

**Private and confidential**

2 January 2018

Our ref: CSC/Jan 2018 PHM

Dear Policyholder

**Policy Number: XXXXXX**

Happy New Year!

When we next write to you in the Spring, we very much hope to be able to give you some good news in regard to the future direction of your fund value.

The fund value under your policy currently amounts to £XX,XXX.XX of which £XX,XXX.XX is guaranteed.

As you can see, your current fund value is higher than the guaranteed value. Our aim is to make sure this remains the case.

Yours sincerely



Louise Parbat  
Senior Manager, Customer Service

**Where you have more than one policy with the Equitable,  
you will receive a separate letter for each one.**

**Helpful Questions and Answers overleaf**

## Questions and Answers

**Q: What is a fund value?**

**A:** This is the amount you will receive if you take your savings. This value may be subject to a financial reduction which is currently zero.

**Q: What is the guaranteed amount?**

**A:** With-profits policies have a guaranteed benefit which is the minimum amount payable on maturity, death or at a time specified in the policy. Your policy document sets down exactly when the guarantee applies. The guaranteed value increases by 3.5% per annum.

**Q: What are you planning to announce in the Spring?**

**A:** Your fund value currently includes a 35% enhancement. The next annual review of the enhancement will take place in Spring 2018. We are exploring how we can make that level of enhancement more certain and how we might go about increasing that amount.

**Q: How does the 35% enhancement work?**

**A:** For each with-profits policy, we look at its value as at 31 December 2014 and for every £1000, we add £350 to that value. At the point you leave the Society, we take the fund value, which includes the enhancement, compare it with the policy's guaranteed value, where applicable, and pay out the larger amount.

**Q: Is the 35% enhancement guaranteed?**

**A:** No. It can go up or down in the future depending on, among other things, regulatory requirements and the Society's capital needs from time to time.

**Q: How can I see what the 35% enhancement is worth to me?**

**A:** Your Annual Statement clearly shows the enhanced value.

**Q: When will I next receive a statement of value?**

**A:** In Spring 2018.