






Your Questions Answered

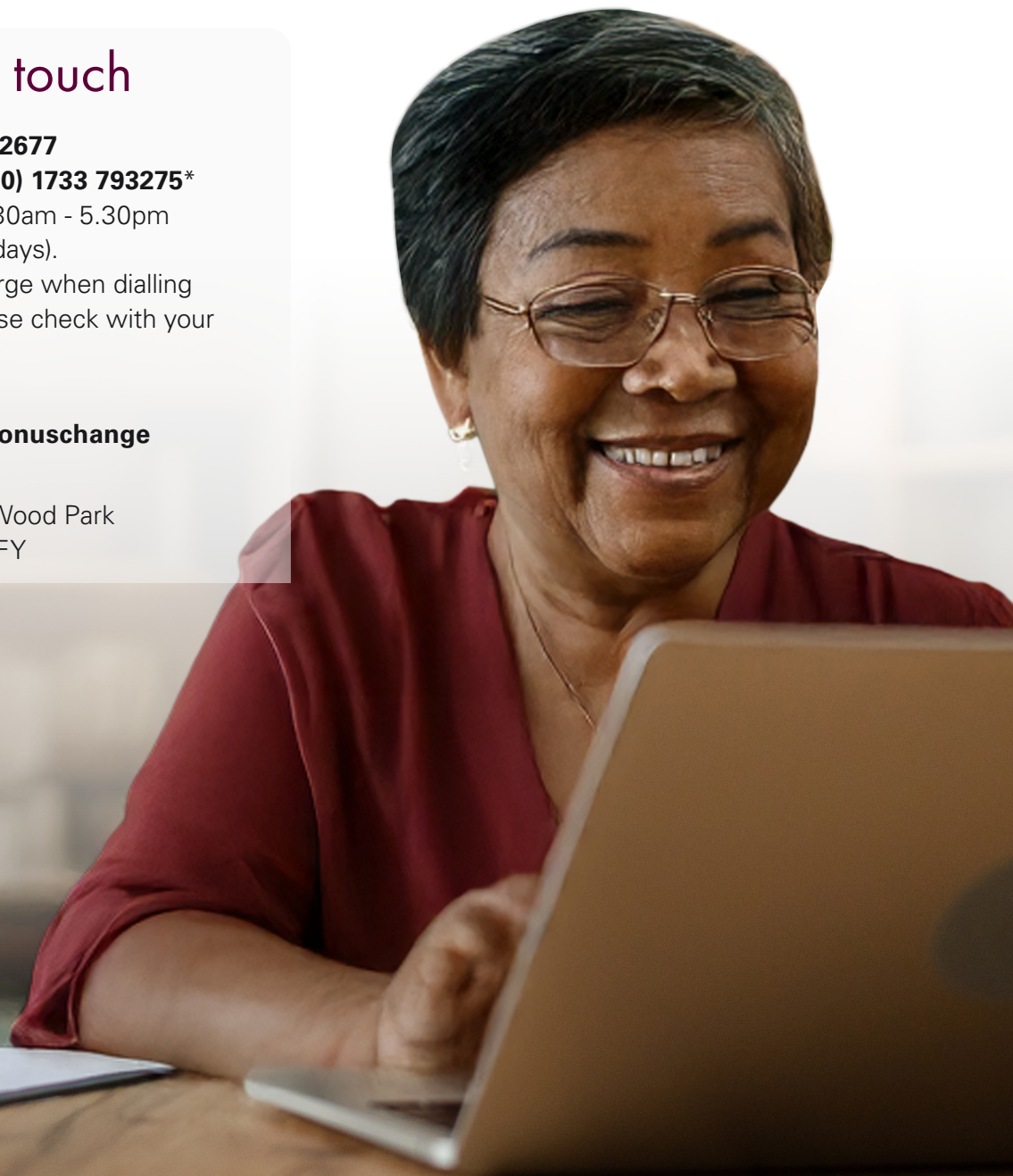
Introduction

The Britannic Industrial Branch Fund is due to close on 1 October 2026. This booklet includes answers to key questions you may have and explains what the fund closure means for you and your policy.

If after reading this you have any questions or would like more information, please get in touch.

How to get in touch

-  Call us on: **0330 678 2677**
From overseas: **+44 (0) 1733 793275***
Monday to Friday, 8.30am - 5.30pm
(apart from bank holidays).
*There may be a charge when dialling
from overseas, please check with your
phone provider.
-  Contact us online at:
phoenixlife.co.uk/bonuschange
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1. What is happening?

The Britannic Industrial Branch Fund is closing. Your with-profits policy will move to the Phoenix Life Non-Profit Fund and will become a non-profit policy.

Your benefits are safe and secure and will be paid out as usual when it's time to make a claim.

Your guaranteed minimum payment at maturity and your cash in value will not be affected or reduced. Your policy will continue to provide the same guaranteed benefits as it does today.

We'll continue to pay annual and final bonuses, but these will be fixed and guaranteed. So, you'll continue to see your policy value grow each year.

2. Why is the Britannic Industrial Branch Fund closing?

The number of policies in the fund has reduced over time, making it harder to manage the fund effectively and fairly. The Phoenix Life Board decided that closing the fund now is in the best interests of remaining customers. Moving your policy to the Non-Profit Fund means we can guarantee your future bonuses, and make sure our customers are treated fairly.

3. When will the fund close?

We expect the fund to close on 1 October 2026.

4. Will my policy end when the fund closes?

No, your policy will not end. It will become non-profit and will move to the Non-Profit Fund. Your guaranteed minimum payment at maturity and your cash in value will not be reduced.

5. Will my policy benefits change?

The guaranteed benefits your policy currently provides will continue and your policy will still pay out at maturity or on the death of the life assured.

The guaranteed minimum payment you'll receive at maturity, which you'll see in your annual statement, will not be affected.

6. What will happen to my bonuses?

You'll continue to receive annual bonuses and a final bonus when your policy matures or a claim is made. After the fund closes, the way we work out your bonuses will change. Your bonuses will no longer be linked to the performance of the Britannic Industrial Branch Fund. Instead, future bonuses will be fixed and guaranteed.

7. When will you know what my future bonuses will be?

We can't confirm what your future bonuses will be just yet. We'll be able to work this out after the fund closes. We'll write to you again after the fund closes to confirm your maturity value and the amount of guaranteed annual and final bonuses going forward. You'll hear from us early next year, around January 2027.

8. Will my policy value continue to grow each year?

Yes, each year your policy value will grow when an annual bonus is added. Your future annual bonuses will be set at a fixed rate of your policy value. This means that as your policy value grows, the amount of your future guaranteed annual bonus will also increase each year.

9. What's the difference between a With-Profit and a Non-Profit Fund?

If your policy invests in a With-Profits Fund, it shares in the profits of that fund. You receive bonuses (annual and final) that can change over time, depending on how the fund performs.

A Non-Profit Fund, on the other hand, doesn't share profits. Instead, we'll pay fixed, guaranteed bonuses, giving you certainty about how your policy will grow.

10. Why will I receive bonuses when my policy becomes non-profit?

Although non-profit policies don't normally receive bonuses, we want to keep things as consistent as possible for you. So, we'll continue to pay both annual and final bonuses. The way we work out your bonuses will change though. Your future bonuses will be fixed and guaranteed.

11. Will my projected maturity value be lower after the fund closure?

Currently, when we send you a projected maturity value, we show what your policy could be worth based on a low, medium and high growth rate. This is because the performance of the with-profits fund, and your bonuses, can change over time. We can't predict exactly how it will perform in the future.

Once you move to the non-profit fund, your bonuses become fixed and guaranteed. They'll be set at a level that ensures your policy matures at no less than the value at the medium growth rate. After the fund has closed, we'll write to you again and tell your actual maturity value. You'll hear from us early next year, around January 2027.

12. Will the way you manage my policy change after the fund closes?

Your policy is currently managed in line with the Principles and Practices of Financial Management (PPFM). This is a technical document which describes how we manage with-profits funds. After this fund closes the PPFM will no longer apply. This is because your benefits will be fixed, and no further decisions will be needed to determine future bonuses. However, your policy will continue to be administered by the same team and managed in line with your policy terms, and other rules and regulations which protect customers and ensure you're treated fairly.

We can reassure you that your benefits are safe and secure and will be paid out as usual when you come to make a claim.

13. Have you already made changes to the way the fund is managed?

Yes. To get ready for the fund closing we've reduced the level of investment risk in the fund. This means the fund assets are now invested mainly in cash and fixed interest investments, which are lower risk.

We've updated the PPFM to reflect this more cautious approach as we move toward closing the fund. As part of this, we've also clarified some of the wording about the Buffer Reserve, which is a pot of money we set aside to help protect customer benefits.

Here's a summary of the changes we've made.

Company history and group structure:

- Updated to explain the planned closure of the buffer reserve and what will happen to the assets afterwards (section 3.5.1).

Basic fund concepts:

- Amended to emphasise that the buffer reserve supports with-profits funds (section 5.2.1).

Investment strategy:

- Updated to reflect that assets are being de-risked and have been moved to cash to protect customer benefits as the fund approaches closure (various sections in 10.9).

These changes have not impacted your guaranteed policy benefits. Your policy will continue to provide the same level of life cover and guaranteed benefits as it does today. We'll continue to pay annual and final bonuses, which will be fixed and guaranteed once the fund is closed.

14. Who should I contact if I have a question about my policy?

The way you get in touch won't change. You'll continue to speak to the same team and use the same contact details as you do now. You'll find our contact details on the last letter or annual statement we sent to you.

15. How are you protecting my interests?

Protecting our customers' interests is at the heart of everything we do, especially when it comes to decisions that affect your policy.

After careful consideration, the Phoenix Life board decided that closing the Britannic Industrial Branch Fund now is in the best interests of the customers who remain in the fund. After your policy has moved to the Non-Profit Fund, we can guarantee your future bonuses and make sure all our customers are treated fairly.

We've taken several steps to make sure our plans have been carefully reviewed and are fair to customers.

- Our plans to close the Britannic Industrial Branch Fund have been through the scrutiny and oversight provided by the With-Profits Committee (WPC). The WPC provides independent input to make sure the interests of with-profits policyholders are protected. Its role is to review key matters and provide advice to help ensure the Board's decisions are well-informed and fair to all with-profits customers.
- The decision has been made with advice from the With-Profits Actuary, who has said that in her opinion, the proposals to convert the with-profits policies to non-profit is fair to customers, is not expected to result in foreseeable harm, and is expected to result in better customer outcomes than alternative options.
- Our plans to close the fund have been reviewed by Rebecca MacDonald who is an Independent Actuary. She has been appointed to assess the terms of our proposals and give her impartial view on the impact to customers when their policies become non-profit. She has said that she considers the terms on which the Britannic Industrial Branch Fund will be closed and the method for calculating guaranteed future bonuses to be fair to the affected policyholders.
- We also shared the plans with our regulators, the Financial Conduct Authority and the Prudential Regulation Authority.

16. Will the tax status of my policy change?

No, converting your policy to a non-profit policy will not affect its UK tax status or the way it is treated for UK tax purposes. Your current tax arrangements will continue as they are.

17. What if I want to cash in my policy?

We hope that providing fixed and guaranteed bonuses after the fund has closed will provide you with certainty over what will happen to your policy in the future.

If you're thinking about cashing in your policy, we want to make sure you know how much you will be paid. We guarantee that the amount you'll get after the fund closes will be the same as if you cashed in right before it closes. This guarantee will stay in place for 6 months after the fund closes.

This gives you time to review your options without pressure.

Your policy includes life cover and will pay out on the death of the life assured. Please carefully consider if you need the cover your policy provides before you decide whether you'd like to cash in your policy.

Please remember: Replacing your cover may be difficult or expensive as you get older, especially if your health has changed.

18. Who is paying for this?

The costs and expenses of closing the fund will be met by the Phoenix Shareholders' Fund. No costs will be passed on to customers.

19. Do I need to do anything?

Please read the information we've sent to you. If you're happy and understand the changes, there's nothing more you need to do.

If you have any questions about your policy or this change, please get in touch. You can find our contact details on the next page.

20. Where can I get financial advice?

We aren't able to give you financial advice. If you'd like advice, please speak to your financial adviser. If you don't have one, you can find one at **[unbiased.co.uk](https://www.unbiased.co.uk)**.

21. Where can I find out more?

You can find information about the fund closure on our website at **[phoenixlife.co.uk/bonuschange](https://www.phoenixlife.co.uk/bonuschange)**.

How to get in touch

If you have any questions, please get in touch. We'll be happy to answer any questions about your policy or this change. Please remember, we can't confirm what your future bonuses will be just yet.



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