

Customer Contact Desk: Ph: 00353 1 639 9859  
Monday to Friday: 9am to 5pm  
Fax: 00353 1 638 2901  
Email: [info@pglireland.net](mailto:info@pglireland.net)  
[www.phoenixireland.ie](http://www.phoenixireland.ie)  
**Date Issued: June 2012**ADDRESSEE NAME  
ADDR LINE 1  
ADDR LINE 2  
ADDR LINE 3  
ADDR LINE 4  
ADDR LINE 5

Dear Policyholder

Policy Number: 11111111A to 22222222A

**YOUR ANNUAL BONUS UPDATE**

I am writing to keep you up to date with the performance of the with-profits fund for the period 1 January 2011 to 31 December 2011 and what this means for you.

The Statement provides you with information about any bonus we added to your policy. The Additional Information provides you with information about the with-profits fund.

You do not have to contact us at this point, however it is important that you read the information below as well as the enclosed Statement and Additional Information, as this could affect any decisions you might make about your policy now or in the future.

We will contact you before your final pension age with details of the pension options available. It is important you review your pension arrangements on a regular basis and we recommend that you speak to your Independent Intermediary.

**Want to know more?**

We strongly recommend you read the enclosed documents

- Your Policy Statement
- Additional Information

If you still have any questions or want to discuss any other features of your policy, we recommend that you talk to your Independent Intermediary or contact us (contact details above).

**Have your details changed?**

If any of your details have changed or are incorrect, please complete the relevant section of the enclosed 'change of details' form and return to us to enable us to update our records.

**If you need to contact us**

If you have any questions about your annual bonus statement, please call our Customer Helpline or write to us if preferred. Our contact details and opening hours are shown on the top of this letter together with your policy number which you will need to provide when contacting us.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lisa O'Neill', written in a cursive style.

**Lisa O'Neill**  
**Operations Manager**

Enclosures: Your Policy Statement  
Additional Information  
Change of details form

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# 2011

## YOUR POLICY STATEMENT

A Customer  
STYNE HOUSE  
UPPER HATCH STREET  
DUBLIN 2  
IRELAND

Policy No. 1111111E, to 2222222A, 333333333 to 444444444, 555555555 to 666666666

Bonuses added at 31 December 2011

Life Assured: A Customer

Policy Number	Final Pension Age	Basic with-profits pension	Declared Bonus			
			Previous total %	2011 addition %	New total %	Total Bonus to date
1111111E to 2222222E	70	€ 6,043.00 Each segment (1)	15.80%	nil	15.80%	€ 954.79
333333333 to 444444444	70	€ 6,782.00 Each segment (1)	1.75%	nil	1.75%	€ 118.69
555555555 to 66666666G	70	€ 1,549.00 Each segment (1)	nil	nil	nil	

Please see the explanations and notes overleaf.

## Your bonus statement explained

### Final Pension Age

The final pension age is the latest age at which you can start to take your pension. Some policies contain the option (explained in the policy provisions) to take your pension from an earlier age.

### Basic with-profits pension

The basic with profits pension is the guaranteed amount we will pay each year from your final pension age.

### Previous total %

This is the total of all annual bonuses we have previously added to your policy.

### 2011 addition %

This is the bonus we will add to the previous total.

### New total %

This is the sum of the previous total and the 2011 addition.

### Total Bonus to date

The total amount of bonus added to your policy to date.

## Bonus notes

1. We will pay your basic with profits pension from your final pension age but, if you prefer you can take a smaller pension from an earlier birthday (please see your policy document for precise details). The reduced pension will be increased by the new total annual bonus percentage shown on your statement.
2. The bonus will be paid with any pension you receive under the policy. You cannot take it as a cash sum now.
3. We assume that your premiums are up to date and that any premiums due will continue to be paid.
4. If you have any other types of with-profits policy they will be shown on a separate statement.
5. This statement is for information only and does not give any legal right. It may not reflect any recent dealings relating to your policy. We may correct any mistake this statement may contain.
6. Where your policy is segmented, the figures quoted relate to each individual segment.
7. If you take your benefits early, stop paying or reduce contributions to your policy the total benefit will be less than shown in the table above.
8. Please remember the addition and amount of any future bonuses is not guaranteed. The value of any final bonus can go down as well as up, which will affect the benefits you receive.

## Additional Information

Date: June 2012

Each year we provide an update on the performance of the with-profits fund and how this affects our policyholders. You should read these pages carefully.

Your traditional with-profits policy is invested in the Phoenix Life Limited SPI With-Profits Fund ('the with-profits fund').

Our guide, 'How we manage the Phoenix Life Limited SPI With-Profits Fund' ('the guide') is available on our website [www.phoenixireland.ie](http://www.phoenixireland.ie) or you can ask us for a copy.

### Further information about the with-profits fund

The annual bonus rate on the with-profits fund between 1 January 2011 and 31 December 2011 for traditional pension policies was 0% of the basic benefit and 0% of the previous bonuses.

We have reviewed our policy of concentrating on final bonuses before reintroducing or increasing annual bonuses. We continue to believe that this is the best and fairest way for all our policyholders to benefit from the returns of the with-profits fund and we will review the levels of final bonus at least twice each year, normally in January and July. Final bonuses are not guaranteed and we may change them at any time.

The with-profits fund consists of a wide range of assets with the aim of providing good growth potential over the medium to long term. On 31 December 2011, the split of investments for with-profits policies was approximately:

Investment type	Traditional pensions policy
Company shares (equities)	27%
Fixed interest stocks - issued by the euro governments	39%
Fixed interest stocks - other (including corporate bonds)	30%
Property	0%
Cash	2%
Other	2%

In May 2011 the Irish Finance (No2) Act 2011 introduced a new, temporary levy on pension funds established in Ireland. The levy takes the form of a 0.6% tax on the value of pension funds. The levy was applied on the value of the funds at 30 June 2011 and will be apply again in each of the following three years, 2012, 2013 and 2014. We will make allowance for the levy when we calculate bonus rates and surrender values for the affected with-profits policies, and these will be generally be lower as a result.

### Fund performance

The return on the investments in the with-profits fund for 2011 was 1% for traditional with-profits pension policies. These returns are before tax, expenses and charges.

Phoenix Ireland is the trading name used by Scottish Mutual International Limited and Phoenix Life Limited.

Scottish Mutual International Limited is authorised and regulated by the Central Bank of Ireland and is registered in Ireland (Company No. 242244).

The company's registered office is 25-28 North Wall Quay Dublin 1, Ireland. An up-to-date list of its directors, containing the particulars required by paragraphs (a), (b) and (c) of section 196(1) of the Companies Act 1963, is available upon request from the company's registered office.

Phoenix Life Limited is authorised and regulated in the United Kingdom by the Financial Services Authority. Phoenix Life Limited is incorporated in England (Company No. 1016269) and has a registered branch in Ireland (Branch No. 906073). The company's registered office is 1 Wythall Green Way, Wythall, Birmingham B47 6WG United Kingdom. Its directors are A B Davidson (UK), J P Evans (UK), M J Merrick (UK), A Moss (UK), M D Ross (UK), J C Park (UK), W R Treen (UK), M N Urmston (UK) and D Richardson (UK).

Please remember that past performance is not an indication of future performance and the value of investments can fall as well as rise.

### **Estate distribution**

In the guide we mention that we work out bonuses by considering the underlying value of policies. We also mention that we expect to include a fair share of any distribution of the estate in the underlying value of with-profits policies once the estate is large enough to cover the risks in the with-profits fund.

We are currently (as at 1 January 2012) including a distribution of the estate when we set final bonuses. Based on the estate at the end of December 2010, we added a small estate distribution of 0.5% of underlying policy values for 2011. We also included an additional estate distribution of 6.8% of the underlying policy values when we set the January 2012 final bonuses. This means that final bonuses are currently higher than they would otherwise be.

We do not guarantee that we will be able to continue this level of estate distribution in future and we normally review the level twice a year. In particular, poor investment conditions are likely to mean that we will reduce or remove the current estate distribution.

### **Changes to how we manage our with-profits fund**

You may recall that we aim to operate our with-profits fund in accordance with our Principles and Practices of Financial Management (PPFM).

During 2011, we made some changes to our PPFM. The changes we made in relation to the Phoenix Life Limited SPI With-Profits Fund are set out below.

- We have updated the PPFM to reflect changes which occurred in the business over the year:
  - The transfer of business from Phoenix & London Assurance Limited to Phoenix Life Limited on 14 February 2011.
  - The recapture of Phoenix Pensions Limited business into the Phoenix Life Limited Non-Profit Fund.
- Surplus assets are sometimes known as the estate. We updated the estate section to show the revised estate distribution strategy.
- We updated the amounts payable under a with-profits policy section to show that we have introduced a separate Irish unitised with-profits life bonus series as the Irish unitised with-profits pension business is now affected by the Irish pension fund levy.
- We updated the annual bonus practices to reflect our latest view on the level of annual bonuses we should set to maintain an appropriate level of final bonus.
- We have simplified our smoothing practices. When we change bonus rates, we compare the resulting maturity or retirement payouts with the payouts if bonus rates are not changed and generally limit the changes in maturity or retirement payouts, to not more than 7.5% at each six monthly review. Similarly we generally limit changes in surrender values to not more than 10% at each six monthly review.
- We updated the surrender value practices to reflect that we now target 100% of the underlying policy value on surrender for traditional business.

- We have updated the investment practices to reflect that we expect to increase the spread of investments by investing part of our investments in private equities (shares in companies that are not publicly traded on a stock exchange) and also in emerging market debt and equities (in countries such as China, Brazil, Russia and India).
- We updated some of the information to reflect the latest position. However, in the July 2011 update to the PPFM we removed much of the data relating to latest asset mixes, guarantee charges, expenses and estate distribution as this information is provided in other communications to policyholders and is available on our website.

We also made changes in respect of Phoenix Life Limited's other with-profits funds, but these changes do not affect policies invested in the SPI With-Profits Fund.

None of these changes are sufficiently material to affect the guide to how we manage the with-profits fund.

This information should be read with our revised PPFM document which is available on our website [www.phoenixireland.ie](http://www.phoenixireland.ie), or you can contact us for a copy.

Each year we publish a report to demonstrate how we have complied with the PPFM. Our annual report to demonstrate how we have complied with the PPFM for 2011 will be available from July 2012 on our website [www.phoenixireland.ie](http://www.phoenixireland.ie), or you can contact us for a copy.

### **How can I find out more?**

The guide to how we manage our with-profits fund and the full PPFM document are available on our website [www.phoenixireland.ie](http://www.phoenixireland.ie). You can also ask for a copy using the contact details on the first page of this letter.





## CHANGE OF DETAILS FORM

Please complete both sides of this form in BLOCK CAPITALS using black ink.  
Please ensure you sign and date this form and return to Phoenix Ireland, 16 Joyce Way,  
Park West Business Park, Dublin 12.

### Please complete in all cases:

Policy number(s):

Title:  Forename(s):

Surname:  Date of birth:

Phone Number:

### If your address is incorrect or has changed please complete this section:

Current address:

<input type="text"/>	Postcode: <input type="text"/>
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Previous address:

<input type="text"/>	Postcode: <input type="text"/>
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### If your name is incorrect or has changed please complete this section:

Please provide the following **original** documentation and complete the details requested below. All original documents will be returned to you by Recorded Delivery.

- If you have married or entered into a civil partnership please send us your marriage or civil partnership certificate.
- If you have divorced and now use your maiden name please send us your decree absolute and your birth certificate.
- If you have changed your name for any other reason please send us your deed poll.
- 

Previous name:

Previous signature:

**Please turn over**

**CHANGE OF DETAILS FORM CONTINUED**

**PLEASE ENSURE THAT YOU COMPLETE THIS SECTION:**

First policy holder signature:

Date:

Second policy holder signature:  
(if applicable)

Date:

As there may be occasions when we have to contact you about the information that you have given to us, please provide a contact telephone number. Please also indicate if a morning, afternoon or early evening call would be preferred.

Telephone number:

Preferred call time (please circle all that apply):     **morning / afternoon / early evening.**

We will only use this number to contact you in relation to your policy, about information you have provided above, or at your request.