VANGUARD PERSONAL PENSION OPENS TO RETIREMENT SAVERS

19 February 2020 – Vanguard has launched the Vanguard Personal Pension, a Self-Invested Personal Pension (SIPP) designed to make saving for retirement simpler and less expensive. The SIPP, which is open initially to "accumulation" stage investors (those paying into a pension), is the lowest-cost on the market for the average British pension holder, according to independent research from Platforum (analysis as of December 2019)[1], For investors who wish to take payments from their pension, drawdown capabilities will be added in the 2020/21 tax year.

Key facts:

- 0.15% account fee capped at £375 across **all** accounts in an investors' name on the Vanguard Personal Investor platform, including SIPP, ISA, and general account
- Invest from just £100 a month or with an initial lump sum of £500
- Access to 77 high-quality, low-cost, broadly diversified funds and exchange traded funds (ETFs), including Vanguard's Target Retirement Fund and LifeStrategy ranges

Sean Hagerty, Head of Vanguard, Europe comments:

"We are very excited to launch the Vanguard Personal Pension, a pension designed to reduce the cost and complexity of saving for retirement. An individual's savings often represent a lifetime's effort, yet many investors and retirees lose out on their own hard work to high fees and charges. Fees can have a sizeable impact on investment returns, and consequently on the quality of life in retirement.

"At Vanguard, we aim to offer investors the clarity, peace of mind and value for money they deserve, through a service that is simple, effective, transparent and fairly priced."

Keeping costs low is key to investment success

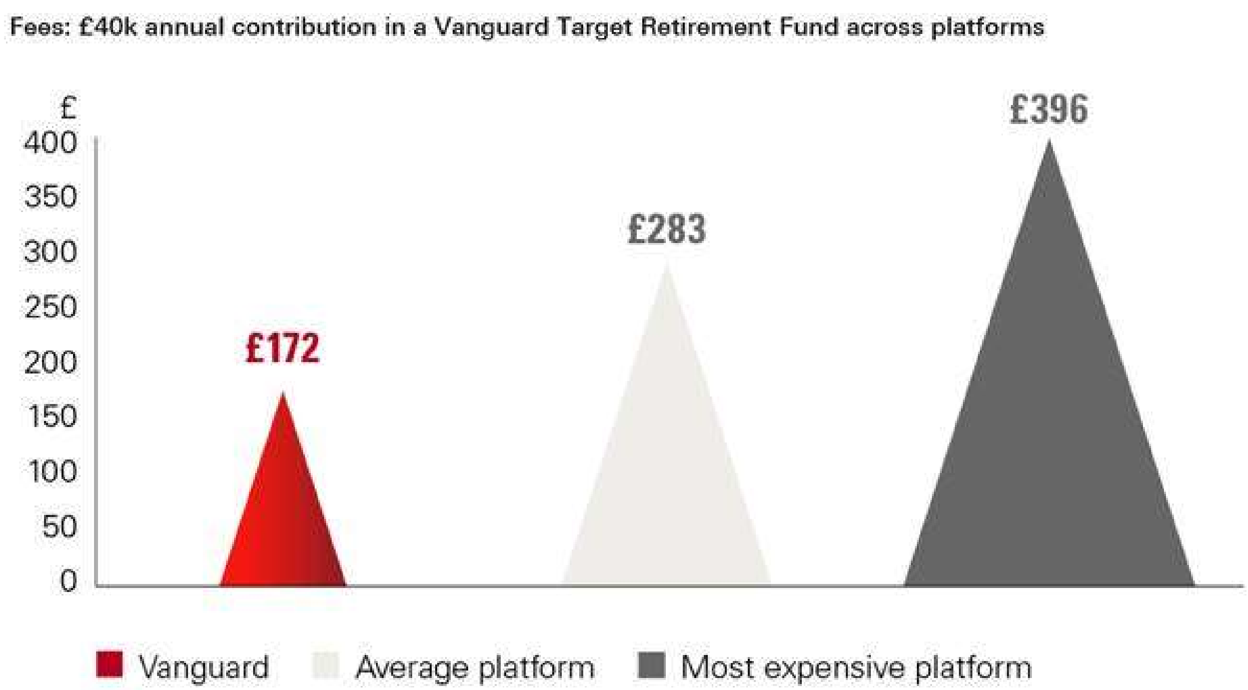
Vanguard commissioned independent research company Platforum to calculate the Vanguard Personal Pension's competitiveness compared with SIPPs offered by 14 other leading platforms,

[1] Source: Platforum data and analysis as at December 2019. The average (median) British pension holder not yet in drawdown has a pot of £40,500 (ONS,February 2018).

across a range of investment scenarios. The research found that the Vanguard SIPP is the lowest-cost self-invested personal pension on the market for the average (median) British pension holder who has not yet drawn on their pension.

Jeremy Fawcett, Head of Platforum, comments:
"Pension investing is a long-term activity and when fees are low, outcomes are significantly improved. The Vanguard SIPP is one of the lowest cost options in the market, especially for those at the beginning of their investing journey."[2]

As an example, Platforum looked at the fees for an investor able to invest the maximum £40,000 annual SIPP contribution in one of Vanguard's single-fund retirement solutions – a Vanguard Target Retirement Fund. The research calculated an investor would pay just £172 a year in total charges including fund fees, transaction costs, and SIPP charges in a Vanguard Target Retirement Fund through the Vanguard Personal Pension, as compared to as much as £396 in total on the most expensive platform.



Source: Platforum data and analysis as at December 2019

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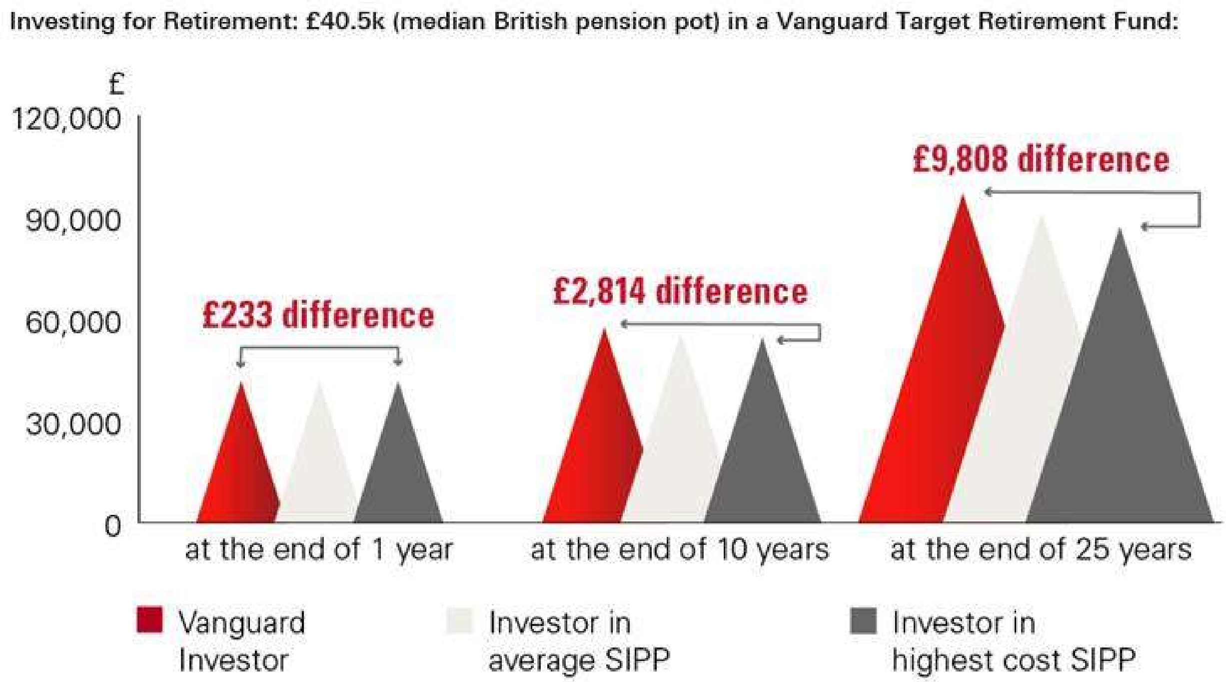
[2] Calculating the total cost of investing for UK SIPP investors is complicated. Platforms use different pricing models and many charge supplementary fees. Platforum's research confirmed the Vanguard Personal Pension a 'one of the lowest cost options in the market' across a range of investment scenarios and the lowest cost for the media British pension holder not yet in drawdown

Fees in accumulation:

The potential impact of SIPP fees over an investment lifetime is considerable. Take, for example, a 43-year-old looking to invest a pension pot of £40,500 for retirement (median pension pot for a British investor not yet in drawdown). Imagine they invest through a SIPP in the Vanguard Target Retirement Fund 2045 and retire 25 years later at the state pension age of 68, having earned a return of 4% per annum on their investments.

In this scenario, investing via the Vanguard Personal Pension would leave the investor £9,808 better off than the same investment held in the highest-cost SIPP on the market.



(Vanguard calculations, Platforum data as at December 2019

For further information please contact:

Caroline Hancock, Head of PR Vanguard, Europe Tel: +44 (0)203 753 6980 or caroline.hancock@vanguard.co.uk

Jonathan Goodstone, PR Specialist, Europe Tel: +44 (0)203 753 5158 jonathan.goodstone@vanguard.co.uk

Emily Church / Henry Adefope, Newgate Communications Tel: +44 (0)20 3757 6870
vanguard@newgatecomms.com

For more information visit www.vanguardinvestor.co.uk

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Which? Recommended Provider

Vanguard Personal Investor has been named the top-rated investment platform for customer satisfaction and value for money in the UK by Which? the consumer champion.

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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.

Eligibility to invest in a Vanguard Personal Pension depends on your individual circumstances. Please be aware that pension and tax rules may change in the future and the value of investments can go down as well as up, so you might get back less than you invested. You cannot usually access your pension savings or make any withdrawals until the age of 55.

Your pension transfer will be sent to us as cash. During this period you will be out of the market (not invested) so you could miss out on any increase in the value of your pension fund should the market rise.

If you are not sure of the suitability or appropriateness of any investment, product or service you should consult an authorised financial adviser. Please note this may incur a charge. Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

Investments in smaller companies may be more volatile than investments in well-established blue chip companies.

The fund(s) may invest in financial derivative instruments that could increase or reduce exposure to underlying assets and result in greater fluctuations of the fund’s Net Asset Value. Some derivatives give rise to increased potential for loss where the fund’s counterparty defaults in meeting its payment obligations.

The Vanguard Target Retirement Funds may invest in Exchange Traded Fund (ETF) shares.

ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid-offer spread which should be considered fully before investing.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments.

Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.