

Personal Lifestyle Strategy (PLS) Additional Voluntary Contributions - Tax Free Cash

Irish Life Corporate Business

Volatility Risk



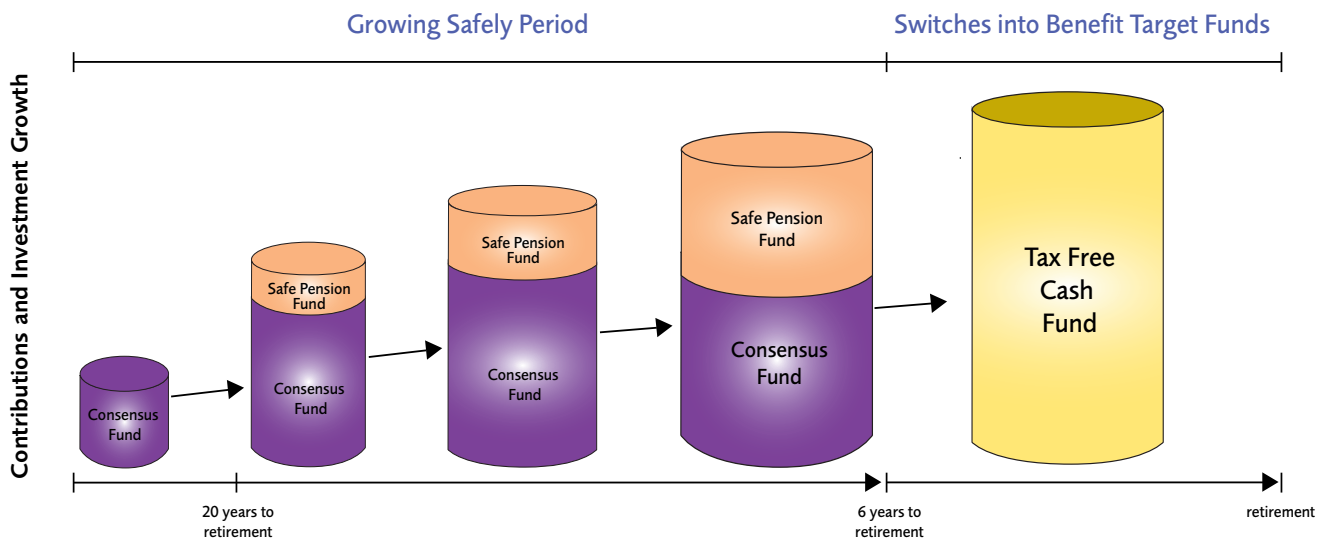
The Personal Lifestyle Strategy adapts how your Additional Voluntary Contribution (AVC) fund is invested as you move towards your retirement age.

This investment strategy helps to protect your fund value against market movements and ensures that your investment is in appropriate funds for the type of retirement benefits that you are likely to take on your retirement.

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

How does the Personal Lifestyle Strategy work?

The Personal Lifestyle Strategy consists of two phases which span the years of your pension savings. It starts from the moment you join the strategy up to your retirement date.



PHASE 1 Growing Safely Period

Phase 1 puts you in funds suitable to achieve investment growth while at the same time balancing investment risks.

Initially you will be completely invested in the Consensus Fund.

With 20 years to retirement we start to move parts of your fund into the Safe Pension Fund. This helps to protect your AVC fund against volatile markets.



PHASE 2 Switches into Benefit Target Fund

Phase 2 gradually moves your AVC fund into a fund that will be most suitable for how you will use your AVC savings upon reaching retirement.

For AVCs we expect that you will take as much of your fund as tax free cash as Revenue will allow. Therefore we gradually switch all your savings into the Tax Free Cash Fund.

With 1 year to retirement you will be 100% invested in this fund.



Which investment funds are used?

<p>The Consensus Fund invests mainly in international equities. It aims to achieve returns that are consistently in line with the average of all pension managed funds in the Irish marketplace.</p>	<p>Risk Rating 5 ●●●●●</p>
<p>The Safe Pension Fund is mainly invested in bonds, with some investment in cash, equities and alternative assets. It aims to help protect your pension fund against market movements.</p>	<p>Risk Rating 2 ●●●●●</p>
<p>The Tax Free Cash Fund is a low risk fund which invests in bank deposits. It will be used for your likely tax free cash benefit.</p>	<p>Risk Rating 1 ●●●●●</p>

Details of these funds are available on our website www.irishlife.ie/corporatebusiness

Warning: These funds may be affected by changes in currency exchange rates.

How does PLS work in detail for an individual member?

If your retirement age is 65 you are 100% invested in the Consensus Fund until you reach age 45.

From age 45 we will switch a small percentage, about 3% each year, of your accumulated fund into the Safe Pension Fund each year. The switches take place on a monthly basis. When you reach age 59 and you are 6 years away from retirement, 60% of your AVCs will be invested in the Consensus Fund and 40% in the Safe Pension Fund. If your pension plan has a different retirement age then the switching will start 20 years from that retirement date.

During the 6 years before your retirement, your fund is then directed into a target fund to match your likely retirement benefits. For AVC savings, this is the Tax Free Cash Fund.

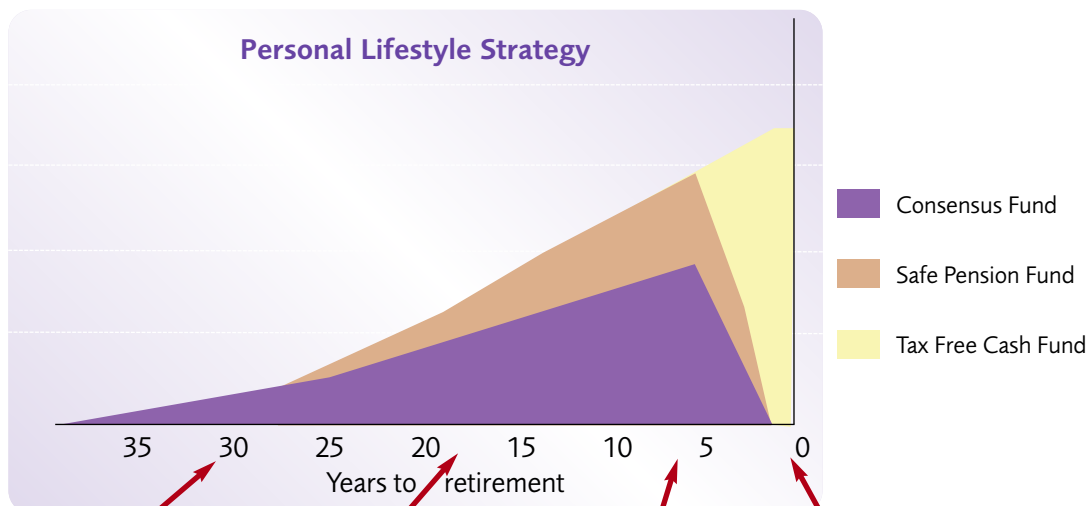
The following graph gives an overview of the funds you will be invested in over the years of your AVC saving and the next graph looks at some sample members at different ages.

	Years to Retirement	Consensus Fund	Safe Pension Fund	Tax Free Cash Fund
Growing Safely Phase	Up to 20	100%	0%	0%
	6	60%	40%	0%
Switches into Tax Free Cash Fund	5	48%	32%	20%
	4	36%	24%	40%
	3	24%	16%	60%
	2	12%	8%	80%
	1	0%	0%	100%
	0	0%	0%	100%



Not only does the Personal Lifestyle Strategy help to protect a member's fund value against market movements but it also ensures that the member's investment is in appropriate funds for the retirement benefits that the member is likely to take.

This chart shows the funds a member may be invested in throughout their time saving for retirement.



Some samples:

John is age 35 and has 30 years until retirement. He has €10,000 saved in his AVC fund.

At this stage all the AVCs will be invested in the Consensus Fund.

Jane is age 46, with 19 years before retirement and has €30,000 saved in her AVC fund.

At this stage she will have €29,100 (97%) invested in the Consensus Fund and €900 (3%) invested in the Safe Fund.

Mark is age 59 with 6 years until retirement and has €50,000 saved in his AVC fund.

He will have €30,000 invested in the Consensus Fund and €20,000 in the Safe Fund.

Mary is age 64 and retiring in a year. She has saved €70,000 saved in her AVC fund.

All her money will be invested in the Tax Free Cash Fund.

Keeping PLS up to date

For PLS to work in the best way possible, we will review it on a regular basis to ensure that it is meeting its objectives. The review will cover such areas as

- Future regulatory changes.
- Review asset splits of the funds used with PLS.
- Review fund splits at different ages.
- Review the funds used with the Growing Safely period and the switching into Benefit Target Fund periods.

Any changes will be communicated to Trustees, Financial Advisers and all our member literature will be updated.

Please note that restrictions may apply to switches out of your existing funds if you join PLS.

For more information and if you wish to use the Personal Lifestyle Strategy please contact your Financial Adviser.

All fund flyers are available on www.irishlife/corporatebusiness

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

These funds may engage in securities lending to earn returns.

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For more information and if you wish to use the Personal Lifestyle Strategy please contact your Financial Adviser.

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