

**Important Information for
Phoenix Life Limited
Alba With-Profits Fund Customers**



**Former Alba Life ex Britannia Life Limited /
FS Assurance
Assured Growth Scheme / Fund Policy**

1 April 2009

Your investment with Phoenix Life

Former Alba Life ex Britannia Life Limited / FS Assurance Assured Growth Scheme / Fund policies are invested in the Phoenix Life Limited Alba With-Profits Fund ('the with-profits fund').

The Assured Growth Scheme / Fund declared return is based on the investment return less annual management charge (to cover investment and administration expenses) and is smoothed.

The Assured Growth Scheme / Fund declared return for 2008 was 1.00% for Group Pension Plans and 1.00% for Alpha, Beta and Omega policies.

The asset mix backing this business at 31 December 2008 was 80% fixed interest and 20% property and has been since August 2003. Of the 80% in fixed interest, this is currently split 54% in stocks issued by the UK government and 26% in other stocks. Therefore the Assured Growth Scheme business does not have exposure to equity (company shares) growth or losses since August 2003, in particular the equity gains in 2004 or 2005 or the equity losses in 2008.

The annual management charge is 1.75%, having reduced from 2.25% in 2002.

A history of the investment returns and Assured Growth Scheme returns are shown in the table below.

Phoenix Life Limited Alba With-Profits Fund								
Former Britannia Life Limited / FS Assurance (BL)								
Assured Growth Fund / Scheme - Group Personal Pension								
Year	Investment Return	Annual Management Charge	Net Return	Declared Assured Growth Rate	Net Return less Declared	Accumulated Net Return	Declared	Returns since 1999 Declared / Net return
2008	1.24%	1.75%	-0.51%	1.00%	-1.51%	1.007	1.263	125.4%
2007	1.82%	1.75%	0.07%	1.00%	-0.93%	1.013	1.251	123.5%
2006	3.58%	1.75%	1.83%	2.00%	-0.17%	1.012	1.238	122.4%
2005	9.94%	1.75%	8.19%	2.00%	6.19%	0.994	1.214	122.2%
2004	9.26%	1.75%	7.51%	1.50%	6.01%	0.918	1.190	129.6%
2003	6.79%	1.75%	5.04%	0.25%	4.79%	0.854	1.173	137.3%
2002	-10.71%	2.25%	-12.96%	0.00%	-12.96%	0.813	1.170	143.8%
2001	-10.05%	2.25%	-12.30%	2.00%	-14.30%	0.934	1.170	125.2%
2000	-5.34%	2.25%	-7.59%	4.25%	-11.84%	1.065	1.147	107.6%
1999	17.55%	2.25%	15.30%	10.00%	5.30%	1.153	1.100	95.4%

The Assured Growth Scheme declared returns remain low although investment returns had improved during 2003 to 2005, due to the impact of the large amount of smoothing applied in 2000 to 2002 where negative investment returns were earned. The Assured Growth Scheme declared returns were never reduced to below nil. The poor investment returns in 2007 and 2008 have not improved the position.

For 2008, the declared return of 1.00% was more than the investment return net of annual management charge of -0.51%. The return on the investments in the with-profits fund for 2008 was affected by falls in the value of property and also the falls in the value of non-government fixed interest stocks. The with-profits fund is not invested in company shares (equities) and thus the investment return has not been affected by the fall in the value of company shares (equities) in 2008.

The return on the investments in the with-profits fund for 2007 was affected by falls in the value of property and also the falls in the value of non-government fixed interest stocks.

For 2006, the investment return on fixed interest assets was negative leading to a low overall return. Once the annual management charge is taken into account the net investment return is slightly lower than the declared return.

For 2005, the investment return was positive and although the declared return was increased slightly it remained low. This reduced the shortfall further.

For 2003 and 2004, investment returns were positive but declared returns remained low. This reduced the shortfall built up during 2000 to 2002.

In 2000 to 2002, negative investment returns were earned and the declared returns were reduced over this period to nil, but were never negative. This built up a substantial shortfall of the net investment returns compared to the declared returns.

In 1999, the declared return of 10% was less than the investment return net of annual management charge of 15.3%.

The table also shows a comparison of the accumulated net investment returns with the accumulated declared returns since 1999. This still shows a shortfall at the end of 2008. This shortfall has got worse during 2007 and 2008.

The table below shows the historical asset mix for this business at the end of each year.

Phoenix Life Limited Alba With-Profits Fund				
Former Britannia Life Limited / FS Assurance (BL) Assured Growth Fund / Scheme - Group Personal Pension				
Year	Asset Mix at end of year		Equities	Property
	Fixed interest stocks issued by UK government	other		
2008	54%	26%	0%	20%
2007	80% combined		0%	20%
2006	80% combined		0%	20%
2005	80% combined		0%	20%
2004	80% combined		0%	20%
2003	80% combined		0%	20%
2002	70% combined		30%	0%
2001	39% combined		61%	0%
2000	30% combined		70%	0%
1999	33% combined		67%	0%

How much we put into each type of investment will change over time. We aim to make sure that the with-profits fund can always meet the guarantees we have given to policyholders. Subject to this, we aim to get a good investment return while balancing this with the degree of risk being taken. We currently hold some property investments as well as fixed interest stocks. Over time we expect the returns from property to be higher than the returns from fixed interest stocks. However, the returns on property are likely to be more variable. We expect the amount invested in property to reduce over the next few years as policies mature and the period to maturity for the remaining policies reduces.

We do not invest in company shares (equities) and, because of the high risks associated with them, the with-profits fund is unlikely to invest in them in the future. The majority of investments held are lower risk such as fixed interest stocks (bonds, types of loan usually issued by the government or companies).

This information is correct at 1 April 2009.

If you have any questions or would like more information, please contact us using the details shown in the Contact us link on our website.

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Phoenix Life Limited is authorised and regulated by the Financial Services Authority.

Phoenix Life Limited is registered in England No. 1016269

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