

LV= Smoothed Managed Funds

Quick Facts

Our Smoothed Managed Fund range is accessible through four wrappers:

A **pension** – the **LV= Smoothed Pension**, available through the LV= Flexible Transitions Account

A **bond** – the **LV= Smoothed Bond**

An **ISA** – the **LV= ISA**

A **Trustee Investment Plan** available via other providers' SIPPs and SSASs - the **LV= TIP**

Common features across the funds

This document details information for the Smoothed Managed Funds and then each individual solution.

Our Smoothed Managed Funds provide access to a range of multi-asset risk rated funds, which are actively managed to our exacting mandate in partnership with BlackRock. The funds offer a unique averaging mechanism to help mitigate the impact of market volatility, as well as a capital guarantee option (read more on page two of this document, Optional Capital Guarantee).

Our fund manager, BlackRock, is one of the world's largest asset managers and leading providers of investment, advisory and risk management solutions.

The diversity of BlackRock's platform across asset classes, investment styles and regions, positions them to partner with LV= through market cycles and deliver whole-portfolio solutions to meet our member's evolving needs.

BlackRock bring access to top-rated flagship funds (as rated by external rating agencies) to the proposition as well as access to their insights and global retirement experience and world class research processes.

Smoothing

Averaged Price

Investments into the pension, bond and TIP are initially invested at the underlying price on day one. The fund values are then averaged, or smoothed, from day two to lessen the impact of sharp market movements on your clients' investment.

During the first 26 weeks, fund values are smoothed by gradually averaging the underlying unit price. This is based on a lengthening average of the daily underlying unit price that builds up over 26 weeks from day two. The price used to calculate the fund value is known as the 'Gradual Averaged Price'.

After 26 weeks, fund values are usually smoothed by taking the average of the fund's daily underlying unit price over the preceding 26 weeks. The price used to calculate the fund value is known as the 'Averaged Price'.

For ISA, all investments are invested at the underlying price for the first 26 weeks. After 26 weeks, fund values are usually smoothed by taking the average of the fund's daily underlying unit price over the preceding 26 weeks.

Smoothing suspension

Smoothing can be suspended at our discretion if either the underlying price is 80% or less of the averaged or 'smoothed' price, or in exceptional conditions. The fund will typically be valued on the underlying price, or at our discretion, the fund may be valued on a daily gradual averaged price until smoothing is reintroduced (except ISA which would be valued on the underlying price).

Full details are contained in the document 'Your guide to how we manage our unitised with-profits Smoothed Managed Funds business' or, for the ISA, 'Your guide to how we manage our unitised with-profits LV= ISA business' which can be downloaded from lvadviser.com



Investment

Fund options available

Available Smoothed Managed Funds:

- Extra Cautious
- Cautious
- Balanced
- Growth
- Growth Plus

The funds are available via our Savings and Retirement Adviser Portal.

Maximum number of funds per plan

- One fund option per plan (only one LV= ISA permitted per client).
- A client can invest in more than one fund at a time across multiple plans subject to the £1m maximum investment (see 'Maximum investment' below).

Fund option switches

- Unlimited (first three per plan year, free of charge. A fee of £25 will apply for each additional fund switch).
- Fund switches will be transacted 10 working days after the request is received by LV=. Once a fund switch request is received it cannot be changed or cancelled.
- Any existing guarantee is not transferable and will cease upon switching fund. A new guarantee cannot be added.

Allocation rate

- 100% of the balance after any initial adviser charge has been paid.

Investment term

- Open-ended (with a recommended minimum of five years, but ideally 10 years or more).

Maximum investment

- £1,000,000 (net of any initial adviser charge). This applies to multiple investments across all Smoothed Managed Funds products (pension, TIP, bond & ISA, including Flexible Guarantee investments).
- Investments over £1,000,000 at our discretion.

Charges

Initial Charge

Nil.

Early Encashment Charge

Nil.

Guarantee Charges

Based on the guaranteed amount at the time each charge is taken and deducted monthly. For full details see 'Guarantee terms' below.

Fund switches

First three per plan year are free. £25 fee applied to every switch thereafter.

Annual Management Charge

Full details of the annual management charge can be found on our website at lvadviser.com

Charges are deducted monthly by cancelling units.

Optional Capital Guarantee

Purchase options

- The plan holder can buy an optional 10 year guarantee at outset on the Cautious fund option only.
- At the end of the guarantee term, if required, a new guarantee may be bought from the range available at that time.

Amount guaranteed

At outset, the guaranteed amount will be the initial investment amount. This is the premium paid less any initial adviser charge. Upon expiry of a previous guarantee, the guaranteed amount will be the plan value on the day the new guarantee is bought (excluding any mutual bonus that may apply). Any money paid out during the guarantee term (which includes withdrawals to pay on-going and ad-hoc adviser charges) is taken off the guaranteed amount.

At the end of the guarantee

If the guaranteed policy is worth less than the guaranteed amount at the end of the guarantee term, units are added automatically to make up the shortfall in value (excluding any mutual bonus that may apply).

Availability

The guarantee terms we offer and their charges may change over time. However, once a guarantee has been purchased, its charge will not change during the guarantee term.

Exit before the end of a guarantee term

There are no early encashment charges. The guarantee applies at the end of the guarantee term so the value of the guaranteed policy may be less or more than the capital guarantee if exiting midterm.

Guarantee terms

Full details of the guarantee terms and charges can be found on our website at lvadviser.com and in the LV= Smoothed Managed Funds Charges guide.

Member benefits

Mutual bonus

- As a with-profits policyholder investors will become eligible to participate in the future financial performance of LV=. This means that in future years investors will be eligible to benefit from a discretionary mutual bonus, which will be added to the policy when LV= declares that a mutual bonus becomes payable.
- The mutual bonus isn't guaranteed to be paid every year and the level can vary. In the event of exceptional circumstances LV= reserves the right to take back any bonuses that have been previously awarded, though this has not previously happened.
- Full details about the mutual bonus are contained in the document 'Your guide to how we manage our unitised with-profits Smoothed Managed Funds business', or for the ISA, 'Your guide to how we manage our unitised with-profits LV= ISA business'.

Member discounts

- Discounts of up to 10% on LV= insurance products such as motor, household and pet insurance.
- General insurance products are offered by Liverpool Victoria General Insurance group, a subsidiary of Allianz Holdings plc.

Quick facts information by solution

LV= Smoothed Managed Funds Pension Series 1

The LV= Smoothed Managed Funds Pension S1 (LV= Smoothed Pension) is available as an investment option of the LV= Flexible Transitions Account.

Type

An onshore unitised with-profits, whole of life investment plan.

Life assurance basis

Own life.

Limits

Minimum age at entry

17 years attained.

Maximum age at entry

89 years attained (note that maximum age at entry to our Flexible Transitions Account is 85 years attained).

Minimum investment

£5,000 (net of any initial adviser charge).

Maximum investment

£1,000,000 (net of any initial adviser charge). (see common features under 'Maximum investment above).

Additional investment

£5,000 (net of any initial adviser charge) into a new plan.

Contributions

You can't pay regular contributions into the LV= Smoothed Pension.

Setting up the plan

We'll set up your Flexible Transitions Account and invest in the LV= Smoothed Pension once we have everything we need.

This process may take up to two weeks to complete. During this time, the investment may not be available to view on the adviser website. Once it is ready, we'll contact you by email to let you know and will then also confirm the new LV= Smoothed Pension reference number.

LV= Smoothed Managed Funds Bond Series 1

The LV= Smoothed Managed Funds Bond S1 (LV= Smoothed Bond) is an onshore investment bond.

Type

An onshore unitised with-profits, whole of life investment bond.

Bond ownership

The bond can be owned by individuals on a single, joint and life of another basis, or by trustees, or companies.

Life assurance basis

Own life, joint life first or second death and life of another.

Segmentation

The bond is divided into a cluster of 50 policies.

Trust

The bond can be written in trust.

Limits

Minimum age at entry (Bond Holder)

17 years attained.

Maximum age at entry (Bond Holder)

No maximum.

Minimum age at entry (Life Assured)

3 months attained.

Maximum age at entry (Life Assured)

89 years attained. Based on both lives for joint life first death applications and the younger life for joint life second death applications.

Minimum Investment

£5,000 (net of any initial adviser charge).

Maximum Investment

£1,000,000 (net of any initial adviser charge). (see common features under 'Maximum investment above).

Additional investment

£5,000 (net of any initial adviser charge) into a new bond.

Withdrawals

Withdrawal frequency options

Ad-hoc, at any time. (In certain, extreme, circumstances there may be a delay of up to 10 working days before LV= will action an ad-hoc withdrawal request. Full details can be found in the Bond Conditions which can be found on our website lvadviser.com).

Regular withdrawals can be set up on a monthly, quarterly, six-monthly or yearly basis.

Minimum withdrawal limits

£50, for regular withdrawals.

£250, for ad-hoc withdrawals.

£500 remaining fund value for ad-hoc withdrawals.

LV= ISA

Type

Onshore unitised with-profits stocks and shares ISA.

Income Tax treatment

- UK growth tax free
- Withdrawals tax free

Capital Gains Tax

- Growth tax free
- Withdrawals tax free

Inheritance tax treatment

Forms part of estate.

Life assurance basis

Single life only.

Eligibility

Must be a UK resident or Crown Servant or spouse/civil partner of Crown Servant serving overseas.

Any references to taxation are based on our understanding of current legislation and HM Revenue & Customs practice at the time of writing, which can change.

Limits

Minimum age at entry

18 years attained.

Maximum age at entry

84 years attained (85 next birthday). No further payments permitted into the LV= ISA from 85.

Minimum investment

£10,000 per investment source net of any initial adviser charge.

Maximum investment

£1,000,000 (net of any initial adviser charge) (see common features under 'Maximum investment above).

Additional investment

- Ad-hoc basis only.
- £2,000 (net of any initial adviser charge), or £10,000 if you would like to add a guarantee.
- Additional Permitted Subscriptions accepted as a one-off lump sum.

Withdrawals

- Ad-hoc only, at any time.
- A minimum balance of £500 must remain in each guaranteed policy.
- A minimum balance of £500 must remain in aggregate across all non-guaranteed policies.
- Minimum £250 for ad-hoc withdrawals.

Additional plans

- Only one LV= ISA permitted per client.

LV= Smoothed Managed Funds Trustee Investment Plan

The LV= Smoothed Managed Funds Trustee Investment Plan (LV= TIP) is a single contribution investment. It allows a UK registered pension scheme, that is not an LV= scheme, to invest in our Smoothed Managed Funds.

The LV= TIP can be used by

- Trustees of Small Self-Administered Schemes (SSAS)
- Trustees of Self Invested Personal Pension Schemes (SIPPs) (excluding any LV= Plans).

Type

An 'investment only' with-profits plan that is a single whole life contract on the life of a named designated member of the pension scheme that holds the plan as an investment.

Life assurance basis

The plan holder must be the Trustees of a UK Registered Pension Scheme (that is either a SIPP or a SSAS), on behalf of a single named member of their scheme. The plan must always be written on the basis that there is a single named underlying scheme member – the 'designated member'. It is not possible to set up the LV= TIP as a non-earmarked general scheme investment.

Limits

Minimum age at entry

There is no minimum age for a designated member.

Maximum age at entry

The maximum age of a designated member is 84 years attained (85 on their next birthday).

Minimum investment

£20,000 (net of any initial adviser charge).

Maximum investment

£1,000,000 (net of any initial adviser charge) (see common features under 'Maximum investment above).

Additional investment

£10,000 (net of any initial adviser charge) into a new plan.

Contributions

You can't pay regular contributions into the LV= TIP.

Discover more about our smoothed investment solutions

If you'd like more information, please get in touch with your usual Business Development Manager or:



0800 032 8298



advisersupportteam@LV.com

Lines are open 9am – 5pm Monday to Friday.
For textphone dial 18001 first. We will record and/or monitor your calls for training and audit purposes.

You can get this and other documents from us in Braille or large print by contacting us.

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