

16 December 2015

Dear NHS Member

IMPORTANT INFORMATION ABOUT YOUR UNIT-LINKED INVESTMENTS

On 1 December, we wrote to you in regard to our plans to reduce the number of unit-linked funds that we currently manage.

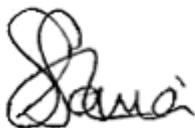
The Society is in run off and so our unit-linked funds become smaller and smaller as policyholders retire. In consequence, the cost of administering the funds becomes disproportionately large and we propose to mitigate this by combining funds. The Clerical Medical funds and the Deposit Account fund to which your policy is linked are examples of those that we need to address and we are writing to explain specifically our plans.

Our current thinking is to withdraw the Clerical Medical funds and close the Deposit Account fund in the second half of next year, and we will write to you 60 days in advance of this to explain your options. In the meantime, we will no longer be able to accept new contributions or switches into Clerical Medical funds or the Deposit Account fund from 1 April 2016.

You can choose to pay future contributions into any other Equitable Life unit-linked funds and the details of such funds can be found under the 'Policyholders' section of our website www.equitable.co.uk. If you do not provide specific instructions in this respect, we will automatically direct contributions from 1 April 2016 as set out overleaf.

If you would like to discuss this matter, do not hesitate to call us on 0330 159 1531.

Yours sincerely



Sonia Sahnan
Head of Customer Service

Questions and Answers - Clerical Medical Funds

Q1: Where will any future contributions be allocated?

A1: There are two options:

1. You can pay your future contributions into any other Equitable Life unit-linked fund currently available under the scheme.
2. We will automatically direct your future contributions from 1 April 2016 as follows:

Current Clerical Medical Fund	Charge	Contributions will be directed to:	Charge from 01/04/2016
Adventurous Fund	0.50%	Managed Fund	0.75%
Balanced Fund	0.50%	Managed Fund	0.75%
Cautious Fund	0.50%	Managed Fund	0.75%
UK Growth Fund	0.50%	Pelican Fund	0.75%
Ethical Fund	0.50%	International Growth Fund	0.75%
Non-Equity Fund	0.50%	Gilt and Fixed Interest Fund	0.50%
With-Profits Fund	0.50%	Managed Fund	0.75%

Q2: Why have you chosen these alternative funds?

A2: The funds selected are the ones we believe are a close match to the Clerical Medical funds that we are withdrawing.

Q3: What will happen to my existing retirement savings that are in Clerical Medical funds?

A3: Your retirement savings will remain in the funds until they are withdrawn. We will write to you 60 days before the withdrawal of the funds to ask for your specific instructions. Do let us know if you wish to switch investments in the meantime.

Q4: Can I choose a different fund to switch into?

A4: Yes. Do let us know if there is a different fund where you would like future contributions invested or your existing funds switched.

Q5: How will I know when the changes have taken place?

A5: We will update our website www.equitable.co.uk shortly after 1 April 2016 to confirm the changes have been made.

Q6: Where can I find information on fund charges?

A6: In the 'Policyholders' section of our website www.equitable.co.uk.

Q7: How do the charges on Equitable Life funds compare with these Clerical Medical fund options?

A7: Currently the charges are the same but the Society is putting up charges on many of its funds with effect from 1 April 2016. Full details were provided in our recent letter and can be found on our website.

Q8: What happens next?

A8: 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.

Questions and Answers - Deposit Account Fund

Q1: Where will any future contributions be allocated?

A1: There are two options:

1. You can pay your future contributions into any other Equitable Life unit-linked fund currently available under the scheme.
2. We will automatically direct your future contributions from 1 April 2016 as follows:

Current Fund	Charge	Contributions will be directed to:	Charge from 01/04/2016
Deposit Account Fund	0.00%	Money Fund	0.50%

Q2: Why have you chosen the Equitable Life Money Pension fund?

A2: The Money fund is a fund we believe is a close match to the Deposit Account fund.

Q3: What will happen to my existing retirement savings that are in the Deposit Account fund?

A3: Your retirement savings will remain in the fund until it closes. We will write to you 60 days before the closure of this fund to ask for your specific instructions. Do let us know if you wish to switch investments in the meantime.

Q4: Can I choose a different fund to switch into?

A4: Yes. Do let us know if there is a different fund where you would like future contributions invested or your existing funds switched.

Q5: How will I know when the changes have taken place?

A5: We will update our website www.equitable.co.uk shortly after 1 April 2016 to confirm the changes have been made.

Q6: Where can I find information on fund charges?

A6: In the 'Policyholders' section of our website www.equitable.co.uk.

Q7: Why is the Annual Management Charge on the Money fund higher than the Deposit Account fund?

A7: The Society is putting up charges from 1 April 2016. Had we not taken the decision to close the Deposit Account fund, then we would have increased the charge to the same level as the Money fund.

Q8: What happens next?

A8: 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.