



Vanguard[®]

keyfacts[®]

Key Features of the Vanguard Individual Savings Account (ISA), the Vanguard Junior ISA and the Vanguard General Account

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Vanguard, to give you this important information to help you decide whether our ISA, Junior ISA and / or General Account are right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

About this document

This document provides you with important information which you should know before investing with Vanguard. It sets out the main features of investing in funds through the Vanguard Stocks and Shares ISA, the Vanguard Junior ISA and the Vanguard General Account. It describes the aims of the products, your commitment as an investor, the risks involved, the charges which you will pay, the tax implications, and how we administer your investments.

This document should be read together with the Key Investor Information Document (KIID) for the fund which you are considering investing in. You should also read Vanguard's Client Terms, which form the legal agreement between you and Vanguard.

About Vanguard

Vanguard Asset Management, Limited ("Vanguard") provides the Vanguard ISA and the Vanguard General Account through its online service for personal investors. Vanguard is authorised and regulated by the FCA. Vanguard's registered office is at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF.

For more information about Vanguard, please visit our website at www.vanguardinvestor.co.uk.

Please note that Vanguard does not provide personal advice based on individual circumstances and so is not required to assess the suitability or appropriateness of any investment which you may choose or other services provided to you. This means that you do not benefit from the FCA's rules on assessing suitability. If you are not sure of the suitability or appropriateness for you of any particular investment or service, you should consult an authorised financial adviser.

Aims

- To allow you to choose from a range of funds, including exchange traded funds (ETFs), for investment.
- To meet your investment objectives – giving you the opportunity for capital growth, income, or a combination of both.
- To provide flexible, tax-efficient investment through an ISA (or Junior ISA).
- To give you access to your savings by paying you an income or by facilitating withdrawals.

Your commitment

- To satisfy the minimum initial investment or the minimum monthly payment for regular investors.
- To observe the annual contribution limit if you invest through a Vanguard ISA, and not to subscribe to another stocks and shares ISA in the same tax year as you invest via a Vanguard ISA. Failure to comply with these requirements may render your ISA void.
- You should be prepared to invest for the medium to long term, meaning at least five years normally and generally for a longer period.
- You must notify us of a change of address or of any other important change to your personal details (or to those of the beneficiary in the case of a Junior ISA). Please note that, if you move abroad, we reserve the right to place restrictions on your account. This may mean that you are prevented from making additional investments or switching existing holdings into other funds. If required to do so, we may also inform any relevant foreign authority about your investments.

Please see the “Questions and Answers” section below for details of the minimum investment conditions and HMRC contribution limits for ISAs.

Risks

General investment risks

It is important to understand the risks before investing in any fund. All investments involve some degree of risk. Some of the risks involved are described below.

What you get back depends on how your investments perform, the charges which are made, and any other deductions. The performance of investment funds is not guaranteed, and past performance is not a reliable indicator of future results. The value of investments, and the income from them, can fall as well as rise. You may get back less than you invest.

Any money which you hold as cash within your Vanguard ISA or Vanguard General Account will not benefit from any market appreciation.

Inflation will affect the real value of your investments (including any cash) in the future. If the growth of your investments (after the deduction of charges) is lower than the rate of inflation, the real value of your investments will be reduced over time.

Although Vanguard is committed to low-cost investing, fund charges can vary and may increase, and these will reduce the potential for growth and / or income. Also, if you choose to take income or make lump sum withdrawals from your investments, or if you sell fund shares to pay account charges, these deductions will reduce the capital value of your investments over time.

Levels of tax and available tax reliefs may change in the future. Any tax benefits are subject to your individual circumstances.

Specific risk factors for funds

Investment funds carry certain risks which are specific to their objectives and the management of their assets.

For information on a fund's investment objective and policy, and the risks, please refer to the relevant Key Investor Information Document (KIID) and Prospectus. These documents are available from Vanguard via this website (www.vanguardinvestor.co.uk).

You are responsible for evaluating the risks associated with investing in any fund. The investment products offered on this website are intended generally for retail clients but may not be suitable for all investors. Further information regarding the target market for each fund is available on our website. If you are unsure of the implications or of the suitability for you of a particular fund, you should obtain personal advice from an authorised financial adviser.

Questions and Answers

What is the Vanguard ISA?

An ISA is a type of product wrapper, or account, which is used to hold investments in a tax-efficient way. It is not itself an investment. There is an annual contribution limit set by the Government (£20,000 for the tax years 2018-19 and 2019-20).

The Vanguard ISA is a "stocks and shares ISA", which allows you to invest in our range of funds. We do not offer a "cash ISA" (a different type of ISA which holds investors' money in cash products), although the cash component within our stocks and shares ISA permits you to shelter money as cash when desired.

The Vanguard ISA is a "flexible" ISA, meaning that money you withdraw may generally be paid back in during the same tax year without counting towards your annual allowance (see also "Can I withdraw my money?" below).

In addition, the Vanguard Junior ISA allows you to invest separately on behalf of a child, subject to a lower annual investment limit (£4,260 for the tax year 2018-19 and £4,368 for the tax year 2019-20). Anyone may contribute to the account on the child's behalf, such as grandparents and other relatives. When the child for whom a Junior ISA is opened reaches age 18, it automatically converts into a Vanguard ISA held in their own name. References in this document to the Vanguard ISA generally also include the Vanguard Junior ISA, unless stated.

What is the Vanguard General Account?

The Vanguard General Account is used to hold investments outside of an ISA. It is typically used by individuals who have already invested their full annual ISA contribution allowance. There are no investment limits. The Vanguard General Account does not benefit from the tax advantages conferred upon ISAs.

Who can open an account?

Both the Vanguard ISA and the Vanguard General Account are generally available to individual applicants aged 18 or over who reside in the UK and pay tax in the UK (and in the case of the Vanguard General Account pay tax in the UK only). The products and services are not available to US persons. Joint name accounts are not permitted.

A parent or legal guardian may open a Vanguard Junior ISA for a child under 18 who is resident in the UK and is not already the beneficiary of a Child Trust Fund or Stocks and Shares Junior ISA. The person who opens the Junior ISA will be the “registered contact” for legal purposes and will be responsible for making the investment decisions and managing the account until the child reaches 18 and the Junior ISA converts into an ISA. At that time the former child beneficiary becomes entitled to manage the investments as the holder of the ISA.

You must have a UK bank account in order to open a Vanguard account.

Which funds are available?

We offer a wide range of Vanguard mutual funds and exchange traded funds (ETFs), so that you can invest according to your individual needs. Within each fund, investors’ money is pooled to purchase a diversified portfolio which may include shares, bonds and other securities, depending on the individual fund’s investment objective and policy. Many of the funds aim to replicate the performance of a particular index of securities (these are known as “index” or “tracker” funds), but funds which pursue an actively-managed investment strategy are also available, together with certain “funds of funds” which themselves invest in other Vanguard funds.

The following different types of fund are available:

- Open-ended investment companies (OEICs) and authorised unit trusts are UK-based products regulated by the FCA.
- Certain funds are domiciled in Ireland. These include funds which are structured like the UK OEICs, as well as ETFs. ETFs have some unique characteristics, and are traded like stocks on a stock exchange. Vanguard’s Irish funds are regulated by the Central Bank of Ireland and recognised by the FCA for distribution in the UK.

Can I hold cash in my account?

Yes, you may hold cash in both the Vanguard ISA and the Vanguard General Account – while you decide where to invest, for example, or to pay charges. Cash held in your account will be out of the market and so will not benefit from any market growth whilst not invested.

HSBC will be the deposit holder for money held as cash within your account. You may earn a variable rate of interest on cash as described in Vanguard’s Client Terms.

How do I open an account?

You must open your account online. Please have your National Insurance Number to hand. Before opening your account, you should carefully read these Key Features, the Legal Information, our Privacy Policy, and Vanguard’s Client Terms (which you must accept in order to open an account). You will also be asked to confirm your nationality and to the extent you are a non-UK national or have dual nationality you will be required to provide details of your passport (or such other form of national identification as may be acceptable to us to verify your nationality).

How do I invest?

When you have decided which fund(s) you wish to invest in, you may make a lump sum payment electronically using a UK bank debit card or (for larger payments exceeding £50,000) by a direct credit transfer from a UK bank account. Payments by cheque are not accepted.

We will not complete your investment order(s) before we receive payment in full from you. Payments made by direct credit transfer may not be received by us as cleared funds for up to two Business Days.

If you wish to invest on a monthly basis you may set up a regular savings plan by completing a direct debit mandate linked to your bank account. We will notify you when the payments will be collected. Your monthly contribution may be increased, reduced (subject to the minimum payment requirement) or stopped by you at any time, although it may not be possible to implement your instructions until after the next collection date. Please note that, if you redeem or switch your holding of shares in a fund into which you are investing under a regular savings plan, your contributions will continue until you instruct otherwise.

All investments must be made in pounds sterling.

Can I transfer existing ISAs and investments to Vanguard?

Yes, generally this is possible as confirmed during the online application process and explained further below. In most cases, you should be able to transfer any existing holdings in Vanguard funds to us without needing first to convert them to cash (a direct transfer facility sometimes called "re-registration"). Please note that, if you wish to transfer Vanguard fund holdings to us from an account currently held with another provider, all such Vanguard fund holdings will be transferred.

Transfers of ISAs and Junior ISAs

If you have previously opened any ISAs or Junior ISAs with other ISA managers, you can ask for these to be transferred to Vanguard without losing any accrued tax benefits. Please note that the value of an ISA opened during the current tax year must be transferred in full, and Junior ISAs must always be fully transferred (whenever opened).

As noted above, Vanguard fund holdings within an existing ISA can be transferred directly to your Vanguard ISA if we offer the fund(s) on the Vanguard platform. If you wish to transfer an existing holding in a non-Vanguard fund (or in a Vanguard fund which we do not make available on our platform), it will first be sold by your current ISA manager so that the cash proceeds (after deducting any charges due to the existing manager) can be transferred to your Vanguard ISA. This money will then be held as cash pending your choice of a new fund investment. Please note that, if you make a transfer in cash, you will not benefit from any rise in value of investments while your money is not invested.

General Account Transfers

In the case of non-ISA investments, any shares in a Vanguard fund which you have previously bought either directly from Vanguard or from another provider can be transferred directly to your online Vanguard General Account if supported on the Vanguard platform.

Please note that these processes may be limited or restricted by your current account provider, and you may be charged by them for transfers out of such accounts.

For more information about transferring existing investments to Vanguard, please visit www.vanguardinvestor.co.uk. This includes details of the Vanguard funds which are eligible for direct transfer to our platform.

What is the minimum investment?

Your initial lump sum payment (or transfer value) should be at least £500 for each fund which you choose. The minimum payment under a monthly savings plan should be £100 per fund.

What is the maximum investment?

There is no overall investment limit. However, if you are investing in a Vanguard ISA or Junior ISA, HMRC's annual contribution limits apply. For the 2018-19 tax year, the limits are £20,000 for an ISA and £4,260 for a Junior ISA. For the 2019-20 tax year, the limits are £20,000 for an ISA and £4,368 for a Junior ISA.

There is no limit if you are investing through the Vanguard General Account.

How are funds priced?

All funds are normally priced on each Business Day, at the applicable pricing point. When you buy or sell investments, the transaction will be carried out at the price which is calculated (based on the valuation of the fund) at the next fund pricing point.

Please note that shares in ETFs are listed on the London Stock Exchange, and their price is affected by supply and demand during the trading day. Normally, ETF trades will be placed at or shortly after the next dealing point (10.15 am or 2.10 pm), free of any brokerage charge. Alternatively, you may opt to use our quote and deal service to trade at a market quoted price. This service carries a charge of £7.50 per trade.

For more information about fund pricing, please visit www.vanguardinvestor.co.uk. In addition, the Order Execution Policy (a summary of which is appended to Vanguard's Client Terms) describes how we deliver the best possible result for you when dealing in investments for you.

What documentation will I receive?

It is a feature of Vanguard's personal investor service that we will only issue documents online, and you consent to this by accepting Vanguard's Client Terms. You may of course print any items which you wish to retain in hard copy form.

We will provide you with a confirmation of transaction for each new investment instruction which you place. These documents will be stored in the documents library on your account.

At least once every quarter, we will provide you with a summary statement and valuation of your account investments, and this will confirm all the investment transactions which you have made since the previous statement. You may log in to your account at any time for a current valuation of your holdings.

We will also provide you with an annual statement detailing the actual costs and charges which your account and the investments in it have incurred during the preceding year. If you have a Vanguard General Account we will also provide tax vouchers on an annual basis corresponding to investments made in the previous tax year.

We will also disclose details of our relevant policies to you on our website, including summaries of our Conflicts of Interest Policy and Order Execution Policy which appear in Vanguard's Client Terms.

You can ask us for further information about our policies and services at any time.

You are also entitled to ask us for copies of certain telephone calls and electronic communications which relate to or are intended to lead to the conclusion of an order, as explained in Vanguard's Client Terms.

Can I change my mind? What are my cancellation rights?

Yes – you may cancel your account by informing us within 14 days from the date of your first investment. On cancellation of your account, any investments can either be sold or transferred into your name or into the name of another nominee. If investments are sold, you may get back less than you invested originally because of market value loss suffered between the date of your payment in and the date we receive and implement your instructions to cancel. Product charges will also apply until the account is closed, and charges which have already been deducted will not be refunded.

If you cancel an ISA or Junior ISA within the cancellation period, it is treated as not having been opened and so you can apply to open another one during the same tax year.

After the 14 day cancellation period expires, you may withdraw your money at any time by selling or transferring your investments (see further below).

How do I switch investments?

You can switch between funds in your account at any time. We do not charge for switching but you may incur an entry charge when switching into certain funds (see “Fund charges” under “What costs and charges will I pay?” below). When you instruct a switch, we sell existing investments and use the proceeds to buy the substitute investment. Switch transactions are normally processed over the course of two consecutive dealing days.

How will my investments be held?

We will register your fund holdings in the name of a Vanguard nominee company (Vanguard UK Nominees Limited), which will hold them on your behalf. You will remain the beneficial owner.

Can I choose to take income?

Yes, there are two ways in which you may do so. First, you should elect to invest in the income share class of a fund, where available, if you wish to receive income distributed periodically from the fund into your nominated bank account. Unless you do so, you will invest in the accumulation share class.

Alternatively, you may set up a regular withdrawal plan, as described below (see “Can I withdraw my money?”).

Can I withdraw my money?

Generally, you can take money out of your account at any time without charge, but withdrawals will reduce capital growth and income potential. Please note that withdrawals may not be made from a Junior ISA until the child reaches the age of 18 and becomes the account holder (except in the event of their terminal illness or death).

The Vanguard ISA is a “flexible” ISA, which means that, while it remains open (and subject to certain exceptions noted in Vanguard’s Client Terms), money you withdraw may be paid back in during the same tax year without counting towards your annual ISA allowance. A payment into your ISA will first be treated as a repayment of a previous withdrawal in the same tax year, if applicable.

You may make one-off withdrawals from time to time, or you can set up a plan to withdraw money on a regular basis (monthly, quarterly, twice-yearly, or annually). There is no minimum withdrawal amount and no requirement to maintain a minimum account balance. These instructions can be varied or cancelled at any time. We will sell investments for you and pay the money directly to your nominated bank account once we receive it from the relevant fund manager.

What costs and charges will I pay?

Vanguard is committed to keeping costs low for all investors. The charges set out below may apply to your account as a personal investor. Further information is also provided under the heading "How will costs and charges affect my investment?" below.

Fund charges

These are set by Vanguard and apply at the level of the particular fund(s) in which you invest and are also referred to as fund management costs.

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, the registrar, the fund auditor and other regulatory expenses. Please refer to the specific Key Investor Information Document (KIID) for details of the OCF applicable to a fund which you choose.

In addition, the funds incur transaction costs (including when buying and selling underlying investments) and other incidental costs. These costs are included within the estimate of costs and charges disclosure provided as described under the heading "How will costs and charges affect my investment?" below.

Vanguard account fee

This is what you pay in return for the provision of account services. These services include the fund dealing facility, the recording of transactions and holdings, the safeguarding of your investments by our nominee, and other ancillary services. These comprise certain online services as well as the provision of access to our personal investor service representatives.

The account fee is an annual charge which we accrue daily and deduct proportionately in arrears on a quarterly basis commencing three months after the date of your first investment. The amount which you pay is based on the overall value of your Vanguard personal investor account, including any cash held. The rate of charge is 0.15% per annum of the value of your account holdings up to £250,000, such that the maximum annual charge is £375.

You have the option, when you open your account or at any later time, to arrange payment of your account fee by direct debit from your nominated bank account. Alternatively, we will deduct the fee from available cash (and, failing that, from fund holdings) within your account in accordance with the disinvestment strategy set out in Vanguard's Client Terms. This prioritises collection of charges from your General Account, in order to maximise your ISA tax benefits.

Transaction fees

If you buy or sell an ETF through our optional quote and deal service, we will deduct a fixed charge of £7.50 to cover the fee of our nominated stockbroker.

Accelerated payments made to you via CHAPS at your request will be charged at the rate of £25 per payment.

Interest charge

Currently we keep the first 0.20% of the interest we receive on cash held in your account, to cover our costs. We will let you know if this changes in the future. Any interest which we receive in excess of that will be credited for the benefit of your account and will be referenced in your annual cost and charges statement (see below).

How will costs and charges affect my investment?

What you get back will depend on the performance of the fund(s) in which you invest and the impact of charges and other deductions, including any income which is paid out. Performance cannot be guaranteed.

An estimate of the effect of costs and charges is provided when you invest a lump sum in any fund or, in the case of a regular savings plan, when you set it up. Each year (commencing in January 2019) you will receive a statement setting out the costs and charges which you actually incurred in the previous year and their impact on the value of your fund investments.

What are the tax implications?

The amount of tax which you will pay depends on your personal circumstances. UK residents and UK-domiciled funds are subject to the UK tax regime. Funds domiciled in Ireland are subject to the tax rules of that jurisdiction, but UK tax applies to any capital gains and income which UK residents receive from them.

The tax information provided below is based on our understanding of current UK tax legislation and HMRC practice, which may change in the future. If you are in any doubt about the implications of buying, holding or selling an investment, you should speak to an independent adviser.

Tax and ISAs / Junior ISAs

You are not liable to pay tax on any income or capital gains arising from your ISA investments, and such amounts do not need to be declared on your tax return. If any basic rate UK income tax has been deducted from income or interest distributions, we will claim it back from HMRC on your behalf and add it to your ISA.

Tax and General Account holdings

Income and capital gains should be declared on your tax return. We will provide you with a consolidated tax voucher to assist you. If you invest in a fund which is domiciled in Ireland, you should also refer to the periodic reports published after the fund's year end for details of the excess income to declare on your tax return.

Any sale of shares, including a switch, could give rise to a capital gains tax liability.

Can I transfer my investments to another account provider?

Yes, you may arrange for an alternative platform provider or ISA manager to take over the administration of the investments which you hold with Vanguard. Investments will be sold for transfer as cash, or it may be possible to have them transferred directly if this is supported by your new account provider.

What happens to my account investments if I die?

Generally, your money will remain invested as at the time of your death. The investments and any cash will then form part of your estate. All applicable charges will continue to be deducted, and the value of your investments will rise and fall in the normal course. We will, however, cease to collect any further direct debits if you were investing under a regular savings plan, and we will cancel any regular withdrawal facility which you may have set up.

In the case of an ISA, your tax advantages will continue to apply after your death, in accordance with HMRC rules for a period of up to 3 years. No further contributions can be accepted. Holdings in your Vanguard ISA will be moved into a Vanguard General Account in your name. If you have a surviving spouse or civil partner, they may be eligible to receive a one-off additional ISA allowance equivalent to the value of your ISA at the time of death, or at the point when the ISA loses its tax advantages.

Once we have completed all necessary formalities with the person(s) responsible for administering your estate (your personal representative(s)), we will provide a final value of your investments and transfer over the proceeds realised from their sale. Alternatively, if so instructed, we may directly transfer your investments to be held in someone else's name.

Other information

Client status

If you open a Vanguard ISA or Vanguard General Account, we will treat you as a “retail client” for the purposes of the rules of the FCA, which gives you certain rights and protection under those rules. These rights include access to compensation and our complaints procedure, as noted further below.

Terms and Conditions

These Key Features give you a summary of the Vanguard ISA and the Vanguard General Account. Full details are set out in Vanguard’s Client Terms, which you should read carefully and which you must accept as part of the account opening process. The Client Terms form a legal agreement between you and Vanguard, governed by English law.

Compensation

Vanguard is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the Scheme if we are unable to meet our financial obligations to you. This may apply separately to both your investments and any cash held in your Account and the maximum amount of compensation available depends on the type of investment business, the FSCS compensation limits applying at the time of any failure and the circumstances of your individual claim.

Further information on compensation under the FSCS is available as follows:

FSCS
10th Floor, Beaufort House
15 St Botolph Street
London EC3A 7QU

Telephone: 0800 678 1100
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

Complaints procedure

Should you wish to complain about any aspect of our services, please first inform us using any of the contact methods described in the “How to contact Vanguard” section below. Information about our complaints procedure is available on request or alternatively can be found on our website.

If you are not satisfied with our handling of your complaint, you may refer it to the Financial Ombudsman at this address:

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
Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to institute legal proceedings.

Who regulates Vanguard?

Vanguard Asset Management, Limited is authorised and regulated by the Financial Conduct Authority. You can view the Financial Services Register for our details by going to <https://register.fca.org/>.

The FCA's contact details are:

The Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Telephone: 0800 111 6768 (call charges will vary)

Website: www.fca.org.uk

How to contact Vanguard

We recommend that you contact us through secure messaging via your online account at www.vanguardinvestor.co.uk.

Alternatively, you may email us at personalinvestors@vanguard.co.uk.

Please do not include any account details if you contact us by email.

You can also call us on 0800 5870460 (Monday to Friday, 9am to 5pm, excluding public and bank holidays).