

Pension With Profits Fund A

This document only applies to policy numbers beginning 20, 50 and schemes beginning 7.

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

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

However, this fund doesn'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?

The fund is available through the following products:

- Corporate Pension Series
- Executive Pension Plus
- Personal Pension Plan (post November 1996 policies only)
- Personal Pension Plus
- PRSA

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.)

How can I tell if I have investments in Pension With Profits Fund A?

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

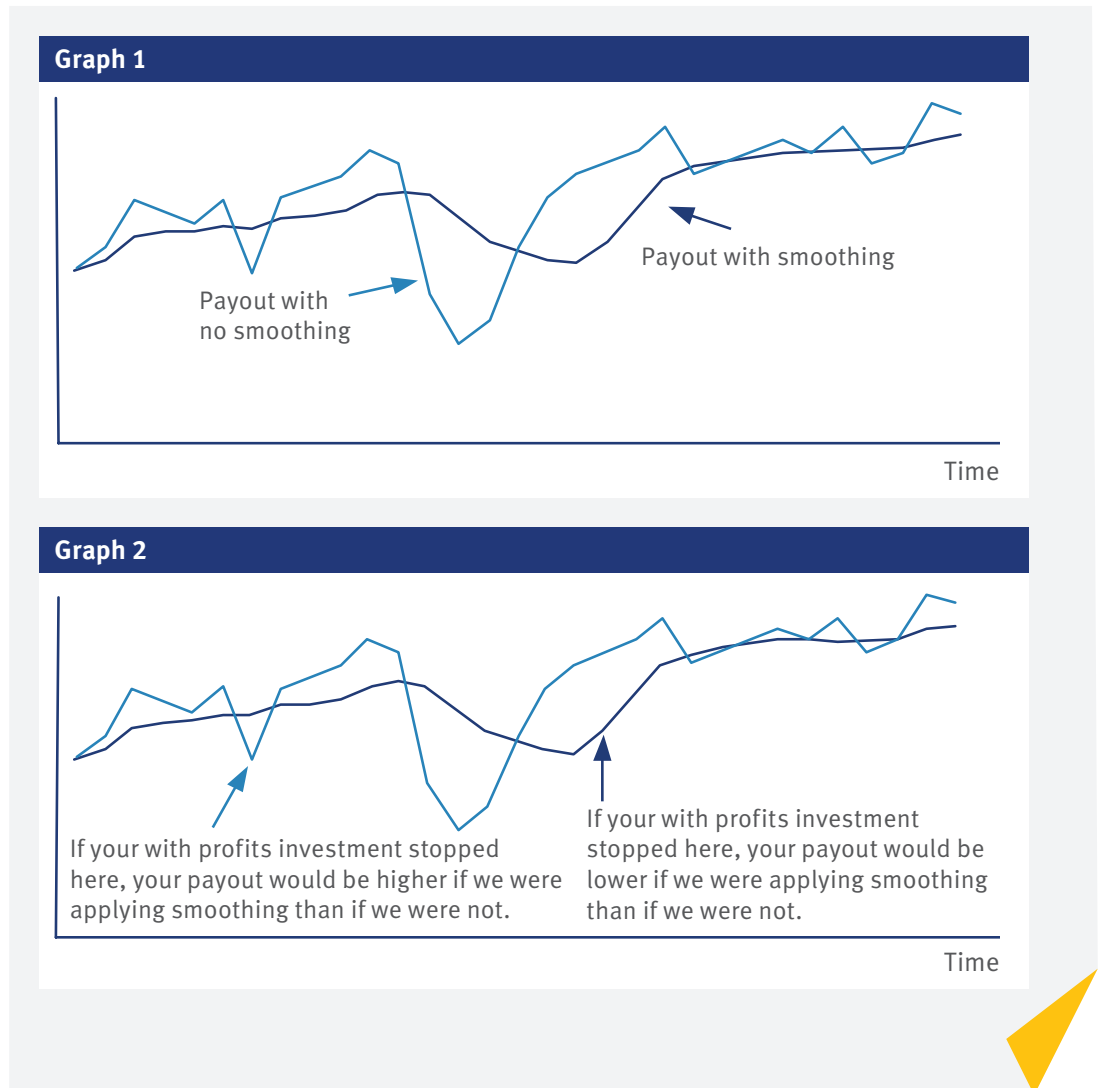
What is smoothing?

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. We calculate asset shares using estimated returns based on changes in appropriate published indices. We then make adjustments from time to time to reflect differences between these estimated returns and the actual investment returns on the relevant asset mix.

For this type of policy the fair payout for an investment in Pension With Profits Fund A is the asset share of that investment, increased or decreased for any smoothing (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

There are no regular or final bonuses for investments in Pension With Profits Fund A. Your fair payout, including any adjustment for smoothing and the inherited estate, is the number of units multiplied by the unit price. As with most other types of investment, there is no investment guarantee and the unit price can go up or down. 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). This unit price currently increases at a rate of 4% a year.

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.

What effect has the transfer of the Irish, German and Austrian € business to Standard Life International had?

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

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