



Vanguard®

Your security is a top priority for us

"A strong risk control system is vitally important to serving our clients and protecting their assets. It's part of our pledge to clients, and it's a big part of our responsibility to them as well."

—F. William McNabb III, Vanguard Chairman and Chief Executive Officer

As a Vanguard investor, you're both a client and an owner. You own the Vanguard funds, and the Vanguard funds, in turn, own Vanguard. That means we always make decisions with your needs in mind.

This alignment gives you not just outstanding customer service and low costs, but perhaps a greater benefit: the confidence of knowing that even in today's uncertain times, we'll protect your assets and personal financial information with the same integrity and vigilance as we do our own.

How can I be sure my assets with Vanguard will be safe and accounted for?

Vanguard is a distinct and separate legal entity from the funds in which you're invested. Therefore, in the unlikely event that Vanguard experiences serious financial difficulties, your assets remain secure. We're a company that provides administrative support to our funds at cost, and we don't engage in any proprietary trading that could undermine our financial stability. In other words, you'll never find Vanguard purchasing stocks and bonds to boost corporate profits.

- **Vanguard mutual fund assets are protected on your behalf by the strict regulatory controls set forth in the Investment Company Act of 1940.** This act requires each mutual fund to place its cash and securities with a qualified custodian, typically a U.S. bank. The custody rules and regulations protect shareholders by preventing unauthorized access to fund assets and ensure that such assets aren't comingled with other custodian bank assets. So you can rest assured that, no matter what happens to Vanguard, our mutual fund assets will remain with the custodian banks and those assets will be available to the funds to meet shareholder redemptions.
- **Will Vanguard fund investments be in jeopardy if the fund's custodian bank fails?** U.S. banking laws generally provide that "segregated" mutual fund assets held by a bank custodian aren't subject to the liens or claims of the custodian's creditors or of the Federal Deposit Insurance Corporation (FDIC). To further mitigate risk, Vanguard takes the precaution of using several different independent custodian banks. These banks include The Bank of New York Mellon, Brown Brothers Harriman & Co., JPMorgan Chase Bank, and State Street Bank and Trust Company.
- **Securities in your brokerage account are held in custody by Vanguard Brokerage Services®.** Should our brokerage services fail, or if unauthorized trades are placed in your brokerage account, your assets are protected through the Securities Investor Protection Corporation (SIPC). Vanguard Brokerage Services is a member of SIPC, which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at www.sipc.org.

Vanguard Marketing Corporation has also secured additional coverage, subject to certain limits, from certain insurers at Lloyd's of London and London Company Insurers for eligible customers. You can read more about brokerage account protection at vanguard.com/brokeragecoverage.

How is my confidential information guarded against fraud and identity theft?

Beyond the usual safeguards you'd expect from a leading financial services company—for instance, encryption technology, enhanced authentication procedures, and masking of confidential information—Vanguard offers these additional security measures:

- **Voice verification**, a phone security technology that can automatically confirm your identity based on your “voiceprint” when you ask to speak with a Vanguard representative or financial advisor. This advanced technology lets you bypass standard authentication procedures, making it faster and easier to transact with us. And since everyone’s voice pattern is different, it’s an excellent way to help protect against acquaintance fraud—a crime that thrives when others have easy access to personal information.
- **Back-up confirmation letters or e-mails** that reinforce online or phone confirmations when certain types of changes are made to your account.
- **A technology support team** who monitors our networks and vanguard.com 24/7 to protect against unauthorized access to your accounts.
- **Annual fraud training** for all employees.
- **Our assurance that we never sell investor (or prospective investor) information to anyone.** For more information, review our privacy policy at vanguard.com/privacy.

You may also be protected by:

- **Vanguard’s online fraud policy.** Visit vanguard.com/onlinesafety to read about our commitment regarding online security and our policy regarding reimbursements for unauthorized online transactions on vanguard.com.
- **Fraud protection for investors.** Vanguard maintains substantial fidelity bond coverage, which, under certain circumstances, protects you against dishonest or fraudulent acts by employees or others.

How you can help

While Vanguard devotes considerable resources toward protecting your assets and your confidential information, significant responsibility rests with you as well:

- Review your accounts regularly.
- Keep your user name and password private.
- Ignore e-mail requests for personal and financial information.
- Create a strong online security profile.
- Update and protect your computer software.

When you take basic preventive steps like these, you play a major role in helping us provide you with a safe investing environment.

Talk to your Vanguard representative

If you’d like more information about this topic, contact a Vanguard representative or visit our Security Center page at vanguard.com/security.

For more information about Vanguard funds, including at-cost services, visit vanguard.com to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

All investing is subject to risk.

Vanguard is client-owned. As a client-owner, you own the funds that own Vanguard.
Vanguard Brokerage Services is a division of Vanguard Marketing Corporation, member FINRA.