



## Executive Summary of Changes

July 17, 2020

On July 14, 2020, Vanguard announced a groundbreaking investment to fundamentally reshape our recordkeeping offer. In an industry-first, Vanguard will partner with Infosys—a global leader in technology, business services, and consulting—to transform the experience for plan sponsors and participants and set a new high bar for retirement plan administration. Below is a summary of what you can expect and attached is a Due Diligence Guide that provides additional information.

Alongside the rest of the retirement industry, for years we've explored how to modernize our recordkeeping platform to keep up with the complexity and nuance of our retirement business. At the same time, we've continually committed to strategically invest in Vanguard's advice capabilities and client experience. Now, through this partnership, we can accomplish all three. We can strengthen our retirement leadership, expand our advice capabilities, and radically improve how clients interact with us.

To accomplish this, Vanguard will form a strategic partnership with Infosys to accelerate development of our retirement plan administration capabilities. This groundbreaking partnership between industry leaders pairs Vanguard's expertise in investment management, plan design, and participant behavior with Infosys' prowess in human-centered design, digital innovation, and technical execution.

Together, we will deploy the industry's first fully cloud-based recordkeeping technology platform. This future-proof foundation will reduce administrative friction and empower us to embrace emerging technologies and deliver innovative solutions at a pace never before seen in the recordkeeping space. In today's rapidly evolving, technology-driven world, the latest digital solutions are not being built for mainframe legacy recordkeeping platforms. They are built for the cloud. As technology leaders bring new products to market, Vanguard will be the firm best positioned to adopt them and make them available to our plan sponsors and participants.

Much will remain the same:

- Vanguard is your retirement provider. Your overall service agreement will be with Vanguard. The entire client relationship team will be available through the same channels.
- You will have access to the same investments, thought leadership, and participant and plan services.
- There will be no conversion or disruption of service as we modernize our core recordkeeping platform and supporting operations. Rather, there will be a frictionless transition to the new platform for both plan sponsors and participants.



However, there are many exciting changes to come as we pursue three strategic goals:

1. Building a future proof foundation that radically accelerates the pace of innovation as we develop a wide range of payroll services like flat-dollar caps, complex match formulas, expanded withdrawal options, a streamlined rollover process, and strong support for multi-vendor plan types.
2. Defining the next generation of hyper-relevant communications that will surround your participants with a deeply personal experience including a fully redesigned participant website, new communications channels such as AI-powered text interactions, and seamless data sharing with outside-plan benefit accounts like HSAs and pensions.
3. Creating a cloud-based platform that will deliver stronger, faster insights into your plan and participants across reporting capabilities that will capture broad participant sentiment and provide sponsor-level next-best action guidance on a completely overhauled and rebuilt web portal.

This is why we have chosen Infosys to partner with in this journey. They are a leading global technology consulting company, specializing in cloud-first digital transformations. They will assume administration of Vanguard's recordkeeping platform, including software solutions, supporting operations, and a portion of our client contact center. Infosys' demonstrated capabilities in digital innovation and technical execution will close the gap between concept and reality as we jointly develop next-generation solutions.

We are very excited about this partnership and the opportunity to accelerate our ability to serve you for years to come. It is a great time to partner with Vanguard as your plan recordkeeper. We are investing significantly to enhance the services we can provide you and your participants, and it will be done seamlessly.