

**Former Britannic Retirement Solutions /
Britannic Assurance With-Profits Annuity**

1 April 2009

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 in 2007. The guide is available on our website www.phoenixlifegroup.co.uk or you can ask us for a copy.

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 2008 the split of assets supporting with-profits annuity policies was:

Company shares (equities)	41%
Fixed interest stocks - issued by the UK government (gilts)	16%
Fixed interest stocks - other	34%
Property	7%
Cash	2%
Other	0%

How much we hold in 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 a good 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 in the longer term, 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 UK government or companies) and cash.

The return on the investments in the with-profits fund for 2008 was -11.9%. The return was affected by falls in the value of company shares (equities) and property and also the falls in the value of non-government fixed interest stocks.

By keeping around 50% of the with-profits fund invested in company shares (equities) and property, the with-profits fund is well placed to benefit from any recovery in stock market or property prices, whilst still protecting the long-term security of the guaranteed benefits.

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 letter we sent with your statement.

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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

Registered Office: 1 Wythall Green Way, Wythall, Birmingham B47 6WG

www.phoenixlifegroup.co.uk