



Phoenix Ireland
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Dublin 2

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Monday to Friday: 9am to 5pm
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www.phoenixireland.ie

Reference Number: 1111111A

Dear Sir/Madam

YOUR ANNUAL BONUS UPDATE

I am writing to provide you with information about the with-profits fund between the period 1 January 2010 to 31 December 2010. This includes:

- the most recent performance of the with-profits fund
- changes to the way in which we manage 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 'Additional Information', as this could affect any decisions you might make about your policy now or in the future.

It is important that you review your investment and pension arrangements on a regular basis and we recommend that you speak to your independent intermediary.

Change of our Office Address:

Please note that from the end of July 2011, our administration office will be moving from Styne House, Upper Hatch Street, Dublin 2. Our new administration office will be located at:

16 Joyce Way,
Parkwest Business Park,
Dublin 12.

Please address any correspondence to us at our new address from the end of July. Our telephone, e-mail and website details are located at the top of this letter and remain unchanged.


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 J Yates (UK).

If you need to contact us

If you have any questions 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 reference number which you will need to provide when contacting us.

Yours faithfully

A handwritten signature in black ink, appearing to read "Lisa O'Neill". The signature is written in a cursive style with a large initial "L".

Lisa O'Neill
Operations Manager

Enclosures: Additional Information

Date: June 2011

Additional Information

Each year we provide an update on the performance of the Scottish Mutual International Limited With-Profits Fund and how this affects our policyholders. You should read these pages carefully.

Further information about the with-profits fund

The annual bonus rate for Pension With-Profits Series 3 and Life With-Profits Series 4 units is declared in advance. From 1 May 2011 the annual bonus rate is 0.75%. This annual bonus rate increases the value of with-profits units. The annual bonus has been maintained at the same rate declared last year.

We have reviewed our policy of concentrating on final bonuses and reducing market value reductions (MVRs) before increasing annual bonuses to provide policyholders with their fair share of the investment returns. 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, usually in January and July. Final bonus rates are not guaranteed and we may change them at any time.

Asset split

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 2010, the split of investments for with-profits policies was approximately:

Fixed interest stocks - issued by the euro governments	28%
Fixed interest stocks - other (including corporate bonds)	8%
Company shares (equities)	52%
Property	0%
Cash / other	12%

The investment mix for with-profits policies has changed over time. In last year's important information leaflet we told you about the changes we expected to make to the investments underlying policies in the with-profits fund. The changes included moving some of the fixed interest assets from government bonds into corporate bonds and reducing the proportion of European equities and investing more in other equity markets.

Fund performance

From 1 January 2010 to 31 December 2010, the return on the investments in the with-profits fund for with-profits policies was 6% (before tax and charges).

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

Final bonus and market value reduction (MVR) review

Final bonus rates are reviewed at least twice a year, normally in January and July. Final bonuses are not guaranteed and we may change them at any time. Final bonus rates were last reviewed with effect from 1 January 2011. The current scale of final bonus rates is available on our website www.phoenixireland.ie under the 'Latest News' heading.

If you require a copy of the current final bonus rates, please write to us, or call our customer helpline using the details on the top of this letter.

We may apply a market value reduction (MVR) to make sure that any amount paid out when a policy is surrendered reflects the performance of the with-profits fund up to that point. We do this to ensure that we are being fair to policyholders leaving the with-profits fund and those remaining in the with-profits fund.

Market value reductions are not guaranteed and we may change them at any time. We publish final bonuses and market value reductions on our website www.phoenixireland.ie. We will not apply a market value reduction on death. Please see your policy documents for more details.

How can I find out more?

You can request a copy of the guide to how we manage the with-profits fund by calling our Customer Helpline or, if you prefer, by writing to us or e-mailing us. Our contact details are on the first page of this letter.