

Key Updates for Phoenix Life Limited SPI With-Profits Fund Customers

Former Scottish Provident Limited Irish traditional with-profits life policies

1 July 2019

Your policy is part of the Phoenix Life Limited SPI With-Profits Fund ('the fund').

Bonus rates

The annual bonus rate for 2018 remained at 3.0%.

The addition of any future annual bonuses will depend on the future investment performance and experience of the fund, after allowing for the historic performance and the value of the guaranteed benefits.

We have reviewed our policy of concentrating on final bonuses before increasing annual bonuses and continue to believe that providing a final bonus, where possible is the fairest way for all policyholders to benefit from the returns of the fund.

We are currently adding a final bonus to all life policies at maturity. However, we are not able to guarantee that we will always be able to add final bonuses in the future. We normally review final bonus rates twice a year from 1 January and 1 July. However we may change final bonus rates at any time.

Please remember that annual bonuses are only one part of the benefits from your with-profits policy. In many cases the benefits already guaranteed to be payable are very valuable and there may also be a final bonus. Please also remember that guarantees will normally be lost if your policy is surrendered. Your with-profits policy may also provide potentially valuable life cover.

Investment approach

The 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 2018, the split of assets for Irish traditional with-profits life policies was approximately:

Company shares	36%
Property	9%
Other growth assets	1%
Total growth assets	46%
Fixed interest stocks - issued by governments in the eurozone	33%
Other fixed interest stocks - (including corporate bonds)	17%
Cash	4%
Total fixed interest and cash assets	54%
Total assets	100%

The investment return on the fund for these policies over the last few years is shown in the table below.

Phoenix Life Limited – SPI With-Profits Fund Former Scottish Provident Limited Irish traditional with-profits life policies	
Investment return (before tax, expenses and charges)	
Year	Investment return
2018	-0.6%
2017	5%
2016	3%
2015	6%
2014	13%*
2013	9%
2012	11%
2011	-1%
2010	5%
2009	16%
2008	-19%

*In previous key update leaflets, the investment return for 2014 was mistakenly shown as 11% which was the after tax return for that year.

We do not expect to make any changes to the investment strategy for the fund during 2019.

Surplus money

There is currently more money in the fund than we expect to pay out in claims. Some of this surplus money is used to protect the fund against unexpected shocks, for example a fall in the value of the fund's investments. However, the remainder can be released and used to increase the amounts we pay out to policyholders. From July 2019 this surplus is increasing policy payouts by up to 37.7% for those policies receiving a final bonus. The amount we are able to add to policy values will be regularly reviewed and may increase or decrease, and could even be removed entirely.

This information is correct at 1 July 2019.

If you have any questions or would like more information about your policy, please contact us. Our contact details are:

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