

1 December 2015

Dear NHS Member

IMPORTANT INFORMATION ABOUT YOUR UNIT-LINKED INVESTMENT

In October, we wrote to let you know that we were undertaking a review of our unit-linked business. We have now completed that review and wish to share with you our conclusions.

The Equitable Life is in run-off and so becomes smaller each day as policyholders retire. In consequence, the income we receive from the charges levied on our unit-linked funds is insufficient to cover the costs of actually running that business. We propose to address this in two ways:-

First, we will reduce the number of funds that we currently administer; and

Second, we will adjust the annual management charge to more fairly reflect the specific costs associated with running different types of fund. This will bring the charges more into line with other providers. The table attached shows the new charges that will come into effect on 1 April 2016.

We hope that the questions and answers overleaf provide helpful background. We shall write to you again to explain your options if you are affected by the fund reductions. We shall also keep our website www.equitable.co.uk up to date with what we are changing.

Yours sincerely



Sonia Sahnan
Head of Customer Service

Funds	Current fund charges	Fund charges from 01/04/2016	Funds you are currently invested in
Ethical	0.50%	1.00%	
European*	0.50%	0.75%	
Far Eastern*	0.50%	0.75%	
FTSE 100 Tracker*	0.50%	0.50%	
FTSE All-Share Tracker	0.50%	0.50%	
Fund of Investment Trusts	0.50%	0.75%	
Gilt & Fixed Interest*	0.50%	0.50%	
High Income	0.50%	1.00%	
Index-Linked Gilt*	0.50%	0.50%	
International Growth	0.50%	0.75%	
Japanese	0.50%	0.75%	
Managed*	0.50%	0.75%	
Money*	0.50%	0.50%	
North American*	0.50%	0.75%	
Pelican*	0.50%	0.75%	
Property	0.50%	1.00%	
Smaller Companies	0.50%	1.00%	
Special Situations	0.50%	1.00%	
Clerical Medical Non-Equity	0.50%	0.50%	
Clerical Medical Adventurous	0.50%	0.50%	
Clerical Medical Ethical	0.50%	0.50%	
Clerical Medical Balanced	0.50%	0.50%	
Clerical Medical Cautious	0.50%	0.50%	
Clerical Medical With-profits	0.50%	0.50%	
Clerical Medical UK Growth	0.50%	0.50%	
Deposit Account	0.00%	0.00%	

*includes Lifestyle

Questions and Answers

Q1: Why are you changing the Annual Management Charges?

A1: The charges for our unit-linked funds have not changed for 20 years and are not enough to cover the costs of running that business. We are changing the charges so they more fairly reflect the actual cost of running each fund.

Q2: When will you be closing the funds?

A2: We will be closing funds in phases during 2016. If you are invested in a fund which is closing, we will write to you 60 days in advance to let you know what your options are. You may receive more than one letter from us, depending on the number of funds you are invested in.

Q3: What are my options if my fund is closing?

A3: Your options will be to:

- Switch your investments into other Equitable unit-linked funds of your choosing; or
- Move your investments to another provider
- If you choose neither of the above options, we will automatically switch you to a fund which we consider most similar to your existing fund.

We will write to you 60 days prior to the closure of the funds to ask for your specific instructions.

Q4: What happens next?

A4: You may wish to speak to an Independent Financial Adviser to discuss which fund best meets your needs. A Financial Adviser will inform you of the fee that they charge for this service. The website www.unbiased.co.uk has details of advisers in your area.