Vanguard Personal Advisor Services

Overview Presentation

Vanguard

Industry spectrum of managed allocations

All-in-one funds	***Online tools***	***Algorithm-based advice***	***Digital Advice***	***Hybrid advice offer***		***Traditional financial advisor***
Fund of funds align asset allocation based on a target retirement date or a specified goal	**Portfolio analytics** guide self-directed investors towards a better asset allocation	**Non-discretionary portfolio recommendations** based on analysis of aggregate financial portfolio are aimed to improve asset allocation and investment costs	**Discretionary portfolio management** is enabled **exclusively by technology.** Asset allocations for **"personalized model portfolios"** are often based on information garnered from an investor questionnaire	Ongoing **partnership with an advisor**. Customized **goals-based** financial planning. **Ongoing portfolio management** based on Vanguard's investment philosophy. Delivered through **user-friendly technology**	Advice services **range from model portfolios to financial planning services.** Dedicated, certified **representative is often present at a local branch** for face to face meetings and an ongoing relationship	"White glove," **higher touch** advice model offers the **most comprehensive suite of financial planning services** delivered through in-person human interaction

Examples include:

Target-date funds	Online portfolio analysis tools	Jemstep	Wealthfront, betterment	Vanguard personal advisor services	Schwab or Fidelity	Full service advisory firm

Historic advice offer at Vanguard

Advice services group

Situational advice and
financial planning

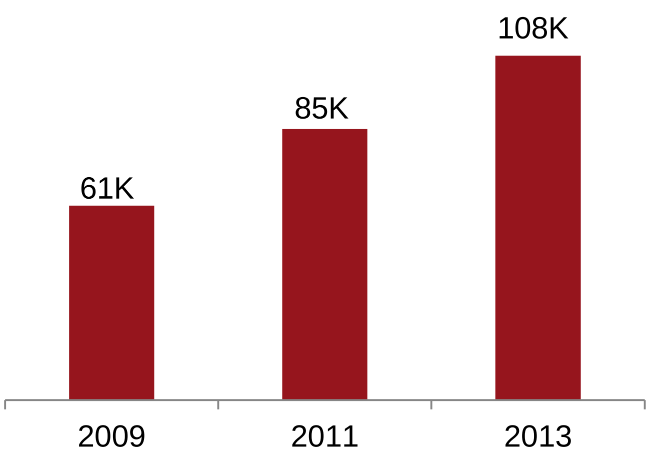
Complimentary for
clients with over $500K in assets

Asset management services

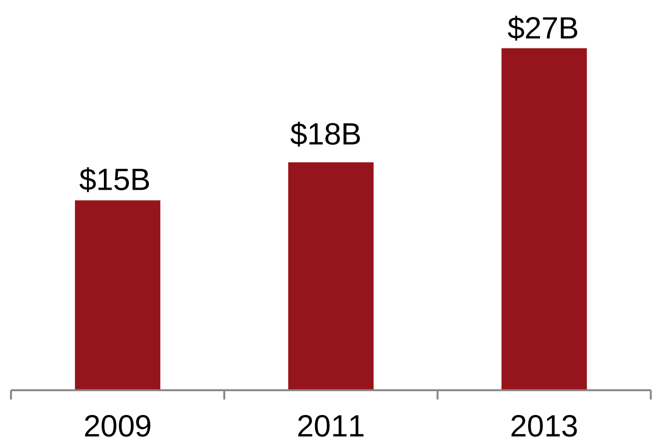
Ongoing discretionary
Wealth management

Available for a fee to clients with
over $500K in assets

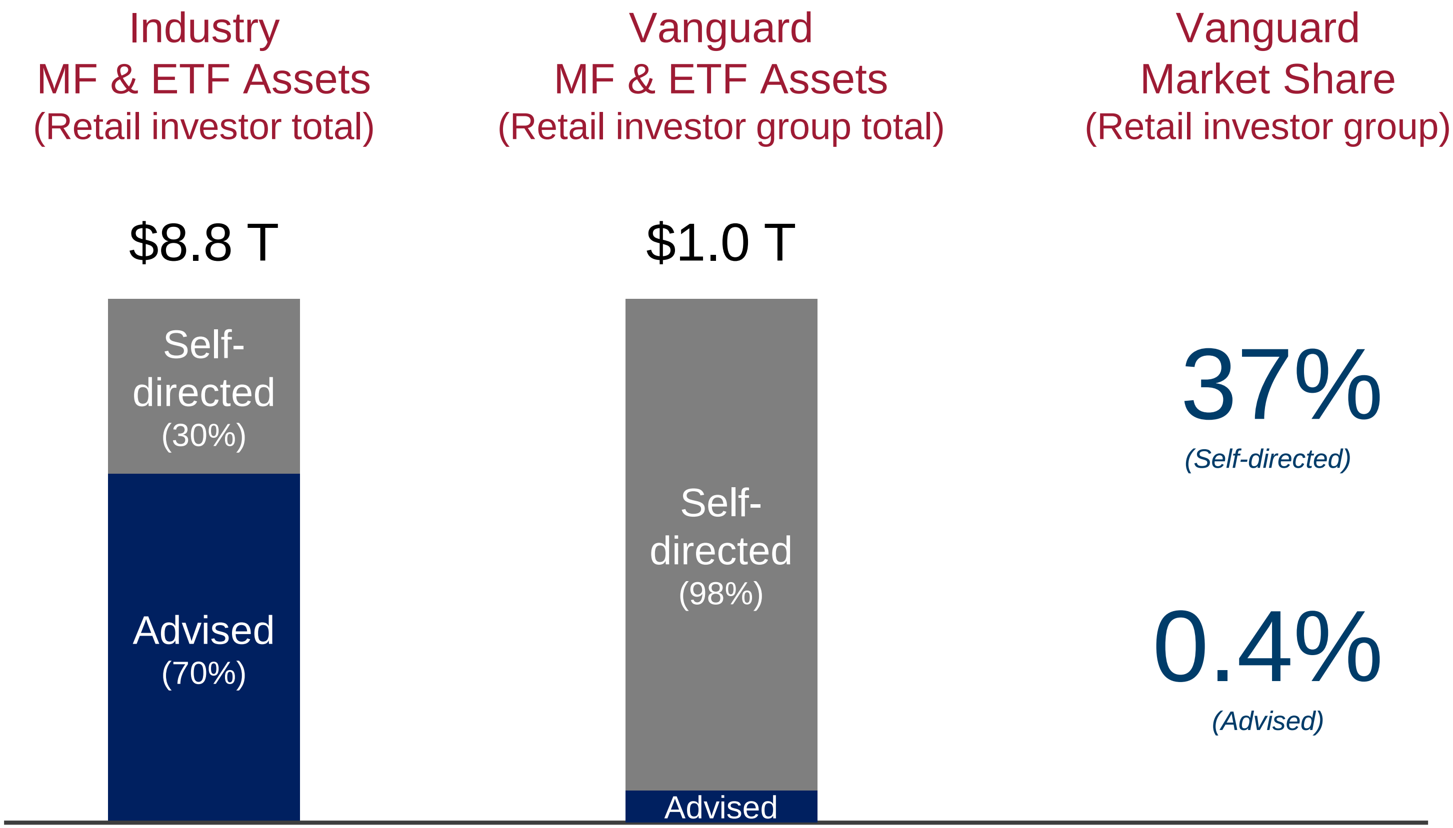
Annual advice engagements



Assets under management



Retail Market Overview



Source: Cerulli "U.S. Retail Investor Products and Platforms 2014"

Vanguard research
Many clients need and can benefit from advice

Clients who find advice appealing	Clients who will pay for advice	Direct competitors' managed assets*
2/3	1/4	$200b+

*As of 31 December 2014.

Personal Advisor Services
A strong value proposition for our clients

- Available to all direct clients with $50K or more in assets
- Priced at 1/3 of the industry average—30 bps

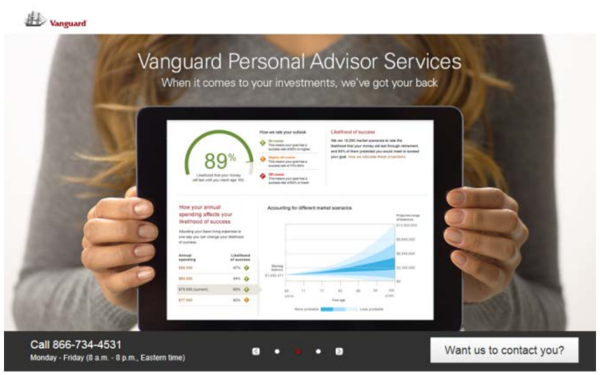
Built to serve client interests first	Access to financial advisors	Powerful technology
		
Vanguard investment philosophy	Salaried, credentialed advisors	Personalized web pages
Goals-based planning	Virtual offices	Portfolio analytics
Client-level tax efficiency	Behavioral coaching	Performance reporting

Source: Vanguard research

Personal Advisor Services
Client experience overview

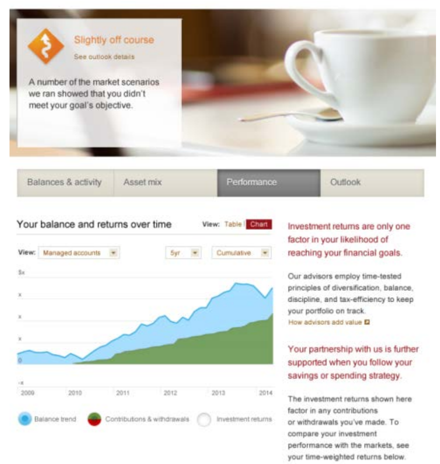
Awareness | **Enrollment** | **Onboarding** | **Web experience** | **Ongoing service**

Personal advisor landing page



Daily performance reporting

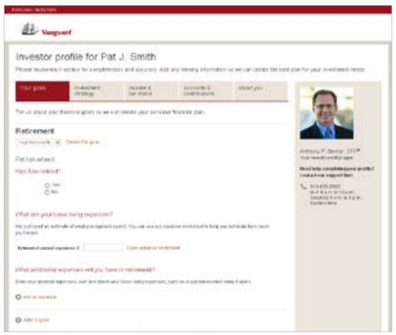
Pat and Alex's Retirement



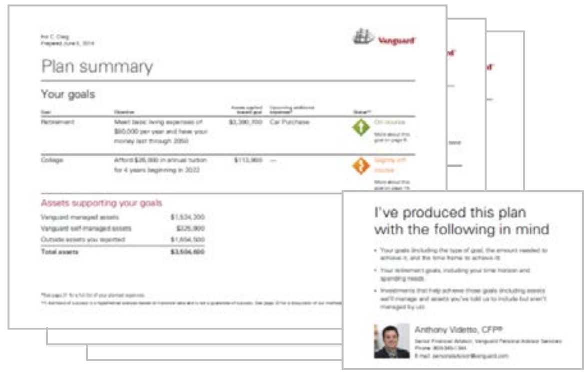
Client videoconferencing

Personal Advisor Services
User-friendly technology

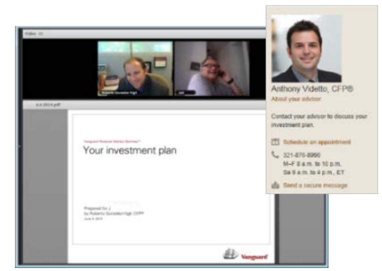
Online investor profile



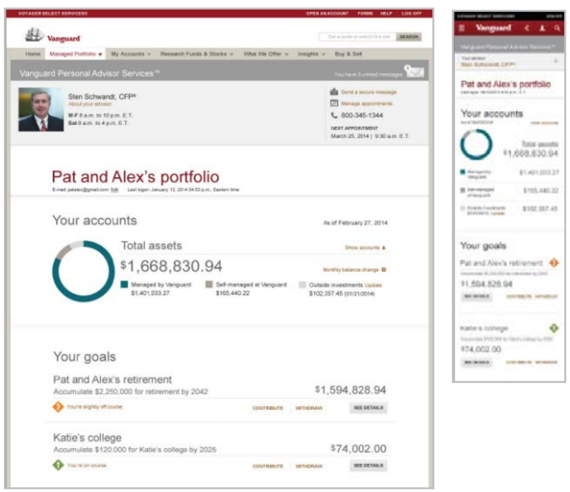
Goals-based, personalized financial plan



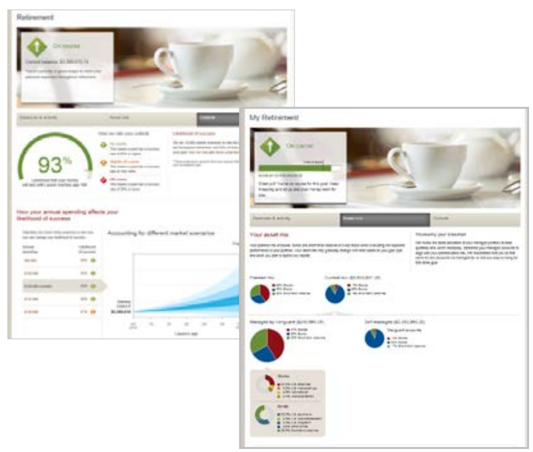
Online appointment scheduling; easy access to advisor



User-friendly web and mobile experience



Goal and portfolio details available online



Quarterly progress reports

Important information

This information is intended for investors outside the United States and should not be provided to individual investors in the United States. The information contained herein does not constitute an offer or solicitation and may not be treated as an offer or solicitation in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. Broker-dealers, advisers and other intermediaries must determine whether their clients are eligible for investment in the products discussed herein.

All investing is subject to risk, including the possible loss of the money you invest. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Investments in target-date funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the work force. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the target-date fund is not guaranteed at any time, including on or after the target date.

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