Meet the client (Guaranteed Income Drawdown)

Elizabeth

Age: 60

Elizabeth has worked hard throughout her career in the property sector, and has saved diligently over the years. She has saved into her pension pot for her retirement, which currently stands at a **value of £600,000**.

She is feeling nervous as she approaches retirement, and wants to review her approach ahead of decumulation.

What are her concerns?

As Elizabeth looks ahead to her retirement, she is unsettled by recent uncertainty and unpredictability of geopolitical events. These have caused inflation, interest rate uncertainty and increases in basic expenses, all of which makes her wary of transitioning to retirement income. She wants to feel a sense of security in her retirement income, while having flexibility to handle changes throughout the span of her retirement.

She intends to fix a regular income using her pension pot ahead of decumulation as she's looking to reduce her working hours from age 60, until her state pension starts at age 67, but isn't sure how much she will need in the future and wants to be confident that she can invest her pension for the long-term to leave for her children.

Elizabeth needs the help of her adviser to find a solution that secures a guaranteed income but retains flexibility and the possibility for her funds to continue to grow in a low volatility investment.

Elizabeth is not alone in her concerns.

According to our research, she joins 72% of women who report their day to day financial decision-making is affected by economic uncertainty.

LV= Wealth and Wellbeing 21, 2025.

How can LV= help?

Guaranteed Income Drawdown is a solution that brings together the security of the LV= Fixed Term Investment (Protected Retirement Plan) with the opportunity for investment growth through nearly 200 available funds, including the Smoothed Managed Funds, all held within a SIPP such as the LV= SIPP (Flexible Transitions Account).

Our Smoothed Managed Funds aim to soften the effects of market volatility, offering clients like Elizabeth a calmer investment experience with the benefits of investing in a multi-asset fund. Advisers can select from five risk-rated fund options, aligning them with their clients risk appetite and financial composure.

For Elizabeth, an adviser might suggest transferring her £600,000 pension pot into a new LV= SIPP. They may recommend placing £324,000 into the Fixed Term Investment.

This provides an annual income of £12,570 - paid monthly into the SIPP for seven years - alongside a maturity value of £339,548 at the end of the term, plus any applicable mutual bonus.

The remaining £270,000 could be invested in the LV= Smoothed Managed Balanced Fund, providing accessible liquidity and the potential for additional steady growth.

Since Elizabeth does not require a lifetime guaranteed income at this stage, this strategy offers greater flexibility than a traditional lifetime annuity allowing her to plan her retirement one step at a time. It also provides an enhanced death benefit should she pass away while the plan is in place.

Figures correct as of 30/01/26 based on the Fixed Term Investment paying monthly in arrears with Value Protection selected, and 1% adviser charge.

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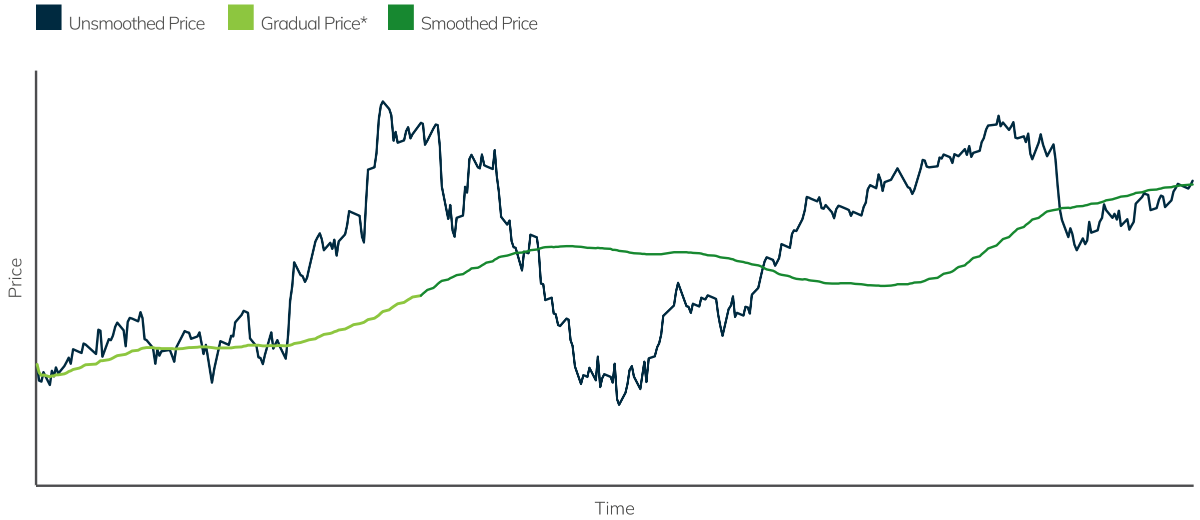
The Smoothed Managed Funds have a long history of providing strong, stable returns for investors. The graph below is an illustration of how our smoothing mechanism works to soften the impact of fluctuations in the underlying fund value over a period of 18 months.



*The gradual smoothing process only applies during the first 26 weeks of the investment; after this, a rolling 26-week average is used.
Simulated unsmoothed unit prices have been used with the smoothing mechanism applied to illustrate how the smoothing mechanism would react over a period of 18 months. Our smoothing process helps reduce the impact of market volatility, but it doesn't eliminate the risk of the investment losing value.

Please remember that past performance is not a reliable guide to the future. This stock market related investment can rise and fall in value. This means your client is not certain to make a profit, and could get back less than they invested.

What does her adviser need to do?

Guaranteed Income Drawdown is available via the LV= SIPP. It's easy to open and manage a client's LV= SIPP with our Savings and Retirement Adviser Portal.

This solution would set Elizabeth's mind at ease that:

- She can guarantee a regular income for a fixed term whilst benefiting from investment growth potential
- She can benefit from added flexibility and is able to stop SIPP income at any time
- She can choose to pass on her pension to beneficiaries after she passes away.

If Elizabeth sounds familiar, and you have clients who might benefit from combining the LV= Fixed Term Investment with our market shock-absorbing range of Smoothed Managed Funds, visit our website for more information and to get a quote.

Visit our **Savings and Retirement Adviser Portal** for an easier way to manage your clients.

- A dashboard view of your pension, bond and ISA plans.
- Get instant access to up to date plan information.
- Initiate drawdown using the online application process, and apply for single contribution pension top-ups online.
- Easily access and view documents.
- Track pension new business applications.

For more information

If you'd like to discuss the suitability and benefits of Guaranteed Income Drawdown, please contact your Business Development Manager, or

0800 032 8298

advisersupportteam@LV.com

Lines are open 9am – 5pm Monday to Friday. Calls will be monitored and/or recorded for training and audit purposes.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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