

Vanguard's latest retirement service enhancements

A due diligence guide for consultants

At Vanguard some things will never change. This includes our mission—to take a stand for all investors and give them the best chance for investment success—and our client-owned structure,¹ which continues to drive our mission.

And because of our mission, our commitment to you, your clients, and plan participants will continue to fuel our relentless effort to innovate and improve our products and services to drive better outcomes.

With this in mind, we will modernize our core recordkeeping platform and supporting operations through scalable, flexible cloud technology. The result is a digitally driven retirement platform that will bring state-of-the-art experiences to participants and plan sponsors. This will complement our thought leadership, consulting, and participant education services, as well as the Vanguard teams your clients work with daily.

Our strategic partnerships with like-minded firms have helped us quickly deliver innovative technology solutions and provide access to industry-leading capabilities and expertise. Similarly, Vanguard is partnering with **Infosys—a global leader in next-generation digital services and consulting—to fundamentally reshape the retirement plan experience for our plan sponsors and participants.** At the same time, we're transforming our institutional full-service recordkeeping business to set a new high bar in retirement plan administration across the industry.

In your role as advisor to your plan sponsor clients, we encourage you to learn more about this arrangement through the information in this document or by reaching out to your Vanguard representative.

¹ Vanguard shareholders own the funds, which in turn own Vanguard.

To help you understand Vanguard's enhanced service model so that you can guide your clients as they prudently monitor their plan's service provider, this guide provides information on:

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Why we're making this change

We believe that ensuring the best outcomes for retirement plan participants and sponsors requires the conviction of an industry leader and the boldness of a segment disruptor. This is bigger than retirement; this is about financial health.

Since Vanguard's founding in 1975, millions of investors have relied on us to help them prepare for retirement. Today, amid complex regulatory issues, emerging technologies, and new employment models, our shareholders depend on our industry-leading advice and guidance to achieve enduring financial wellness.

This groundbreaking partnership between industry leaders pairs Vanguard's expertise in investment management, plan design, and participant behavior with Infosys' expertise in human-centered design, digital innovation, and technical execution.

Our new partnership will enable us to deliver personalized, hyper-relevant solutions that offer convenient, efficient, and high-quality experiences to the 1,500 plan sponsors across our full-service direct recordkeeping business, and will ultimately drive better outcomes for the 5 million plan participants we serve.

While our current systems have served us well for decades, this change allows us to leverage rapidly changing technology and leading-edge software and hardware architecture to better serve the evolving needs of sponsors and participants. We will modernize our core recordkeeping platform and supporting operations through scalable, flexible cloud technology. This modernization results in a digitally driven retirement platform that brings state-of-the-art experiences to participants and plan sponsors. The application will run in a cloud environment with the high level of security and protection you expect from Vanguard. The resources available to the people who serve your clients will grow dramatically. That means that client teams at Vanguard and Infosys will employ better technology that enables them to be more efficient and effective in serving plan sponsors and participants.

Through this relationship, Vanguard will be able to more quickly deploy service enhancements and develop even more impactful ways to help sponsors and participants meet their goals. In particular, your plan sponsor clients can look forward to:

- Improved financial outcomes for their participants, which will be driven by omni-channel interactions, reimagined digital experiences, and custom guidance delivered by the next generation of our industry-leading personalization engine.
- Enhanced plan design outcomes and reduced administrative friction as a result of revamped client journeys, reimagined digital experiences, and powerful, AI-enabled predictive analytics.
- A strengthened risk and control environment for the plan, due to streamlined transaction processing that's digitized by robotic process automation.
- Access to the innovation pipelines of a leading global asset manager and a leading technology solutions provider.
- Confidence that the plan operates on the scalable, secure, and flexible retirement platform of tomorrow.

What is staying the same

Before we discuss what will change, we want to reassure you that much will stay the same.

- **Vanguard is the plan's recordkeeper.**

Vanguard remains the recordkeeper and trustee, as applicable, of your clients' plans. Any service agreements they have with Vanguard will stay with Vanguard. They will have access to the same investments, thought leadership, and participant and plan services. In addition, you'll see technology and process enhancements in the near future.

- **There will be no disruption of service.**

There will be no conversion or disruption of service. Rather, there will be a frictionless transition to the new platform for both plan sponsors and participants. In the first year, our focus will be on building the technology foundation for a modernized, state-of-the-art, cloud-based retirement services recordkeeping platform. This will improve operations and responsiveness for your clients and their participants, and for the people who serve them at Vanguard and Infosys. As part of this foundational work, we are redesigning the participant and plan sponsor experience to make it simpler, more intuitive, and more user-friendly.

This work is being done behind the scenes and will not require your clients to take any action. Going forward, we will continue to enhance the participant and plan sponsor experience through advanced analytics that will enable us to tailor individualized user experiences.

- **Recordkeeping fees are unaffected.**

Recordkeeping fees are not changing as a result of this partnership; we will continue to review your plan's fees periodically as we always do.

The changes described in this document demonstrate Vanguard's ongoing commitment leadership in the retirement industry. Our focus to support you, your clients, and participants remains the same. The benefits of working with Vanguard have not changed, including:

- We are client-owned,¹ with a singular focus on clients and participants.
- We offer leading expertise on retirement plan design, with strategies and insights to help participants achieve a secure retirement.
- We use innovative technology to ease plan administration and provide hyper-relevant experiences that lead to positive outcomes for participants.

¹ Vanguard shareholders own the funds, which in turn own Vanguard.

Note

Under ERISA, your clients, as plan fiduciaries, have a duty to prudently select and monitor service providers for their retirement plans. The selection of a plan's recordkeeper is generally based on multiple factors, including: level and quality of services, cost for services, and the provider's industry reputation.

You and your clients have previously followed a prudent process for selecting Vanguard as a recordkeeper. It is important to keep in mind that, under the new service arrangement, Vanguard remains the recordkeeper and will continue to be responsible and accountable for the delivery of all agreed upon recordkeeping services. What will evolve, over time, is the way in which we provide these services.

We understand this places a certain fiduciary pressure on you and your clients and we support and respect any due diligence you feel is appropriate. However, Vanguard believes that the new partnership does not necessarily, in and of itself, create the obligation to go through a formal RFP process. We recommend that plan sponsors continue to monitor, and document the steps they take to monitor, the recordkeeping services provided. This includes keeping a copy of this due diligence guide in their files, which will help demonstrate that they have examined the details of the partnership between Vanguard and Infosys as part of their ongoing monitoring process.

What is changing

In partnership with Infosys, Vanguard will:

1. Modernize our retirement services recordkeeping platform by leveraging cloud technologies, leading-edge architecture, powerful data management, and artificial intelligence (AI). The new platform will be custom built to support vast scalability, exceptional flexibility, and superior performance.
2. Update our operating model for service delivery so that we take advantage of our respective strengths. We will designate support for certain aspects of recordkeeping services to Infosys. Select Vanguard employees (our "crew") with deep expertise in the services being supported will transfer to Infosys.

Our new partner, Infosys

Infosys is a global leader in technology, business services, and consulting, and they enable clients in 46 countries to navigate digital transformation. With over three decades of experience supporting global enterprises, Infosys expertly steers clients through their digital journey, using an AI-powered core and empowering the business with agile digital capabilities. They do this at scale to deliver high levels of performance and client satisfaction. Infosys employs an “always on” learning agenda that drives continuous improvement by building and transferring digital skills, expertise, and ideas throughout Infosys' innovation ecosystem.

Infosys' Digital Navigation Framework paves the way for digital transformations with vital digital capabilities at its core, surrounded by a robust operating model and an “empowering-people” context to help nurture the live enterprise.

We are excited to bring you Vanguard and Infosys' combined expertise to deliver a retirement services platform designed to be efficient and secure, and one that will provide a more intuitive, behavior-driven, and user-friendly experience for your clients and participants.

Vanguard service model supported by Infosys

Through this partnership, the technology development and some of the administrative functions of Vanguard's plan recordkeeping services will be supported by Infosys (Figure 1). Vanguard crew who currently support these functions will be transferred to Infosys about 90 days after the partnership announcement.

Vanguard crew are the engine driving our success. They will bring their expertise on retirement issues, client administration, technology, and operations with them to Infosys to facilitate a smooth transition and to continue our collective mission to give participants the best chance for retirement success.

For Infosys, this partnership extends the company's reach in retirement services. The partnership also gives Infosys additional capacity in the vital Mid-Atlantic business corridor, as Infosys intends to open a center of excellence within 30 miles of Vanguard's Malvern, Pennsylvania, campus, with Vanguard as its anchor client. The local center will become Infosys' global retirement services center.

This center will enhance career opportunities for crew transitioning to Infosys and offer Vanguard the best in local technology, operations, and innovative design services.

In addition, it is expected to create significant long-term employment opportunities in the vicinity, and represent an ongoing commitment from Infosys to growth in the local community. Infosys service centers and design hubs already exist in Arizona and North Carolina and will offer similar opportunities to Vanguard's businesses in those areas.

As this technology and operational transformation unfolds, certain business operations that exist at Vanguard today will exist in the future at Infosys. Crew members continuing with Infosys will remain in the U.S. Over time, some administrative, operational, and technology functions will be assumed by professionals overseas.

Plan services that will not be supported by Infosys include relationship management, advice and wellness, Strategic Retirement Consulting, and sales and marketing. Product management will be provided by Infosys with leadership support from Vanguard.

Figure 1



Benefits to plan sponsors

In the short term, your clients should not experience any change from business as usual. There should be little, if any, disruption as we make the transition. Over time, as Infosys transforms our recordkeeping platform, your clients and their participants should experience greater efficiencies and ease of use, but most changes will be on the back end and invisible. Importantly, these changes will not require them to convert the plan to a new recordkeeping platform.

Your clients will continue to work with professionals dedicated to plan services in the same way they experience today. Their entire client relationship team will be available through the same channels and will strive to meet the same agreed-upon service levels.

Over the longer term, processes will be streamlined and automation introduced in phases that will ultimately improve the experience for plan sponsors and participants with less wait time and higher quality of service. Automating routine and repetitive operational work will allow the individuals dedicated to the plan to be more consultative, deliver strategic, value-added support, and help you optimize this important benefit.

Once modernized, the platform will be cloud-based, which allows for greater expansion of future services. Early on, we will work with Infosys to enhance the user experience, analytics, monitoring, and reporting capabilities for our online tool My Plan Manager.

Through this partnership we will:

- Elevate our service through automation, customization, and smart agents to deliver support with unparalleled efficiency, quality, and speed.
- Remain on the leading edge by investing in a new innovations lab devoted to driving research and development focused solely on retirement solutions and offerings.
- Provide a frictionless transition to the new platform for both plan sponsors and participants.
- Enable unparalleled visibility of participant behavior through analytics, monitoring, and automated self-service reporting capabilities.

Ultimately, the new partnership will deliver a next-generation recordkeeping platform and a state-of-the-art experience for your clients and their participants.

Benefits to participants

Similarly, participants should not see a dramatic difference in their experience in the short term.

Participants will continue to call Vanguard's Participant Services team as they do today. Our U.S.-based, FINRA-licensed call center representatives will benefit from an additional call center outside the U.S. that will support less complex participant calls. Hours of operation will remain 8:30 a.m. to 9 p.m., Eastern time. Participants will still have 24/7 online access, plus several enhancements and new capabilities slated for delivery in 2020.

Further, planning is in place to deliver certain changes in the near to longer term. Several enhancements will offer participants a simplified means to get answers to immediate questions, improved access to advice programs, and future-proof technology enhancements that focus on deeper personalization and data integration capabilities. This means we will transform the participant experience in a personal and holistic manner, specifically achieving several benefits:

- The partnership with Infosys will build on and accelerate the participant experience modernization work already underway by creating an industry-leading retirement services platform. The new platform will enable us to anticipate and satisfy participant needs before they form, by providing next-generation digital experiences.
- Intuitive technologies that leverage human-centered design thinking will enable participants to experience unprecedented levels of service and personalization.
- AI tools and deep data analytics will give participant users self-service capabilities to manage their retirement plan account intuitively and effectively.
- State-of-the-art, multichannel experiences—where participants, no matter how they choose to interact with us (web, mobile, etc.), enjoy a consistent look and feel—will be enhanced seamlessly. Data-driven, personalized interactions will lead to higher-quality guidance and service.

Through this partnership, plan participants will be able to:

- Easily manage their retirement plan accounts using AI-enabled, self-service transaction capabilities and support.
- Leverage deep data analytics to access better data and insights for personal decision-making.
- Enjoy unprecedented levels of service from client administrators and call center agents.

Timeline

Our innovative partnership with Infosys is just beginning. Over time, this partnership, and the way it serves the needs of your clients and their participants, will continue to evolve. In the coming weeks, months, and years we will keep you fully informed of developments and enhancements to our recordkeeping services.

July 14, 2020

Announcement

July 14, 2020 - October 12, 2020

Knowledge transfer

Vanguard Strategic Partnership Office leads knowledge transfer and establishes proper governance with Infosys' product management function

October 12, 2020

Service commencement

Vanguard crew officially transition to Infosys and the new service model begins

Transformation projects begin

We continue to build out the structural systems that will support and enhance full transformation

Retirement Services Center of Excellence

Work begins to establish the center

How we selected Infosys

Vanguard conducted an exhaustive multiyear search to identify a best-in-class firm to partner with us to add value for our clients. We completed a thorough request-for-proposals (RFP) process before selecting Infosys as the best strategic fit. This process included detailed solution workshops, domestic and international site visits, proof-of-concept exercises, and client reference interviews. The review, evaluation, decision, and implementation process included Vanguard's senior leadership, leaders across critical functional groups, subject matter experts, and ultimately Vanguard's board of directors.

Our criteria for selection included:

Category	Criteria
IT solution, transformation, and innovation	Alignment to desired solution Transformation timeline Adherence to technology / security requirements Innovation
Partnership model and strategic fit	People quality Organization and operating model HR practices Ongoing client support Recordkeeping experience / partnerships
Operations capabilities	Adherence to operational requirements Business continuity / disaster recovery plan Risk and compliance practices
Transition proposal	Transition plan Crew impact Risk management plan

In all of the above considerations, Infosys met or exceeded our criteria. A number of factors were particularly compelling. Infosys will develop a flexible, modular, cloud-based recordkeeping platform that allows us to more quickly bring your clients the benefits of future innovation. Infosys' innovation and customer experience labs illustrated inventive solutions for sponsors and participants. Fueling this innovation is a commitment to learning. At Infosys, employees have extensive opportunities to learn, grow, and be a part of a digital revolution that is disrupting the global industry today. In all, Infosys demonstrated thorough commitment and a clear vision for the recordkeeping business.

Monitoring service quality

As stated previously, Vanguard remains responsible and accountable for the delivery of all agreed-upon recordkeeping services. Your clients should continue to monitor, and document the steps they take to monitor, the ongoing recordkeeping services that Vanguard provides. All business operations currently have service levels that meet or exceed Vanguard's performance targets, and we want to ensure that will always be the case. Your clients' Vanguard relationship managers will maintain their role continuing to ensure the quality of service delivery for their plans.

Vanguard's Institutional Strategic Partnership Office (SPO) will manage the relationship with Infosys and the service model. The SPO will lead a successful integration of applicable recordkeeping functions between Vanguard and Infosys, and will monitor and provide governance for service delivery, relationship management, change management, training, risk and controls, and more. Committees aligned to specific functions—such as risk, compliance, technology, and operations—oversee performance in real time through tollgates, and through monitoring Key Performance Indicators (KPIs) and Service Level Agreements (SLAs). Missed levels or poor service delivery will be addressed through adjustments to process, personnel changes, financial penalties, or, in an extreme situation, through termination of a specific service.

Vanguard has a proven ability to manage third-party relationships and the resulting service integrations across our full-service retirement plan services offer. Recent examples include Newport Group (nonqualified plans), TD Ameritrade (brokerage), and EQ (stock plan administration integration). And in 2012, we expanded our small-market DC business—Vanguard Retirement Plan Access (VRPA)—administered by Ascensus.

We follow a strict standard for strategic alliances. Some of the most important criteria include:

- Provide meaningful service benefits that produce long-term value to plan sponsors and participants.
- Bring best-in-class capabilities, services, and expertise.
- Maintain the highest security and risk-and-control management standards.
- Have an inherent philosophical alignment with Vanguard and our values.

Above all, the SPO will safeguard business continuity for plan sponsors and participants by ensuring that the products and services they rely on remain secure and available seamlessly through the transformation.

Operations and technology risk management

Vanguard will retain its risk management functions and will work with Infosys to build corresponding risk management capabilities for technology and operations. During the months following the announcement of our Infosys partnership, Vanguard's Global Risk & Security division, Strategic Partnership Office, and Institutional Risk Management organization will collaborate with Infosys' risk experts to establish a transition plan for risk management activities that will be performed by Infosys in the future. Vanguard will continue to fully own certain risk management functions, such as fraud investigations and System and Organization Controls (SOC) 1 and 2 testing and reporting. We will manage Infosys' risk management efforts throughout the relationship through service metrics and KPIs.

In this regard, Vanguard will closely monitor Infosys' risk organization to ensure that functions are executed in accordance with Vanguard's policies and standards. Ongoing governance will be performed by a dedicated committee with members from Vanguard's and Infosys' respective risk and compliance organizations. The committee will meet monthly and will review processes, procedures, and performance with respect to applicable compliance, audit, security, and business recovery requirements. At the same time, real-time reporting by Infosys to Vanguard will enable continuous oversight. The SPO will work with Infosys to remediate any issues along with Vanguard's information security, compliance, and enterprise risk management resources.

Privacy and information security

Vanguard's data security standards and privacy policy remain unchanged. All participant data is stored within the United States. Infosys will access the U.S.-based data through controlled environments to enable them to perform certain operational functions. There will be no immediate changes to Vanguard's technology infrastructure that stores personally identifiable data and the management of that infrastructure. Vanguard's Global Technology Operations will continue to manage Vanguard's data centers, network architecture, and technology infrastructure.

Similarly, nothing will change with Vanguard's security posture, techniques, tools, procedures, and oversight. Vanguard's Security Operations Center will continue to monitor and protect Vanguard from cybersecurity threats in the same comprehensive manner that it does today.

Vanguard's Information Security department has thoroughly assessed Infosys' controls to ensure that they meet Vanguard's rigorous standards on behalf of our clients. Vanguard's institutional full-service privacy policy remains as posted at <https://myplanmanager.vanguard.com/us/public/#/privacy-policy>. All data shared between Vanguard and Infosys is securely encrypted, including web transmissions and email communications. Infosys may only use personally identifiable information to carry out its assigned responsibilities and will treat this information with the same high degree of confidentiality as Vanguard does.

Infosys maintains a comprehensive information security program that includes physical, administrative, and technical safeguards to protect the privacy of all nonpublic information. Infosys also maintains a series of authentication, audit, and account management controls to detect and prevent potential fraudulent activities.

Infosys brings global experience in operating security services for all industries and clients that they support. In addition to their own best-in-class practices, Infosys is embedding cyber- and information-security professionals within Vanguard's Security Operations Center to ensure that Infosys can understand Vanguard's standards and identify opportunities to further enhance Infosys practices, tools, and methods. The Vanguard Security Operations team will continually monitor, assess and assist in the development of Infosys' security program to ensure that it remains best in class.

As Infosys begins performing services offshore, they will do so in accordance with Vanguard's "clean room" security requirements. These requirements include:

- Data remains stored in the U.S. Access from offshore locations will not permit storage or copying of Vanguard data to offshore locations.
- Infosys will access this U.S.-based data through controlled environments for the sole purpose of performing certain operational functions.

- Infosys' offshore development computing devices use a thin client technology and are not capable of storing or printing data locally.
- All Infosys thin client activity is monitored by the Vanguard Security Operations teams.
- Each offshore development system is dedicated to a single Infosys worker and is not shared.
- Any calls or other audio/visual contact will be secure, with screen sharing disabled. Individuals must use dedicated headsets or handsets with no speaker-phone-enabled conversations.
- The Vanguard Security Operations Center will continue to operate in an elevated security posture and will monitor all inbound and outbound communication of Infosys systems that are connected to a Vanguard network to ensure proper data handling and confidentiality.

Infosys will be required to return to work in Offshore Development Centers (ODCs) once it is safe to return to an office environment. These ODCs will require the following additional measures:

- Physical space is dedicated to Vanguard-approved resources only, and only approved/authorized resources can enter that space.
- Badge-in, badge-out access is enforced.
- No electronics (e.g., mobile phones) are allowed.
- No paper, equipment, or data are allowed to leave the physical space, ever.

Prior to service commencement with Infosys, Vanguard's Information Security department will thoroughly assess Infosys and its ODC environment, and Infosys will mitigate security issues identified during that assessment. This will ensure that Infosys meets the security standards to which Vanguard is committed. Data shared between Vanguard and Infosys is securely encrypted, as are web transmissions and email communications.

How is Vanguard handling information security in the quarantine environment, in which a majority of crew are required to work from home?

Vanguard maintains a high-risk posture across all viewpoints of access. Even before the pandemic, crew who were able to work remotely did so through their Vanguard laptops/devices, which have built-in protections. For call center and operations crew, who were previously unable to work from home, desktop computers configured with a higher level of security, similar to Vanguard-issued laptops, were issued to set up the remote work environment. Crew using these desktops are unable to surf the internet except through the Vanguard network. All activities are recorded. Vanguard is constantly evaluating the threat landscape and making adjustments on a global scale by surveying risks and fine tuning devices to protect crew, clients, devices, and information.

Through our partnership, Infosys will be using Vanguard-issued devices that are configured with elevated security packages and protocols that enable Vanguard to protect, detect, and defend against threats to information security.

How Vanguard would detect and handle fraud or data breaches

Vanguard's Global Fraud Prevention department will continue to monitor Vanguard's environment to detect, prevent, and respond to potential fraudulent activity, including possible identity theft in connection with client accounts. The department uses a multifaceted approach, leveraging tools and intelligence to identify fraud trends. This includes the use of big-data analytics and the real-time collection of streaming data from Vanguard's web servers providing real-time analysis of user behavior. The system analyzes over 5 million clicks per hour and uses both behavior-based and forensic-based rules to flag anomalies.

Infosys will maintain Vanguard's standards of use and monitor risks within tolerances that we establish. If potential fraudulent activity is detected, a cross-functional incident response team will coordinate all aspects of the investigation and remediation with the primary objective of minimizing potential loss to the client.

If Infosys detects a data breach, they will promptly inform Vanguard security contacts and assist with the forensic analysis, incident containment, recovery efforts, and implementation of additional controls. As we do today, Vanguard and Infosys will take immediate corrective action to end the security compromise and prevent any future incidents.

Business continuity and disaster recovery

Vanguard

Vanguard is committed to ensuring that client assets are safe and that our services continue without interruption. We've invested significant resources to this top-down, company-wide commitment that starts with our CEO and extends to every crew member.

To accomplish this, we established the Business Continuity Management (BCM) group within our Global Risk & Security division. BCM leads and coordinates the planning, development, testing, and execution of a global business continuity program designed to ensure the recovery and restoration of critical operations following a disruption. Key components of the program include:

- Business continuity and crisis management plans to respond to a range of incidents, from worst-case scenarios—such as loss of a data center, buildings, or staff—to occurrences such as power outages or unprecedented phone volumes.
- Business continuity and technology recovery tests, including crisis response tabletop exercises, emergency notification system drills, alternate workspace exercises, and loss of technology simulations. For security reasons, we are unable to share additional details regarding these exercises.
- Business continuity program assessments and integrated exercises for service provider and partners.
- In addition to regular planning and testing, Vanguard uses several routine business strategies to ensure flexibility and resiliency in our operations. To reduce the potential impact of global events (such as a pandemic) and regional incidents (such as a major power outage or winter storm), we maintain geographic diversification by running key business functions from multiple locations. Moreover, certain buildings have redundant or emergency power-supply capabilities. In addition, we are able to shift our operating model to enable us to manage business-as-usual operations remotely in most cases. This ensures that our most critical resources and employees are available to plan sponsors, participants, and clients during an emergency.
- Complementing our multiple campus locations in the U.S., Vanguard offices outside the country offer additional recovery options. Our global locations can transfer trading between regions as necessary (which also facilitates follow-the-sun trading) and provide critical support functions such as IT incident management and cybersecurity operations. Should events warrant, our executive enterprise incident response and communications teams are prepared to engage at any time.

- Vanguard's business continuity escalation procedures include client notification for disruptions with material impact, and are often influenced by contractual obligations. Our business continuity teams are also taking steps to prepare as part of our overall business continuity program. Actions include:
 - > Working with business teams to refine business continuity plans for short-, medium-, and long-term pandemic scenarios.
 - > Assessing capabilities through planning discussions and tabletop exercises with key business partners and other external organizations.
 - > Increasing communication with key, mission-critical suppliers, business partners, and application service providers to ensure they remain operationally resilient.
 - > Assisting Vanguard's human resources, global security, and occupational health and safety teams in coordination with appropriate authorities and medical experts.
 - > Supporting communications to employees about external developments and personal health precautions as well as supporting assessment and distribution of personal precaution supplies (such as readily available hand sanitizer).

Vanguard is dedicated to business continuity and disaster recovery preparedness and we expect the same from all of our critical service providers and partners.

Infosys

Infosys places tremendous emphasis on business continuity and disaster recovery with an ISO-certified full-spectrum program supported by dedicated organizational units that report directly to the company's chief operating officer. Business continuity plans and playbooks are created at account, location, and function levels and are individually supported by highly qualified business continuity management teams. Business continuity and disaster recovery tests and exercises are conducted on a regular basis at each level to ensure that fallback, emergency, and resumption procedures can be executed effectively when needed and that recovery point and time objectives can be invariably met or exceeded.

Infosys has established centers of excellence across the globe. Robust disaster recovery procedures are in place that can shift duties and responsibilities geographically according to the environment. Through this geographical diversity, they are better able to adapt to scenarios that could impact our ability to deliver service.

Conclusion

Vanguard is designed for the investor, meaning everything we do is because we care about our clients and want them to succeed. We are committed to continuous improvement, and look for new and better ways to help clients achieve investment success. And adapting to the evolving needs of clients has been and remains a key component of our success.

Our commitment to our clients inspires relentless effort to enhance and expand services. Strategic partnerships with like-minded firms can help us quickly deliver innovative technology solutions and give our clients access to industry-leading capabilities and expertise across the enterprise. We will continue to enhance and expand our offer—not only to improve participants' abilities to achieve enduring financial wellness, but to reimagine retirement services for a digital age.

If you need further information, please contact your Vanguard relationship manager.

Frequently asked questions

What are my client's fiduciary responsibilities related to the selection and monitoring of service providers for my 401(k) plan?

Under ERISA, plan fiduciaries have a duty to prudently select and monitor service providers for their retirement plans. The selection of the plan's recordkeeper is generally based on multiple factors, including: level and quality of services, cost for services, and the provider's industry reputation. Plan fiduciaries should also create a process to ensure that the provider continues to deliver the services for which it was engaged and is performing up to or beyond the agreed-upon standards. When monitoring service providers, the plan sponsor should:

- Review the service provider's performance
- Read any reports they provide
- Check actual fees charged
- Ask about policies and practices, such as trading, investment turnover, and proxy voting
- Follow up on any participant complaints

In addition, it is important to document the selection and monitoring process.

For more information, please see the following documents published by the Department of Labor:

[Meeting Your Fiduciary Responsibilities](#)

[Tips for Selecting and Monitoring Service Providers for your Employee Benefit Plan](#)

My clients previously followed a prudent process to select Vanguard as the recordkeeper for their plan. How does this new arrangement affect that decision?

It is important to keep in mind that under our new arrangement, Vanguard is still the recordkeeper. Vanguard remains responsible and accountable for the delivery of all agreed-upon recordkeeping services. What is evolving, over time, is the way in which we provide these recordkeeping services. Our partnership with Infosys allows us to more rapidly enhance and improve our technology and deliver a recordkeeping platform that is state of the art, secure, compliant, flexible, efficient, and automated. The platform is also adaptable to changing laws and regulations governing qualified retirement plans and to new and innovative plan designs and approaches to retirement savings. This work is being done behind the scenes and will not require your clients to take any action. Plan sponsors should simply continue to monitor Vanguard's performance in providing recordkeeping services for their plans.

Does this change mean that my clients need to go through a formal RFP process?

No. The creation of this partnership between Vanguard and Infosys does not, in and of itself, create any obligation for plan sponsors to go through a formal RFP process. As stated previously, Vanguard continues to be the recordkeeper for your clients' plans and they should continue to monitor—and document the steps they take to monitor—the recordkeeping services Vanguard provides. Retaining a copy of this due diligence guide in their permanent plan files will help demonstrate that they have examined the details of the partnership between Vanguard and Infosys as part of their ongoing monitoring process.



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