

## Broker-Dealer Client Relationship Summary (Form CRS)

January 25, 2021

### Vanguard Marketing Corporation (VMC)

*Registered with the Securities and Exchange Commission (SEC) as a Broker-Dealer.*

The services provided by a broker-dealer and other financial services providers, like an investment advisor, will differ, as well as the fees charged by such providers. It's important to understand who can provide you with the level of financial services and investment support you need at a price reasonable to you. The SEC makes free and simple tools and educational materials available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS).

### What investment services and advice can you provide me?

VMC, doing business as Vanguard Brokerage Services® (VBS), is a registered broker-dealer that provides a self-directed brokerage platform for retail clients. Through VBS, you can open a cash or margin account to buy and sell mutual funds, ETFs, stocks, fixed income products (such as corporate, agency and municipal bonds, US Treasury securities, and certificates of deposit), and options. You can open either general investment taxable accounts or tax-deferred retirement accounts, including traditional IRAs or Roth IRAs. We do not provide investment recommendations or monitoring services, and do not exercise discretion over retail accounts. There are no account minimum requirements to open or maintain a brokerage account; however, certain brokerage products and mutual funds may impose minimum initial investment amounts.

For more information regarding account and brokerage services, please go to [vanguard.com](http://vanguard.com).

**Conversation Starters:** Consider these questions prior to engaging a financial service provider. You can find responses at [investor.vanguard.com/CRSFAQ](http://investor.vanguard.com/CRSFAQ) or call one of our representatives at the number provided below.



- Given my financial situation, should I choose a brokerage service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### What fees will I pay?

We charge a \$20 annual account service fee; however, we don't charge the fee if you hold a certain level of assets in Vanguard ETFs and mutual funds, or elect e-delivery for certain brokerage communications.

You can trade Vanguard ETFs and mutual funds commission-free online or by phone. You can trade most other ETFs, mutual funds, stocks, and options commission-free online. Option trades are subject to a \$1 per contract fee. The commissions you are charged are determined by your total investment in Vanguard ETFs and mutual funds:

Non-Vanguard product costs per trade			
Vanguard mutual fund and ETF assets	ETFs & stocks	No-transaction-fee mutual funds	Transaction-fee mutual funds
Less than \$1 million	Phone = \$25	Phone = \$25	Phone = Online rate + \$25 broker-assisted fee, Online = \$20
Above \$1 million up to \$5 million	Phone or online = \$0		First 25 free, \$8 after
Above \$5 million	Phone or online = \$0		First 100 free, \$8 after

You can trade U.S. Treasuries commission-free. You can trade CDs and other fixed income products commission-free in the new issue market; in the secondary market the commission is \$1 per bond or CD, plus a \$25 broker-assisted fee for certain transactions by phone. You may be charged a \$50 processing fee for certain foreign securities trades. Visit our website for more information regarding Vanguard Brokerage Services commission & fee schedules at [vanguard.com/commissions](http://vanguard.com/commissions).

All ETFs and mutual funds are subject to management fees and expenses that are assessed by the product's issuer. You may also pay a purchase or early redemption fee for certain mutual fund transactions. You can find information about fees and expenses in the ETF or mutual fund prospectus.

You may be charged a \$10 wire fee for each holding you're redeeming. You won't be charged a fee for electronic bank transfers.

Where a broker-dealer receives transaction fees a retail investor would be charged more when there are more trades in their account, and therefore the firm may have an incentive to encourage a retail investor to trade often. However, because we do not provide recommendations or monitoring this conflict is mitigated.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.



Help me understand how these 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?

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### What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

We **do not** provide recommendations. The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide you. Here are some examples to help you understand what this means.

Your investments in Vanguard mutual funds and ETFs will result in the payment of the funds' expense ratios. The funds' expense ratios are received by The Vanguard Group, Inc. (an entity wholly owned by the individual member funds themselves) as revenue. Non-Vanguard mutual funds will pay us for sales made through our trading platform as well as for services provided to investors in those funds. We receive 12b-1 payments from certain mutual funds, which may equal up to 1% of a mutual fund's assets under management at VBS on an annual basis. Shareholder servicing fees may equal up to 0.40% of a mutual fund's assets under management at VBS on an annual basis. Any 12b-1 and shareholder servicing fees are not paid directly by you, but rather are paid by the fund or one of its affiliates to us.



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

We receive compensation for directing options order flow to certain market participants. We receive payments at an average blended rate below \$0.18 per contract. If you transact in options, we will receive payment for order flow separate from other transaction fees that you might be charged.

### How do your financial professionals make money?

Our broker-dealer representatives are salaried employees who are not paid commissions for products sold, transactions executed, or the amount of assets serviced.



As a financial professional, do you have any disciplinary history? For what type of conduct?

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### Do you or your financial professionals have legal or disciplinary history?

Yes. For more information related to legal or disciplinary history disclosure go to [investor.gov/CRS](https://investor.gov/CRS). There, you will find a free and simple search tool to research VMC and its financial professionals.



Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

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Additional information regarding Vanguard Brokerage can be obtained through our website at [investor.vanguard.com](https://investor.vanguard.com). You can also call one of our representatives at 877-662-7447 to request a copy of this Form CRS.

## Advisor Client Relationship Summary (Form CRS)

March 30, 2021

Vanguard Advisers, Inc. (VAI)

*Registered with the Securities and Exchange Commission (SEC) as an Investment Adviser.*

The services provided by an investment advisor and other financial services providers, like a broker-dealer, will differ, as well as the fees charged by such providers. It's important to understand who can provide you with the level of financial services and investment support you need at a price reasonable to you. The SEC makes free and simple tools and educational materials available to research firms and financial professionals at [investor.gov/CRS](https://investor.gov/CRS).

### What investment services and advice can you provide me?

We provide investment advisory services to retail investors through our Vanguard Personal Advisor Services® ("PAS") and Vanguard Digital Advisor® ("DA") programs.

In PAS, we provide ongoing advised account services. You'll work with a financial advisor, agree upon a financial plan and investment strategy, and grant us authority to trade your account(s) in accordance with that plan. We will not implement or change your plan without your approval. Our lead recommendations will normally be limited to certain Vanguard funds. We will monitor your accounts and rebalance, as needed, on a quarterly basis. PAS requires a minimum of \$50,000 of investable cash or securities in the advised portfolio.

In DA, we provide online financial planning tools designed to help you create and implement a personalized, goal-based investment plan. We'll monitor your enrolled accounts frequently using an algorithm. We'll have full investment discretion in order to rebalance and make trades as necessary to align your account(s) with your goal(s). We'll generally recommend combinations of Vanguard Total Stock Market ETF, Total International Stock ETF, Total Bond Market ETF, and Total International Bond ETF for retail accounts. Enrollment requires at least \$3,000 in a Vanguard Brokerage Account. For taxable accounts, the entire balance must be in the account's settlement fund. For IRAs, the entire balance must be in certain investment types and/or the account's settlement fund.

The services will require your accounts to be with Vanguard. Our lead investment recommendations will generally not include purchases of individual securities or bonds, CDs, options, derivatives, annuities, third-party mutual funds, closed-end funds, partnerships, or other non-Vanguard securities. For more information about the services, see the "Advisory business" and "Types of clients" sections of each brochure: PAS ADV Brochure [personal.vanguard.com/pdf/vpabroc.pdf](https://personal.vanguard.com/pdf/vpabroc.pdf) and DA ADV Brochure [vanguard.com/digitalbrochure](https://vanguard.com/digitalbrochure).

**Conversation Starters:** Consider these questions before choosing a financial service. You can see details at [investor.vanguard.com/financial-advisor/digital-advisor-details](https://investor.vanguard.com/financial-advisor/digital-advisor-details) and [investor.vanguard.com/financial-advisor/personal-advisor-details](https://investor.vanguard.com/financial-advisor/personal-advisor-details) or call us at the number provided below.



- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### What fees will I pay?

For PAS clients, the annual advisory fee starts at 0.30% of advised assets and decreases on a tiered level as advised assets increase. In addition, where mutual funds are held in your account (including Vanguard), there are built-in fees known as "expense ratios." These are the costs for the fund company to run a fund and will vary by fund, so your combined fees for advice and investments will vary.

For DA clients, the annual net advisory fee is approximately 0.15% of program assets, although this fee will vary based on the specific holdings in each account. The annual gross advisory fee for DA is 0.20%. We subtract any revenue we, or our affiliates, collect on assets held in investments in your portfolio in order to calculate your annual net advisory fee.

Fees are calculated on a rolling 90-day period based on your average daily balance in the portfolio over the entire fee period. We do not charge advisory fees on the balance of money market funds or other cash

equivalents held within your portfolio. As you invest more assets in the programs, the amount of fees we collect will increase; therefore, there could be incentive to encourage you to increase your assets.

There may be additional fees, including account service fees, and non-Vanguard fund fees, as discussed in more detail in the “Fees and compensation” section of each program’s Form ADV Brochure.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.



Help me understand how these 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?

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### What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, we have to act in your best interest and put your interests ahead of ours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- Our lead advice will be to invest in Vanguard funds. You will pay the funds’ expense ratios. The funds’ expense ratios are received by The Vanguard Group, Inc., as revenue. DA reimburses any revenue received by Vanguard from the gross advisory fee.
- We’ll also require your advised assets to be in accounts held with our affiliates. Those accounts may be subject to additional fees, like account service fees, commissions, and other charges and processing fees. If you were to transact in non-Vanguard funds through a Vanguard Brokerage Account, another of our affiliates, Vanguard Marketing Corporation, may receive transaction fees, front-end and back-end loads, sales charges, 12b-1 fees, and revenue-sharing payments from certain non-Vanguard funds.

See the “Fees and compensation” section of each program’s Form ADV Brochure for more details on how we and our affiliates make money and the conflicts involved.



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

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### How do your financial professionals make money?

Our advisors servicing PAS are salaried employees who do not earn commissions or additional compensation based on the products they recommend or the amount of assets they service.

Our DA service does not employ financial professionals who directly advise or manage individual client accounts. The professionals responsible for the service and its methodology are salaried employees who do not earn commissions or additional compensation based on the products they recommend or the amount of assets serviced.

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### Do you or your financial professionals have legal or disciplinary history?

Yes. For more information related to legal or disciplinary history disclosure go to [investor.gov/CRS](https://investor.gov/CRS). There, you will find a free and simple search tool to research us and our financial professionals.



As a financial professional, do you have any disciplinary history? For what type of conduct?

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For more information regarding our advisory services, obtain a copy of Form ADV or Form CRS from [adviserinfo.sec.gov](https://adviserinfo.sec.gov), or contact us at 800-523-9447 to request a copy.



Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?