Teachers Stakeholder Pension Scheme

Statement of Investment Principles (June 2026)

The Stakeholder Pension Schemes Regulations require managers of Stakeholder Pension Schemes to have and maintain a written statement of the principles governing decisions for the investment options available. The manager of the Teachers Stakeholder Pension Scheme is Liverpool Victoria Financial Services Limited (LV=).

The broad principle

For each of the Teachers Stakeholder Pension funds that can be invested in, the aim is to maximise the returns on the investments, balanced with an acceptable level of risk.

Management of the investments

Except for the cash assets which are managed by LV=, the general asset management is undertaken on our behalf by BlackRock. BlackRock also manage the majority of the underlying Collective Investment Schemes that the Teachers Stakeholder Pension funds invest in.

BlackRock are responsible for the day-to-day management of the assets in the Teachers Stakeholder Pension funds, operating within the strategic parameters we have determined.

The funds available, their objectives and level of risk

How each fund performs is dependent on the performance of the assets they invest in. The value of investments can fall as well as rise, and this means investors may get back less than the amount paid in.

Teachers Stakeholder Managed Fund

This fund aims to provide long term capital growth from a broad portfolio of assets including a mix of UK and international equities, government securities (UK Gilts and US Treasuries), UK and international corporate bonds, selected commodities and cash assets. The value of equities can rise and fall on a daily basis so this fund is considered higher risk than both the Teachers Stakeholder Fixed Interest Fund and Teachers Stakeholder Cash Fund. It may therefore suit investors who are prepared to accept a medium amount of risk for the potential of a greater return.

Teachers Stakeholder Fixed Interest Fund

This fund invests primarily in UK Gilts. It also invests in other fixed interest securities with long maturity dates and cash assets. These investments provide stable income and are expected to outperform cash investments over the longer term. This fund may suit investors looking for low to medium level of risk and who are prepared to accept the potential for relatively modest growth in return for greater security of their capital.

Teachers Stakeholder Cash Fund

This is the lowest risk fund we offer. It invests in cash assets and aims to provide a return similar to those on offer in the deposit markets. There is a low risk to capital but money invested in this fund could lose real value if interest rates do not keep pace with inflation. This fund may suit investors looking to reduce their risk in later years or seeking short term investment security while other markets are volatile.

Lifestyle options

Lifestyle options are available on the Teachers Stakeholder Pension that target different outcomes at the selected retirement date. The overall aim of the Lifestyle options are to gradually switch pension savings into safer and less volatile funds as retirement approaches. This helps to reduce the effect of movements in the stock market on what is received in retirement.

The Lifestyling process begins 5 years before the selected retirement date and, depending on the Lifestyle option chosen, will automatically gradually move funds from the Teachers Stakeholder Managed Fund into one or both of the less volatile Teachers Stakeholder Fixed Interest Fund and Teachers Stakeholder Cash Fund.

A Lifestyle option can only be added if there are 5 or more years until retirement.

Responsible Investment

Responsible investment encompasses all Environmental, Social and Governance (ESG) considerations. Our Responsible Investing Framework ensures we work closely with our external asset managers to ensure ESG considerations are firmly embedded in the origination and 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.

LV= has developed an Engagement Policy that demonstrates compliance with the Shareholder Rights Directive II ("SRD"). We do not engage directly with investee companies but direct our asset managers to engage on our behalf and exercise our voting rights to deliver strong investment returns and influence positive change. You can find the LV= Engagement Policy on our website at **LV.com/teachers/investment-performance-info**.

Other information

On our website at **LV.com/teachers** you'll also be able to find more information about the Teachers Stakeholder Pension funds. This includes how the funds have performed, the current and target asset mix and product reports in accordance with Task Force on Climate-related Financial Disclosure requirements. There's also a guide on how the Teachers unit linked funds work, it's called 'Your guide to how we manage the Unit-Linked Funds originally provided by Teachers Assurance'.

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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