

Passive Investment Guide

A guide to passive investment with LV=

March 2026

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Introduction

Passive Investment Guide

Although effective pension investing doesn't come down to cost alone, there is little doubt that the transparency and cost effectiveness of passive (or index tracker) investments has contributed to an ever growing number of advisers using passive options when designing investment solutions for clients, and building portfolios containing passive funds as part of their central investment proposition.

The range of options available over the years has also increased, moving on the debate from active vs passive into a whole new range of passive based investment solutions.

At LV= we pride ourselves on providing advisers and their clients with a range of options which can be used to meet specific needs. Our selection of passive investment vehicles is no exception.

We are constantly looking to expand our insured fund range so that it reflects the growing importance of passive investment in the retirement market.

In this guide you will find out about our range from building block 'index trackers' to blended active / passive solutions. We are confident that you will find something – or a blend of solutions – to meet your needs.

Our partners

We have partnered with leading passive investment fund managers to provide a range of passive options that can be used in isolation, or as part of a wider investment portfolio. We provide a Dynamic Planner Risk Rating for most of the multi asset funds in our passive range. The ratings shown are from the underlying unit trust or OEIC in each case.

Each of the five has a wealth of investment expertise and experience and established track records of providing effective passive investment solutions for clients.

The logo for BlackRock, featuring the word "BlackRock" in a bold, black, sans-serif font.The logo for 7iM, featuring the letters "7iM" in a bold, black, sans-serif font.The logo for Fidelity International, featuring a red square with a white stylized "F" on the left, and the word "Fidelity" in blue with a trademark symbol, and "INTERNATIONAL" in smaller blue capital letters below it.The logo for L&G, featuring a colorful umbrella icon above the letters "L&G" in a black, serif font.The logo for Vanguard, featuring the word "Vanguard" in a bold, red, serif font.

Passive Investment

Our options

LV=

Our in-house low-cost blends of global developed equities and global bonds, with target equity allocations of 40%, 60% and 80% for Cautious, Balanced and Adventurous funds investors. The funds invest in index-tracker funds from Vanguard.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
LV= Adventurous Index (s2)	1298	0.11%	0.00%	0.11%	N/A	N/A
LV= Balanced Index (s2)	1244	0.11%	0.00%	0.11%	N/A	N/A
LV= Cautious Index (s2)	1297	0.11%	0.00%	0.11%	N/A	N/A

Seven Investment Management

7IM AAP (Asset Allocated Passive) funds allow your clients to enjoy the advantages of active asset allocation but with significantly lower costs. A long standing Strategic Asset Allocation is combined with a Tactical Asset Allocation overlay, implemented primarily through passive and smart passive instruments.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
7IM AAP Adventurous (s2)	1270	0.52%	0.10%	0.62%	7	4
7IM AAP Balanced (s2)	1271	0.52%	0.12%	0.64%	5	4
7IM AAP Cautious (s2)	1020	0.52%	0.25%	0.77%	3	3
7IM AAP Moderately Adventurous (s2)	1272	0.52%	0.12%	0.64%	6	4
7IM AAP Moderately Cautious (s2)	1273	0.52%	0.16%	0.68%	4	4

Our options (continued)

BlackRock Fund Managers

BlackRock Consensus Funds provide a transparent and cost effective way of accessing investment returns from a range of asset classes and global markets through core asset allocation portfolios, managed by experts.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRl Volatility
BlackRock Consensus 35 (s2)	1105	0.22%	0.02%	0.24%	3	4
BlackRock Consensus 60 (s2)	1106	0.22%	0.02%	0.24%	4	4
BlackRock Consensus 70 (s2)	1107	0.22%	0.02%	0.24%	5	4
BlackRock Consensus 85 (s2)	1108	0.22%	0.02%	0.24%	6	4
BlackRock Consensus 100 (s2)	1109	0.22%	0.02%	0.24%	7	5

BlackRock iShares Funds seek to replicate the performance of their respective benchmark indexes.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRl Volatility
iShares Environment & Low Carbon Tilt Real Estate Index (s2)	1029	0.18%	0.02%	0.20%	N/A	5
iShares ESG Screened Overseas Corporate Bond Index (s2)	1030	0.12%	0.01%	0.13%	N/A	4

Fidelity Investments

Fidelity's range of index funds offers low-cost exposure to various global equity markets.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRl Volatility
Fidelity Index Emerging Markets (s2)	1080	0.22%	0.00%	0.22%	N/A	5
Fidelity Index Europe ex UK (s2)	1081	0.12%	0.00%	0.12%	N/A	5
Fidelity Index Japan (s2)	1082	0.12%	0.00%	0.12%	N/A	5
Fidelity Index Pacific ex Japan (s2)	1083	0.15%	0.00%	0.15%	N/A	5
Fidelity Index UK (s2)	1084	0.08%	0.00%	0.08%	N/A	5
Fidelity Index US (s2)	1085	0.08%	0.00%	0.08%	N/A	5
Fidelity Index World (s2)	1086	0.14%	0.00%	0.14%	N/A	5

Our options (continued)

Fidelity Multi Asset Allocator funds offer diversified exposure by investing in a portfolio of passive index-tracking funds to manage risk and provide a mix of global equities and bonds.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
Fidelity Multi Asset Allocator Defensive (s2)	1078	0.22%	0.00%	0.22%	3	3
Fidelity Multi Asset Allocator Growth (s2)	1079	0.22%	0.00%	0.22%	5	4
Fidelity Multi Asset Allocator Strategic (s2)	1077	0.22%	0.00%	0.22%	4	4

Legal & General Investment Management

L&G Multi-Index funds are actively managed, risk-targeted solutions, designed to target investors' specific risk profiles. The asset allocation of the funds is managed dynamically investing across equities, bonds, alternatives and cash.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
L&G Multi-Index 3 (s3)	3000	0.23%	0.01%	0.24%	3	4
L&G Multi-Index 4 (s3)	3001	0.23%	0.01%	0.24%	4	4
L&G Multi-Index 5 (s3)	3002	0.23%	0.01%	0.24%	5	4
L&G Multi-Index 6 (s3)	3003	0.23%	0.01%	0.24%	6	4
L&G Multi-Index 7 (s3)	3004	0.23%	0.01%	0.24%	7	5

L&G Multi Index Income Funds share the same objectives as the standard Multi Index funds above, but aim to meet the needs of clients who need an income by focusing on generating a stable income while growing their purchasing power.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
L&G Multi-Index Income 4 (s3)	3005	0.23%	0.01%	0.24%	4	4
L&G Multi-Index Income 5 (s3)	3006	0.23%	0.01%	0.24%	5	4
L&G Multi-Index Income 6 (s3)	3007	0.23%	0.01%	0.24%	6	4

Our options (continued)

L&G Future World ESG Screened and Selected Multi-Index funds aim to achieve resilient risk-adjusted returns by investing in a portfolio of passive ESG index-tracking funds, which use proprietary scores to favour companies with better environmental, social, and governance practices.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
L&G Future World ESG Screened and Selected Multi-Index 4 (s3)	3008	0.35%	0.01%	0.36%	4	4
L&G Future World ESG Screened and Selected Multi-Index 5 (s3)	3009	0.35%	0.01%	0.36%	5	4

Vanguard Asset Management

Vanguard Life Strategy Funds offer various blends of equities and bonds. In each case, equities provide the growth engine and bonds bring the benefits of diversification and risk control. Each fund has a different blend of equities and bonds to target a specific level of risk.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
Vanguard LifeStrategy 20% Equity (s2)	1275	0.22%	0.00%	0.22%	3	4
Vanguard LifeStrategy 40% Equity (s2)	1276	0.22%	0.00%	0.22%	4	4
Vanguard LifeStrategy 60% Equity (s2)	1277	0.22%	0.00%	0.22%	5	4
Vanguard LifeStrategy 80% Equity (s2)	1278	0.22%	0.00%	0.22%	6	5
Vanguard LifeStrategy 100% Equity (s2)	1279	0.22%	0.00%	0.22%	7	5

Index Tracker Funds, managed by Vanguard Asset Management, tracking a single index, aiming to harness the power of markets to deliver healthy long term returns. Each fund has a different blend of equities and bonds to target a specific level of risk.

LV= Pension fund name	Fund Code	Investment Management Charge %pa	Other Expenses %pa	Total Fund Charge %pa	Dynamic Planner Risk Rating	SRRI Volatility
Vanguard Emerging Markets Stock Index (s2)	1246	0.18%	0.00%	0.18%	N/A	6
Vanguard FTSE Developed Europe ex-UK Equity Index (s2)	1238	0.10%	0.00%	0.10%	N/A	5
Vanguard FTSE UK All Share Index (s2)	1243	0.07%	0.00%	0.07%	N/A	5
Vanguard Japan Stock Index (s2)	1241	0.12%	0.00%	0.12%	N/A	5
Vanguard Pacific ex-Japan Stock Index (s2)	1239	0.12%	0.00%	0.12%	N/A	5
Vanguard UK Government Bond Index (s2)	1245	0.08%	0.00%	0.08%	N/A	5
Vanguard UK Investment Grade Bond Index (s2)	1247	0.08%	0.00%	0.08%	N/A	4
Vanguard US Equity Index (s2)	1242	0.12%	0.00%	0.12%	N/A	5

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Measuring volatility

You'll see that we have quoted an SRRRI rating for many of the funds in our passive fund range. The Synthetic Risk and Reward Indicator (SRRRI) was defined in 2009 by the Committee of European Securities Regulators (CESR) with the aim of providing investors with a method of assessing a fund's risk.

The SRRRI measures the volatility of the fund. A higher volatility means there is greater uncertainty about the size of the changes in a fund's value. This means that the price of the fund can change dramatically over a short time period in either direction. A lower volatility means that a fund's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time. The table opposite shows the mapping between the volatility and the SRRRI value.

SRRRI	Annualised volatility
1	0 – 0.49%
2	0.5 – 1.99%
3	2 – 4.99%
4	5 – 9.99%
5	10 – 14.99%
6	15 – 24.99%
7	25% +

Want to know more?

Contact your normal LV= contact



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Lines are open 8.30am – 5.30pm Monday to Friday. Calls will be recorded and may be monitored for training and audit purposes.

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