

Important Information for Phoenix With-Profits Fund Traditional With Profits Policies

Introduction

This leaflet is our regular update on investment performance, bonus rates, charges and guarantees. We have previously sent you a copy of our guide, "How we manage the Phoenix Life Limited - Phoenix With-Profits Fund" ('the Guide'). This guide, which gives important information about how your with profits policy works, is available on our website www.phoenixlifegroup.co.uk or on request. As we refer to this guide throughout this leaflet, you may wish to read it again before reading this leaflet.

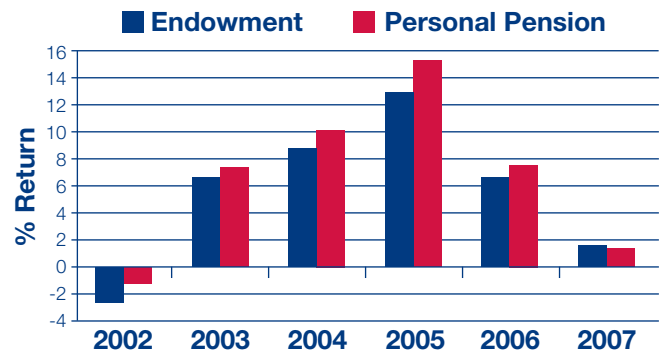
Investment Markets

We invest in a mix of assets such as equities (company shares), property and bonds (types of loan issued by the government or companies).

- UK Government bonds ('Gilts') returned between -5% and 7%¹ in 2007 depending on term.
- Bonds issued by companies did not perform as well as Gilts during 2007, primarily due to concerns over lending practices in the international banking sector.
- Stock markets worldwide rose during 2007, with UK shares ending the year 1% above their peak in 2000². Our share investments returned 5% over the year.
- Our commercial property investments performed poorly, returning about -11% in 2007.

The figures above are before tax.

The chart above shows the investment returns (net of tax) earned in the last six years in respect of 25-year term endowments and regular premium personal pensions with maturity / retirement dates in 2015. Different values will apply for different years of maturity and terms, and for other types of policy.



Source: Phoenix Life Group. Past performance is not necessarily a guide to future performance.

Investment Approach

The Guide outlines our approach to investment. It is particularly important for you to be aware that the proportion of investments with higher risk, and therefore higher performance potential, is not the same for all policies.

During 2007, we increased the proportion of our assets invested in higher risk investments such as shares and property. For policies already invested in higher risk investments, we have generally increased the amount invested in these investments, and therefore increased the potential for a higher return. As a result, the amount invested in lower risk investments has reduced for these policies.

Tables 2 to 6 (at the end of this leaflet) show the approximate share and property proportions held at 31 December 2007 for some specimen endowment, personal pension and executive pension policies, with different years of maturity³. For policies with exposure to higher risk investments, we will reduce this exposure as the policies get nearer to maturity.

¹ FTSE UK gilt curves 31.12.2006 - 31.12.2007.

² FTSE All-share index 31.12.2007.

³ Selected year of retirement for pension policies.

Annual Bonuses

There has been no change in annual bonus rates and the rate applicable for 2007 remains at the low levels of recent years. We expect that this will continue to be the case for some years to come. This is mainly because guaranteed benefits under many policies are generous relative to the investment returns which we have earned or expect to be able to earn. To pay larger annual bonuses at present would increase the guarantees. In turn, this would restrict our ability to continue to invest in shares and property to the extent that we do.

Any profits which are not used to provide guaranteed benefits or annual bonuses will be taken

into account in setting final bonuses, as we describe in the Guide.

You might compare the annual bonus rate on your policy with, for example, the interest rate on a bank or building society account. If you do, please bear in mind that, in many cases, some of our investment or other profits are already used to provide a guaranteed benefit at maturity or retirement larger than the total premiums you have paid or will pay to us. Some of our investment or other profits may also be paid as final bonus. Annual bonuses are therefore only part of your total return in excess of premiums paid; the difference between the sum assured and the total premiums you pay is another part and final bonus, if paid, may be a third part.

Final (Terminal) Bonuses

The Guide explains how we determine final bonus rates.

A sample of the final bonus rates which apply from 1 July 2008 are shown in the table below, as a percentage of the sum assured or guaranteed sum plus attaching annual bonus. We will normally review final bonus rates twice a year.

Table 1

Years since issue	Whole Life/ Endowment Assurance (on death or at maturity)	Regular premium personal pensions (at the selected retirement date)	Single premium personal pensions (at the selected retirement date)	Regular premium executive pensions (at the selected retirement date)	Single premium executive pensions (at the selected retirement date)
10	5%	7%	0%	1%	0%
15	3%	12%	13%	2%	0%
20	14%	34%	51%	21%	35%
25	26%	35%	69%	41%	113%
30	55%	87%	179%	81%	221%
35	127%	184%	357%	117%	238%
40	170%	n/a	n/a	n/a	n/a

Final bonus rates that apply to other policies, for different durations or which apply to policies sold in Eire, are available on request.

We expect for some years to come that the payouts on longer term policies will each year be lower than those on policies of the same term that matured in the previous year. This is because the values of such policies currently paying out reflect the high share price increases of the 1980s and 1990s, which were partly driven by the higher inflation of those times. The eventual values of similar policies taken out more recently will not reflect these share price increases to the same extent, if at all.

Guarantees and Charges

Every six months, we review the expected future cost of the guarantees that we have given to policyholders. The most recent review shows that the charges that we are currently making for these guarantees are at an appropriate level.

We currently apply a charge of 3% of the premium each year for life policies and a charge of 2.1% of the premium each year for pension policies. These charges have been unchanged since 2002.

This level of charge is not guaranteed and may increase or reduce in future as our assessment of the expected cost of the guarantees alters. However, its level is based on our current estimate of the cost of meeting guarantees across all classes of policy.

If you are considering cancelling your policy early, you should take into account the value of the guaranteed benefits which you will be giving up. For pensions policies, this may include guaranteed annuity rates, which may be better than those available from insurance companies generally.

Compliance with the Principles and Practices of Financial Management

In common with other insurance companies which have issued with profits policies, we maintain a document which sets out the principles which we apply to the management of our with profits policies and the current methods we adopt to put those principles into practice. This is called our Principles and Practices of Financial Management ('PPFM'). You can find this document on our website.

During 2007, we reported on our compliance with our PPFM in 2006. This report is also available on our website. In summary, we considered that we complied with our PPFM, in all material respects, throughout 2006 and noted that our With Profits Committee and our With Profits Actuary both agreed with this conclusion. We expect to report on our compliance with the PPFM in 2007 by 30 June 2008.

Table 4 – For PLL PWP Personal Retirement Plans, this table shows the approximate share and property proportions held at 31 December 2007 for specimen policies with different maturity years.

Single Premium Policies

Selected Year Of Retirement														
Year of Issue	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportions of Shares and Property														
2001	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	14% / 7%	44% / 24%	0% / 0%	15% / 8%	15% / 8%	15% / 8%	0% / 0%
2000	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	14% / 7%	44% / 24%	0% / 0%	15% / 8%	15% / 8%	15% / 8%	0% / 0%
1999	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	14% / 7%	44% / 24%	0% / 0%	15% / 8%	15% / 8%	15% / 8%	0% / 0%
1998	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	14% / 7%	44% / 24%	0% / 0%	15% / 8%	15% / 8%	15% / 8%	0% / 0%
1997	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	14% / 7%	44% / 24%	0% / 0%	15% / 8%	15% / 8%	15% / 8%	0% / 0%
1996	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	12% / 6%	27% / 15%	44% / 24%	8% / 4%	30% / 16%	15% / 8%	15% / 8%	0% / 0%
1995	7% / 5%	0% / 0%	0% / 0%	24% / 14%	0% / 0%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	15% / 8%	45% / 24%	45% / 24%	15% / 8%	30% / 16%
1994	13% / 9%	17% / 10%	11% / 6%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	30% / 16%	45% / 24%	45% / 24%	30% / 17%	45% / 24%
1993	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1992	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1991	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1990	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1989	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1988	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1987	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1986	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1985	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1984	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	0% / 0%	45% / 24%	45% / 24%
1983	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1982	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	23% / 13%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1981	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	0% / 0%	45% / 24%	45% / 24%	45% / 24%	45% / 24%

In most cases, the asset mixes for maturities after 2021 are similar to those for 2021.

Table 5 – For PLL PWP Retirement Plans, this table shows the approximate share and property proportions held at 31 December 2007 for specimen policies with different maturity years.

Regular Premium Policies

Selected Year Of Retirement														
Year of Issue	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportions of Shares and Property														
2001	7% / 4%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
2000	5% / 3%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1999	3% / 2%	17% / 10%	0% / 0%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1998	1% / 1%	12% / 7%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	3% / 1%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1997	13% / 9%	15% / 9%	21% / 12%	23% / 13%	28% / 16%	32% / 18%	35% / 19%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1996	9% / 6%	10% / 6%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1995	10% / 7%	17% / 10%	17% / 10%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	43% / 23%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1994	5% / 3%	13% / 8%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	31% / 17%	40% / 22%	44% / 24%	45% / 24%	43% / 23%	45% / 24%	45% / 24%	45% / 24%
1993	13% / 8%	16% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	35% / 19%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1992	11% / 7%	17% / 10%	12% / 7%	12% / 7%	28% / 16%	32% / 18%	36% / 20%	35% / 19%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1991	13% / 9%	16% / 10%	21% / 12%	24% / 14%	27% / 15%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	43% / 23%	45% / 24%	45% / 24%	45% / 24%
1990	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 17%	36% / 20%	39% / 21%	42% / 23%	45% / 24%	44% / 24%	44% / 24%	44% / 24%	45% / 24%
1989	13% / 9%	17% / 10%	21% / 12%	23% / 13%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1988	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	39% / 21%	43% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1987	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1986	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	43% / 23%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1985	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1984	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1983	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1982	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1981	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%

In most cases, the asset mixes for maturities after 2021 are similar to those for 2021.

Table 6 – For PLL PWP Retirement Plans, this table shows the approximate share and property proportions held at 31 December 2007 for specimen policies with different maturity years.

Single Premium Policies

Selected Year Of Retirement														
Year of Issue	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportions of Shares and Property														
2001	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	0% / 0%
2000	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	0% / 0%
1999	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	0% / 0%
1998	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	0% / 0%
1997	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	45% / 24%	0% / 0%	0% / 0%
1996	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	44% / 24%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	45% / 24%
1995	0% / 0%	17% / 10%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	30% / 17%	45% / 24%	0% / 0%	0% / 0%
1994	0% / 0%	17% / 10%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	15% / 8%	15% / 8%	30% / 16%	0% / 0%	15% / 8%
1993	0% / 0%	0% / 0%	0% / 0%	0% / 0%	10% / 5%	32% / 18%	36% / 20%	0% / 0%	15% / 8%	0% / 0%	0% / 0%	0% / 0%	0% / 0%	0% / 0%
1992	0% / 0%	0% / 0%	0% / 0%	0% / 0%	28% / 16%	32% / 18%	36% / 20%	0% / 0%	15% / 8%	0% / 0%	0% / 0%	45% / 24%	23% / 13%	0% / 0%
1991	13% / 9%	17% / 10%	21% / 12%	24% / 14%	0% / 0%	32% / 18%	36% / 20%	40% / 22%	30% / 16%	45% / 24%	0% / 0%	45% / 24%	45% / 24%	0% / 0%
1990	13% / 9%	17% / 10%	0% / 0%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1989	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	24% / 13%	14% / 7%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1988	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	15% / 8%	45% / 24%	45% / 24%	45% / 24%	0% / 0%
1987	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%
1986	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	0% / 0%	45% / 24%	45% / 24%	45% / 24%
1985	13% / 9%	17% / 10%	21% / 12%	24% / 14%	0% / 0%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	0% / 0%	45% / 24%	0% / 0%	23% / 13%
1984	13% / 9%	17% / 10%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	0% / 0%	45% / 24%	0% / 0%
1983	13% / 9%	17% / 10%	21% / 12%	24% / 14%	0% / 0%	32% / 18%	36% / 20%	40% / 22%	0% / 0%	0% / 0%	45% / 24%	0% / 0%	0% / 0%	0% / 0%
1982	13% / 9%	17% / 10%	21% / 12%	0% / 0%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	0% / 0%	45% / 24%	45% / 24%	0% / 0%	45% / 24%	45% / 24%
1981	13% / 9%	0% / 0%	21% / 12%	24% / 14%	28% / 16%	32% / 18%	36% / 20%	40% / 22%	44% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%	45% / 24%

In most cases, the asset mixes for maturities after 2021 are similar to those for 2021.

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

July 2008