



# Investment terms and conditions for Skandia Link

Investment terms and conditions valid from 1 May 2018

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## 1. About Skandia Link

Skandia Link is a product with market-determined interest that offers the pension saver the option of choosing which of Skandia's funds to invest pension savings in. Pension saver therefore has an influence on investing the pension savings.

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

## 2. Investing with Skandia Link

Skandia has a range of pension savings funds available, e.g. equity and bond funds where pension saver can choose to place the pension savings and new contributions. Each fund has a stated risk level denoting the variation in the fund's price fluctuations over the past five years.

There may be investment limits with Skandia Link for company pension schemes subject to special agreements that may have specific allocation or a limited range of funds in which investments can be made.

Skandia provides a risk analysis that the pension saver can use to identify the investment product 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.

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.

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

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

Pension saver can order trading transactions with funds, see orders to trade, see which funds the pension savings and new contributions are placed in, and can follow the development in the pension savings via a personal login on skandia.dk.

### 2.3. Return and yield

The return follows the development in the funds selected. This means that the pension savings can both rise or fall on a daily basis.

The pension saver bears the investment risk, and the return could be either positive or negative.

If a yield is disbursed from a fund, the yield is added to the pension savings in Danish kroner and automatically reinvested in the fund from which the yield originated.

#### 2.3.1. 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.

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.

### 2.4. Costs

The pension saver pays the costs related to investing pension savings in Skandia Link. 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.

### 2.5. Change of investment product

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

Trading occurs within 10 working days. However, 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 costs and labour market contributions (AMB) from the contributions and invests the remainder of the contribution based on the selected contribution allocation. See section 3.1. Contribution allocation.

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

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

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.

Skandia undertakes to invest in the funds that the pension saver selects no later than on the fifth day of trading.

### 3.1. Contribution allocation

The contribution, with any costs deducted, is invested in the funds selected by the pension saver.

The pension saver selects the contribution allocation in percent between the funds available. The choice is made via the personal login on Skandia's customer portal.

When Skandia receives new contributions, purchase orders are created automatically in the funds selected for contribution allocation. In other words, new contributions, with any costs deducted, are automatically placed in accordance with the percentages in the selected funds.

### 3.2. Trading with funds

Trading with funds regarding the pension saver's deposit occurs as a result of e.g. new contributions, a new contribution allocation, reallocation of the existing pension savings, disbursement of the pension, change of product, transfer from another pension company or payment of the costs and charges as well as insurance covers and any taxes and duties.

The pension saver can order a trading transaction with funds via a personal login at Skandia's customer portal.

Based on the pension saver's transaction orders, purchase and sales orders are created in the funds.

#### 3.2.1. Reallocation of the existing pension savings

The pension saver can choose to reallocate the pension savings placed in the funds. This means that the existing pension savings will be invested in accordance with the pension saver's new choice of fund portfolios, and that future contributions will be invested in line with previously selected fund portfolio.

#### 3.2.2. Reallocation of current pension savings and future contributions

The pension saver can choose to reallocate both existing pension savings that are placed in funds as well as future contributions. This means that the current pension savings and future contributions will be invested in accordance with the pension saver's new choice of fund portfolio.

#### 3.2.3. Reallocation of future contributions

The pension saver can choose to reallocate the future contributions. This means the existing pension savings continue unchanged and are invested in accordance with the previously selected fund portfolio, and future contributions will be invested in line with the new fund portfolio.

#### 3.2.4. No selected contribution allocation

If the pension saver has not selected a contribution allocation prior to Skandia receiving the first contribution, Skandia will place the contribution in the fund selected by the pension saver's employer as the basis for the pension agreement.

#### 3.2.5. Trading conditions

The following trading conditions apply only to transactions that occur due to a new contribution allocation or a reallocation of existing pension savings. In other words, for example, they do not apply when requesting repurchase of the pension scheme, including transfer to a new pension provider.

Skandia undertakes to invest in the funds that the pension saver selects no later than on the fifth day of trading.

Transactions ordered on Skandia's customer portal can be traded on the first common trading day at the earliest, though at the earliest on the day following the order date.

The first common trading day is the day when it is possible to trade with all the funds included in the transaction requested.

The transaction is traded at the price on the day when the transaction is conducted. The price that applied when the pension saver ordered the transaction may therefore have changed at the time of the transaction.

The pension saver may order one transaction per day. However new transactions cannot be ordered if a transaction order is awaiting the first common trading day.

Ordered transactions, existing orders to trade and confirmations for transactions completed appear in electronic form on Skandia's customer portal. A completed transaction will typically be posted on the pension scheme and be visible on Skandia's customer portal up to three banking days after the first common trading day.

Skandia undertakes to trade at the prices on no later than the fifth common trading day after a transaction has been ordered.

### 3.3. 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.

### 3.4. 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 pension saver's choice of funds.

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.

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

In the event of waiver of premium, the selected contribution allocation will continue. The pension saver may change to another investment product or choose other funds.

### 3.6. 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 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 annually on 1 January based on the pension savings' market value on 30 November 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 of the savings is calculated based on the funds where the pension savings are placed.

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 trade with funds or change investment products from the time when the pension saver requested a transfer until the transfer has taken place.

### 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 a low-risk fund. This occurs in connection with the first upcoming trading transaction after Skandia has received notification of the death.

## 5. Amendments

### 5.1. Changes in the range of funds

#### 5.1.1. Replacement and/or change of funds

Skandia reserves the right to remove a fund from the range available.

Skandia will inform the pension saver one month prior to removing a fund. The information for the pension saver describes which fund will be removed, and describes the fund Skandia will automatically move the holding to when the fund is removed. In this connection, Skandia will choose a fund with the same risk profile as the fund being removed. The pension saver can request an order to trade at any time on Skandia's customer portal and select other funds.

If the pension saver has not selected other funds prior to removal of the fund, Skandia will automatically transfer the value to Skandia's selected fund.

Any contributions to the removed fund will automatically be transferred to another fund selected by Skandia when Skandia has informed the pension saver that the fund will be removed.

Skandia also reserves the right for fund administrators to change a fund portfolio. Skandia will inform the pension saver of the change one month prior to the change, if this is possible.

If, as a consequence of the change, Skandia decides to remove the fund, the pension saver will be informed of this, as stipulated above.

#### 5.1.2. Fund administrators terminate the cooperation or close a fund

If a fund administrator terminates the cooperation with Skandia or closes a fund, Skandia will, to the greatest extent possible, transfer the value to a fund with the same risk level in accordance with Skandia's choice, and will inform the pension saver as soon as possible.

### 5.2. Amendment of terms and conditions

Skandia may amend the investment terms and conditions for Skandia Link, including amending Skandia Link 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.