

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

April 20, 2022

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](https://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, U.S. Treasury securities, and certificates of deposit), and options. You can open general investment taxable accounts or tax-deferred retirement accounts, including traditional IRAs or Roth IRAs. 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.

VBS accounts include a sweep program that automatically transfers (sweeps) any uninvested funds in that account, such as new deposits or the proceeds from securities transactions, into a default sweep option: Vanguard Federal Money Market Fund, which is sponsored by VMC's parent company, The Vanguard Group, Inc. (VGI).

Clients with eligible accounts may also enroll in a bank sweep product, which is an option under the sweep program that automatically sweeps participants' free credit balances into one or more program banks, where the balances earn interest and are eligible for FDIC insurance, subject to applicable limits.

For more information about account and brokerage services, visit [vanguard.com](https://vanguard.com).

We don't provide investment recommendations or monitoring services and don't exercise discretion over VBS accounts.

**Conversation starters:** Consider these questions before engaging a financial services provider. You can find responses at [investor.vanguard.com/CRSFAQ](https://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?

When trading with VBS, certain fees and costs may apply depending on 1) the type of securities you trade (e.g., mutual fund expense ratios, purchase and redemption fees, options contract fees, or commissions); 2) how you trade those securities (online or assisted on the phone by a broker-dealer representative) and other brokerage features, options, or services you use (e.g., wire transfers); 3) your account level, which is generally based on the amount of your qualifying Vanguard assets. The fees and costs you pay may change. If we change fees at our discretion, we'll provide advanced notice before such changes, which will be represented in the commission schedule. Visit [vanguard.com/commissions](https://vanguard.com/commissions) for more information about VBS commission and fee schedules.

If a broker-dealer receives transaction-based fees, a retail investor would be charged more when there are more trades in their account. Therefore, the firm may have an incentive to encourage a retail investor to trade often. However, because we don't 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're 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?

### 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 don't 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:*

We receive payments for our brokerage services through three main sources: clients, third-party funds and service providers, and our parent company, VGI.

Direct client compensation to VBS comes in the form of fees paid related to securities traded, types of transactions, and other broker services used. See the information above about fees.

We receive payments from third parties in the form of 12b-1 and shareholder servicing payments from non-Vanguard mutual funds available through us, and interest or other fees from service providers involved with activities like securities lending and borrowing. These payments may be related to your activities but are paid directly by the service providers and not from your investment. VBS will also generate revenue from the bank sweep program. For more details about the program's conflicts, visit [personal.vanguard.com/pdf/Bank\\_Sweep\\_Terms\\_of\\_Use.pdf](https://personal.vanguard.com/pdf/Bank_Sweep_Terms_of_Use.pdf).

We receive compensation from VGI for marketing, distribution, and shareholder servicing services provided by us and our registered representatives in support of Vanguard products, including the money market fund we use for the default sweep program. We also receive compensation from VGI associated with offering brokerage services to our clients. This compensation is generally indirectly derived from investments in Vanguard proprietary products and payment of the funds' expense ratios to VGI or other affiliates.

We don't receive any payment for equities or options order flow, nor do we receive any monetary payments or other direct or indirect benefit that would result in compensation or consideration in return for the routing of client orders.



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

### How do your financial professionals make money?

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



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

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

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



Who is my primary contact person? Are they 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?

You can obtain additional information about VBS by visiting [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.