



## VANGUARD UNVEILS NEW FINANCIAL ADVICE SERVICE FOR UK RETIREMENT SAVERS

- Designed for investors saving for retirement, Vanguard Personal Financial Planning launches on the award-winning Vanguard UK Personal Investor platform - [www.vanguardinvestor.co.uk/financial-advice](http://www.vanguardinvestor.co.uk/financial-advice).
- The service offers personalised retirement saving advice, supported by Vanguard's team of financial planning experts.
- The all-in cost is just 0.79%, including the advice fee plus ongoing fund charges, transactions costs and platform costs<sup>i</sup>. There are no other charges (e.g., entry, exit, or otherwise). Investors require a minimum of £50,000 invested on Vanguard UK Personal Investor to be eligible for Vanguard Personal Financial Planning.

**19 April 2021** – Vanguard is delighted to announce the launch of Vanguard Personal Financial Planning, on the award-winning Vanguard UK Personal Investor platform, [www.vanguardinvestor.co.uk/financial-advice](http://www.vanguardinvestor.co.uk/financial-advice). Vanguard Personal Financial Planning brings value to investors through a personalised retirement saving advice service that is high-quality and easy to access, at an all-in cost of just 0.79%.

### **Sean Hagerty, Head of Vanguard, Europe, comments,**

“Vanguard Personal Financial Planning gives value to investors by providing high-quality, low-cost, retirement saving advice, through a service that investors can access at their convenience.

“We strongly believe that many people will benefit from taking financial advice, particularly in preparation for retirement. However, research, including a recent FCA report, shows that over 90% of the UK's adult population do not currently take advice.

“For some investors, the cost of advice is a barrier. The data indicates people can pay more than 1.5% for advice, platform, and fund management charges. It's not uncommon to see fees north of 2%. With people living longer and working longer, these costs have the potential to make a considerable dent in their hard-earned retirement savings.”

## **About Vanguard Personal Financial Planning**

The Vanguard Personal Financial Planning service will provide investors preparing for retirement with a comprehensive financial plan tailored to their chosen retirement date, desired retirement income and their attitude to risk, and is based on their financial situation.

As part of this plan, Vanguard will recommend a tailored investment portfolio made up of a finely tuned mix of our low-cost and broadly diversified equity and fixed income funds. Vanguard will manage the portfolio on the investor's behalf, rebalancing as appropriate, and reducing their level of risk as they approach retirement. This personalised financial plan will be reviewed and updated annually to keep it on track.

### **Fees and service model**

Vanguard Personal Financial Planning applies a simple and transparent charge with a single all-in cost of just 0.79%. This comprises an advice fee (0.50%) that includes VAT where applicable, ongoing fund charges (0.12%), transaction costs (0.02%), and platform fee (0.15%, capped at a maximum of £375 a year). There are no entry or exit charges (see "Typical Advice Charges" table below).

Vanguard Personal Financial Planning offers tiered support service levels, with support increasing as investors' portfolios grow and their financial needs evolve. Investors require a minimum of £50,000 invested on Vanguard UK Personal Investor to be eligible for Vanguard Personal Financial Planning.

- Clients with £50,000 to invest towards retirement receive a digital financial planning experience with a personal financial plan, implemented and managed by Vanguard and reviewed annually. Clients have access to our service team for administrative support.
- Clients with over £100,000 receive, in addition, access to a team of financial planners, who are on hand to provide telephone or video-based financial planning support. They will receive an annual review from a financial planner as a matter of course, as well as being able to arrange a review when they experience a change in circumstances.
- Clients with over £750,000 are supported by a dedicated financial planner, available to provide face-to-face support via video or in-person at Vanguard's offices in London.

The financial planning team is led by James Norton (CFP™ Chartered FSCI), Head of Financial Planners, Vanguard, Europe. They are supported by a UK wealth planning research team, who

produce Vanguard’s cutting-edge thinking on financial advice, investments, and retirement planning.

### Eligibility and getting started

To be eligible for Vanguard Personal Financial Planning, investors must be aged 18 years or over and must be a UK resident for tax purposes. Investors must also have a minimum of £50,000 invested on the Vanguard UK Personal Investor platform, which they are prepared to allocate to investing for retirement.

At launch, this service is directed at providing financial planning for a single investor. Functionality for couples’ retirement planning will be added in due course, as will support for planning towards additional investment goals.

### Notes to editors

The full details of the Vanguard Personal Financial Planning service are available at [www.vanguardinvestor.co.uk/financial-advice](http://www.vanguardinvestor.co.uk/financial-advice).

### Vanguard Personal Financial Planning charges

Vanguard Personal Financial Planning’s charging model is designed to be clear and simple. The table below demonstrates what Vanguard Personal Financial Planning charges for, compared with other common advice charges, identified by *Platforum*.

**Table of typical advice charges (Platforum data, April 2021)** - Green indicates fees charged by Vanguard

|   |   |                                       |   |                         |   |
|---|---|---------------------------------------|---|-------------------------|---|
| <b>Ongoing advice fee</b>   | ✓ | Implementation/<br>initial advice fee | ✗ | Account<br>closure fees | ✗ |
| <b>Platform/ account fee</b>                                      | ✓ | Wrapper fees                          | ✗ | Entry charge            | ✗ |
| <b>Ongoing Charges Fee<br/>(including transactions<br/>costs)</b> | ✓ | Transaction (buy/<br>sell) fees       | ✗ | Exit charge             | ✗ |
| Initial consultation fee  | ✗ | Transfer (in/out) fees                | ✗ | Performance<br>fees     | ✗ |
| Financial planning fee  | ✗ | Withdrawal fees                       | ✗ |                         |   |

## Impact of costs

In order to illustrate the potential impact of costs in retirement, we compared the net returns for an investor of a portfolio returning 5% a year, over 30 years, minus annual all-in costs of 0.79% (with the platform fee capped at £375 a year), 1.5% and 2.0%. For an investor with a £250,000 starting pot, the difference between paying 0.79% annually and 2% annually adds up to £275,571 over 30 years. For an investor with a £750,000 pot, the difference between paying an all-in cost of 0.79% annually and 2% annually adds up to £872,067 over 30 years.



Source: Vanguard calculations

<sup>i</sup> Financial planning fee inclusive of VAT where it's applicable. Account fee capped at £375. Average fund management costs equal ongoing costs plus transaction costs. This is an average cost across all advised portfolios. It will vary depending on the exact make-up of a client portfolio at any given time. Transaction costs will vary between funds

## Key features

- Tailored financial advice based on the investor's retirement goal
- All-in cost of just 0.79% (0.50 advice fee + 0.15% platform fee + 0.14% average fund management costs) with no entry or exit fees
- Convenient – absolutely everything can be done from the comfort of the investor's own home
- Support from qualified financial planners – from a trusted firm
- Personalised investment plan – investments and asset allocation tailored to an investor's circumstances
- Portfolio rebalancing and monitoring – we manage the financial plan for the investor so they don't have to
- Tax-smart planning – maximises tax efficiency to increase chance of long-term investment success
- State of the art technology that removes human bias and makes sure clients get consistent advice
- Innovative risk profiling that provides a more accurate assessment of a client's attitude to risk
- Cash flow modelling – investors can visualise if they are on track or not
- Advice that adapts with investors – it's an ongoing service not 'set and forget'

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**For more information visit [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk)**

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grown into one of the world's largest and most respected investment management companies. Globally, Vanguard manages \$7.3 trillion on behalf of investors worldwide. (Source: Vanguard, as at 31 March 2021).

### **Which? Recommended Provider – Investment Platforms and Self-Invested Personal Pensions**

For two years running, 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.

We have also been named a Which? Recommended Provider in 2020 for Self-Invested Personal Pensions.



### **Disclaimers:**

**Vanguard Personal Financial Planning offers restricted advice. This means we will only recommend Vanguard products and investments. We will not consider the whole of the market.**

**Vanguard Personal Financial Planning will manage clients' investments on their behalf. Clients will not be able to place trades on their own account**

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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.

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