Irish Life

Stepping Stones Personal Retirement Bond

your Customer Information Notice

This plan is provided by Irish Life Assurance plc.

Introduction

This notice is designed to highlight some important details about the plan and, along with the **Stepping Stones Personal Retirement Bond** booklet, is meant to be a guide to help you understand your plan. Full details on the specific benefits and options that apply to you will be contained in your plan schedule, Terms and Conditions booklet and personalised customer information notice, which you will receive when the contract is in place. It is important that you should read these carefully when you receive them as certain exclusions and conditions may apply to the benefits and options you have selected.

Any Questions?

If you have any questions on the information included in this customer information notice you should contact your IFG Private Client Consultant or your insurer Irish Life, who will deal with your enquiry at our Customer Services Team, Lower Abbey Street, Dublin 1.

Contents

A.INFORMATION ABOUT THE POLICY

1. MAKE SURE THE POLICY MEETS YOUR NEEDS!

Your **Stepping Stones Personal Retirement Bond** is a pension savings plan which aims to provide a fund with which you can purchase pension benefits. This plan is designed to receive a transfer contribution from your occupational pension scheme, or an existing personal retirement bond. This transfer value will be treated as a single lump sum contribution and is payable at the start of the contract.

The term of the plan will be up to the normal retirement date of your original occupational pension scheme - whether this is a long term contract depends on when you wish to take retirement benefits, either at this date or earlier.

The benefits payable at retirement will depend on the plan's value at that date and the nature of your original occupational pension scheme and could take the form of one or more of the options outlined in Section 3.

By taking out this plan, you are committing to making a single lump sum contribution. Unless you are fully satisfied as to the nature of this commitment, having regard to the other options available on leaving your occupational pension scheme (or existing Personal Retirement Bond), your needs, resources and circumstances, you should not enter into this commitment.

If this plan replaces in whole or in part an existing plan with Irish Life, or with a other insurer, which has been or is to be cancelled or reduced. Your IFG Private Client Consultant will advise you as to the financial consequences of such replacement and of possible financial loss as a result. You will be asked at the beginning of your application form to confirm this in writing. Please ensure that you have completed this section of the form and that you are satisfied with the explanations provided by your IFG Private Client Consultant before you complete the rest of the application form.

2. WHAT HAPPENS IF YOU WANT TO CASH IN THE POLICY EARLY OR STOP PAYING PREMIUMS?

This plan can only accept transfers from your occupational pension scheme or Personal Retirement Bond. This will generally be a once-off transfer with no further contributions payable.

You cannot cash in your plan. The benefits of this plan can be taken after age 50, on early retirement or at Normal Retirement Age (NRA). **You can also transfer the fund to another Personal Retirement Bond approved by the Revenue Commissioners or to the trustees of an approved company pension scheme if you are now a member of this other scheme**.

If we have increased the percentage of contribution invested for your single contribution, or for any additional single contribution, a percentage exit charge equal to the increase in the percentage of contribution invested will apply if you transfer your fund or part of your fund or early retire before the third anniversary of the investment start date for that particular contribution. If this applies, the exit charges will be shown on your plan schedule. Please refer to your Terms and Conditions booklet.

In certain circumstances, we may delay transfers. This may be because there are a large number of clients wishing to transfer out of the fund at the same time, or if there are practical problems selling the assets within the fund or if an external manager who is responsible for the investment of any part of the fund imposes a delay.

Due to the high cost and time involved in selling properties, a delay of this sort is most likely to happen if you are invested in a property fund (or a fund with a high proportion of property or property related assets). The length of any delay will depend on how long it takes us to sell the assets in the fund. A minimum delay of six months would be likely to apply in this situation. Delayed transactions will be based on the value of units at the end of the delay period when the transaction actually takes place.

When there are more clients moving out of a fund than making new investments in it, we may reduce the value of the units in the fund to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction in the value of the affected assets will be different for each fund and is likely to be most significant for the proportion of any fund invested in property. The reduction for any part of the fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

3. WHAT ARE THE PROJECTED BENEFITS UNDER THE POLICY?

The following tables set out the costs and benefits for a typical Stepping Stones Personal Retirement Bond pension plan. The values are projected assuming 6% growth and 8% growth. The figures will vary based on each individual's personal details and the benefits provided in each case. The figures below are based on the following details.

Client:	Male aged 38 next birthday
Contribution:	€50,000 Single Contribution
Term:	The term of the plan is up to age 70. (In practice benefits can be taken at any time between ages 50 and 75.)
Funds:	Contributions will be invested in the following way: Balanced Annuity Lifestyling Strategy

For more information on the investment options available, please refer to the product booklet.

Other funds and lifestyle options with different charges are available. The choice of funds and lifestyle options will determine what level of charges will apply.

TABLE (A): ILLUSTRATIVE TABLE OF PROJECTED BENEFITS AND CHARGES AT 6% GROWTH EACH YEAR

	A	B	C	D=A+B-C
Year	€ Total amount of premiums paid into the policy to date	€ Projected investment growth to date	€ Projected expenses and charges to date	€ Projected policy value
1	50,000	2,664	810	51,854
2	50,000	5,427	1,649	53,778
3	50,000	8,630	2,520	56,110
4	50,000	11,972	3,428	58,544
5	50,000	15,458	4,374	61,084
6	50,000	19,096	5,361	63,736
7	50,000	22,892	6,390	66,503
8	50,000	26,853	7,461	69,392
9	50,000	30,986	8,576	72,410
10	50,000	35,299	9,740	75,560
15	50,000	59,848	16,345	93,503
20	50,000	90,230	24,487	115,744
25	50,000	125,476	34,422	141,055
30	50,000	158,564	46,010	162,554
32	50,000	172,301	51,084	171,217
* NRA	50,000	175,848	52,394	173,453

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

Warning: Automatic switching will not happen before 30th June 2013.

* NRA = Normal Retirement Age, which is assumed to be age 70.

IMPORTANT: THIS ILLUSTRATION ASSUMES A RETURN OF 6% EACH YEAR. THIS RATE IS FOR ILLUSTRATION PURPOSES ONLY AND IS NOT GUARANTEED. ACTUAL INVESTMENT GROWTH WILL DEPEND ON THE PERFORMANCE OF THE UNDERLYING INVESTMENTS AND MAY BE MORE OR LESS THAN ILLUSTRATED.

The effect of the deductions in respect of the expenses and charges shown is to reduce the assumed growth rate on your fund by 1.64% each year.

The figures shown in the column "Projected investment growth to date" take account of the government pension levy which is payable. The table of benefits above assumes that the plan starts in September 2012. The pension levy will be deducted at the end of June in each of the years 2013 and 2014.

You can use your retirement fund to purchase a pension (annuity). Your estimated retirement fund in the above illustration is estimated to be sufficient to buy a pension of €9,193 each year. This pension is assumed to increase at 2% each year during payment. The equivalent pension in today's money terms (assuming inflation of 3% each year) is €3,518 each year.

The pension is based on applying an annuity rate of 5.3% to the estimated fund. It is paid monthly in advance and is guaranteed to be paid for 5 years. Thereafter, the annuity will cease on your death. The pension payment is on your life only. The annuity rate used is a long-term average rate and is not guaranteed. The actual annuity rate available at retirement may differ from the annuity rate used in the illustration. Different annuity options can be chosen at retirement.

TABLE (B): ILLUSTRATIVE TABLE OF PROJECTED BENEFITS AND CHARGES AT 8% GROWTH EACH YEAR

	A	B	C	D=A+B-C
Year	€ Total amount of premiums paid into the policy to date	€ Projected investment growth to date	€ Projected expenses and charges to date	€ Projected policy value
1	50,000	3,651	817	52,833
2	50,000	7,508	1,679	55,829
3	50,000	11,942	2,590	59,352
4	50,000	16,655	3,556	63,098
5	50,000	21,665	4,581	67,084
6	50,000	26,993	5,670	71,323
7	50,000	32,657	6,824	75,833
8	50,000	38,679	8,049	80,631
9	50,000	45,083	9,347	85,736
10	50,000	51,892	10,725	91,167
15	50,000	92,987	19,002	123,985
20	50,000	148,891	30,181	168,709
25	50,000	221,259	45,139	226,120
30	50,000	301,226	64,274	286,951
32	50,000	337,382	73,207	314,175
*NRA	50,000	346,945	75,569	321,376

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

Warning: Automatic switching will not happen before 30th June 2013.

*NRA = Normal Retirement Age, which is assumed to be age 70.

IMPORTANT: THIS ILLUSTRATION ASSUMES A RETURN OF 8% EACH YEAR. THIS RATE IS FOR ILLUSTRATION PURPOSES ONLY AND IS NOT GUARANTEED. ACTUAL INVESTMENT GROWTH WILL DEPEND ON THE PERFORMANCE OF THE UNDERLYING INVESTMENTS AND MAY BE MORE OR LESS THAN ILLUSTRATED.

The charges shown in column C of both tables include the cost of intermediary/sales remuneration incurred by Irish Life, as described in section 4.

The illustrations above assume that the Balanced Annuity Lifestyling Strategy has been chosen, the assumed rate of return starts at 6% and 8% respectively. This rate will change over the term of your plan to reflect the gradual change in the funds in which your plan will be invested. For more information on the investment options available, please refer to the product booklet.

The payment made includes the cost of all charges, expenses, intermediary remuneration and sales remuneration associated with your plan.

These illustrations assume an investment term of 32 years and 6 months.

The effect of the deductions in respect of the expenses and charges shown is to reduce the assumed growth rate on your fund by 1.65% each year.

The figures shown in the column "Projected investment growth to date" take account of the government pension levy which is payable. The table of benefits above assumes that the plan starts in September 2012. The pension levy will be deducted at the end of June in each of the years 2013 and 2014.

The benefits payable will depend on the taxation rules which are described in section 7. This projection does not allow for this tax.

The estimated fund at retirement is for illustrative purposes only and is not guaranteed. Actual investment growth will depend on how the investment performs and may be more or less than illustrated.

You can use your retirement fund to purchase a pension (annuity). Your estimated retirement fund above in the above illustration is estimated to be sufficient to buy a pension of €17,033 each year. This pension is assumed to increase at 2% each year during payment. The equivalent pension in today's money terms (assuming inflation of 4% each year) is €4,761 each year.

The pension is based on applying an annuity rate of 5.3% to the estimated fund. It is paid monthly in advance and is guaranteed to be paid for 5 years. Thereafter, the annuity will cease on your death. The pension payment is on your life only. The annuity rate used is a long-term average rate and is not guaranteed. The actual annuity rate available at retirement may differ from the annuity rate used in the illustration. Different annuity options can be chosen at retirement.

If you have more than one Personal Retirement Bond, from the same employment scheme then you must take your benefits from these at the same time. If your retirement lump sum is based on your salary and service with the relevant employer then you are only allowed to take a retirement lump sum from one of these bonds. The projected benefits illustrated below are based on a retirement lump sum being taken from this **Stepping Stones Personal Retirement Bond** plan. In your application form for this plan, you will have told us whether this is the Personal Retirement Bond you want to take your retirement lump sum from.

If you choose not to use your full retirement fund to buy a pension (annuity) depending on your circumstances, one or both of the following options (A) or (B) below will be available on retirement.

Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules allowed you to choose an ARF/AMRF, you have a choice of retirement options (A) or (B). Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules do not allow you to choose an ARF/AMRF only option (A) is available. Where the Transfer Value came from a Defined Contribution scheme before 6 February 2011, only option (A) is available. Where the Transfer Value came from a Defined Benefit scheme, only option (A) is available. If you were a 5% director you have a choice of retirement options (A) or (B).

The guaranteed pension income for life and AMRF limits are linked to the State Pension (Contributory) rate available at the time you first invest in an ARF, AMRF or vested PRSA. Currently these limits are €18,000 guaranteed pension income for life and €119,800 for an AMRF as at May 2012. If the State Pension (Contributory) rate changes then these limits will also change.

Option A

1. A retirement lump sum of up to 1.5 times final salary with 20 years service to Normal Retirement Age (NRA). The lump sum will be reduced where service is less than 20 years or where benefits

are taken before NRA, or where you left service with the relevant employer before NRA. It may also be reduced if you are entitled to a retirement lump sum from another pension arrangement. Please read your terms and conditions booklet for more information.

2. The balance of the fund must be used to purchase a pension (annuity).

3. Any AVC fund can be used to invest in an AMRF / ARF or can be taken as a taxable cash sum subject to certain restrictions and the deduction of income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable at that time.

Option B

1. You can take up to 25% of your pension fund as a retirement lump sum.

2. The balance of the fund can be used in any one of the following ways:

- The balance of the fund can be used to buy a pension (annuity).
- Subject to either having a guaranteed income for life of at least €18,000 per annum or investing €119,800 of the balance of the fund in either an annuity payable to you immediately or in an Approved Minimum Retirement Fund (AMRF), the balance of the fund can be:

(i) invested in an Approved Retirement Fund (ARF), from which cash may be drawn down periodically, or in which the capital may be accumulated over time subject to a minimum level of regular withdrawal or deemed distribution each year; or

(ii) withdrawn as a taxable cash sum, in which event this amount will be treated as part of your income in the year and you will be liable to pay income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable on it.

Any sum invested in the AMRF cannot be withdrawn until you meet the guaranteed income requirement, reach age 75 years or you die.

Annuity income and AMRF / ARF withdrawals will be treated as part of your income in the year paid and you will be liable to pay income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable on it.

The benefits payable will depend on the taxation rules which are described in section 7. In particular, if your pension fund grows above the standard fund threshold (as described in 'Taxation of Benefits' in section 7), tax may be payable. The illustrations given above do not allow for this tax.

All payments made under this plan must be within the Revenue Commissioners limits. The same Revenue Commissioners limits apply to this Personal Retirement Bond and to your original scheme. The benefits cannot exceed those which would have been paid out under your original scheme. If there should be a surplus amount after providing the maximum approvable pension benefits under the Personal Retirement Bond, it should be used to provide or augment other approvable benefits within maximum limits. Post-retirement increases on pensions may also be provided for.

The guaranteed pension income for life and AMRF limits are linked to the State Pension (Contributory) rate available at the time you first invest in an ARF, AMRF or vested PRSA. Currently these limits are €18,000 guaranteed pension income for life and €119,800 for an AMRF. If the State Pension (Contributory) rate changes then these limits will also change.

Funds with External Managers

Some funds are wholly or partly managed by external managers. If you choose to invest in one of these funds, any tables of projected benefits and charges issued to you in the future will assume an estimated average level of external manager charges on that fund. However, the actual level of these charges can vary. Section 8 below gives details on the reason for this.

Incentive fees

An incentive fee may be paid to the external fund managers if they achieve positive investment returns on the funds they manage. Depending on the particular fund, circumstances in which an incentive fee may be paid to an external manager include the following:

- If the investment return is positive in any calendar quarter.
- If the investment returns exceed a certain level each year.
- If the investment returns achieved in a particular year are greater than the previous highest investment return.
- If the returns achieved by these funds exceed the performance of a benchmark fund.

The figures in the table of benefits and charges in Section 3 do not include incentive fees that might arise as they would not be payable under the assumptions used to produce the illustration.

If during the term of your plan an incentive fee is paid, this will be reflected in the unit price.

4. WHAT INTERMEDIARY/SALES REMUNERATION IS PAYABLE?

The level of intermediary/sales remuneration shown is based on the typical plan outlined in section 3 above. The figures will vary based on the exact plan details in each case. Figures for your specific investment details will be shown in your welcome pack.

ILLUSTRATIVE TABLE OF INTERMEDIARY/SALES REMUNERATION

Year	€ Premium payable in that year	€ Projected total intermediary/ sales remuneration payable in that year at 6%	€ Projected total intermediary/ sales remuneration payable in that year at 8%
1	**50,000**	**1741**	**1744**
2	**0**	**291**	**300**
3	**0**	**303**	**317**
4	**0**	**316**	**337**
5	**0**	**330**	**359**
10	**0**	**630**	**754**
15	**0**	**779**	**1025**
20	**0**	**965**	**1394**
25	**0**	**1180**	**1875**
30	**0**	**1365**	**2389**
32	**0**	**1438**	**2616**
NRA	**0**	**733**	**1353**

The projected intermediary/sales remuneration shown above includes the costs incurred by Irish Life in relation to the provision of advice, service and support for the plan. These costs are included in the plan charges set out in column C of both the illustrative tables (A) and (B) of projected benefits and charges in section 3.

5. ARE RETURNS GUARANTEED AND CAN THE PREMIUM BE REVIEWED?

The values illustrated above are not guaranteed. They are neither minimum nor maximum amounts. What your fund will be worth depends on the rate at which your investments grow. You could end up with a fund of more or less than these projected amounts.

If the investment return actually achieved is lower or charges higher than that assumed in these illustrations, you will need to increase your contributions in order to achieve the funds illustrated.

6. CAN THE POLICY BE CANCELLED OR AMENDED BY THE INSURER?

Irish Life can alter the plan (or issue another plan in its place) if at any time any of the following happens:

- The Revenue Commissioners remove their approval of this contract.
- It becomes impossible or impracticable to carry out any of the plan provisions because of a change in the law or other circumstances beyond our control.
- The tax treatment of Irish Life or this plan is altered or we have to pay a government levy.

If the cost of administering your **Stepping Stones Personal Retirement Bond** increases unexpectedly we may need to increase the charges on your plan. If we alter the plan (or issue another in its place), we will send a notice to your last known address explaining the change and your options.

You must provide any information or evidence which we need to administer the plan.

The pension plan may be ended if you are ineligible for a personal retirement bond.

7. INFORMATION ON TAXATION ISSUES

Any taxes or levies imposed by the government will be collected by Irish Life and passed directly to the Revenue Commissioners. Your **Stepping Stones Personal Retirement Bond** is approved by the Revenue Commissioners.

Taxation of benefits

Under current legislation, the maximum pension fund allowed for tax purposes is €2,300,000 (as at July 2012) or, if higher, the value of your pension funds in total on 7 December 2005 (subject to individual agreement with the Revenue Commissioners). The relevant maximum will apply to the aggregate value of all pension provision held by an individual. Any fund in excess of this amount will be liable to a once-off tax charge at 41% (current rate) when it is drawn down on retirement. Depending on your circumstances, one or both of the following options will be available.

Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules allowed you to choose an ARF/AMRF, you have a choice of retirement options (A) or (B). Where the Transfer Value came from a Defined Contribution scheme after 6 February 2011 and the scheme rules do not allow you to choose an ARF/AMRF only option (A) is available. Where the Transfer Value came from a Defined Contribution scheme before 6 February 2011, only option (A) is available. Where the Transfer Value came from a Defined Benefit scheme, only option (A) is available. If you were a 5% director you have a choice of retirement options (A) or (B).

Option A:

- A retirement lump sum of up to 1.5 times final salary with 20 years service. The lump sum will be reduced where service is less than 20 years or where benefits are taken before Normal Retirement Age (NRA) or where you left service with the relevant employer before NRA, and may also be reduced if you are entitled to a retirement lump sum from another pension arrangement. The maximum tax free amount you can receive is €200,000. Retirement lump sums between €200,000 and €575,000 will be subject to the current standard rate of income tax. Any retirement lump sums greater than €575,000 will be taxed at your marginal tax rate and will be liable to Universal Social Charge. PRSI payable at that time will also apply. These are lifetime limits and apply in respect of all lump sums received since 7th December 2005.
- The balance of the fund must be used to purchase a pension (annuity).
- The AVC fund can be used to invest in an AMRF / ARF or can be taken as taxable cash sum subject to certain restrictions and the deduction of income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable at that time.

Option B:

- A retirement lump sum of up to 25% of the value of the fund. The maximum tax free amount you can receive is €200,000.

Retirement lump sums between €200,000 and €575,000 will be subject to the current standard rate of income tax. Any retirement lump sums greater than €575,000 will be taxed at your marginal tax rate and subject to the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable at that time. These are lifetime limits and apply in respect of all lump sums received since 7th December 2005.

- The balance of the fund can be used to purchase a pension (annuity) or can be transferred to AMRF / ARF.

- Taken as a taxable cash sum, subject to certain restrictions and the deduction of income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable at that time.

Annuity income and AMRF / ARF withdrawals will be treated as part of your income in the year paid and you will be liable to pay income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable at that time.

Funds investing in overseas property or other overseas assets

For any investments in overseas assets, tax will be deducted on income or profits if this is required by the domestic tax rules of the relevant country. In some instances, withholding or other underlying taxes may apply, depending on the domestic tax rules of the relevant country.

Any tax due will be deducted from the fund and thus reflected in the fund performance. If tax legislation and practice changes during the term, this will be reflected in the fund value.

Please contact your IFG Private Client Consultant or Irish Life if you do not fully understand the likely tax treatment of any benefits payable in connection with your **Stepping Stones Personal Retirement Bond** plan.

We recommend that you seek independent tax advice in respect of your own specific circumstances.

8. ADDITIONAL INFORMATION IN RELATION TO YOUR POLICY

What are the benefits and options under this plan?

Retirement benefits

The **Stepping Stones Personal Retirement Bond** plan is a tax efficient savings plan designed to build up a fund from which you can provide pension benefits when you retire. On retirement, part of the accumulated fund may be paid to you in the form of a retirement lump sum and the balance can be invested in order to provide you with an income, further investment or a cash sum, subject to certain restrictions. (See options outlined in section 3.)

Death Benefit

If you die before you retire, the full value of your pension fund at that stage will be paid to your estate. Your dependants may have to pay inheritance tax depending on who inherits. Annuity income will be treated as part of their income in the year paid and they will be liable to pay income tax, the Universal Social Charge, PRSI (if applicable) and any other charges or levies ("tax") payable on it.

What is the term of the contract?

The contract will end on your 70th birthday if retirement benefits have not been taken before that time. Retirement benefits can be taken at any stage after your 50th birthday provided rules imposed by the Revenue Commissioners at the time are complied with.

Are there circumstances under which the plan may be ended?

The pension plan will end if you die.

How are the contributions invested?

Your **Stepping Stones Personal Retirement Bond** is a unit-linked pension plan. In return for your money we allocate units to your **Stepping Stones Personal Retirement Bond** from each of your chosen funds. These will be listed on your plan schedule. The value of your investment is linked to the value of these units.

The value of a unit may go down as well as up over time, depending on how the underlying assets perform. You do not own the units. Unit-linking is simply a method of working out the value of your investment at any date. The value of your investment at any date will be equal to the total of the number of units allocated to your investment from the fund multiplied by the price for units of that fund on that date. The value of your investment will therefore go down as well as up over time as the unit prices change to reflect the value of the underlying assets.

Where you choose a fund that invests in equities or bonds, the equities or bonds within that fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within a fund it provides an opportunity to increase the investment return.

You may, at any time, switch some or all of your money from one fund to another by writing to us to request a switch. However it is important to note, before you switch from your original fund choice(s), that the funds in your **Stepping Stones Personal Retirement Bond** have different levels of risk and potential return and they may also have different yearly fund charges. In certain circumstances, there may be a delay in switching. This is explained in your terms and conditions.

Variable charges

Funds are managed at an overall level by Irish Life. For some funds, a part or all of the assets may be managed by companies (external managers) other than Irish Life. There are charges taken from these funds by both Irish Life and these external fund managers.

The external fund managers deduct costs and charges from the assets they manage. These will be reflected in the performance of the fund.

The level of the charges as a percentage of the overall fund can vary for several reasons.

- The first reason for the variability in the effect of these charges on the overall fund is the fact that the proportion of the fund that is managed by external managers can vary over time. The weighting of individual investment types may also vary over time. Where the fund invests in other funds, the overall fund charge will also vary accordingly. This split can change in the future mainly due to the availability of assets and also inflows and outflows in the fund. The actual level of the external manager charge will therefore vary depending on the weighting of these factors within the fund.
- The second reason for the variability is that the level of the charges applied by external fund managers can vary according to the fund managers chosen in the future. The external managers may also be paid an incentive fee if they achieve positive investment returns on the funds they manage.
- The third reason for the variability in the effect of these charges on the overall fund is that the funds managed by external fund managers borrow to increase the amount of assets that the funds invest in. Borrowing increases the potential for enhanced returns if the assets perform well, but also increases the level of risk of the investment. The external manager charges in relation to investments may be based on the total value of the assets held including any borrowings made rather than on the funds they manage. The amount of borrowing relative to the value of the assets held will determine the level of these charges as a percentage of the funds managed.

If the level of borrowing increases relative to the value of assets, then the level of charges as a percentage of funds managed would increase. For example, a significant fall in asset values could result in a significant increase in the average level of this charge as a percentage of funds managed. This is because a fall in asset values means that the amounts borrowed would represent a higher proportion of the fund value.

Equally, if the level of borrowing reduces relative to the value of assets, then the level of charges as a percentage of funds managed would also reduce. For example, a significant rise in asset values could result in a significant decrease in the average level of this charge as a percentage of funds managed. This is because a rise in asset values means that the amounts borrowed would represent a lower proportion of the fund value.

Where these factors apply to a fund we have estimated the expected fund charges. This charge is shown in your Terms and Conditions. This is for illustration purposes only and is not a contractually fixed charge. The actual level of the external managers' charges may be higher or lower than this depending on the factors outlined above.

Your Terms and Conditions contains details on all fund charges, including an example of the average fund charge for funds with

variable external manager charges, based on certain underlying fund mixes.

Is there an opportunity to change your mind?

When your Welcome Pack is issued you will have an opportunity to cancel the plan if you are not satisfied that the benefits meet your needs. You may do this by writing to the Customer Services Team at Irish Life within 30 days of the date we send you details of your plan. On cancellation all benefits will end and Irish Life will refund your contribution in accordance with revenue rules, subject to taking off any losses that may have been incurred as a result of falls in the value of assets relating to the plan during the period it was in force.

Law applicable to your plan.

Irish Law governs the plan and the Irish Courts are the only courts that are entitled to settle disputes.

What to do if you are not happy or have any questions?

If for any reason you feel that this plan is not right for you, or if you have any questions, you should contact the Irish Life Customer Services Team, Lower Abbey Street, Dublin 1 who will deal with your enquiry. Our Customer Services Team operate an internal complaints procedure and any complaints you may have will, in the first instance, be fully reviewed by them. If you feel we have not dealt fairly with your complaint, you should contact the Financial Services Ombudsman at 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

B. INFORMATION ON SERVICE FEE

There are no charges payable to Irish Life other than those set out in your table of benefits and charges and in your Terms and Conditions booklet.

C. INFORMATION ABOUT THE INSURER OR FINANCIAL ADVISOR

Insurer

Your **Stepping Stones Personal Retirement Bond** plan is provided by Irish Life Assurance plc, a company authorised in Ireland. Irish Life Assurance plc is regulated by the Central Bank of Ireland. You can contact us at Irish Life Centre, Lower Abbey Street, Dublin 1, by telephone at 01 704 1010, by fax at 01 704 1900, and by e-mail at customerservice@irishlife.ie. In the interest of customer service we will record and monitor calls.

Financial Advisor

The IFG Private Client Consultant should insert details of their name, legal status, their address for correspondence and a contact telephone number/fax number or e-mail address and where relevant the companies with whom agencies are held.

No delegated or binding authority is granted by Irish Life to your IFG Private Client Consultant in relation to underwriting, claims handling or claims settlement.

D. INFORMATION TO BE SUPPLIED TO THE POLICYHOLDER DURING THE TERM OF THE INSURANCE CONTRACT

We at Irish Life must by law tell you if any of the following events occurs during the term of your contract:

- we change our name;
- our legal status changes;
- our head office address changes;
- an alteration is made to any term of the contract which results in a change to the information given in paragraph A(8) of this document.

Contact us

Phone: 01 704 2000
Fax: 01 704 19 00
e-mail: customerservice@irishlife.ie
Website: www.irishlife.ie
Write to: Irish Life Assurance plc, Lower Abbey St, Dublin 1.

In the interest of customer service we will record and monitor calls.

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