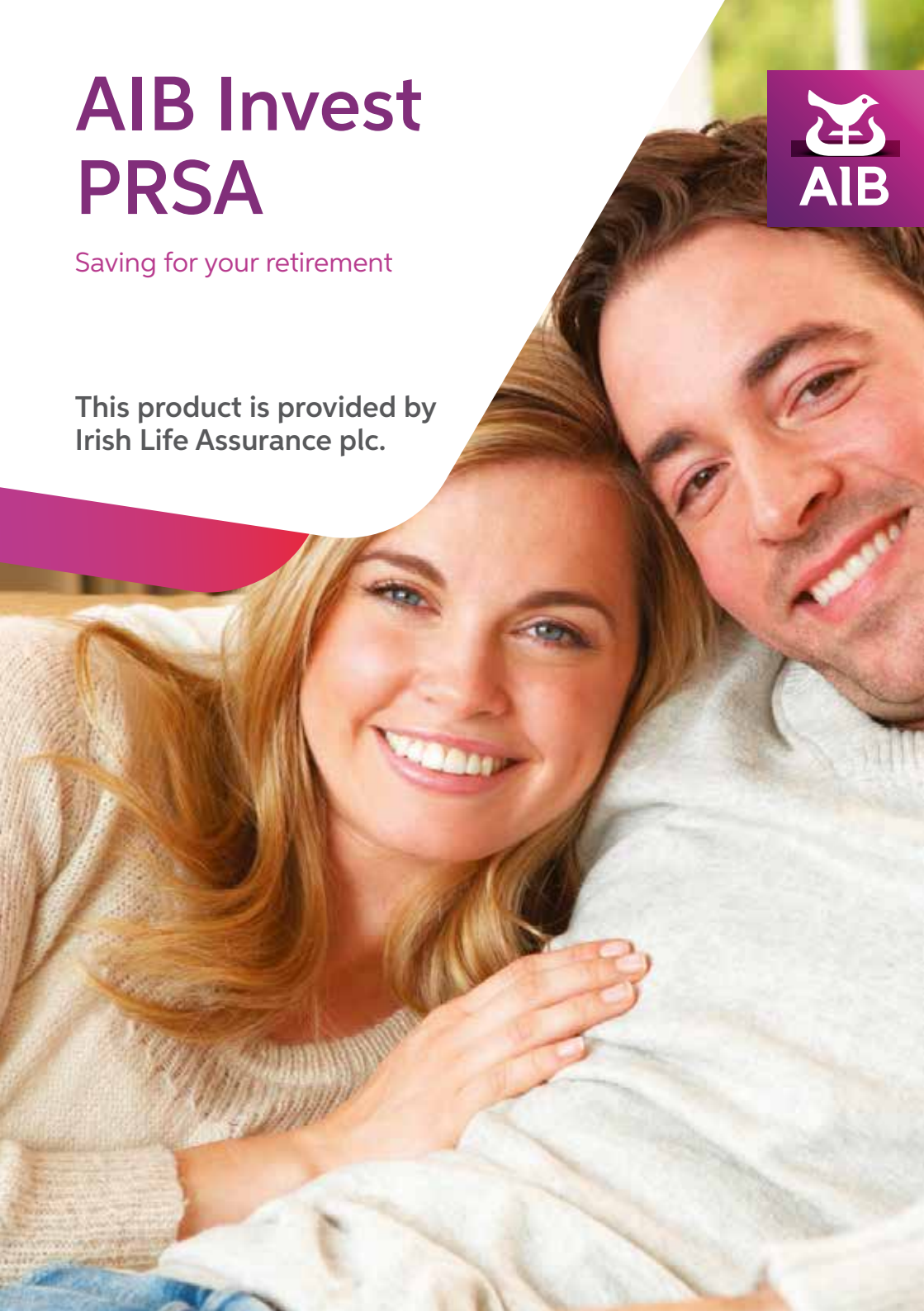







AIB Invest PRSA

Saving for your retirement

This product is provided by
Irish Life Assurance plc.



PRODUCT SNAPSHOT

AIB INVEST PRSA		
 Aim	To build up a fund to help provide for your retirement.	
 Risk	Low to very high depending on the option or mix of options chosen.	
 Funds Available	27.	
 Time period	Normally between ages 60 and 75.	
 Jargon-free	Yes.	

All information including the terms and conditions of your plan will be provided in English. The information and figures quoted in this booklet are correct as at June 2018 but may change.

Warning: If you invest in this product you will not have any access to your money until age 60 and/or you retire.

COMMITTED TO PLAIN ENGLISH

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



ABOUT US

AIB has chosen Irish Life, Ireland's leading life and pensions provider, to provide its customers with a range of pension, protection, investments and savings products. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations. As well as offering advice when you take out a plan, AIB will also help you with any questions about your plans and offer you a financial review every year in return for the fee AIB receive from Irish Life.

Allied Irish Banks, p.l.c. is tied to Irish Life Assurance plc, for life and pensions business. This means that although AIB are distributing this product, the product information in this booklet has been written by Irish Life as product provider. If you choose this product, it will be provided by Irish Life. So, any reference to 'we' or 'us' refers to Irish Life. If you have any questions, your AIB Financial Advisor will be happy to help.

Information correct as of June 2018.

For the latest information, please see www.irishlife.ie.



Irish Life

Our service to you...

PUTTING YOU FIRST

We are committed to providing excellent customer service to you at all times, from the moment you apply right throughout the life of your plan. When you ring us, you will get straight through to our AIB service team at Irish Life, based in Ireland, who will be on hand to listen to your queries and help you when you are looking for answers.

YOU CAN CHANGE YOUR MIND

We want to make sure that you are happy with your decision to take out this plan. If after taking out this plan you feel it is not suitable, you can cancel it within 30 days from the day you receive your Welcome Pack. We will refund any regular contributions you have made. We will return any single contributions or transfers, less any fall in investment values during the 30-day period and in line with Revenue rules.

KEEPING IT SIMPLE – CLEAR COMMUNICATION

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language on all our communications to you. As a result, we work with the Plain English Campaign to make sure all our customer communications meet the highest standards of clarity, openness and honesty.

KEEPING YOU UP TO DATE

We are committed to keeping you informed about your plan. Because of this, every year we will send you a statement to keep you up to date on your plan details.

ONLINE SERVICES

We have a range of online services available for you. You can check the details of your plan online by visiting our website www.irishlife.ie and logging into My Online Services. You will need a Personal Identification Number (PIN), which you receive when you start your plan. If you have lost your PIN or need a new one, contact our AIB service team at Irish Life on 1890 719 390.

Our online services help you keep up to date, at any time, with how your plan is performing. You can:

- view the current value of your plan;
- change your choice of fund;
- view your annual benefit statements; and
- use our information service - view weekly investment market updates, fund information and fund prices.

You can also phone an automated Customer Information Line on 01 704 1111 to get a current value, access our weekly market update and to change your PIN.

SOLVENCY AND FINANCIAL CONDITION REPORT

Our Solvency and Financial Condition Report is available on our website at www.irishlife.ie.



How to contact us...

If you want to talk to us, just phone us on 1890 719 390.

Our lines are open:

8am to 8pm Monday to Thursday

10am to 6pm Fridays

9am to 1pm Saturdays.

In the interest of customer service, Irish Life will record and monitor calls.

You can also contact us in the following ways:

Email: aibserviceteam@irishlife.ie

Fax: 01 704 1900

Write to: AIB service team
Irish Life Assurance plc
Irish Life Centre
Lower Abbey Street
Dublin 1

ANY PROBLEMS?

If you experience any problems, please call your AIB Financial Advisor or contact our AIB service team at Irish Life. We monitor our complaint process to make sure it is of the highest standard. We hope you never have to complain. However, if for any reason you do, we want to hear from you.

If, having contacted our AIB service team at Irish Life, you feel we have not dealt fairly with your query, you can contact the Financial Services and Pensions Ombudsman. For further information please see page 37.

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All information including the terms and conditions of your plan will be provided in English.

The information and figures quoted in this booklet are correct as at June 2018 but may change.

INTRODUCTION

By the time you retire, you will probably have worked for the greater part of your life. With that in mind, most of us imagine spending our retirement doing more of the things we love, whether that's travelling, playing golf or just spending quality time with the grandkids.

Although you may be years from retiring, it's worth thinking about your future now and considering the type of lifestyle you'd like to have when you retire. People are living longer and healthier lives which means that for many, retirement is simply the start of a new and exciting chapter.

However you plan on spending your retirement, it makes sense to start contributing to your pension as soon as you can as you can't rely on the State Pension alone if you plan on making the most of your retirement.

This guide will explain the features of the AIB Invest PRSA plan and the options available to you after retirement.

WHAT IS A PRSA?

PRSAs are 'personal retirement savings accounts'. They are a contract between you and a PRSA provider, such as us at Irish Life. Whether you are an employee, self-employed or between jobs, PRSAs make it easier to save for retirement because they offer value for money, flexibility and convenience.

HOW PRSAs WORK

Contributions

You invest regular contributions or one-off contributions, or both. Most people choose regular contributions because it is easier and it smooths out the cost. With AIB Invest PRSA you can also increase or reduce your contributions at any time.

If you are an employee and are not in a pension plan at work, your employer could also contribute to your plan.

If you are in a pension plan at work, you can also use your PRSA to add to the pension benefits already available from your job. And if your employment status changes or you move to a new employer, you may be able to bring your PRSA with you.

Income tax relief

If you're wondering whether it's worth putting money into a pension if you already have a savings plan then the answer is yes. To encourage people to save for retirement, the Government provides significant tax relief on PRSA pension plans, meaning saving for a pension is worth it because you get value for money. For example, putting €100 into a regular savings plan would cost you €100 but putting

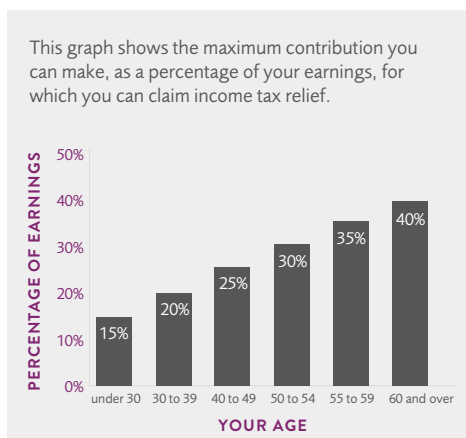
the same amount into a pension plan could only cost you €80 or €60 depending on what tax rates you are subject to.

You can claim income tax relief on your contributions, tax-free investment returns and you may be able to take a retirement lump sum, some or all of this may be tax-free. You will have to pay income tax on your pension income as well as the Universal Social Charge (USC), PRSI (if this applies) and any other taxes or government levies if you make a withdrawal.

You are not guaranteed income tax relief, but you will generally get income tax relief on contributions up to the percentage of net relevant earnings defined in the following graph.

For certain occupations you may get income tax relief of 30% of your earnings no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation.

To be eligible to claim income tax relief, your income must be taxable under Schedule E or Schedule D (case I or II).



If you are an employee, these limits include any contribution your employer may make. Any employer contributions over these limits will be treated as a benefit-in-kind (a perk that does not take the form of salary) for the employee.

Please talk to your AIB Financial Advisor for more information on the possible effects this may have on your employer contributions.

If you contribute more than these amounts, or if you contribute during a period when you are unemployed, you can carry forward income tax relief for future years.

Earnings are defined as follows.

- If you are an employee, your earnings are your salary plus any overtime, bonuses and benefits-in-kind.
- If you are self-employed, your earnings are your 'net relevant earnings'. That is, your income during a tax year, less any allowances, losses and certain charges and deductions (such as mortgage interest) you can claim income tax relief on.

Income tax relief is not available on earnings (i.e. from employment) of more than €115,000 and includes contributions to other approved pension arrangements, such as retirement annuity contracts, other PRSAs and employee contributions to company pension schemes (including Additional Voluntary Contributions). For more information on tax go to page 24 of this brochure.

Growth

We invest your contributions (less any contribution charge) in a fund where any growth achieved will not be taxed. Sometimes the fund you have chosen may have to pay tax on some of the assets held outside of Ireland depending on the tax rules of the country.

Retirement fund

Finally, you'll hopefully have built up a big enough fund for your retirement.

Normally, you can take your benefits between the ages of 60 and 75, but there are certain exceptions which we explain on pages 34 and 35. At that stage, you'll have a number of choices in terms of what you want to do with that fund.

First of all, you can take a part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax-free. The amount of this will depend on Revenue limits and your job status (whether you are self-employed or an employee and in a company pension scheme or not) at the date you take your benefit.

Depending on your circumstances the balance of the fund can be used for one or more of the following:

- buy a pension for life (otherwise known as an annuity);
- leave the rest of your retirement fund in your PRSA plan and continue as an investment until a later date up to age 75; or
- take a taxable cash sum.

Income tax, the USC, PRSI (if this applies) and any other taxes or government levies due at the time will be taken from each of these options. We explain your retirement options in more detail in Section 4.

Warning: If you invest in this product you may lose some or all of the money you invest.

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

AIB INVEST PRSA

AIB Invest PRSA helps you build up a fund for your retirement.

It is an easy-to-understand pension plan which puts you in control while offering you great choice.

SUITABILITY SNAPSHOT



This plan might suit you if you:

- ✓ are looking for a long-term investment plan to provide for your retirement;
- ✓ have at least €300 a year to invest;
- ✓ don't need access to your investment until you retire (age 60);
- ✓ are happy with the charges set out in this booklet;
- ✓ are happy with the choice of funds available;
- ✓ would like to take advantage of the income tax relief available on the pension contributions; and understand that when you retire, your pension benefits (after the retirement lump sum) are taxed as income. Please see Section 4 for more details.

This plan might not suit you if you:

- ✗ do not need a plan to provide for your retirement;
- ✗ have less than €300 a year to invest;
- ✗ need to get access to your investment before you retire (age 60);
- ✗ want a plan which offers more funds but may have higher charges as a result;
- ✗ are not happy with the choice of funds available; or
- ✗ are not currently paying income tax, and cannot take advantage of the income tax relief available on pension contributions.

If you think the AIB Invest PRSA plan could be suitable for you, please talk to your AIB Financial Advisor. If your personal circumstances change, please contact your AIB Financial Advisor.

WHAT ARE THE CHARGES?

AlB Invest PRSA offers you great value for money, giving you a straightforward pension solution with very competitive charges.

Contribution charges

Table 1 – contribution charge on regular contributions

Regular contribution each year	Contribution charge	Percentage of contribution invested	Reduced contribution charge after five years (see note)	Percentage of contribution invested
Less than €9,000	5%	95%	4.5%	95.5%
€9,001 to €11,999.99	4.25%	95.75%	3.75%	96.25%
€12,000 or more	3.5%	96.5%	3%	97%

Note: Reduced contribution charge after five years.

As shown in table 1 above, after your PRSA has been in place for five years, we will reduce the contribution charge by 0.5%.

Table 2 – contribution charge on one-off contributions

One-off contribution	Contribution charge	Percentage of contribution invested
Less than €12,500	5%	95%
€12,501 to €24,999.99	4.25%	95.75%
€25,000 or more	3.5%	96.5%

Contribution charge on transfer contributions

There is no contribution charge on funds transferred into your PRSA from approved pension schemes, so we will invest 100% of the contribution.

If your regular contributions change in the future

If you change your regular contributions in the future, this may change the contribution charge you pay.

Increased regular contribution

If you increase your regular contribution, and this results in your regular contribution going into a higher band (as shown in table 1), the contribution charge for the higher band will apply which will result in a lower contribution charge for you.

For example, if your regular contribution is €8,000 a year, the contribution charge is 5%. If you increased your regular contribution to €10,000, it would go up into the higher band and the contribution charge would be 4.25% on €10,000.

Reduced regular contribution

If you reduce your regular contribution, and this results in your regular contribution going into a lower band (as shown in table 1), the contribution charge for the lower band will apply which will result in a higher contribution charge for you.

For example, if your regular contribution is €10,000 a year, the contribution charge is 4.25%. If you reduce your contribution to €8,000, it would go down into the lower band and the contribution charge would be 5% on €8,000.

Contribution limits for regular payments

There is no maximum limit on the total amount that can be paid into this plan. However, the highest regular contribution you can pay is:

- €5,000 a month;
- €7,500 every three months;
- €15,000 every six months; and
- €30,000 a year

You can pay any contribution over these amounts as a one-off contribution. The charges for one-off contributions are shown in table 2 on page 8.

Yearly fund charge

Over the term of your plan, we take a monthly charge from the value of your retirement fund. This charge is equal to 1% a year.

Please see your Preliminary Disclosure Certificate which shows you how the yearly fund charge affects a typical PRSA.

Government levies

We will take any government levies due and pass them direct to the Revenue Commissioners. We will take these levies from your fund.

WHAT FUNDS ARE AVAILABLE?

The following funds are available. We explain these in detail in the Fund Guide section.

Recommended portfolio funds

- Pension Portfolio Fund 2
- Pension Portfolio Fund 3
- Pension Portfolio Fund 4
- Pension Portfolio Fund 5
- Pension Portfolio Fund 6

Through an AIB Financial Advisor, Pension Portfolio Funds are only available on an AIB Invest PRSA. We recommend you use the Pension Portfolio Funds with our Lifestyle Options. See pages 10 to 12.

Funds only available with Lifestyle Options and Default Investment Strategies

- Annuity Fund
- ARF Fund
- Stability Fund

Other funds

- Global Cash Fund
- Pension Protection Fund
- Indexed Euro Corporate Bond Fund
- Consensus Cautious Fund
- Consensus Fund
- Consensus Equity Fund
- Indexed Irish Equity Fund
- Indexed European Equity Fund
- Indexed Japanese Equity Fund
- Indexed North American Equity Fund
- Indexed Pacific Equity Fund
- Indexed UK Equity Fund
- Indexed European Property Shares Fund
- Managed Portfolio Fund 1 (Foundation)
- Managed Portfolio Fund 2 (Base)
- Managed Portfolio Fund 3 (Core)
- Managed Portfolio Fund 4 (Intermediate)
- Managed Portfolio Fund 5 (Dynamic)
- Managed Portfolio Fund 6 (Aggressive)

WHAT INVESTMENT STRATEGIES ARE AVAILABLE?

We will invest your pension contributions in a fund or funds as explained above so it's beneficial for you to choose funds which are right for you. Investment strategies are a way of managing the funds you are invested to help reduce risk as you draw closer to retirement.

We have four investment strategies for you to choose from – the Annuity Lifestyle Option, the ARF Lifestyle Option, the Default Investment Strategy (Annuity) and the Default Investment Strategy (ARF). **If you don't choose an investment strategy when you take out your PRSA, we will automatically put you into the Default Investment Strategy (Annuity).** We also have a number of funds for you to choose from if you don't want to invest in any investment strategy.

1 Lifestyle Option Strategies

Our lifestyle options strategies involve gradually moving your investment into a mix of low and medium-risk funds as you move closer to retirement.

Before choosing either strategy you should be aware that the funds which they invest in can fall and rise in value and have different levels of risk. This is explained in the description of each fund.

It is generally recommended that the Pension Portfolio Funds form part of the lifestyle option,

but you can choose your own funds if you prefer. The percentage invested in each fund at any one time depends on how long you have left to your retirement date.

The Annuity Lifestyle Option

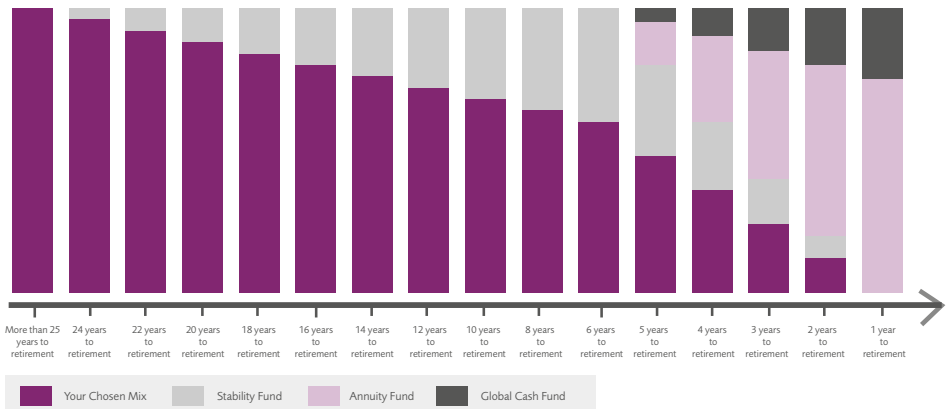
If you are more than 25 years from your chosen retirement date, we fully invest your contributions in the Pension Portfolio Funds or the funds of your choice. Between 25 years to six years before you retire, we will switch 2% of your fund into the Stability Fund every year.

When you are six years before retirement, 60% of your fund is invested in your fund choice and 40% in the Stability Fund. At that date, we gradually switch the total fund and future contributions into the Global Cash Fund and the Annuity Fund until one year before your retirement. For the last year your fund is entirely in the Global Cash Fund (25%) and Annuity Fund (75%). We explain these funds in more detail on pages 20 and 21.

This strategy will suit you if you aim to buy an annuity with your retirement fund.

The table below shows how your investment is automatically switched between funds in the Annuity Lifestyle Option. If, for example, you take out an AIB Invest PRSA and you have 18 years to retirement, we will at first invest 84% of your contributions in your own choice of funds and 16% in the Stability Fund.

ANNUITY LIFESTYLING STRATEGY



THE ARF LIFESTYLE OPTION

If you want to invest your retirement fund in an Approved Retirement Fund (ARF) when you retire, you can choose our ARF Lifestyle Option. This is identical to our Annuity Lifestyle Option except that instead of switching into the Annuity Fund, you will switch into the ARF Fund. As with the Annuity Lifestyle Option, you can invest in the Pension Portfolio Funds or choose your own funds.

We do not recommend the lifestyle option strategies if you want to invest in low-risk funds. This is because with those strategies your investment is gradually moved into a mix of low-risk and medium-risk funds.

We explain the current risk and volatility levels associated with your chosen funds and the other funds in the lifestyle options are on page 14 in this booklet. You should ensure that you are happy with the risk and volatility levels your funds will be invested in throughout the lifetime of your plan. All funds can rise and fall in value.

You can switch out of a lifestyle option strategy at any time.

The percentage invested in each fund at any one time depends on the time you have left until your retirement date. If your retirement fund is automatically moved into less risky funds, such as bonds, and stock markets rise in the years leading up to your retirement, this could lead to your retirement fund being less than it could have been.

Please note that the lifestyling switching process is automated and will start once you have chosen lifestyling and are less than 25 years to retirement. This could take up to five working days to start from the start date of your plan.

2 Default investment strategies

The default investment strategies include funds chosen by us. You cannot choose your own funds. We will gradually switch your investment to certain low and medium-risk funds as you get closer to retirement. These strategies are designed to meet the needs of typical investors who are planning to buy an annuity or invest in an ARF when they retire. They invest through unit-linked funds. The assets which are invested in these funds will spread risk, can be cashed in quickly, and are valued often.

Default Investment Strategy (Annuity)

If you are more than 25 years from your chosen retirement date, your contributions are fully invested in the Managed Portfolio Fund 4 (Intermediate). Between 25 years and six years before you retire, each year we will switch 2% of your retirement fund and future contributions into the Stability Fund. When you are six years from retiring 60% of your retirement fund will be invested in the Managed Portfolio Fund 4 (Intermediate) and 40% in the Stability Fund.

At that date, we gradually switch your retirement fund and future contributions into the Global Cash Fund and the Annuity Fund until one year before you retire.

For the last year, 25% of your retirement fund is invested in the Global Cash Fund, and the other 75% is invested in the Annuity Fund.

We explain these funds in more detail on pages 20 to 22.

DEFAULT INVESTMENT STRATEGY (ARF)

The Default Investment Strategy (ARF) is suitable if you plan to invest your retirement fund in an Approved Retirement Fund when you retire.

Our Default Investment Strategy (ARF) is identical to our Default Investment Strategy (Annuity), except we switch your investment into our ARF Fund rather than our Annuity Fund.

If you choose a default investment strategy, you should know that the funds we have chosen could fall in value, some more than others, during the term of your plan. The default investment strategies try to make sure that the value of your pension fund does not change dramatically as you get nearer your chosen retirement date.

If your retirement fund is automatically moved into less risky funds, such as bonds, and stock markets rise in the years leading up to your retirement, this could lead to your retirement fund being worth less than it could have been.

You can switch out of a default investment strategy at any time. However, once you have switched out of a default investment strategy, you cannot switch back in. There is no charge for any of the switches made within the Default Investment Strategy.

Please note that the lifestyling switching process is automated and will start once you have chosen lifestyling and are less than 25 years to retirement. This could take up to five working days to start from the start date of your plan. This applies to all four strategies explained in this section. You will be fully invested in your own choice of funds until this switch happens.

3 Other investment options

If you do not choose to invest in any of these strategies, you can choose any one, or a combination, of the other funds available (up to 10 funds) that we describe in in the fund guide section.

If you choose your own funds, we will not automatically switch your funds into more secure funds as you get nearer retirement. However, at any stage over the term of your contract, you can ask to switch funds into more secure funds, or into one of our strategies described above. Fund switching is free.

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

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

Warning: If you invest in this product you may lose some or all of the money you invest.

FUND GUIDE

Through AIB Invest PRSA we offer a choice of top-quality funds to meet your needs.

All the funds are managed by Irish Life Investment Managers (ILIM). They currently take care of over €60 billion of assets for thousands of people across Ireland, including private investors and leading Irish and international companies. Their ability to consistently deliver excellent performance has seen them at the top of investment tables and win many awards.

The wide range of funds gives you access to different options including low-risk funds, share funds, property share funds and portfolio funds, which include a mixture of different types of investments.



THE FUND THAT IS RIGHT FOR YOU DEPENDS ON:



Amount of risk

Lower-risk funds aim to protect your investment from large falls in value, but the potential for large gains is lower than if you choose a higher-risk fund.

Higher-risk funds, such as those investing in company shares, do not aim to protect your investment from large falls in value, but you do have the potential to gain much more, especially over the long term. If you invest in these types of fund, you should realise that, in wanting a higher return, you need to accept that the value of these funds can move up and down, sometimes by large amounts and you could lose some or all of the value of your investment.

How long you want to invest for

If you are investing in a pension plan it is important to consider how long you have left until you retire. If you are many years away from retirement you may be able to accept more risk than somebody who is quite close to retirement.

VOLATILITY SCALE AND RISK LEVELS

To help you choose between funds, we rate the possible level of 'volatility' of each fund on a scale of 1 to 7. Volatility refers to the potential ups and downs that a fund may experience over time.

A fund with a risk level of 1 is very low-risk and a risk level of 7 is very high-risk. You should remember that risk and potential return are closely linked. In other words, investments which are higher risk tend to have higher returns over the long term, but can also experience higher falls.

Our volatility scale assumes that all investments are held on a long-term basis. If an investment is held for a short term, it will usually have a greater level of risk than the volatility scale shows.

You can usually reduce the level of risk attached to an investment by diversifying (splitting the investment 'eggs' between different 'baskets') and leaving the investment where it is for a longer period of time. In other words, the longer you hold volatile investments for, the less volatile the returns become.

A fund's risk rating can change. Because of this, the risk ratings in this booklet may not be the most up-to-date ratings. Please visit our website www.irishlife.ie/aib/fund-prices-performance.html to see the most up-to-date risk rating of each of our funds.

You should monitor your investment on an on-going basis to make sure that you are still comfortable that the fund volatility is right for you depending on the amount of risk you are willing to take.

Think about how you feel about the risks associated with investing. Everyone's situation is different and everyone handles risk differently. Together with your AIB Financial Advisor you can decide which level of risk you are open to.

Below we have set out the full range of investment funds available. We divided these into low-risk funds with the potential for lower returns, medium-risk funds with the possibility of medium return, and high-risk funds with higher potential for returns.

LOW RISK



Volatility IL1

Global Cash Fund

Volatility IL2

ARF Fund

Pension Portfolio Fund 2

Stability Fund

MEDIUM RISK



Volatility IL3

Consensus Cautious Fund

Indexed Euro Corporate Bond Fund

Managed Portfolio Fund 1 (Foundation)

Pension Portfolio Fund 3

Volatility IL4

Annuity Fund

Managed Portfolio Fund 2 (Base)

Managed Portfolio Fund 3 (Core)

Pension Portfolio Fund 4

Pension Protection Fund

HIGH RISK



Volatility IL5

Consensus Fund

Managed Portfolio Fund 4 (Intermediate)

Managed Portfolio Fund 5 (Dynamic)

Pension Portfolio Fund 5

Volatility IL6

Consensus Equity Fund

Indexed European Equity Fund

Indexed European Property Shares Fund

Indexed Japanese Equity Fund

Indexed North American Equity Fund

Indexed UK Equity Fund

Managed Portfolio Fund 6 (Aggressive)

Pension Portfolio Fund 6

Volatility IL7

Indexed Irish Equity Fund

Indexed Pacific Equity Fund

You can choose any combination of up to 10 funds. The next section will give you an overview of how the funds work and a description of each of the funds available to you.

PENSION PORTFOLIO FUNDS

We developed our pension portfolio funds bearing in mind the needs of our customers and their attitude to risk. There are five pension portfolio funds, each targeting a different level of risk. Irish Life Investment Managers monitor, review and manage each of the five funds to this risk level.

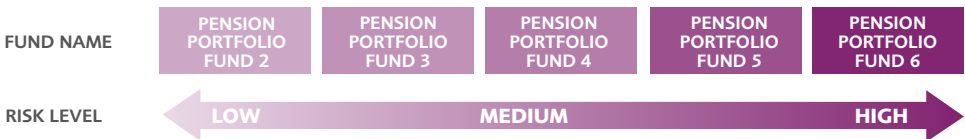
If you are a low-risk or high-risk investor, there is a fund that may suit you.

- The funds invest in a wide range of assets, including cash, shares, property and bonds.
- The funds are expertly managed by Irish Life Investment Managers (ILIM).
- All five funds benefit from a wide range of risk-management strategies.

Warning: Past performance is not a reliable guide to future performance.

PENSION PORTFOLIO FUNDS USING ILIM'S DYNAMIC SHARE TO CASH™ MODEL

Range of funds from low risk to high risk



These range from lower risk, where there is a large portion of the fund in cash and bonds, to higher risk where most of the fund can be invested in shares. So if you are a low-risk or high-risk investor, there is a fund that may suit you.

The pension portfolio funds are designed to provide peace of mind for you as an investor.

Based on your attitude to risk, you will have a risk rating between 1 (safety first) and 7 (very adventurous). Each of our pension portfolio funds is designed for a specific risk rating.

ILIM will manage these funds to this risk rating throughout. This means that Pension Portfolio Fund 3 will be managed to a risk rating of 3 and you don't have to worry about the risk rating of the fund changing.

Warning: Past performance is not a reliable guide to future performance.

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

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

Warning: If you invest in this product you may lose some or all of the money you invest.

RANGE OF ASSETS

Range of funds from low risk to high risk

Pension portfolio funds invest in a wide range of assets. Investing in a range of assets increases the 'diversification' of each pension portfolio fund. We recommend that you spread out your investment across different asset classes by not putting all your 'eggs in one basket' and these funds allow you to do just that. Investing in a wide range of assets and asset classes helps to reduce the volatility of the fund, which is a measure of the extent to which the fund moves up and down.

We outline and explain the assets that are available in these funds below. The split across each of the asset classes affects the risk rating of your fund.

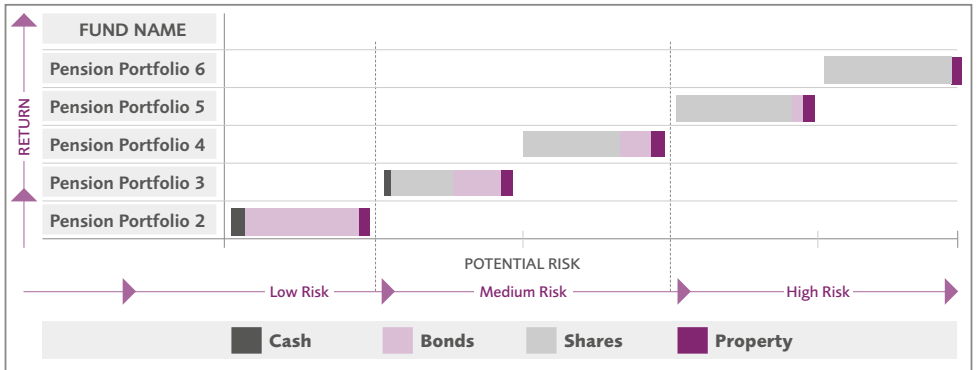
ILIM will continually monitor and review these assets and may change them over time. Each of the five funds will invest in different mixes of the range of assets described below. For the actual Pension Portfolio fund mix, see the latest factsheets at

<https://www.irishlife.ie/investments/fund-prices-and-performance/aib>

Cash and bonds	Shares	Alternatives managed by external manager	Other assets
<ul style="list-style-type: none"> Cash Government bonds Corporate bonds 	<ul style="list-style-type: none"> Global Shares Low Volatility Global Shares Option* Strategy 	Part of each pension portfolio fund invests in a dynamic blend of specialist alternative funds managed by asset managers other than ILIM. Underlying investments are across a range of traditional and alternative asset classes.	Each of the pension portfolio funds has some investment in property funds. As markets change and new opportunities arise, ILIM may invest in other assets.

THE PENSION PORTFOLIO FUND SPLITS

As mentioned, there are five pension portfolio funds available to suit different attitudes to risk. The graph below, which is a guide only, shows the broad asset mix of each of the five funds. As you can see the lower-risk fund Pension Portfolio Fund 2 has a very high percentage in bonds and cash which are traditionally less volatile than other assets. The higher-risk fund Pension Portfolio Fund 6 is mainly invested in shares, which are traditionally more volatile than bonds or cash but, in the past, have given better long-term returns.



For the actual Pension Portfolio Fund mix, see the latest factsheets at www.irishlife.ie/aib/fund-prices-performance.html

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

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

Warning: If you invest in this product you may lose some or all of the money you invest.

EXPERTLY MANAGED BY IRISH LIFE INVESTMENT MANAGERS

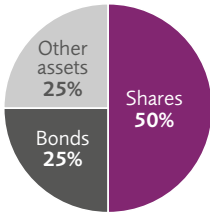
Irish Life Investment Managers (ILIM) have designed the Irish Life pension portfolio funds. They have over €60 billion of assets, including private investors and international companies. By investing in an Irish Life pension portfolio through an Irish Life pension plan, you will benefit from the best of ILIM experience and expertise.

REGULAR REVIEWS

The process takes into account the expected outlook for investment markets over the short, medium and long term, with a view to creating the best fund mix. In these reviews, ILIM are looking for opportunities to either refine the way they manage risk or increase the expected fund returns. This process involves reviewing investment opportunities such as choosing new managers, asset classes, strategies, regions, developments in research and then analysing how best to include any possible changes into the existing funds.

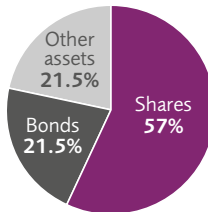
REBALANCING

One of the most important risk management tools used by ILIM is rebalancing each Irish Life Pension Portfolio fund every three months. The example below shows why rebalancing is important and what could happen without it.



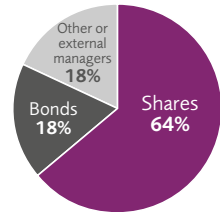
Start year 1:

We start with this pie chart, which shows a fund with 50% in shares, 25% in bonds and 25% in other assets or external managers in cash.



Start year 2:

If, over the course of a year, shares grew in value by 20%, while bonds and other assets or external managers both fell in value by 10%, **without rebalancing**, the second pie chart shows the new split of the fund. Here 57% of the fund is now invested in shares.



Start year 3:

If the same thing happened again, we would end up with nearly two-thirds of the fund invested in shares. This fund mix may no longer be suitable for someone who originally chose an allocation with 50% in shares, 25% in bonds and 25% in cash.

Every three months ILIM will change the split of assets in the fund so that the funds are rebalanced back to the intended split. This means that you don't have to worry about a fund becoming a higher risk rating than the one you originally invested in.

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DYNAMIC SHARE TO CASH (DSC) MODEL

ILIM use their DSC model on all five pension portfolio funds. ILIM developed the DSC model and is a market first in Ireland. It uses many factors to identify long-term stock-market trends and movements.

The advantage of having the DSC is that, when the strategy identifies greater potential for falls in the stock market, it aims to reduce the amount invested in global shares and increase the amount in cash. And importantly, when the DSC identifies greater potential for stock-market recovery, it will move back out of cash and into global shares.

It is important to note that the DSC looks at long-term movements and trends in the market and is not designed to react to one-off or short-term jumps or shocks. Currently DSC applies to global shares, ILIM will continually review this and, in the future, a similar process may apply to other assets.

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FUND DESCRIPTIONS

IMPORTANT:

This applies to all Pension Portfolio listed below:

Funds that are managed by external asset managers are subject to incentive fees. Part of this fund may borrow money to invest in property.



LOW RISK



PENSION PORTFOLIO FUND 2

(Volatility **IL2**)

This fund is one of the Irish Life Pension Portfolio range of funds where each fund is managed within its target risk level. Pension Portfolio 2 is a low-risk fund, investing in a mix of assets such as bonds, shares, property, cash and externally managed specialist funds. It also features several risk-management strategies. The fund aims to have a small percentage invested in higher-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

MEDIUM RISK



PENSION PORTFOLIO FUND 3

(Volatility **IL3**)

This fund is one of the Irish Life Pension Portfolio range of funds where each fund is managed within its target risk level. Pension Portfolio 3 is a low to medium-risk fund, investing in a mix of assets such as bonds, shares, property, cash and externally managed specialist funds. It also features several risk-management strategies. The fund aims to have a mix of lower-risk assets such as cash and bonds and higher-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

PENSION PORTFOLIO FUND 4

(Volatility **IL4**)

This fund is one of the Irish Life Pension Portfolio range of funds where each fund is managed within its target risk level. Pension Portfolio 4 is a medium-risk fund, investing in a mix of assets such as bonds, shares, property

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

and externally managed specialist funds. It features several risk-management strategies and may invest in cash from time to time. The fund aims to have a moderate percentage invested in high-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

HIGH RISK



PENSION PORTFOLIO FUND 5

(Volatility IL5)

This fund is one of the Irish Life Pension Portfolio range of funds where each fund is managed within its target risk level. Pension Portfolio 5 is a medium-to-high-risk fund, investing in a mix of assets such as shares, property, and externally managed specialist funds. It features several risk-management strategies and may invest in cash from time to time. The fund aims to have a relatively high exposure to high-risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

PENSION PORTFOLIO FUND 6

(Volatility IL6)

This fund is one of the Irish Life Pension Portfolio range of funds where each fund is managed within its target risk level. Pension Portfolio 6 is a high-risk fund, investing in a mix of assets such as shares, property and externally managed specialist funds. It features several

risk-management strategies and may invest in cash from time to time. The fund aims to have a high percentage invested in high risk assets such as shares and property. The fund manager monitors and rebalances the fund regularly and may change the mix over time.. For the current asset mix of the fund please see www.irishlife.ie/aib/fund-prices-performance.html.

The following funds are specifically designed to be used with the Pension Portfolio Funds, described here and page 19, as part of our lifestyle option investment strategies.

LOW RISK FUNDS



ARF Fund (Volatility IL2)

This fund is largely made up of bonds and cash which currently account for about 70% of the fund, with the rest in shares and alternatives (for example emerging market shares). This fund aims to provide moderate returns.

Stability Fund (Volatility IL2)

The Stability Fund invests mostly in bonds and cash with a small amount in shares. This is different to a standard managed fund which invests a large amount in shares. This fund aims to provide moderate returns with low levels of ups and downs.

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MEDIUM RISK FUNDS



Annuity Fund

(Volatility **IL4**)

This fund invests in long-term eurozone government bonds. The aim of the investment is to pay for an annuity when you retire.

OTHER AVAILABLE FUNDS

We also have 19 other funds from which you can build your own mix of funds to be used with or without the lifestyle option investment strategies.

LOW RISK FUNDS



Global Cash Fund

(Volatility **IL1**)

This fund invests in bank deposits and short-term investments on international and domestic money markets. It is intended to be a low-risk investment, but you should be aware that this fund could fall in value. This could happen if, for example, a bank the fund has a deposit with cannot repay that deposit, or if the fund charge is greater than the growth rate of the assets in the fund.

MEDIUM RISK FUNDS



Consensus Cautious Fund

(Volatility **IL3**)

The Consensus Cautious Fund is a managed fund, where currently 65% of the assets are invested in the Consensus Fund and 35% track the performance of short-term eurozone government bonds. For more details on the Consensus Fund, please see page 22. The Consensus Cautious Fund aims to give mid-range levels of return with lower levels of ups and downs.

Indexed Euro Corporate Bond Fund

(Volatility **IL3**)

This fund invests in investment-grade euro corporate bonds which become due for payment at different times. By providing access to a wide range of companies who issue bonds, the fund aims to provide long-term returns which are greater than can be achieved by investing in cash or government bonds. This fund is suitable if you want a reasonable return with less risk than share-based investments. The fund aims to track the performance of the Merrill Lynch EMU Large Cap Corporate Bond Index.

Managed Portfolio Fund 1 (Foundation)

(Volatility **IL3**)

This portfolio fund is currently invested in the Consensus Cautious Fund (see above for description). It provides access to cash, bonds and equities, and sometimes to alternative assets such as property.

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Managed Portfolio Fund 2 (Base)

(Volatility **IL4**)

This portfolio fund is currently invested 70% in the Consensus Cautious Fund (see page 21 for description) and 30% in the Consensus Fund (see across for description). It provides access to cash, bonds and equities, and sometimes alternative assets such as property.

Managed Portfolio Fund 3 (Core)

(Volatility **IL4**)

This portfolio fund provides access to cash, bonds and equities as well as alternative assets such as property. The fund is currently invested 70% in the Consensus Fund (see across for description) and 30% in the Consensus Cautious Fund (see page 21 for description).

Pension Protection Fund

(Volatility **IL4**)

Currently this fund invests largely in long-term eurozone government bonds and cash. The rest of the fund can be directly or indirectly invested in global interest-rate markets. The aim of this fund is to pay for an annuity when you retire.

This fund should broadly follow the long-term changes in annuity prices due to interest-rates, in other words, if long-term interest-rates fall, the value of this fund will increase to roughly compensate for the rise in annuity prices. Long-term interest-rates are just one of the main factors that set the cost of an annuity and there will be times when the fund will not track annuity prices closely and no guarantee can be given in relation to these movements.

HIGH RISK FUNDS



Consensus Fund

(Volatility **IL5**)

This fund is one of Ireland's most popular funds, currently managing over €5.4 billion. Its success is based on an approach which combines the wisdom of the main 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 pension managed funds in the market.

Managed Portfolio Fund 4 (Intermediate)

(Volatility **IL5**)

Most of this portfolio fund is invested in a diversified mix of global equities, with some bonds and other types of asset such as property. This fund is currently invested 80% in the Consensus Fund (see above for description) and 20% in the Consensus Equity Fund (see page 23 for description).

Managed Portfolio Fund 5 (Dynamic)

(Volatility **IL5**)

Most of this portfolio fund is likely to be invested in global equities, with some bonds and other types of asset such as property. This fund is currently invested 70% in the Consensus Equity Fund (see page 23 for description), 20% in the Consensus Fund (see above for description) and 10% in the Indexed Pacific Fund (see page 23 for description).

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

Indexed European Equity Fund

(Volatility **IL6**)

This fund concentrates on European shares. The fund's aim is to match the average return of all the shares that make up the FTSE Europe Ex UK Index.

Indexed Japanese Equity Fund

(Volatility **IL6**)

This fund concentrates on Japanese shares. The fund's aim is to match the average return of all the shares that make up the FTSE Japan Index. A one-day delay applies if you ask to switch due to significant trading and settlement time differences in Asian markets.

Indexed North American Equity Fund

(Volatility **IL6**)

This fund concentrates on North American shares. The fund's aim is to match the average return of all the shares that make up the FTSE North America Index.

Indexed European Property Shares Fund

(Volatility **IL6**)

This fund invests in shares of European property companies and real estate investment trusts (REITs) that are managed by external managers. REITs are an effective, low-cost and easy way to invest in property. REITs generally contain borrowings of about 50% and so are more risky than investing in property that does not have any borrowing associated with it (see page 26).

The fund tracks the FTSE EPRA/NAREIT Europe Ex UK Liquid 40 index which invests in listed property companies across mainland Europe. In certain circumstances we may need to delay switches, withdrawals or transfers out of this fund and delays may be significant. This delay will be no more than 18 months. Please read 'Important information' on page 24 for more information.

Indexed UK Equity Fund

(Volatility **IL6**)

This fund concentrates on UK shares. The fund's aim is to match the average return of all the shares that make up the FTSE UK Index.

Managed Portfolio Fund 6 (Aggressive)

(Volatility **IL6**)

Most of this fund is invested in a mix of global equities. This fund is currently invested up to 85% in the Consensus Equity Fund (see below for description) and 15% in the Indexed Pacific Equity Fund (see below for description).

Consensus Equity Fund

(Volatility **IL6**)

This fund aims to give good growth by investing in the Irish and international shares that the Consensus Fund invests in. By taking the average investment that all the managers make, the Consensus Equity Fund avoids the risks associated with relying on the decisions of just one fund manager. Managing assets this way removes the risk associated with some managers making poor decisions.

Indexed Irish Equity Fund

(Volatility **IL7**)

This fund concentrates on Irish shares. The fund's aim is to match the average return of all the shares that make up the ISEQ Index.

Indexed Pacific Equity Fund

(Volatility **IL7**)

This fund concentrates on Pacific shares, which includes countries such as Singapore, South Korea and Australia. The fund's aim is to match the average return of all the shares that make up the FTSE Pacific Ex Japan Index. A one-day delay applies if you ask to switch due to significant trading and settlement time differences in Asian markets.

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IMPORTANT INFORMATION ABOUT AVAILABLE FUNDS

This section gives you information about tax, currency, charges and important information relating to investing in our funds.

Delay periods

In certain circumstances we may need to delay switches, withdrawals or transfers out of a fund. The circumstances in which we may delay a switch, withdrawal or transfer can include the following.

- If a large number of customers want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund invested.
- The fund manager imposes a delay.
- If you invest in markets or funds with assets with significant time differences including trading or settlement time differences. An example of this is Asian markets.

Delayed transactions will be based on the value of the units at the end of the delay period. Delay periods can be significant depending on the nature of the underlying assets.

Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund. This is to reflect the percentage of the costs associated with buying and selling the assets of the fund. It is likely to be significant for the percentage of any fund invested in property.

CURRENCY

Funds investing outside the eurozone

Funds that invest outside of the eurozone carry a risk related to currency. This is because the funds are priced in euro but the assets which the funds invests are valued in their local currency. This can increase or reduce your returns

depending upon how those local currencies are performing compared with the euro.

For example, the Indexed UK Equity Fund aims to track the performance of the FTSE UK index of shares of UK companies. Since the shares are priced in pounds sterling, the value of the Indexed UK Equity Fund will be affected by how the shares of the companies perform and any movements in the euro and sterling exchange rate. If, for example, there has been no change in the value of shares in sterling, but sterling falls in value against the euro, the Indexed UK Equity Fund would fall in value. Obviously, in the same circumstances, a rise in the value of sterling would result in an increase in the value of the Indexed UK Equity Fund.

Some funds which invest in assets outside of the eurozone may try to manage the risk related to movements in exchange rates. The cost of trying to protect against currency movements will be charged to the fund on an ongoing basis. Changes in exchange rates during the investment term in funds which are not protected against currency movements may have a negative effect on the value of these funds and the expected investment returns. Equally, some fund managers will not try to manage the risk related to movements in exchange rates and the value of your investment will be fully exposed to exchange rate movements.

Warning: This AIB Invest PRSA may be affected by changes in currency exchange rates.

Tax

We explain the personal income tax relief you may be entitled to on pages 4 to 6.

Under current Irish tax rules, the growth of all pension funds, including PRSAs, is not taxed until the benefits are taken. However, if your chosen fund invests in assets outside Ireland, the fund may have to pay tax on these investments.

We will take tax on income or profits if this is necessary under the tax rules of the country the assets are held in. In some instances, withholding tax or other taxes may apply, depending on the tax rules of the country. We will take any tax due from the fund, and this is reflected in the returns of the fund.

You have to pay income tax, the Universal Social Charge (USC), Pay Related Social Insurance (PRSI) (if this applies) and any other taxes or government levies on the income you get from a pension.

If Irish tax law and practice changes during the term of your plan, we will change the fund value and how your fund is taxed as a result.

This information is based on current Irish tax law, which could change in the future.

General Information

If you have chosen to invest in a fund that invests in shares or bonds, the assets in that fund may be used for the purpose of securities lending 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 return.

At any stage, we can change the range of fund options that are available. We may decide to stop giving you access to certain funds entirely. In this case you can switch out of these funds into any other funds that are open at the time. We can also restrict the option to switch into, or invest top-up contributions in, any funds. We will give you one month's notice before we make this change.

We may also change the manager who manages a particular fund in the future. In various fund descriptions, we explain the asset split that currently applies. The fund manager can change this asset split at any stage in the future. You can contact us for up-to-date information on your funds at any time or visit our website www.irishlife.ie.

PROPERTY

This section is applicable if you are invested in a property fund or a fund with a high percentage invested in property assets.

The property cycle – selling costs and delays

The property market reacts more slowly than stock-markets and tends to follow more of a cycle. It can rise or fall for longer periods and in a more consistent way than the stock-market does. This is partly because it takes more time and costs more to buy and sell properties than it does to buy or sell other assets like shares. As a result, if there are more investors who want to cash in their investments than there are new investors, we may need to make the following changes so that all investors pay their fair share of the costs that the funds have to pay.

Reducing the value of the fund

When there are more customers 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 is likely to be most significant for the percentage of any fund invested in property.

For those funds invested in property, the actual reduction will depend on the percentage of property in the fund and the actual costs involved in having to sell properties within that fund. If a reduction in value were to apply today, we estimate this rate could possibly be in the region of 10%, assuming that the fund has a high percentage invested in property. To arrive at this rate, we have estimated the selling costs that might apply. It is possible that the reduction in value could be higher or lower in the future and could take place in stages.

Funds with a lower property asset mix will have a lower reduction rate. The reduction for any part of a fund invested with fund managers may happen at a different time to the reduction for the rest of the fund.

Using borrowings

In the description of funds, we have shown the funds which are likely to include borrowing as part of their investment strategy. The amount borrowed will vary and you should contact us to find out the current amount borrowed within the fund you are interested in. This will help you assess the level of risk, which increases as borrowing increases.

Funds which invest in the European property markets are invested in indirect property investments through other fund managers. This means that rather than buying properties directly, we invest your money with other fund managers. For example, we may invest in a fund which itself invests directly in property. These managers may use money invested in their funds to borrow extra money. As a result, the amount of property in these funds can increase which, in turn, increases the possibility for growth.

This is one of the main attractions of these indirect property funds. You will have the chance to get higher returns if the value of the property paid for by the loans is higher than the cost of repaying the loans.

However, borrowing in this way also increases the possible risks for the fund. It can mean greater losses if the property falls in value.

The value of indirect property investments will reflect the total value of the properties in the fund but with the value of the loans and the interest due taken off. The following example shows how a property fund works if it usually invests in a mix of direct and indirect properties.

Amount of investment	€100,000
Amount invested directly in property	€75,000
Amount indirectly invested in property	€25,000
Amount borrowed by indirect funds	€75,000
Amount invested in indirect property with borrowings	€100,000

Total amount invested in property including borrowings	€175,000
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In this example:

- 25% of the investment is invested indirectly in property; and
- for every €1 invested indirectly in property, €3 is borrowed. Please note that the level of borrowing will vary from fund to fund.

When referring to funds with borrowing, the term 'loan-to-value ratio' is often used. This is the loan amount divided by the value of the property, and in the above example is 75%. The loan to value ratio changes, based on the value of the indirect properties at any given time so this percentage will vary regularly.

What happens if property falls in value?

That part of the fund linked to indirect property investments will fall in value by a greater amount because of the level of borrowing.

The following are examples:

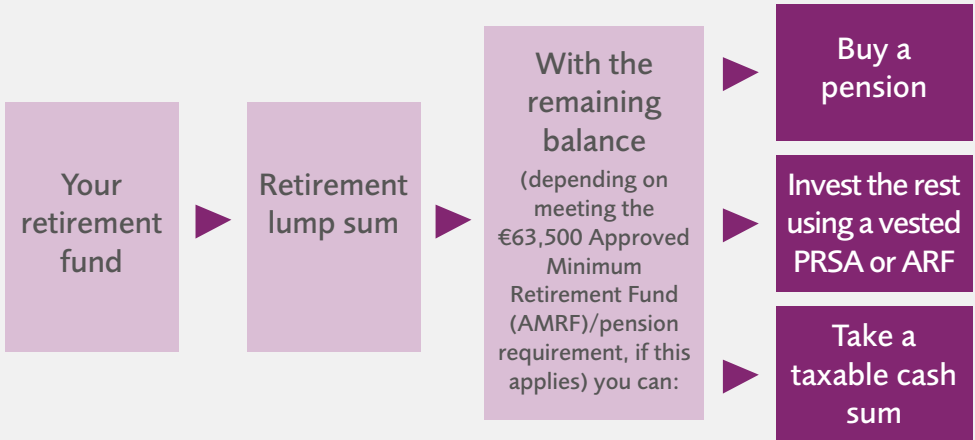
- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €3 for every €1 invested, the actual fall in value of the indirect part of the investment would be 40%.
- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €2 for every €1 invested, the actual fall in value of the indirect part of the investment would be 30%.
- If the value of the indirect properties fall by 10%, and the indirect fund borrowed €1 for every €1 invested, the actual fall in value of the indirect part of the investment would be 20%.

For any particular fund the amount invested indirectly in property by the external fund manager may be higher or lower than shown above.

The level of borrowing within the part of the fund invested indirectly in property will also change over time. The higher the amount of the loan compared with the amount invested in property, the greater the potential returns. However, the level of risk will be higher.

YOUR OPTIONS WHEN YOU RETIRE

One of the benefits of AIB Invest PRSA is that you will have a number of options when you retire, including taking part of your pension fund as a retirement lump sum. You don't need to decide now what you're going to do, you can make your decisions closer to retirement when you have a better idea of how you'd like to spend the money you've built up.



RETIREMENT LUMP SUM

You can take part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax-free.

The amount you can take as a retirement lump sum will depend on whether or not you are a member of an occupational pension scheme.

- If you are self-employed, or an employee but not a member of an occupational pension scheme, you can take 25% of the fund as a retirement lump sum.
- If you are a member of an occupational pension scheme and have contributed AVCs, your PRSA will be a PRSA AVC and the retirement lump sum from your PRSA AVC will depend on how you take your retirement lump sum from your occupational pension scheme.

If you take 25% of your occupational pension scheme as a retirement lump sum, you can also take 25% from your PRSA AVC as a retirement lump sum.

Your other option is to take a maximum retirement lump sum between your occupational pension scheme and PRSA AVC of up to 150% of your final salary. However, this depends on the length of time you have actually been employed. If this is less than 20 years or you leave employment before your normal retirement date, the retirement lump sum will be reduced.

LET'S TAKE AN EXAMPLE

If your employer's scheme provides you with 100% of your final salary as a retirement lump sum, you can use your PRSA AVC to provide the other 50%, as long as you have the number of years of service to allow this.

The maximum tax free retirement lump sum you can receive is €200,000. Retirement lump sums between €200,000 and €500,000 will be taxed at the standard rate income tax (currently 20%). Any retirement lump sum greater than €500,000 will be taxed at your marginal income tax rate. As required, we will deduct the Universal Social Charge, PRSI (if this applies) and any other taxes due at that time will also be deducted. Both

the €200,000 and €500,000 limits include all retirement lump sums you have received since 7 December 2005.

After you've taken your retirement lump sum, you have three options:

- A. You can buy a pension for life (otherwise known as an annuity);
- B. You can invest the rest of your fund; or
- C. You can take a taxable cash sum.

We discuss these options as follows:

A Buying a pension for life

You can use the rest of the fund (if any) to buy a pension (in other words, a regular income which will be paid for the rest of your life, otherwise known as an annuity).

This means that you pay your pension fund over to us (or another insurance company if you'd prefer) and we'll guarantee to pay you a regular amount every month while you're still alive.

The amount you will receive every month will depend on the rate you bought your annuity at. Annuity rates may change which means your income for the rest of your life will depend on annuity rates available to you at the time of buying the annuity. Your AIB Financial Advisor will be able to give you an idea of what an annuity income would look like.

You can also choose other options, for example having the income increase each year, or having part of it paid to your husband, wife, civil partner or dependant after you've died. You don't have to make any of these decisions until you actually retire.

You may qualify for an enhanced annuity based on information on your lifestyle and medical history (and that of your dependant if this applies). Enhanced annuities offer a higher income than standard annuities - this is because they work on the basis that, if you have a medical condition then you'll have a shorter life expectancy than somebody in a better state of health.

When you retire, if you do decide to buy an annuity, the pension is treated as normal income so you will have to pay income tax and any

other taxes due at that time. Also, because it is a pension for you, you cannot cash it in, change it to a lump sum, or transfer it to someone else in the future.

If you are a member of an occupational pension scheme and you have paid AVCs into a PRSA, there may be limits on the maximum pension allowed. For more information talk to your AIB Financial Advisor.

B You can invest the rest of your fund

After taking your retirement lump sum, you can continue to invest the rest of your pension in a fund that you can manage and control during your lifetime, and then leave to your family when you die. Depending on your circumstances, you will have two options for investing your pension fund:

Option 1

Leave your funds in your AIB Invest PRSA

If you leave the remaining fund in your AIB Invest PRSA, your plan is called a Vested PRSA. Depending on your circumstances at the time you take your retirement lump sum, you may have to keep up to €63,500 in your Vested PRSA - this is called your restricted fund. You will not be able to take withdrawals on the fund below the amount of the restricted fund. You will not have to keep a restricted fund if you meet one of the following conditions.

- You receive a guaranteed pension income of €12,700 a year; or
- You have invested €63,500 in an Approved Minimum Retirement Fund (AMRF) (see option 2 for more information); or
- You have €63,500 in a separate Vested PRSA along with any amount you have invested in an AMRF; or
- You have used at least €63,500 to buy a guaranteed pension income for life.

Anything over your restricted fund will be treated in a similar way to an Approved Retirement Fund (ARF) until age 75.

Vested PRSAs after age 75

When you turn 75, you will not be able to make

further withdrawals from your Vested PRSA. As required, we will deduct income tax and Universal Social Charge from your vested PRSA as if you had made a minimum withdrawal. However, we will not be allowed to make any payments to you. See the minimum withdrawal amount section for more information. If you want to continue to access your pension fund after age 75 you should speak to your AIB Financial Advisor about your options before your 75th birthday.

Minimum withdrawal amount

From the year you turn 61 (or 60 if your birthday is 1 January) we are required to take tax from your Vested PRSA or ARF (or both) as if you had taken a minimum withdrawal. Each December, we will review any regular withdrawals you have taken during the year. If you haven't taken any regular withdrawals, or if the withdrawals you have taken are lower than the minimum withdrawal amount, we will pay you the permitted minimum withdrawal amount allowed less any income tax, PRSI (if this applies), the USC and any taxes or government levies due at that time.

The current minimum withdrawal amount is 4% of the value of your funds at the end of each year from the year you turn 61 (or 60, if your birthday is 1 January). This increases to 5% of the value of your funds at the end of each year from the year you turn 71 (or 70 if your birthday is 1 January). You will have to appoint a nominee qualified fund manager (QFM) if the total value of your ARFs and Vested PRSAs (less the restricted fund if you have one) is more than €2,000,000. The nominee QFM is responsible for making sure a withdrawal of 6% is taken from the total value of your Vested PRSAs (above the restricted amount) and ARFs. We will pay you a minimum withdrawal of 4% or 5% as outlined above. **It is your responsibility to tell us if you have other ARFs and vested PRSAs with a total value of more than €2,000,000.**

The restricted fund in a Vested PRSA is not covered by this rule until you turn age 75. However, if at any stage in the future you become entitled to a guaranteed pension income which brings your total guaranteed pension income up to €12,700 a year, or if you invest more funds in a separate AMRF (see page 30 for more information on AMRFs), the requirement to

keep a restricted fund will no longer apply. The minimum withdrawal requirement will then apply to the full value of your Vested PRSA.

Warning: The income you get from this investment may go down as well as up.

It is your responsibility to let us know if your income circumstances change.

From age 75 you will no longer be permitted to take withdrawals from your vested PRSA. We are required to continue deducting tax as if you had taken a minimum withdrawal, however no further payments can be made to you.

Option 2

Invest in an Approved Retirement Fund (ARF)

Instead of leaving your fund invested in your PRSA, you can invest the rest of it in an ARF or AMRF of your choice. Then you can make withdrawals from your ARF when you need them. However, you will have to pay tax on any withdrawals you make. You can use your fund at any time to buy an annuity. From the year you turn 61 (or 60 if your birthday is 1 January), you will have to take a minimum regular income from your ARF. See the minimum withdrawal amount section on the previous page for more information.

Approved Minimum Retirement Fund (AMRF)

If you do not have a guaranteed pension income for life of at least €12,700 a year when you retire, you must invest €63,500 in an AMRF (or the rest of your fund if it is less than this amount) or buy a pension with the same amount. The main difference between an AMRF and an ARF is that you do not have to make a minimum withdrawal from an AMRF each year. You may make one withdrawal each year from an AMRF of up to a maximum of 4% of the value of your funds at that time. You will have to pay tax on any withdrawal made and you may have to pay an early withdrawal penalty.

This 4% restriction applies until one of the following happens (whichever is first):

- You start receiving a guaranteed pension income for life from other sources (currently €12,700 a year).
- You reach age 75.

It is your responsibility to let us know if your income changes.

Whether you decide to take money from the fund within the Vested PRSA or transfer to an ARF or AMRF, it is important to remember that the value of your fund may be reduced over time if the level of income is high and the investment return is not high enough to maintain this.

Making regular withdrawals may reduce the value of your fund, especially if investment returns are poor or you choose a high rate of withdrawal (or both). It is possible that your fund could run out before you die. The higher the level of regular withdrawal you make, the higher the chances are that you will use up your fund in your lifetime. What is most important is that you make sure you have a reasonable fund when you retire so you can make these choices. If you do not have a guaranteed pension income that will maintain your current standard of living during retirement, we recommend that you think about buying a pension before choosing to draw an income from your Vested PRSA or invest in an ARF.

All of these options and limits are based on current Irish laws and regulations, which could change in the future.

C Taking your pension fund as a taxable cash sum

Before you can take this option, you need to have a guaranteed pension income for life of €12,700 a year or leave €63,500 in your AIB Invest PRSA as a Vested PRSA or an AMRF. You will have to pay income tax at your highest rate on the cash lump sum along with any other taxes and government levies due at that time.

The limits above may change in the future.

When you are taking your retirement benefits, you will need to give us all relevant information about your existing pension arrangements and income. We will let you know the restricted fund amount that applies to you when you are taking your retirement benefits.

YOUR QUESTIONS ANSWERED

AM I ELIGIBLE TO TAKE OUT THIS PLAN?

You can take out this plan if:

- you are a resident (you live permanently) in Ireland and you are between the ages of 18 and 75; and
- you are self-employed or in a job which is non-pensionable; or
- you are in employment and you are a member of an occupational pension scheme and want to pay AVCs into a PRSA to boost your retirement benefits (see the note below); or
- you are unemployed.



Note: If you plan to pay AVCs into your AIB Invest PRSA, we recommend you also read our guide called 'AVCs and your PRSA - A guide for members of Occupational Pension Schemes'. Certain restrictions apply and we outline these in the guide. You cannot pay AVCs into your AIB Invest PRSA if you are a member of a defined benefit occupational pension scheme.



WHAT PAYMENT OPTIONS DO I HAVE?

You can choose between making regular contributions, adding a one-off lump sum at any stage or paying contributions separately. Most people tend to pay regularly. You can pay:

- regular contributions by direct debit (every month, every three months, every six months or every year);
- one-off contributions by cheque; and

- if you are an employee, by having your contributions taken from your salary. If you are not in an occupational scheme at work, any employer contributions will be added to your personal contributions.

Please note: If you start your PRSA by paying one-off contributions, you will not be able to pay regular contributions into that PRSA.

If you are a member of an occupational pension scheme at work, it is not possible for your employer to contribute to your PRSA as contributions can only be paid by you as AVCs.

CAN MY EMPLOYER TAKE CONTRIBUTIONS FROM MY SALARY?

Yes. Your employer can take contributions from your salary whenever you are paid. This could be every week, two weeks or month. We will then take this contribution from your employer's bank account. Your plan will be a monthly plan and we will collect contributions from your employer every month.

For example, if you are paid weekly and decide to make a regular contribution of €60, we multiply €60 by 52 (weeks in a year) and divide it by 12 (months in a year). We will then set up your plan for €260 every month. We will collect this from your employer's bank account every month by direct debit. So, at certain times, the amounts taken from your payroll may be held in your employer's bank account for a short period before they are sent to us and invested in your plan. We invest contributions on the day we receive them.

WHAT IS THE MINIMUM AMOUNT I CAN CONTRIBUTE?

The minimum amount you can contribute by direct debit is €300 a year.

WHAT IS THE MAXIMUM AMOUNT I CAN CONTRIBUTE?

You can contribute regularly into your plan up to the following limits:

- €5,000 if you pay it each month;
- €7,500 if you pay it every three months;
- €15,000 if you pay every six months; or
- €30,000 if you pay it each year.

You can pay more than these amounts and they will be treated as one-off contributions each year. One-off contribution charges are shown on page 8. Please read pages 4 to 6 to find out the income tax relief limits.

CAN I CHANGE THE AMOUNT I PAY, OR EVEN STOP PAYING FOR A WHILE?

If you want to, you can increase your contributions, reduce your contributions or take a break from making contributions at any time. Reducing and increasing your contribution could change the contribution charge relating to your regular contribution.

However, the estimated value of your pension fund, which will be in the 'statement of reasonable projection' of your Welcome Pack, is based on the contribution level that you agreed to pay when you started the plan.

So remember that reducing (or stopping) your contributions will reduce the value of your pension when you retire. If you are going to miss any contributions, you should contact your AIB Financial Advisor or our AIB service team.

CAN I TRANSFER MY EXISTING PENSION FUNDS INTO AIB INVEST PRSA?

You can transfer any existing pension funds from approved retirement annuity contracts, PRSAs and occupational pension schemes into your PRSA. You can also transfer funds from pension arrangements overseas. We will not add a contribution charge to that transfer contribution. You should think carefully about transferring funds from one plan to another. Some restrictions apply to transfers from occupational pension schemes and arrangements from overseas.

DO MY CONTRIBUTIONS INCREASE WITH INFLATION?

When you take out your plan, you can choose to have your contributions increase with inflation. If, like most people, you choose this option, your contribution will increase each year in line with the Consumer Price Index (a measurement of inflation), or by 5% if this is higher. If your employer takes your contributions from your salary, this option is not available.

HOW DO I GET INCOME TAX RELIEF ON MY AIB INVEST PRSA CONTRIBUTIONS?

If we take your personal contributions from your bank account, you can apply to your inspector of taxes to have your tax credits adjusted to reflect your pension contributions. If your contributions are paid from your salary, you will receive immediate income tax relief. Any employer contributions will receive corporation tax relief in the year the contribution was made. If you are self-employed, you must include your pension contribution in your self-assessment tax returns to get income tax relief.

Income tax relief is not available on earnings (i.e. from employment) of more than €115,000 including contributions to other approved pension arrangements.

For certain occupations you may get tax relief of 30% of your earnings, no matter how old you are. In general, these tend to be professional sportspeople who earn their income from that occupation.

CAN I CANCEL MY PLAN?

If, after taking out this plan, you feel that it is not suitable, you may cancel it by writing to us at:

AIB Service Team
Irish Life Centre
Lower Abbey Street
Dublin 1

If you do this within 30 days of the date you receive your statement of reasonable projection, we will cancel the plan. We will refund any regular contributions you have made. We will return any one-off contribution or transfers received after taking off any fall in value due to market conditions and in line with Revenue rules. After the 30 days are over, you do not have the option to cancel your plan and get a refund if the plan is not suitable. You can stop contributing to your plan at any time, but you will not usually be able to take the benefits from your plan before you reach age 60.

WHAT IS THE MINIMUM TERM?

There is no minimum term on this AIB Invest PRSA plan.

CAN I STOP PAYING INTO MY PLAN?

If you decide to stop making contributions, your pension fund stays invested and continues to grow tax-free. Obviously, the value of your fund when you retire will be lower than if you had continued paying. Before stopping contributions, you should be sure that you have made other arrangements for your retirement. You should contact your AIB Financial Advisor for more details.

IS THERE ANY LIMIT ON THE SIZE OF MY PENSION FUND OR MY TAX-FREE CASH?

For tax purposes, the maximum pension fund you can have is €2,000,000 from all sources but this may change in the future. This is called the standard fund threshold (SFT). If you have pension funds over this amount, you will be taxed at the higher rate for income tax. This tax is taken from the pension fund before your retirement benefits are due to be paid. You should contact your AIB Financial Advisor for more details.

You will have to pay standard rate income tax on any retirement lump sum between €200,000 and €500,000. Any amounts over €500,000 will be taxed at your marginal income tax rate, the USC, PRSI (if this applies) and any taxes or government levies will be taken.

WHAT IS A PERSONAL FUND THRESHOLD?

If you have a personal fund threshold certificate issued from the Revenue, your maximum pension fund at retirement may be more than €2,000,000. You should contact your AIB Financial Advisor for more details.

DO I HAVE TO PAY TAX ON MY PENSION?

We must pay benefits under this plan in line

with current Irish tax law. We will collect any government taxes or government levies and pass them directly to the Revenue Commissioners as required. Under current Irish tax law, when you retire you can take some of the fund as a retirement lump sum tax free. We explain how much of a retirement lump sum you may be able to take tax-free in Section 4. You will have a number of options as to how you can use the rest of your pension fund. The tax you pay will vary depending on which one you choose.

If you choose to buy a pension for life, your income will be taxed as income in the normal way.

If you invest in an ARF or AMRF or continue to invest in your PRSA as a Vested PRSA, you will have to pay tax on any withdrawals that you make.

WHEN IS THE EARLIEST I CAN TAKE MY PENSION AND DO I HAVE TO RETIRE?

If you are self-employed, you can take your benefits from age 60. You do not have to retire to take your pension benefits. Some occupations, such as a pilot, fisherman, jockey, professional rugby player and so on, allow you to take benefits earlier.

If you are an employee and you are not a member of an occupational pension scheme, you can take your benefits at any time after your 50th birthday. If you do this between age 50 and 60, you must retire from your job. If you take benefits from age 60, you do not have to retire and you can continue to work while enjoying the benefits from your PRSA.

If you are a member of an occupational pension scheme at work and have paid AVCs into a PRSA, your retirement age must be the same as the retirement age under your pension scheme at work. We will pay benefits in line with your main scheme. You will need the permission of the trustees of your work scheme to take your benefits. This may mean that you will need to retire so you can take benefits before the scheme's normal retirement age.

If a transfer is paid into this plan and was granted to you under a pension adjustment

order, then the earliest retirement date will not be based on your date of birth, but will be based on your former husband's, wife's, registered civil partner, qualified cohabitant's (see the glossary) date of birth and their employment status at the time of transfer.

If you are sick, it is possible to take benefits earlier than shown above. See further on for more details.

WHEN IS THE LATEST I CAN TAKE MY PENSION?

You must take your pension before your 75th birthday. If you do not then your PRSA will automatically become a Vested PRSA. If that happens you will have no access to the pension. No retirement lump sum will be available, no withdrawals are allowed from the plan and you will not be able to transfer to an ARF or use the fund to buy a pension income for life.

If you have not taken your pension before age 75 you will have 30 days from your 75th birthday to complete a Benefit Crystallisation Event (BCE) Certificate or else income tax at the higher rate (currently 40%) will be deducted from your pension fund and paid to the Revenue Commissioners.

If your PRSA becomes a Vested PRSA at 75 you will have no access to your pension benefits.

We will be required to deduct income tax and Universal Social Charge from your vested PRSA as if a minimum withdrawal had been taken.

WHAT HAPPENS IF I STOP WORKING?

If you stop working but do not plan to begin taking benefits, you can either:

- stop contributing to the plan (perhaps until you start working again); or
- continue to contribute to the plan. If you continue to contribute, income tax relief on the contributions may have to be carried forward to when you have earnings in the future.

WHAT HAPPENS IF I HAVE TO RETIRE EARLY BECAUSE OF ILL HEALTH?

If you have to retire early because of ill health you can take your pension benefits immediately. However, your pension may be low because your contributions are stopping at an earlier age and the pension will have to last longer as you will be retiring earlier. If you retire early because of ill health, you must give us medical evidence to support this.

The definition of ill health in Section 787k of the Taxes Consolidation Act 1997 is you are "permanently incapable through infirmity of mind or body of carrying out his or her own occupation or any occupation of a similar nature for which he or she is trained or fitted".

WHAT HAPPENS IF I LEAVE EMPLOYMENT?

If you are self-employed and paying into an AIB Invest PRSA and then move into a job which has a pension scheme, your contributions into your AIB Invest PRSA should either stop or become AVCs linked to your main scheme. The way you make your contributions could change (in other words, from direct debit to your employer taking them from the payroll) and you should contact your AIB Financial Advisor or Irish Life.

If you are employed in a job which does not have a pension scheme and then you become self-employed, you can continue your contributions as normal. If you move into a job which has a pension scheme, your contributions into your AIB Invest PRSA should either stop or become AVCs linked to your main scheme. The way you make your contributions could change (for example, from direct debit to your employer taking them from the payroll) and you should contact your AIB Financial Advisor or Irish Life.

If you are a member of an occupational pension scheme and are paying AVCs into PRSAs but leave that job, your contributions can continue but they will become 'ordinary' contributions unless you join another job with a pension scheme. This may mean changing how your contributions are made from a payroll deduction to direct debit from your personal account.

If you move from a job which has an occupational pension scheme to another job with an occupational pension scheme, the payroll system may change from your old employer to a new employer. We can only do this if you let us know immediately.

It is important that we keep a record of your employment history so we can pay out the correct benefit to you when you retire. Changing your job does not mean that you have to stop paying into your AIB Invest PRSA. It just means that you may have to change the way you pay your contributions and you should let us know as soon as possible if you change your job. There may be restrictions on paying AVCs into some occupational pension schemes. These are outlined in the Irish Life Guide on AVCs.

WHAT HAPPENS IF I DIE BEFORE STARTING TO TAKE MY BENEFITS?

We will pay the value of your AIB Invest PRSA to your estate. Your dependants may have to pay inheritance tax depending on who inherits the fund. Irish tax law changes over time and you should get independent tax advice on this.

WHAT HAPPENS IF I DIE AFTER STARTING TO TAKE MY BENEFITS OR AFTER AGE 75?

At age 75 your PRSA will automatically become a vested PRSA. If you die after age 75, we will pay the value of your vested PRSA to your estate.

If you have taken your retirement lump sum, and decide to continue investing through your AIB Invest PRSA, your plan will become a Vested PRSA. Your AIB Invest PRSA will also become a Vested PRSA at age 75 whether you have taken your retirement lump sum or not.

We will pay the value of your Vested PRSA to your estate when you die. Your dependants may have to pay tax depending on who inherits the funds.

If you leave the funds to your husband, wife or registered civil partner, they can transfer the funds to an ARF in their own name. In all other

cases, we pass the funds to your estate. If your estate has to pay income tax, we must take this off before paying the proceeds to your estate.

Generally the amount that is left is treated as income for the year of your death. There are a number of exceptions to this rule.

Income tax is not due if:

- the funds are transferred to an ARF in your husband's, wife's or registered civil partner's name. (However, PAYE is due on any future withdrawals); or
- the funds are transferred for the benefit of your children who are under 21 on the day you die.

Income tax will be due at a rate of 30% if the value of your Vested PRSA is transferred for the benefit of any of your children who are over 21 on the day you die.

As well as income tax, if your Vested PRSA is not paid to your husband, wife or registered civil partner, or to any of your children over 21, there may also be capital acquisitions tax (CAT) due on your plan. The beneficiaries are responsible for paying this tax. Irish tax law changes over time and you should get independent tax advice on this.

CAN I TAKE MONEY OUT OF MY AIB INVEST PRSA?

In most cases you will only be able to access your PRSA between ages 60 and 75, or due to early retirement. Please see page 34 for more information.

If you are a member of an occupational pension scheme at work and are paying AVCs into your PRSA, you have to take benefits at the same time.

It may be possible to cash in the value of your plan if it is €650 or less and you have not paid contributions into your PRSA in the two years before you ask to cash it in.

If the value of your fund is €650 or less and you do not pay any more contributions into it for two years, we have the right to ask that you transfer

your fund to another approved pension scheme or start to pay contributions again. We will write and tell you about this. If we don't hear back from you within three months of this request, we could decide to automatically refund the value to you.

CAN I MOVE MY MONEY TO ANOTHER PROVIDER?

You can transfer your plan to another approved PRSA provider at any stage. You can also transfer your assets to an approved occupational pension scheme if you are a member of that scheme and the trustees are willing to allow this. You may also be able to make a transfer to an approved pension arrangement outside the state. Some restrictions apply to transfers to pension arrangements overseas.

We do not charge you for transferring out of the PRSA unless you are in a fund which restricts you from leaving before an agreed date. We may also set a delay period before a transfer can take place. You will have to pay income tax, Universal Social Charge and PRSI (if it applies) on transfers to an overseas pension schemes. You should check with your AIB Financial Advisor if this applies to your chosen fund. Please also see the relevant fund description in this booklet and your terms and conditions document. These give you an idea of whether these restrictions could apply.

FAMILY LAW AND PENSIONS

If you are involved in a judicial separation or divorce or dissolution of a civil partnership or ending of a relationship with a qualified cohabitant, a pension adjustment order may be granted by the court. There is no option to set up an independent benefit within this plan. A pension adjustment order issued by the court will override the terms and conditions of this plan. This will direct us to pay all or part of the benefits under this plan when you retire or die, to any person named in the pension adjustment order.

You can get more information on how a pension adjustment order works from your solicitor or the Pensions Authority at the address below:

The Pensions Authority
Verschoyle House
28/30 Lower Mount Street
Dublin 2

Phone: 1890 65 65 65

Email: info@pensionsauthority.ie

Web: www.pensionsauthority.ie

WHO SHOULD I TALK TO IF I HAVE A COMPLAINT?



If you believe that you have suffered a financial loss as a result of your AIB Invest PRSA being poorly managed or if there is a dispute, you should contact our AIB Service Team. As a PRSA provider, we must set up an internal disputes resolution procedure. You can ask us for a copy of this at any time. After writing to us with your complaint, we will make a decision on it and let you know. If you are unhappy with this decision, under Part XI of the Pensions Act, 1990 as amended, you can take your complaint to the Financial Services and Pensions Ombudsman at the following address:

Financial Services and Pensions Ombudsman,

Lincoln House, Lincoln Place
Dublin 2, D02 VH29

Phone: 01 567 7000

Email: info@fsp.oie

Website: www.fsp.oie

The Financial Services and Pensions Ombudsman will investigate the matter for you. Both you and we can appeal against their decision to the High Court. For more information on your rights, please contact the Ombudsman's office.

If you have any other type of complaint, please contact our AIB service team at Irish Life. We will review your complaint and let you know the outcome. If you are not satisfied with this, we will let you know where you can go to take your complaint further.

The Financial Services and Pensions Ombudsman does not investigate every customer complaint. Sometimes complaints are dealt with by other industry regulators, such as the Pensions Authority or the Financial Regulator. Our AIB service team at Irish Life can let you know which regulator is most suitable for your complaint. However, the decision as to which office will deal with your complaint lies only with that office.

WHO IS MY AIB INVEST PRSA CONTRACT PROVIDED BY?

Your contract is in the form of a plan and is provided by Irish Life Assurance plc. It sets out the details of your contract with us. This booklet is only meant to be a guide to help you understand your PRSA and does not give all the details of your plan. These details will be in your plan schedule. We will include more specific details and rules in your terms and conditions booklet, which you should also read carefully.

Your application form and plan will be your legal contract with us. The contract will be governed by Irish law. The Irish courts are the only courts that are entitled to hear disagreements. The information in this booklet is based on our understanding of current Irish law, tax and Revenue practice. Irish Life's PRSAs are approved by the Pensions Authority and the Revenue Commissioners. The approval number of your standard PRSA is APP/K/126/S.

EUROPEAN COMMUNITIES (DISTANCE MARKETING OF CONSUMER FINANCIAL SERVICES) REGULATIONS 2004

If a financial service or product is provided on a 'distance basis' (in other words, with no face-to-face contact), we have to give you certain information. We have included this information under various headings in this booklet and the terms and conditions. All information (including the terms and conditions of your plan) will be in English.

GLOSSARY

In this section we explain the terms that are often used when talking about PRSAs. You may be familiar with some of these terms already.

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

Extra contributions you can pay into your PRSA to add to the pension benefits already available from your company pension scheme.

ANNUITY OR PENSION FOR LIFE

When you retire you can use your retirement fund to buy an annuity. This is a guaranteed income from your pension fund after you retire. This income is paid on a regular basis for the rest of your life.

APPROVED RETIREMENT FUND (ARF)

When you retire you can invest your retirement fund into a personal investment account called an approved retirement fund. You can withdraw money from the account when you need it.

APPROVED MINIMUM RETIREMENT FUND (AMRF)

When you retire, if you do not have a guaranteed pension income for life of €12,700 a year, and you are not buying an annuity, you must leave €63,500 invested in your Vested PRSA as a restricted fund or invest this amount from your pension fund into a personal investment account called an AMRF.

These limits may change in the future.

BONDS

A bond is a type of loan given to a company or a government. Say for example a government wants to raise money, they can issue a bond. If you loan money to a government you get your money back after the set timeframe and you will also receive a fixed interest rate.

CHOSEN RETIREMENT DATE

The date you want to retire and take your pension benefits. Your chosen retirement age must be between age 60 and 75.

COMMODITIES

Raw materials or basic agricultural products that can be bought and sold in recognised markets. Examples of commodities include oil, gas, gold, wheat and cattle.

CONSUMER PRICE INDEX (CPI)

A measure that examines the change of prices of particular consumer goods and services bought by households, such as transport, food and medical care.

DIVERSIFICATION

A technique used in risk-management which mixes a variety of investments within a portfolio.

EQUITIES OR SHARES

Investing in equities means investing in companies on the stock market, and the investor becomes a shareholder.

For the purpose of the funds that invest in shares, as described in this booklet, we are the investor and so the shareholder. How those companies perform affects whether the price of units in the fund rises or falls.

GOVERNMENT BONDS

Bonds issued by governments. These governments regularly pay a fixed rate of interest for a set period of time, after which the initial investment is returned.

INDEX-LINKED FUND

A fund that is index-linked, means it tracks the performance of a particular stock- market index, rather than investing in specific assets that the manager believes will do better.

INFLATION

The rate at which the general level of prices for goods and services increases, and as a result, the buying power of money falls.

INVESTMENT-GRADE

When a bond is rated investment grade, the government that issued it (the bond issuer) is considered to be able to meet its obligations, exposing investors to a reduced level of risk. The grade a bond is rated as is based on a number of criteria, including the likelihood that the bond issuer will be able to pay interest and repay the amount you originally invested, in full and on time.

ONE-OFF CONTRIBUTIONS

These are also known as single contributions, as these contributions are not paid into your PRSA plan on a regular basis and can often be different amounts of money.

PERSONAL RETIREMENT SAVINGS ACCOUNT (PRSA)

Personal retirement savings accounts are a type of pension plan introduced in 2002. PRSAs are available to everybody up to the age of 75, whether they are employed, self-employed, work at home or on a temporary career break. They are convenient, flexible pension plans that you can take with you if you move jobs.

QUALIFIED COHABITANT

One of two adults who live together as a couple and are not related to each other. A qualified cohabitant must have been living with their partner for at least five years if there are no dependent children, and two years if there are dependent children.

REGULAR CONTRIBUTIONS

Contributions you pay into your PRSA on a regular basis (for example, every month or every three months). These regular contributions are usually a set amount of money for a set period of time.

RETURN

Return means the money or the profit you make on an investment. However, if markets do not perform well, your return could be less than the amount you invested. In other words, return means the profit or loss you make on your investment over a period of time.

SECURITIES LENDING

When an investment manager lends securities owned by its clients to a third party.

UNIT-LINKED FUND

A unit-linked fund combines your money with money from other investors and buys units in a fund. The number of units you get depends on how much you invest and the price of the units at the time you buy.

VESTED PRSA

A Vested PRSA is

- a PRSA where the PRSA customer has taken their retirement lump sum and left the rest of their fund invested in the PRSA; or
- a PRSA where benefits have been paid from the main scheme (in the case of a PRSA where Additional Voluntary Contributions (AVCs) have been paid); or
- a PRSA where the customer has reached age 75.

VOLATILITY

The potential ups and downs that a fund may experience. The more volatile a fund is, the more likely it is to experience ups and downs that could have a significant effect on the value of your retirement fund.

Visit **www.aib.ie**
or Drop in to any branch.

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