



Advisory Services disclosure brochure for Vanguard Advisers, Inc.

Vanguard Institutional Advisory Services®

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Vanguard Advisers, Inc.
100 Vanguard Boulevard
Malvern, PA 19355

This brochure describes the qualifications and business practices of Vanguard Advisers, Inc., (VAI). If you have any questions about its contents, please contact us at 800-662-0106. The information presented here has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about VAI is available on the SEC's website at www.adviserinfo.sec.gov

VAI is registered with the SEC as an investment advisor. Registration does not imply a certain level of skill or training.

Material changes

There have been no material changes to VIAS™'s advisory business, fees and compensation, disciplinary information, or other practices. Please note, however, that VIAS has restructured its standard fee schedule as described in the "Fees and compensation" section, beginning on page 5. The fee schedule change does not impact existing clients.

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Advisory business

Vanguard Advisers, Inc., (VAI) is a Pennsylvania corporation that provides investment advisory services to a wide variety of clients. VAI was incorporated and has been in business since 1995. VAI is 100% owned by Goliath, Inc., a Delaware corporation. As such, VAI is an indirect, wholly owned subsidiary of The Vanguard Group, Inc. (Vanguard), the sponsor and manager of the family of mutual funds comprising The Vanguard Group of Investment Companies (the “Vanguard funds”), which VAI typically recommends as investments.

Vanguard Institutional Advisory Services

(VIAS) is an investment advisory service offered by VAI. VIAS provides investment advisory and administrative services to institutional clients in the endowment, foundation, and defined benefit (DB) markets. VAI has provided asset allocation guidance and portfolio advisory services to its clients since 1997.

VIAS services include:

- Asset allocation advisory services.
- Analysis and evaluation of each client’s financial situation (current investments, spending, and policy needs).
- Performing sensitivity analysis of each client’s portfolio using various spending assumptions under diverse economic and financial scenarios.
- Developing and communicating client-specific asset allocation recommendations.
- Preparing updated asset allocation recommendations and investment policy revisions that incorporate changes in a client’s situation, risk tolerance, and assumptions.
- Analytical support, including but not limited to asset rebalancing, investment policies, and fund selection.
- Identification and analysis of client risk scenarios (e.g., funding shortfalls, loss of purchasing power, increased or volatile pension contributions, and financial statement reporting of pension liabilities).
- Investment policy consulting.

Customized advisory services

VIAS provides continuous investment advice to clients based on their specific situations. VIAS makes investment recommendations after a thorough analysis of client requirements using various analytic techniques and assumptions, taking into consideration a client’s risk tolerance, current investments, spending requirements, investment policy guidelines, and other relevant factors. VIAS’s recommendations are then customized to the individual client’s needs and are designed to strike a balance between a client’s goals and the risk/reward characteristics of various asset classes and Vanguard investments.

VAI offers both discretionary and nondiscretionary investment advice through VIAS. Regarding nondiscretionary investment advice, VIAS representatives will assist clients in implementing VIAS’s recommended investment strategy. It is the client’s responsibility to decide whether to act on the advice provided by VIAS and to ensure that the recommendations acted upon, with or without the assistance of VIAS, have been carried out correctly.

VIAS offers investment advice principally on Vanguard investments, generally limited to Vanguard’s registered investment companies. VIAS also provides advice on issues, including investment return potential and risk, diversification, liquidity, and costs. VIAS generally will not recommend or solicit orders to buy or sell non-Vanguard investments or individual securities, such as U.S. government securities, equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, option contracts, futures contracts, interests in real estate, and oil and gas partnerships. However, where appropriate, VIAS may offer advice about non-Vanguard securities. VIAS will not recommend any broker or dealer.

VIAS manages \$27,530,403,230 (as of December 31, 2016) on a discretionary basis.

Fees and compensation

The advice provided by VAI through VIAS may include recommendations to sell, hold, or purchase the mutual funds and exchange-traded funds (ETFs) that compose The Vanguard Group of Investment Companies®. Acting in accordance with such advice will result in the payment of fees to the Vanguard funds and to Vanguard, an affiliate of VAI. The purchase or sale of Vanguard funds and ETFs through Vanguard (whether or not suggested by VIAS) is not subject to a load, sales charge, or commission. However, each Vanguard fund incurs advisory, administrative, and custodial fees, as well as other fees and expenses paid out of the fund's own assets. The advisory, administrative, custodial, and other costs make up the funds' expense ratios. Also, some Vanguard funds impose purchase and redemption fees.

Clients that are invested in Vanguard funds are subject to the applicable expense ratios and to any purchase and redemption fees. Thus, acting in accordance with VAI's advice to purchase Vanguard funds will result in the payment of fees to the Vanguard funds and trusts, in addition to any advisory fees assessed by VAI. Such fees are paid at the fund level and do not reduce the account-level fees described in the following fee schedules. Please consult the funds' prospectuses for information about a specific fund's expense ratio.

Defined benefit plan clients may also indirectly bear the fees assessed by Vanguard for recordkeeping services provided by Vanguard to a retirement plan. In connection with its services, Vanguard receives fees that are separate from and in addition to any fees assessed by VAI. Thus, defined benefit plan clients who are receiving advice from VAI may indirectly bear the fees assessed by Vanguard in connection with its services to the plan, in addition to any fees assessed by VAI.

Defined benefit plans for which Vanguard provides recordkeeping services may also be permitted to invest in collective trusts, company stock funds, or certain customized investment options for which an affiliate of VAI provides services and receives compensation. Because advice provided may include recommendations to transact in these investment options, acting in accordance with such advice may result in the payment of fees to an affiliate of VAI.

Defined benefit plans for which Vanguard provides recordkeeping services may be permitted to invest in non-Vanguard mutual funds. Because the advice provided by VAI may include recommendations to transact in non-Vanguard mutual funds, acting in accordance with such advice may result in payments to Vanguard as compensation for client-level recordkeeping and administrative services provided by Vanguard for such funds. This payment may be made by the fund company sponsoring the non-Vanguard mutual fund, by the plan sponsor, by the client investing in the non-Vanguard mutual fund, or by some combination thereof.

The purchase or sale of third-party fund shares through Vanguard or its affiliates may be subject to a load or sales charge, although VAI generally recommends the purchase of no-load mutual funds. In addition, VIAS clients who are invested in third-party mutual funds indirectly bear the annual fund operating expenses charged by those mutual funds. A fund's expenses are detailed in the fund's prospectus.

In the event that VIAS recommends that the client transact in non-Vanguard investments or individual securities, clients may incur additional fees, including transaction fees, brokerage charges, sales charges, expense ratios, commissions, markups, or other fees or expenses. In addition, Vanguard or its affiliates may receive other compensation, including asset-based sales charges, service fees, revenue-sharing payments, 12b-1 fees, or other fees in connection with such investments. VIAS does not take into consideration whether Vanguard or any of its affiliates would receive fees from its recommendation to transact non-Vanguard investments.

Clients may have the option to purchase investment products that VIAS recommends through other financial intermediaries that are not affiliated with VAI.

VIAS establishes fees individually for each client. The agreed-upon fee will be set forth in the client's advisory contract.

VIAS's advisory fee depends on the complexity of the portfolio, services being offered, and other factors. Fees, based on asset level breakpoints, range from 5 to 65 basis points on the NAV of the investment assets, and are generally subject to a minimum annual fee.

A separate fee schedule will apply to portfolios of qualified plans subject to ERISA.

Additional Fees & Expenses

The advisory fees are separate and distinct from other expenses the client's account may incur based on additional services. These fees will be set forth in the client's advisory contract.

Payment of fees

Fees for both non-ERISA and ERISA portfolios are collected in quarterly installments. The market value of the portfolio is determined as of the last business day of each calendar quarter. Fees may be changed by VIAS upon 90 days' written notice to the client. If the client does not object in writing within the 90-day period, fees shall be revised in accordance with the written notice.

A client may designate one or more Vanguard funds from which VIAS may deduct applicable fees. The client must provide the designation and any changes in writing to VIAS, and VIAS is entitled to rely upon such designation when making the deduction.

Where a client has not designated any Vanguard funds from which to deduct fees, VIAS determines the appropriate fund from which to make the deduction.

Clients terminating investment advisory services after five days but within the first 12 months of service are subject to an early cancellation fee, to be offset by any fees paid to VIAS for investment advisory services during the first 12 months of the advisory services agreement. Fees collected before the termination date will not be refunded.

Performance-based fees and side-by-side management

VIAS does not receive performance-based fees for advisory services provided to clients.

Types of clients

VIAS provides investment advisory and administrative services to institutional clients in the endowment, foundation, and defined benefit markets.

Methods of analysis, investment strategies, and risk of loss

In formulating investment advice for clients, VIAS relies on information from a wide variety of sources, both public and private, regarding short-term and long-term economic and financial market characteristics and trends. Importantly, our overall investment approach incorporates our investment philosophies while adhering to our fiduciary role in the advisory relationship.

Key features of VIAS's methodology include:

- **Goals-based methodology.** The asset allocation strategy and investment choices that VIAS recommends are based on long-term financial goals and not on short-term investment performance.
- **Broad diversification of assets.** VIAS seeks to control risk through broad diversification among asset classes and by choosing investments that reflect a variety of market segments. VIAS does not attempt to predict which investments will provide superior performance at any given time.

VIAS believes clients should be broadly diversified across all segments of a securities market because proper diversification is one of the most effective ways to reduce risk without sacrificing expected returns.

When making recommendations, VIAS evaluates a stock portfolio's mix of active management and index approaches and its exposure to large-, mid-, and small-capitalization stocks, to growth and value stocks, and to U.S. and international companies. For bond portfolios, VIAS evaluates the mix of short-, intermediate-, and long-term bonds, along with the mix of U.S. Treasury, government agency, and corporate securities, as well as international bonds. VIAS also evaluates certain alternative investment portfolios, including market-neutral funds and real estate investment trusts.

Vanguard Capital Markets Model

Our Investment Strategy Group (ISG) developed VIAS's advisory methodology and continually analyzes the most up-to-date academic and practical applications, as well as research obtained from external investment organizations. VIAS employs ISG's Vanguard Capital Markets Model® (VCMM) to assist in the formulation of investment advice to clients. VCMM is a proprietary financial simulation tool created to help clients make effective asset allocation decisions.

The VCMM is based on the empirical foundation that the returns of various asset classes reflect the compensation investors receive for bearing different types of systematic risk (or beta). To reasonably forecast the potential distribution of future asset returns, the VCMM is designed to identify the primary macroeconomic and financial risk factors and how they influence asset returns over time. Using a long span of monthly financial and economic data from as early as 1960, the VCMM estimates a dynamic statistical relationship between risk factors and asset returns. Based on these calculations, the model uses regression-based Monte Carlo simulation methods to project these relationships in the future.

IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time.

The VCMM process can be divided into two phases. The first phase uses a dynamic model to simulate forward-looking return distributions on a wide array of broad asset classes. The model generates a range of returns and volatility for each asset class. The second phase combines the asset class simulations to create potential investment portfolios. Together, these two features provide clients with a framework to examine portfolio options and, ultimately, to tailor investment solutions.

For instance, the VCMM can demonstrate for our institutional clients:

- Potential quantitative trade-offs of alternative portfolio allocations based on forward-looking and dynamic risk-and-return assumptions.
- The possible effect of adding certain asset classes to an existing strategic asset allocation.
- Differences in expected portfolio returns and risk metrics under alternative financial and economic conditions.
- The possible effect of alternative assumptions and scenarios on an institution's asset-to-liability (A/L) ratio or spending plans.

Key elements of investment return forecasts

The return-forecast portion of the VCMM involves three fundamental processes: the core module, the attribution module, and the simulation module.

The core module is a dynamic statistical model of global macroeconomic and financial risk factors. Its main function is to generate forecasts of these economic and financial risk factors over different time horizons. The model measures the interrelationship of the various risk factors with each other. This process begins with the model estimating relationships (more specifically, regression betas) among the system of risk factors, based on historical data. The module can then be used to project the estimated relationships into the future over any time horizon.

The attribution module relates the global economic and financial risk factors to the returns of various asset classes, including international equities. The module's main function is to map the returns of those asset classes to contemporaneous changes in the VCMM's core global risk factors. This mapping is based on observed historical relationships and is estimated using regression techniques.

The simulation module constructs scenarios for all risk factors and asset classes represented in the first two modules. Here, the VCMM creates a distribution of future returns, which means that the model simulates a broad range of possible asset-return outcomes (as opposed to a single-point forecast). In this way the VCMM accounts for the volatility of asset-return forecasts. For each quarter in the forecast horizon, the VCMM simulates 10,000 scenarios, yielding a distribution of potential future paths for the various risk factors and asset returns at various forecast horizons.

Portfolio-level analysis

The return forecasts lead to further analysis and simulation at the portfolio level during the second phase of the VCMM process. VCMM outputs are assessed in the context of investors' objectives, risk tolerance, and investment horizon to derive customized client solutions. The VCMM's simulated distribution of asset returns can be used to identify the set of portfolios most likely to meet the client's goals.

Based on these simulations and analyses, Vanguard determines the subset of portfolios yielding maximum return with minimum volatility—the efficient frontier for the client's investment objectives. The efficient frontier quantifies the trade-offs that clients face in the portfolio selection process. More aggressive portfolios yield higher returns on average, but they are also more volatile and thus subject to more downside risk.

Based on this portfolio optimization and taking into account the client's investment horizon and risk tolerance, Vanguard can help clients narrow down the menu of possibilities to a few potential portfolios on the frontier. The VCMM output is used once more to conduct an in-depth portfolio analysis. Based on the simulated distribution of underlying asset returns from the model, Vanguard analysts can compute several measures of expected investment performance, such as a portfolio's return, volatility, terminal asset values, and probability of achieving desired or required returns.

For defined benefit plan sponsors, VCMM output is used to provide an in-depth analysis of liability funding and duration matching. A pension plan sponsor's main objective is to be able to fund a plan's expected liabilities, as computed from actuarial calculations, with the plan's assets. The model can be used to simulate all possible investment portfolios that lead to different assets/liabilities (A/L) ratios for the plan. In this case, the efficient frontier can be recast in terms of A/L ratios and A/L volatility. Portfolio duration also changes along the frontier; thus, part of the decision consists of selecting the portfolios that provide the desired duration matching.

The investment objective of endowments and foundations is often to increase the real corpus (i.e., the inflation-adjusted spending power of the capital invested) over time. The VCMM's simulated distributions of asset returns are used to construct efficient frontiers showing portfolio allocations that maximize return and minimize volatility. Several measures of expected investment performance—such as a portfolio's return, volatility, extreme-risk events, and terminal asset values—can be computed. In particular, the model's simulations enable investors to study different spending scenarios for the endowment or foundation. This spending scenario analysis leads to optimal spending rates that maximize both spending and wealth accumulation.

VAI recommendations and risk

Projections generated by the VCMM are based both on estimated historical relationships and on assumptions about the risk characteristics of various asset classes. As a result, the accuracy of VCMM forecasts depends on the relevance of the historical sample in simulating future events.

Forecasting is both an art and a science. The VCMM's quantitative output alone will not always provide the most accurate answer. That is why Vanguard investment teams complement the model's raw quantitative predictions with additional qualitative analysis. These qualitative overlays are based on the professional judgment and industry experience of Vanguard analysts and on objective but qualitative information, such as market-

consensus expectations, consumer-sentiment indicators, and other information from external sources not captured within the VCMM.

It's important to emphasize that the VCMM was not designed as a short-term tactical asset allocation model. Generally speaking, portfolio analyses based on VCMM output focus on expected long-run returns over horizons of ten years or more. The VCMM core module is updated quarterly and reestimated with the additional historical observation. New return forecasts for the core risk factors are then generated from the recently added data, and attribution modules are reestimated. As a result, the model parameters used to generate the simulations will change.

The time-dependency of VCMM forecasts can be one of its strengths, because the forecasts are the direct result of changes in current market conditions. Since VCMM forecasts are initialized to current market conditions (i.e., the most current quarter of available data), simulation results are heavily influenced by the last data point. This is especially true for shorter forecast horizons.

VAI generally recommends investments in mutual funds and investment company securities. Although VAI will recommend investment strategies designed to be prudent and diversified, please remember that all investments, including mutual funds and investment company securities, involve some risk, including the possible loss of principal. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Diversification does not ensure a profit or protect against a loss in a declining market. There is no assurance that you will achieve positive investment results by using VAI. VAI cannot guarantee the future performance of your investments. Please consult a fund's prospectus for more information about fund-specific risks. You should carefully consider all of your options before acting upon any advice you receive.

Disciplinary information

VAI has no disciplinary information to disclose.

Other financial industry activities and affiliations

The Vanguard Group

VAI is 100% owned by Goliath, Inc., a Delaware corporation, which is wholly owned by The Vanguard Group, Inc., (Vanguard). Vanguard, also a registered investment advisor, provides a range of investment advisory and administrative services to the Vanguard family of mutual funds (Vanguard funds). Vanguard is truly a mutual mutual fund company. It is owned jointly by the funds it services and thus indirectly by the shareholders in those funds. Most other mutual funds are operated by management companies that may be owned by one person, by a private group of individuals, or by public investors who own the management company's stock. The management fees charged by these companies include a profit component over and above the companies' cost of providing these services. By contrast, Vanguard provides services to its member funds on an at-cost basis*, with no profit component, which helps to keep the funds' expenses low.

When giving advice to clients, VAI will recommend the purchase of Vanguard funds serviced by VAI's corporate parent, Vanguard. VAI addresses the competing interests that could arise between us and our clients as a result of recommending proprietary funds by relying on our time-tested investment philosophies and beliefs—such as the benefits of low costs, diversification, and indexing—when formulating target allocations for clients. VAI discloses to prospective clients that it recommends Vanguard funds prior to or at the establishment of the advisory relationship. Although acting in accordance with VAI's advice to purchase Vanguard's proprietary funds will result in the payment of fees to the Vanguard funds and ETFs that are separate from, and in addition to, any fees assessed by VAI, any competing interests that could arise are mitigated by the at-cost nature of Vanguard's services to the funds.

Vanguard Marketing Corporation

Shares of the Vanguard funds are marketed and distributed by Vanguard Marketing Corporation (VMC), a registered broker-dealer that is a wholly owned subsidiary of Vanguard and an affiliate of VAI. VMC's marketing and distribution services are conducted on an at-cost basis in accordance with the terms and conditions of a 1981 exemptive order from the Securities and Exchange Commission, which permits Vanguard funds to internalize and jointly finance such activities. Each Vanguard fund (other than a fund of funds) or each share class of a fund (in the case of a fund with multiple share classes) pays its allocated share of VMC's marketing costs. VMC does not receive transaction-based compensation in connection with the distribution of the Vanguard funds.

When giving advice to clients, VAI will recommend the purchase of Vanguard funds distributed by VAI's affiliate, VMC. Since VMC performs its marketing and distribution services on an at-cost basis and does not receive transaction-based compensation in connection with the distribution of the Vanguard funds, no competing interests arise from VAI's affiliation with VMC. Certain members of VAI's management and the VIAS service are registered representatives of or are affiliated with VMC. Please refer to the VIAS supplement for further information.

Vanguard Fiduciary Trust Company (VFTC)

VAI is also affiliated with Vanguard Fiduciary Trust Company (VFTC), a limited purpose trust company incorporated under the banking laws of the Commonwealth of Pennsylvania and a wholly owned subsidiary of Vanguard. VFTC serves as trustee and investment advisor for certain collective investment funds and collective investment trusts offered by Vanguard as eligible investment options by some retirement plans.

*Vanguard provides its services to the Vanguard funds and ETFs at cost.

Code of Ethics, participation or interest in client transactions, and personal trading

VAI operates under a code of ethics that complies with Rule 17j-1 of the Investment Company Act of 1940 and Rule 204A-1 of the Investment Advisers Act of 1940.

The code sets forth fiduciary standards that apply to all employees, incorporates Vanguard's insider trading policy, and governs outside employment and receipt of gifts. In addition, the code imposes restrictions on the personal securities trading of Vanguard employees, as well as reporting requirements. The trading restrictions and reporting requirements are more involved for employees that have access to information about Vanguard fund trading activity or Vanguard client trading activity and are designed to ensure that Vanguard employees do not misuse fund and/or client information for their own benefit.

Vanguard will provide a copy of its Code of Ethics to any client or prospective client upon request at no charge.

Please see the section of this brochure titled "Other financial industry activities and affiliations" for a discussion of VAI's affiliations with other Vanguard entities and how those affiliations may affect clients of VAI.

Brokerage practices

VAI does not recommend broker-dealers in connection with client transactions arising out of VAI's advice, as VAI generally recommends the purchase of Vanguard investments. However, if clients are interested in receiving brokerage services apart from the advisory services provided by VAI, VAI may inform clients of the availability of such services through Vanguard Brokerage Services® (VBS). VBS is a division of VMC. VAI's clients decide whether they want to trade through VBS or not. Clients may open a VBS account for the purposes of consolidating assets or transferring and liquidating assets previously held through another institution in advance of implementing VAI's recommended allocation of Vanguard investments. VBS would receive brokerage fees and commissions if a client opens a VBS account and executes trades.

Review of accounts

At the outset of an advisory relationship, VIAS will formulate investment guidelines customized to a client's investment objectives after a thorough analysis of the client's requirements. This analysis will use various analytical techniques and assumptions, taking into consideration the client's financial situation, investment experience, investment objectives, risk tolerance, current investments, spending requirements, investment policy statement, and other relevant factors. The guidelines are based on the output from the VCMM. Upon approval by the client, the guidelines are implemented. VIAS conducts regular portfolio reviews, generally quarterly, to ensure adherence to the approved investment guidelines.

As registered owners of Vanguard fund shares, VAI clients will receive or have access to communications about those funds. These communications include transaction confirmations, quarterly account statements, prospectus updates, annual and semiannual reports, and proxy statements relating to their fund holdings (as appropriate), as well as general Vanguard newsletters, emails, and other communications. In addition, VAI clients who receive investment advisory services also will receive periodic customized account statements and quarterly performance reports.

Client referrals and other compensation

VAI receives referrals through its affiliate, VMC, pursuant to a referral arrangement under which compensation is provided to representatives of VMC. These representatives of VMC are not employees of VAI. The advisors and consultants providing advisory services through VIAS do not receive any additional or special compensation for referrals. Any fees paid under the referral arrangement with VMC do not result in any additional charges to clients. In addition to their normal compensation, certain VMC representatives may receive additional compensation based in part on the assets that they bring in to the VIAS advisory service. This is one of several components of a compensation plan that is designed to reward VMC representatives for providing world-class service to clients.

Custody

The Vanguard Group, Inc., the transfer agent of the Vanguard funds, acts in the capacity of a qualified custodian and sends quarterly or more frequent account statements directly to VAI clients. Clients will also receive periodic account statements from VIAS. Clients should carefully review and compare these account statements and contact Vanguard with any questions.

Investment discretion

VIAS clients have the option to retain VIAS on a nondiscretionary or discretionary basis. Nondiscretionary clients review and determine whether to act on investment recommendations provided by VIAS.

Discretionary clients allow VAI full authority to invest assets in Vanguard funds as VIAS deems advisable. Clients grant VAI discretionary authority in the investment management agreement executed between the parties. VAI has the discretionary authority to (1) invest any monies that the client designates for inclusion within their account; (2) initiate, exchange, and direct dividend transactions among Vanguard funds; and (3) initiate the payment of Vanguard (or non-Vanguard, as applicable) fund distributions or redemption proceeds to the client at the client's address or bank of record.

VAI's discretionary authority to buy or sell securities, including the amount to be bought or sold, is based on the client's investment objectives, risk tolerance, time horizon, tax status, saving and spending patterns, or other factors determined by Vanguard to be appropriate. The client provides these characteristics to VAI by completing an investor profile questionnaire; the characteristics are then matched to a series of investment asset mixes and to Vanguard funds.

In instances where VIAS, or its affiliate Vanguard, receives instructions from either a discretionary or nondiscretionary client to send redemption proceeds to a bank of record that was recently changed, VIAS may take steps to ensure that such instructions are authentic. If VIAS has reason to believe such instructions could be fraudulent, VIAS may take steps to protect client assets including, but not limited to, delaying the transmission of redemption proceeds to a new bank of record.

Voting client securities

VAI will not vote or exercise similar rights for client securities. The exercise of all voting rights associated with any security or other property held in the portfolio shall be the responsibility of the client. Proxies will be delivered to the client by the issuer of the security, the custodian or its agent. VAI will not advise or act for the client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the portfolio or the issuers of those securities.

Financial information

VAI is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Requirements for state-registered advisors

VAI is a federally registered investment advisor.



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