

**Important Information for Scottish Mutual International Limited  
 With-Profits Fund Customers**

[www.phoenixireland.ie](http://www.phoenixireland.ie)

**Irish unitised with-profits SMI Pension With-Profits Series 3  
 (taken out after August 2001)**

Irish unitised with-profits pension policies (taken out after the 1 August 2001) are invested in the Scottish Mutual International Limited with-profits fund ('the with-profits fund').

Some policies may be split between unit-linked funds and the with-profits fund. This information sheet refers only to the with-profits element.

Policies have guaranteed cash sums at the selected retirement date as we guarantee not to apply a market value reduction (MVR) to the with-profits units which have been purchased with premiums.

We may add annual bonuses if the investment return and experience of the with-profits fund has been sufficient to support the payment of these bonuses and the benefits already guaranteed, and is expected to continue to do so, even if future investment returns or other factors become unfavourable. If added, annual bonus increases the value of the with-profits units.

We are adding an annual bonus of 0.75% per annum from 1 May 2010. This rate is the same as the previous annual bonus rate from 1 May 2009. Investment returns for 2009 overall were much improved. However, they only represented some recovery of the poor investment returns in 2008, rather than actual growth. As a result we have only been able to maintain the annual bonus rate, rather than increase it. The investment return and experience of the with-profits fund over the last few years means that we were already adding low levels of annual bonus. The annual bonus rate will normally be reviewed from 1 May 2011 and will allow for the most recent experience of the with-profits fund. However, the annual bonus rate is not guaranteed and we may change it at any time.

<b>Scottish Mutual International Limited          With-Profits fund          Irish unitised with-profits          SMI Pension With-Profits Series 3          (policies taken out after 1 August 2001)</b>	
<b>Annual bonus rates</b>	
<b>Period</b>	<b>Annual bonus rate</b>
from 1 May 2010	0.75%
1 May 2009 to 30 April 2010	0.75%
1 March 2004 to 30 April 2009	2.25%

We may add a final bonus on death or on retirement at the selected retirement date. We do not guarantee final bonuses. 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. On surrender, transfer or retirement at any other date, we may pay reduced final bonuses and we may apply a market value reduction. We review the final bonus reductions and market value reductions regularly.

The investment mix for these with-profits units has changed over time. At 31 December 2009, the fixed interest assets were all invested in euro government bonds. In 2010 we expect to introduce corporate bonds into the fixed interest assets. Initially we expect to move 20% of the fixed interest assets into corporate bonds and later this may rise to 40%. At 31 December 2009, about 80% of the equities were European equities. In 2010 we expect to reduce this proportion to about 67% and invest more in other equity markets.

The recent history of the asset mix is shown in the table below.

<b>Scottish Mutual International Limited</b>					
<b>With-Profits fund</b>					
<b>Irish unitised with-profits</b>					
<b>SMI Pension With-Profits Series 3</b>					
<b>(policies taken out after 1 August 2001)</b>					
<b>Asset mix at end of year</b>					
<b>Year</b>	<b>Company Shares (equities)</b>	<b>Fixed Interest Stocks</b>		<b>Other</b>	<b>Property</b>
		<b>issued by euro governments</b>	<b>other</b>		
2009	51%	27%	0%	0%	22%
2008	44%	45%	0%	0%	11%
2007	50%	38%	0%	0%	12%
2006	47%	39%	0%	0%	14%
2005	44%	43%	0%	0%	13%

The investment return on the with-profits fund over the last number of years is shown in the table below.

<b>Scottish Mutual International Limited</b>	
<b>With-Profits fund</b>	
<b>Irish unitised with-profits</b>	
<b>SMI Pension With-Profits Series 3</b>	
<b>(policies taken out after 1 August 2001)</b>	
<b>Investment return (before charges)</b>	
<b>Year</b>	<b>Investment Return</b>
2009	15%
2008	-17%
2007	4%
2006	7%
2005	13%

**This information is correct at 1 July 2010.**

**If you have any questions or would like more information about your policy, please contact us using the details shown in the letter we sent with this information.**

Phoenix and Phoenix Ireland are trading names used by Scottish Mutual International Limited and Phoenix Life Limited. Scottish Mutual International Limited is registered in Ireland No. 242244. Registered Office: 25-28 North Wall Quay Dublin 1, Ireland. Phoenix Life Limited is registered in England No. 1016269. Registered Office: 1 Wythall Green Way, Wythall, Birmingham B47 6WG United Kingdom. Irish branch registered No. 906073. An up-to-date list of company directors, containing the particulars indicated in paragraphs (a), (b) and (c) of section 196(1) of the Companies Act 1963, is available on application from each company's registered office. Scottish Mutual International Limited is regulated by the Irish Financial Regulator and Phoenix Life Limited is regulated in the United Kingdom by the Financial Services Authority.