

Key Updates for Phoenix Life Limited SPI With-Profits Fund Customers



Former Scottish Provident Limited Irish traditional with-profits life policies

1 January 2020

Your policy is part of the Phoenix Life Limited SPI With-Profits Fund ('the fund').

Bonus rates

The annual bonus rate for 2019 remained at 3.0%.

The addition of any future annual bonuses will depend on the future investment performance and experience of the fund, after allowing for the historic performance and the value of the guaranteed benefits.

We have reviewed our policy of concentrating on final bonuses before increasing annual bonuses and continue to believe that providing a final bonus, where possible is the fairest way for all policyholders to benefit from the returns of the fund.

We are currently adding a final bonus to all life policies at maturity. However, we are not able to guarantee that we will always be able to add final bonuses in the future. We normally review final bonus rates twice a year from 1 January and 1 July. However we may change final bonus rates at any time.

Please remember that annual bonuses are only one part of the benefits from your with-profits policy. In many cases the benefits already guaranteed to be payable are very valuable and there may also be a final bonus. Please also remember that guarantees will normally be lost if your policy is surrendered. Your with-profits policy may also provide potentially valuable life cover.

Investment approach

The 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 2019, the split of assets for Irish traditional with-profits life policies was approximately:

Company shares	37%
Property	9%
Other growth assets	4%
Total growth assets	50%
Fixed interest stocks - issued by governments in the eurozone	31%
Other fixed interest stocks - (including corporate bonds)	15%
Cash	4%
Total fixed interest and cash assets	50%
Total assets	100%

The investment return on the fund for these policies over the last few years is shown in the table below.

Phoenix Life Limited – SPI With-Profits Fund Former Scottish Provident Limited Irish traditional with-profits life policies	
Investment return (before tax, expenses and charges)	
Year	Investment return
2019	13%
2018	-0.6%
2017	5%
2016	3%
2015	6%
2014	13%*
2013	9%
2012	11%
2011	-1%
2010	5%

*In previous key update leaflets, the investment return for 2014 was mistakenly shown as 11% which was the after tax return for that year.

We do not expect to make any changes to the investment strategy for the fund during 2020.

Surplus money

There is currently more money in the fund than we expect to pay out in claims. Some of this surplus money is used to protect the fund against unexpected shocks, for example a fall in the value of the fund's investments. However, the remainder can be released and used to increase the amounts we pay out to policyholders. From January 2020 this surplus is increasing policy payouts by up to 40.8% for those policies receiving a final bonus. The amount we are able to add to policy values will be regularly reviewed and may increase or decrease, and could even be removed entirely.

This information is correct at 1 January 2020.

If you have any questions or would like more information about your policy, please contact us. Our contact details are:

Phoenix Ireland
16 Joyce Way
Park West Business Park
Dublin 12

Customer Contact Desk – 01 639 9859