

6 November 2015

Dear Trustee

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 by reducing the number of funds that we currently administer and, in particular, we propose to close the Guaranteed Equity Fund to which some of your members' retirement savings are linked from 15 January 2016.

The Questions and Answers overleaf explain in more detail how the changes affect your members. A list of members investing in the Guaranteed Equity Fund is enclosed.

Members can find details of our funds in the 'Policyholders' section of our website www.equitable.co.uk. Your members may wish to speak to an Independent Financial Adviser, to review which fund best meets their needs. A financial adviser will inform them of the fee that they charge for this service. The website www.unbiased.co.uk has details of advisers in their area.

If you would like to know more, do call us on 0330 159 1531.

Yours sincerely



Sonia Sahnán
Head of Customer Service

Questions and answers

Q1: Why are you closing the Guaranteed Equity Fund?

A1: The Guaranteed Equity Fund is small in size and today has few investors. Consequently, the fund charges do not cover the cost to properly maintain the standards of supervision we think are essential.

Q2: When are the changes happening?

A2: Members will remain invested in the Guaranteed Equity Fund until each annual sub-fund date when it will be switched on guaranteed terms into the Money Fund. The table below details each sub-fund and the date it will be switched.

| Sub-fund investment | Switched to Money Fund on |
|----------------------|---------------------------|
| Gtd Equity (April) | 15 April 2016 |
| Gtd Equity (July) | 15 July 2016 |
| Gtd Equity (October) | 15 October 2016 |
| Gtd Equity (January) | 15 January 2017 |

Your members last benefit statement will indicate which of the sub-funds they are in.

Q3: What will happen to any contributions members are currently paying?

A3: From 15 January 2016, any contributions your members currently pay into the Guaranteed Equity Fund will instead be invested into the Money Fund. Any other contributions they pay are not affected.

Q4: Why have you chosen the Money Fund?

A4: The Guaranteed Equity Fund is a low risk fund which predominantly invests in fixed interest deposits. The Money Fund is also a low risk fund and can invest in all forms of interest-bearing money instruments where the capital is at low risk.

Q5: Can members choose a different fund to switch into?

A5: Yes. Do let us know if there is a different fund where your member would like future contributions invested or their existing funds switched.

Q6: Where can members find more information on the funds available?

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

Q7: How will members know when you have made the changes?

A7: You will receive our standard switch statement. This will confirm the number of units switched out and the price used.