

The Directors of Skandia Global Funds whose names appear on page 1 accept responsibility for the information contained in this Extract Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Extract Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**SKANDIA GLOBAL FUNDS PLC**

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**EXTRACT PROSPECTUS**

**for the**

**SKANDIA GLOBAL EQUITY FUND  
SKANDIA US LARGE CAP GROWTH FUND  
SKANDIA US CAPITAL GROWTH FUND  
SKANDIA US ALL CAP VALUE FUND**

**SKANDIA US VALUE FUND  
SKANDIA EUROPEAN EQUITY FUND  
SKANDIA EUROPEAN OPPORTUNITIES FUND**

**SKANDIA JAPANESE EQUITY FUND  
SKANDIA PACIFIC EQUITY FUND  
SKANDIA GLOBAL BOND FUND  
SKANDIA EMERGING MARKET DEBT FUND**

**SKANDIA TOTAL RETURN USD BOND FUND**

**SKANDIA USD RESERVE FUND  
SKANDIA GREATER CHINA EQUITY FUND**

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Dated: 22 April 2009

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***PLEASE NOTE THAT***

- Skandia Global Funds as an umbrella fund has within it 14 different sub-funds investing primarily in equities, debt securities and money market securities, each with different risk profile.
- Funds which invest in emerging markets may be subject to higher liquidity and volatility risks and Funds which invest in a single market may be subject to higher concentration risk than Funds following a more diversified policy.
- Some Funds may invest substantially in below investment grade debt securities. Investment in such securities may subject a sub-fund to additional risks such as credit risk and liquidity risk.
- The investment decision is yours but you are advised that you should not invest in the Funds unless any intermediary who recommends it to you has advised you that the Funds are suitable for you and has explained to you why, including how investment in the Funds will be consistent with your investment objectives.

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS EXTRACT PROSPECTUS OR THE SUITABILITY OF AN INVESTMENT IN SKANDIA GLOBAL FUNDS FOR YOU, YOU SHOULD CONSULT YOUR BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

*Certain terms used in this Extract Prospectus are defined on pages 5 to 9 of this Extract Prospectus.*

#### ***Financial Regulator Authorisation***

*Skandia Global Funds is an open-ended umbrella type investment company with segregated liability between funds and variable capital incorporated with limited liability under the laws of Ireland. Skandia Global Funds has been authorised by the Financial Regulator as a UCITS within the meaning of the Regulations. The authorisation of Skandia Global Funds as a UCITS by the Financial Regulator is not an endorsement or guarantee of Skandia Global Funds by the Financial Regulator nor is the Financial Regulator responsible for the contents of this Prospectus.*

*The authorisation of Skandia Global Funds by the Financial Regulator shall not constitute a warranty as to the performance of Skandia Global Funds and the Financial Regulator shall not be liable for the performance or default of Skandia Global Funds.*

#### ***SFC Authorisation***

*Skandia Global Funds and the Funds have been authorised by the SFC under Section 104 of the Securities and Futures Ordinance of Hong Kong ("SFO") and are available for sale to the public in Hong Kong. The SFC does not take responsibility for the financial soundness of Skandia Global Funds and such authorisation does not imply that investment in Skandia Global Funds is recommended by the SFC. The SFC, Hong Kong does not take any responsibility as to the accuracy of any statements made or opinions expressed in this document.*

*Skandia Global Funds confirms that Skandia Global Funds and the Funds have been operating and will continue to operate in accordance with the investment principles contained in the UCITS I Directive. Skandia Global Funds will give Shareholders prior notification of not less than one month and update this Extract Prospectus should the Directors intend to change the investment objectives, policy and / or restrictions applicable to Skandia Global Funds in the future.*

*This document is an extract prospectus ("Extract Prospectus") of Skandia Global Fund's Prospectus dated 22 April 2009, as amended, and is for distribution in Hong Kong only and does not constitute a prospectus for the purposes of applicable Irish law. Investors should refer to such documentation for further details. This Extract Prospectus contains details of the Funds authorised for distribution in Hong Kong only. There are other funds under the Skandia Global Funds which are approved by the Financial Regulator but which are not offered for sale in Hong Kong.*

#### ***Investment Risks***

*There can be no assurance that a Fund will achieve its investment objective. An investment in a fund involves investment risks, including possible loss of the amount invested. Details of certain investment risks and other information for an investor are set out more fully in this Extract Prospectus. An investment in any of the Funds should not constitute a substantial proportion of an investor's investment portfolio and may not be appropriate for all investors.*

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#### ***Selling Restrictions***

*The distribution of this Extract Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Extract Prospectus or the accompanying application form in any such jurisdiction may treat this Extract Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal*

*requirements. Accordingly, this Extract Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.*

### ***United States***

*The Shares have not been and will not be registered under the US Securities Act of 1933, as amended, and Skandia Global Funds has not been and will not be registered under the US Investment Company Act of 1940, as amended. Accordingly the Shares may not be offered or sold, directly or indirectly, in the US or to any US Person except pursuant to an exemption from, or in a transaction not subject to the requirements of the US Securities Act of 1933, as amended, and the US Investment Company Act of 1940, as amended. Applicants will be required to certify that they are not US Persons.*

### ***Marketing Rules***

*Shares are offered only on the basis of the information contained in this Extract Prospectus (which is valid only if accompanied by a copy of the latest annual report containing the audited accounts and a semi-annual report if the same is published thereafter. The annual report form an integral part of the Extract Prospectus.*

*Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Extract Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Extract Prospectus. Statements made in this Extract Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.*

*This Extract Prospectus should be read in its entirety, and in particular the sections entitled “Investment Objective and Policy” of each Fund” and “Risk Factors”, before making an application for Shares.*

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## SKANDIA GLOBAL FUNDS PLC

### **Directors**

Michelle Andrews  
Nils Bolmstrand  
Noel Ford  
Ross Laidlaw  
Carl O'Sullivan  
Gerald Moloney  
Mark Satchel

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### **Registered Office**

Arthur Cox Building,  
Earlsfort Terrace,  
Dublin 2,  
Ireland.

### **Company Secretary**

Bradwell Limited,  
Arthur Cox Building,  
Earlsfort Terrace,  
Dublin 2,  
Ireland.

### **Manager**

Skandia Fund Management (Ireland) Limited,  
Arthur Cox Building,  
Harcourt Road,  
Earlsfort Terrace,  
Dublin 2,  
Ireland.

### **Distributor**

SGF Marketing Limited,  
Arthur Cox Building,  
Earlsfort Terrace,  
Dublin 2,  
Ireland.

Skandia Global Funds (Asia Pacific) Limited  
24/F Henley Building,  
5 Queen's Road,  
Central,  
Hong Kong.

### **Custodian**

Citibank International plc,  
Ireland Branch,  
1 North Wall Quay,  
Dublin 1,  
Ireland.

**Administrator, Registrar and Transfer Agent**

Citi Fund Services (Ireland), Limited,  
1 North Wall Quay,  
Dublin 1,  
Ireland.

C3(g)

**Auditors**

KPMG,  
1 Harbourmaster Place,  
International Financial Services Centre,  
Dublin 1,  
Ireland.

C3(f)

**Legal Advisers**

(as to Irish law)

Arthur Cox,  
Earlsfort Centre,  
Earlsfort Terrace,  
Dublin 2,  
Ireland.

(as to Hong Kong law)

Deacons  
5<sup>th</sup> Floor,  
Alexandra House,  
18 Chater Road,  
Central,  
Hong Kong.

**Hong Kong Representative**

Skandia Global Funds (Asia Pacific) Ltd,  
24/F Henley Building,  
5 Queen's Road,  
Central,  
Hong Kong.

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**Investment Adviser to the Manager for the Skandia Global Equity Fund**

JPMorgan Asset Management (UK) Limited,  
Finsbury Dials,  
20 Finsbury Street,  
London EC2Y 9AQ,  
United Kingdom.

**Investment Adviser to the Manager for the Skandia Japanese Equity Fund**

Dalton Capital (Hong Kong) Limited,  
33<sup>rd</sup> Floor, Gloucester House,  
Central,  
Hong Kong.

**Investment Adviser to the Manager for the Skandia US Large Cap Growth Fund and Skandia Global Bond Fund**

Wellington Management Company, LLP,  
75 State Street,  
Boston,  
MA 02109,  
USA.

**Investment Adviser to the Manager for the Skandia US Capital Growth Fund**

Marsico Capital Management, LLC  
1200 17th Street,  
Suite 1600,  
Denver,  
CO 80202,  
USA.

**Investment Adviser to the Manager for the Skandia US All Cap Value Fund**

GAMCO Asset Management Inc. (formerly known as GAMCO Investors, Inc.)  
One Corporate Centre,  
Rye,  
NY 10580,  
USA.

**Investment Adviser to the Manager for the Skandia US Value Fund**

Hotchkis and Wiley Capital Management, LLC,  
725 South Figueroa Street,  
39th Floor,  
Los Angeles,  
CA 90017-5439,  
USA.

**Investment Adviser to the Manager for the Skandia European Opportunities Fund**

SVM Asset Management Limited,  
7 Castle Street,  
Edinburgh EH2 3AH,  
Scotland.

**Investment Adviser to the Manager for the Skandia European Equity Fund**

Goldman Sachs Asset Management International,  
Peterborough Court,  
133 Fleet Street,  
London EC4A 2BB,  
England.

**Investment Adviser to the Manager for the Skandia Pacific Equity Fund and Skandia Greater China Equity Fund**

First State Investment Management (UK) Limited,  
23 St. Andrew Square,  
Edinburgh EH2 1BB,  
Scotland.

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**Investment Adviser to the Manager for the Skandia Total Return USD Bond Fund**

Pacific Investment Management Company LLC,  
840 Newport Centre Drive,  
Suite 300,  
Newport Beach,  
CA 92660,  
USA.

**Investment Adviser to the Manager for the Skandia USD Reserve Fund**

BlackRock Capital Management Inc.,  
100 Bellevue Park,

C3(c)

Wilmington,  
DE 19809,  
USA.

**Investment Adviser to the Manager for the Skandia Emerging Market Debt Fund**

Stone Harbor Investment Partners LP,  
31 West 52<sup>nd</sup> Street,  
New York,  
NY 10019,  
USA.

**Sub-Manager to Skandia Greater China Equity Fund**

First State Investments (Hong Kong) Limited,  
Room 604-6, Three Exchange Square,  
8, Connaught Road,  
Central,  
Hong Kong.

## SKANDIA GLOBAL FUNDS PLC

### DEFINITIONS

In this Extract Prospectus the following words and phrases shall have the meanings indicated below:-

"Administrator"	means Citi Fund Services (Ireland) Limited;
"Administration Agreement"	means the administration agreement dated 30 June, 2003 between Skandia Global Funds, the Manager and the Administrator, as amended by an amending agreement dated 24 May, 2005, as further amended by a supplemental agreement dated 16 August, 2006 and as novated by an agreement dated 31 March 2009, pursuant to which the latter acts as administrator, registrar and transfer agent of Skandia Global Funds;
"ADRs"	means American Depositary Receipts;
"Articles of Association"	means the articles of association of Skandia Global Funds;
"Base Currency"	means the base currency of a Fund;
"Business Day"	has the meaning set out in the respective Appendices to this Extract Prospectus;
"class" or "Class"	means any one or all of the Class A Shares, Class B Shares, Class C Shares or Class I Shares in Skandia Global Funds and references to Class A Shares refer to Class A1 Shares, Class A1 M Income Shares, Class A1 Income Shares, Class A2 Shares and Class A3 Shares and Class A3 Hedged Shares, references to Class B Shares refer to Class B Shares and Class B1 M Income Shares and references to Class C Shares refer to Class C shares, Class C1 M Income Shares and Class C1 Income Shares;
"Custodian"	means Citibank International plc;
"Custodian Agreement"	means the custodian agreement dated 30 June, 2003, as amended by a supplemental agreement dated 16 August, 2006, between Skandia Global Funds and the Custodian pursuant to which the latter acts as custodian in relation to Skandia Global Funds;
"Dealing Day"	means in respect of all the Funds every Business Day or such other days as the Directors may determine and provided that there shall be at least one Dealing Day each fortnight;
"Directors"	means the directors of Skandia Global Funds for the time being and any duly constituted committee thereof;
"Distributor"	means SGF Marketing Limited and Skandia Global Funds (Asia Pacific) Limited and any other distributor appointed by the Manager from time to time;

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“Distribution Agreement”	means the distribution agreement between the Manager and each Distributor pursuant to which the latter acts as a distributor in relation to Skandia Global Funds;
“EEA”	means the European Economic Area, namely the EU member states, Norway, Iceland and Liechtenstein;
“Emerging Markets”	means those countries listed as developing countries in the World Bank’s website at <a href="http://www.worldbank.org">www.worldbank.org</a> and as updated from time to time;
"EU"	means the European Union;
"euro" or "EUR" or “Euro”	means the unit of the single European currency;
“Financial Regulator”	means the Irish Financial Services Regulatory Authority;
"FSA"	means the Financial Services Authority in the UK;
"fund"	means any fund from time to time established by Skandia Global Funds with the prior approval of the Financial Regulator and includes the Funds;
"Funds"	means all of the funds currently established by Skandia Global Funds with the approval of the Financial Regulator and which have been authorised by the SFC as set out in the cover page of this Extract Prospectus and "Fund" shall mean any one of them;
"GDRs"	means Global Depositary Receipts;
“Initial Offer Period”	means in case of: <ul style="list-style-type: none"> <li>(i) Class A3 Hedged Shares of the Skandia US Value Fund, the Skandia US All Cap Value Fund, the Skandia US Large Cap Growth Fund, the Skandia Pacific Equity Fund, the Skandia Japanese Equity Fund and the Skandia Global Equity Fund;</li> <li>(ii) Class B1 M Income Shares of Skandia Emerging Market Debt Fund, the Skandia Global Bond Fund and the Skandia Total Return USD Bond Fund;</li> <li>(iii) Class C1 M Income Shares of the Skandia Emerging Market Debt Fund;</li> <li>(iv) Class I Shares of the Skandia Global Equity Fund, the Skandia US Large Cap Growth Fund, the Skandia US Capital Growth Fund, the Skandia US All Cap Value Fund, the Skandia US Value Fund, the Skandia European Equity Fund, the Skandia European Opportunities Fund, the Skandia Japanese Equity Fund, the Skandia Pacific Equity Fund, the Skandia Greater China Equity Fund, the Skandia Global Bond Fund, the Skandia Emerging Market Debt Fund, the Skandia Total Return USD Bond Fund;</li> </ul> <p>from 16 March 2009 to 16 September 2009; or such other dates as the Directors may determine and notify to the Financial Regulator;</p>
"Institutional Investor"	means a corporate member of the Skandia Group or any investor (other than an individual) who invests USD500,000 or more in a Fund at any one time;

"Investment Adviser"	means each such entity or entities appointed by the Manager to act as investment adviser(s) in relation to the assets of a Fund;
"Investment Advisory Agreement"	means the investment advisory agreement entered into between the Manager and each Investment Adviser pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of a Fund;
"Investment Grade"	means ratings awarded by bond rating agencies to high quality corporate and government securities that are judged likely to meet their payment obligations;
"Irish Resident"	means any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Resident (as defined in the Taxation section of the Extract Prospectus);
"JPY"	means Japanese Yen, the lawful currency of Japan;
"Manager"	means Skandia Fund Management (Ireland) Limited;
"Management Agreement"	means the management agreement dated 7 October, 1997, as amended by an amendment agreement dated 12 September, 2000, as further amended by a supplemental agreement dated 16 August, 2006 between Skandia Global Funds and the Manager pursuant to which the latter acts as manager of Skandia Global Funds;
"Memorandum of Association"	means the memorandum of association of Skandia Global Funds;
"Minimum Holding"	means any minimum holding requirement in respect of a Fund as set out in the Extract Prospectus;
"MSCI Europe Index"	means the Morgan Stanley Capital International Europe Index, which is a free float-adjusted market capitalisation index that is designed to measure developed market equity performance in Europe. The countries currently covered by the MSCI Europe Index are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom;
"Net Asset Value"	means the net asset value of Skandia Global Funds or of a Fund or of a Share, as the case may be, calculated as described herein;
"Net Asset Value per Share"	means the Net Asset Value divided by the number of Shares of Skandia Global Funds or a fund in issue;
"NSCC Networking"	means the National Securities Clearing Corporation Networking;
"OECD"	means the Organisation for Economic Co-Operation and Development whose current member countries Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Mexico, New Zealand, Netherlands, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States and such other countries as may from time to time become member countries;
"REITs"	means real estate investment trusts. These are pooled investment vehicles that invest in income producing real property or real property-related loans

or interests listed, traded or dealt in on Regulated Markets. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest their assets directly in real property and derive income primarily from the collection of rents. Equity REITs may also realise capital gains by selling properties that have appreciated in value. Mortgage REITs invest their assets in real property mortgages and derive income from the collection of interest payments;

"Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 as amended or any amendment thereto for the time being in force and any rules made by the Financial Regulator pursuant to the Regulations;
"Regulated Market"	means any stock exchange or market which is provided for in the Articles of Association, details of which are set out in Schedule I;
"Retail Investor"	means any investor who is not an Institutional Investor;
"Rule 144A Securities"	means securities issued pursuant to Rule 144A, promulgated under the US Securities Act of 1933, which are issued with an undertaking to register with the SEC;
"SEC"	means the Securities and Exchange Commission of the US;
"SEK"	means Swedish Kronor, the lawful currency of Sweden;
"SFC"	means the Securities and Futures Commission of Hong Kong;
"Share" or "Shares"	means the shares of no par value in Skandia Global Funds or in a Fund;
"Shareholder"	means a holder of Shares;
"Skandia Global Funds"	means Skandia Global Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Acts, 1963 to 2006;
"Skandia Group"	means all companies which are direct or indirect subsidiaries and holding companies of either Skandia Insurance Company Ltd (publ), Skandia Europe and Latin America Holdings Limited or Skandia UK Holdings Limited;
"Subscriber Shares"	means the initial share capital of 30,000 Shares of no par value subscribed for EUR 38,082;
"Taxes Act"	means the Taxes Consolidation Act, 1997, as amended from time to time;
"UCITS"	means an undertaking for collective investment in transferable securities established pursuant to the Regulations;
"UCITS Directive"	means Council Directive No 85/611 EEC of 20 December, 1985 as amended by Council Directive No 88/220 EEC of 22 March, 1988; Directive No. 95/26/EC of the Council and of the European Parliament of 29 June, 1995, Directive No. 2000/64/EC of the Council and the European Parliament of 7 November, 2000, Directive No. 2001/107/EC of the Council and the European Parliament of 21 January, 2002, Directive No. 2001/108/EC of the Council and of the European Parliament of 21 January, 2002 and Directive No. 2004/39/EC of the Council and the European Parliament of 21 April, 2004;

“UCITS Notice”	means a notice issued from time to time by the Financial Regulator pursuant to the Regulations;
"UK"	means the United Kingdom of Great Britain and Northern Ireland;
"US"	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
"USD" or "US Dollars"	means US Dollars, the lawful currency of the US; and
"US Person"	means, unless otherwise determined by the Directors, any citizen or resident of the US, any corporation, trust, partnership or other entity created or organised in or under the laws of the US or any state thereof or any estate or trust the income of which is subject to US federal income tax, regardless of source.

## **INTRODUCTION**

Skandia Global Funds was incorporated on 2 September, 1997 as an investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts, 1963 to 2006 and the Regulations.

Skandia Global Funds is organised in the form of an umbrella fund with segregated liability between funds and may offer separate classes of Shares, each representing interests in a fund comprising a distinct portfolio of investments. Details of each Fund to be offered to investors in Hong Kong are set out at the end of this document in a specific Appendix. The Funds have different risk profile by virtue of their investments.

With the prior approval of the Financial Regulator, Skandia Global Funds from time to time may create an additional fund or funds. This Extract Prospectus may only be issued with one or more Appendices, each containing specific information relating to a particular fund. This Extract Prospectus and the relevant Appendix should be read and construed as a single document. Appendices may be added to, or removed from, this Extract Prospectus from time to time as funds are created or revoked by the Financial Regulator and the SFC, as the case may be. The following Funds are currently available in Hong Kong:-

Skandia Global Equity Fund  
Skandia US Large Cap Growth Fund  
Skandia US Capital Growth Fund  
Skandia US All Cap Value Fund  
Skandia US Value Fund  
Skandia European Equity Fund  
Skandia European Opportunities Fund  
Skandia Japanese Equity Fund  
Skandia Pacific Equity Fund  
Skandia Global Bond Fund  
Skandia Emerging Market Debt Fund  
Skandia Total Return USD Bond Fund  
Skandia USD Reserve Fund  
Skandia Greater China Equity Fund

## **INVESTMENT OBJECTIVE AND POLICY OF EACH FUND**

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the relevant Fund which are set out in the relevant Appendices to this Extract Prospectus.

### **Change in Investment Objective and/or Policy**

Any change in the investment objective and material change to the investment policy of a Fund will be subject to Shareholders' approval by ordinary resolution. In the event of a change of the investment objective and/or policy of a Fund, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of these changes.

### **Investment Restrictions**

Each fund's investments will be limited to investments permitted by the Regulations. Each fund is also subject to the relevant investment policies and in the case of a conflict between such policies and the Regulations the more restrictive limitation shall apply.

If the limits referred to in Schedule II are exceeded for reasons beyond the control of Skandia Global Funds or as a result of the exercise of subscription rights, Skandia Global Funds shall adopt as a priority objective for its

sales transactions the remedying of that situation taking due account of the interests of the fund and its Shareholders.

### **Distribution Policy**

The Directors do not intend to declare a dividend in respect of the Shares of any Fund except in respect of:

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- the Class A1 M Income Shares, Class A1 Income Shares, Class B1 M Income Shares, Class C1 M Income Shares and Class C1 Income Shares of the Skandia Emerging Market Debt Fund;
- Class A1 Income Shares, Class B1 M Income Shares and Class C1 Income Shares of the Skandia Total Return USD Bond Fund;
- Class B1 M Income Shares of the Skandia Global Bond Fund;

(the “Distributing Share Classes”).

All of a fund’s income and capital gains will be reinvested in accordance with the investment objectives and investment policies of the fund except for the Distributing Share Classes. The Directors intend to declare a dividend as follows:

- quarterly in respect of Class A1 Income Shares and Class C1 Income Shares of the Skandia Emerging Market Debt Fund and of the Skandia Total Return USD Bond Fund on 31 March, 30 June, 30 September and 31 December;
- monthly in respect of Class A1 M Income Shares and C1 M Income Shares of the Skandia Emerging Market Debt Fund on the last calendar day of each month; and  
  
monthly in respect of the Class B1 M Income Shares of the Skandia Emerging Market Debt Fund, the Skandia Global Bond Fund and the Skandia Total Return USD Bond Fund on the last calendar day of each month.

Dividends for the Distributing Share Classes may, at the sole discretion of the Directors, be paid from (a) a Fund’s net income and net realised and unrealised capital gains net of realised and unrealised losses. It is the intention of the Directors that dividends will be paid from a fund’s net income. The amount of the net income to be distributed is determined at the discretion of the Directors and the Directors will also determine what proportion of the Fund’s expenses may be charged against the income to arrive at the net income figure. Dividends will be paid in cash by telegraphic transfer to the account of the Shareholder specified in the application form or, in the case of joint holders, to the name of the first Shareholder appearing on the register within one month of their declaration and in any event within four months of the year end.

Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant fund.

### **Borrowings, Loans and Guarantees**

A fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:-

- (i) foreign currency may be acquired by means of a back-to-back loan;
- (ii) borrowings not exceeding 10 per cent. of the Net Asset Value may be made on a temporary basis, for example, to meet redemption requests.

A fund may not sell any of its investments when such investments are not in the fund's ownership.

## **Investment Techniques and Instruments**

Skandia Global Funds may employ investment techniques and instruments for efficient portfolio management purposes only, subject to the conditions and within the limits from time to time laid down by the Financial Regulator for hedging purposes. Such techniques and instruments may include the conducting of stocklending activities and the use of repurchase and reverse repurchase agreements and derivatives (including options, futures, forwards swaps and convertible securities and structured notes). Skandia Global Funds may employ techniques and instruments for protection against exchange risks in accordance with the conditions and limits laid down by the Financial Regulator for hedging purposes. Forward currency contracts may be entered into to hedge exposure to one currency as well as currency options and over-the-counter contracts. Furthermore, new techniques and instruments may be developed which may be suitable for use by a fund in the future and a fund may employ such techniques and instruments subject to the prior approval, and any restrictions imposed by, the Financial Regulator. Skandia Global Funds shall supply to a shareholder on request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yields characteristics for the main categories of investment. A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule I. A description of the current conditions and limits laid down by the Financial Regulator in relation to financial derivative instruments is set out in Schedule II.

Skandia Global Funds is engaged in a securities lending programme subject to the conditions and within the limits defined by the Financial Regulator. As at the date of this Extract Prospectus, Skandia Global Funds receives 85% of the fees from this securities lending programme with the party arranging such programme receiving 15% of the fees. Of the 85% of the fees received by Skandia Global Funds, 85% is retained by the Fund whose securities were lent and 15% is paid to the Manager. Up to 100% of the securities in each Fund may be used for securities lending purposes.

A Fund may invest in repurchase/reverse repurchase agreements in accordance with the requirements set out in Schedule III.

## **Risk Factors**

Investors should understand that all investments involve risks. The following are some of the risks of investing in the Fund, but the list does not purport to be exhaustive.

### ***Investment Risks***

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested.

The price of the Shares may fall as well as rise. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy.

### ***Volatility Risk***

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place.

Volatility may also be due to the fluctuations in the exchange rate of currencies. It is a measure of the probability of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency.

During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

### **Liquidity Risks**

Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. Certain securities may be difficult or impossible to sell at the time that the Fund would like or at the price that the Fund believes the security is currently worth. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### ***Emerging Market Risks***

Due to the developing nature of the countries in which certain Funds may invest (such as the Skandia Pacific Equity Fund, Skandia Greater China Equity Fund, Skandia Emerging Market Debt Fund, Skandia Global Equity Fund and Skandia Global Bond Fund) their markets are similarly of a developing nature. Accordingly, these markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. In addition, reporting standards and market practices may not provide the same degree of information as would generally apply internationally and therefore may increase risk. In addition, an issuer may default on payments and such circumstances could mean that investors may not receive back on repurchase or otherwise the amount originally invested.

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The value of the assets of each of the Funds referred to above may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Funds referred to above may invest.

As the Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability.

### ***Country Risk for the Skandia Greater China Equity Fund***

The stock markets in mainland China are emerging markets which are undergoing rapid growth and changes. This may lead to trading volatility, difficulties in settlement and in interpreting and applying the relevant regulations. In addition, there is a lower level of regulation and enforcement activity in these securities markets compared to more developed international markets.

There exist controls on foreign investment in China and limitations on repatriation of invested capital. Accordingly, the companies or enterprises in which the Fund invests may experience difficulty in exchanging Renminbi for USD which may in turn result in difficulties in those investee companies or enterprises paying dividends in USD to the Skandia Greater\_China-Equity Fund.

Currency devaluation and other currency exchange rate fluctuations may adversely affect the value of the Shares in the Skandia Greater China Equity Fund.

Less audited information may be available in respect of companies or enterprises in which the Skandia Greater China Equity Fund may invest than is available in respect of investments in, for example, US entities.

The securities industry in China is relatively young and it is not, therefore, possible to assess how well the Chinese stockbrokers and other intermediaries and regulatory authorities will perform their respective roles.

The value of the Skandia Greater China Equity Fund's assets may be affected by uncertainties arising from political and social developments in China or changes in Chinese law or regulations, in particular:-

- (i) China is controlled by the Communist Party of China and its present rules and regulatory climate may change without advance notice; C2
- (ii) the legal system in China is underdeveloped by Western standards; and
- (iii) the Chinese economy is still undergoing restructuring from a system of rigid, centralised, planned economy to a mixed economy.

It may be more difficult to obtain and/or enforce a judgment in a court outside the investor's home jurisdiction and even if a judgment is obtained in a court within the investor's home jurisdiction, such judgment may not be abided by outside the investor's home jurisdiction.

#### **Concentration Risk**

The investments of certain Funds may be concentrated in a single market or country. A concentrated investment strategy may be subject to a greater degree of volatility and of risk than a diversified fund. To the extent a Fund concentrates its investment in a particular market or country, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable developments in that particular market or country that the Fund invests in.

#### ***Credit Risk***

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings.

In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). In times of financial instability, there may be increased uncertainty surrounding the credit worthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Share.

The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the creditworthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

#### ***Below Investment Grade Debt Securities Risk***

Each of the Skandia Global Bond Fund, Skandia Emerging Market Debt Fund, Skandia US Value Fund, Skandia US Capital Growth Fund and Skandia Total Return USD Bond Fund may invest in

debt securities which are below Investment Grade. Investments in debt securities which are below investment grade are considered to have a higher risk exposure than debt securities which are investment grade with respect to payment of interest and the return of principal. Investors should therefore assess the risks associated with an investment in such a fund. Low rated debt securities generally offer a higher current yield than higher grade issues. However, low rated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Additionally, the market for lower rated debt securities generally is less active than that for higher quality securities and a fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions.

The value of below Investment Grade debt securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, below Investment Grade debt securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

### ***Credit Ratings Risk***

The ratings of fixed-income securities by Moody's and S&P are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated.

In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a downgrading in the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

### ***Interest Rates Risk***

Changes in market interest rates will affect the value of debt securities held by a Fund. Generally, the market value of debt securities moves in the opposite direction from interest rates; the market value decreases when interest rates rise and increases when interest rates fall. A Fund's net asset value per Share generally moves in the same direction as the market value of the debt securities in the Fund's portfolio. Therefore, if interest rates rise, investors should expect the Fund's Net Asset Value per Share to fall, and if interest rates fall, investors should expect the Fund's Net Asset Value to rise. Long-term debt securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility. To the extent a Fund holds long-term debt securities, its Net Asset Value will be subject to a greater degree of fluctuation than if it held debt securities of a shorter duration.

### ***Mortgage-backed and Asset-backed Securities Risks***

A Fund (such as the Skandia Global Bond Fund, Skandia Emerging Market Debt Fund, Skandia Total Return USD Bond Fund and Skandia Greater China Equity Fund) may be exposed to risks associated with securitised instruments (e.g. mortgage-backed and asset-backed securities), such as a credit risk which relates essentially to the quality of the underlying assets, and which may vary in type and may involve liquidity risks.. These instruments are based on complex operations that may also involve legal risks and other risks related to the characteristics of the underlying assets.

The value of such mortgage-backed and asset-backed securities depends on the value of the underlying collateral which is subject to market fluctuation and the risk of being downgraded due to adverse market conditions.

### ***Risks Associated with Investment in Warrants***

Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant of a higher risk than an investment in an equity security.

### ***Derivative Risks***

Each Fund may use derivative instruments for the purposes of efficient portfolio management. The use of these instruments involves special risks. Derivative contracts such as forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather banks and dealers act as principals in these markets negotiating each transaction on an individual basis. Derivative instruments may be particularly sensitive to changes in the market value of the instruments, assets, rate or index from which the value of the derivatives are derived or related to and derivative instruments may be particularly sensitive to changes in prevailing interest rates. Derivative instruments also involve the risk of mispricing and the risk that changes in the value of the derivatives may not correlate perfectly with the underlying instruments, assets, rate or index. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held. A Fund may enter into swap agreements with respect to currencies, interest rates and security indices. A Fund may use these techniques for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements for efficient portfolio management purposes will be successful will depend on the Investment Adviser's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Derivative instruments, which are not traded on exchanges, are subject to counterparty risks. Moreover, derivative instruments may not perform in the manner expected and, therefore, the purposes for which such instruments are used may not be served.

### ***Risks Relating to REITs and other Property-Related Companies***

The prices of equity REITs and other property-related companies are affected by changes in the value of the underlying property owned by the REITs/property-related companies and changes in capital markets and interest rates. The prices of mortgage REITs and other property-related companies are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Under certain tax legislation, REITs and other property-related companies may avoid tax on the income they distribute if certain conditions are made. For example, under the US Internal Revenue Code of 1986, as amended (the "Code"), a US REITs is not taxed in the US on income it distributes to its shareholders if it complies with several requirements relating to its organisation, ownership, assets and income and a requirement that it generally distribute to its shareholders at least 90 per cent of its taxable income (other than net capital gains) for each taxable year. However the REITs/property-related company could fail to qualify for tax-free pass-through of income under, for example, the Code. Such a failure would result in the taxation of income of a disqualified REITs/property-related company's distributed income at the REITs/property-related company level.

While Funds will not invest in real property directly, these funds may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) because of its policy of concentrating its investments in the real estate industry.

In addition to these risks, equity REITs and other property-related companies may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs and other property-related companies may be affected by the quality of any credit they extend. Further, REITs and other property-related companies are dependent upon management skills and generally may not be diversified. REITs and other property-related companies are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs/property-related company or lessees of a property that a REITs/property-related company owns may be unable to meet their obligations to the REITs/property-related company. In the event of a default by a borrower or lessee, the REITs/property-related company may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs/property-related companies in which the Fund may invest may have their assets in specific real property sectors, such as hotel REITs/property-related

companies, nursing home REITs/property-related companies or warehouse REITs/property-related companies, and are therefore subject to the risks associated with adverse developments in these sectors.

The REITs that Funds invest in may not necessarily be authorised by the SFC. Further, the dividend policy of the Funds may not be representative of the dividend policy of the underlying REITs.

#### ***Risks Associated with Investment in other Collective Investment Schemes***

Each Fund may invest in one or more collective investment schemes including schemes managed by the Manager or its affiliates. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

#### ***Counterparty Risks***

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Fund and settle a transaction in accordance with market practice. A Fund may be exposed to the risk that a counterparty through investments such as repurchase agreements, debts securities and financial derivative instruments, including various types of swaps, futures and options. To the extent that a counterparty defaults on its obligations and a Fund is delayed or prevented from exercising its rights with respect to the investment in its portfolio, that Fund may experience a decline in the value of the security, lose income and incur costs associated with its rights attached to the security.

#### ***Custody Risks***

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the Fund.

#### ***Settlement Risks***

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. An Investment Adviser may instruct the Custodian to settle transactions on a delivery free of payment basis where it believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Custodian will not be liable to the Fund or to the Shareholders for such a loss, provided the Custodian has acted in good a faith in making any such delivery or payment.

#### ***Political Risks***

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

#### ***Currency Risk***

A fund may issue classes denominated in a currency other than the Base Currency of that fund. In addition, a fund may invest in assets that are denominated in a currency other than the Base Currency of that fund. Accordingly, the value of a Shareholder's investment may be affected favourably or unfavourably by fluctuations in the rates of the different currencies. Skandia Global Funds may create hedged currency classes to hedge the resulting currency exposure back into the Base Currency of the relevant Share class. In addition, Skandia Global Funds may hedge the currency exposure due to investing in assets denominated in a currency other than the fund's Base Currency. In such cases the relevant currency of the Share class may be hedged so that the resulting currency exposure will not exceed 105 per cent of the Net Asset Value of the class. The positions will be reviewed on a monthly basis and any over or under hedged positions will not be carried forward. The costs and gains or losses associated with any hedging transactions for hedged currency classes will accrue solely to the hedged

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currency class to which they relate. Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the currency of that class or the currencies of assets which are denominated in currencies other than the fund's Base Currency fall against that of the Base Currency of the relevant fund and/or the currencies of the relevant or appropriate benchmark, the use of class hedging strategies may substantially limit holders of Shares in the relevant class from benefiting if the currency of that class rises against that of the Base Currency of the relevant fund and/or the currency in which the assets of the relevant fund are denominated and/or the currencies of the relevant or appropriate benchmark.

It may not always be possible to execute hedging transactions, or to do so at prices, rates or levels advantageous to the Funds. The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates and the stability of pricing relationships. Therefore, while a Fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in exchange rates or interest rates may result in poorer overall performance for Fund than if it had not engaged in such hedging. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. An imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to a risk of loss.

The Net Asset Value per Share of the Class A2 Shares and Class A3 Shares will be calculated in the Base Currency of the relevant fund (as specified in the section headed, "Investment Objective and Policy of Each Fund") and will then be translated into USD or Euro, as appropriate, which are the currencies in which those Class A2 Shares and Class A3 Shares respectively are denominated, at the prevailing exchange rate. It is expected that, because the Investment Adviser of each fund will not hedge this currency exposure, the Net Asset Value per Class A2 Shares and Class A3 Shares and the performance of Class A2 Shares and Class A3 Shares will be impacted by changes in the rates of exchange between the base currency of the relevant fund and the USD or Euro. Investors in Class A2 Shares and Class A3 Shares will bear this currency risk.

#### ***Subscription, Repurchase and Conversion Currency Risks***

Shares in any Fund may be subscribed for or repurchased in any freely convertible currency not being the Base Currency of the Fund. Similarly, Shareholders may convert Shares in one Fund to Shares in another Fund and the Shares in the two Funds may be denominated in different currencies. The costs of foreign currency exchange transactions and any related gains or losses in connection with any subscription, repurchase or conversion will be borne by the investor.

#### ***Rating of Investment Risk***

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Extract Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

#### ***Umbrella structure of Skandia Global Funds and Cross-Liability Risk***

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. Skandia Global Funds is an umbrella fund with segregated liability between funds and under Irish law Skandia Global Funds generally will not be liable as a whole to third parties and there will not be the potential for cross-liability between the funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against Skandia Global Funds in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

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#### ***Investment Adviser Risk***

The Manager may consult an Investment Adviser with respect to the valuation of unlisted investments. There is an inherent conflict of interest between the involvement of an Investment Adviser in determining the valuation of the Fund's investments and the Investment Adviser's other responsibilities.

### ***Regulatory Risks and Accounting Standards***

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards. This may affect the valuation of a Fund's assets.

### ***Taxation Risks***

Potential investors' attention is drawn to the taxation risks associated with investing in any Fund of Skandia Global Funds. Please see the section headed "Taxation" on pages [32] to [38].

### ***Other Risks***

Skandia Global Funds will be responsible for paying its fees and expenses regardless of the level of its profitability. In view of the fact that an initial charge and/or a redemption charge may be payable on a subscription and/or redemption by an investor and a contingent deferred sales charge may be payable on a redemption by an investor if Shares are redeemed within four years of their subscription any investment in a Fund should be regarded as a medium to long term investment.

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## **SUBSCRIPTIONS, REPURCHASES AND DEALINGS IN SHARES**

### **Classes of Shares**

A Fund may comprise of more than one class of Shares. The classes of Shares currently offered are Class A, Class B and Class C Shares. The term "Class A Shares" shall refer to Class A1 Shares, Class A1 M Income Shares, Class A1 Income Shares, Class A2 Shares, Class A3 Shares and Class A3 Hedged Shares, "Class B Shares" shall refer to Class B Shares and Class B1 M Income Shares and the term "Class C Shares" shall refer to Class C Shares, Class C1 M Income Shares and Class C1 Income Shares unless otherwise indicated.

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The Classes of Shares in a Fund are distinguished principally on the basis of the initial charge, the redemption charge, the contingent deferred sales charge and the management and distribution fees applicable to them.

### **Subscription Price**

The initial subscription price of the Class A1 Income Shares and Class C1 Income Shares of the Skandia US Total Return Bond Fund and the Skandia Emerging Market Debt Fund shall be USD 10 per Share. The initial subscription price for the Class A3 Hedged Shares of the Skandia Global Bond Fund, the Skandia US Value Fund, the Skandia US All Cap Value Fund, the Skandia US Large Cap Growth Fund, the Skandia Pacific Equity Fund, the Skandia Japanese Equity Fund, the Skandia Global Equity Fund and the Skandia Emerging Market Debt Fund shall be EUR 10 per Share.

The initial subscription price of the Class A1 M Income Shares and Class C1 M Income Shares of the Skandia Emerging Market Debt Fund shall be USD 10 per Share.

The initial subscription price of the Class B1 M Income Shares of the Skandia Emerging Market Debt Fund, the Skandia Global Bond Fund and the Skandia Total Return USD Bond Fund shall be USD 10 per Share.

The initial subscription price of the Class I Shares of:

- the Skandia Global Equity Fund, the Skandia US Large Cap Growth Fund, the Skandia US Capital Growth Fund, the Skandia US All Cap Value Fund, the Skandia US Value Fund, the Skandia Pacific Equity Fund, the Skandia Greater China Equity Fund, the Skandia Global Bond Fund, the Skandia Emerging Market Debt Fund and the Skandia Total Return USD Bond Fund shall be USD 10 per Share;
- the Skandia European Equity Fund and the Skandia European Opportunities Fund shall be EUR 10 per Share; and

- the Skandia Japanese Equity Fund shall be JPY 10 per Share.

Following the Initial Offer Period of each Class of Shares the subscription price per Share shall be the relevant Net Asset Value per Share on each Dealing Day.

An initial charge may be payable to the Manager on subscriptions for Shares.

An initial charge of up to 6.25 per cent. of the Net Asset Value per Share may be payable on the Class A Shares of any Fund. No initial charge shall be payable on the Class B Shares of any Fund. An initial charge of up to 1.00 per cent. of the Net Asset Value per Share may be payable on the Class C Shares of any Fund.

### **Subscription Procedures**

The minimum initial investment per Shareholder in a Fund, except for Class I Shares of a Fund, is USD 1,000 (or the equivalent of that amount in the relevant currency). The minimum initial investment per Shareholder for Class I Shares is USD 5,000,000 (or the equivalent of that amount in the relevant currency). The minimum subsequent investment and the minimum holding per Shareholder for any Fund is USD 500 (or the equivalent of that amount in the relevant currency). Skandia Global Funds reserves the right to vary the minimum initial investment, the minimum subsequent investment and the minimum holding in the future and may choose to waive these minima.

Each investor may subscribe directly for Shares by sending an application to the Distributor or the Administrator, in the manner set out below, without using an intermediary:-

- All applications for Shares made by an Institutional Investor must be made by way of a properly completed application form being received by the Administrator or a Distributor prior to 2.00 p.m. (Irish time) on a Dealing Day. Any such application will, if accepted, be dealt with at the subscription price calculated on that Dealing Day. Applications received by the Administrator or a Distributor after 2.00 p.m. (Irish time) on a Dealing Day and before the time at which the Net Asset Value of the Fund is calculated will be carried over to the next Dealing Day unless otherwise determined at the discretion of the Directors.
- All applications for Shares made by a Retail Investor must be made by way of a properly completed application form to be received by the Administrator or a Distributor prior to 10.00 a.m. (Irish time) on a Dealing Day. Cleared funds for such applications must be received by close of business (Irish time) on the Business Day prior to the relevant Dealing Day. Any such application will, if accepted, be dealt with at the subscription price calculated on the relevant Dealing Day. Applications received by the Administrator or a Distributor after 10.00 a.m. (Irish time) on a Dealing Day will be carried over to the subsequent Dealing Day.

Alternatively, applications by Hong Kong investors may be sent to the Hong Kong Representative. Although the Hong Kong Representative does not have any authority to bind Skandia Global Funds, it is responsible for forwarding applications to the Administrator or a Distributor, as the case may be, for the account of Skandia Global Funds. All initial applications for Shares made by an Institutional Investor or a Retail Investor must be made by way of a properly completed application form. The Hong Kong Representative will endeavour to ensure, but without any responsibility to an applicant, that properly completed application forms received by it no later than 5.00 p.m. (Hong Kong time) on a Hong Kong business day (being a day, other than a Saturday, on which banks in Hong Kong are open for business) will be forwarded to the Administrator or a Distributor, as the case may be, on the same day. Applications received after 5.00 p.m. (Hong Kong time), or on a day that is not a Hong Kong business day will be forwarded to the Administrator or a Distributor, as the case may be, on the following Hong Kong business day.

Notwithstanding the above, at the discretion of the Administrator, the Distributor or the Hong Kong Representative, subscriptions for Shares may be made by both Retail Investors and Institutional Investors by facsimile placed by a person designated as an authorised person in the application form, subject to the dealing

deadline referred to above. Any such subscription for Shares by facsimile must be confirmed by an original written communication.

A subscription should normally be in the currency of the class of Share the investor is subscribing for in the relevant Fund. However, a request for subscription in a currency other than the currency of the class of Shares of a Fund will be considered if the subscription is made in a major freely-convertible currency. Such application will only be accepted by the Administrator on the basis of receipt of cleared funds and the rate of exchange used to convert the currency into the currency of the class of Shares in the particular Fund shall be that prevailing at the time of receipt of the cleared funds available to the Administrator and the expenses of such conversion shall be borne by the applicant.

Skandia Global Funds may issue fractional Shares rounded up to four decimal places. Fractional Shares shall not carry any voting rights.

The Articles of Association provide that a fund may issue Shares at their Net Asset Value in exchange for securities which a fund may acquire in accordance with its investment objectives and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until ownership of the securities has been transferred to the Fund. The value of the securities shall be determined by the Administrator on the relevant Dealing Day.

Investment in the Funds is intended for long-term purposes only. Excessive, short-term (or market timing) or other abusive trading practices may disrupt portfolio management strategies, increase expenses and harm fund performance for all Shareholders and Skandia Global Funds will take all reasonable steps to prevent such activity. To minimize harm to a fund and its Shareholders, the Administrator, working in conjunction with the designated anti-money laundering reporting officer, reserves the right to reject any subscription (including any transfer) from any investor whom it believes has a history of abusive trading or whose trading, in its judgement, has been or may be disruptive to a fund. In making this judgement, the Administrator may consider trading done in multiple accounts under common ownership or control. In respect of any subscription made as and from the date of this Extract Prospectus no Shares may be redeemed or exchanged within 21 days of their purchase and for this purpose Shares last purchased shall be deemed to be the subject of any redemption or exchange.

**No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance.**

#### **Identity and Money Laundering Checks**

The Administrator reserves the right working in conjunction with the designated anti-money laundering officer of the funds, to reject any application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application without interest.

Each Shareholder must notify the Administrator or the Distributor or the Hong Kong Representative (who in turn must notify the Administrator) in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator.

The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the funds will notify applicants if proof of identity is required.

Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity of the applicant. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which an applicant initially wished to have Shares issued to him.

### **Settlement Procedures**

Settlement for subscriptions made by an Institutional Investor is due in cleared funds ordinarily within three Business Days of the relevant Dealing Day. However, the Directors may, on a case by case basis and at their sole discretion decide to accept cleared funds after three Business Days following the relevant Dealing Day for an Institutional Investor. C9

Subscription applications made by Retail Investors will ordinarily only be accepted if cleared funds have been received by the Administrator by 5.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day. However, in circumstances where a Retail Investor makes an initial subscription of USD 100,000 or more through any Distributor or its agent, the Directors may on a case by case basis and at their sole discretion, decide to accept cleared funds on or after the relevant Dealing Day. Payment may be made by telegraphic transfer or other form of bank transfer to the bank account specified in the application form.

Institutional Investors and Retail Investors to whom the extended settlement period is provided will be required to agree to indemnify and hold harmless Skandia Global Funds, the Directors, the Manager, the Investment Adviser, the Administrator, the Distributors and the Custodian for any losses, costs or expenses incurred by them as a result of their failure or default to transmit subscription monies in immediately available funds to the account of Skandia Global Funds within the time frame to which the Directors may have agreed.

Investors are requested to instruct their bankers to advise the Administrator, a Distributor or the Hong Kong Representative of the remittance of funds, such advice to include the subscription reference number, applicant's name, Shareholder number (if available) and the Fund for identification purposes. Failure to do so will cause delay in the processing of the transaction onto the register and any costs of the delay will be passed on to the investor.

Applicants should be aware that if cleared funds are not settled by the relevant time frame referred to above the application may be cancelled, with any loss or costs of cancellation being passed on to the applicant.

### **Contract Notes and Certificates**

Following settlement a written confirmation of ownership in the form of a contract note will be sent to the relevant Shareholder confirming the number of Shares issued to that Shareholder. Skandia Global Funds does not propose to issue share or bearer certificates.

The Administrator shall be responsible for maintaining Skandia Global Funds register of Shareholders in which all issues, conversion and transfers of Shares will be recorded. All Shares issued will be registered and the share register will be conclusive evidence of ownership. Shares may be issued in a single name or in up to four joint names. The share register shall be open for inspection at the office of the Administrator during normal business hours.

On acceptance of their initial application and receipt of the necessary anti-money laundering documentation, applicants will be allocated a Shareholder number and this, together with the Shareholder's personal details, will be proof of ownership of Shares. This Shareholder number should be used for all future dealings by the Shareholder.

Any changes to the Shareholder's personal details or loss of Shareholder number must be notified immediately to the Administrator or the Distributor or the Hong Kong Representative (who in turn must notify the Administrator) in writing.

## Repurchase Price

Shares shall be repurchased at the applicable Net Asset Value per Share obtaining on the Dealing Day on which the repurchase is effected.

The minimum amount that a Shareholder in any Fund may redeem is USD1,000 (or the foreign currency equivalent of that amount).

No redemption charge or contingent deferred sales charge shall be payable on the repurchase of Class A Shares of any Fund.

No redemption charge shall be payable on the repurchase of Class B and Class C Shares of any Fund. A contingent deferred sales charge may be payable on the repurchase of Class B and Class C Shares of each Fund. The amount of the contingent deferred sales charge payable will depend on the length of time between the date the Shares were purchased and their repurchase at the rates set out below.

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Years since purchase	Contingent deferred sales charge as a percentage of the subscription price paid	Contingent deferred sales charge as a percentage of the subscription price paid	Contingent deferred sales charge as a percentage of the subscription price paid
	Class B Shares	Class C Shares	Class C1 Income Shares
0 - 1	4.00%	1.00%	1.00%
1 - 2	3.00%	Nil	Nil
2 - 3	2.00%	Nil	Nil
3 - 4	1.00%	Nil	Nil
4 and thereafter	None	Nil	Nil

Any contingent deferred sales charge will be payable to the Manager. No contingent deferred sales charge shall be payable on Shares issued arising as a result of the reinvestment of dividends. No contingent deferred sales charge shall be payable on any increase on the Net Asset Value per Share above the subscription price paid for the Share and no contingent deferred sales charge shall be payable on transfers or conversions of Shares. For the purposes of determining whether a contingent deferred sales charge is payable any Shares redeemed shall be deemed to be those first subscribed.

If a Fund invests in the units or shares of a UCITS collective investment scheme managed by the Manager or by an associated or related company of the Manager, the Manager or the associated or related company must waive the preliminary or initial charge or commission payable, if any. The Manager will not receive any commission when a Fund invests in a UCITS collective investment scheme. However, if any commissions are received by the Manager, the commission must be paid into a property of the Fund.

## Repurchase Procedures

Repurchase orders may be made to the Administrator or the Distributor between 9.00 a.m. and 2.00 p.m. (Irish time). Orders may be placed in writing or via such other method of communication as is previously agreed with the Administrator.

Shareholders may repurchase all or part of their Shareholding, provided that if the request would reduce a Shareholding to below the minimum holding, such request will be treated by the Administrator as a request to repurchase the entire shareholding unless the Manager otherwise determines. Such orders received by the Administrator or a Distributor prior to 2.00 p.m. (Irish time) on a Dealing Day will, if accepted, be dealt with at the Net Asset Value per Share calculated on that Dealing Day. Repurchase orders received by the Administrator or a Distributor after 2.00 p.m. (Irish time) on a Dealing Day and before the time at which the Net Asset Value

of the Fund is calculated will be carried over to the next Dealing Day unless otherwise determined at the discretion of the Directors.

Alternatively, a Hong Kong resident who wishes to request a repurchase of the whole or any part of his Shareholding may submit his repurchase order to the Hong Kong Representative. The Hong Kong Representative will endeavour to ensure, but without responsibility to any Shareholder, that repurchase orders received by it no later than 5.00 p.m. (Hong Kong time) on any Hong Kong business day will be transmitted to the Administrator on the same day.

Notwithstanding the above, at the discretion of the Manager, the Hong Kong Representative or the Administrator repurchases of Shares may be made by both Retail Investors and Institutional Investors by facsimile, subject to the time deadline referred to above. Any such repurchase for Shares by facsimile must be confirmed by an original written communication.

The repurchase proceeds will normally be paid in the currency of the class of Share in the relevant Fund. However, a request for repurchase in a currency other than the Base Currency of a Fund will be considered when such payment is requested in a major freely-convertible currency. The rate of exchange used to convert the currency from the Base Currency of the Fund shall be that prevailing at the time of conversion and available to Skandia Global Funds and the expenses of such conversion shall be borne by the Shareholder.

A contract note will be sent to Shareholders giving full details of the repurchase transaction.

Skandia Global Funds, with the sanction of an ordinary resolution of the Shareholders, may transfer assets of Skandia Global Funds to Shareholders in satisfaction of the repurchase monies payable on the repurchase of Shares, provided that, in the case of any repurchase request in respect of Shares representing 5 per cent. or less of the share capital of Skandia Global Funds or a fund or with the consent of the Shareholder making such repurchase request, assets may be transferred without the sanction of an ordinary resolution provided that such distribution is not prejudicial to the interests of the remaining Shareholders. At the request of the Shareholder making such repurchase request such assets may be sold by Skandia Global Funds and the proceeds of sale shall be transmitted to the Shareholder.

If repurchase requests on any Dealing Day exceed 10 per cent. of the Shares in issue in respect of any fund, Skandia Global Funds may defer the excess repurchase requests to subsequent Dealing Days and shall repurchase such Shares rateably. Any deferred repurchase requests shall be treated in priority to any repurchase requests received on subsequent Dealing Days.

### **Settlement Procedures on Repurchase**

Settlement for repurchases will normally be made by telegraphic transfer or other form of bank transfer to the bank account of the Shareholder specified in the application form (at the Shareholder's risk) three Business Days from receipt by the Administrator or the Distributor of correct repurchase documentation and in any event within fourteen days of the Dealing Day on which the repurchase request is effective. Payment will only be effected where the application form and any changes to the Shareholder's bank or other details have been received by the Administrator in advance of a repurchase request. Payment may be made in any freely-convertible currency specified by the Shareholder. The cost of such settlement by telegraphic transfer or other form of bank transfer may be passed on to the Shareholder. No interest shall be paid to the Shareholder on the repurchase proceeds. The Directors agree that they will not exercise their discretion (as provided in the Articles of Association of Skandia Global Funds) to pay repurchase proceeds in kind to Hong Kong investors unless the relevant redeeming Shareholders provide their written consent otherwise.

### **Transfer of Shares**

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. The Directors may

decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the Minimum Holding or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The transferee will also be required, where necessary, to provide anti-money laundering documentation in advance of the transfer being effected.

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one fund into Shares of another fund on giving notice to the Administrator or a Distributor in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria. Alternatively, a Hong Kong resident may submit the notice to the Hong Kong Representative who will endeavour to ensure, but without responsibility to any Shareholder, that any notice for conversion received before 4.00 p.m. (Hong Kong time) on any Hong Kong business day will be transmitted to the Administrator on the same day.

It is not the intention of the Directors to charge a switching fee for the conversion of Shares in a Fund into Shares of another Fund however the Directors reserve the right to introduce a switching fee in the future.

Conversion will take place in accordance with the following formula:-

$$NS = \frac{(A \times B \times C) - D}{E}$$

where:-

- NS = the number of Shares which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the repurchase price of the Shares to be converted;
- C = the currency conversion factor, if any, as determined by the Directors;
- D = a switching fee of up to 2.5 per cent. of the Net Asset Value per Share; and
- E = the issue price of Shares in the new Fund on the relevant Dealing Day.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

If the Base Currency of the Shares being converted differs from the Base Currency of the Shares of the new Fund the rate of exchange used to convert the Shares in one Fund into the Base Currency of the Shares of the new Fund shall be that prevailing at the time of conversion and available to Skandia Global Funds and the expenses of such conversion shall be borne by the Shareholder.

### **NET ASSET VALUE**

#### **Determination of Net Asset Value**

The Administrator shall determine the Net Asset Value per Share in the Base Currency of each fund at 2.00 p.m. (Irish time) on each Dealing Day in accordance with the Articles of Association. The Net Asset Value per Share in each fund shall be calculated by dividing the assets of the fund, less its liabilities by the number of Shares then in issue in respect of that fund. The Net Asset Value per Share of a class is the Net Asset Value of the fund attributable to that class divided by the number of Shares in issue in that class. Any liabilities of Skandia Global Funds which are not attributable to any fund shall be allocated pro rata amongst all of the funds.

Where a fund is made up of more than one class of Shares, the Net Asset Value of each class shall be determined by calculating the amount of the Net Asset Value of the fund attributable to each class. The amount of the Net Asset Value of a fund attributable to a class shall be determined by establishing the value of Shares in issue in the class and by allocating relevant fees and expenses to the class and making appropriate adjustments to take account of distributions paid out of the fund, if applicable, and apportioning the Net Asset Value of the fund accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class, adjusted to at least the third decimal place. In the event that an unhedged currency class of Shares is issued which is priced in a currency other than the currency of that fund, currency conversion costs on subscription and redemption will be borne by that class and will take place at prevailing exchange rates. In the event that a hedged class of Shares is issued which is priced in a currency other than the currency of that fund, the costs and gains/losses of any hedging transactions will be borne by that class. The value of the assets of a fund shall be determined in the Base Currency of the fund as set out below.

Each security which is traded on a Regulated Market will be valued on the Regulated Market which is normally the principal market for such security. The valuation shall be the latest available market price on that Regulated Market as of 2.00 p.m. (Irish time).

In the case of unlisted securities or any assets traded on a Regulated Market, but in respect of which a price or quotation is not available at the time of valuation which would provide a fair valuation, the value of such asset shall be estimated with care and in good faith by a stockbroker or other competent person selected by the Manager and approved for the purpose by the Custodian and such value shall be determined on the basis of the probable realisation value of the investment.

Cash and other liquid assets will be valued at their face value with interest accrued (if any) to the relevant Dealing Day. Investments in a collective investment scheme (if any) shall be valued at the latest available repurchase price for the shares or units in the collective investment scheme.

Any exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange. Derivative instruments not traded on an exchange shall be valued on the basis of the latest daily valuation obtained from the counterparty to the transaction provided that the valuation is verified by an independent party approved for the purpose by the Custodian at least weekly. Forward foreign exchange contracts shall be valued at the price at which a new forward contract of the same size and maturity could be undertaken as of 2.00 p.m. (Irish time) on the Dealing Day.

In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made and there shall be deducted from the assets all liabilities accrued including any dividends declared.

Where applicable, values shall be converted into the Base Currency of a Fund at the latest available exchange rate.

The Directors shall be entitled to adopt an alternative method of valuing any particular asset if they consider that the method of valuation set out above does not provide a fair valuation of that asset and provided that the alternative method of valuation is approved by the Custodian.

The amortised cost method of valuation shall be used for the Skandia USD Reserve Fund. The amortised cost method may only be applied to investments which satisfy one or more of the following criteria: securities with a maturity at issuance or residual maturity of up to and including 397 days; securities which undergo regular yield adjustments in line with money market conditions at least every 397 days; or securities whose risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days. Under the amortised cost method, a Fund's investments shall be valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Directors shall continually assess this method of valuation and recommend changes, where necessary, to ensure that a Fund's investments will be valued at their fair value as determined in good

faith by the Directors. Skandia Global Funds shall review each week any discrepancies between the market value of the assets and the value as determined by the amortised cost method of valuation. If the deviation is greater than 0.1 per cent., Skandia Global Funds will review the discrepancies on each Dealing Day until the deviation is less than 0.1 per cent. If the deviation is greater than 0.2 per cent., Skandia Global Funds shall notify the Manager and, as appropriate, the Custodian. If at any time, however, the market value of any of the assets of a Fund deviates by more than 0.3 per cent. from its value determined on an amortised cost basis, Skandia Global Funds will review the discrepancies daily, promptly consider what action if any is necessary to reduce such dilution and notify the Financial Regulator with an indication of the action, if any, which will be taken to reduce such dilution. All such procedures and reviews shall be clearly documented. Skandia Global Funds will monitor the use of the amortised cost method of valuation in order to ensure that this method continues to be in the best interests of the Shareholders and to provide a fair valuation of the investments of a Fund. There may be periods during which the stated value of an instrument determined under the amortised cost method of valuation is higher or lower than the price which a Fund would receive if the instruments were sold and the accuracy of the amortised cost method of valuation can be affected by changes in interest rates and the credit standing of issuers of a Fund's investments.

The amortised cost method of valuation may also be applied to floating rate instruments where they have an annual (or shorter) reset date, they are determined to have a market value that approximates the amortised cost valuation and they have a residual value of two years or less. However a residual maturity of up to five years is permitted for high credit quality instruments that meet with these conditions and where procedures are adopted to ensure that the valuation produced does not vary significantly from its true market value.

#### **Publication of the Net Asset Value per Share**

Except where the determination of the Net Asset Value per Share has been suspended, in the circumstances described below, the Net Asset Value per Share shall be available at the registered office of Skandia Global Funds and shall be published in respect of each Dealing Day in the South China Morning Post and the Hong Kong Economic Journal.

#### **Temporary Suspension of Valuation of the Shares and of Sales and Repurchases**

Skandia Global Funds may temporarily suspend the determination of the Net Asset Value and the sale or repurchase of Shares in any fund during:-

- (i) any period (other than ordinary holiday) when any Regulated Market is closed which is the main Regulated Market for a substantial part of the fund's investments, or during which trading thereon is restricted or suspended;
- (ii) any period when any circumstance exists as a result of which disposal or valuation by the fund of investments is not reasonably practicable without this being seriously detrimental to the interests of Shareholders or repurchase prices cannot fairly be calculated;
- (iii) any period when there is any breakdown in the means of communication normally employed in determining the price of any of the fund's investments or when for any other reason the current prices of any investments of the fund on any market or stock exchange cannot be reasonably, promptly or accurately ascertained by the fund;
- (iv) any period during which the remittance of funds required for the purpose of making payments due on the acquisition or realisation of investments of the fund cannot, in the opinion of the Directors, be carried out at normal prices or normal rates of exchange; or
- (v) any period when proceeds of the sale or repurchase of the Shares cannot be transmitted to or from the fund's account.

Any such suspension shall be published by Skandia Global Funds in the South China Morning Post and the Hong Kong Economic Journal and any such suspension shall be notified immediately to the Financial

Regulator and in any event within the same Business Day. Such suspension shall also be notified immediately to the SFC as soon as practicable.

### **Data Protection Notice**

Prospective Shareholders should note that by completing the application form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act, 1988, as amended by the Data Protection (Amendment) Act, 2003 (the "Data Protection Legislation"). These data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to Skandia Global Funds, its delegates and agents. By signing the application form, prospective Shareholders acknowledge that they are providing their consent to Skandia Global Funds, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- to manage and administer the Shareholder's holding in Skandia Global Funds and any related accounts on an ongoing basis;
- for any other specific purposes where the Shareholder has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal and regulatory obligations applicable to the Shareholder and Skandia Global Funds;
- for disclosure or transfer, whether in Ireland or countries outside Ireland, including without limitation the United States, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to Skandia Global Funds and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of Skandia Global Funds.

Pursuant to the Data Protection Legislation, Shareholders have a right of access to their personal data kept by Skandia Global Funds and the right to amend and rectify any inaccuracies in their personal data held by Skandia Global Funds by making a request to Skandia Global Funds in writing.

Skandia Global Funds is a Data Controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by Shareholders in confidence and in accordance with the Data Protection Legislation.

### **FEES AND EXPENSES**

Each Fund shall pay all of its expenses and its due proportion of any expenses allocated to it, unless otherwise agreed. The costs and gains/losses of any hedging transactions will be attributable to the class. To the extent that expenses are attributable to a specific class of a fund, that class shall bear such expenses.

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These expenses may include, without limitation, the costs of (i) establishing and maintaining Skandia Global Funds, any fund, trust or collective investment scheme approved by the Financial Regulator and registering Skandia Global Funds, the fund and the Shares with any governmental or regulatory authority or with any stock exchange or regulated market; (ii) management, administration, trustee, custodial and the fees of paying agents and/or local representatives which shall be charged at normal commercial rates; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Financial Regulator and governmental agencies; (iv) taxes; (v) commissions and brokerage fees; (vi) auditing, tax and legal fees; (vii) insurance premiums and (viii) other operating expenses.

All expenses relating to the establishment of Skandia Global Funds were borne by Skandia Insurance Company Ltd (publ). The expenses relating to the establishment of all of the other Funds were borne by the Manager. No advertising or promotional expenses will be charged to Skandia Global Funds or any of the Funds during such period as they remain authorised by the SFC in Hong Kong.

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors, but the aggregate remuneration of the Directors shall not exceed SEK 160,000 per annum. The Directors will be entitled to be reimbursed by Skandia Global Funds for all reasonable disbursements and out-of-pocket expenses incurred by them.

Any increase in the fees payable to the Manager, Custodian and Administrator from the current levels to the maximum amounts prescribed herein shall require at least three months' prior notice (or such longer period as required by the SFC) to be given to Shareholders.

The fees in respect of each of the Funds are as follows:-

### **Management Fee**

Skandia Global Funds will pay to the Manager monthly in arrears a management fee. The amount of the management fee for each of the various classes of Shares of each Fund is set out in the Appendices and is expressed as a percentage per annum of the Net Asset Value of each class of Share in the Fund.

The management fee for each Fund shall accrue on each Dealing Day. Skandia Global Funds will not pay the out-of-pocket expenses of the Manager. Out of the management fee, the Manager shall pay the fees and commissions payable to the relevant Investment Adviser and any paying agents. The Manager shall also pay those reasonable out-of-pocket expenses which the Manager has previously agreed with the relevant Investment Adviser to pay out of its management fee.

### **Distribution Fee**

No distribution fee shall be payable in respect of the Class A Shares of any Fund.

Each Fund shall pay a distribution fee to the Manager of up to 1.5 per cent. per annum of the average Net Asset Value of that Fund attributable to the Class B Shares.

Each Fund shall pay a distribution fee to the Manager of up to 1.5 per cent. per annum of the average Net Asset Value of that Fund attributable to the Class C Shares.

The Manager shall pay the distribution fees referred to above to the relevant distributors.

The Funds' preliminary and organisational costs and expenses incurred in its operations and in the process of obtaining authorisation of the SFC in Hong Kong will be borne by the Manager.

### **Administration Fee**

Skandia Global Funds will pay to the Administrator monthly in arrears an administration fee of up to 6 basis points per annum of the combined average Net Asset Value of the Funds, subject to a minimum fee per Fund of EUR 15,000 per annum. An additional annual fee of USD2,400 shall be payable for the second and each subsequent class of Shares in each Fund.

The administration fee shall accrue on each Dealing Day.

The Administrator is entitled to the following fees, payable out of Skandia Global Fund's assets: an annual maintenance fees of EUR 3,500.00 for maintaining the register of each share class of Skandia Global Funds, annual shareholder account ("Account") servicing fees of EUR 26.00 for each Account, EUR 12.00 for each Account maintained electronically through NSCC Networking.

There are transaction fees of between EUR 3.00 and EUR 12.00 per transaction and EUR 20.00 for each initial account set up. There are additional charges for miscellaneous services, such as inbound customer service calls at EUR 5.00 each and for investigations at EUR 20.00 per claim.

Special project system programming charges are EUR 85.00 per hour. The initial set up cost for an internet site is EUR 25,000.00. Once paid there is no additional per annum charge for the annual maintenance for the internet site.

If any dividends are to be paid by a Fund a fee will be charged to the Fund at the rate of EUR 3.00 per transaction.

The Administrator will also be entitled to be reimbursed by Skandia Global Funds out of the assets of each Fund for all reasonable and vouched out-of-pocket expenses incurred by it and charged to it, for the benefit of the Fund in the performance of its duties to Skandia Global Funds.

### **Custodian Fee**

Skandia Global Funds will pay to the Custodian monthly in arrears a fiduciary fee of up to 2 basis points per annum of the combined average Net Asset Value of the Funds plus VAT (if any), subject to a minimum of EUR 3,500 per annum for each Fund. The fiduciary fee shall accrue on each Dealing Day. The Custodian is also entitled to custody fees of up to 0.05 per cent. per annum of the combined Net Asset Value of the Funds, the rate declining as the combined Net Asset Value increases, and these fees are charged at rates that are normal commercial rates and which vary from country to country. These fees are payable monthly in arrears. The Custodian is entitled to be reimbursed by Skandia Global Funds for all reasonable disbursements, out-of-pocket expenses and may charge transaction charges on each transaction. In addition, the Custodian shall be reimbursed any sub-custodial fees and expenses which shall be charged at normal commercial rates.

## **MANAGEMENT AND ADMINISTRATION**

### **The Board of Directors**

The Board of Directors is responsible for managing the business affairs of Skandia Global Funds in accordance with the Articles of Association. The Directors may delegate certain functions to the Manager, the Administrator, the Custodian, the Investment Adviser and other parties, subject to supervision and direction by the Directors.

### **The Manager**

The Manager is Skandia Fund Management (Ireland) Limited, a limited liability company incorporated under the laws of Ireland on 22 August, 1997. It has an issued share capital of USD350,000 all of which shares are fully paid up and is a wholly-owned subsidiary company of Skandia Europe and Latin America Holdings Limited. Each of the Directors is a director of the Manager, except Ms. Andrews, Mr. Nils Bolmstrand and Mr. Satchel.

The Manager will be responsible for managing Skandia Global Funds. The Manager has delegated to the Administrator responsibility for the calculation of the Net Asset Value of Skandia Global Funds and of the Shares. The Manager has delegated to the Investment Adviser responsibility for the management of Skandia Global Funds portfolio of assets.

## **The Investment Advisers**

As at the date of the Extract Prospectus, the Manager has delegated its responsibilities as manager of the investments of each Fund to the Investment Advisers whose names and details are set out in the Appendices.

The Investment Advisory Agreement between the Manager and each Investment Adviser provides that the Investment Adviser shall be responsible for the investment and reinvestment of the relevant Fund's assets.

An Investment Adviser may, with the prior consent of the Manager, delegate its investment management functions to a sub-investment manager provided that such delegation is made in accordance with the requirements of the Financial Regulator and is authorised by the SFC, information on any sub-investment manager will be provided to Shareholders on request, details of the sub-investment manager will be disclosed in the annual report and accounts and the fees of the sub investment manager will not be paid out of a Fund's assets.

### **Sub-Manager of Skandia Greater China Equity Fund**

The Investment Adviser of the Skandia Greater China Equity Fund is First State Investment Management (UK) Limited which has with the prior consent of the Manager delegated its investment management functions to First State Investments (Hong Kong) Limited.

## **The Administrator**

The Manager has appointed Citi Fund Services (Ireland), Limited to act as the administrator of Skandia Global Funds and each Fund with responsibility for performing the day-to-day administration of Skandia Global Funds and each Fund including the calculation of the Net Asset Value and the Net Asset Value per Share.

The Administrator is a limited liability company incorporated in Ireland on 18 September 1992 and is a wholly owned subsidiary of Citibank N.A. As of 30 April 2008, the Administrator had assets under management of approximately USD 77 billion.

## **The Custodian**

The Custodian of Skandia Global Funds is the Irish branch of Citibank International plc, a public limited company incorporated under the laws of England and Wales on 21 December, 1972. It holds a banking licence issued by the FSA. Its registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England and it conducts its banking business in Ireland from its office at 1 North Wall Quay, Dublin 1. The Custodian provides trustee and custodial services to collective investment schemes and other portfolios.

Under the terms of the Custodian Agreement, the Custodian may appoint sub-custodians in relation to Skandia Global Funds assets but the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping. However, Skandia Global Funds and the Custodian acknowledge that the Financial Regulator considers that, in order to discharge its responsibility under the Regulations, the Custodian must exercise care and diligence in choosing and appointing such third party so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over the third party and shall make appropriate inquiries from time to time to confirm that the obligations of the third party continue to be competently discharged.

## **The Distributors**

The Manager may appoint distributors for Shares in the Funds from time to time. The Distributors shall be responsible for promoting the sale of the Shares in accordance with the provisions of this Extract Prospectus. As of the date of this Extract Prospectus, SGF Marketing Limited and Skandia Global Funds (Asia Pacific) Ltd. have been appointed as a distributor in respect of the Funds.

## **The Hong Kong Representative**

The Hong Kong Representative is Skandia Global Funds (Asia Pacific) Ltd. which was incorporated in Hong Kong on 17 December, 2001. The Hong Kong Representative has been appointed by Skandia Global Funds and the Manager to represent them in Hong Kong.

## **TAXATION**

**The following is a general summary of the main Irish tax considerations applicable to Skandia Global Funds and certain investors who are the beneficial owners of Shares. It does not purport to deal with all of the tax consequences applicable to Skandia Global Funds or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in Skandia Global Funds would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (“PPIU”). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential Shareholders are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. Legislative, administrative or judicial changes may modify the tax consequences described below and, as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in Skandia Global Funds will endure indefinitely.

### **Taxation of Skandia Global Funds**

The Directors have been advised that, under current Irish law and practice, Skandia Global Funds qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended (“TCA”) so long as Skandia Global Funds is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

However, Irish tax can arise on the happening of a “chargeable event” in Skandia Global Funds. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in Skandia Global Funds for a period of eight years or more. Where a chargeable event occurs, Skandia Global Funds is required to account for the Irish tax thereon.

No Irish tax will arise in respect of chargeable events where (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and has made the necessary declaration to that effect or (b) the Shareholder is an Exempt Irish Resident as defined below and has made the necessary declaration to that effect. In the absence of a signed and completed declaration being in the possession of Skandia Global Funds at the relevant time, there is a presumption that the Shareholder is Irish Resident or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:-

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or;
- a transfer of Shares between spouses and any transfer of Shares between spouses or former spouses on the occasion of judicial separation and/or divorce; or;
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in Skandia Global Funds for other Shares in Skandia Global Funds; or;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction of Skandia Global Funds with another Irish collective investment scheme.

If Skandia Global Funds becomes liable to account for tax on a chargeable event, Skandia Global Funds shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder, as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep Skandia Global Funds indemnified against loss arising to Skandia Global Funds by reason of Skandia Global Funds becoming liable to account for tax on the happening of a chargeable event.

Skandia Global Funds may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are resident or ordinarily resident in Ireland ("Irish Resident Shareholders") and who are not Exempt Irish Residents as defined below, is 10 per cent. or more of the Net Asset Value of the Fund, Skandia Global Funds will be liable to account for the tax arising on a deemed disposal as set out above. However, where the total value of Shares in a Fund held by such Shareholders is less than 10 per cent. of the Net Asset Value of the Fund, Skandia Global Funds may, and it is expected that Skandia Global Funds will, elect not to account for tax on the deemed disposal. In this instance, Skandia Global Funds will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders."

### **Exempt Irish Resident Shareholders**

Skandia Global Funds will not be required to deduct tax in respect of the following categories of persons who are resident or ordinarily resident in Ireland provided Skandia Global Funds has in its possession the required declarations from those persons and Skandia Global Funds has no reason to believe that the declaration is incorrect. Shareholders who come within the categories listed below and who have provided the required declarations to Skandia Global Funds are referred to herein as "Exempt Irish Residents".

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 734(1) of the TCA;

- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a specified company within the meaning of Section 734(1) of the TCA;
- (i) a person who is entitled to exemption from income tax and capital gains tax under Section 784(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a qualifying savings manager within the meaning of Section 848B of the TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C of the TCA;
- (k) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a Personal Retirement Savings Account;
- (l) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (m) the National Pensions Reserve Fund Commission;
- (n) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (o) in certain circumstances, a company within the charge to tax under Case I of Schedule D of the TCA in respect of payments made to it by Skandia Global Funds; or
- (p) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners of Ireland without giving rise to a charge to tax in Skandia Global Funds or jeopardising the tax exemptions associated with Skandia Global Funds.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who have made the necessary declaration of non-residence in Ireland are not liable to Irish tax on the income or gains arising to them from their investment in Skandia Global Funds and no tax will be deducted on distributions from Skandia Global Funds or payments by Skandia Global Funds in respect of a repurchase, redemption, cancellation or other disposal of their investment.

Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder. However, in the event that a non-resident Shareholder fails to make the required declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in Skandia Global Funds which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from Skandia Global Funds under the self assessment system

## **Taxation of Irish Resident Shareholders**

Tax will be deducted and remitted to the Revenue Commissioners of Ireland by Skandia Global Funds from any distributions made by Skandia Global Funds (other than on a disposal) where payments are made annually or at more frequent intervals at the standard rate of income tax (currently 20 per cent.) plus 3 per cent, (i.e. currently 23 per cent.) and, where payments are made less frequently at the standard rate plus 6 per cent (i.e. currently 26 per cent). to an Irish Resident Shareholder who is not an Exempt Irish Resident.

Tax will also be deducted by Skandia Global Funds and remitted to the Revenue Commissioners of Ireland from any gain arising on an encashment, repurchase, redemption or other disposal of Shares by such a Shareholder at the standard rate plus 6 per cent (i.e. currently 26 per cent). Any gain will be computed as the difference between the value of the Shareholder's investment in the Fund at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Tax will also be deducted by Skandia Global Funds and remitted to the Revenue Commissioners of Ireland in respect of any deemed disposal event where the total value of Shares in a Fund held by Irish Resident Shareholders (who are not Exempt Irish Residents) is 10 per cent. or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in Skandia Global Funds by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below, where Skandia Global Funds so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the standard rate of income tax plus 6 per cent. (i.e. currently 26 per cent.) in respect of deemed disposals. Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where Skandia Global Funds is obliged to account for tax on deemed disposals it is expected that Skandia Global Funds will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eighth year anniversary.

Skandia Global Funds may elect not to account for tax arising on a deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent. of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D of the TCA and will be subject to tax at the standard rate of income tax plus 6 per cent. (i.e. currently 26 per cent.). Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

Corporate Shareholders resident in Ireland which receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the TCA from which tax at the standard rate plus 3 per cent, (i.e. currently 23 percent) has been deducted. Thus, such Shareholders may have a further liability to tax in respect of such distributions. Currently, this could result in an effective rate of tax on such distributions of 25 per cent.

Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on other payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from Skandia Global Funds as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by Skandia Global Funds.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by Skandia Global Funds from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares in Skandia Global Funds, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax, as the case may be, on that payment. Where such Shareholder receives a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted (for example, because the Shares are held in a recognised clearing system), the Shareholder will also be liable to account for income tax or corporation tax on the amount of the gain under the self-assessment system and in particular, Part 41 of the TCA. Shareholders who are individuals should also note that failure to comply with these provisions may result in them being subject to tax at their marginal rate (currently up to 41 per cent.) on the income and gains together with the health levy, surcharge, penalties, levies and interest.

### **Overseas Dividends**

Dividends (if any) and interest which Skandia Global Funds receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether Skandia Global Funds will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that Skandia Global Funds receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that Skandia Global Funds qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in Skandia Global Funds. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by Skandia Global Funds on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is a collective investment undertaking within the meaning of Section 734 of the TCA) which is registered in Ireland.

### **Residence**

In general, investors in Skandia Global Funds will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

## **Individual Investors**

### **Test of Residence**

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, for periods up to 31 December 2008 an individual is deemed to be present if the individual is in the country at the end of the day (midnight). From 1 January 2009, an individual is deemed to be present if he/she is present in the country at any time during the day. Therefore, for tax years from 1 January 2009, any day during which the individual is present in the country will count in ascertaining the total number of days spent here for residence purposes.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

### **Test of Ordinary Residence**

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

### **Trust Investors**

A trust will generally be regarded as an Irish Resident where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is an Irish Resident.

### **Corporate Investors**

A company will be Irish resident if its central management and control resides in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location for central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU member states or countries with which Ireland has a tax treaty, or the company or a related company are quoted companies; or
- (ii) the company is regarded as not resident in Ireland under a tax treaty between Ireland and another country.

A company coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control resides in Ireland.

### **Disposal of Shares and Irish Capital Acquisitions Tax**

- (a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Shares by means of a gift, inheritance made by a disposer domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give

rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) **Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that Skandia Global Funds qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

### **Taxation in Hong Kong**

Under current law and practice in Hong Kong, during such time as Skandia Global Funds remains authorised by the SFC, it is not expected to be subject to any Hong Kong profits tax arising from the carrying on of its activities as described in the Extract Prospectus. Except as mentioned below, Shareholders will not be subject to any Hong Kong tax on distributions from Skandia Global Funds or on capital gains realised on the sale of any Shares. If the acquisition and realisation of Shares is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by the relevant Shareholder may attract Hong Kong profits tax. Shares will not attract Hong Kong estate duty and no Hong Kong stamp duty will be payable on the issue or transfer of Shares.

### **GENERAL**

#### **Conflicts of Interest**

The Directors, the Manager, the Custodian, the Administrator and any Investment Adviser (and any affiliate through whom it executes transactions on behalf of Skandia Global Funds) and the Distributors may from time to time act as manager, custodian, registrar, administrator and investment adviser, distributor or dealer in relation to, or be otherwise involved in, other funds established by parties other than Skandia Global Funds which have similar investment objectives to those of Skandia Global Funds. Subject to applicable law under the terms of this Extract Prospectus any service provider may acquire, hold, dispose or otherwise deal in Shares. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with Skandia Global Funds. Each will, at all times, have regard in such event to its obligations to Skandia Global Funds and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with Skandia Global Funds in respect of the assets of Skandia Global Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Transactions must be consistent with the best interests of Shareholders.

Dealings will be deemed to have been effected on normal commercial terms negotiated at arm's length if (1) a certified valuation of a transaction by a person approved by the Custodian as independent and competent is obtained; or (2) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or where (1) and (2) are not practical, (3) the transaction is executed on terms which the Custodian, or the Directors in the case of a transaction involving the Custodian, is satisfied are normal commercial terms negotiated at arm's length.

It is proposed that soft commissions may be paid to brokers in respect of a Fund. The brokers or counterparties to the soft commission arrangements have agreed to provide best execution to Skandia Global Funds. The benefits provided under the arrangements will assist in the provision of investment services to the Fund. Details of the soft commission arrangements will be disclosed in the annual and half-yearly reports of Skandia Global Funds.

The Manager and the Investment Adviser and their connected persons shall not retain their own benefit any cash commission rebate paid or payable from brokers or dealers in respect of any business placed for or on behalf of the Skandia Global Funds or any of the Funds.

Skandia Global Funds is currently engaged in securities lending activities subject to the conditions and within the limits as defined by the Financial Regulator. The income generated from lending activity is credited back to the particular Fund whose securities are on loan. The Manager will receive a portion of the income derived from the programme and the Manager currently receives 15 per cent. of such income with the remainder being paid to the particular Fund. This fee is paid to the Manager in recognition of the support provided by the Manager in connection with this activity which includes the selection and monitoring of the provider of the programme. Further activities undertaken by the Manager include the review and reconciliation of revenues generated, the approval and monitoring of authorised borrowers and the setting and monitoring of collateral limits. The arrangements of the programme will be formally reviewed by the Directors of Skandia Global Funds on an annual basis and full details of amounts received will be disclosed in the audited accounts of Skandia Global Funds.

### **Transactions with Connected Persons**

For so long as Skandia Global Funds is authorised by the SFC:-

- (a) the Manager, any Investment Adviser and their affiliates will not enter on behalf of Skandia Global Funds into underwriting or sub-underwriting contracts without the prior consent of the Custodian and unless all commissions and fees payable under such contracts and all investments acquired pursuant to such contracts, form part of Skandia Global Fund's assets;
- (b) any transactions between Skandia Global Funds and the Directors, the Manager or any Investment Adviser or any of their affiliates as principal may only be made with the prior written consent of the Custodian and must be disclosed in Skandia Global Fund's annual report; and
- (c) brokers or dealers connected to the Directors, the Manager, any Investment Adviser or any of their affiliates may not in aggregate account for more than fifty per cent of Skandia Global Fund's transactions in value in any one financial year.

### **Share Capital**

The share capital of Skandia Global Funds shall at all times equal the Net Asset Value. The initial capital of Skandia Global Funds was EUR 38,082 represented by 30,000 Subscriber Shares of no par value.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of Skandia Global Funds, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement shall be limited to the amount subscribed and any accrued income thereon.

Each of the Shares entitles the holder to attend and vote at meetings of Skandia Global Funds.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of Skandia Global Funds empower the Directors to issue fractional Shares in Skandia Global Funds. Fractional Shares may be issued to the nearest one thousandth of a Share and shall not carry any voting rights at general meetings of Skandia Global Funds and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

Skandia Global Funds is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more classes of Shares in Skandia Global Funds. The Directors may, from time to time,

upon the prior approval of the Financial Regulator, establish further funds by the issue of one or more separate classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Financial Regulator, establish one or more separate classes of Shares within each Fund on such terms as the Directors may resolve.

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of Skandia Global Funds to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of Skandia Global Funds to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where Skandia Global Funds incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) where an asset or a liability of Skandia Global Funds cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Custodian, shall be allocated to all the Funds pro rata to the Net Asset value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither Skandia Global Funds nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement or transaction entered into by Skandia Global Funds the following terms, that:

- (i) the party or parties contracting with Skandia Global Funds shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with Skandia Global Funds shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to Skandia Global Funds to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with Skandia Global Funds shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for Skandia Global Funds and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by Skandia Global Funds shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by Skandia Global Funds shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the

Fund affected, the Directors, with the consent of the Custodian, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from Skandia Global Funds but Skandia Global Funds may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund

## **Meetings**

All general meetings of Skandia Global Funds shall be held in Ireland. In each year Skandia Global Funds shall hold a general meeting as its annual general meeting. The quorum for any general meeting convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares. The quorum for meetings other than a meeting to consider changes in class rights shall be two persons present in person or by proxy. Twenty one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of Skandia Global Funds. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75 per cent. or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10 per cent. or more of the Shares or unless the Chairman of the meeting requests a poll. On a show of hands a Shareholder is entitled to one vote. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to Skandia Global Funds which are submitted to Shareholders for a vote by poll.

## **Reports**

Audited annual reports incorporating financial statements shall be posted to each Shareholder at his registered address free of charge within four months of the end of the year. In addition, Skandia Global Funds shall prepare and circulate to Shareholders within two months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for Skandia Global Funds. Both the audited annual report and the unaudited half-yearly reports shall be made available for inspection electronically on [www.skandiaglobalfunds.com](http://www.skandiaglobalfunds.com), a public website, and in hard copy at the registered office of the Investment Adviser and Skandia Global Funds and shall be supplied to Shareholders free of charge on request.

Annual accounts shall be made up to 31 December in each year and the next audited accounts shall cover the year until 31 December, 2008. The unaudited half-yearly accounts of Skandia Global Funds shall be made up to 30 June in each year and the next unaudited report shall be made up to 30 June, 2009.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be posted to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Administrator, the Hong Kong Representative and Skandia Global Funds.

## **Mandatory Repurchase of Shares and Forfeiture of Dividend**

If a repurchase causes a Shareholder's holding in Skandia Global Funds to fall below the Minimum Holding Skandia Global Funds may repurchase the whole of that Shareholder's holding. Before doing so, Skandia Global Funds shall notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the minimum requirement. Skandia Global Funds reserves the right in the future to vary this mandatory repurchase amount.

Shareholders are required to notify Skandia Global Funds immediately in the event that they become Irish Residents or US Persons. Shareholders who become US Persons will be required to dispose of their Shares on the next Dealing Day thereafter to non-US Persons. Skandia Global Funds reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a US Person or if the holding of the Shares by any person is unlawful or detrimental to the interests of Skandia Global Funds.

Skandia Global Funds may repurchase Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and require Skandia Global Funds to hold the repurchase monies in a separate interest-bearing account which shall be a permanent debt of Skandia Global Funds.

### **Termination**

All of the Shares of a fund or of Skandia Global Funds may be repurchased by Skandia Global Funds in the following circumstances:-

- (i) if 75 per cent. of the holders of the Shares by value voting at a general meeting of Skandia Global Funds of which not more than six and not less than four weeks' notice has been given, approve the repurchase of the Shares;
- (ii) if, at any time after the expiry of three months following the close of the initial offer period, the Net Asset Value on each Dealing Day within a period of five consecutive weeks is less than SEK 10,000,000 (or the USD equivalent of that amount) provided that notice of not less than four and not more than six weeks has been given to the holders of the Shares within four weeks of such period; or
- (iii) on 31 December, 2010, or on any fifth anniversary thereof, provided that notice of not less than four and not more than six weeks has been given to the holders of the Shares and all of the Shares shall be repurchased by Skandia Global Funds; or
- (iv) if no replacement custodian shall have been appointed during the period of three months commencing on the date the Custodian or any replacement thereof shall have notified Skandia Global Funds of its desire to retire as custodian or shall have ceased to be approved by the Financial Regulator; or
- (v) if the Shareholders do not authorise the Directors to issue further Shares in Skandia Global Funds at any general meeting at which a resolution approving such authorisation is proposed.

Where a repurchase of Shares would result in the number of Shareholders falling below seven or such other minimum number stipulated by statute or where a repurchase of Shares would result in the issued share capital of Skandia Global Funds falling below such minimum amount as Skandia Global Funds may be obliged to maintain pursuant to applicable law, Skandia Global Funds may defer the repurchase of the minimum number of Shares sufficient to ensure compliance with applicable law. The repurchase of such Shares will be deferred until Skandia Global Funds is wound up or until Skandia Global Funds procures the issue of sufficient Shares to ensure that the repurchase can be effected. Skandia Global Funds shall be entitled to select the Shares for deferred repurchase in such manner as it may deem to be fair and reasonable and as may be approved by the Custodian.

On a winding up of Skandia Global Funds, the assets available for distribution (after satisfaction of creditors' claims) shall be applied in the following priority:

- (i) firstly, in the payment to the Shareholders of each class of each Fund of a sum in the Base Currency in which that class is denominated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of Skandia Global Fund not comprised within any of the Funds;

- (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of Skandia Global Funds not comprised within any Funds remaining after any recourse thereto under paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (iii) thirdly, in the payment to the Shareholders of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares held; and
- (iv) fourthly, in the payment to the Shareholders of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the Net Asset Value per Share.

### **Material Contracts**

The following contracts have been entered into and are, or may be, material:-

- The Management Agreement dated 7 October, 1997, as amended by an amendment agreement dated 12 September, 2000, as further amended by a supplemental agreement dated 16 August, 2006 between Skandia Global Funds and the Manager pursuant to which the latter acts as manager of Skandia Global Funds.
- The Custodian Agreement dated 30 June, 2003, as amended by a supplemental agreement dated 16 August, 2006 between Skandia Global Funds and the Custodian pursuant to which the latter acts as custodian in relation to Skandia Global Funds.
- The Administration Agreement dated 30 June, 2003 as amended by supplement dated 24 May, 2005, as further amended by the supplemental agreement dated 16 August, 2006 and as novated by an agreement dated 31 March 2009, between Skandia Global Funds, the Manager and the Administrator pursuant to which the latter acts as administrator of Skandia Global Funds.
- The Investment Advisory Agreement dated 5 December, 2005 between the Manager and JPMorgan Asset Management (UK) Limited pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Global Equity Fund.
- The Investment Advisory Agreement dated 19 July, 2004 between the Manager and Wellington Management Company, LLP pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia US Large Cap Growth Fund.
- The Investment Advisory Agreement dated 8 March, 2002 between the Manager and Marsico Capital Management, LLC pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia US Capital Growth Fund.
- The Investment Advisory Agreement dated 8 March, 2002 between the Manager and GAMCO Investors, Inc. (now known as GAMCO Asset Management, Inc.) pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia US All Cap Value Fund.
- The Investment Advisory Agreement dated 14 April, 2004 between the Manager and Hotchkis and Wiley Capital Management, LLC pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia US Value Fund.

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- The Investment Advisory Agreement dated 14 April, 2004 between the Manager and Goldman Sachs Asset Management International pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia European Equity Fund.
- The Investment Advisory Agreement dated 13 March, 2009 between the Manager and SVM Asset Management Limited pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia European Opportunities Fund.
- The Investment Advisory Agreement dated 13 March, 2009 between the Manager and Dalton Capital (Hong Kong) Limited pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Japanese Equity Fund.
- The Investment Advisory Agreement dated 2 July, 2003 and 5 December, 2005 respectively between the Manager and First State Investment Management (UK) Limited pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Pacific Equity Fund and Skandia Greater China Equity Fund.
- The Investment Advisory Agreement dated 12 September, 2000 between the Manager and Wellington Management Company, LLP pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Global Bond Fund.
- The Investment Advisory Agreement dated 29 September 2008 between the Manager and Stone Harbor Investment Partners LP pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Emerging Market Debt Fund.
- The Investment Advisory Agreement dated 8 March, 2002 between the Manager and Pacific Investment Management Company, LLC pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia Total Return USD Bond Fund.
- The Investment Advisory Agreement dated 14 February, 2005 between the Manager and BlackRock Capital Management, Inc. pursuant to which the latter acts as investment adviser to the Manager in relation to the assets of the Skandia USD Reserve Fund.
- The Investment Management Agreement dated 2 May 2006, between First State Investment Management (UK) Limited and First State Investments (Hong Kong) Limited pursuant to which the latter acts as the sub-manager to First State Investment Management (UK) Limited in relation to the assets of the Skandia Greater China Equity Fund.
- The Distribution Agreement dated 29 January, 2003 between the Manager and Skandia Global Funds (Asia Pacific) Limited pursuant to which the latter acts as a distributor in relation to Skandia Global Funds.
- The Distribution Agreement dated 30 June, 2003 between the Manager and SGF Marketing Limited pursuant to which the latter acts as distributor in relation to Skandia Global Funds.
- The Amendment and Novation Agreement dated 19 July, 2004 between the Manager, SGF Marketing Limited and SkandiaLink Multifond Aktiebolag pursuant to which the Manager novates and transfers to SGF Marketing Limited all of the Manager's rights and obligations under the distribution agreement dated 6 April, 1998 between the Manager and SkandiaLink Multifond Aktiebolag.
- The Amendment and Novation Agreement dated 19 July, 2004 between the Manager, SGF Marketing Limited and Skandia Insurance Company Ltd. (publ) pursuant to which the Manager novates and transfers to SGF Marketing Limited all of the Manager's rights and obligations under the distribution agreement dated 7 October, 1997 between the Manager and SkandiaLink

Life Insurance Company Ltd and the portfolio transfer agreement dated 6 November, 2002 between Skandia Insurance Company Ltd. (publ) and SkandiaLink Life Insurance Company Ltd.

- The Amendment and Novation Agreement dated 19 July, 2004 between the Manager, SGF Marketing Limited and Skandia MultiFUNDS Limited pursuant to which the Manager novates and transfers to SGF Marketing Limited all of the Manager's rights and obligations under the distribution agreement dated 12 September, 2000 between the Manager and Skandia MultiFUNDS Limited.
- The Hong Kong Representative Agreement dated 29 January, 2003, as amended by a supplemental agreement dated 16 August, 2006 between Skandia Global Funds, the Manager and Skandia Global Funds (Asia Pacific) Limited.
- The Centralising Correspondent, Paying Agent and COB Correspondent Agreement dated 14 February, 2003, as amended by a supplemental agreement dated 16 August, 2006, between Natexis Banques Populaires, Skandia Global Funds and the Manager.
- The Administration and Service Agreement dated 25 April, 2003 between the Manager and Larrain Vial S.A. Corredora de Bolsa.
- The Administration and Service Agreement dated 25 April, 2003 between the Manager and Skandia Chile S.A. Corredora de Bolsa.

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of Skandia Global Funds and the Hong Kong Representative:-

- (a) the certificate of incorporation and Memorandum and Articles of Association of Skandia Global Funds;
- (b) the material contracts referred to above;
- (c) a copy of the Regulations and the UCITS Notices;
- (d) a copy of the Prospectus of Skandia Global Funds as amended from time to time;
- (e) a copy of the Simplified Prospectus of Skandia Global Funds Plc. as amended from time to time; and
- (f) a list of the UCITS I Regulations (European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 1989 of Ireland.

Copies of the Memorandum and Articles of Association of Skandia Global Funds (each as amended from time to time) and the latest financial reports of Skandia Global Funds, as appropriate, may be obtained, free of charge, upon request at the registered office of Skandia Global Funds and the Hong Kong Representative.

## SCHEDULE I

### The Regulated Markets

With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes, investments will be restricted to the following stock exchanges and markets. The Regulated Markets shall comprise:

- (i) any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchange;
- (ii) any exchange registered with the SEC of the United States as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the “Grey Book Market”, that is the market conducted by those persons for the time being included in the list maintained by the FSA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FSA under that section conducted by listed money market institutions as described in the Bank of England publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for “Titres de Créances Négociables” (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (iii) all of the following stock exchanges and markets: the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Karachi Stock Exchange, the Russian Exchange\*, the Colombo Stock Exchange, the Zimbabwe Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Caracas Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange;

\*Comprising the Russian Trading System Stock Exchange and the Moscow Interbank Currency Exchange (MICEX).

- (iv) for investments in financial derivative instruments:-

- (A) the market organised by the International Capital Markets Association; the over-the-counter market in the US conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority Inc. and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the FSA publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and
- (B) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, MEFF Rent Fiji, MEFF Renta Variable, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, OMLX: The London Securities and Derivatives Exchange, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ), Tokyo Stock Exchange, TSX Group Exchange.

These exchanges are listed in accordance with the requirements of the Financial Regulator, which does not issue a list of approved markets and exchanges.

## SCHEDULE II

### Investment Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments, as prescribed in the UCITS Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Financial Regulator's Guidance Note 2/03.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Notices.
<b>1.7</b>	Financial derivative instruments as prescribed in the UCITS Notices.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. <b>This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Financial Regulator.</b>

**2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

**2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

**2.7** A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets

This limit may be raised to 20% in the case of deposits made with the trustee/custodian.

**2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

**2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

**2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

**2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

**2.12** A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are Investment Grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank,

	<p>European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Regulator.
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	5.1 and 5.2 shall not be applicable to:

	<p>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</p> <p>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</p> <p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(iv) shares held by a UCITS in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;</p> <p>(v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Financial Regulator may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments* ;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that

\* Any short selling of money market instruments by UCITS is prohibited

- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.

**6.4** Investment in FDIs are subject to the conditions and limits laid down by the Financial Regulator.

## SCHEDULE III

### Investment Techniques and Instruments

#### **Permitted Financial Derivative Instruments (“FDI”)**

1. A Fund may invest in FDI provided that:
  - (i) the relevant reference items or indices consist of one or more of the following: instruments referred to in paragraph (i) to (vi) of UCITS Notice 9 including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies; and
  - (ii) the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure); and
  - (iii) the FDI do not cause the Fund to diverge from its investment objectives; and
  - (iv) the reference in 1(i) above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of Guidance Note 2/07:
    - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
      - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
      - (ii) where the index is composed of assets referred to in Regulation 45, its composition is at least diversified in accordance with Regulation 49A;
      - (iii) where the index is composed of assets other than those referred to in Regulation 45, it is diversified in a way which is equivalent to that provided for in Regulation 49A;
    - (b) they represent an adequate benchmark for the market to which they refer, that the following criteria are fulfilled:
      - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
      - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
      - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
    - (c) they are published in an appropriate manner, in that the following criteria are fulfilled;

- (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
- (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 45(g), be regarded as financial derivatives on a combination of the assets referred to in Regulation 45(g)(I), excluding financial indices.

#### Credit Derivatives

Credit Derivatives are permitted where:

- (i) they allow the transfer of the credit risk of an asset as referred to in paragraph 1(i) above, independently from the other risks associated with that asset;
- (ii) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 45 and 46;
- (iii) they comply with the criteria for over-the-counter derivatives (“OTC derivatives”) set out in paragraph 3 below;
- (iv) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

2. FDI must be dealt in on a Regulated Market.

3. Notwithstanding paragraph 2, a Fund may invest in FDI dealt in OTC derivatives provided that:

- (i) the counterparty is a credit institution listed in sub-paragraphs 1.4(i) and (ii) of UCITS Notice 9 or an investment firm, authorised in accordance with the Investment Services Directive, in an EEA member state or is an entity subject to regulation as a Consolidated Supervised Entity (“CSE”) by the SEC;
- (ii) in the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A2 or equivalent, or is deemed by the Fund to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2;
- (iii) risk exposure to the counterparty does not exceed the limits set out in paragraph 6 of UCITS Notice 9;
- (iv) the Fund is satisfied that the counterparty will value the transaction at least daily and will close out the transaction at any time at the request of the Fund at fair value;
- (v) the Fund must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this.

Reliable and verifiable valuation shall be understood as a reference to a valuation, by the Fund, corresponding to fair value which does not rely on market quotations by the counterparty and which fulfils the following criteria:

- (a) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such a value is not available, a pricing model using an adequate recognised methodology;
- (b) verification of the valuation is carried out by one of the following:
  - (i) an appropriate third party which is independent from the counterparty of the OTC-derivative, at an adequate frequency and in such a way that the Fund is able to check it;
  - (ii) a unit within the Fund which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

4. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the Fund with collateral and:

- (i) the collateral falls within the categories of permitted collateral set out in paragraph 5(i) to (iv) of UCITS Notice 12;
- (ii) collateral is:
  - marked to market daily;
  - transferred to the trustee, or its agent; and
  - immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity;
- (iii) in the case of non-cash collateral, the collateral:
  - cannot be sold or pledged
  - has a minimum credit rating of A or equivalent; - is held at the credit risk of the counterparty; and
  - is issued by an entity independent of the counterparty;
- (iv) in the case of cash collateral, the collateral may not be invested other than in the following:
  - deposits with relevant institutions, which are capable of being withdrawn within 5 working days;
  - government or other public securities which have a minimum credit rating of A or equivalent;
  - certificates of deposit issued by Relevant Institutions, which have a minimum credit rating of A or equivalent;
  - repurchase agreements, in accordance with the provisions of UCITS Notice 12, provided the collateral received under the agreements meets with the requirements of this paragraph; and/or
  - daily dealing money market funds which have a minimum credit rating of AAA or equivalent. If investment is made in a linked fund, as described in paragraph 1.3.2 of UCITS Notice 9, no subscription, conversion or redemption charge can be made by the underlying money market fund.

Invested cash collateral which is held at the credit risk of the Fund, other than cash collateral invested in government or other public securities or money market funds, must be diversified so that no more than 20 per cent. of the collateral is invested in the securities of, or placed on deposit with, one institution.

Invested cash collateral may not be placed on deposit with or invested in securities issued by the counterparty or a related entity.

5. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Notices. This provision does not apply in the case of index-based FDI provided the underlying index is one which meets with the criteria set out in Regulation 49A of the Regulations.
6. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in UCITS 9 and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
7. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

### **Cover requirements**

8. A Fund must ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. A Fund may not therefore be leveraged in excess of 100 per cent. of its Net Asset Value.
9. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:-
  - (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
    - (A) the underlying assets consists of highly liquid fixed income securities; and/or
    - (B) the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus;

- (ii) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.

### **Risk management**

- 10. (i) A Fund must employ a risk management process to monitor, measure and manage the risks attached to FDI positions and their contribution to the overall risk profile of the portfolio.
  - (ii) A Fund must provide the Financial Regulator with details of its proposed risk management process vis a vis its FDI activity. The initial filing is required to include information in relation to:
    - permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
    - details of the underlying risks;
    - relevant quantitative limits and how these will be monitored and enforced; and
    - methods for estimating risks.
  - (iii) Material amendments to the initial filing must be notified to the Financial Regulator in advance. The Financial Regulator may object to the amendments notified to it and amendments and/or associated activities objected to by the Financial Regulator may not be made.
11. A Fund must submit a report to the Financial Regulator on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 10(ii) above, must be submitted with the annual report of Skandia Global Funds. A Fund must, at the request of the Financial Regulator, provide this report at any time.

### **Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements**

- (i) Repurchase/reverse repurchase agreements (“repo contracts”) and stocklending agreements may only be effected in accordance with normal market practice.
- (ii) Collateral obtained under a repo contract or stocklending agreement must be in the form of one of the following:-
  - (a) cash;
  - (b) government or other public securities;
  - (c) certificates of deposit issued by relevant institutions;
  - (d) bonds/commercial paper issued by relevant institutions;
  - (e) letters of credit with a residual maturity of 3 months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
  - (f) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the US, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- (iii) Until the expiry of the repo contract or stocklending transaction, collateral obtained under such contracts or transactions:-
  - (a) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
  - (b) must be transferred to the custodian, or its agent;

- (c) must be marked to market daily; and
- (d) must be immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity.

(iv) Non-cash collateral:-

- (a) cannot be sold or pledged;
- (b) must be held at the credit risk of the counterparty; and
- (c) must be issued by an entity independent of the counterparty.

(v) Cash collateral:-

Cash may not be invested other than in the following:

- (a) deposits with relevant institutions;
- (b) government or other public securities;
- (c) certificates of deposit as set out in paragraph (ii) (c) above;
- (d) letters of credit as set out in paragraph (ii) (e) above;
- (e) repurchase agreements, subject to the provisions herein;
- (f) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, as described in, UCITS Notice 9 issued by the Financial Regulator no subscription, conversion or redemption charge can be made by the underlying money market fund.

Invested cash collateral held at the credit risk of the Fund, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. A Fund must be satisfied at all times that any investment of cash collateral will enable it to meet with its repayment obligations.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by the counterparty or a related entity.

- (vi) Notwithstanding the provisions of paragraph (iii) above, a Fund may enter into stocklending programmes organised by generally recognised International Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.
- (vii) The counterparty to a repo contract or stocklending agreement must have a minimum credit rating of A2 or equivalent, or must be deemed by the Fund to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2.
- (viii) The Fund must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 Business Days or other period as normal market practice dictates.

- (ix) Repo contracts or stocklending agreements do not constitute borrowing or lending for the purposes of Regulation 70 and Regulation 71 of the Regulations respectively.

**SCHEDULE IV**

**Description of Classes of Shares**

C5

<b>FUND</b>	<b>CLASS</b>	<b>CURRENCY</b>
Skandia Global Equity Fund	A1	USD
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia US Large Cap Growth Fund	A1	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia US Capital Growth Fund	A1	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia US All Cap Value Fund	A1	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia US Value Fund	A1	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia European Equity Fund	A1	EUR
	A2	USD
	B	USD
	C	USD
	I	EUR
Skandia European Opportunities Fund	A1	EUR
	A2	USD
	B	USD
	C	USD
	I	EUR

Skandia Japanese Equity Fund	A1	JPY
	A2	USD
	A3 Hedged	EUR
	B	USD
	C	USD
	I	JPY
Skandia Pacific Equity Fund	A1	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	C	USD
	I	USD
Skandia Greater China Equity Fund	A1	USD
	B	USD
	C	USD
	I	USD
Skandia Global Bond Fund	A1	USD
	A3 Hedged	EUR
	B	USD
	B1 M Income	USD
	C	USD
	I	USD
Skandia Emerging Market Debt Fund	A1	USD
	A1 Income	USD
	A1 M Income	USD
	A3	EUR
	A3 Hedged	EUR
	B	USD
	B1 M Income	USD
	C	USD
	C1 Income	USD
	C1 M Income	USD
	I	USD
Skandia Total Return USD Bond Fund	A1	USD
	A1 Income	USD
	A3	EUR
	B	USD
	B1 M Income	USD
	C	USD
	C1 Income	USD
	I	USD
Skandia USD Reserve Fund	A1	USD
	C	USD

# APPENDICES

## Skandia Global Equity Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Global Equity Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is JPMorgan Asset Management (UK) Limited which was incorporated in England and Wales on 27 February, 1974 and is regulated by the FSA. As at 31 December 2008, it had together with its other advisory affiliates within JPMorgan Asset Management, assets under management of USD 1.1 trillion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### Base Currency

USD

### Investment Objectives and Policies

The Fund seeks to achieve asset growth through investment in a well-diversified portfolio of securities of issuers worldwide. It is not proposed to concentrate investments in any one geographical region, industry or sector. The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants, provided that any investment in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. Subject to the investment restriction 2.1 in Schedule II the securities will be listed, traded or dealt in on a Regulated Market. At the time of investment at least 85 per cent. of the securities in which the Fund will invest will be in the MSCI World Index Net or the universe of companies monitored by MCSI. The MSCI World Index Net is a general market capitalisation weighted index for companies listed on internationally-recognised stock exchanges around the world.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, government securities issued by an OECD member country or by any supranational entity provided that, subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's. The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes investing in any of the foregoing.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in USD but will hold assets denominated in other currencies. Consequently the Net Asset Value may rise and fall as a result of exchange rate fluctuations. The Fund does not propose to hedge routinely the exchange rate exposure arising as a result of currency fluctuations but may do so from time to time.

### Risks Associated with Investment in the Fund

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk Factors" in the Extract Prospectus. In particular, please read the risk factor on "Emerging Market Risks", "Liquidity Risks" and "Volatility Risk".**

**Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## Skandia US Large Cap Growth Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia US Large Cap Growth Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is Wellington Management Company, LLP, a Massachusetts limited liability partnership tracing its origins in the US to 1928 and regulated by the SEC. As at 31 December 2008, it had assets under management of USD 420 billion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### Base Currency

USD

### Investment Objectives and Policies

The objective of the Fund is to seek to achieve asset growth and future income through investment in a well-diversified portfolio of equity securities of issuers in the US or of issuers established outside of the US which have a significant proportion of their assets or business operations in the US. It is not proposed to concentrate investments in any one industry or sector.

The Fund shall invest in normal market circumstances at least 80 per cent. of its Net Asset Value in ordinary shares or common stock, ADRs, GDRs, preference shares and warrants, provided that any investment in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. A minimum of 80 per cent. of the Fund will be invested in securities of issuers with a market capitalisation in excess of USD5 billion at the time of purchase of the securities. Subject to the investment restriction 2.1 in Schedule II, the securities will principally be listed, traded or dealt in on a Regulated Market in the US. Up to 35 per cent. of the Fund may be invested in securities of non-US issuers at any one time. The Fund may also invest, but to a lesser extent, in variable and floating rate debt securities which are rated Investment Grade or better by Moody's or by Standard & Poor's.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund will invest predominantly in the shares of companies that the Investment Adviser believes offer better than average prospects for long-term growth. The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are denominated in USD, are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's. The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

### Risks Associated with Investment in the Fund

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk Factors" in the Extract Prospectus.**

**Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## Skandia US Capital Growth Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia US Capital Growth Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is Marsico Capital Management, LLC which was established in 1997 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 56 billion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### Base Currency

USD

### Investment Objectives and Policies

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of securities of large and medium-sized US issuers whom the Investment Adviser believes have earnings growth potential. It is not proposed to concentrate investments in any one industry or sector.

The majority of the assets of the Fund shall be ordinary shares or common stock, ADRs, GDRs and preference shares. Up to 35 per cent. of the Net Asset Value of the Fund may be invested in debt securities rated below Investment Grade by Moody's or by Standard & Poor's which may include bonds, debentures and debt securities issued either by corporates or by governments or their agencies or instrumentalities where the Investment Adviser believes there is an opportunity for capital growth from investment in such securities.

Subject to the investment restriction in 2.1 in Schedule II, the securities will principally be listed, traded or dealt in on a Regulated Market in the US. Up to one third of the Net Asset Value of the Fund may be invested in the securities of issuers who are not domiciled in the US or who predominantly carry out their businesses or generate their revenue outside of the US at any one time.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in USD, subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs. REITs invest in income producing real property or real property-related loans or interests listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in USD but will hold assets denominated in other currencies. Consequently the Net Asset Value may rise and fall as a result of exchange rate fluctuations. The Fund may hedge the exchange rate exposure arising as a result of currency fluctuations from time to time. For the purposes of efficient portfolio management and only in respect of up to one third of the Net Asset Value of the Fund, the Investment Adviser may enter into foreign exchange transactions to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Such transactions may not be successful

and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “*Below Investment Grade Debt Securities*”, “*Credit Risk*” “*Credit Ratings Risk*”, “*Liquidity Risks*” and “*Interest Rates Risk*”.**

### **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

### **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## Skandia US All Cap Value Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia US All Cap Value Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is GAMCO Asset Management Inc. (formerly known as GAMCO Investors, Inc.) which was incorporated in the US in the State of New York on 9 February, 1999, is the successor to a New York corporation of the same name that was incorporated on 21 August, 1978 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 20.7 billion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### Base Currency

USD

### Investment Objectives and Policies

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of equity and equity-related securities of issuers in the US of all sizes of market capitalisation which appear to be underpriced relative to their private market value. The Fund may emphasise either large or small companies at any given time based on the Investment Adviser's assessment of the companies and market conditions.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants provided that investments in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. Up to 25 per cent. of the Net Asset Value of the Fund may be invested in the securities of non-US issuers at any one time. Subject to the investment restriction 2.1 in Schedule II in, the securities will principally be listed, traded or dealt in on a Regulated Market in the US.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in USD, subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

### Risks Associated with Investment in the Fund

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk Factors" in the Extract Prospectus.**

### Issue and Repurchases of Shares

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing and repurchase Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia US Value Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia US Value Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is Hotchkis and Wiley Capital Management, LLC which was incorporated in the US in the State of Delaware as a limited liability company in 1980 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 10 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### **Base Currency**

USD

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve a total return through investment in a well-diversified portfolio of equity and equity-related securities of issuers in the US, emphasising large companies which appear undervalued relative to their market value.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants provided that investments in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. At least 65 per cent. of the Fund's Net Asset Value will be invested in dividend-paying securities. No more than 30 per cent. of the Fund's Net Asset Value may be invested in securities which do not pay regular dividends. No more than 25 per cent. of the Net Asset Value of the Fund may be invested in any one industry. The Fund may also invest up to 15 per cent. of the Net Asset Value in debt securities rated below Investment Grade by Moody's or Standard & Poor's.

Subject to the investment restriction 2.1 in Schedule II, the securities will principally be listed, traded or dealt in on a Regulated Market in the US, although up to 25 per cent. of the Net Asset Value of the Fund may be invested in the securities of non-US issuers at any one time.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in USD and subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk**

**Factors” in the Extract Prospectus. In particular, please read the risk factors on ““*Below Investment Grade Debt Securities*”, “*Credit Risk*”, “*Credit Ratings Risk*”, “*Liquidity Risks*” and “*Interest Rates Risk*”.**

**Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing and repurchase Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia European Equity Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia European Equity Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is Goldman Sachs Asset Management International, which was incorporated on 27 February, 1990 and is organised with unlimited liability under the laws of England and Wales and is regulated by the FSA. As at 31 December 2008, it had, together with its other advisory affiliates group within Goldman Sachs Asset Management, USD 690.7 billion of assets under management.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and London.

### **Base Currency**

Euro

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of securities of European issuers or of issuers established outside Europe which have a predominant proportion of their assets or business operations in Europe. It is not proposed to concentrate investments in any one industry or sector.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants, provided that any investment in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. At the time of investment at least 80 per cent. of the securities in which the Fund will invest will comprise securities of companies which are constituents of the MSCI Europe Index which is a general index for pan-European equities covering 16 countries. The European countries in which the Fund may invest may include the countries of the EU, Norway and Switzerland. Subject to the investment restriction 2.1 in Schedule II, the securities will be listed, traded or dealt in on a Regulated Market.

The Fund may invest up to 10 per cent. of its Net Asset Value in the securities of issuers established or having a significant proportion of their assets or business in Eastern European countries, such as Croatia, Albania, Serbia, Macedonia, Bosnia-Herzegovina and Turkey and, subject to the investment restriction 2.1 in Schedule II, the securities will be listed, traded or dealt in on a Regulated Market in these countries.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in euro, subject to the investment restriction 2.1 in Schedule II, are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in euro. The Fund does not propose to hedge routinely the currency exchange rate exposure arising as a result of fluctuations between the euro and the currency in which investments of the Fund are made, but may do so from time to time.

## **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus.**

### **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

### **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia European Opportunities Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia European Opportunities Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is SVM Asset Management Limited which was incorporated in Scotland in 1990 and is regulated by the FSA. As at 31 December 2008, it had assets under management of EUR503million.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and London.

### **Base Currency**

Euro

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of equity and equity-related securities of issuers in Europe or of issuers established outside Europe which have a predominant proportion of their assets and/or business operations in Europe. The investments will be diversified across countries and industry groups and the Fund will invest in at least three European countries.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants provided that investments in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. Subject to the investment restriction 2.1 in Schedule II, the securities will principally be listed, traded or dealt in on a Regulated Market in Europe.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in Euro, subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in Euro but will hold assets denominated in other currencies. Consequently the Net Asset Value may rise and fall as a result of exchange rate fluctuations. The Fund does not propose to hedge routinely the exchange rate exposure arising as a result of currency fluctuations but may do so from time to time.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk Factors" in the Extract Prospectus.**

**Issue and Repurchases of Shares**

Shares are offered to investors each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia Japanese Equity Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Japanese Equity Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is Dalton Capital (Hong Kong) Limited, which was incorporated in Hong Kong in 2005 and is regulated by the SFC. As at 31 December 2008, it had assets under management of USD 99.1 million.

FuNNeX Asset Management, Inc. provides investment advice on a non-discretionary basis to Dalton Capital (Hong Kong) Limited in respect of the Fund. FuNNeX Asset Management, Inc. was incorporated in Japan in January 2000 and is regulated by the Financial Services Agency of Japan. As at 30 June 2008, it had assets under management of USD 1.5 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and Japan.

### **Base Currency**

JPY

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of securities of Japanese issuers or of issuers established outside Japan which have a predominant proportion of their assets or business operations in Japan. It is not proposed to concentrate investments in any one industry or sector.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADR's, GDR's, preference shares and warrants, provided that any investment in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. At the time of investment at least 85 per cent. of the securities in which the Fund will invest will comprise securities of companies which are constituents of the Tokyo Stock Exchange First Section Index (known as TOPIX) which is a general market capitalisation weighted equity index for companies listed on the first section of the Tokyo Stock Exchange and, subject to the investment restriction 2.1 in Schedule II, the securities will be listed, traded or dealt in on a Regulated Market.

The Fund may invest its liquid assets in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the securities are denominated in JPY, listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member states.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed "Risk Factors" in the Extract Prospectus.**

**Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

**Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day. The fees of the Investment Adviser will be borne by the Manager. The fees of the Sub-Manager will be borne by the Investment Adviser. The fees of the Japanese Sub-Manager will be borne by the Sub-Manager.

## **Skandia Pacific Equity Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Pacific Equity Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is First State Investment Management (UK) Limited which was incorporated in Scotland on 3 July, 1970 and is regulated by the FSA. As at 31 December 2008, it had assets under management of USD 10.8 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and Hong Kong.

### **Base Currency**

USD

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve asset growth through investment in a well-diversified portfolio of securities of Pacific region issuers or of issuers established outside the Pacific region which have a predominant proportion of their assets or business operations in the Pacific region. It is not proposed to concentrate investments in any one industry or sector.

The securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, GDRs, preference shares and warrants provided that investments in warrants shall not comprise more than 5 per cent. of the Net Asset Value of the Fund. At the time of investment at least 75 per cent. of the securities in which the Fund will invest will comprise securities of companies which are constituents of the MSCI AC Pacific Free ex-Japan Index which is a general index for equities listed in the Pacific region excluding Japan. The Fund may invest up to 75 per cent. of its Net Asset Value in the securities of issuers in Emerging Markets.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The countries in which investments may be made are Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam and, subject to the investment restriction 2.1 in Schedule II, the securities will be listed, traded or dealt in on a Regulated Market in these countries.

The Fund may invest its liquid assets in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in USD, subject to the investment restriction 2.1 in Schedule II, the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's or on Regulated Markets in the US or in the EU.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs. REITs invest in income producing real property or real property-related loans or interests listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in USD but will hold assets denominated in other currencies. Consequently the Net Asset Value may rise and fall as a result of exchange rate fluctuations. The Fund does not propose to hedge routinely the exchange rate exposure arising as a result of currency fluctuations but may do so from time to time.

## **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factor on “*Emerging Market Risks*”, “*Liquidity Risks*” and “*Volatility Risk*”.**

## **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

## **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## Skandia Global Bond Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Global Bond Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is Wellington Management Company, LLP, a Massachusetts limited liability partnership tracing its origins in the US to 1928 and regulated by the SEC. As at 31 December 2008, it had assets under management of USD 420 billion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### Base Currency

USD

### Investment Objectives and Policies

The objective of the Fund is to seek to achieve asset growth through worldwide investment in a well-diversified portfolio of fixed and variable rate debt securities.

The securities in which the Fund may invest shall include, but shall not be limited to, securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including any agency or instrumentality thereof, securities issued by supranational bodies) and securities issued by corporate entities. Investment may include, but shall not be limited to, debt securities, including, but not limited to, convertible and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, debentures, mortgage-backed and asset-backed securities, certificates of deposit, bankers' acceptances, commercial paper and treasury bills. Subject to the investment restriction 2.1 in Schedule II, the securities shall be listed, traded or dealt in on any Regulated Market worldwide.

No more than 20 per cent. of the Fund's Net Asset Value may be invested in securities which are rated below Investment Grade. No more than 20 per cent. of the Fund's Net Asset Value may be invested in securities of issuers established outside the OECD member countries.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in USD but will hold assets denominated in other currencies. Hence, the Net Asset Value may fall and rise purely as a result of exchange rate fluctuations. The Fund's normal currency position is unhedged but currency exposure may be hedged on an opportunistic basis.

For the purposes of efficient portfolio management and only in respect of up to one third of the Net Asset Value of the Fund, the Investment Adviser may enter into foreign exchange transactions to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies.

## **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “*Below Investment Grade Debt Securities*”, “*Credit Ratings Risk*”, “*Interest Rates Risk*”, “*Mortgage-backed and Asset-backed Securities Risks*”, “*Credit Risk*”, “*Emerging Market Risks*”, “*Liquidity Risks*” and “*Volatility Risk*”.**

## **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

## **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.00% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia Emerging Market Debt Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Emerging Market Debt Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is Stone Harbor Investment Partners LP which was incorporated in the US in the state of Delaware in 2005 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 13 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### **Base Currency**

USD

### **Investment Objectives and Policies**

The objective of the Fund is to achieve preservation of capital through investment in a well-diversified portfolio of fixed and variable rate debt securities issued in Emerging Markets. It cannot be guaranteed that the performance of the Fund will generate a return and there may be circumstances where no return is generated or the amount invested is lost.

At least two thirds of the Net Asset Value of the Fund shall be invested in debt securities issued or guaranteed by any government, state, local authority or other political sub-division of government (including any agency or instrumentality thereof) securities issued by supranational bodies and securities issued by corporate entities in the emerging markets of Asia, Africa, the Middle East, Latin America and the developing countries of Europe. Investment may include debt securities, including convertible and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, debentures, mortgage-backed and asset-backed securities, certificates of deposit, bankers' acceptances, commercial paper and treasury bills in these countries.

No more than 85 per cent. of the Fund's Net Asset Value may be invested in securities which are rated below Investment Grade.

The Fund is likely to concentrate its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. Subject to the investment restriction 2.1 in Schedule II, the securities will be listed, traded or dealt in on any Regulated Market in these countries and in the US and the EU.

The Fund may invest its liquid assets or may invest up to one third of the Net Asset Value for temporary defensive purposes in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit and government securities issued by an OECD member country or by any supranational entity provided that the foregoing securities are denominated in USD, subject to the investment restriction 2.1 in Schedule II that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated Investment Grade or better by Standard & Poor's or Moody's.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund will be denominated in USD but may hold assets denominated in other currencies. Consequently the Net Asset Value may rise and fall as a result of exchange rate fluctuations. The Fund does not propose

to hedge routinely the exchange rate exposure arising as a result of currency fluctuations but may do so from time to time.

For the purposes of efficient portfolio management and only in respect of up to one third of the Net Asset Value of the Fund, the Investment Adviser may enter into foreign exchange transactions to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “*Below Investment Grade Debt Securities*”, “*Credit Ratings Risk*”, “*Interest Rates Risk*”, “*Mortgage-backed and Asset-backed Securities Risks*”, “*Credit Risk*”, “*Emerging Market Risks*”, “*Liquidity Risks* and “*Volatility Risk*”.**

### **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

### **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.50% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia Total Return USD Bond Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Total Return USD Bond Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is Pacific Investment Management Company LLC which is a Delaware limited liability company founded in 1971 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 747 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York.

### **Base Currency**

USD

### **Investment Objectives and Policies**

The objective of the Fund is to seek to maximise total return consistent with preservation of capital and prudent investment management. It cannot be guaranteed that the performance of the Fund will generate a return and there may be circumstances where no return is generated or the amount invested is lost.

The securities in which the Fund may invest shall include all kinds of fixed-income securities and such securities include, but are not limited to, securities issued or guaranteed by governments, their sub-divisions, municipalities, agencies or instrumentalities; corporate debt securities including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities which are transferable securities that are collateralised by receivables or other assets; inflation-indexed bonds issued both by governments and corporations; bank certificates of deposit and bankers' acceptances and securities of international agencies or supranational entities. The fixed-income securities may have fixed, variable, or floating rates of interest, including rates of interest that vary inversely at a multiple of a designated or floating rate, or that vary according to changes in relative values of currencies.

The Fund may invest at least two thirds of its assets in a diversified portfolio of fixed-income securities of varying maturities. The average portfolio duration of the Fund will normally vary within a three to six year time frame based on the Investment Adviser's forecast for interest rates. The Fund may invest up to 10 per cent. of its assets in fixed income securities that are rated lower than Baa by Moody's or lower than BBB by Standard & Poor's, but rated at least B by Moody's or Standard & Poor's (or, if unrated, determined by the Investment Adviser to be of comparable quality). The Fund may also invest up to 20 per cent. of its assets in non-USD denominated fixed-income securities, and may invest beyond this limit in USD denominated securities of non-US issuers which may be Investment Grade or below Investment Grade, subject to the 10 per cent. limit on below Investment Grade fixed-income securities set out above. Portfolio holdings will be concentrated in areas of the bond market (based on quality, sector, coupon or maturity) which the Investment Adviser believes to be relatively undervalued.

At least 85 per cent. of the Fund's assets will be invested in securities which are listed, traded or dealt in on a Regulated Market in the OECD. The Fund will invest no more than 10 per cent. of its Net Asset Value in any single non-OECD Regulated Market. The Fund may also invest in equity securities for temporary defensive purposes.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund is denominated in USD. The Investment Adviser intends, under normal circumstances, to employ various techniques in an attempt to hedge at least two thirds of its non-US currency exposure subject to the conditions and within the limits from time to time laid down by the Financial Regulator and as described on page 6 of the Extract Prospectus.

For the purposes of efficient portfolio management and only in respect of up to one third of the Net Asset Value of the Fund, the Investment Adviser may enter into foreign exchange transactions to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies.

### **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “Credit Ratings Risk”, “Interest Rates Risk”, “Mortgage-backed and Asset-backed Securities Risks”, “Credit Risk”, “Emerging Market Risks”, “Liquidity Risks” and “Volatility Risk”.**

### **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on such day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing for and repurchasing Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

### **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.00% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## Skandia USD Reserve Fund

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia USD Reserve Fund (the "Fund").

### Investment Adviser

The Investment Adviser of the Fund is BlackRock Capital Management, Inc., which was incorporated in the US in the State of Delaware in 1999 and is regulated by the SEC. As at 31 December 2008, it had assets under management of USD 1.31 trillion.

### Business Day

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin and the New York Stock Exchange is open for business in New York..

### Base Currency

USD

### Investment Objectives and Policies

The objective of the Fund is to seek to achieve high current income and maintain high levels of liquidity through investment in a diversified portfolio of USD denominated high-quality money market transferable securities.

The Fund may invest in USD-denominated short-term government securities (being securities issued or guaranteed by any government, state, local authority or other political sub-division of a government, including an agency or instrumentality thereof) and USD-denominated debt securities (including convertible and non-convertible corporate debt securities, fixed and floating rate bonds, zero coupon and discount bonds, debentures, certificates of deposit, bankers' acceptances, commercial paper and treasury bills).

The Fund's investments will be limited to those investments that present minimal credit risks and are of "eligible quality" as determined by the Investment Adviser. For this purpose the term "eligible quality" means a security rated at the time the investment is made in one of the two highest rating categories (i) by at least two rating agencies in assigning a rating to the security or issuer; or (ii) if only one rating agency assigned a rating, by that rating organisation; or (iii) if unrated, of comparable quality as determined by the Investment Adviser.

In the event that an investment held by the Fund is assigned a lower rating or ceases to be rated the Investment Adviser will promptly reassess whether the Fund should continue to hold the security. If a security no longer presents minimal credit risk or is in default, the Fund will dispose of the security as soon as reasonably practicable unless the Investment Adviser determines that it is not in the best interests of the Fund to do so.

The Fund will invest in securities which, at the time of investment, have remaining maturities not exceeding 397 days and the average maturity of the Fund's investments will not exceed 60 days. Subject to the investment restriction 2.1 in Schedule II, the securities shall be listed, traded or dealt in on any Regulated Market in the US.

The Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any one of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

The Fund will carry out monthly portfolio analysis incorporating stress testing to examine portfolio returns under various market scenarios to determine if the portfolio constituents are appropriate to meet pre-determined levels of credit risk, interest rate risk, market risk and Shareholder redemptions. The results of the periodic analysis will be available for inspection by the Financial Regulator.

## **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “Credit Ratings Risk”, “Interest Rates Risk” and “Credit Risk”.**

In addition, investors should note that an investment in the Fund is (i) neither insured nor guaranteed by the US government; (ii) not a deposit or obligation of, or guaranteed or endorsed by any bank; and (iii) not federally insured by the US Federal Deposit Insurance Corporation, the US Federal Reserve Board or any other agency. The Manager and the Investment Adviser are not obliged to redeem Shares of the Fund at the offer value.

### **Determination of Net Asset Value**

The amortised cost method of valuation shall be used for the Fund. This method may only be applied to investments with a residual maturity of 15 months or less. Under this method, the Fund’s investments shall be valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Directors shall continually assess this method of valuation and recommend changes, where necessary, to ensure that the Fund’s investments will be valued at their fair value as determined in good faith by the Directors. There may be periods during which the stated value of an instrument determined under the amortised cost method of valuation is higher or lower than the price which the Fund would receive if the instruments were sold and the accuracy of the amortised cost method of valuation can be affected by changes in interest rates and the credit standing of issuers of the Fund’s investments.

The amortised cost method of valuation may also be applied to floating rate instruments where they have an annual (or shorter) reset date, they are determined to have a market value that approximates the amortised cost valuation and they have a residual value of two years or less. However a residual maturity of up to five years is permitted for high credit quality instruments that meet with these conditions and where procedures are adopted to ensure that the valuation produced does not vary significantly from its true market value.

### **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on each Dealing Day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing and repurchase Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

### **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 0.75% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.

## **Skandia Greater China Equity Fund**

This Appendix forms part of and should be read with the Extract Prospectus for Skandia Global Funds dated 22 April 2009 (the "Extract Prospectus"). It contains specific information in relation to Skandia Greater China Equity Fund (the "Fund").

### **Investment Adviser**

The Investment Adviser of the Fund is First State Investment Management (UK) Limited, which was incorporated in 1970 in Scotland and is regulated by the FSA. As at 31 December 2008, it had assets under management of USD 10.8 billion.

### **Sub-Manager**

The Sub-Manager of the Fund is First State Investments (Hong Kong) Limited which was incorporated in Hong Kong in 1987 and is regulated by the SFC. As at 30 June, 2008 it had assets under management of USD 8.3 billion.

### **Business Day**

A day (excluding Saturdays, Sundays and public holidays) on which retail banks are open for business in Dublin, China and Hong Kong.

### **Base Currency**

USD

### **Investment Objectives and Policies**

The objective of the Fund is to seek to achieve long-term capital appreciation by investing in a well-diversified portfolio of equity securities issued by companies with either the predominant part of their assets in, or the predominant part of their revenues derived from, the People's Republic of China, Hong Kong or Taiwan that are listed, traded or dealt in on Regulated Markets in the People's Republic of China, Hong Kong or Taiwan, the US, Singapore, Korea, Thailand and Malaysia or in a member state of the OECD.

The Fund will invest primarily in equity and equity-related securities (including warrants, convertible bonds, depository receipts such as ADR and GDR, equity-linked or participation notes etc.) that are listed, traded or dealt in on Regulated Markets referred to above, provided that the Fund may not invest more than 15 per cent of its net assets in warrants. The Fund may invest up to 10 per cent of its assets in transferable securities that are not listed, traded or dealt in Regulated Markets. As the Fund may invest in warrants, it is recommended that an investment in the Fund should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors.

The Fund may invest cash balances in short-term securities listed, traded or dealt in on a Regulated Market. The short-term securities in which the Fund may invest will include securities such as commercial paper, certificates of deposit, and bankers' acceptances all rated above Investment Grade or in the opinion of the Investment Adviser to be of comparable quality. For defensive purposes during periods of perceived uncertainty and volatility, the Fund may also hold all or part of its assets in debt securities, asset-backed and mortgage-backed securities which must be rated at least Investment Grade or in the opinion of the Investment Adviser to be of comparable quality and which are listed, traded or dealt in on a Regulated Market.

The Skandia Greater China Equity Fund may invest up to 5 per cent. of its Net Asset Value in open-ended collective investment schemes whose objective is to invest in any of the foregoing. These collective investment schemes will be established as UCITS under the UCITS Directive in any EU member state.

The Fund may invest up to 5 per cent. of its Net Asset Value in REITs listed, traded or dealt in on Regulated Markets that are not considered Emerging Markets.

## **Risks Associated with Investment in the Fund**

**Investors should ensure that they fully understand the risks associated with the Fund before making their investments. Details of certain investment risks are set out more fully in the section headed “Risk Factors” in the Extract Prospectus. In particular, please read the risk factors on “Country Risk for the Skandia Greater China Equity Fund”, “Emerging Market Risks”, “Liquidity Risks”, “Volatility Risk”, “Mortgage-backed and Asset-backed Securities Risks”, “Counterparty Risks” and “Risks Associated with Investment in Warrants”.**

## **Issue and Repurchases of Shares**

Shares are offered to investors on each Dealing Day at a subscription price which is equivalent to the relevant Net Asset Value per Share on each Dealing Day. Repurchase orders may be made on each Dealing Day at the relevant repurchase price calculated on the relevant Dealing Day.

The details on subscribing and repurchase Shares and the initial charge, contingent deferred sales charge, redemption charge and distribution fee payable on the different classes of Shares are set out in detail on pages 19 to 30 of the Extract Prospectus.

## **Management Fee**

The Management Fee for each of the various Classes of Shares of the Fund is 1.5% per annum of the Net Asset Value of each Class of Share in the Fund and shall accrue on each Dealing Day.