

Form CRS Conversation Starters

Given my financial situation, should I choose an investment advisory service? Why or why not?

An advisor might be a right fit for you if:

- You have questions about investing.
- You want a smart strategy to save for retirement.
- You don't enjoy making investment decisions, such as how your portfolio should be allocated, and how that allocation should change over time to meet your goals.
- You don't want to spend a lot of time monitoring your investments and rebalancing, re-allocating as needed.
- You are comfortable with paying for management and monitoring services.

You may not want an advisor if:

- You have experience investing and like to take a more hands-on approach.
- You have a basic saving need that you can manage on your own.
- You don't want to pay for management and monitoring services.

If you're considering one of our advice programs, additional details can be found [here](#).

How will you choose investments to recommend to me?

The investment methodology for our advice programs incorporate our own investment philosophies and beliefs, such as the benefits of low costs, diversification, and indexing. Our methodology is based on Vanguard's own fundamental research, as well as research obtained from a wide variety of external sources, both public and private. Our methodology is driven by long-term financial goals, not by market timing or short-term investment performance.

Rather than attempting to predict which investments will provide superior performance at any given time, we believe that we can provide the best opportunity for success by maintaining a broadly diversified Portfolio based on your risk profile.

Our lead recommendation will include varying combinations of Vanguard's Total Stock Market ETF, Total International Stock Market ETF, Total Bond Market ETF, and Total International Bond ETF for retail accounts.

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

Digital Advisor is an all-digital advisory experience, and, as such, your accounts are managed by algorithms that apply our investment principles and methodology. There are not individuals managing your accounts on a daily basis.

Information on our investment philosophy and methodology can be found online at <https://investor.vanguard.com/investing/investment-research>

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?

Under this program, we charge a 0.20% annual gross advisory fee. We will, however, credit you for any compensation received by us or our affiliates from the securities held in your managed portfolio, with a goal of charging you a net of 0.15% for advice/investment

management. The combined annual cost (advice + investment expense ratios) will be 0.20% annually. With a \$10,000 investment, you would see an impact from fees and expense ratios of \$20 per year.

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

First and foremost, as an advisory program offered through Vanguard Advisers, Inc., we have a fiduciary duty to put your interests ahead of our own which means we should always be acting in your best interest. Some potential conflicts of interest are:

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Fees and compensation

Our advice programs are fee-only services and are not based on commissions. Our advisory fees are calculated based on your assets under management, and not based on payments from the products in which you are invested. However, the more assets there are in your advisory accounts, the more you will pay in fees, and we therefore have an incentive to encourage you to increase the assets in your account.

Use of proprietary products and investment accounts

Our lead investment recommendations will be in Vanguard ETFs. To enroll in our advice services it is also required that your accounts be held with one of our Vanguard affiliates. This means that our affiliates will receive compensation in the form of expense ratios and may receive account and transaction fees as well. Vanguard Funds are designed to provide diversification and

performance at low-costs, in line with our advice investment methodology and therefore mitigate conflicts in using those products. In fact, advisors across the industry rely on Vanguard to meet their need for diversification and low cost.

Advisor-Client relationship

In addition to being held to a fiduciary standard, our advisors are also subject to Vanguard's Code of Ethics policy which states that conflicts of interest must be avoided. The Code of Ethics addresses personal trading, other business activities, gifts and entertainment, and confidentiality of client information, among other topics. Also, our advisors are salaried employees and are not paid based on the products or services that they recommend to you. They have no incentive to recommend a product to you based on the impact to their pocket.

If you would like to see more information about how Vanguard as a firm mitigates conflicts of interest, please see Form CRS.

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 and simple search tool at www.investor.gov/CRS or <https://brokercheck.finra.org/>.

Vanguard Advisers, Inc., the advisor firm, was fined an administrative assessment in the past by the Pennsylvania Department of Banking and Securities. Due to an administrative filing error, one of our adviser representatives was not properly registered with the state.

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?

Digital Advisor is an all-digital advisory program. There will not be investment advisor representatives readily available for discussion. If you have concerns about the

management of your account, you should call 877-662-7447 to speak with a representative.