

Key facts

Developed to provide you with the flexibility of a truly personal investment portfolio, offering greater tax-efficiency, combined with the benefits of a life policy.

Investment freedom

The Executive Investment Bond allows you to invest in a wide range of different investments, enabling you to develop a portfolio to meet your own specific needs.

You can choose to invest in any offshore fund or authorised unit trust, accepted by Royal Skandia, as well as our own competitive range of managed, sector and specialist funds which are managed by some of the world's most prestigious fund management groups. You also have access to fixed interests securities, stocks and shares quoted on any recognised stock exchange, deposit funds, Eurobonds and various currency deposits. The choice is yours!

To make it even easier for you to set up your portfolio, we allow you to transfer your existing shareholdings straight into the Bond.

Investment discounts and excellent service

Paperwork can be a tedious and time-consuming task when managing a diverse investment portfolio. With an Executive Investment Bond, Royal Skandia takes care of all this by wrapping all of your assets together within the Bond and managing the paperwork on your behalf. You can take advantage of Royal Skandia's buying power and excellent relationship with its fund managers by receiving reduced stockbroking fees and substantial initial discounts.

Tax-efficient growth

As Royal Skandia is located in the politically stable and tax-efficient offshore centre of the Isle of Man, your investment will grow virtually tax-free. Royal Skandia does not pay income and capital gains tax on policyholders' investment funds. However, certain investment income received may have a 'withholding tax', which is not recoverable. This depends on which country the underlying investments are based in.

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- Minimum initial investment - £50,000 (minimum additional investment - £5,000). Contributions accepted in most major currencies
- Regular withdrawals can be taken monthly, quarterly, half-yearly or yearly as needed
- Easy access to your Bond by linking it with an offshore Lloyds TSB or a Singer & Friedlander bank account
- Full or partial encashment available (an early withdrawal charge may apply depending on the charging structure selected)
- Automatic life assurance cover provides 101% of the encashment value, free of charge
- Available on a single life, joint life or multiple lives last death basis
- Option to appoint a personal investment adviser with delegated switching
- Available to international investors, aged 18 or over, other than residents in the Isle of Man. Maximum age of each life assured at commencement is 89
- Comprehensive range of trust facilities, enabling you to structure investment ownership in the most financially beneficial manner
- Up to 100% of contributions are invested, depending on charging structure selected. A flexible choice of competitive charging structures is available to suit your own needs. (Please refer to the Executive Investment Bond charges sheet or your professional financial adviser for further details.)

Excellent service

Royal Skandia has a reputation for providing a first class service with excellent administrative support. We keep you informed of your Bond's progress by sending you regular valuations. Each valuation provides information on asset movements, income accrual, cash withdrawals and charges.

The Executive Investment Bond was voted Best Single Premium Private Portfolio/Highly Personalised Bond, at the 2001 Portfolio International Awards.

Easy access to your capital

With the Executive Investment Bond you have access to your capital whenever you need it. You can choose to have regular 'income' automatically provided for you. You can also take lump sum withdrawals, and this can be made even easier by linking the Bond to an offshore Lloyds TSB or Singer & Friedlander bank account. This gives you world-wide access to money using a VISA card, whilst money from your Bond tops up the bank account. An early withdrawal charge may apply to any withdrawal taken from your Bond. However, Royal Skandia will not normally levy this charge providing the remaining value of your Bond is above 25% of any premiums you have paid.

Valuable benefit on death

The Executive Investment Bond automatically provides life assurance cover of 101% of the value of the Bond. However, you can choose cover of up to 120% of the value (subject to medical evidence), helping to ensure that your dependants are financially secure if the unexpected occurs. Increased cover may also help the Bond meet any requirements there may be for a favourable tax status in your home country.

Peace of mind

As part of the internationally renowned Skandia Insurance Company Limited, Royal Skandia benefits from the financial strength and security of one of Europe's oldest and largest insurance operations with assets over £69 billion. You can therefore rest assured that your investment is in safe hands.

Confidentiality

Royal Skandia operates in an environment where confidentiality of information is fundamental, subject to any obligations imposed by law or regulations.

Comprehensive policyholder protection

Of all the major offshore centres, ONLY the Isle of Man has a statutory compensation scheme for life assurance companies. This means that investors benefit from unrivalled protection.

Full details of the Executive Investment Bond are in the Product Brochure and Policy Terms, available from your professional adviser, Royal Skandia's Head Office in the Isle of Man or your nearest Skandia regional office.

Investors should be aware that the value of unit-linked contracts is not guaranteed as the prices of units may fall as well as rise. The value of funds which hold assets designated in a different currency to the fund may rise and fall purely as a result of exchange rate fluctuations. Royal Skandia can give no guarantee that tax reliefs and the tax treatment of funds will remain the same in the future. The value of any reliefs will depend on individuals' financial circumstances.

The tax treatment of cash withdrawals and profits made from your bond will depend upon the tax rules that apply in the country where you are resident for tax purposes. You should check your position with your professional financial adviser. Residents of the United Kingdom should be aware that the Chancellor of the Exchequer announced on 17 March 1998 that legislation would be introduced to tax this type of Bond each year on a deemed gain equal to 15% of the premium compounded. This tax charge may be in addition to any tax charge on a 'chargeable event'.

Holders of policies issued by Royal Skandia will not be protected by the UK Financial Services Compensation Scheme. Policyholders are protected by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 which provide for up to 90% of the value of their policies to be made available in the unlikely event that their insurer became unable to meet its liabilities.

www.royalskandia.com

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

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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