

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.

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.

Conversation Starters: Consider these questions prior to engaging a financial service provider. You can find responses at 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.

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?

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?

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. 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?

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