

LV= Flexible Guarantee Products

Investment Report 2025

This information does not constitute investment advice and we recommend that you speak to a suitably qualified financial adviser before making any investment decision based upon this, or any other information.

This report provides information on the performance of the LV= Flexible Guarantee Fund (all series) and LV= Flexible Guarantee Bond (all series) for the period 1 January 2025 to 31 December 2025.

Market Update

During 2025, global financial markets delivered broadly positive outcomes, supported by resilient economic growth, moderating inflation and a gradual shift towards more accommodative monetary policy across major developed economies. While market sentiment improved over the year, periods of volatility persisted due to geopolitical tensions, fiscal uncertainty and changing expectations for interest rate cuts.

In 2025, BlackRock, introduced commodities, specifically gold, into the asset allocation for all Smoothed Funds. Gold performed especially strongly, as investors looked for safer assets, rising in value 65% over the year.

Equities

Global equities ended 2025 with strong performance despite periods of volatility and shifting expectations around the pace of global monetary easing. For the year as a whole, global equities returned double-digit gains, supported by resilient corporate earnings, easing inflationary pressures, and expanding market breadth beyond the US.

UK equities had a very strong year with the FTSE 100 growing by 21.5% over 2025. Slowing inflation—falling to 3.2% in the 12 months to November—and the Bank of England's decision to begin rate cuts, lowering Bank Rate to 3.75%, provided a supportive backdrop for domestic companies. Continued expectations of further easing into 2026 helped improve sentiment and contributed to a strong end-of-year rally.

US equities were more volatile and finished December slightly down, reflecting concerns around elevated valuations, the scale of debt-funded AI investment, and geopolitical uncertainty linked to US-backed Russia-Ukraine peace negotiations. Nonetheless, the S&P 500 still achieved another year of double-digit returns, marking its third consecutive annual gain and underscoring the continued strength of US mega-cap earnings, AI-related capital expenditure, and corporate profitability.

European equities also delivered a robust year, generating broad-based gains over 2025 with the FTSE Europe ex UK index rising by 17% in 2025. The European Central Bank opted to keep interest rates unchanged late in the year, noting inflation's continued progress toward the 2% target. Upgraded forecasts for euro-area growth in 2025 and 2026 further supported equity performance, with cyclical and quality-growth sectors both contributing.

Japanese equities' 2025 performance reflected stronger fundamentals. Early-year optimism around the Bank of Japan's shift toward policy normalisation supported bank stocks, while concerns about yen appreciation and uneven global technology sentiment led to more cautious trading later in the year. Nonetheless, corporate earnings improvements and structural reforms continued to underpin Japanese market performance.

Emerging Markets were a standout performer in 2025, outperforming other major regions over the year. Stronger valuations relative to the US, improving global risk appetite, and renewed momentum in Asia's semiconductor supply chain all contributed to performance. Tech-exposed markets such as Taiwan and Korea saw particularly strong gains, as AI-related demand broadened beyond US mega-caps. Commodity-linked regions and Latin American markets also advanced, supported by expectations of Fed easing and improving terms of trade.

More attractive valuations outside the US helped drive stronger returns in both Emerging Markets and non-US Developed Markets. Combined with the US delivering another double-digit year, every major equity region ended 2025 with double-digit gains, marking a strong year for global equity investors.

Fixed Income

Bond markets produced positive, though more modest, returns over the year. As inflation pressures eased and interest-rate expectations stabilized, government bonds and investment-grade credit provided both income and capital support. Credit markets also performed well, reflecting improving confidence and relatively low default expectations.

We hold a cautiously optimistic outlook for the Fixed Income asset class. High-quality Fixed Income assets, such as government bonds, are regarded as lower-risk investments during periods of uncertainty, and their attractive yields enhance the appeal of this asset class. We prioritize the effective management of interest rate risk, credit risk, and inflation exposure.

Economic Outlook

Global economic growth may be falling to below-trend levels on expectations that interest rates remain higher for longer due to inflationary pressures arising from key policy decisions such as increased tariffs and government spending.

Responsible Investing

Responsible investment encompasses Environmental, Social and Governance (ESG) considerations. Our responsible investing approach ensures we work closely with our external asset managers to ensure ESG considerations are firmly embedded in the management of our investments. By doing so, we strive to deliver strong and stable member and customer value and achieve this in a way that protects and nurtures our planet for both current and future generations.

In accordance with the Taskforce on Climate-related Financial Disclosure (TCFD) regulations, we have published more in-depth reports on the climate performance of our Smoothed Managed Funds. **These can be viewed on our website:** [LV.com/lv-cares/product-reporting](https://lv.com/lv-cares/product-reporting).

Principles and Practices of Financial Management (PPFM)

Your Flexible Guarantee product is a with-profits investment. Every company that offers with-profits investments has to document the principles and practices (the beliefs and behaviours) they use to manage them in a technical document called 'Principles and Practices of Financial Management' so that investors can understand what to expect from the provider they invest with, or are considering investing with.

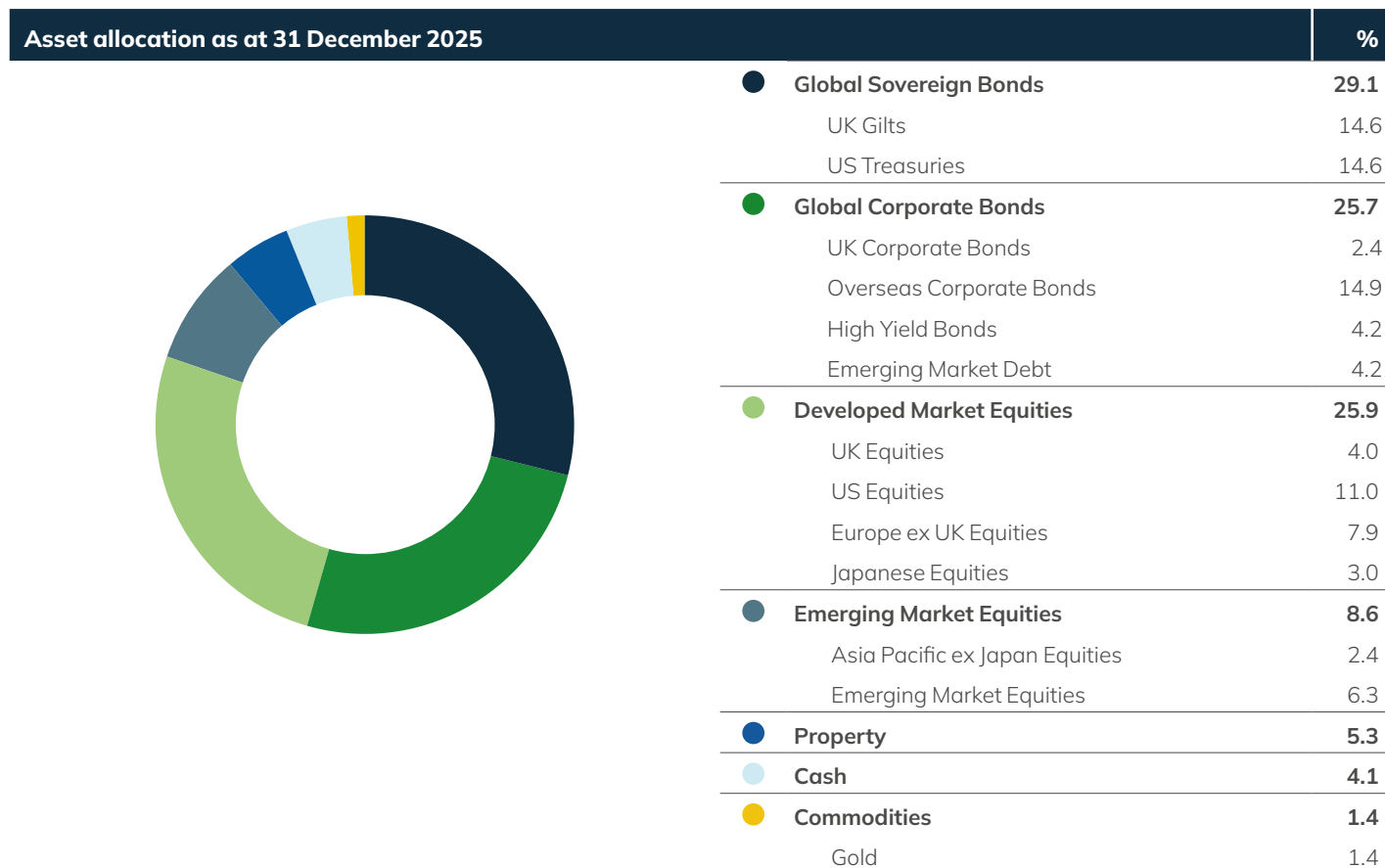
The current version of the PPFM that relates to your investment, together with a customer friendly version called 'Your guide to how we manage our with-profits business', is available on our website at [LV.com/wp-info](https://lv.com/wp-info), where you can also view the reports of our annual review on how we have managed our fund compared to our PPFM. Hard copies are available upon request.

Important

You need to be aware that in each fund option your investment can go down as well as up. The higher the amount invested in equities (also known as stocks and shares), the more frequently this will happen and the more significant the changes in value are likely to be.

Cautious Series 2

This fund is designed to provide long term steady growth together with a low level of investment risk.



Performance – Cautious Fund

LV= Flexible Guarantee Fund (all series) (Pension)

Launched 3 July 2014

Date	% Growth
31 December 2024 to 31 December 2025	8.36
31 December 2023 to 31 December 2024	10.81
31 December 2022 to 31 December 2023	1.50
31 December 2021 to 31 December 2022	-12.33
31 December 2020 to 31 December 2021	7.51

LV= Flexible Guarantee Bond (all series) and Flexi Guarantee Plan

Launched 18 August 2009

Date	% Growth
31 December 2024 to 31 December 2025	6.86
31 December 2023 to 31 December 2024	8.70
31 December 2022 to 31 December 2023	1.33
31 December 2021 to 31 December 2022	6.01
31 December 2020 to 31 December 2021	5.22

All growth quoted is based upon the Averaged price only and is gross of all charges. Charges are paid by the cancellation of units rather than reflected in the unit price. Please see your annual statement and product documentation for an explanation of Averaged and Underlying Prices. Separate unit prices are needed for different product types due to the differing tax treatment.

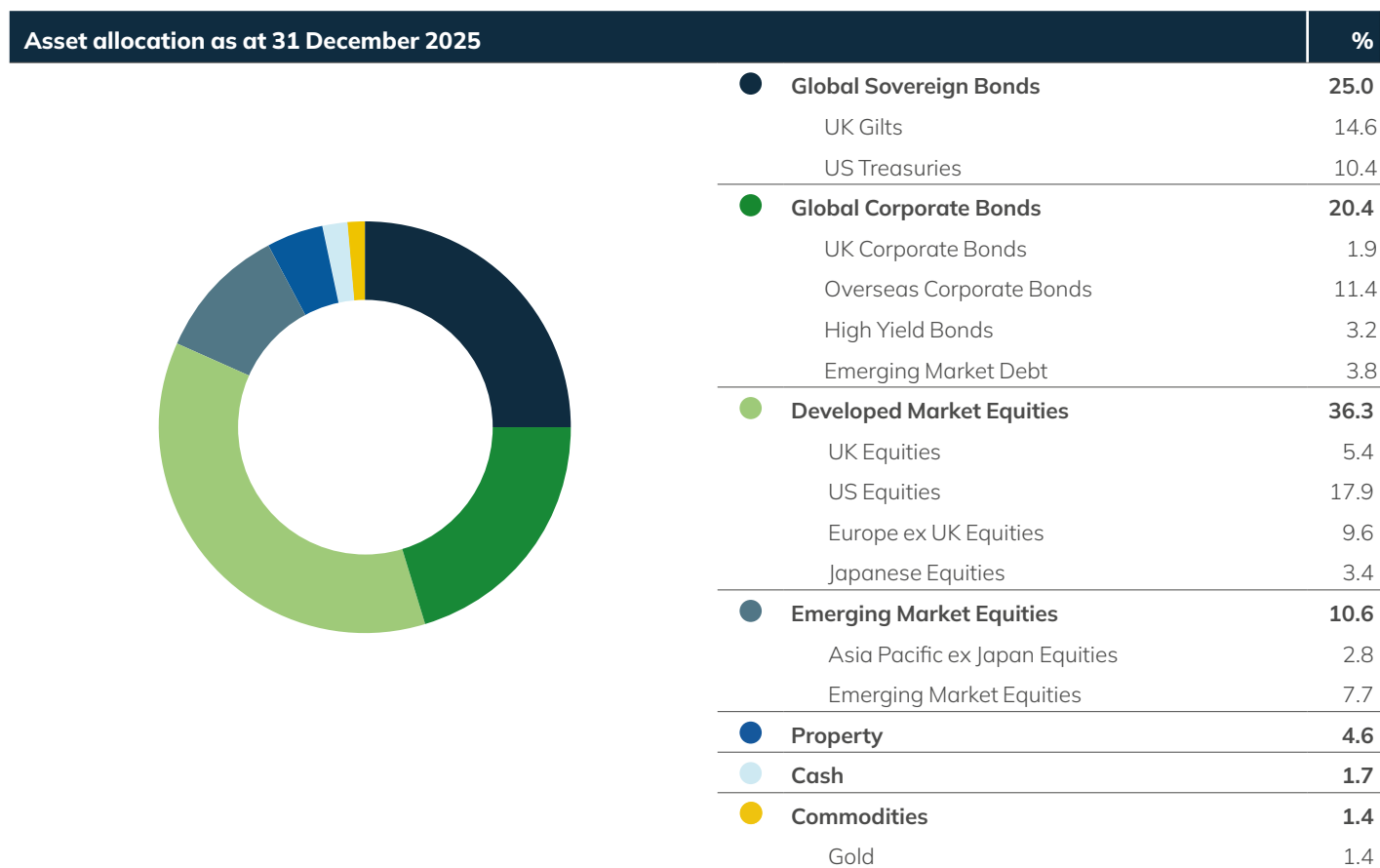
Source of performance data: FE Fundinfo.

Important

Past performance is not a reliable guide to future performance.

Balanced Series 2

This fund is designed to provide long term steady growth together with a low to medium level of investment risk.



Performance – Balanced Fund

LV= Flexible Guarantee Fund (all series) (Pension)

Launched 3 July 2014

Date	% Growth
31 December 2024 to 31 December 2025	9.68
31 December 2023 to 31 December 2024	12.49
31 December 2022 to 31 December 2023	2.96
31 December 2021 to 31 December 2022	-11.07
31 December 2020 to 31 December 2021	11.68

LV= Flexible Guarantee Bond (all series) and Flexi Guarantee Plan

Launched 18 August 2009

Date	% Growth
31 December 2024 to 31 December 2025	7.82
31 December 2023 to 31 December 2024	10.10
31 December 2022 to 31 December 2023	2.55
31 December 2021 to 31 December 2022	-8.71
31 December 2020 to 31 December 2021	9.43

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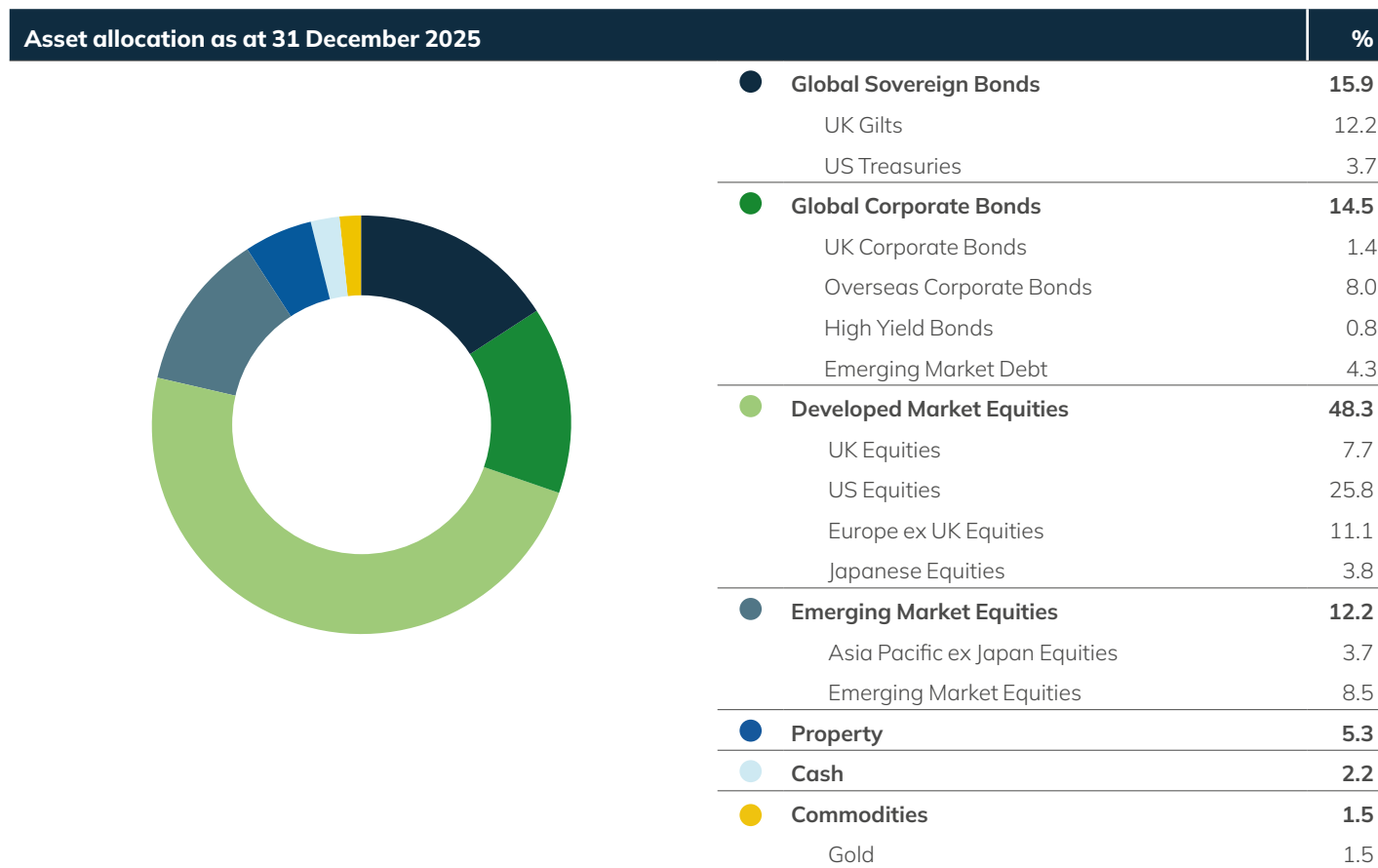
Source of performance data: FE Fundinfo.

Important

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Managed Growth Fund

This fund is designed to provide long term steady growth together with a medium level of investment risk.



Performance – Managed Growth Fund

LV= Flexible Guarantee Fund (all series) (Pension)

Launched 3 July 2014

Date	% Growth
31 December 2024 to 31 December 2025	11.14
31 December 2023 to 31 December 2024	13.40
31 December 2022 to 31 December 2023	3.09
31 December 2021 to 31 December 2022	-11.01
31 December 2020 to 31 December 2021	14.25

LV= Flexible Guarantee Bond (all series) and Flexi Guarantee Plan

Launched 18 August 2009

Date	% Growth
31 December 2024 to 31 December 2025	9.07
31 December 2023 to 31 December 2024	10.84
31 December 2022 to 31 December 2023	2.78
31 December 2021 to 31 December 2022	-8.66
31 December 2020 to 31 December 2021	11.43

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Source of performance data: FE Fundinfo.

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