

**Important information for customers
with a former Britannic Retirement
Solutions / Britannic Assurance
with-profits annuity**



This leaflet gives you important information to go with your former Britannic Retirement Solutions / Britannic Assurance with-profits annuity annual review statement. You should read this document carefully together with your statement and then keep it safe for future reference.

Your investment with Phoenix Life Limited

Your with-profits annuity policy is invested in the Phoenix Life Limited Britannic With-Profits Fund ('the with-profits fund').

How we manage the with-profits fund

We included a copy of our guide, 'How we manage the Phoenix Life Limited Britannic With-Profits Fund' ('the guide') with your statement last year. The guide is available on our website www.phoenixlifegroup.co.uk or on request.

We have included a leaflet which covers changes to how we manage our with-profits business.

How we invest the with-profits fund

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 2007 the split of assets supporting with-profits annuity policies was:

Company Shares	40%
Fixed Interest Stocks	46%
Property	7%
Cash	7%
Other	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 it has given to policyholders. Subject to this, we aim to get the highest possible investment return while balancing this with the degree of risk being taken. We currently hold some higher risk investments which we expect to provide a higher return, such as company shares (equities) and property. The rest are lower risk investments such as fixed interest stocks (bonds, types of loan usually issued by the Government or companies) and cash.

The return on the investments in the with-profits fund in 2007 was 2.8%. By keeping around 50% of the fund invested in company shares (equities) and property, we believe that we are well placed to benefit from any growth due to stock market or property price increases, whilst still protecting the long term security of the fund.

If you have any further questions please contact us using the details shown on the letter we sent with your statement.

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