

# The Charges

Executive Investment Bond/Executive Redemption Bond/

Collective Investment Bond/Collective Redemption Bond/Managed Account Bond

Despite the numerous administrative and investment disciplines undertaken by Royal Skandia, the charges are surprisingly low. Currently the following bases are available and you simply choose whichever suits you best having read this summary in conjunction with the appropriate Bond sales brochure and discussed it with your professional financial adviser.

	A	B	C
1. Amount invested	100%	100%	95%
2. Premium Establishment Charge	1% per annum payable quarterly in arrears (1st year only)	1% per annum payable quarterly in arrears (1st year only)	Nil
3. Regular Policy Management Charge	1% per annum payable quarterly in arrears	1.6% per annum payable quarterly in arrears for five years nil thereafter	1.5% per annum payable quarterly in arrears
4. Administration Charge	*£45 per quarter	£90 per quarter	Nil
5. Investment Dealing Charge (Sale or Repurchase)	£15	£15	Nil
6. Currency Dealing Charge	£15	£15	Nil
7. Early Withdrawal Charge	5% during year one reducing by 0.625% pa to nil after eight years	8% during 1st quarter reducing by 0.4% per quarter to nil after five years	Nil

The Premium Establishment Charge, Regular Policy Management Charge and Early Withdrawal Charge are based on the higher of the premium paid or the value of the Bond referable to that premium. The Premium Establishment Charge and Regular Policy Management Charge are debited from the Bond quarterly in arrears.

\* For the Collective Investment Bond, Managed Account Bond and Collective Redemption Bond, when the initial premium is **below £50,000** (or currency equivalent), the Administration Charge is £90 per quarter on option A.

The Administration and Dealing charges are likely to increase from time to time to take account of administration costs. Royal Skandia reserves the right to increase these charges at any time. There is no Investment Dealing Charge for the Managed Account Bond.

An Investment Dealing Charge is made on each purchase or sale of an investment (for an EIB/ERB this would include the placement or renewal of a fixed term deposit). When investing directly into equities and bonds, the settlement and custody of these assets is undertaken by our global custodian. Fees incurred will be passed on by Royal Skandia. Delivery charges will be taken at the time of dealing, and any ongoing custodian charges will be deducted from the bond periodically (normally at a quarter end). Details of any additional charges incurred in the acquisition or disposal of assets, or of any regular management charges, payable from such assets are available on request from Royal Skandia or your fund adviser. These are included in the regular valuations issued to you by Royal Skandia. If you transfer existing assets into a bond, this will incur Investment Dealing Charges.

Any costs incurred by Royal Skandia in converting any sum from one currency to another for a transaction may be deducted from the amount available for the transaction. In addition, Royal Skandia may levy a Currency Dealing Charge as indicated in the table, but this is not currently applied.

If the Account to which your Policies are linked invests in the Royal Skandia range of funds then additional annual fund management charges will apply:

- i) as your Account is itself subject to charges, a credit reflecting Royal Skandia's Annual Management Charge (currently 1% pa) will be given by a reduction to the Regular Policy Management Charge, or if applicable, by an allocation of bonus units to your Account.
- ii) additional annual fund charges may apply which vary according to the nature of the underlying assets and the degree of external management of the Fund(s) chosen.

#### **Executive Investment Bond and Executive Redemption Bond Only**

Charges 2 to 7 are management charges levied by Royal Skandia. It is advisable that a cash balance of up to 5% of contributions paid is maintained within the Investor's Account, from which these charges can be deducted. If there is insufficient cash in the Account to meet the charges:

- i) where a fund adviser has been appointed, the adviser should decide which assets will be sold to meet the charges; or
- ii) where a fund adviser has not been appointed and in the absence of appropriate instructions from the investor, the Account may become overdrawn and overdraft interest may be charged. Royal Skandia will inform you of the amount of any overdraft that arises. If it is not repaid by income to your Account or by payment of an additional premium, Royal Skandia may realise investments to repay the overdraft, after giving you notice of its intention to do this.

Full details of these Bonds can be found in the **Policy Terms**, copies of which are available on request.

Royal Skandia is authorised under the Manx Insurance Act 1986 and is a member of the Association of International Life Offices. Royal Skandia is authorised to carry out investment business in the UK and is regulated by the FSA, the regulatory body governing life assurance business in the UK, under the Financial Services and Markets Act 2000.

Holders of policies issued by Royal Skandia will not be protected by the UK Financial Services Compensation Scheme. The Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 protects all investors whose policies are effected on or after 1 February 1991. Compensation of up to 90% of the value of their policies would be received in the unlikely event that their insurer became unable to meet its liabilities.

[www.royalskandia.com](http://www.royalskandia.com)

This piece of literature is available on the Royal Skandia Web Site

Royal Skandia Life Assurance Limited (an incorporated company limited by shares)  
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 Registered Number: 24916 Isle of Man  
Member of the Association of International Life Offices Authorised by the FSA

The rules and regulations made by the FSA under the Financial Services and Markets Act 2000 for the protection of investors may not apply to persons outside the UK