

## With Profits Bond

This leaflet provides you with important information to support your With Profits Bond Annual policy statement.

### ► Your Investment with Phoenix Life

Your With Profits Bond policy is invested in the Phoenix Life Limited Britannic With-Profits Fund ('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. You may wish to read this guide again before reading this leaflet. The guide is also available on our website [www.phoenixlifegroup.co.uk](http://www.phoenixlifegroup.co.uk). Under 'Do you have a with profits policy?', select 'Follow this link for a quick guide to how we manage our with profits funds'. Then select 'Phoenix Life Limited - Britannic With-Profits Fund' and choose the guide for 'Britannic Assurance plc With Profits Bond'. You can also ask us for a copy using the contact details below.

### What about guarantees?

Your With Profits Bond policy has guarantee dates/periods (Market Value Reduction free dates) and if you surrender at these dates, we guarantee how much we will pay you. Please see the section headed Guarantee dates in the Additional information section of your statement for more details about your With Profits Bond policy's guarantees. If you surrender at any other time, we may apply a market value reduction, as described below. You can find further details in your policy documents.

### What is a Market Value Reduction (MVR)?

We use a Market Value Reduction (MVR) to make sure that any amounts paid to those policyholders who surrender their policies, reflect how the fund has performed up to that point. If we use a Market Value Reduction, policyholders who surrender their policies may receive less than any surrender value previously quoted. If you surrender your With Profits Bond policy at

any time other than a guarantee date (Market Value Reduction free date), we compare the unsmoothed value of your policy with the smoothed value. The unsmoothed value of your policy is equivalent to the smoothed value but based on the actual investment return without any smoothing adjustment. Where the unsmoothed value is significantly less than the smoothed value, we apply a Market Value Reduction (MVR) and the surrender value will be less than the smoothed value but not less than the unsmoothed value.

The purpose of the Market Value Reduction is to ensure fair treatment to all policyholders whenever they surrender their policy.

It is important to remember that we only apply Market Value Reductions to your With Profits Bond policy in certain circumstances. Please note that we will not apply a Market Value Reduction:

- on death;
- if you surrender your With Profits Bond policy on a Market Value Reduction free date (guarantee date/period), as described in the section headed Guarantee dates in the Additional information section of your statement; and
- when a withdrawal is taken from your With Profits Bond policy up to 7.5% of the original investment, reduced to take into account any surrenders, per year.

You can find further details in your policy documents.

### How is the with profits fund invested?

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 Bond policies was:

Company Shares	40%
Fixed Interest Stocks	47%
Property	8%
Cash	5%
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 we achieved on the investments in the with profits fund for 2007 was 2.5%.

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.

## ► Data Protection Act 1998:

### Your personal data

Here is an update on how we process the personal data you have previously provided to us.

Your personal data is held in our systems to provide the product or service for which you applied, and may be used for the:

- purpose of fraud prevention;
- purposes of identity verification via electronic credit reference systems; and
- marketing of further products and services offered by the Resolution group of companies ("Resolution Group") or carefully selected third parties by telephone, post or other electronic means.

Your personal data may be shared with other members of the Resolution Group, its agents and their subcontractors, and other parties where there is a legitimate reason to do so.

Your personal data may be processed in countries outside the European Economic Area. This processing will be carried out by experienced and reputable organisations and only on terms which safeguard the security of your personal data and comply with the requirements of the Data Protection Act 1998.

A full copy of our data protection statement can be obtained from our Customer Helpline on 0845 938 0590.

If you would prefer not to be contacted in connection with the marketing of further products and services, and have not already expressed this preference, please get in touch with us at the address below.

## ► We are here to help

It is important that you review your financial arrangements on a regular basis and we recommend that you speak to your financial adviser. If you do not have a financial adviser or are looking to take out a protection plan, please contact our Customer Care Team on 0845 938 0515.

## ► If you have any further questions please contact us as follows:

### Write to

Customer Services, Phoenix Life Limited, 1 Wythall Green Way, Wythall, Birmingham B47 6WG

### Phone

Please call our Customer Helpline on 0845 938 0590, open Monday to Friday from 8.30am-5.30pm. On calling, please quote your policy number. Low call rates apply, although costs can vary between telecom providers.

If you're calling from outside the UK, then please call +44 (0)1564 207001.

**If you would like this information in large print, in Braille or on cassette or CD, please call 0845 938 0590.**