VANGUARD LAUNCHES LOW-COST TARGET RETIREMENT FUND RANGE

4 April 2016 – Vanguard today launched a range of low-cost, broadly diversified single-fund solutions to help investors reach their retirement goals. The new suite of professionally managed Target Retirement Funds (TRFs) invests in Vanguard's low-cost, high-quality equity and bond index funds and Exchange Traded Funds. They help investors take control of their retirement savings by simply choosing one of Vanguard's nine TRFs based on their expected retirement date. The TRF automatically adapts the asset mix for the different stages of the investor's journey to and through retirement[1] (See notes to editors).

TRFs are likely to appeal to a broad range of investors and can be included in a Self-Invested Personal Pension (SIPP), Individual Savings Account (ISA) and the new Lifetime ISA from 2017. In the US, TRFs have become increasingly popular among individual investors and retirement plan participants.

Steve Charlton, retirement expert at Vanguard said, "The UK retirement landscape is changing rapidly. Following pension freedom reforms in 2015, investors have more flexibility and choice but they also face even more decisions on how to save for retirement and how to spend or draw an income in retirement. We've created Vanguard's Target Retirement Fund range in the knowledge that not everyone will know whether they will take lump sums, a regular income or buy an annuity until they retire. These funds help people to save and invest for retirement regardless of how they choose to use the funds in retirement.

"The new TRFs represent *Vanguard's Principles for Investment Success* which encourage investors to focus on factors within their control to achieve long-term results. The principles guide investors to set clear investment goals, minimise costs, develop a suitable asset allocation using broadly diversified funds, and maintain perspective and long-term discipline."

A year on from pension freedom reforms in 2015 and changes to the annual and lifetime allowances, investors now have the option of saving for retirement via a workplace pension, a SIPP, an ISA or the new Lifetime ISA as announced in the March 2016 Budget. However, Vanguard research shows many investors lack time for or interest in retirement planning.

Vanguard's TRFs help to address these challenges by offering a straight-forward fund solution based on investment best practices and managed by experienced investment professionals.

Best practices include the principles of asset allocation, diversification, transparency and balance between risk, return and cost, which help savers avoid the common behavioural finance pitfalls such as trading too frequently, chasing returns and trying to time the market.

Vanguard is one of the largest providers of TRFs in the US and manages US$358 billion in US-based target-date assets as at the end of December 2015.

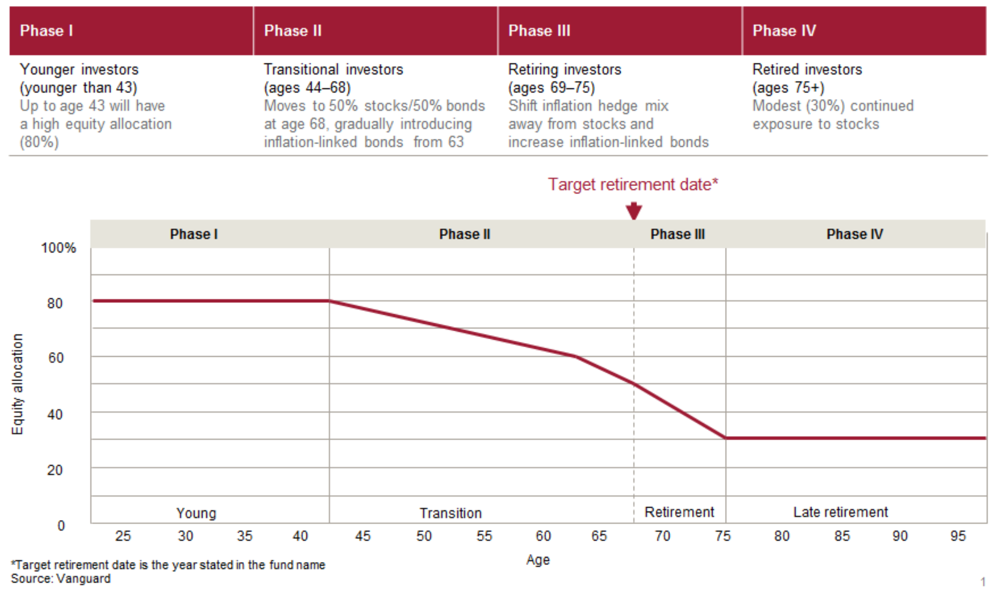
Investors can buy the new TRFs through platforms including Ascentric, Raymond James, Novia, Zurich, FNZ, Alliance Trust Savings, Hargreaves Lansdown, Fidelity Personal Investing and Aviva Investment Account.

New Vanguard Target Retirement Fund Range

Vanguard Target Retirement Fund Name	Ongoing charges figure
Vanguard Target Retirement 2015 Fund	0.24%
Vanguard Target Retirement 2020 Fund	0.24%
Vanguard Target Retirement 2025 Fund	0.24%
Vanguard Target Retirement 2030 Fund	0.24%
Vanguard Target Retirement 2035 Fund	0.24%
Vanguard Target Retirement 2040 Fund	0.24%
Vanguard Target Retirement 2045 Fund	0.24%
Vanguard Target Retirement 2050 Fund	0.24%
Vanguard Target Retirement 2055 Fund	0.24%

THE VALUE OF INVESTMENTS, AND THE INCOME FROM THEM, MAY FALL OR RISE AND INVESTORS MAY GET BACK LESS THAN THEY INVESTED.

Notes to editors:



*Target retirement date is the year stated in the fund name
**The graph shows the four distinct phases to and through retirement. These phases and age groups form the basis of the age at which investors move from one of the nine funds to the next to adopt their asset allocation according to most suitable risk models.
Source: Vanguard

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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.

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

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

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

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.

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.

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