

platforms ■

for financial advisers only

June 2009

Bella Caridade-Ferreira,
head of market research
at Lipper FMI, comments:

"In quarter 1 2009, Skandia took pole position for quarterly gross sales for the first time in a year, indicating that the removal by Skandia of its front-end margin via its fund platform in September 2008 has begun to have a positive impact on sales flows. It is well positioned to take advantage of the anticipated growth of the platform market."

To find out more about using Skandia's Investment Solutions platform please contact your Skandia consultant or regional office.

making a splash

Dave Chessell explains why pricing clarity and assured proposition sustainability are among the defining factors in platform suitability assessments.



Advisers have a host of requirements to satisfy when making platform due diligence assessments. In making the right choice in these challenging times the future sustainability of the platform has never been more important; alongside this the clarity of the charging structure and whether the fund range meets the needs of the end client in terms of choice and cost are all essential considerations.

At the end of 2008 we undertook a major re-price of our Investment Solutions platform that delivered unrivalled pricing clarity for advisers and their clients. The feedback we have received since the re-price has been extremely encouraging. Advisers are recognising that Skandia has the capital strength to continue to invest heavily into the proposition and use derived economies of scale to deliver increased value for money. The journey we are on is a continuum and advisers can have the confidence that the platform is at the heart of our future development strategy.

Future stability, pricing clarity and transparency are just part of the equation though and the core focus of our business strategy is a drive to deliver added value features that improve support and efficiency for advisers in acquiring and servicing their clients. Retaining control over our own systems development has allowed us to invest heavily in building a scalable solution that meets the demands of the changing

regulatory environment and we are confident that by aligning our award winning service support and technical capability we offer flexibility, choice and certainty.

well positioned

The latest Lipper FMI fund sales report shows Skandia's share of the platform market has further increased, attracting the largest proportion of gross sales out of the top four largest platforms in the first quarter of 2009. Skandia achieved a 36% share of gross sales on the top four platforms, extending its overall market share by assets under management to 40%.

The Lipper FMI fund report also reveals that platform sales stabilised over this period with a marginal quarterly increase of 1.2% over the previous quarter, despite the backdrop of continued economic uncertainty. This shows how advisers are keeping focused on their clients' needs and moving their businesses on, even in these tricky times.

Unwrapped business continued to dominate in the first quarter, accounting for 47.6% of platform market gross sales. Pensions were the second largest product area, making up 24.6% of sales, followed by ISAs with 20.3% and bonds with 7.5%. A closer look at the sales of unwrapped business and ISAs shows how Skandia's market share has increased against a more flat trend in the market as a

whole (see figure 1). Figure 2 shows the upward progress Skandia's platform has made over the period compared to two other major UK platforms. Thank you for all of your support.

...and the price is right too

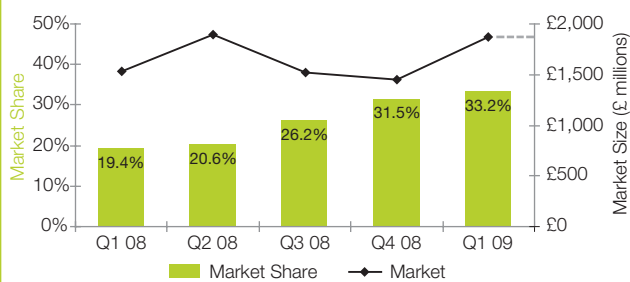
The significant increase in usage of Skandia's Investment Solutions platform coincided with the removal of initial margin on new business in September 2008. This resulted in over 5,000 new advisers registering to use the platform, taking the total to 29,000, with average daily transactions almost doubling from 27,316 last September to 53,943 in March 2009.

This growth is very encouraging and, I believe, testament to Skandia's commitment to enhancing the platform charging structure to ensure that charges are clear, fair and easy for advisers and their clients to understand. The dramatic increase in registered users and the largest share of platform sales in the first quarter provides strong evidence that the clarity and value Skandia is bringing to the platform market is in high demand.

As the articles from Peter Jordan and Graham Bentley on the following pages demonstrate, price is an issue that cannot be overlooked. In the current climate, this combination of value and functionality can work to create a compelling advice proposition. ●●

figure 1

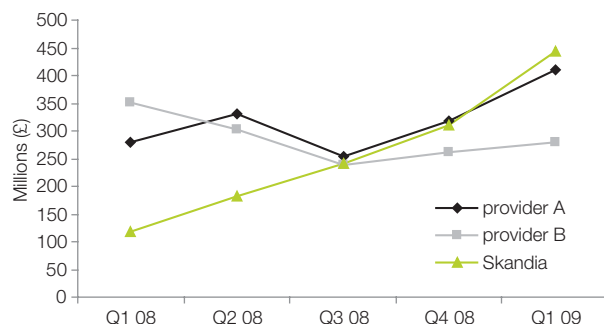
Skandia's Investment Solutions platform growth – unwrapped and ISA business (ex re-reg)



Source: Skandia, 31 March 2009.

figure 2

Unwrapped sales



Source: Lipper RMI, 31 March 2009.

www.skandia.co.uk

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Skandia fund platform gives you access to MultiISA and MultiFUND provided by Skandia MultiFUNDS Limited and to products provided by Skandia Life Assurance Company Limited.

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