

## Form CRS Conversation Starters

Given my financial situation, should I choose a brokerage service?

Why or why not?

- If you have experience investing and want to choose and manage your own investments, rather than pay a financial advisor, then a brokerage service might be right for you.
- Our brokerage service offers an inexpensive way to direct your own investments without the help of a financial advisor, either online or by phone.
- We offer educational materials and tools to help you determine what products might be best for you, but ultimately the investment decisions are yours.
- If you don't feel comfortable doing your own research and making your own investment decisions, or simply would rather have someone else manage your portfolio, then you may want to consider a fee-based financial advisor.

How will you choose investments to recommend to me?

Vanguard Marketing Corporation (VMC), a broker-dealer doing business as Vanguard Brokerage Services® (VBS®), does not provide investment recommendations. We offer self-directed accounts through which you make your own investment decisions. We also offer a number of online resources and online tools that can help you with your investment decisions.

What is your relevant experience, including your licenses, education, and other qualifications?

What do these qualifications mean?

Generally, our representatives are registered with FINRA. They obtain certain licenses through qualification exams facilitated by FINRA that demonstrate their competency in the particular security activities in which they will participate. They are also required to attend ongoing continuing education training.

Help me understand how fees and costs might affect my investments.

If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

VMC does not provide recommendations and will not take discretion over your account and investments. You may work with our representatives or use our online tools to learn what investments are available for you to choose.

Your costs will vary depending on the investment choices you make and the channel (e.g., online or by phone) through which you place your orders. There may be costs associated with placing a transaction, such as a commission or a mutual fund purchase or redemption fee. There may be ongoing costs depending on a specific product you may choose to purchase, such as an expense ratio for a mutual fund or an ETF (exchange-traded fund). Here are a few examples.

There are no commissions charged for Vanguard mutual funds and Vanguard ETFs® bought or sold either online or by phone through VBS. The only cost involved is the expense ratio, which is the annual cost of running a fund. The expense ratio will have an impact on your returns during the period of time you own the fund. The higher the expense ratio, the greater the impact will be on your investment returns. To see how costs and the annual rate of return can impact a hypothetical \$10,000 investment in a mutual fund or an ETF, view the product information page on [vanguard.com](http://vanguard.com). For example, you can compare the illustrations for the two funds and the two ETFs found at the links below.

[investor.vanguard.com/mutual-funds/profile/fees/vtsax](http://investor.vanguard.com/mutual-funds/profile/fees/vtsax)

[investor.vanguard.com/mutual-funds/profile/fees/vbtlx](http://investor.vanguard.com/mutual-funds/profile/fees/vbtlx)

[investor.vanguard.com/etf/profile/fees/vti](http://investor.vanguard.com/etf/profile/fees/vti)

[investor.vanguard.com/etf/profile/fees/bnd](http://investor.vanguard.com/etf/profile/fees/bnd)

There is a \$25 commission charge for purchasing or selling individual stocks or ETFs from companies other than Vanguard by phone. (The commission charged may be lower based on the level of assets you have invested in Vanguard ETFs and mutual funds.) For example, if you chose to buy four stocks by phone, you would be charged four separate commissions for a total of \$100, meaning you would have \$9,900 available to invest. If you chose to do the same four trades online, you would have the full \$10,000 to invest.

Please note: Individual stocks cannot be purchased by dollar amount and must be purchased in shares.

For individual bond and CD (certificate of deposit) trades in the secondary market, there is a commission charge of \$1 per \$1,000 face amount of the bond or CD. In addition, a \$25 broker-assisted fee will apply to certain fixed income transactions completed by phone. If you were to invest \$10,000 in a bond or CD, your cost would be \$10,000 plus a \$10 commission. An additional \$25 fee would be charged for certain fixed income transactions completed by phone. New issue bonds and CDs can be purchased commission-free.

We also charge a \$20 annual account service fee, which can be waived under certain conditions.

You can view our complete [commission and fee schedules](#) online.

### How might your conflicts of interest affect me, and how will you address them?

**Fees and compensation:** VMC does not make investment recommendations and does not exercise discretion to trade in your accounts. Your account is self-directed. This business model mitigates the conflicts of interest that might arise from payments we receive from third parties for offering their products as well as concerns over frequent trading in your account in order to receive commissions.

**Broker-client relationship:** VMC representatives are salaried employees and are not paid commission on products sold or transactions executed, or based on the amount of assets they service. Our registered representatives are also subject to Vanguard's Code of Ethics Policy, which states that conflicts of interest

must be avoided. The Code of Ethics Policy addresses personal trading, other business activities, gifts and entertainment, and confidentiality of client information, among other topics. Generally, VBS does not trade from its own account or its own inventory of securities.

### As a financial professional, do you have any disciplinary history?

#### For what type of conduct?

If you have questions about a specific financial professional, you can find more information related to the financial professional's legal or financial disciplinary history using a free, simple search tool at [Investor.gov/CRS](https://investor.gov/CRS) or [brokercheck.finra.org](https://brokercheck.finra.org).

VBS has a disciplinary event that occurred within the past 10 years for which the firm was fined and required to retain a consultant for review of our policies, procedures, and controls. The allegations involved a failure to establish an adequate supervisory system to ensure certain financial disclosures were made by our registered representatives in a complete and timely manner.

### Who is my primary contact person?

#### Is he or she a representative of an investment advisor or a broker-dealer?

#### Whom can I talk to if I have concerns about how this person is treating me?

Most of our brokerage clients are not assigned a dedicated representative. Generally, our VBS representatives are registered with FINRA. You may speak with a representative by calling 877-662-7447 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.

If you are assigned a dedicated representative, their name will be displayed on the landing page when you log in to your account at [vanguard.com](https://vanguard.com).

If you have concerns about an interaction you've had with a VMC representative, you can ask to speak with a Team Leader or other member of the management team.