

# VANGUARD'S UK MANIFESTO

Three steps to improving the financial standing of people in the UK

PROPOSED STEPS	<div style="text-align: center;"> <p><b>1</b></p> <p><b>Encourage people to save</b></p> </div>	<div style="text-align: center;"> <p><b>2</b></p> <p><b>Ensure people have access to help</b></p> </div>	<div style="text-align: center;"> <p><b>3</b></p> <p><b>Ensure people have access to a fair deal</b></p> </div>
WHY DOES IT MATTER?	<p><b>The UK suffers from a 'savings gap'.</b> People across Britain face considerable financial challenges, making it difficult for them to save enough to achieve their long-term financial goals. This includes being able to live comfortably during retirement.</p> <p>A number of positive steps have been taken recently, including pension auto-enrolment and the introduction of financial education in UK schools. Now is the time to build on this progress and strengthen the incentive to save.</p>	<p><b>The savings landscape is complex.</b> Many savers need help to make successful investment decisions. People in the UK can struggle to find the right support, at the right time and at a fair price.</p> <p>We need to create a market that delivers affordable and accessible financial guidance to everyone. Good financial advice should be available at every income level, not just be a service for those with considerable wealth.</p>	<p><b>Costs matter.</b> Low investment costs enable investors to keep more of their returns. This is particularly important when people do not have substantial sums to invest.</p> <p>However, awareness of costs amongst UK savers is very low. Nearly a third of consumers either do not know whether they pay platform charges for investing, or do not think that they pay any at all. This has to be addressed. Once people are in a position to find the best deal, they should be able to transfer their investments to their selected provider quickly and easily at minimum cost.</p>
OUR ASKS OF GOVERNMENT & REGULATORS	<ol style="list-style-type: none"> <li>1. Simplify the individual savings account (ISA) regime</li> <li>2. Remove the pension lifetime allowance and introduce a flat-rate pension tax relief</li> <li>3. Introduce kitemarked investment products</li> </ol>	<ol style="list-style-type: none"> <li>4. Promote the value of advice and guidance through the Money and Pensions Service</li> <li>5. Encourage the development of a range of advice and guidance options by tailoring the 'suitability' information to be collected by advisers to the type of advice they are providing</li> </ol>	<ol style="list-style-type: none"> <li>6. Introduce a mandatory cost warning in all investment documents for consumers</li> <li>7. Require pre-purchase investment cost review screens</li> <li>8. Introduce a mandatory transfer time between investment accounts</li> <li>9. Ban exit fees</li> </ol>

# ABOUT VANGUARD

## Vanguard is a different kind of investment company

*Vanguard is one of the world's largest asset managers, offering a wide selection of low-cost mutual funds and exchange-traded funds (ETFs) to retail and institutional investors in markets across the globe.*

### About Vanguard

The Vanguard Group, Inc. - Vanguard's parent company - was founded in 1975 and is based in Pennsylvania.

Vanguard's global assets under management (AUM) were just under £4.65 trillion (as at 31 December 2019). In Europe, Vanguard has approximately 600 employees based in London, with additional offices in Amsterdam, Frankfurt, Dublin, Paris and Zurich. Further European expansion is a strategic objective for Vanguard.

Vanguard Asset Management Limited is based in London and as at 31 December 2019 managed just under £224 billion. Our investors range from direct retail investors to institutional and intermediary investors, such as banks, pension funds, independent financial advisers and discretionary wealth managers.

### Important information

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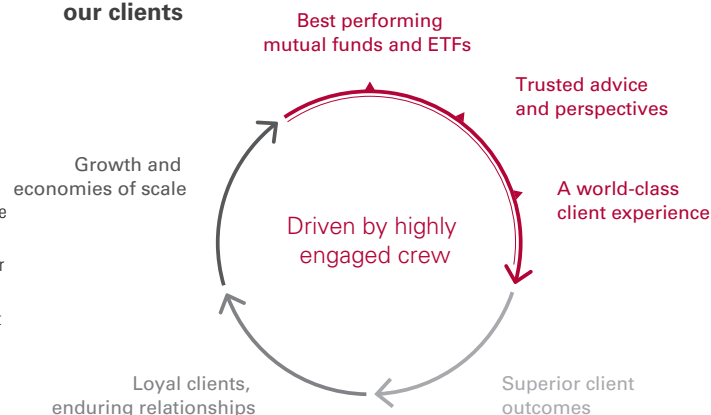
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### Our mission: the investor first

Vanguard's core purpose is to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

One aspect that sets us apart from the rest of the asset management industry – and lets us always put investors first around the world – is the ownership structure of Vanguard in the US. Rather than being publicly traded or owned by a small group of individuals, Vanguard is owned by the US mutual funds and ETFs it manages. Those funds, in turn, are owned by their investors, meaning Vanguard is structured as a 'mutual' fund company. This unique structure aligns our interests with those of our investors – benefiting investors worldwide – and drives the organisation's culture, philosophy and policies.

### Vanguard's flywheel: Our aspiration in serving our clients



### Our philosophy: low-cost, transparent investing

Our inspiration is to change the way the world invests. For more than 40 years we have advocated for the Vanguard way of investing – clear goals, balance, low costs, and discipline.

These enduring principles have helped millions of people save for retirement, fund their higher education, or buy a new home. The investment industry has followed our lead, resulting in better outcomes for many more investors.

Indeed, while investors can't control the markets, they can control the costs of investing. The funds we offer are amongst the lowest cost funds available in their peer groups; this is not a pricing strategy for us, it is how we do business and is good for the returns of our clients.

Vanguard's scale also helps to keep costs low. As our assets under management increase, we can reduce expense ratios for the investors in our funds globally.



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### Contact:

Richard Withers  
Head of Government Relations, Europe  
Richard.Withers@vanguard.co.uk  
+44 (0) 203 753 6909