Marketing communication

What makes Vanguard different?

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Vanguard is an investment company unlike any other.

Since 1975 we've helped millions of investors around the world to achieve their goals by providing low-cost, uncomplicated investments.

It's what we stand for: **value to investors.**

What makes us different?

Vanguard was founded in the United States in 1975 on a simple but revolutionary idea: that an investment company should manage its funds solely in the interests of its clients. We have stood for low-cost, uncomplicated investing ever since.

Our unique mutual ownership structure in the US, where we are owned by our clients, means our interests are aligned with those of our investors globally. Our structure underpins our core purpose, which is to take a stand for all investors, treat them fairly and give them the best chance for investment success.

Low cost, uncomplicated investing

Investors can't control the markets, but they can control the costs of investing. Every pound or euro paid in fees is a pound or euro less of potential return.

Vanguard's scale and ownership structure help us keep costs low. With no shareholders to please, we can return our profits to investors through lower costs. As we gain more investors, and our assets under management grow, we can reduce expense ratios further for our investors.

Active and index investing experts

The Vanguard Group established the world's first index mutual fund for individual investors in 1976. We were first to offer funds tracking bond or international indices, and have been a leader in low-cost index investing ever since. Over the last decade we have extended our index management expertise to exchange-traded funds (ETFs), where we are now one of the world's largest providers.

But Vanguard is not just an expert in index funds. Vanguard has a deep history of active management, having managed active funds since our beginning in 1975. With USD 1.8 trillion in active assets under management (as at 31 December 2024), we are one of the largest active managers in the world.

Value

We want to provide investment funds that help investors achieve their goals and let them keep as much as possible of their returns. As we see it, that aligns our purpose with their investment success.

Our core purpose

To take a stand for all investors, to treat them fairly and to give them the best chance for investment success.

The Vanguard story

Over the decades, Vanguard has grown to become one of the world's largest investment management companies, with a presence in Australia, Europe and the Americas.

Today, Vanguard is trusted by over 50 million investors globally, with USD 10.1 trillion in assets under management.

With offices in Amsterdam, Dublin, Frankfurt, London, Milan, Paris and Zurich, Vanguard leverages the scale, experience and resources of its well-established global business for investors right across Europe.

Note: AUM stands for assets under management. Data as at 31 December 2024.

- **1975** – The Vanguard Group, Inc. begins with nine actively managed funds
- **1976** – The Vanguard Group, Inc. introduces first index mutual fund for individual investors in the US
- **1986** – Vanguard launches the world's first bond index fund for retail investors in the US
- **1990** – Vanguard launches global index funds
- **1998** – Vanguard Investments Europe opens
- **2004** – Amsterdam office opens
- **2005** – Paris office opens
- **2006** – AUM managed for clients surpasses USD 1 trillion worldwide
- **2008** – Zurich office opens
- **2009** – Vanguard Investments UK opens for business
- **2012** – Launch of ETFs in Europe
- **2014** – European ETF AUM passes USD 15 billion
- **2015** – USD 100 billion in European AUM
- **2017** – Global AUM reaches USD 4 trillion
- **2018** – Frankfurt office opens
- **2019** – Global AUM reaches USD 6 trillion
- **2019** – Dublin office opens
- **2020** – Global AUM reaches USD 7 trillion
- **2021** – Milan office opens
- **2023** – Global AUM reaches USD 8 trillion
- **2023** – European ETF AUM reaches USD 100 billion
- **2024** – Global AUM reaches USD 10 trillion
- **2025** – Vanguard celebrates 50th anniversary

Championing investor interests

Our mission starts with taking a stand for all investors and this is a statement that we take seriously.

We have clear views on governance, which we communicate openly. We work with politicians, regulators and professional associations to develop a robust regulatory framework for the benefit of investors.

We are proud of the 'Vanguard effect', the observation that when Vanguard enters a market, others are likely to follow our example, particularly by lowering costs.

From rigorous risk management to transparent pricing to plain talk communications, we put our clients' interests first.

Everything we do at Vanguard is designed to give our clients the best chance for investment success.

Principles for investment success

At Vanguard four simple principles run through everything that we do. They have been intrinsic to our company since its inception, and are deeply embedded in our culture. For Vanguard, they represent both the past and the future - enduring principles that guide the investment decisions we make.

Goals

Create clear, appropriate investment goals
The investment process begins by setting measurable and attainable investment goals and developing plans for reaching those goals.

Balance

Develop a suitable asset allocation using broadly diversified funds
A successful investment strategy starts with an asset allocation suitable for its objective. You should establish an asset allocation using reasonable expectations for risk and potential returns. The use of diversified investments helps to limit exposure to unnecessary risks.

Cost

Minimise cost
You can't control the markets but you can control how much you pay to invest. Every pound or euro that you pay in costs and charges comes directly out of your potential return. Indeed, research suggests that lower-cost investments have tended to outperform higher-cost alternatives.

Discipline

Maintain perspective and long-term discipline
Investing evokes emotion that can disrupt the plans of even the most sophisticated investors. But you can counter emotions with discipline and a long-term perspective. This can help you stick to your plan.

Glossary

Active fund management
This is an approach to investing that sees an investment manager select shares and/or other investments in accordance with the fund's investment objectives, which may be to outperform relative to a benchmark index (see below).

Bonds
This is a loan issued by a government, public-sector body or company. Bonds usually pay a fixed rate of annual interest—hence they are also known as fixed-income investments—while the original sum borrowed is typically repaid at a specific future date.

Diversification
This is a strategy designed to reduce the risk in an investment portfolio by holding a wide range of investments. This helps to manage risk because better-performing investments can help to offset those that perform less well, over time.

Equities
Another word for ordinary company shares, which represent an ownership stake in a business.

Exchange-traded funds (ETFs)
ETFs are a type of index fund (see below) that typically track a particular market index. Unlike other index funds, however, they are traded on the stock market and investors can buy and sell them at any time during the day. Other funds are traded only once a day.

Fund
An investment vehicle that pools the money of many investors to buy shares and/or other investments.

Fund manager
This is the person or company who manages a fund. In an active fund, they make the investment decisions. In an index fund, they will make sure the fund is closely tracking the index.

Index
An index typically measures the performance of a basket of investments that are intended to represent a certain area of the market. Indices are often used as benchmarks against which to evaluate the performance of an investment, such as a fund.

Index funds
An investment fund that aims to closely match the returns of a specified market index. The fund may hold all of the constituents of the particular index or buy a sample of those constituents so that its performance is as close as possible to the index.

Index provider
An index provider is a company that designs, manages and calculates the performance of indices (as defined above). They set the rules on what is included in the index, how it is maintained and how constituents will be added or removed over time.

Portfolio
This is a combination of individual investments or funds that is usually created to meet specific goals, such as long-term capital growth.

Risk
The likelihood that the return on an investment will differ from what is expected. There are different types of risk, including market risk (the chance that returns will fluctuate) and shortfall risk (the possibility that a portfolio will fail to meet its longer-term objective). Different investors have different tolerances for risk based on factors such as their personal circumstances and their investment timeframe.

Volatility
The extent to which investment values fluctuate over time. When investors are uncertain about the economic environment or geopolitical events, short-term volatility tends to increase.

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