

Pension With Profits Fund A and Pension With Profits Fund D

This document only applies to policy numbers beginning 1, 9 or schemes beginning with L and ending in A.

With profits investments

We expect with profits investments to perform better than deposit savings accounts over the long term. They also offer a level of protection if markets perform badly - which can make with profits a good long-term investment for the future.

When you choose with profits, we invest the money you pay us in a mix of assets, including equities, bonds and money market instruments (including cash). We use the return on these assets to set the payout for your with profits investment. (See 'How do we set payouts?' for further information.)

Pension With Profits Fund A and D

Pension With Profits Fund A and D can offer some protection from the effects of fluctuations in investment returns through smoothing.

However, these funds don't have any investment performance guarantee. The value of your investment may go down as well as up. You could get back less than you paid in.

Who can invest in Pension With Profits Fund A and D?

These funds are available through:

- Personal Pension Plan (pre-November 1996 policies only)
- Tower Pension Series

With profits investments for members who joined a Tower Pension Series plan after 9 July 2006 are in Pension With Profits Fund D. Tower Pension Series policies are the only ones that can have investments in Pension With Profits Fund D. Other with profits investments that started since September 2004 are in Pension With Profits Fund A.

If you started investing in with profits before September 2004 you may also have investments in the Pension With Profits Fund. (See 'What do I need to know about the Pension With Profits Fund?' for further information.) Increases in your with profits payments since September 2004 are invested in Pension With Profits Fund A.

How can I tell if I have investments in these funds?

Your yearly statement will show if you have any with profits investments and which funds they are in.

Warning: The value of your investment may go down as well as up

Warning: This investment may be affected by changes in currency exchange rates

Warning: If you invest in this fund you may lose some or all of the money you invest

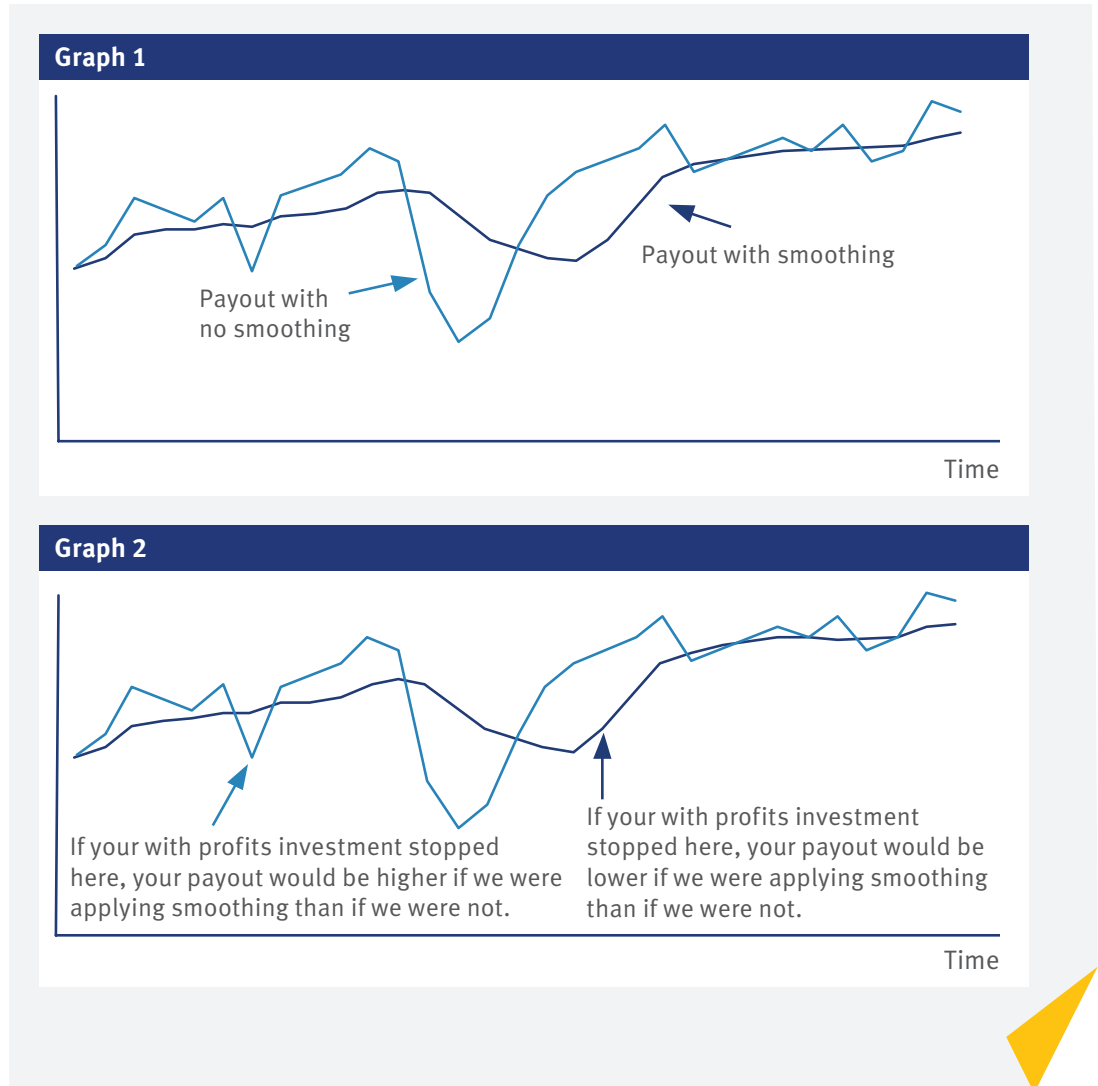
What is smoothing?

Smoothing is the process by which we can even out some of the short-term fluctuations in investment returns to reduce the immediate impact on payouts.

The returns on the assets backing with profits investments vary over time and asset values sometimes change sharply over a short period. To offer some protection from this, we may smooth out some of the short-term changes, up or down.

The following graphs show how smoothing can work (Graph 1) and how your payout could be more or less than it otherwise would be as a result (Graph 2).

These graphs do not show smoothing for any actual Standard Life with profits investment. They are only to give you an idea of how smoothing works.



We could reduce the amount of smoothing or even stop smoothing for some or all types of payout for a time. We are more likely to reduce smoothing when payouts with smoothing are higher than payouts without smoothing. If we do this, it is to protect the interests of customers who still have with profits investments.

Although smoothing can even out some of the effects of short-term changes in asset values, it won't protect you from long-term falls. If there is a big drop in asset values, and they stay low, then payout values will come down. On the other hand, smoothing won't stop you benefiting from long-term improvements in asset performance.

How do we set payouts?

Our aim is to ensure you receive a fair payout when your with profits investment comes to an end. We use asset shares to help us set fair payouts.

The asset share represents the underlying value of a with profits investment. It allows for:

- the premiums paid, less any amounts withdrawn,
- the returns on the asset mix for that type of with profits investment,
- the deductions we make

The returns on the asset mix are made up of income, for example dividends and interest payments, and changes in asset values. Asset values can go down as well as up, so asset shares can also go down or up.

After we've calculated the asset share - but before we set fair payouts - we may make adjustments for smoothing. These could be up or down. (See 'What is smoothing' for further information.)

We may top up the fair payout for eligible policies with a payment from the inherited estate. For more information, see our **With Profits Inherited Estate** document available on www.standardlife.ie/withprofits

Investments in Pension With Profits Fund D are not eligible for any distribution from the inherited estate.

For this type of policy we don't work out the with profits asset share for each policy individually.

Instead, at least once a year, we group together with profits investments made in the same bonus year for different unitised pension policies and pool their experience. We then use the asset shares of typical with profits investments in each group, increased or decreased for any discretionary adjustments, to set the fair payout levels for all with profits investments in the same group and so the fair payout for your policy's investment in Pension With Profits Fund A or Pension With Profits Fund D. There are no regular or final bonuses for Pension With Profits Funds A or Pension With Profits Fund D.

As with most other types of investment, there is no investment guarantee and you could get back less than you invested.

With profits asset allocation

Our aim when managing our with profits business is to provide growth over the long term, while continuing to maintain an appropriate level of financial strength so that we can meet all contractual obligations to our customers.

We invest in a wide range of assets including equities, bonds and money market instruments (including cash). We expect a higher proportion of equities will produce returns that are higher over the long term, but more variable over the short term. We expect a higher proportion of bonds and cash will result in returns that are more stable, but lower over the long term.

For the most recent information on asset mixes for with profits investments, see our **With Profits Investment Report** available on www.standardlife.ie/withprofits

What do I need to know about the Pension With Profits Fund?

The Pension With Profits Fund closed to new business in September 2004. Since then any increases to payments into with profits have been invested in Pension With Profits Fund A.

If you are making payments into the Pension With Profits Fund, then you can continue to do so at the current level as long as you do not reduce your payments or stop them. If you reduce your payments and then increase them again, the increase will go into Pension With Profits Fund A. If you stop your payments and restart them, they will go into Pension With Profits Fund A.

Unlike Pension With Profits Fund A, the Pension With Profits Fund provides an investment guarantee in certain circumstances. The guaranteed amount is the unit value (= number of with profits units multiplied by the unreduced unit price) less the value of any outstanding initial unit charges. This unit price currently increases at a rate of 4% a year.

The deductions we make are similar to fund management charges for managed funds.

We pay the guaranteed amount whenever the guarantee conditions apply to the payout. If your fair payout is higher than the guaranteed amount, we pay a final bonus to make up the difference.

If guarantee conditions do not apply to the payout and your fair payout is lower than the unit value, we may reduce the unit price so that the number of with profits units multiplied by the reduced unit price (less the value of any outstanding initial unit charges) equals your payout. You could get back less than you invested.

Has the transfer of my policy to Standard Life International changed my with profits investments?

Standard Life International dac and Standard Life Assurance Limited entered into reinsurance arrangements as part of the transfer of the Irish, German and Austrian € business on 29 March 2019. These arrangements were made so that your with profits investments continue to participate in the appropriate Standard Life Assurance with profits funds.

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Standard Life International dac is regulated by the Central Bank of Ireland. Standard Life International dac is a designated activity company limited by shares and registered in Dublin, Ireland (408507) at 90 St Stephen's Green, Dublin 2. Standard Life International dac is part of the Phoenix Group and uses the Standard Life brand under licence from the Standard Life Aberdeen Group.

[Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.](#)