



## Investment terms and conditions for Skandia Basic

Investment terms and conditions valid from 1<sup>st</sup> of June 2019

No. 06-19

In case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

### Contents

<b>1. About Skandia Basic.....</b>	<b>2</b>
1.1. Provided by .....	2
<b>2. Investing with Skandia Basic .....</b>	<b>2</b>
2.1. Skandia's liability applies.....	2
2.2. Skandia's customer portal.....	2
2.3. Mandate and trading .....	2
2.4. Management and balancing.....	2
2.5. Return.....	2
2.6. Costs .....	2
2.7. Rebalancing .....	3
2.8. Change of investment profile or product.....	3
<b>3. Investing contributions .....</b>	<b>3</b>
3.1. Insufficient contributions .....	3
3.2. Scheme without contributions .....	3
3.3. In the event of waiver of premium .....	3
3.4. Trading limits are not observed .....	3
<b>4. Payment.....</b>	<b>3</b>
4.1. In the event of the agreed retirement age .....	3
4.2. Prior to the agreed retirement age .....	3
4.3. In the event of death.....	4
<b>5. Amendments .....</b>	<b>4</b>

## 1. About Skandia Basic

Skandia Basic is a product with market-determined interest in which the pension saver can invest pension savings in an investment profile comprising primarily indexed equity and bond mandates. The investment profiles are called Basic profiles.

These investment terms and conditions apply in addition to the pension saver's insurance terms and conditions in force at any given time<sup>1</sup>.

### 1.1. Provided by

Skandia Basic is provided by Skandia Link Livsforsikring A/S, CVR number 20952237 – hereinafter called Skandia.

## 2. Investing with Skandia Basic

Skandia determines the investment strategy for Skandia Basic.

The Basic profiles in Skandia Basic are composed of a number of selected investments that are close to an index and made in funds that reflect the composition of a particular equity or bond index. The development in the index funds, and consequently also the risk and return, will therefore closely approximate the underlying fund's corresponding index.

There are a number of Basic profiles from which to choose, with different risk levels. The profiles are defined with separate risk levels.

Skandia provides investment guidance that the pension saver can use to identify the Basic profile that matches the willingness to take risks and the time during which savings may be made.

Skandia owns the securities and financial instruments where the investments are made. The pension saver therefore has no ownership over them, but owns the right to the return, which is added to the pension savings in Skandia.

The investment cannot be made with retrospective effect.

### 2.1. Skandia's liability applies

Skandia's liability for investing pension savings applies when Skandia has received and accepted all the necessary information for establishing the contractual relationship.

A contribution prior to this date should not be considered enrolment in the pension scheme. A request to transfer from another pension company as well as transfers from another pension company received prior to this date can be effectuated no earlier than when the contractual relationship is approved and Skandia has issued a pension overview to the pension saver.

---

<sup>1</sup> In the insurance terms and conditions, pension saver is called the insured.

Similarly, in the event of changes during the contractual relationship, Skandia's liability applies for investment of the pension savings no earlier than when all the necessary information for the change has been received and approved.

Skandia is not liable for investing the pension savings in the event of non-approved contractual relationships or changes.

### 2.2. Skandia's customer portal

The pension saver can see the Basic profile where the pension savings and new contributions are placed and can follow the development in the savings via a personal login on skandia.dk.

### 2.3. Mandate and trading

When Skandia Basic is chosen, the pension saver gives Skandia the mandate to carry out the necessary investment transactions in the selected Basic profile. The pension saver is not entitled to buy or sell portions of a Basic profile.

### 2.4. Management and balancing

With Skandia Basic, Skandia determines the strategy underlying the investments and ensures ongoing rebalancing in line with the long-term asset allocation.

The Basic profiles' strategic asset allocation and currency hedging are described at skandia.dk.

The part of the savings that is not invested in equity is invested in bonds, alternative investments, cash etc.

### 2.5. Return

The return reflects how the market rates related to investments in the Basic profile have developed. The pension saver bears the investment risk, and the return could be either positive or negative.

#### 2.5.1. Tax on pension yield

Skandia ensures that tax is paid on any pension yield (PAL) in accordance with the applicable law and rules or new duties/taxes that replace/supplement them. This is achieved by Skandia automatically selling the pension savings in the selected Basic profile.

Yield that is not taxed as pension yield, is reported to SKAT (the Danish tax authorities), and the yield is then taxed in accordance with applicable tax rules.

### 2.6. Costs

The pension saver pays the costs related to investing pension savings in Skandia Basic. The costs are calculated at least once a year in accordance with the pension industry's recommendation on annual costs in kroner/annual costs in % (ÅOK/ÅOP) and are explained to the pension saver in connection with the annual pension overview.

## 2.7. Rebalancing

Due to the market development, the allocation between equity and the other investments will not consistently correspond with the allocation stipulated by the investment profile. Skandia therefore continuously adjusts the allocation between investments so that it corresponds with what is stipulated in the investment profile.

## 2.8. Change of investment profile or product

The pension saver can change Basic profiles on an ongoing basis or change to another Skandia investment product.

Trading occurs normally within 5 trading days and no later than after 20 trading days. Special conditions apply for the trading days when changing to Skandia Safe<sup>2</sup>.

## 3. Investing contributions

Skandia deducts the costs of administration etc., insurance payments and labour market contributions (AMB) from the contributions and invests the remainder of the contribution.

Skandia reserves the right to set a minimum value for the contributions.

The contributions can be continuous in relation to the pension agreement or a one-off such as with a deposit or transfer from another pension company.

The contribution, with any costs deducted, is invested in the selected Basic profile(s).

Skandia normally purchases according to the chosen investment profile within 5 trading days, and no later than 20 trading days after new payment has been received and all relevant information for placing the deposit has been received and validated.

### 3.1. Insufficient contributions

If the costs for labour market contributions, costs and insurance etc. cannot be deducted from the contributions, payment for these costs is deducted from the pension savings. In other words, Skandia will effectuate sales from the pension savings to cover the insufficient contribution.

### 3.2. Scheme without contributions

If the contributions cease, the pension scheme will be amended to a premium-free policy. The change will have no impact on the selected Basic profile.

If the contributions cease, the pension savings will be continuously written down by an amount corresponding to the amount required to cover the costs incurred and any

insurance. In other words, Skandia will effectuate sales from the savings to cover the relevant costs.

### 3.3. In the event of waiver of premium

In the event of waiver of premium, the selected Basic profile will continue unchanged. The pension saver can change to another investment product or profile.

### 3.4. Trading limits are not observed

If a transaction cannot be conducted within the deadline and Skandia is not to blame, Skandia is not liable for any loss to the pension saver.

In all other circumstances, the pension saver is treated as if the transaction had been conducted within the deadline. Interest is not charged.

## 4. Payment

The general terms and conditions for disbursement are described in the relevant insurance terms and conditions.

### 4.1. In the event of the agreed retirement age

In the event of the agreed pension payment, the disbursement is determined based on the market value of the pension savings as well as the valid basis for disbursements.

If the payment is to be made as a lump sum, all the pension savings are sold. If the payment comprises continuous disbursements, continuous sales are effectuated from the pension savings corresponding with the continuous disbursements calculated.

Skandia generally trades in invested assets corresponding to the agreed disbursement once a month. In the event of continuous disbursements, the size of the disbursements is recalculated at least once a year based on the pension savings' market value and the basis for disbursements that Skandia has reported to the Danish FSA (Finanstilsynet).

### 4.2. Prior to the agreed retirement age

If the pension savings are repurchased or transferred to another pension institution prior to the agreed retirement age, the market value will be calculated based on the investment assets included in the Basic profile that contains the savings.

Any costs and expenses are deducted from the market value of the pension savings at the time when the invested assets are sold.

Generally, transactions are made once a month. Skandia conducts the transfers in accordance with the deadlines agreed in the applicable inter-trade transfer agreements.

The pension saver can change investment products or profiles from the time when the pension saver requested a transfer until the transfer has taken place.

<sup>2</sup> Cf. Investment terms and conditions for Skandia Safe.

### 4.3. In the event of death

Unless another option is chosen, in the event of death, the beneficiary or beneficiaries will receive the market value of the pension savings with any costs deducted.

In the event of death, the funds are transferred to the Basic profile with the lowest risk. This occurs in connection with the first upcoming trading transaction after Skandia has received notification of the death.

## 5. Amendments

Skandia may amend the investment terms and conditions for Skandia Basic, including amending Skandia Basic so that contributions may no longer be made. In the event of amendments that are unfavourable for the pension saver, the investment terms and conditions are amended with one month's written notice.

If necessary due to new or amended legislation or following instructions from the Danish FSA, Skandia can, however, amend the investment terms and conditions with immediate notice.

With one month's written notice Skandia can close the individual Basic profiles, so that the savings are moved. In that connection, Skandia will inform the pension saver, in which Basic profile the savings will be placed. The pension saver can freely choose to transfer his/her savings to another Basic profile, or one of the other investment products offered by Skandia. In all cases, the pension saver pays ordinary trading costs.