

**Vanguard<sup>®</sup>**

# **Vanguard Managed Pension Service Terms and Conditions**

December 2023

# Introduction

These are the terms and conditions for the Vanguard Managed Pension Service ("**VMP Service**") and the VMP Account (as a Vanguard Personal Pension) (the "**Terms**").

These Terms form a binding legal agreement between you and Vanguard Asset Management Limited ("**Vanguard**") for the VMP Service and the VMP Account, together with:

- the application form you completed to open your VMP Account with us;
- any declarations you completed in relation to the VMP Service and your VMP Account;
- the Scheme Rules; and
- the Key Features Document relating to the VMP Service and the VMP Account.

Before accepting the VMP Service and opening your VMP Account, you should read these Terms, together with the important disclosures in the Legal Information page at [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk). Information on how to access these documents is available on request. If there is anything in these documents which you do not understand, please contact us using the details set out below.

Your VMP Account is a Vanguard Personal Pension.

The VMP Service is an investment management service, which provides ongoing management of the funds in your VMP Account with the agreed goal of building up a sum of money, in a tax efficient wrapper, as you come to take your Vanguard Personal Pension. This will be achieved by investing the monies held in your VMP Account in accordance with one of our pre-built investment portfolios, periodically Rebalancing the composition of the holdings within your VMP Account to remain within the parameters of the pre-built investment portfolio accepted by you, which we will use as an investment mandate.

All investors will have the monies in their VMP Account invested in accordance with one of the pre-built investment portfolios Vanguard has created – precisely which of the pre-built investment portfolios will depend on the risk appetite of the individual investor. The asset allocation of the pre-built investment portfolio will adjust over time to reflect how close an investor is to the age they indicate they plan to start taking their Vanguard Personal Pension - we call this a 'glidepath' and this forms part of our investment mandate. Your investment portfolio will be Rebalanced, as necessary, to follow this glidepath.

Each investor with the same risk appetite and time to taking their Vanguard Personal Pension will have their monies invested in the same portfolio, which will follow the same glidepath.

Vanguard reserves the right to change, modify or discontinue any features of these Terms. Where we reasonably consider that changes are material or detrimental to you we will provide you with at least one month's written notice in advance, and you will be able to terminate the VMP Service and Transfer Out your Vanguard Personal Pension without a fee to another provider if you do not accept the changes. Changes that are necessary due to reasons outside of

our control and/or which are immaterial and not to your detriment may take effect immediately. We will tell you as soon as possible after the change if we have not been able to inform you in advance.

## Vanguard

Vanguard Asset Management Limited is authorised and regulated by the Financial Conduct Authority in the UK (under firm reference number 527839). Its registered office is at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF. The contact address for the FCA is 12 Endeavour Square, London E20 1JN.

## How to contact Vanguard

We recommend that you contact us through secure mail via your online VMP Account. Alternatively, you may email us at [personalinvestors@vanguard.co.uk](mailto:personalinvestors@vanguard.co.uk). Please do not include any account details if you contact us by email.

You can also call us on 0800 5870475 on any Business Day (please refer to our website for details of our opening hours).

## Complaints

If you have a complaint in respect of the VMP Service and/or your VMP Account or any part thereof, please contact us using the details above. A copy of our Complaints Handling Policy is available on the website. If you are not happy with our response, you can refer your complaint to the Financial Ombudsman Service or The Pensions Ombudsman (as relevant) at the following addresses, respectively:

### Financial Ombudsman Service

Exchange Tower, Harbour Exchange Square,  
London E14 9SR  
Telephone: 0800 023 4567 (call charges will vary)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### The Pensions Ombudsman

10 South Colonnade  
Canary Wharf  
London E14 4PU  
Telephone: 0800 917 4487 (call charges will vary)  
mail: [helpline@pensions-ombudsman.org.uk](mailto:helpline@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

We are covered by the Financial Services Compensation Scheme ("**FSCS**"). You may be entitled to compensation from the FSCS if we are no longer trading or are declared to be in default and cannot meet our obligations to you. This depends on the type of investment and the circumstances of your claim. Most types of investment business are covered up to a maximum of 100% of the first £85,000 per person. In respect of money held with a bank the maximum amount of compensation in respect of the account-holding bank's insolvency is £85,000. Our current banking partner is HSBC plc and we will inform you if this changes. The limits may change in the future. For more information about how the FSCS might apply to you, please contact us or visit the FSCS website at [fscs.org.uk](http://fscs.org.uk). The FSCS's address is 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

# Contents

1. Description of Services	4
2. Commencement	4
3. Our role	4
4. Communications	5
5. Your VMP Account	5
6. VMP Service	6
7. Suitability	7
8. Contributions into your VMP Account	8
9. Switching existing investments into the VMP Service	9
10. Transfers Out	9
11. Charges	9
12. Unauthorised Payments	10
13. Ending the VMP Service and Closing Your VMP Account	10
14. Taking your Benefits	11
15. Cash	12
16. Your Vanguard Funds	12
17. Share classes	13
18. Reports and voting rights	13
19. Statements	13
20. Our responsibilities to you	13
21. Your responsibilities to us	13
22. Your personal information	14
23. Intellectual property	14
24. Changing or assigning these Terms	14
25. Disputes and governing law	14
APPENDIX 1 – Charges	15
APPENDIX 2 – Order Execution Policy	16
APPENDIX 3 – Conflicts	17
APPENDIX 4 – Definitions	18

## 1. Description of Services

- 1.1. The VMP Service is an investment management service, which provides ongoing management of the funds in your VMP Account with the agreed goal of building up a sum of money, in a tax efficient wrapper, as you come to take your Vanguard Personal Pension. This will be achieved by investing the monies held in your VMP Account in accordance with one of our pre-built investment portfolios, periodically Rebalancing the composition of the holdings within your VMP Account to remain within the parameters of the pre-built investment portfolio accepted by you, which we will use as an investment mandate.
- 1.2. All investors will have the monies in their VMP Account invested in accordance with one of the pre-built investment portfolios Vanguard has created – precisely which of the pre-built investment portfolios will depend on the risk appetite of the individual investor. The asset allocation of the pre-built investment portfolio will adjust over time to reflect how close an investor is to the age they indicate they plan to start taking their Vanguard Personal Pension - we call this a 'glidepath' and this forms part of our investment mandate. Your investment portfolio will be Rebalanced, as necessary, to follow this glidepath.
- 1.3. Each investor with the same risk appetite and time to taking their Vanguard Personal Pension will have their monies invested in the same portfolio, which will follow the same glidepath.

## 2. Commencement

- 2.1. By confirming you accept these Terms, you confirm that you meet the conditions set out in these Terms, and that you want us to provide the VMP Service using the pre-built investment portfolio presented to you, following the determination of your risk appetite and indication of the age you plan on taking your Vanguard Personal Pension, which you confirm that you accept and which we will use as an investment mandate.
- 2.2. The Terms will become legally binding and we will start providing the VMP Service to you when you click accept and your Application to open a VMP Account has been accepted (as set out at Clause 5.4).

## 3. Our role

- 3.1. Our role is to:
  - (a) following your successful Application to open a VMP Account, invest the monies therein in accordance with the pre-built investment portfolio you have accepted following the determination of your risk appetite and

indication of the age you plan on taking your Vanguard Personal Pension; and

- (b) thereafter, periodically Rebalance the investments in your VMP Account, in accordance with the pre-built investment portfolio you have accepted, which we will use as an investment mandate.
- 3.2. We will safekeep and administer the units in the Vanguard Funds which we acquire for you in providing the VMP Service.
- 3.3. In all of our dealings with you we will comply with:
  - (a) these Terms;
  - (b) Applicable Regulations; and
  - (c) the Scheme Rules, which will prevail in the event of any conflict with these Terms.
- 3.4. When we Rebalance the investments in your VMP Account we will do so in line with our Order Execution Policy. Appendix 2 sets out a summary of our Order Execution Policy, which describes how we get the best possible results when dealing. You have the right to ask us for further information about how we achieve best execution.
- 3.5. Our Conflicts of Interest Policy sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are identified and managed or prevented. A summary of our current policy is set out in Appendix 3. You have the right to ask us for further information regarding our Conflicts of Interest Policy.
- 3.6. The FCA Rules require us to classify all investors. The VMP Service and the VMP Account are provided by us to 'retail clients'. Unless we tell you otherwise, we will treat you as a retail client under the FCA Rules. This means you get the highest level of protection available under the FCA Rules.
- 3.7. Under the FCA Rules, Vanguard is restricted from accepting and retaining any fees, commission or monetary benefits, or accepting any non-monetary benefits (other than acceptable minor non-monetary benefits, where these are paid or provided by a third party or a person acting on their behalf). We ensure that any payments we receive are in compliance with the FCA Rules. We may receive certain acceptable minor non-monetary benefits. These could include:
  - (a) information or documentation relating to a financial instrument or investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;

- (b) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service; or
  - (c) hospitality of a reasonable de minimis value, including food and drink during a business meeting or a conference, seminar or other training event.
- 3.8. Your VMP Account is a Vanguard Personal Pension. Vanguard is the Scheme Administrator of the Vanguard Personal Pension, meaning that we are responsible for the operation and the administration of the Vanguard Personal Pension in accordance with the Trust Deed and Scheme Rules. The Scheme Administrator shall, at all times, act in accordance with the prevailing legislation, including, but not limited to, circumstances where such (omission to) act(s) would not be permitted by the Scheme Rules where this is believed to be in your best interests.
- 3.9. We may delegate our functions to third parties in accordance with the Trust Deed. We will be responsible for the actions and omissions of any person to whom a function is delegated. We may also engage agents to help us perform our functions.
- 4. Communications**
- 4.1. By signing up to this service and accepting these Terms, you agree that we will send documents to you via a secure online mailbox. We will not generally communicate with you by post. All our documents and communications with you will be in English.
- 4.2. You should not enrol in the VMP Service or agree to the Terms if you do not have internet access or do not want to accept communications and information from us by means of electronic delivery. You are required to maintain an active email address.
- 4.3. You agree to receive copies of our up-to-date policy summaries (including summaries of our Conflicts of Interest Policy and Order Execution Policy) via our website at [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk) and to access your VMP Account at least once a quarter for the purpose of viewing the statements and other information which we provide to you.
- 4.4. If we do communicate with you by post, we will write to you at the last address you gave us. If communications we send to you are returned to us, we may put restrictions on your VMP Account for security reasons.
- 4.5. You can communicate with us securely through secure mail via your online VMP Account. Alternatively, you may email us at [personalinvestors@vanguard.co.uk](mailto:personalinvestors@vanguard.co.uk). Please do not include any account details if you contact us by email. You can also contact us by calling us on 0800 587 0475 on any Business Day (please refer to our website for details of our opening hours).
- 4.6. We will act and/or rely on any communication which we reasonably believe to have been made by you, and so you should make sure you keep your security details safe as required at Clause 5.8 of these Terms. For security purposes, we may ask you to confirm some information in writing before we act on any communication from you.
- 4.7. We cannot guarantee that access to the VMP Service customer support team will be available at all times or without delay. We may at our absolute discretion suspend the operation of our online services and/or telephone services where this is necessary. For example, suspensions may be necessary for technical reasons, for us to undertake trading on your VMP Account, emergencies, regulatory reasons or where we decide it is for your and our other clients' protection. Occasionally, we may also need to suspend the provision of online services to maintain or upgrade our systems. We will not be liable to you if our systems or services are unavailable to you.
- 4.8. You agree that Vanguard may provide, in accordance with our Privacy Policy, alerts and notifications of our products and services to you via electronic transmission, including via any email address or mobile number you provide to us.
- 4.9. We are obliged under the FCA Rules to record certain communications (including telephone calls, video and electronic communications and instant messaging) which relate to, or are intended to lead to, the conclusion of a contract in a financial instrument. You have the right to request a copy of such recordings at any time in the five-year period beginning on the date of the relevant recording. We may monitor and record other communications and calls in accordance with Applicable Regulations.
- 5. Your VMP Account**
- 5.1. You can generally receive the VMP Service and open a VMP Account if you are: (i) an individual aged between 18 and 70 years; (ii) at least 5 years away from when you plan on taking your Vanguard Personal Pension; (iii) UK resident (note this excludes Channel Islands and Crown Dependency residents); and (iv) UK tax resident.

- 5.2. You cannot receive the VMP Service and open a VMP Account if you currently hold any type of account with Vanguard.
  - 5.3. In order to receive the VMP Service, you must open a VMP Account by completing an online Application. This can be done at [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk). As part of the VMP Account opening process, you will set up a username and password, and certain other personal security details you will use to access your VMP Account.
  - 5.4. The submission of your Application does not constitute our acceptance of your VMP Account which we may decline entirely at our discretion. These Terms come into force when we accept your Application. This is normally on the Business Day we receive it.
  - 5.5. If we accept your Application for a VMP Account you will become a Member of the Scheme.
  - 5.6. Opening a VMP Account means you accept these Terms and you confirm to us that you meet the conditions set out in these Terms. You also agree to be bound by the Scheme Rules as a Member of the Scheme.
  - 5.7. Your VMP Account may be restricted if your residency or tax status change. This means that we may suspend or end the VMP Service, sell your Vanguard Funds without notice and hold cash in your Vanguard Personal Pension (in accordance with Clause 13) if you cease to be UK tax resident.
  - 5.8. You must keep your security details secret. You must not disclose them to anyone or allow any other person to access your VMP Account using your security details. We are not responsible for any loss that your VMP Account may incur as a result of not having kept your security details and/or password secret.
  - 5.9. Under applicable money laundering regulations, we are required to verify the identity of our investors, beneficial owners and anyone controlling or paying for Vanguard Funds (which for the VMP Account may include your employer's Directors and Significant Shareholders where Contributions are made by your employer). We will carry out electronic searches on private and public databases and use credit reference agencies which will record that an enquiry has been made. We may also need to ask you for further documentation as evidence.
  - 5.10. If we do need to carry out additional checks, until we have verified your identity and/or bank account information, where appropriate, we may refuse any Contributions or Switches.
  - 5.11. The VMP Service and the VMP Account are not available to US persons. "**US persons**" include any citizen of the United States of America (US), any person holding a US passport (regardless of residency or domicile), and any person who has an obligation to pay tax to the US tax authorities on their worldwide income. If you are or you become a US person, we may restrict the services we offer you and inform the relevant authorities. We reserve the right to end the VMP Service, sell your Vanguard Funds without notice and hold cash in your Vanguard Personal Pension (in accordance with Clause 13).
- 6. VMP Service**
- 6.1. The VMP Service will provide ongoing management of your VMP Account with the agreed goal of building up a sum of money, in a tax efficient wrapper, as you come to take your Vanguard Personal Pension.
  - 6.2. Vanguard will Rebalance the Vanguard Funds within your VMP Account, using the parameters of the pre-built investment portfolio you have accepted as an investment mandate. We will manage your VMP Account with reasonable care and skill and act in your best interests. You authorise us to enter into any kind of arrangement or transaction on your behalf as permitted by these Terms at our discretion, within the parameters of the pre-built investment portfolio you have accepted. Investments will be made into a range of Vanguard Funds, with varying levels of risk. Higher risk and lower risk funds may be purchased for your VMP Account in a balance which accords with your risk appetite and the pre-built investment portfolio you have accepted (including the age you indicate you plan on taking your Vanguard Personal Pension). We may invest any amount or any proportion of your VMP Account (including cash received into your VMP Account) in any currency, and on any market.
  - 6.3. If at any time you wish to change the age at which you plan on taking your Vanguard Personal Pension, you can do so by contacting us (see 'How to contact Vanguard'). If you do change the age at which you plan on taking your Vanguard Personal Pension, we will update our investment mandate to reflect this and manage the Vanguard Funds within your VMP Account accordingly.
  - 6.4. It is important to understand that you will not be able to execute investment transactions in your VMP Account.
  - 6.5. Cash balances may be held temporarily from time to time (for example, prior to us undertaking a transaction for your VMP Account).

- 6.6. Where Vanguard enters into a transaction on your behalf (such as buying or selling a Vanguard Fund), we will use the information you have provided to us in accordance with Clause 7 to decide if the proposed transaction is suitable.
- 6.7. If you are Switching existing pensions into the VMP Service in line with Clause 9, you agree that by accepting these Terms, some or all of your existing investments may be sold as part of the transition into the VMP Service. This may realise losses or gains inherent in the investments before the transition. You will not benefit from any rise in the markets once existing investments have been sold pending the purchase of the portfolio set out in your pre-built investment portfolio, although you will be protected from any fall. All investments can go down in value as well as up and we are not responsible for any losses you incur as a result of external market movements prior to your acceptance of these Terms.
- 6.8. When managing your VMP Account, orders that we make on your behalf will be aggregated with those of other clients. The aggregation of orders between clients is a process of adding together orders to purchase or sell the same security as one large bulk order. In the event that we carry out such bulk orders, these will be disaggregated and then distributed to you based on trades we placed on your behalf. There may be instances where, as a result of aggregation and/or the disaggregation, amounts you receive may require rounding in accordance with the relevant Vanguard Fund prospectus. This is because we may not be able to allocate units to exact amounts pro rata between clients. Rounding may result in a minor loss or gain to your holdings or amount invested/received, so on occasions you may be disadvantaged in relation to a particular order. Any residual cash balance that cannot be allocated to clients within an aggregated order will be retained by Vanguard.
- 6.9. As with every financial product and investment service, there are certain risks which arise. You should make sure that you understand these risks before accepting these Terms. The documentation provided on our website (including the Key Features Document relating to the VMP Service and the VMP Account) and the important disclosures in the Legal Information page contain important information about the risks associated with the VMP Service, opening a VMP Account (as a Vanguard Personal Pension) and Vanguard Funds more broadly. We recommend that you read this information carefully before deciding to accept the VMP Service from us. By accepting the VMP Service from us, you accept that:
- investing over the long term can reduce the impact of any negative performance periods;
  - pensions are generally only accessible from age 55 (increasing to 57 from 6th April 2028);
  - the VMP Service manages your VMP Account using the parameters of the pre-built investment portfolio you have accepted as an investment mandate. We have not undertaken any assessment of your personal circumstances and will not make any personal recommendations to you. If you are unsure about any matter you should consider taking independent professional advice in relation to your individual circumstances and requirements;
  - pensions legislation, levels of tax and available tax reliefs may change in the future. Any tax benefits are subject to your individual circumstances;
  - if you Switch into a VMP Account from another Authorised Scheme, the final pension benefits you receive could be less than if you stayed in that scheme;
  - through the VMP Service, you may end up investing all or a significant part of your savings exclusively in Vanguard managed funds. This approach carries greater concentration risk in respect of Vanguard's solvency than investing in a wide range of products available from a larger number of providers;
  - there are specific risks related to the financial products you will be investing in. All Vanguard Funds have distinct characteristics and risks, as they follow different investment strategies. These risks are outlined in product-specific documentation which is available on our website;
  - the real value of your investments may be adversely affected by inflation, reducing the buying power and therefore the sufficiency of your money; and
  - where the underlying investments in one or more of the Vanguard Funds in which your portfolio is invested is denominated in a non-Sterling currency, a movement of exchange rates may have either a positive or negative effect on the gain or loss otherwise experienced by the investment.
- 7. Suitability**
- 7.1. Vanguard will assess the suitability of the transactions entered into on your behalf based upon information you have provided about your knowledge and experience of investing, your financial situation, including your ability to bear loss and risk appetite. As part of the VMP Account opening process, we will ask you several questions to get this information.

- 7.2. Following the determination of your risk appetite (based on the information you have provided), we will show you which of our pre-built investment portfolios aligns to that. We will also show you how the asset allocation of the pre-built investment portfolio will adjust over time to reflect how close you are to the age you indicate you plan on taking your Vanguard Personal Pension. You can then either accept this pre-built investment portfolio or select another within an appropriate range. Any investments made with the monies in your VMP Account will be made in line with your chosen pre-built investment portfolio.
- 7.3. You accept that we will treat the information you provided as accurate and complete, unless and until you change it by updating us.
- 7.4. The decision whether to allow you to open a VMP Account on the basis of the suitability information you provide is entirely ours and we may refuse to open a VMP Account for any or no reason.
- 7.5. You should notify us promptly (via secure message or telephone) of any changes to the information you have provided about your knowledge and experience of investing, your financial situation, including your ability to bear loss and risk attitude. We may discuss the changes with you and may ask you to provide further information, if required.
- 7.6. We will contact you at least annually to request that you validate the information that you have previously provided to us. If you fail to validate this information or do not respond to Vanguard's attempts to contact you, Vanguard will assume that there have been no changes, and Vanguard will continue to manage your VMP Account using the information you provided us previously. Vanguard reserves the right to cancel its services provided under these Terms and terminate the VMP Service if you fail to respond or interact with Vanguard.
- 7.7. It is important that you take responsibility for ensuring that all information provided to Vanguard is accurate and up-to-date. Vanguard is entitled to rely on the information provided by you unless it is aware that the information is manifestly out of date, inaccurate or incomplete.

## **8. Contributions into your VMP Account**

- 8.1. The minimum investment amount to open a VMP Account is £500 (net). You cannot set up a VMP Account with less than this amount.
- 8.2. The minimum investment amount must be a personal Contribution. Your employer can only make a Contribution once your VMP Account is open.
- 8.3. You can make one-off (lump sum) Contributions and/or set up monthly Contributions through a Regular Savings Plan.
- 8.4. If you make Contributions through a Regular Savings Plan, the minimum monthly investment amount is £100 (net).
- 8.5. You can make Contributions using a debit card or (if you set up a Regular Savings Plan) by direct debit, in each case from your personal UK Bank account.
- 8.6. With a Regular Savings Plan, you can adjust or stop your Contributions at any time. We will continue to collect your payments until you change the instructions to us. You must make any change at least 8 (eight) Business Days before the next scheduled payment date if you want the change to take effect from then.
- 8.7. If we are unable to collect your Contribution under a Regular Savings Plan for three successive months, we will cancel it. We will contact you if we cancel your Regular Savings Plan and in such an event you will need to set up another Regular Savings Plan if you want to continue to contribute regularly. We reserve the right to deduct any shortfall from your VMP Account resulting from us not being able to collect the sum under a Regular Saving Plan or as a result of your bank recalling any amounts. In such circumstances, we will deduct the shortfall immediately. In addition, we can stop your Regular Savings Plan by giving you a minimum of one month's notice in writing, although we will always try to give more notice, where reasonably practicable.
- 8.8. We will only invest a Contribution once we have received Cleared Funds which can take up to two Business Days and we will not undertake any transactions prior to us receiving full payment of amounts from you. On receipt of Cleared Funds, we will typically make transactions within 3 Business Days, however, there may be circumstances whereby it takes longer. Prior to undertaking any transactions for your VMP Account all monies received will be held in cash.
- 8.9. We can only accept Contributions from an employer once your VMP Account is open and in circumstances where:
  - (a) you are a Director of your own limited company;
  - (b) that limited company is incorporated and domiciled in the UK; and
  - (c) any Contributions are made directly from your company's bank account which you are authorised to use.



8.10. If we receive a Contribution payment and we are not provided sufficient information to identify that this is intended to be for your benefit then this may be returned to the payer.

8.11. You will always retain responsibility for ensuring that any Contributions you make, or which are paid on your behalf, to your VMP Account are within the Annual Allowance and/or Lifetime Allowance as applicable to you. If Contributions made by you, or on your behalf, exceed the Annual Allowance in any given tax year, or at any time exceed your Lifetime Allowance, you will be liable for the return of any outstanding tax liabilities to HMRC.

## **9. Switching existing investments into the VMP Service**

9.1. You may be able to Switch existing pensions you hold through other providers into a VMP Account. You can only make a Switch once you have opened a VMP Account.

9.2. If you would like to make a Switch into a VMP Account, once you have opened it, you will first need to contact us either by secure message or by calling us on 0800 587 0475.

9.3. If the pension you are Switching includes Vanguard Funds, these may be able to be transferred into your VMP Account without first being sold to cash. However, Vanguard ETFs cannot be Switched into your VMP Account without first being sold to cash.

9.4. We would only be able to make a Switch if it is something which is offered by your existing provider.

9.5. All investments in non-Vanguard Funds and Vanguard ETFs must be transferred in cash. If you attempt to Switch a Vanguard ETF (and this has not been sold to cash first), we will contact you in order to provide us with specific instructions to sell that Vanguard ETF to cash. We will initiate the sale as soon as we can after receiving your instructions. You agree and acknowledge that transactions under the VMP Service relating to the Switched assets will not take place until you have provided us with such instructions. The sale of the Vanguard ETF will be executed in accordance with our Order Execution Policy (a summary of which is set out at Appendix 2). We will send you a confirmation once the sale has been completed, including full details of the transaction. Transactions under the VMP Service relating to the Switched assets will then be undertaken.

9.6. If your Vanguard Funds can be Switched into a VMP Account and if your existing Vanguard Funds can be Switched directly from your existing

provider, we will arrange for the Shares to be transferred into the name of our Trustee, which will hold them on your behalf.

9.7. If a Switch of your Vanguard Funds is not possible, they must be sold to cash.

9.8. If you Switch more than one pension to us, we will place all pensions in a single VMP Account. This means that you will not be able to distinguish between your holdings from previous pensions in reports or when viewing holdings.

## **10. Transfers Out**

10.1. If you wish to Transfer Out your Vanguard Personal Pension directly to another Authorised Scheme, we will do so if the new service provider agrees.

10.2. If you ask to Transfer Out your Vanguard Personal Pension to another Authorised Scheme this will normally be arranged through your new service provider. We will transfer the whole of your holdings in your Vanguard Funds. If we cannot directly Transfer Out all the Vanguard Funds held in your VMP Account, we will sell the remaining Vanguard Funds and Transfer Out the cash proceeds to your new Authorised Scheme, provided the service provider agrees. We will collect any money due to us from the Transfer Out amount.

10.3. If we receive a dividend or other cash amount relating to Vanguard Funds held in your VMP Account, after you instruct a Transfer Out, we will ensure that such payments will be sent onto the receiving Authorised Scheme in accordance with the strict requirements set out in the Applicable Regulations.

10.4. If you tell us that you want to Transfer Out your Vanguard Personal Pension, we will suspend your VMP Service so that no new transactions are made. Once any outstanding transactions are complete, we will transfer your Vanguard Funds held in your VMP Account or the cash proceeds of sale in accordance with your instructions.

## **11. Charges**

11.1. The Charges applicable to the VMP Service are set out in detail in Appendix 1 of these Terms, including details of how each type of charge is collected.

11.2. We reserve the right to vary our fees upon giving you notice in accordance with and for any of the reasons set out in Clause 24. You agree that Charges can be rounded up to the nearest whole penny.

- 11.3. You authorise the deduction and retention of all Charges, applicable tax and reasonable expenses. All Charges are inclusive of VAT if applicable.
- 11.4. We will provide you with an annual summary of the costs and charges applicable to the VMP Service in the previous year. This summary will itemise and set out separately all third-party costs including all relevant costs incurred in respect of your Vanguard Funds. It will also provide you with an illustration showing the effect of costs and charges on the return of the investments in your VMP Account. You agree that we may provide your costs and charges statement through secure message to you.

## 12. Unauthorised Payments

- 12.1. We cannot be compelled to make, and are obliged to report to HMRC, any Unauthorised Payment and will only pay you money from your VMP Account in accordance with the Scheme Rules.
- 12.2. In the event that an Unauthorised Payment is made, you agree to us deducting from your VMP Account any tax liability so that we can discharge such liability to HMRC. Should there be insufficient assets in your VMP Account to make such a payment, you agree to make any balance payment falling due directly to HMRC.

## 13. Ending the VMP Service and Closing Your VMP Account

### Your right to cancel the VMP Service and close your VMP Account

- 13.1. If you change your mind, you may cancel the VMP Service, any Switch, one-off Contribution or the first occasion payment of any Regular Savings Plan and close your VMP Account with immediate effect by informing us (in writing via secure message) within 30 calendar days from the date we served you with cancellation rights. Normally this will be the date when your VMP Account (and Vanguard Personal Pension) was opened.
- 13.2. Contributions paid on your behalf by an employer do not receive cancellation rights.
- 13.3. If you cancel within the period set out at 13.1, any Contributions or Switches paid will be refunded to the source of payment. The amount refunded following cancellation may be less than the amount you originally contributed and will depend on how the Contribution or Switch was made. Cancellation amounts will be calculated as follows: (i) for Switches, the amount will be equal to the market value of the Switch (see clause 13.4 for further detail); (ii) for the first occasion of any Regular Savings Plan payment, the amount will be equal to the full value of the Contribution;

(iii) for personal one-off Contributions, the amount will be equal to the lesser of the value of the Contribution or market value.

- 13.4. Where you have Switched into the VMP Service, having opened a VMP Account, and have subsequently cancelled within the period outlined above, it is important to note that the Authorised Scheme you Switched from may refuse to take your Switch back if they have already released the value of the Switch. In these circumstances, you will need to choose an alternative Authorised Scheme to receive the Switch value. The cancellation amount will be equal to the value of your investments at the time we sell or return them.
- 13.5. If you cancel within the cancellation period, any applicable Charges will apply until your VMP Account is closed and will not be refunded.

### Your right to terminate the VMP Service and close your VMP Account

- 13.6. You may end the VMP Service at any time by giving us notice in writing via secure message.
- 13.7. Once the VMP Service has come to an end, your Vanguard Personal Pension will be held through our self-managed service. The Vanguard Client Terms apply to this service and can be found [here](#). You may decide at any stage to Transfer Out to another Authorised Scheme (operated and administered by another service provider), should you wish to do so.
- 13.8. The investments or cash held in your VMP Account can only be Transferred Out to another Authorised Scheme or used to provide Benefits in accordance with these Terms and the Scheme Rules.

### Our right to terminate the VMP Service

- 13.9. We can end the VMP Service by giving you a minimum of one month's notice, although we will always try to give more notice where reasonably practicable. In such circumstances, once the VMP Service has ended, you will keep your Vanguard Personal Pension through our self-managed service. The Vanguard Client Terms apply to this service and can be found [here](#). Should you wish to do so, you can decide at any time to Transfer Out to another Authorised Scheme (operated and administered by another service provider).

## **Our right to close your VMP Account**

- 13.10. We may close your VMP Account (and therefore your Vanguard Personal Pension) on giving you notification if (i) we cease to act as Scheme Administrator for any reason, or (ii) it becomes impractical to continue to administer your Vanguard Personal Pension in accordance with any Applicable Regulations.
- 13.11. If we close your VMP Account on these grounds, we will give you at least 90 days' notice of the closure and will explain your options for Transferring Out to another Authorised Scheme.
- 13.12. We reserve the right to close your VMP Account if you have not made any Contributions or a Switch within 6 months of the date of your Application.

## **Compulsory Disinvestment**

- 13.13. We reserve the right to make a disinvestment from the Vanguard Funds held in your VMP Account, without your prior consent, where you owe us, you have insufficient cash to meet any payments and/or any 3rd party outstanding amounts (such as a tax liability which needs to be discharged to HMRC).

## **What happens to the VMP Service and VMP Account if I die?**

- 13.14. If we receive notice of your death, we will suspend the VMP Service (as we will no longer have a valid investment mandate). Any dividends or other cash amount we receive will be held in cash, and we will stop collecting any direct debit Contributions (if you have a Regular Savings Plan).
- 13.15. On your death the payments we make, and how these are taxed, will depend on: (i) the Scheme Rules; (ii) your age at the time of death; (iii) the Trustee's discretion; and (iv) the applicable regulation and legislation in force at the time.
- 13.16. Upon being notified of your death, in order to settle any death Benefits payable, your beneficiaries or legal representatives should send a copy of your death certificate (either original or certified copy). On receipt of your death certificate, we will sell all investments within your VMP Account into cash.
- 13.17. We may, at our discretion, make a payment to any one or more of your beneficiaries, dependents or nominees.
- 13.18. Where you have made nominations, we will take your wishes into account but are not bound by them.
- 13.19. By exercising our discretion in favour of a dependent, beneficiary or a nominee (such

nominee must have been nominated by you), that dependent, nominee or beneficiary (as applicable) may choose for the Benefits to be paid in one or more of the following ways:

- (a) a lump sum death benefit (less any tax for which the Scheme may be liable);
- (b) income from income drawdown (subject to the dependent, nominee or beneficiary being aged 18 or over at the time of payment); or
- (c) an annuity (please note that Vanguard does not provide or offer annuities).

13.20. Any lump sum death benefit may be subject to tax charges levied by HMRC.

13.21. Where a beneficiary is under the age of 18 an income can only be provided by transferring to another provider.

## **14. Taking your Benefits**

- 14.1. When enrolling onto the VMP Service and opening a VMP Account you will be asked to indicate an age when you intend to take your Vanguard Personal Pension. We will contact you as you approach this age to confirm your plans. If we do not hear from you and you do not draw Benefits at your indicated age, for a period of a month, we will continue to manage your VMP Account in line with the existing investment mandate. We will continue to attempt to contact you over this period. If we do not hear from you during this one-month period, we will automatically move the age you plan on taking your Vanguard Personal Pension forward by 5 years and this will be reflected in an automatically updated investment mandate. You agree that we may automatically update the investment mandate in this way. This does not affect when you can start to take Benefits from your Vanguard Personal Pension and you can change the age you plan on taking Benefits at any time by contacting us.
- 14.2. You will only be entitled to take Benefits when you become eligible in accordance with the Scheme Rules unless:
- (a) you have transitional rights to a protected pension age and you satisfy the conditions in the Scheme Rules; or
  - (b) we are satisfied that you are, and will continue to be, incapable of carrying on your occupation because of physical or mental impairment (in this case you must provide medical evidence to show that you have become incapable of carrying on that occupation and are unlikely to return to it).

14.3. The VMP Service will continue until you take Benefits. At the point of taking your Benefits, the VMP Service will end and your Vanguard Personal Pension will be held through our self-managed service. The Vanguard Client Terms apply to this service and can be found [here](#). Benefits can then be taken in accordance with the Vanguard Client Terms and the relevant terms relating to this are summarised below:

- (a) subject to the Scheme Rules and Applicable Regulations, you may choose to apply any uncrystallised funds within your Vanguard Personal Pension towards (i) an annuity; or (ii) a serious ill health lump sum;
- (b) you can apply for flexible income (income drawdown) using the form that we provide for this purpose. All applications to take Benefits in this way (and the related declarations) must be made online. We have the right to decline an application for income drawdown if accepting it would, in our opinion, be in contravention of the Scheme Rules;
- (c) you can draw your Benefits as a one-off lump sum, a series of single payments or paid monthly. All applications to take Benefits in this way (and the related declarations) must be made online;
- (d) you can buy an annuity from an insurance company of your choosing provided it is permitted by the Scheme Rules. Vanguard does not provide or offer annuities;
- (e) by electing to take your Benefits, you will crystallise a part or all of your Vanguard Personal Pension depending on your election. This may result in your Vanguard Personal Pension being split into a number of parts, those parts which are uncrystallised and those that are crystallised. We will treat crystallised and uncrystallised parts as separate arrangements within your Vanguard Personal Pension;
- (f) we will make the settlement of your Benefits initially from any available cash held in the crystallised arrangement(s) of your Vanguard Personal Pension and thereafter as instructed by you, we will automatically disinvest on your behalf. If we need to do this we will sell across your investments on a proportionate basis. This will have the effect of reducing the value of your investments and may result in small cash balances in your crystallised arrangement within your Vanguard Personal Pension. We will inform you if we need to do this; and

(g) payment of your income will cease when you have exhausted the assets (including cash) in your Vanguard Personal Pension if there is insufficient cash holdings to pay your Benefits.

## 15. Cash

- 15.1. The Trustee will hold Contributions paid, and cash Switches made, into your VMP Account in one or more pooled Scheme accounts with one or more authorised banks in the Trustee's name and in accordance with the Scheme Rules and Applicable Regulations. Any cash held by the Trustee will be protected by being held on trust and not as client money. You have the right to request a statement of the cash held on your behalf at any time.
- 15.2. We will not be responsible for any actions, omissions, default or failure of a bank unless we fail to take reasonable care in the selection, appointment or monitoring of the bank we choose to hold your cash.
- 15.3. If a bank becomes insolvent, the Trustee will be a creditor and will claim against them on your behalf. If a bank cannot repay all of its creditors, you may have to share any loss.
- 15.4. Cash balances held on your behalf may earn interest at the rates set out [here](#). The rates are determined by reference to the interest we receive from the bank(s) we deposit your money with and the cost to us of managing cash within your VMP Account. When payable, interest is earned daily and normally paid into your VMP Account on the first Business Day of each month.

## 16. Your Vanguard Funds

- 16.1. All investments held within your VMP Account will be registered in the name of our Trustee. This provides additional safeguards for your assets by ring-fencing these and keeping them separate from Vanguard's assets.
- 16.2. We will be responsible for the actions and any omissions of our Trustee. Investments held by our Trustee for you under these Terms will be held in trust in accordance with the Scheme Rules.
- 16.3. Investments registered in the name of the Trustee are held in a Scheme account with those of Members, on your behalf. This means that you are still the beneficiary of your Vanguard Funds held in your VMP Account. Your investments will not be separately identifiable from those of other Members, but we will keep a separate and up to date record of your individual entitlement as a Member. However, in the event of our insolvency and a shortfall in the pooled account at the Trustee, you would share pro rata with other Members in the amount of the shortfall.

16.4. The investments held cannot be used as security for a loan.

16.5. You have the right to request a statement of the Vanguard Funds held on your behalf at any time. We have procedures in place to carry out checks and identify any shortfall in your investments, which we will correct if we are responsible for it.

16.6. Documents evidencing ownership of Vanguard Funds will be held by us or as we may direct.

## 17. Share classes

17.1. The Vanguard Funds held within your VMP Account will be held as either accumulation or income share classes.

## 18. Reports and voting rights

18.1. We will make available to you copies of the annual reports and accounts and any other information issued to investors in the Vanguard Funds which you hold. We will also enable you to participate in meetings of investors and to exercise the voting rights attaching to your Shares in Vanguard Funds, when applicable.

## 19. Statements

19.1. We will provide you with a quarterly statement and such other statements as may be required by Applicable Regulations. The statement will provide you with the value of your investments held in your VMP Account and each of the transactions we have undertaken on your behalf during the relevant valuation period.

19.2. Your statement will be made available for you to view in your VMP Account. We will let you know via secure message each time a new statement is uploaded. You agree that you will access your VMP Account at least once a quarter to review your most recent statement. You have the right to request a statement at more regular intervals by contacting us as set out in Clause 4.5.

## Our responsibilities to each other

### 20. Our responsibilities to you

20.1. If we are negligent, knowingly default, act fraudulently, or materially breach these Terms or Applicable Regulations (as relevant), then we are legally responsible to you for the direct results of our actions.

20.2. We will not be legally responsible to you:

- if you suffer a loss because the value of your Vanguard Funds falls;

- if you suffer a loss because you fail to comply with these Terms (including, but not limited to, providing Vanguard with inaccurate or incomplete information) or with any applicable legal requirement or because of any action which we take or refrain from taking in order to ensure that we comply with any legal requirement;

- if you suffer an indirect, special or consequential loss which is not directly related to your Vanguard Funds, or the loss of an investment opportunity;

- if you suffer any loss or damage resulting from an external event or something else that is outside our reasonable control, or as a result of any steps which we reasonably take in response to such;

- if you suffer a loss because you are unable to access your VMP Account or our support services whilst our online and other systems are unavailable due to maintenance or upgrade (and we may not always be able to give you advance notice when such an outage may occur);

- for the performance of any third party we engage to help us perform our functions unless otherwise in these Terms; or

- for any charges and expenses that we, or any of our agents, legitimately make or receive.

20.3. We take responsibility for investment of any monies we receive for the benefit of your VMP Account only when Cleared Funds are received by us. We are not responsible for any loss or delay in the payment or transfer of money to us.

20.4. The responsibilities in this section also apply to our Trustee. We are responsible for its actions or omissions.

20.5. Whilst the VMP Service aims to improve your chances of investment success, you acknowledge that all investment services and subsequent investing involve some risk, including possible loss of capital. There is no guarantee that the continued Rebalancing of your VMP Account will grow your investment. Diversification does not ensure a profit or protect against a loss and past performance is not a reliable indicator of future returns.

### 21. Your responsibilities to us

21.1. You agree to reimburse us for any liabilities suffered by us in connection with the VMP Service if they are caused by your negligence, default, fraud or breach of these Terms.

21.2. The information you provide to us will be used to assess the suitability of the investments we make on your behalf as part of the VMP Service and therefore you agree that all of the information you provide to us is true, accurate, reliable, up-to-date and sufficiently detailed and that Vanguard can rely on this information.

## **22. Your personal information**

22.1. We are the data controller for the personal information you give us. We will not pass your personal information to anyone, other than as detailed in our Privacy Policy (which can be found at [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk)).

## **23. Intellectual property**

23.1. All copyright, trademarks and other intellectual property in the materials and information on our website are owned or licensed by the Vanguard Group or by external content providers. Nothing in these Terms or on the website should be regarded as granting any licence or right to or in any trademark or service mark of the Vanguard Group or any third party.

## **24. Changing or assigning these Terms**

24.1. You agree to us transferring all or any of our rights and obligations under these Terms to any appropriate Vanguard Group company or any third party which is appropriately regulated and authorised under the Applicable Regulations. If we do this, we will give you at least 90 days' advance written notice of the transfer. The new provider will take on our obligations to provide the services under these Terms in our place. We will not transfer our rights and obligations to the new provider if to do so would put you in a worse position.

24.2. We may make reasonable and appropriate changes to these Terms at any time whilst your VMP Account is open as follows:

- to meet any current or future change in law, including rules established by the FCA, HMRC or The Pensions Regulator, or regulation, guidance or regulatory approach;
- to make these Terms easier to understand, including to correct any inaccuracies, omissions, errors or ambiguities;
- to take account of any reorganisation of the Vanguard Group of companies, or a transfer of rights under Clause 24.1;
- to reflect any changes to the services which we offer under these Terms, or changes to our systems, our processes and procedures, market practice or customer requirements;

- to reflect any changes to terms agreed between us and any third parties which are relevant to your VMP Account;
- to increase the Charges you pay in accordance with Clause 11 (including, but not limited to, to reflect any changes to the costs that we or third parties incur); or
- to make any other changes which we believe in good faith are reasonable provided that you are not materially disadvantaged by such changes.

24.3. Where we reasonably consider that changes are material or detrimental to you, we will notify you, giving you a minimum of one month's notice of the proposed change and our reasons for making the changes.

24.4. The latest version of these Terms will always be available on our website at [www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk).

24.5. Changes that are necessary due to reasons outside of our control (e.g. a change in legislation, regulation or tax resulting from an act of a third party) and/or which are immaterial and not to your detriment may take effect immediately and without notice.

24.6. If you are not happy with any change we make or plan to make to the Terms, you can end the VMP Service and we will assist you in the transfer of your Vanguard Personal Pension to another Authorised Scheme of your choosing in accordance with these Terms. We will not charge you a fee for this.

## **25. Disputes and governing law**

25.1. These Terms represent the entire agreement between you and Vanguard in relation to the VMP Service and will be governed by and construed in accordance with English law. You and Vanguard submit to the exclusive jurisdiction of the English courts to settle any disputes arising under these Terms.

25.2. Neither Vanguard nor you intend any provision of these Terms to be enforceable by any person other than ourselves or our respective permitted successors or assignees. If any provision in these Terms is held or made unlawful, void or for any other reason unenforceable by a court, statute, regulation or otherwise, the remainder of these Terms will not be affected.

# Appendix 1 – Charges

## Charges

You will incur four different charges as described below: (1) Management Fee, (2) Vanguard Account Fee, (3) Fund Costs, and (4) Interest Charges.

You will receive indicative details of the charges applicable to the VMP Service prior to your investment. Within your annual statement we will provide you with a breakdown of the actual costs and related charges incurred by you. At least once a year, we will review our assumptions and our overall cost in providing the VMP Service and may change our charges as a result. We will give you prior written notice in accordance with Clause 24 before any changes to our charges become effective. Please contact us if you have any questions.

You have the option, when you open your VMP Account or at any later time, to arrange payment of your Management Fee and Vanguard Account Fee by direct debit from your nominated bank account. Alternatively, we may deduct the fee from available cash and, failing that, by selling Shares from fund holdings. The Vanguard Account Fee and the Management Fee will be deducted as one account fee. This is how it will appear on your costs and charges statements. The Vanguard Account Fee is capped at £375 per year.

You are not required to actively pay the Fund costs as these will be factored into the return you get.

## Management Fee

This is what you pay in return for the provision of the VMP Service, which is the ongoing management (including Rebalancing) of your investments in accordance with the pre-built investment portfolio you have chosen.

The Management Fee is an annual charge which we accrue daily and will debit this proportionately in arrears on a quarterly basis commencing three months after the date of your acceptance of the Terms. The amount which you pay is based on the value of your VMP Account, including any cash held.

## Vanguard Account Fee

This is what you pay in return for the provision of your VMP Account. Services include fund dealing (which involves aggregating investors' orders to make bulk trades), the recording of transactions and holdings, the safeguarding of your investments by our Trustee and other ancillary services. These comprise certain online services as well as the provision of access to our personal investor service representatives.

The Vanguard Account Fee is an annual charge which we accrue daily and will debit this proportionately in arrears on a quarterly basis commencing three months after the date of your acceptance of the Terms. The amount which you pay is based on the value of your VMP Account, including any cash held.

## Fund Costs

These are costs which Vanguard incurs as the fund manager of the underlying funds in which you are invested (in line with your pre-built investment portfolio) and are made up of ongoing charges and transaction costs. These fees are not taken from your VMP Account but are factored into the cost of the unit price and the return you get.

The ongoing charges figure (OCF) is expressed as an annual percentage of the value of a fund and includes Vanguard's charge for managing the fund and its assets as well as administrative expenses such as the fees of the independent custodian and of the registrar, and audit and regulatory expenses. Please refer to the specific Key Investor Information Document (KIID) (available on our website) for details of the OCF applicable to a fund you are invested in (in line with your pre-built investment portfolio).

In addition, the funds incur transaction costs (including when buying and selling underlying investments) and other incidental costs. These costs are included in the unit price of the relevant fund.

## Interest Charge

We do not charge a service fee for holding your cash. However, we will retain an amount of the interest received from the bank(s) we deposit your money with to cover our costs of administering it. Further information on the applicable interest rates can be found [here](#).

Current costs and charges associated with your VMP Account can be found on our website.

# Appendix 2 – Order Execution Policy

## Summary of Order Execution Policy

The purpose of this policy is to set out Vanguard's approach to providing best execution when it places trades with a third party for execution. The implementation of this policy will ensure that Vanguard obtains the best possible result for you when dealing in financial instruments.

This policy applies when Vanguard places an order for execution of a financial instrument with a third party. Where specific instructions are received from clients, this policy will not apply. Vanguard reserves the right to refuse specific instructions.

The financial instruments covered by this policy in relation to the VMP Service are shares in UK open-ended investment companies (OEICs), units in authorised unit trusts and shares in Recognised Funds, in all cases operated by Vanguard Group companies.

When placing an order with a third party for execution, Vanguard owes a duty of best execution to you, the client. This means that Vanguard will take all sufficient steps to achieve the best possible result for you. We will initially seek to obtain the best result by way of total consideration, being price and associated execution costs.

Vanguard may take into account the following factors when it places an order: price; liquidity of the market; costs of the transaction; the likelihood of execution and settlement; the need for timely execution; size of the order; nature of the financial transaction; and any other consideration relevant to the execution of the order.

Vanguard will also take into account the characteristics of the client; the transaction; financial instruments that are the subject of that transaction; and the brokers or execution venues available.

## OEICs, Unit Trusts and Recognised Funds

Vanguard executes all trades in OEICs, Unit Trusts and Recognised Funds with the relevant transfer agent. Shares and units are normally available to buy and sell at only one price and from one venue, usually the relevant fund provider company itself.

## Exchange Traded Funds

Vanguard places orders to buy or sell shares in ETFs with a third party for execution. Vanguard currently uses the services of Winterflood Business Services (WBS). WBS in turn executes the deal in accordance with its own order execution policy. WBS will utilise a retail service provider system to execute ETF trades placed by Vanguard. Vanguard expects WBS to obtain execution results that are at least as good as those that could reasonably be obtained from alternative stockbrokers.

## Exceptions

Due to factors which are unavoidable or beyond Vanguard's reasonable control, Vanguard may from time to time execute orders in a manner that differs from the normal process contemplated by this policy. If this happens, Vanguard will still endeavour to deal with orders on the best terms available in the circumstances.



# Appendix 3 – Conflicts

## Summary of Conflicts of Interest Policy

### Introduction

The Vanguard Group is a global organisation which provides a range of different financial services. From time to time, there is a possibility that we (or another member of the Vanguard Group, or a partner firm with whom we have a business relationship (an “associate”)) may have interests which conflict with our clients’ interests, or with the duties that we owe to our clients.

These include:

- conflicts arising between our interests, our associates’ interests and our employees’ interests, on the one hand, and the interests of our clients, on the other; and
- conflicts between different clients themselves.

We have established procedures and implemented a policy designed to identify, and either to manage or, where possible, prevent such conflicts.

Our procedures include: systems and controls to ensure that different parts of our business operate sufficiently independently of each other; restrictions which are imposed on staff in relation to gifts and entertainment and personal dealing in securities; and a policy on remuneration to ensure that we do not inappropriately incentivise our directors and employees.

We do not give or receive inducements. From time to time we may receive or accept minor non-monetary benefits which can enhance the benefit to our clients and in accordance with the FCA regulations.

### Identification and management or prevention of conflicts

We also keep a register listing all the types of conflict which we have identified as a risk for our business and customers, and detailing the controls to prevent or manage them to ensure there is no risk of damage to our clients’ interests.

A key part of our policy involves making sure that persons engaged in different business activities involving a conflict of interest carry on those activities separately from one another and without sharing information. In exceptional circumstances, our procedures and controls may not be sufficient to ensure that a potential conflict of interest does not damage a client’s interests and it may not be possible to prevent the conflict from arising altogether.

In such exceptional circumstances, we may be obliged:

- to inform affected clients of the potential conflict, providing full details of it to allow the client to form their own view of its significance for them. We will seek formal consent to proceed in those circumstances; or
- to inform affected clients that we cannot act because there remains an unacceptable risk of damage to their interests.

If you have further questions about our conflicts of interests procedures, you may request further information using the contact details provided in the Terms.

# Appendix 4 – Definitions

The following words and expressions have the meanings set out below:

**Annual Allowance** – the amount set by HMRC that you, your employer and any third party can pay to all your pension(s) each tax year before additional tax charges may apply.

**Applicable Regulations** – any rules, regulations or guidance published by FCA (including the FCA Rules), HMRC and The Pensions Regulator together with any other applicable rules, regulations or laws as may be applicable to the VMP Service and the VMP Account.

**Application** – your Vanguard application for the VMP Service and to open the VMP Account.

**Authorised Scheme** – a “UK registered pension scheme” or a “qualifying recognised pension scheme”, such terms as defined in the Finance Act 2004.

**Benefit** – any payment made from your Vanguard Personal Pension to you or person(s) legally entitled to receive such payments.

**Business Day** – a normal business day, excluding Saturdays, Sundays and any UK public holiday.

**Charges** – the charges that apply to the services we provide you with under these Terms, as set out in Clause 11.

**Cleared Funds** – a payment by whatever means made by you that has been received, cleared and reconciled by us.

**Contribution** – a payment by you, an individual on your behalf and/or an employer to your VMP Account.

**Director** – has the meaning given to such terms in the Companies Act 2006.

**FCA** – the Financial Conduct Authority, or any other regulator that succeeds it.

**FCA Rules** – the FCA's Handbook of rules and guidance, as amended or replaced from time to time.

**FSCS** – the Financial Services Compensation Scheme.

**HMRC** – His Majesty's Revenue and Customs or any entity that succeeds it.

**Lifetime Allowance** – the maximum amount set by HMRC that an individual can save within registered pension schemes in their lifetime without incurring an additional tax charge.

**Member** – a person admitted to membership of the Scheme, having made an Application to do so and who has not thereafter left the Scheme.

**OEIC** – an open-ended investment company based in the UK, including any sub-fund of an umbrella OEIC.

**Rebalance** – means adjusting your investment portfolio (by buying and selling Shares) so that it remains within the asset allocation (the mix of bonds and shares) you have accepted. We will generally look to rebalance your investment portfolio if the aggregate asset allocation moves up or down by 5% or more from the allocations you have accepted.

**Recognised Fund** – a fund domiciled in Ireland and recognised in the UK under applicable regulations.

**Regular Savings Plan** – an option which enables you to invest by means of regular monthly payments.

**Safeguarded Benefits** – certain rights (including defined benefits, guaranteed benefits and guaranteed annuity rates) as prescribed in the Applicable Regulations within some pension arrangements which may be subject to mandatory financial advice before a decision to Switch can take place.

**Scheme** – the registered self-invested personal pension scheme known as the “Vanguard Personal Pension” which has been established by the Trust Deed and registered with HMRC in accordance with Chapter 2 of Part 4 of the Finance Act 2004.

**Scheme Administrator** – Vanguard Asset Management, Limited or any successor that may be appointed from time to time.

**Scheme Rules** – in relation to the Vanguard Personal Pension, the Trust Deed and rules for the Scheme as may be amended from time to time.

**Shares** – means units or shares in a Vanguard Fund unless it is clear from the context that we are talking about a specific type of share.

**Significant Shareholder** – a person with a shareholding of 25% or more in a limited company.

**Switch** – the transfer to us of benefits to the Scheme from an Authorised Scheme.

**Terms** – these terms (as amended from time to time).

**Transfer Out** – the transfer from us of the value of all or part of your Vanguard Personal Pension to an Authorised Scheme.

**Trust Deed** – the trust deed governing the Vanguard Personal Pension dated 8th July 2018 between Vanguard and the Trustee (as amended from time to time).

**Trustee** – Vanguard Pension Trustee UK Limited in its capacity as trustee for the Scheme.

**UK Bank** – any bank or building society that is regulated in the UK to provide banking services which has a full UK banking licence. This does not include electronic money institutions or pre-paid debit cards. Further details can be found at: <https://www.bankofengland.co.uk/prudential-regulation/authorisations/which-firms-does-the-pra-regulate>.

**Unauthorised Payment** – as defined in the Scheme Rules.

**Unit Trust** – an authorised unit trust scheme.

**VAT** – Value Added Tax.

**Vanguard** – Vanguard Asset Management, Limited. The term “Vanguard” also includes, where applicable, certain affiliated companies within the Vanguard Group and any company to which we might transfer our rights and responsibilities under these Terms in future (under Clause 24.1).

**Vanguard Client Terms** – the terms (as amended from time to time) in relation to our self-managed (execution-only) service.

**Vanguard ETF** – any exchange traded fund (ETF) operated by Vanguard and made available through the Vanguard Personal Investor Platform.

**Vanguard Fund** – any open-ended investment company, OEIC, Unit Trust or other form of collective investment scheme (excluding a Vanguard ETF) operated by Vanguard and made available through the Vanguard Personal Investor Platform.

**Vanguard Group** – Vanguard and any company affiliated to Vanguard.

**Vanguard Personal Investor Platform** – the digital or internet interface platform operated by Vanguard where you set up your VMP Account and/or the fund dealing and investment services (as applicable).

**Vanguard Personal Pension** – the pension arrangement or arrangements established by you, or on your behalf, under the Scheme.

**VMP Account** – an account with Vanguard that you have designated to be part of the VMP Service. A VMP Account is a Vanguard Personal Pension.

**VMP Service** – the investment management service which forms the Vanguard Managed Pension Service.

**We, our or us** – Vanguard.

**You, your or yourself** – the person who does business with us under these Terms, including your personal representatives, your authorised representatives or agents.

These Terms are issued by Vanguard Asset Management, Limited which is authorized and regulated by the Financial Conduct Authority. Registered in England and Wales. VAT number 100127685

© 2023 Vanguard Asset Management, Limited. 1123

Connect with Vanguard™

[global.vanguard.com](https://global.vanguard.com)

**Vanguard**®