

# Complete

Solutions






your complete retirement plan



**Irish Life**

More Options for Your Future

## product snapshot

complete solutions		
Aim		To build up a fund to help provide for your retirement
Risk		Low to very high depending on option or mix of options chosen
Funds Available		Thirty two
Time Period		Normally to between age 60 and 75
Jargon Free		Yes

## Our guarantee to you

There is no financial jargon in this booklet and everything you need to know is written in an upfront and honest way.

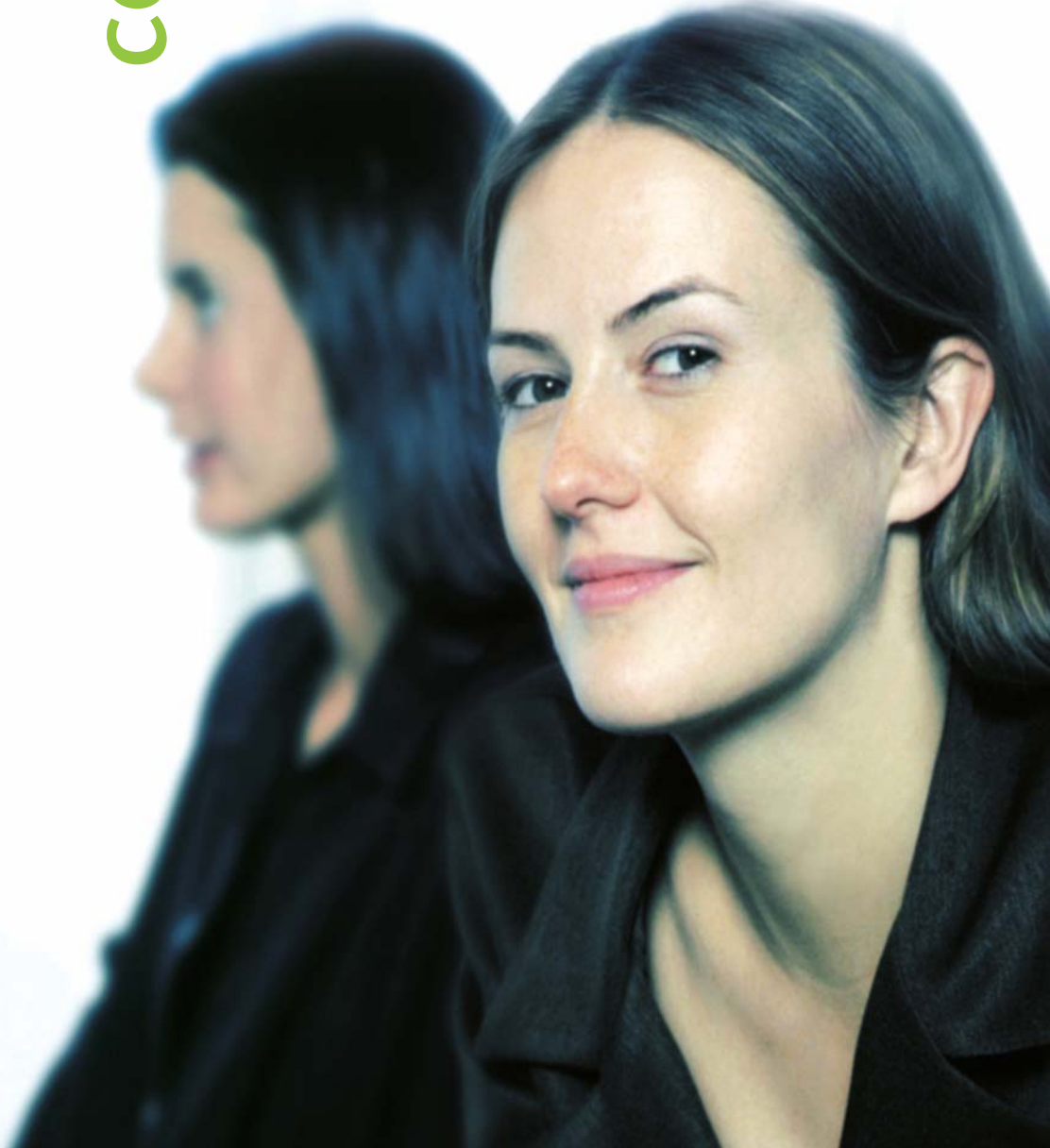
A large, stylized blue hand graphic is the background of the entire page. The hand is open, with fingers spread, and its palm is facing forward. It is rendered in a solid blue color with a slightly darker shade for the fingers and palm, giving it a three-dimensional appearance.

# Complete

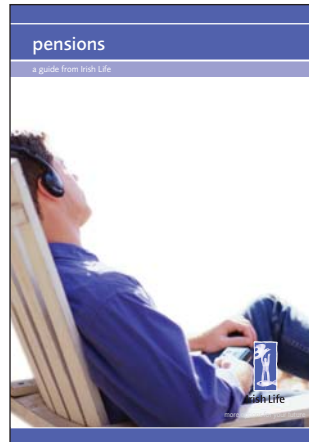
■ ■ ■ ■ Solutions

A clear plan with an unrivalled range of options  
so you can control your investment.

# contents



This booklet outlines all you need to know about your **Complete Solutions** plan. If you decide to take out a company pension plan, certain information is required for the trustee (usually the employer). This is outlined at the back of this booklet. The content of this booklet is based on current legislation and requirements of the Revenue Commissioners which may change at anytime during the lifetime of your plan.



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We have also produced a booklet called "Pensions – a guide from Irish Life", that we recommend you read as well. It covers all the most frequently asked questions about pensions, including the following.

- How do pensions work?
- Which type of pension is best for me?
- How does tax relief work?
- How much should I invest in my pension plan?
- What are my options when I retire?
- Other general questions.
- Questions about personal pension plans.
- Questions about company pension plans (including AVCs).



# introduction

Everybody knows that it makes sense to plan for retirement. For one thing, the alternative is the State Pension, which won't go far. For another, there are very generous tax benefits given for people who save for retirement. In fact, within limits, you can get full tax relief on every euro you invest.

## Tax advantages

Firstly, you can claim tax relief on the money you pay into your pension fund, up to certain limits. That means that you'll start to see the benefits of planning your pension straight away, as you'll get a large part of your payments back in tax relief. For example, if you are a 41% taxpayer and you invest €1,000 into your pension plan, the Government could give you €410 back in tax relief. In other words, after tax relief, you pay €590 while the Government pays €410. Not only that, but if you are an employee, you could benefit from PRSI relief as well, making the real cost almost half price.

In addition, if your company is contributing, they can claim back tax relief on any payments they make, up to certain limits.

As the tax relief is so good, the Government has set limits on how much tax relief you can get on your pension payments in any one year. Your financial adviser can outline these limits.

Then when you retire, you can take a substantial part of your fund as tax-free cash, and although the rest is taxed, it may be taxed at a lower rate than the rate of tax relief you received on your payments. For tax purposes the maximum pension fund you can have is currently €5,165,000 (June 2007) from all sources. If you have pension funds in excess of this amount there may be tax implications and you should consult your financial adviser. The overall tax free cash from all pension arrangements currently can't exceed €1,291,250 (June 2007). Any lump sum payment in excess of this limit will be taxed at the marginal rate of tax. This limit will be adjusted annually in line with an earnings index.

The combination of all three tax benefits can make a big difference to how much you'll have built up by the time you retire.

We recommend that you talk to your tax adviser regarding the tax advantages of investing in a pension and the exact limits applying.

Despite all of the tax relief available, choosing the best approach is not a decision that you should take lightly. Planning for your retirement is one of the biggest investment decisions you'll ever make. It can involve replacing your standard of living for 20 or 30 years, so it's important that you choose a pension plan that exactly fits your needs and can get the best results for you.

Our **Complete Solutions** does exactly that, by offering you both choice and control.

**Choice.** When it comes to investing your pension fund we have brought together Ireland's best range of investment options to give you both choice and quality. We offer a wide range of funds from leading fund managers as well as giving you the option of managing your own investment fund. Along with your financial adviser, you can choose the range of funds most likely to fit your to risk and your need to make the most out of growth.

**Control.** Most importantly, you are likely to invest in a retirement plan for many years, so it is important that you are well informed and in control. With **Complete Solutions** you will be. You can increase or stop paying contributions, add lump sums or switch funds (subject to certain restrictions) at any stage at no cost, choose a managed investment fund or manage it yourself. Just tell us. What's more, we'll send you statements each year and you have access to the value of your **Complete Solutions** plan at all times by calling 01 704 1111 or logging on to our on-line service.

Note: If a **Complete Solutions** company pension plan is taken out, this booklet should be read by the trustee and the proposed member. Our contract will be with the trustee.



your investment options





## Summary

There is wide a range of funds available for you to choose from. The fund that is right for you depends on:

- the amount of risk you are willing to take,
- how much time you have until you retire; and
- the amount of control you want on where your pension invests.

Generally funds that offer the highest growth potential have the biggest ups and downs.

You can switch to a higher-risk or lower-risk investment fund.

Your Financial Adviser will help you decide what is best for you.

Complete Solutions offers a wide range of investment options, because everyone has different needs and views on how they would like to invest their pension payments.

Where, and how, you invest will depend on the following:

Think about how you feel about the risks associated with investing. Everyone's situation is different, and everyone handles risk differently. With the help of your financial adviser, you are the best person to decide how much risk you are comfortable with.

### 1. The amount of risk you are willing to take

Depending on which fund or asset you invest in, its value can fall as well as rise over the period of investment. By choosing a low-risk investment, you are protecting your initial investment but the potential for large gains is lower than if you choose a higher-risk investment.

Higher-risk investments such as company shares do not protect your initial investment but you do have the potential to gain significantly, especially over the long term. If you invest in these types of investments, or equity based funds, you should realise that, in wanting a higher return, they could lose some of the value of your investment.

### 2. How much time you have until you retire

Think about how long you have before you plan to retire. For example, if you are not planning to retire for another 15 to 20 years, you may be able to accept more risk than if you want to retire in five years. This is because there is more potential for high-risk funds to perform better than others over long periods of time and you can expect to ride out any ups and downs that the stock market may experience.

### 3. Choice of investments

We have brought together a number of different types of funds under Complete Solutions which invest in property, shares, commodities or fixed interest stocks. You can choose to invest in funds run by some of the most successful fund managers in the world such as Irish Life Investment Managers, Fidelity, PI Investment Managers and Bloxham. Or you can choose to invest in our 'indexed' managed funds which aim to track the performance of particular stock markets. These funds are likely to suit the majority of people taking out a pension plan.

For those investors who do not wish to invest in pooled funds, Irish Life offers the Self-Invested Fund. This fund is aimed at specific investors who have the expertise to decide on asset selection themselves and who are aware of the risk that such investment carries. This fund gives a large degree of control over where to invest but with this control greater responsibility for your future fund performance. More information is available on page 15.

Think about how much investment experience you have and to what extent you want to be involved in the detailed investment decisions of your pension fund. Are you comfortable in selecting the individual assets your pension fund invests in or are you happy to leave this to a fund manager.

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

### Comparing the options

Once your financial adviser has helped you decide where you stand on all these questions, they can help you build your personalised investment plan using any combination of the funds explained on the next page.









We have divided the fund options into high-risk funds with the potential for higher returns, medium-risk funds with medium potential return and low-risk funds with lower potential for returns.

We have also rated the potential levels of risk and return for each option on a range of 1 to 7. A fund rated 1 will be very low risk, such as our Cash Fund. A fund such as the Fidelity India-China Fund is very high risk and is therefore rated as a 7. Rating the funds in this way should help you to compare the levels of risk that different types of funds have. For example, Global Opportunities is invested in the shares of companies from a wide range of different industries from around the world. Global Opportunities is rated as a 5 on this scale. However, Indexed Commodities, which invests only in Commodities, is rated as a 7.

### Investment risk guide



Think about how you feel about the risks associated with investing. Everyone's situation is different, and everyone handles risk differently. With the help of your financial adviser, you can decide how much risk is right for you.

Fund Name	Asset class	Risk Rating	Risk
Cash Fund Capital Protection Fund Secured Performance Fund	Secure Funds	1 1 1	
Consensus Fund Irish Life Active Managed Fund Diversified Assets Fund Logic	Mixed-Asset Funds	3 3 2 4	
Irish Life Pension Property Fund Irish Life Property Portfolio Fund Irish Life UK Property Fund	Property Funds	3 4 4	
Pension Protection Fund Fixed Interest Indexed Fund	Fixed Interest Funds	2 2	
Irish Life Global Opportunities Fund Fidelity Managed International Fund Fidelity Global Special Situations Fund Fidelity Global Property Shares Fund Fidelity European Opportunities Fund Fidelity India China Fund Bloxham High Yield Fund Bloxham Contrarian Fund Bloxham Intrinsic Value Fund PIIM International Share Fund	Actively Managed Equity Funds	5 6 6 6 6 7 5 6 5 5	
Indexed Global Equity Fund Irish Equity Indexed Fund UK Equity Indexed Fund European Equity Indexed Fund North American Equity Indexed Fund Japanese Equity Indexed Fund Pacific Equity Indexed Fund Ethical Global Equity Fund	Indexed Equity Funds	5 6 6 6 6 7 7 5	
Indexed Commodities	Indexed Commodities Fund	7	
Self-Invested Fund	N/A	7	

## Low-risk funds



### Secured Performance Fund

We have designed the Secured Performance Fund to:

- deliver consistent managed fund performance over the longer term;
- always protect the value of your fund because the value will never fall; and
- provide a return which is announced every year and then is guaranteed.

The fund invests in the same assets as the Consensus Fund (see page 9). We smooth the return so that you do not run the risk of losing any of the value of your pension fund because of short-term changes in market returns. We provide this smoothed return in the form of a declared rate every year, and it is locked into your fund once we declare it.

There may be restrictions on entering the fund:

- for one-off payments or large regular payments; and
- if you have less than 10 years until you retire.

To protect other investors in the fund, we can reduce the value of your fund if you:

- ask us to pay retirement benefits within 10 years of entering the fund,
- switch out of the fund, or
- opt to transfer your fund to another retirement benefit scheme.

### Capital Protection Fund

This fund does invest in equities, but most of the fund is invested in cash deposits and fixed-interest assets, mainly in Ireland. It is guaranteed not to fall in value. To protect other investors in the fund, we can reduce the value of your fund if you retire early or leave the Capital Protection Fund before your retirement date.

### Cash Fund

This fund invests in deposits and short-term investments on international money markets. It is guaranteed not to fall in value.

## Medium-risk funds

### Mixed-Asset



#### Consensus Fund

This innovative fund is Ireland's most popular fund, currently managing over €6 billion in pension assets. It is so successful because its approach is based on the combined wisdom of the main pension investment managers in Ireland. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all funds in the market.

The main advantages of this fund are that:

- there is no risk of choosing the wrong investment manager; and
- it is more cost-effective than actively-managed funds, which could mean better long-term performance.

#### Consensus Lifestyle

The Consensus Lifestyle service allows you to protect your pension fund from the ups and downs of the market as you get closer to retirement. If you choose this option your fund will initially be 100% invested in the Consensus Fund and over the five years before you retire, we will switch part of your fund each month from the Consensus Fund into a lower-risk combination of the Pension Protection and Capital Protection Funds. By the time you retire, 75% of your fund will be invested in the Pension Protection Fund to help protect your retirement income and 25% will be invested in the Capital Protection Fund to help protect your tax-free cash. This is useful in reducing the risk of loss as you get nearer retirement.

#### Irish Life Diversified Assets

The Diversified Assets Fund aims over the long term to give around three quarters of the return potential of a typical managed fund but with about half the level of potential risk. By combining a balanced mix of commercial property, shares, bonds and commodities, the fund aims to give steady returns through different market conditions. The fund could appeal to investors who are not comfortable with the higher equity content of many managed funds.

#### Logic

Logic is a new service that is actively managed by Bloxham. Logic will be invested across a mix of the funds in Complete Solutions. The fund manager can blend this mix choosing funds from Irish Life Investment Managers, Bloxham, Fidelity or PI Investment Managers. Logic will typically have a core holding in the Consensus Fund, supported by exposure to funds with an income generating focus - for example property funds or high yielding equities. The remainder will be invested typically across some of the other equity funds. You will therefore have exposure to a wide range of assets and different investment manager styles. Bloxham will change the mix as investment markets or economic conditions change.

#### Irish Life Active Managed Fund

This fund is managed by Irish Life Investments – one of Ireland's top investment companies. Like most actively-managed funds, this fund invests mainly in shares, with some investment in bonds, property and cash.

# Medium-risk funds

## Property



We offer three commercial property funds. Property has always been a popular asset for Irish investors and these funds give you the opportunity to benefit from the expertise and experience of our property team. This team has been managing property for over 30 years and is the biggest property manager in Ireland.

Because of the nature of property investment, and the way Property Funds are constructed, you should be aware of the Additional points on Property Funds set out on page 12.

### Irish Life Property Fund

This fund invests in a wide range of Irish retail, office and industrial property that has the potential to provide a good income from rent, and the possibility of increasing your initial investment.

### Irish Life UK Property Fund

The Irish Life UK Property Fund gives you access to the UK commercial property market. This fund is unique in that it invests directly in UK property and indirectly, through property partnerships (external fund managers). Approximately 75% of the fund is invested directly in retail, office and commercial properties in the UK.

The remaining 25% is invested in one or more indirect property vehicles. These are usually limited partnerships structures that invest in commercial properties. One such property partnership is managed by UK Based fund manager, CB Hilier Parker.

### Borrowings by the partnership

One of the main attractions of this is the partners' ability to borrow. They will add to the money invested in the limited partnerships using borrowing which allows the fund to invest in a larger number of properties.

An example of how this works is set out below: €100,000 invested in the fund will usually be invested in the following way

Directly held property	€75,000
Investment in partnerships	€25,000
Partnership borrows	€50,000
Indirect exposure	€75,000
<b>Total exposure:</b>	<b>€150,000</b>

This would mean that for every €10 you invest in the UK Property Fund, you would get exposure to €15 worth of property.

The example assumes 67% gearing by the indirect property vehicle and does not take account of currency. The actual level of borrowing could be between 67% and 80%.

### Irish Life Property Portfolio Fund

This fund invests in a wide range of prime commercial property investments, initially in the Irish, UK and European markets. Initially the fund will invest one third of its assets in each market. One third will be invested through Irish Life's Irish Property Fund; one third through Irish Life's UK property Fund (see page 10) and the remaining third will be invested in european

property. The property split may change from time to time.

For the European part of the fund, we have chosen Henderson Global Investors as our initial European property partners. They will select and manage a mix of indirect property investments from across Europe. By using their extensive European-wide research resources, they will identify and invest in some of the leading property managers from across Europe. The European property funds will use borrowings to increase the amount of property that they will invest in.

*Actively Managing the Mix*

We will actively manage the mix of property investments to give you the higher growth potential that a well diversified commercial property portfolio can provide over the long-term. This will mean that we can increase or reduce the amount that we invest in each market. We would do this, for example, to take advantage of stronger growth prospects, or if there is a greater supply of quality investment opportunities, in one or more markets.

*Borrowing in indirect property investments*

One of the main attractions of the indirect property investments is that they can use borrowings, to add to the money we initially invested with them, to increase the amount of property in the fund.

An example of how this will work is set out below :

€100,000 invested in the fund will usually be invested in the following way

Directly investment in Irish Property	€33,333
Directly investment in UK Property	€25,000
<b>Total Direct Property Investment</b>	<b>€58,333</b>
Indirect investment in UK Property	€8,333
Indirect investment in European Property	€33,333
Borrowings by indirect vehicles	€41,666
<b>Total indirect property investment</b>	<b>€83,332</b>
<b>Total property exposure:</b>	<b>€141,665</b>

This would mean that for every €10 you invest in the Property Portfolio Fund, you would get exposure to over €14 worth of property.

The example assumes 50% gearing by the indirect property vehicle and does not take account of currency. The actual level of borrowing could be between 30% and 70%.



## Additional points to note on Property Funds

### *Selling costs and delays*

Selling property can take time and involve costs. If in the future, for example, there are more investors who want to cash out of property than new investors, we will apply the costs involved if we need to sell off the direct, or indirect, property investments in a property fund. To do this, and to ensure that all investors pay their fair share of costs the fund has to pay, we reserve the right to :

1. Introduce a six-month delay in cashing out of a property fund. This is to allow for time that may be needed in selling property. The amount your fund will receive will be based on the value of the fund at the end of the notice period.
2. Reduce the value of the fund. This is to reflect the overall costs incurred by the fund in buying and selling properties. If this reduction applied to all the properties of a particular fund it could be in the region of 7%. This reduction could be higher or lower as it is based on current costs and the initial mix of investments in the fund. It is possible that this reduction could take place in stages.

As property investments tend to follow a cycle you should expect that these charges will take place at some point in the future.

### *Availability of investments*

From time to time, if we cannot find the quality of commercial property investments that meet the levels of income and growth potential that we are looking for, the level of cash in property funds may increase.

### *Borrowing by indirect property vehicles*

While the feature of matching your investment with borrowings gives the potential for improved returns,

it also increases the level of risk associated with the investment. The fund will benefit from improved returns when the return from the properties goes over the level of interest payments on the borrowing. Borrowing can also result in an increased drop in the value of investments if the return from the properties falls. The value of the fund at any time will be net of any amount borrowed.

### *Currency Risk*

Your investment is in euros. Irish property and property within the Eurozone will be valued in Euro. The UK Property investments will be valued in Sterling. We will protect the value of your investment in UK Property Fund, Diversified Assets Fund and Property Portfolio Fund due to changes in the value of Sterling against the Euro.

The Property Portfolio Fund can invest outside the Euro Zone. The European fund managers can also use currency protection against any changes in the value of those local currencies against the Euro. However, there may be times where they decide not to. If that happens there may be some currency risk on those investments. We will charge the cost of any currency protection to the fund on an ongoing basis.

### *Tax*

You may have to pay tax on funds that invest in property outside of Ireland. Diversified Assets, Property Portfolio and UK Property Funds invest in UK and European Funds. The Logic Fund may also invest in these funds. Any UK rental profit from property not held directly by Irish Life i.e. profit from UK property companies, is subject to tax rate of 22% according to current United Kingdom tax law. UK tax incurred by Irish Life in respect of UK property will be deducted from the fund. Property held directly by Irish Life will not be subject to tax.

## Medium-risk funds

### Fixed Interest



#### *Pension Protection Fund*

This fund invests in long-term Irish Government securities to protect the buying power of your retirement fund. This makes it an attractive fund if you want to protect your pension as you come close to retiring.

#### *Fixed Interest Indexed Fund*

The aim of this fund is to provide reasonable long term returns with low risk. The assets of this fund are mainly invested in government stocks (gilts) and other fixed-interest securities in the Eurozone and overseas.

## High-risk funds

### Actively-managed equity



These equity based funds aim to do better than other managed funds by using active investment strategies. Based on the investment managers' view of the world economies and stock markets, they will decide:

- which countries to invest in; and
- which shares to buy.

You can choose between the following fund managers.



#### **Irish Life Global Opportunities Fund**

Irish Life Investment Managers (ILIM) is one of the Ireland's largest investment managers, managing over €21.5 billion. The **Global Opportunities Fund** focuses on identifying opportunities in companies where ILIM sees hidden value not yet recognised by the markets. The fund will invest in a range of shares across all geographic and industry sectors. ILIM identifies opportunities based on strong research and in-depth company analysis by their team of industry specialists.

ILIM's particular strength in industry expertise has contributed to this fund's strong performance.



Fidelity is the world's largest investment company and manages over €800 billion on behalf of 19 million customers around the world. They have an exclusive relationship with us in Ireland and manage certain funds for us.

#### *Fidelity Managed International Fund*

This fund invests purely in company shares from around the world, and so is a suitable choice for someone who wants to increase their returns as much as possible, and is comfortable with short-term rises and falls in the market.

#### *Fidelity Global Special Situations Fund*

This fund can invest anywhere in the world in any mix of companies. The fund manager looks for stocks that meet criteria such as companies going through a restructuring phase or where specific industries are going through major change. This often means the fund will invest in companies that other fund managers may not own. This fund is likely to have higher levels of ups and downs than some other Global equity funds.

#### *Fidelity Global Property Shares Fund*

This fund invests in property companies from around the world and in real estate investment trusts (REITS). The fund offers some of the attractions of property investing with the benefits of liquidity and enhanced diversification. This fund will have a higher level of ups and downs than a fund that invests directly in properties.

### *Fidelity European Opportunities Fund*

This fund can invest across the full range of companies within continental Europe. This fund gives access to a range of investment opportunities that aren't always available to Irish investors.

### *Fidelity India China Fund*

This fund invests in two potential growth areas of the Asian economy. China and India's markets offer exposure to companies in the early stages of their life cycle. This fund suits someone looking for long term growth potential from emerging markets and who is comfortable with rises and falls in the markets also.

## BLOXHAM

Bloxhams Stockbrokers have been around for over 100 years and are Ireland's largest independent stockbroking firm. They offer three different styles of active investment that you can choose from individually or combined to add value to your investments. Bloxham also provide the Fund Management for the unique logic service that we offer as part of complete solutions

### *Bloxham Intrinsic Value Fund*

This fund invests in shares where there is a 'built in' value in their share price, as long as they have strong brands or products, a long-term business model, strong management record and proven strong return on your initial investment.

### *Bloxham High Yield Fund*

This fund invests in shares which pay higher than average dividends. The thinking behind this is that companies who can pay higher dividends over the long-term, generally provide stable growth opportunities.

### *Bloxham Contrarian Fund*

The aim of this fund is to benefit from quality stocks which are temporarily out of favour, aiming for a rise in the share price.

## PI Investment Management

PI Investment Management - is a wholly owned subsidiary of Perpetual Trustees Australia Limited, an independent financial services group. PI Investment Management was set up in September 2004. The core members of PI Investment Management were recruited from Bank of Ireland's Asset Management award winning equity team - Des Sullivan, John Nolan, Richard Kelly and John Forde.

The International Share Fund invests in a targeted, actively managed range of international shares - focusing on companies that firstly pass rigorous quality tests and then offer the best value. The fund is not restricted by any benchmark weightings.

### High-risk funds Indexed equity



Indexed funds simply invest in all the shares that make up a particular stock market's index. These funds aim to match the average returns of all the shares that make up the index. For example, the Irish Equity Indexed Fund will invest an equal percentage in all of the companies that make up the Irish stock exchange (ISEQ index) and so the performance of this fund should reflect the performance of the Irish stock market.

### Indexed Global Equity Fund

This fund aims to achieve good growth by investing in the Irish and international equities that the Consensus Fund invests in. Because this fund only invests in shares, it offers the possibility of excellent growth over the long term, but it also carries the risk of significant ups and downs. However, because it is more broadly based than the other index funds, it spreads the risk more.

## Specialist Indexed Funds

The specialist index funds available are:

- Irish Equity Indexed Fund;
- Japanese Equity Indexed Fund;
- European Equity Indexed Fund;
- North American Equity Indexed Fund;
- Pacific Equity Indexed Fund;
- UK Equity Indexed Fund; and
- Ethical Global Equity Fund.

## High-risk funds Indexed Commodities



The Irish Life **Indexed Commodities Fund** aims to track the performance of the overall commodities market. It currently tracks an equal mix of the Goldman Sachs Commodity Total Return Index (GSCI) and the Goldman Sachs Non-energy Total Return Index (GSNE).

Commodities have historically given similar levels of returns to equities over the long-term but they tend to behave differently to all assets. For example in the past commodities have often given good returns at times when stock markets or property markets have not. For this reason commodities are often added to portfolios that already have exposure, say to equities and bonds, to help reduce risk over the long-term.

## High-risk funds Self-Invested



## self invested

This fund gives you ultimate control over where your pension fund is invested. When you opt for this fund we will add a Self-Invested Fund, that is

unique to you, to your Complete Solutions plan. We will continue to manage your plan for you, but you can tell us what investments you want held in your fund.

For example, if you like a particular company's share you can ask us to buy that share. Or if you want to invest in a property we can arrange to buy that property for your fund. If necessary we can also arrange for your fund to borrow money to finance the purchase.

We have briefly outlined how Self-Invested Funds work below as well as summarising the main types of investments they can invest in. However, there are some investment rules, charges and potential risks you will need to be aware of before setting up a Self-Invested Fund. If you are interested in this fund it is important that you read Irish Life's "Your Guide to your Complete Solutions Self-Invested Fund" carefully as it describes how the fund works in detail.

### *How does the fund work ?*

You will need a minimum of €50,000 to set up a Self-Invested Fund. Once you ask us to set up the fund we will add it to your Complete Solutions plan and move the money you want to invest into it. This money will be held in a non-interest bearing cash account in your Self-Invested Fund until you tell us what you want to invest in.

You can ask us to set up a Self-Invested Fund when you first take out your Complete Solutions plan, but you don't have to. In many cases it makes sense to build up your pension fund in some of our other funds first. For example, you might only need a Self-Invested Fund when your pension fund is big enough to allow you to hold a

diversified portfolio of assets or, perhaps, to buy a property. Once you are ready to take control of your investments you can let us know and we will add your Self-Invested Fund to your plan.

Once set up, the fund becomes another fund option on your plan. You can split your pension fund between your Self-Invested Fund and the other funds on the plan. You can switch money into your Self-Invested Fund and if you are holding cash in your Self-Invested Fund you can also switch this cash into one of the other funds.

### *What can my Self-Invested Fund invest in ?*

Generally you can ask us to invest your fund in any of the following types of investments.

- Irish and UK commercial or residential property
- Mortgages from a panel of approved lenders
- Deposit accounts from a panel of approved deposit takers
- Shares in publicly quoted stock and other traded securities such as Government fixed interest bonds and Exchange traded Funds
- Collective investments such as mutual funds or unit trusts

The **guide** "Your Guide to your Complete Solutions Self-Invested Funds" goes through each of these investment types in detail. It sets out how you should instruct us to make a particular investment and any particular restrictions you should be aware of. In particular the Revenue Commissioners have specific rules governing

direct property investment and borrowing that are covered in the guide.

*You should note that this pension plan allows you access to a Self-Invested Fund and that as fund provider, Irish Life does not take responsibility for any investment decision you make. We will check that your investment meets the criteria set down through legislation and for business reasons but our acceptance of your asset choice does not mean that we have approved the quality of the investment.*

charges on your plan



Your quotation will show how your pension fund may grow over the years until you retire. The quotation takes account of the following charges.

## Allocation charges

Your payments buy units in a pension fund. The percentage of your payments we invest will be shown in your plan schedule.

## Plan charges

We make certain charges to cover the ongoing administration involved in your pension plan. These are:

- a monthly contract charge of €4.44, which increases each year in line with the Consumer Price Index; and
- a charge, expressed as a percentage of your fund. This will be outlined on your plan schedule in your Welcome Pack. Your quotation will reflect this charge in the estimated values shown.

## Fund Charge







We make the charge based on the value of the fund at a given time. The actual charge depends on the fund you have chosen. The fund charge is deducted in the fund and is reflected in each fund's unit prices. The annual fund charge is shown on the table opposite.

## External Fund Managers' charge

Some of the funds may be partly or fully managed by external fund managers. These external managers will also apply an annual fund charge. Where this applies, we have shown the expected external manager charge as a separate amount. The actual charges may vary from the amounts shown. Some of the external managers may also be paid an incentive fee if they receive superior returns on their fund on a long term basis. For incentive fees to be paid, the investment returns would have to exceed a certain level each year - currently at least 8% a year.



## Fund Charges

Fund Name	Asset class	Irish Life Annual Charge	External expected Annual Charge	Total Annual Charge
 Cash Fund Capital Protection Fund Secured Performance Fund	Secure Funds	0.75% 1% 1.25%	- - -	0.75% 1% 1.25%
 Consensus Fund Irish Life Active Managed Fund Diversified Assets Fund* Logic*	Mixed-Asset Funds	0.75% 0.75% 0.75% 1.09%	- - 0.4% 0.11%	0.75% 0.75% 1.15% 1.2%
Irish Life Pension Property Fund Irish Life Property Portfolio Fund* Irish Life UK Property Fund*	Property Funds	1% 0.75% 1%	- 1.10% 0.375%	1% 1.85% 1.375%
Pension Protection Fund Fixed Interest Indexed Fund	Fixed Interest Funds	0.75% 0.75%	- -	0.75% 0.75%
 Irish Life Global Opportunities Fund Fidelity Managed International Fund Fidelity Global Special Situations Fund Fidelity Global Property Shares Fund Fidelity European Opportunities Fund Fidelity India China Fund Bloxham High Yield Fund Bloxham Contrarian Fund Bloxham Intrinsic Value Fund PIIM International Share Fund	Actively Managed Equity Funds	0.75% 1.50% 1.50% 1.50% 1.50% 1.50% 1% 1% 1% 1%	- - - - - - - - - -	0.75% 1.50% 1.50% 1.50% 1.50% 1.50% 1% 1% 1% 1%
 Indexed Global Equity Fund Irish Equity Indexed Fund UK Equity Indexed Fund European Equity Indexed Fund North American Equity Indexed Fund Japanese Equity Indexed Fund Pacific Equity Indexed Fund Ethical Global Equity Fund	Indexed Equity Funds	0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%	- - - - - - - -	0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%
 Indexed Commodities*	Indexed Commodities Fund	0.75%	0.53%	1.28%
 Self-Invested Fund*	-	1%	See next page	1%

\*Before investing in these funds please read the notes relating to these funds on pages 9, 10, 15, 18 and 20

## Logic Fund Charges

The actual yearly fund charge for the Logic Fund will depend on the underlying fund mix chosen by Bloxham from the range mentioned on page 9 and also on whether one or more of the funds has an external manager. We will change the yearly fund charge on Logic on an ongoing basis to take account of the charges on its underlying fund which can be higher or lower than 1.2%. This charge is based on a current mix of: Irish Life Consensus/Indexed: 40%, Bloxham/PI Investment Management: 35%, Fidelity: 15%, Property Portfolio: 10%.

## Self-Invested Fund Costs & Charges

If you set up a Self-Invested Fund there may be additional charges and costs. These will depend on the type of investments you ask us to hold and are detailed in our Guide to Self-Invested Funds.

The minimum initial investment in the Self-Invested Fund is €50,000. If the value of the fund falls below €50,000 the annual fund charge will be based on an assumed value of €50,000.

## Protection charges and Contribution Cover

We will take the cost of life cover from your plan, by cashing in units in your fund. The cost depends on a number of factors, including the amount of cover, your age and the state of your health. Your financial adviser will provide a quote for you that will illustrate the charges that will apply.

## What is my Complete Solutions plan likely to be worth when I retire?

This example shows the estimated future values of a **Complete Solutions** plan based on a 35-year-old who plans to retire at age 65 and is paying €500 a month, increasing at 3% a year. This is a sample case. The actual details of your plan are shown in your plan schedule.

Year	Projected Value (€)
1	5,794
5	33,691
10	81,411
15	147,622
20	238,069
25	360,132
30	523,272

**Warning : These figures are estimates only. They are not a reliable guide to the future performance of your investment.**

### Notes

- We assume an investment return of 6% a year before deductions and 100% investment in the Consensus Fund. Actual investment growth will depend on the performance of the underlying investments and may be more or less than illustrated.
- As required under regulations, we also assume that your contributions increase by 3% each year. In reality, if you choose this option, payments will increase by 5% each year (or in line with the consumer price index if higher).
- The investment term is 29.5 years and the number of monthly contributions assumed to be paid in is 354.

## Notes about your investment

### Currency

The funds that invest outside of the Eurozone carry a risk related to currency. This is because these funds are priced in euros but they invest in assets outside the eurozone that are valued in their local currency. This can increase or reduce your returns depending upon how those local currencies perform compared to the euro. For example, the North American Indexed fund aims to track the performance of the FT North American Index of US shares. These shares are bought in US dollars. The value of the Indexed US fund will be affected by:

1. How those shares perform in their local currency; and
2. Any movements in the euro and US dollar exchange rates.

For example, if there has been no change in the value of the shares in US dollars, but the US dollar falls in value compared to the euro, the Indexed US fund would fall in value. In the same circumstances, a rise in the value of the US dollar would result in a rise in the value of the Indexed US fund.

PI Investment Management can protect currency in their PI International Share fund to reduce the effect of any falls in the value of assets in their local currency compared to the Australian dollar. If they do this, any increase in the value of the Australian Dollar against the euro could increase

your returns and any fall could reduce your returns.

**Warning : This Complete Solutions product may be affected by changes in currency exchange rates.**

### Timing

If you invest in the Fidelity or PI Investments funds, it is likely that the performance of your investment in those funds through your Complete Solutions will differ slightly from the performance of the Fidelity or PI Investments funds. This could be due to any possible delays in transferring your investment into those funds and any changes in the values of currencies. (Please see the Currency section above).

# 4

## Your options

### Summary

- You can choose your initial level of payment and can change this amount at any stage.
- You can make lump sum or regular payments. You can add lump sum payments to your regular payments if you wish.
- You can also take a break in payments if you need to or you can switch your funds (subject to some restrictions) at any stage. Both of these options are free.
- You can include life cover in your plan in a tax efficient way.
- You may be able to protect your pension payments if you cannot work.

### Making payments

You can choose to make regular payments, which tend to suit people's cash flows. You can pay by direct debit (every month, every three months, every six months or every year), or by cheque every year. The smallest regular payment you can invest is €50 a month or €600 a year.

As well as this, or instead of this, you can invest a lump sum at any time. If you start off with just a lump sum, you can't add regular payments at a later date. The smallest one-off payment you can invest is €650 if you already have a plan in place or €2,500 if it is your first payment.

If you want to set up a Self-Invested Fund you will need a minimum fund of €50,000 to do so.

## Changing your payment level

You can increase your payments at any time. You can also reduce your payment to the minimum allowed or take a break in payments if you want to. However, you need to remember that reducing (or stopping) your payments will affect the value of your pension fund when you retire. To help you to decide whether you need to increase your pension benefits, we will send you a statement each year showing the payments you have made, the value of your fund and an estimate of the pension you will receive when you retire. We recommend that you review your level of benefit each year.

## Protecting your payments against inflation

When you take out your plan, you can choose to have your payments increase with inflation. If you choose this option, the payment will increase each year in line with:

- the Consumer Price Index; or
- 5%

whichever is higher.

## Switching investment options

You can switch your payments from one fund to another at any time if you decide you want a lower-risk or higher-risk investment. There is no cost for this – all you need to do is tell us.

You should check your fund choice however as some funds may enforce a switching delay period or incur a reduction charge for leaving.

If you have a Self-Invested Fund and wish to switch out of the fund we must first sell the assets held in the fund. If there are illiquid assets, such as property, it may take us some time to sell the assets which would delay us in making the switch.

## Life cover

If you have a personal pension and die before you retire, we will pay the value of your pension fund to your dependants. If you have a company pension plan, we will pay this value to the trustees of your pension plan (usually your employer). They will then pass the benefits to your dependants, according to the rules of your scheme. However, the value of your fund may not be enough to provide for them, particularly in the early years when the value of the fund is low. So, to make sure your family is properly provided for, you can choose to add on life cover as part of your plan.

You can choose one of the following options.

### 1. Life cover which includes your fund

Here, we will pay out the amount of life cover you have chosen or the value of your pension fund, whichever is greater. In this case, the cost of your life cover will reduce as your pension fund grows.

### 2. Life cover which doesn't include your fund

We can pay out the life cover you have chosen, **plus** the value of your pension fund. This option is more expensive.

You can also take out life cover through a totally separate pension term assurance plan.

Whichever way you decide to do it, tax relief is available on all payments (up to certain limits).

As with any inheritance, your dependants may have to pay inheritance tax on any amount of life cover we pay them. There may be limits to the maximum amount of cover you can add. Your financial adviser can give you details of these maximum amounts and can outline the best form of life cover.

## Contribution cover

If you choose contribution cover, we will make your personal or company pension payments to your pension plan if you cannot work because of sickness or injury. The amount we pay will be the same as the regular payments you were making at the time of your illness or injury (but not including any optional increases in the previous year).

These payments start after 26 weeks and they continue until you get better, reach age 60 or die, whichever comes first. We will only provide this if you are under 55 when you start contributing to the plan. We do not provide this benefit for certain jobs.

Contribution cover ends if your payments end. If contribution cover is included in your plan and you change your job, you should contact your financial adviser or our Customer Service Department.

**Please note Life Cover and contribution cover are not available for investment only plans**

# keeping you informed

As a pension plan is a major long-term investment, we make sure that we will keep you informed about your **Complete Solutions** plan and how it's doing so that you can review it regularly. We're here to give you the information you need, when you need it.

- You can phone 01 704 1111 at any time of the day, any day of the week to check the value of your **Complete Solutions** plan.
- Every year we write to you to let you know how your pension is doing, showing you what you've paid, what it's worth, how the funds have done and what kind of benefits you're likely to build up at retirement. This will contain a report of how your investment is performing.



- By logging onto our website ([www.irishlife.ie](http://www.irishlife.ie)), you can see how each of the funds is doing and get answers to frequently asked questions.



You can also see the value of your plan and even switch funds free of charge. If you have a Self-Invested Fund you will also be able to see detailed fund accounts. These will show the investments you hold in your fund, cash-flows in and out of the fund as well as expenses and charges deducted.

- There is no substitute for one-to-one advice and we would recommend that you regularly review the progress of your **Complete Solutions** plan with your financial adviser.

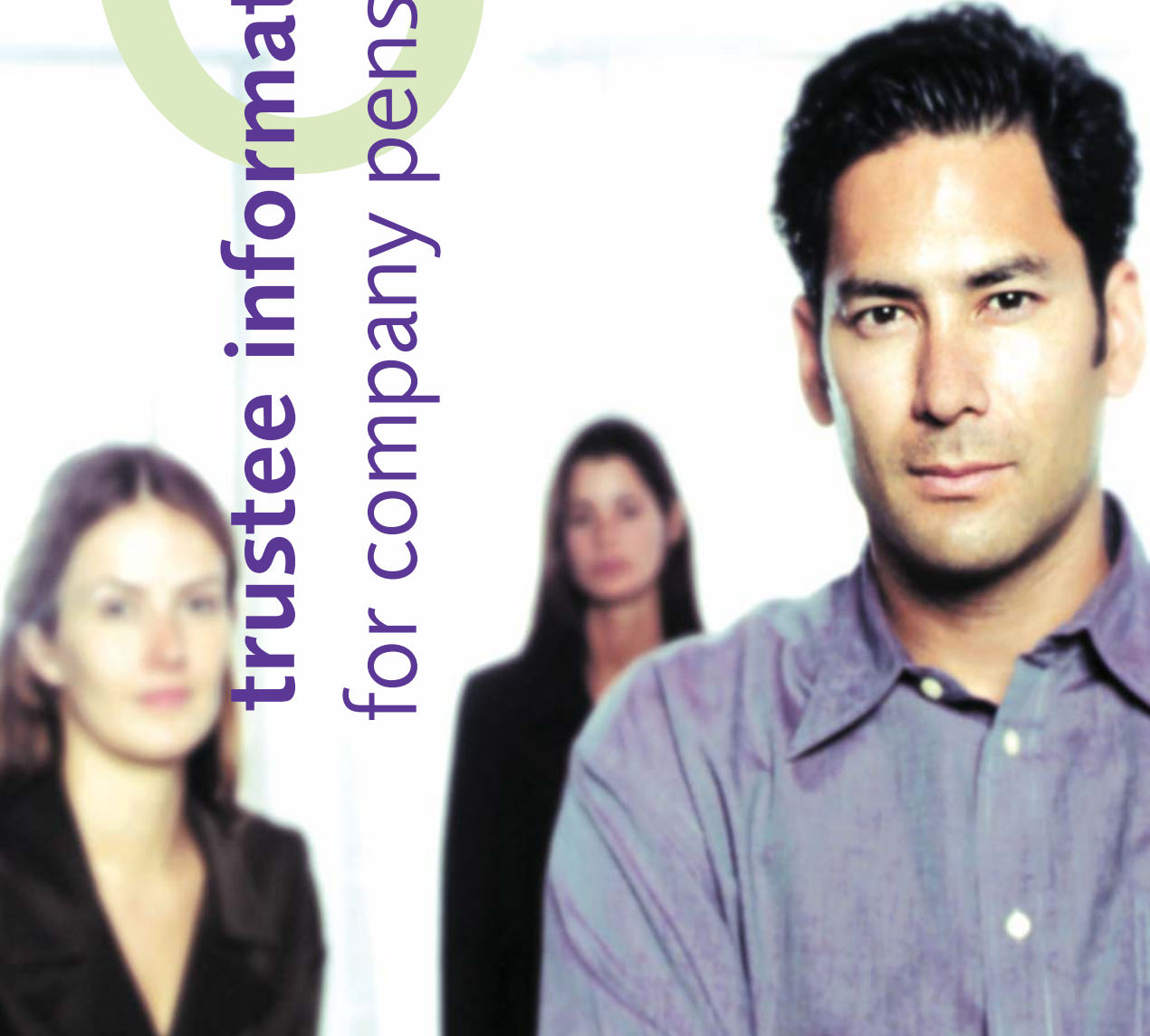


- For company plans, authorisation to access plan details and values will be given to the trustees. Values quoted for Self-Invested Funds will be current nominal values.





# trustee information for company pensions



**This section only applies to company pension contracts.**

**Complete Solutions** is a contract with you, the trustee, and is provided by Irish Life Assurance plc, which is regulated by the Financial Regulator. Irish Life Assurance plc is part of the Irish Life & Permanent Group.

The **Complete Solutions** plan is a retirement benefits scheme, as defined by Chapter 1 of part 30 of the Taxes Consolidation Act 1997. The contract details are contained in our terms & conditions booklet, the scheme rules (with Letter of Exchange), the plan schedule and the application form. The contract is governed by Irish law. The Irish Courts are the only courts that are entitled to hear disagreements.

Irish Life's head office is situated at Lower Abbey Street, Dublin 1, Ireland.

The contract is a pension plan, which is used to invest contributions for retirement. The fund built up by the contributions will be available at retirement to provide pension benefits in the form of tax-free lump sum, an annuity and possibly other savings options. The contributions are invested in units within a fund(s) of your choice.

Each fund in the panel of funds contains a number of identical units. We will calculate the value of each unit by referring to the net value of the assets of the fund after deductions. We set aside a number of these units for the policy to calculate its value. A list of these funds is included in the "Charges on my plan" section of this booklet.

The value of these units can fall and rise in value over the term of the plan. If the employee dies before retirement, the value of the fund is paid out to you for the benefit of his/her next of kin. Extra life cover can be added to the plan at an extra cost.

The contract term depends on the retirement age you have chosen for the employee and which you will have stated on the application. You can change this date during the term of the plan but you must notify the Revenue Commissioners of this.

If you wish to stop this contract, you can do so within 30 days of us sending you a cooling-off letter. If this happens, we will refund the contributions paid under the plan. If any single payments or transfers have been made, we will refund these less any decrease in the investment value over that period. Please write to Irish Life at the above address if you wish to cancel your plan within the stated period. We strongly recommend that you contact your financial adviser before you cancel the plan. You can stop contributions at any time. Any fund built up remains with Irish Life until benefits can be taken or where you wish to transfer the funds.

Contributions can be made monthly, quarterly, half-yearly or yearly by direct debit (usually from the company's account) or annually by cheque. Single payments can also be paid by cheque. The contribution you wish to pay at the start of the contract will be shown on your plan schedule.

You will find an example of surrender values which apply to this contract in the "Charges on my plan" section of this booklet. Your financial adviser can give you a more specific quotation. The surrender values quoted are not guaranteed as values can, in reality, fall as well as rise and could grow at a faster rate than illustrated.

There are certain tax advantages to taking out a company pension. Employer contributions can be set against the employer's corporation tax liability in the company tax year in which contributions are paid, within Revenue contribution limits. Employee contributions can be set against the employee's income tax liability in the tax year in which contributions are paid, within Revenue contribution limits. PRSI relief may be obtained also. Contributions are invested in a tax-exempt fund(s) of your choice. At retirement, part of the fund may be taken as a tax-free lump sum, within Revenue limits. Income from a pension (an annuity) or withdrawals made from ARF (and the AMRF gains) after retirement will be subject to income tax. On death before retirement, any benefit paid out will be subject to capital acquisitions tax. The capital acquisitions tax threshold is determined by the relationship between the employee and the beneficiary.

You should write to us at the address provided if you have any queries or complaints in relation to this plan.

If the employee believes they have suffered a financial loss as a result of the poor administration of the scheme, or if there is a dispute of fact or law, they must contact you in the first instance. You, as a trustee, are obliged under the Pensions Ombudsman Regulations 2003 (S.I. No. 397 of 2003) to set up and follow an Internal Disputes Resolution (IDR) procedure, which you must publish and make available to the member on request. More information is available from the Pensions Ombudsman's office at the following address.

The Office of the Pensions Ombudsman, 36  
Upper Mount Street, Dublin 2.  
Phone: 01 6471650 Fax: 01 6769577  
Email: [info@pensionsombudsman.ie](mailto:info@pensionsombudsman.ie)  
Web: [www.pensionsombudsman.ie](http://www.pensionsombudsman.ie)

You must then issue a decision on the matter. The employee is not bound by this decision and can take the matter to the Pensions Ombudsman. The decision of the Pensions Ombudsman can be appealed by both parties to the High Court.

All other complaints, which you can not settle, should be directed to the Pensions Board at Verschöyle House, 28/30 Lower Mount Street, Dublin 2. Phone: 01 6131900, Fax: 01 6318602.

For any assistance or queries you may have, please contact us at Irish Life.

The pension product described in this booklet offers property funds which are linked only to property, and a Self-Invested Fund which allows for a wide range of investment types, and trustees should note the following important requirements. Trustees are required (under the Occupational Pension Schemes (Investment) Regulations 2006) to invest the assets of the scheme predominantly on regulated markets. The Pensions Board consider 'predominantly' to mean over 50%. Examples of regulated markets are stocks and shares quoted on regulated stock exchanges or Government Bonds. Property is probably the main unregulated market which is likely to be considered by most trustees, although there are others.

## **Can a trustee of a company pension scheme invest in the property fund?**

Yes, if the scheme rules allow the member to choose the investment strategy, then the requirement to invest the assets 'predominantly on regulated markets' does not apply, and all of the assets of the scheme can be invested in property. Where the scheme rules do not allow the member to choose the investment strategy, the trustee must invest the assets of the scheme 'predominantly on regulated markets'. Irish Life's Complete Solutions plan provides generic scheme rules which allow for member discretion and therefore plans established using these rules can invest fully in the property fund if required.

## **Trustee's responsibilities when the plan allows for member discretion.**

Where the scheme rules allow for member discretion to choose the investment there are additional requirements set out in legislation which trustees need to be aware of and understand. One important requirement is for the trustee to obtain instructions from the member as to their investment choice. If the member does not make an investment choice, the trustee should record this decision and the trustee must then make the investment decision. Irish Life will only accept the trustee's instructions and it is a matter for the trustee and the member to have their own agreements and records. Other trustee responsibilities are outlined in legislation such as the Pension Act, 1990 as amended, related regulations, and in trust law. Irish Life has an explanatory leaflet available on request, which summarises these responsibilities. The information is a guideline only and is not a legal interpretation and trustees should seek their own legal advice on the responsibilities relating to the establishment and running of a pension scheme.

The Pensions Board also issue guidance on trustee duties and responsibilities. See their website [www.pensionsboard.ie](http://www.pensionsboard.ie)

This information is based on legislation at June 2007.

## Products we offer

### Investments

Low risk options

- Tracker bonds

Higher growth options

- Property bonds
- Unit-linked share investments

### Protection

- Term life cover
- Mortgage protection
- Flexible family protection
- Income protection
- Inheritance tax planning

### Savings

- Savings plan

### Pensions

- Personal pensions
- PRSAs
- Company pensions (including AVCs)
- Pension life cover
- Post-retirement options

## How to contact our Customer Service Department

Call or fax us at:

**tel: 01 704 1010   fax: 01 704 1900**

Email us at:

**[customerservice@irishlife.ie](mailto:customerservice@irishlife.ie)**

Visit our website at:

**[www.irishlife.ie](http://www.irishlife.ie)**

Or write to us at:

**Irish Life Assurance plc, Irish Life Centre, Lower Abbey Street, Dublin 1.**

Lines are open between 8am and 8pm Monday to Thursday, 8am and 6pm on Fridays and from 9am and 1pm on Saturdays. Calls will be recorded or monitored to help improve customer service.

## Contact us

Phone: 01 704 1010

8am - 8pm Monday to Thursday

8am - 6pm Friday

9am - 1pm Saturday

Fax: 01 704 1900

email: [customerservice@irishlife.ie](mailto:customerservice@irishlife.ie)

website: [irishlife.ie](http://irishlife.ie)

write: Irish Life Assurance plc, Lower Abbey Street, Dublin 1.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G

We will record or monitor calls to help improve customer service. Irish Life Assurance plc is regulated by the Financial Regulator.