



LV= confirms outsourcing of asset management to Threadneedle Investments

Press Release: 15th August 2011

Insurance, investment and retirement group LV= today announces that it has agreed a long-term partnership with Threadneedle Investments to outsource the management of the Society's assets and transfer the existing external funds*. Subject to regulatory approvals, the transfer is expected to take place on 31 October this year.

As part of a strategic review, the board has concluded that member interests are best served by focusing day-to-day operations on the fast growing general insurance and life businesses and outsourcing asset management to Threadneedle Investments, an award-winning pure play investment manager to retain excellent investment performance.

Mike Rogers, LV= group CEO, said: "The outsourcing of the management of LV='s assets represents another step in our plan to ensure our structure continues to provide best value for our members. Threadneedle is a leading international investment manager with a strong track record of outperformance across asset classes. We look forward to building a successful ongoing relationship with Threadneedle as manager of the Society's assets."

Crispin Henderson, Chief Executive Officer, Threadneedle Investments, said: "We're delighted to be establishing this long-term partnership with LV= and we look forward to working together to deliver outstanding investment performance to the Society's members. LV='s decision to partner with Threadneedle reflects the strength of our investment team, our process and our sustained long-term track record of excellent performance across asset classes. We are committed to ensuring a smooth transfer for investors over the coming weeks and months."

Under the agreement, the main funds will remain in their current structure when they transfer to Threadneedle and will stay segregated. Staff employed within LV='s asset management business will transfer to Threadneedle Investments in line with TUPE regulations. However it is likely that there will be some roles which will be made redundant. At this stage Threadneedle is still familiarising itself with the business requirements and will be working closely with LV= over the next few weeks and months.

Fenchurch Advisory Partners advised LV= on the outsourcing.

* Total AUM as at 30 June 2011 = £8.48bn

- Society = £7.02bn
- Staff Pension Fund = £0.9bn (or £900 million)
- External = £0.56bn (or £560 million)

The staff pension scheme will transfer at the discretion of the trustees.

LV= is a registered trademark of Liverpool Victoria Friendly Society Limited (LVFS) and a trading style of the Liverpool Victoria group of companies.

LV= employs around 4,500 people, serves over four million customers and members, and manages around £8.1bn (as at 31 March 2011) on their behalf, via LV= Asset Management (LVAM). We are also the UK's largest friendly society and a leading mutual financial services provider.

LVFS is authorised and regulated by the Financial Services Authority, register number 110035. LVFS is a member of the ABI, the AFM and ILAG. Registered address: County Gates, Bournemouth BH1 2NF. www.LV.com

Threadneedle is a leading international investment manager with a strong track record of outperformance across asset classes. It actively manages £68.8bn (as at 30 June 2011) of assets, investing on behalf of individuals, pension funds, insurers and corporations. It is a top 10 UK fund manager by AUM, and the fourth largest UK retail fund manager[1]. In Europe it ranks in the top 40[2]. Established in 1994 in London, Threadneedle operates in 15 countries across Europe, the Middle East, Asia Pacific and North America.

Threadneedle's distinctive investment approach is based on creative thinking, sharing of ideas and rigorous debate. Its 120 investment professionals invest across developed and emerging market equities, fixed income, commodities and UK property. As at 30 June 2011, 74% of Threadneedle funds outperformed over 1 year, 73% over three years and 84% over five years[3].

Threadneedle is owned by Ameriprise Financial (NYSE: AMP), a leading US diversified financial services company with US\$670bn in total assets under management and administration. As its international investment platform, Threadneedle provides Ameriprise and its retail and institutional clients with world class investment solutions.

[1] UK IMA rankings, May 2011, see www.investmentfunds.org.uk

[2] Morningstar June 2011

[3] All funds managed by Threadneedle, including segregated accounts/portfolios. The data does not include funds sub-advised by third parties or guest funds on a Threadneedle platform. All figures are as at 30 June 2011, in GBP unless stated otherwise. Total value of funds outperforming their relevant benchmark expressed as a percentage of total assets under management. This information aims to demonstrate the overall performance capabilities of Threadneedle's asset management team. It is not intended to indicate the performance of individual funds or products. Please refer to product specific documentation in relation to individual funds. Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can go down as well as up