

# Understanding the risks: Vanguard BlendedLife model portfolio service

## The model portfolio service

Vanguard's model portfolio service (MPS) offers a range of model portfolio solutions for advisers and their clients. Our MPS solutions enable you to delegate your investment management responsibilities. Our service gives you the opportunity to spend more time to plan your clients' financial future and deepen your relationships. We handle the investment management of your client portfolios. As the client's adviser, you retain the full responsibility of determining the suitability of Vanguard's MPS for your client. This will depend on the client's investment objective, risk appetite and their capacity to absorb financial loss.

## Who is the Vanguard BlendedLife MPS aimed at?

Vanguard's BlendedLife MPS may be suitable if:

- You want to delegate some or all of your investment management responsibilities to Vanguard.
- You would like Vanguard to take responsibility for portfolio rebalancing.
- You are looking to strengthen your client relationships through the agent-as-client framework.
- Your client's investments meet the applicable platform minimums.

Vanguard's BlendedLife MPS may be suitable for your client if:

- They are looking for potential capital growth.
- They are willing to take investment risk.
- They have some investment knowledge.

- They are retired and looking to draw on income from their portfolio's capital.

Vanguard's BlendedLife MPS **may not be suitable** if:

- You prefer to maintain your clients' portfolios yourself.
- You would like the discretionary fund manager to have a directly contracted relationship with your clients (reliance-on-others framework).

Vanguard's BlendedLife MPS **may not be suitable** for your client if:

- They have no capacity for capital loss.
- Their investment horizon is less than five years.
- They wish to access their portfolio on a non-advised basis.
- They would like to use the portfolio for hedging purposes.
- They are looking to receive a natural yield from their chosen portfolio.

You can find more details in our [target market documentation](#). Your clients should go through a risk profiling process to determine their attitude to risk and capacity for loss, culminating in a risk-reward profile. The Vanguard BlendedLife model portfolio chosen should be appropriate for the client's risk-reward profile.

Clients should be fully and clearly informed of the risks associated with investing. Below is a summary of the risks associated with investing via a model portfolio including the main risks of investing in the underlying funds.

## Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. The price or value of investments may fluctuate significantly. The value of equities and bonds can be affected by factors such as stock market movements, interest rates, credit spreads and volatility. Other driving factors include political, economic news, company earnings and significant corporate events.

### Model risk

This is the potential for errors in the model's design, incorrect inputs or misinterpretation of results.

### Risks related to the underlying funds

The below represent the main risks of investing in the underlying funds. For further information on the risks of the underlying funds, please refer to the prospectus and KIID of the underlying funds. The KIID for each fund is available, alongside the prospectus via the fund manager's website <https://global.vanguard.com/>. For third-party funds, please visit the respective provider's website.

### Emerging markets risk

Emerging markets are generally more sensitive to economic and political conditions than developed markets. Other factors include greater 'Liquidity Risk', restrictions on investment or transfers of assets and failed/ delayed delivery of securities or payments to the Fund.

### Concentration risk

Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events

### Liquidity risk

Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily. This could cause the Fund to incur higher costs when buying or selling investments or could mean that the Fund is not able to buy or sell investments when it would like to do so.

### Counterparty risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

### Currency exchange risk

Movements in currency exchange rates can adversely affect the return of your investment.

## What is the Vanguard BlendedLife MPS?

Vanguard BlendedLife MPS offers a range of model portfolio solutions that are designed to provide the potential for capital growth over the long term. Investors can choose from five distinct model portfolios, each with a different balance of potential risk and return based on their equity and bond mix and underlying investment methodology.

BlendedLife MPS follows Vanguard's foundational investment principles\* for portfolio construction, which we believe is important for long-term investment success.

Vanguard leverages both its low-cost funds and its access to attractively priced funds from other world class fund managers as building blocks to construct the BlendedLife MPS. This results in a range of model portfolios providing diversified exposure to equity and bond markets globally at competitive price points in both the passive and active space.

We rebalance the BlendedLife MPS on a three-monthly basis to ensure that clients' investments remain aligned with their risk and return objectives.

Each portfolio has a non-market capitalization to passive and active funds investing in securities from around the globe. The range incorporates the institutional-level investment capabilities of Wellington Management to determine the portfolio asset allocation. Wellington's inclusion allows the portfolios to maintain the same long-term orientation Vanguard is known for while also actively positioning the portfolio to capitalize on current market dynamics.

\*Vanguard's four principles for long-term, successful investing: Goals (create clear, appropriate investment goals); balance (setting a suitable asset allocation), costs (look to minimise to keep more of the investment return), discipline (maintain a long-term perspective).

## What is the rebalancing schedule for Vanguard BlendedLife MPS?

The rebalancing schedule is February/May/August/November.

## How can I assess the performance of the model portfolios?

Each Vanguard BlendedLife portfolio seeks to achieve capital growth over time that is consistent with its risk profile.

### BlendedLife Dynamic MPS range

- Vanguard BlendedLife Dynamic 20% Equity MPS
- Vanguard BlendedLife Dynamic 40% Equity MPS
- Vanguard BlendedLife Dynamic 60% Equity MPS
- Vanguard BlendedLife Dynamic 80% Equity MPS
- Vanguard BlendedLife Dynamic 100% Equity MPS

Vanguard will publish [monthly factsheets and quarterly reports](#) that provide the performance and a breakdown of each model portfolio (available from April 2026)

## How are the Vanguard BlendedLife MPS constructed?

The BlendedLife Dynamic MPS range invests in Vanguard's low-cost index and active funds, as well as carefully selected, attractively priced funds from third-party managers (see full list as follows). We use these funds as building blocks to construct portfolios with a mix of equities and bonds for a range of risk profiles.

The BlendedLife Dynamic MPS range will incorporate the investment capabilities of Wellington Management to allocate across the underlying funds.

### Fund listing:

1. Vanguard U.S. Equity Index Fund GBP Acc
2. Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc
3. Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc
4. Vanguard Japan Stock Index Fund GBP Acc
5. Vanguard Pacific ex-Japan Stock Index Fund GBP Acc
6. Vanguard Emerging Markets Stock Index Fund GBP Acc
7. Vanguard Global Emerging Markets Fund GBP Acc
8. Schroder Prime UK Equity Fund GBP Acc
9. Baillie Gifford American Fund GBP Acc
10. PGIM Jennison US Growth Fund GBP Acc
11. Pzena US Large Cap Value Fund GBP Acc
12. MFS Meridian Continental European Equity Fund GBP Acc
13. Lazard Japanese Strategic Equity Fund GBP Acc
14. Vanguard Global Strategic Bond Fund Institutional Plus GBP Hedged Acc
15. Vanguard U.S. Government Bond Index Fund GBP Hedged Acc
16. Vanguard Euro Government Bond Index Fund GBP Hedged Acc
17. Vanguard U.K. Government Bond Index Fund GBP Acc
18. Vanguard Japan Government Bond Index Fund GBP Hedged Acc
19. Vanguard Global Credit Bond Fund Institutional GBP Hedged Acc
20. Vanguard U.S. Investment Grade Credit Index Fund GBP Hedged Acc
21. Vanguard Euro Investment Grade Bond Index Fund GBP Hedged Acc
22. Vanguard U.K. Investment Grade Bond Index Fund GBP Acc
23. Vanguard Emerging Markets Bond Fund Institutional Plus GBP Hedged Acc

## Important information

**This is directed at professional investors and should not be distributed to, or relied upon by, retail investors.**

For further information on the investment policies and risks of the model portfolio(s), please refer to the prospectus and KIID of the underlying funds before making any final investment decisions. The KIID for each fund is available, alongside the prospectus via Vanguard's website <https://global.vanguard.com/> For third-party funds, please visit the respective provider's website.

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The Manager of the Ireland domiciled funds may determine to terminate any arrangements made for marketing the shares in one or more jurisdictions in accordance with the UCITS Directive, as may be amended from time-to-time.

For investors in UK domiciled funds, a summary of investor rights can be obtained via <https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/Vanguard-InvestorsRightsSummaryUKFUNDSJan22.pdf> and is available in English.

For investors in Ireland domiciled funds, a summary of investor rights can be obtained via <https://www.ie.vanguard/content/dam/intl/europe/documents/en/vanguard-investors-rights-summary-irish-funds-jan22.pdf> and is available in English, German, French, Spanish, Dutch and Italian.

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