



Skandia Global Property Securities (LaSalle) Fund

launch factsheet

introduction

Property investing has become increasingly popular among UK investors but has, until now, been largely focused on direct investment into the UK commercial property market. However, there is now a rapidly growing area of investment - global property securities - that offers attractive capital growth potential and good diversification opportunities from both shares and bonds, but also from UK commercial property.

In response to this growing area, Skandia Investment Management has launched a property fund investing in global property securities in partnership with one of the world's leading advisers in this area, LaSalle Investment Management (Securities).

Skandia Global Property Securities (LaSalle) Fund

Property funds available in the UK tend only to offer exposure to UK commercial property. The property market is, however, developing rapidly and there are new opportunities arising around the globe. Access to the Global Property market - through global property securities - offers an exciting investment opportunity that has demonstrated outperformance of traditional equities and Government bonds around the globe, providing double-digit returns over 5, 10- and 20-year time horizons. However, it is to be remembered that past performance is no guarantee of future performance.

In addition to strong relative performance, investors are attracted to the diversification benefits of real estate securities. Investment performance is driven by real estate fundamentals and historically property fundamentals rise and fall in different cyclical patterns relative to other asset classes. As a result, real estate securities exhibit low correlations to traditional equities and bonds. On another level, because real estate

fundamentals are driven by local economies, performance varies from one market to the next. Thus, in the same way that a portfolio of equities and bonds can be diversified across international markets, the global focus of the new Skandia Global Property Securities (LaSalle) Fund provides this diversification for property.

The majority of the fund's property securities (outside the UK) are held in Real Estate Investment Trusts (REITs). Originally launched in the US in the 1960s to offer private investors access to property investments, REITs have now been adopted by ten countries with a number of others preparing to follow suit (legislation is underway with the expectation that the first structures will be available in the UK during 2006). They offer investors a highly efficient way of accessing commercial property whilst offering the operator a tax efficient, scaleable platform. Their structure offers tax advantages to the operator if a significant majority of their income is distributed in the form of dividends. While there are no direct tax advantages for the investor, the distribution requirements lead to REITs offering an attractive level of income relative to other asset classes. It is to be noted that the level of income can go down as well as up and is not guaranteed.

As a result of these attractive investment characteristics (high dividend yield, competitive returns, low correlations and diversification benefits), the growth of global real estate securities has been rapid. The market capitalisation of this sector has nearly doubled, from \$288 billion to \$566 billion in two years and the prospects for further growth are significant - so far less than 7% of the quality commercial property market across the world is 'securitised' (ie held in the form of shares).

fund objective

To achieve long-term capital growth and income in Sterling through investment in a globally diversified portfolio of property related securities.

investment policy

The emphasis of the fund is investment in property related securities of entities which generate rental income. Investment will be in transferable securities which are primarily Real Estate Investment Trusts (REITs) or real estate operating companies.

For efficient portfolio management purposes, investment may also be made into derivatives or forward transactions.

Specifically, the fund will use derivatives or forwards with the aim of reducing currency risk for Sterling investors by hedging the predominant portion of non-Sterling exposure back to Sterling.

The ACD has appointed a specialist investment adviser to manage the fund, and continuously monitors their suitability.

about LaSalle

LaSalle Investment Management (Securities) is a leading real estate securities investment manager for pension funds, institutional and retail investors around the globe. With more than 20 years' investment experience, the firm currently has \$5.2 billion of assets under management in listed real estate securities, including \$625 million in global mandates*. LaSalle Investment Management (Securities) is LaSalle Investment Management's ('LaSalle') specialist securities division and as such benefits from the resources of both LaSalle and Jones Lang LaSalle.

LaSalle is one of the world's leading real estate investment managers with approximately \$29 billion of public and private real estate assets under management across Europe, North America and Asia Pacific. The firm employs over 400 professionals, including a 21-strong industry-leading strategy and research team.

LaSalle is a wholly owned but operationally segregated division of Jones Lang LaSalle, a publicly-traded global real estate services provider. LaSalle benefits from priority access to research from Jones Lang LaSalle's team of 158 people and local insight from the 9,600 employees located across the globe.

*As at 31.08.05.

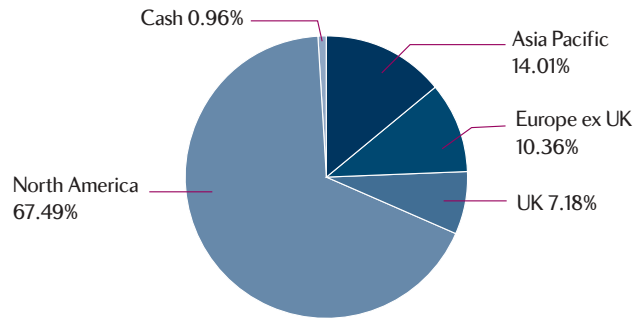
fund facts

Launch Date	3 October 2005
Launch Price	50 pence
IMA Sector	Specialist
Initial Charge	5.0%
Annual Management Charge	1.50%
Total Expense Ratio*	2.20%
Minimum Investment	Lump Sum £1,000 Regular Savings - £50 per month
Type of Share	Income
Valuation Point	Daily 12 noon GMT
PEP/ISA	Yes

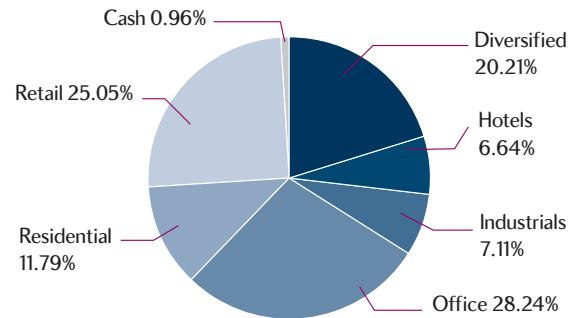
* This takes into account the Annual Management Charge on the fund and all the additional expenses. The Total Expense Ratio represents the true cost of the fund to the investor.

portfolio details

regional breakdown



sector breakdown



top 5 holdings

Stock	Sector	Holding %
Simon Property Group	Retail	4.79%
Starwood Hotels	Hotels	4.04%
Prologis Trust	Industrial	3.07%
Vornado Realty Trust	Office	3.00%
Stockland Group	Diversified	2.77%

top 10 active stock positions relative to benchmark

Top 5 Overweights	
Riocan	+1.85%
Simon Property Group	+1.71%
Summit REIT	+1.64%
Stockland Group	+1.63%
Canadian REIT	+1.55%
Top 5 Underweights	
Westfield Group	-2.39%
General Growth Property	-1.06%
Equity Office Property	-0.45%
Centro Property	-0.41%
Rodamco Europe	-0.37%

glossary of terms

Fundamentals - Information relating to the economic well-being of a company such as revenue, earnings, assets, liabilities and growth. These factors are used to determine the worth of an investment in fundamental analysis. A company with little debt and a lot of cash is generally considered to have strong fundamentals.

Correlation - A statistical measure of how two securities move in relation to each other. Correlations are used in advanced portfolio management.

Market Capitalisation - The total value of a company in the stock market (total shares outstanding multiplied by the price per share).

Important Information

- Past performance does not guarantee future returns. The value of investments and the income from them can go down as well as up and an investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.
- Please note that while the Skandia Global Property Securities (LaSalle) Fund invests in property and will therefore be affected over the longer term by property fundamentals, it holds investments indirectly, via property securities. This means that the price of the fund will be affected both by events in property markets but also, significantly, by other factors that affect share prices - such as investor sentiment and supply and demand. The price is, therefore, likely to be more volatile than a directly invested property portfolio and may perform markedly differently over the short- to medium-term.
- In addition, although the Skandia Global Property Securities (LaSalle) Fund seeks to reduce currency risk for a Sterling investor by hedging the predominant portion of the non-Sterling portfolio back to Sterling, there will be a residual currency risk arising from any assets not hedged.
- The fund invests in a small market sector and, as a result, is likely to be more volatile than a more diversified fund and the underlying securities may not be as realisable.

The Skandia Global Property Securities (LaSalle) Fund is available across the Skandia Group of products. The price of the linked life assurance funds will not mirror that of the underlying investments because of the Skandia product charge, taxation adjustments and the Skandia investment process.

www.skandiainvestmentmanagement.com
www.skandia.co.uk
www.royalskandia.com
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Skandia Life Assurance Company Limited (an incorporated company limited by shares)
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All companies authorised and regulated by the Financial Services Authority
FSA Register numbers 110462, 165359, 208543

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