

January 2011

Customer Contact Desk Ph: 00353 1 639 9859
Monday to Friday: 9am to 5pm
Fax: 00353 1 638 2901
Email: info@pglireland.net
www.phoenixireland.ie**Important Information for
Scottish Mutual International Limited
With-Profits Fund Customers****Irish unitised with-profits, SMI Pension With-Profits Series 3, (policy 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 added 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. Although investment returns for 2009 were much improved, they only represented some recovery of the negative investment returns in 2008 rather than any actual growth. Also, the investment returns in early 2010 were poor. As a result we have only been able to maintain the annual bonus rate, rather than increase it. The investment returns and experience of the with-profits fund over last few years mean 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. Although investment returns improved towards the end of 2010, the 2009 and 2010 investment returns only represent a small element of growth after allowing for the negative investment returns in 2008. The annual bonus rate is not guaranteed and we may change it at any time.

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

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).

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. 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.

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

Scottish Mutual International Limited With-Profits fund Irish unitised with-profits SMI Life With-Profits Series 3 (policies taken out after 1 August 2001)						
Asset mix at end of year						
Year	Company Shares (equities)	Fixed Interest		Stocks	Property	Other
		issued by euro governments	other			
2010	52%	28%	8%	0%	12%	
2009	51%	27%	0%	0%	22%	
2008	44%	45%	0%	0%	11%	
2007	50%	38%	0%	0%	12%	
2006	47%	39%	0%	0%	14%	

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

Scottish Mutual International Limited With-Profits fund Irish unitised with-profits SMI Pension With-Profits Series 3 (policies taken out after 1 August 2001)	
Investment Return (before charges)	
Year	Investment Return
2010	6
2009	15%
2008	-17%
2007	4%
2006	7%

This information is correct at 1 January 2011.

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.

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