1.10	UFI	AA	
4	6	4	Invesco Perpetual Monthly Income Plus	-2.42	4	23.89	2	14.93	1	31.61	1		23.89	2	-4.44	2	-2.92	2	6.43	1	7.60	1	1.15	UFI	AAA		
			Invesco Tactical Bond Fund	-1.84	3																						
			Launched: 18/05/2010																								
3			L&G Dynamic Bond Trust	-3.16	4	15.46	4						15.46	4													
2	3		M&G Optimal Income	-0.58	1	14.31	4	25.58	1				14.31	4	9.51	1	0.31	1					1.00	UFI	AA	AA	
4			Old Mutual Dynamic Bond	2.09	1	25.51	1						25.51	1	-14.00	4							0.90	UFI			
2	2	2	Schroder Strategic Bond	-0.52	1	5.35	4	7.36	3	11.46	3	32.14	4	5.35	4	3.00	1	-1.06	1	2.76	3	1.03	4	1.15	UFI		
3																											

enhanced allocation bond funds

EAB funds are only available to investors in the Skandia Enhanced Allocation Bond. The fund range for this product is restricted to these funds only. The quartile ranks for the EAB Funds relate to each fund's relevant sector. The OBSR ratings relate to the underlying Unit Trust/OEIC; the Citywire ratings relate to the fund manager individual managing the underlying Unit Trust/OEIC.

Fund Risk Score 1 3 5 year years years		Percentage growth and quartile ranks calculated to 30 June										Annual performance % and quartile ranks, over one year to end June												Skandia Sector	OBSR Fund Rating	Citywire Rating
		Cumulative										Annual														
		3 Mths	Qtl	1 Yr	Qtl	3 Yrs	Qtl	5 Yrs	Qtl	10 Yrs	Qtl	2010	Qtl	2009	Qtl	2008	Qtl	2007	Qtl	2006	Qtl	TER				
3	4	3	Skandia EAB Bond Income	0.17	1	17.15	4	12.46	2	15.66	2	17.15	4	-1.85	1	-2.19	1	1.94	4	0.88	4	1.00	MGD	A		
6	6	5	Skandia EAB Diversified	-5.33	4	17.61	1	1.62	2	15.44	3	17.61	1	-6.65	2	-7.44	3	5.88	4	7.28	3	1.00	MGD			
7	10	8	Skandia EAB Equity Income	-8.03	3	19.36	2	-17.01	2	5.55	3	19.36	2	-14.55	2	-18.64	3	12.67	4	12.89	4	1.00	UKE			
9	10		Skandia EAB Ethical ▲	-7.49	2	22.36	1	-17.06	4			22.36	1	-19.16	4	-16.15	4	17.36	1			1.25	GSP			
9			Skandia EAB Global Dynamic Equity	-7.93	2	25.47	1					25.47	1									1.25	MGD			
3	3		Skandia EAB Global Fixed Interest Blend	-2.17	4	13.48	2	29.00	4			13.48	2	6.84	3	6.39	4	-2.26	2			1.25	IFI			
10	10		Skandia EAB Global Property Securities	-7.22	3	27.88	2	-48.89	4			27.88	2	-47.50	4	-23.87	4	13.44	2			1.25	GSP			
2	4		Skandia EAB Property	4.86	1	18.90	3	-30.80	4			18.90	3	-26.08	3	-21.26	4	8.45	3			1.25	PRO			
9	10		Skandia EAB UK Equity Blend Fund	-10.29	3	19.25	2	-27.25	4			19.25	2	-23.48	4	-20.28	4	14.62	3			1.25	UKE			

You should note that past performance is not a guide to future performance.

* Figures unavailable.

▲ Ethical or green profile.

S OBSR rating suspended

¶ This fund invests in zero dividend preference shares.

¹ The fund manager may apply a Performance Related Fee and so the figure shown under the TER is only indicative of the charges which will be incurred. For more detailed information please refer to the relevant Fund Factsheet.

² Multi-Manager Fund.

Source for all performance information: Financial Express Limited, bid to bid, in Sterling, with net income reinvested back into the fund.

Investors should be aware that unit prices and the income from units may fall as well as rise and that past performance is not a guide to the future.

Where a fund invests in securities designated in a different currency to the fund, or where an underlying fund is denominated in a different currency, investments may rise and fall purely as a result of exchange rate fluctuations.

Please note the volatility of individual funds may be significantly higher or significantly lower than the volatility of the sectors into which the funds are classified.

Sector classifications are governed by Financial Express.

The TER figures quoted exclude any product charge which is reflected in the pricing of the fund.

Funds denoted by (SDB) are only available from the outset to investors in the Skandia Distribution Bond which must be 100% invested in this sector.

For more information regarding the statistics shown in *informer* please see the Fund News page.

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