



Scottish Mutual International Ltd
Styne House
Upper Hatch Street
Dublin 2
Ireland

Tel: 00353 1 804 4000
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June 2009

Dear Policyholder

Scottish Mutual International (SMI) With Profits Series 1 Customers.

Policy number <<policy number>>.

Your Annual Bonus Update

I am writing to keep you up to date with the performance of the SMI With Profits Series 1 Fund for the period 1 January 2008 to 31 December 2008 and what this means for you.

How we manage the With Profits Fund

We are dedicated to ensuring that all our With Profits policyholders are treated fairly. To do this we continue to manage our With Profits Fund as explained in our Principles and Practices of Financial Management (PPFM). You will find copies of the latest PPFMs in the 'PPFM' section of our website www.smi.ie

You do not have to contact us at this point, however it is important that you read the information in this communication as this could affect any decisions you might make about your policy now or in the future.

It is important that you review your investment arrangements on a regular basis. To do this, or if you are interested in making further savings or investments we recommend you speak to your Independent Intermediary.

Deciding on Annual and Final Bonus and Reducing Market Value Reductions (MVR)

We have declared a zero Annual Bonus for 2009. We continue to review the Final Bonus amounts on a regular basis and updates will be available on our website www.smi.ie. The Additional Information section gives you more information about how we manage the With Profits Fund.

A MVR may reduce the value of the units when you take them out of the Fund. It is designed to ensure that all policyholders are treated fairly.

Scottish Mutual International Ltd is regulated by the Irish Financial Regulator and is a Pearl group company. Registered Office: 25-28 North Wall Quay, Dublin 1, Ireland. Registered in Ireland no. 242244.

Address for correspondence: Scottish Mutual International Ltd, Styne House, Upper Hatch Street, Dublin 2, Ireland.
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Fund Performance

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From 1 January 2008 to 31 December 2008, the Fund delivered the following returns (before tax and charges): Sterling -8.8%; US Dollar -10.3% and Euro -15.2%.

The Fund returns are taken into account when determining Final Bonus. The Final Bonus rates were last reviewed and updated in January 2009 and will be reviewed again no later than June 2009.

Please remember that past performance is not an indication of future performance and the value of investments can go down as well as up.

Want To Know More?

We strongly recommend you read the enclosed documents:

Additional Information

If you still have any questions or want to discuss any other features of your policy, we recommend you talk to your Independent Intermediary or contact us (contact details below)

Have Your Contact Details Changed?

If any of your details have changed or are incorrect, please complete the relevant section of the enclosed 'Change of Details' form and return to us to enable us to update our records.

If you need to contact us

If you have any further queries, please call our customer helpline on +353 1 804 4000 between 9.00am and 4.00pm Monday to Friday or email us at info@smi.ie

Yours faithfully,

A handwritten signature in black ink, appearing to read "Niall Gallagher".

Niall Gallagher
Director

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