

# Advisor Client Relationship Summary (Form CRS)

December 27, 2023

**Vanguard Advisers, Inc. (VAI)**

**Registered with the Securities and Exchange Commission (SEC) as an Investment Adviser.**

The services provided by an investment advisor and other financial services providers, like a broker-dealer, 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?

We offer several types of investment advisory services to retail investors: robo discretionary, hybrid discretionary, and hybrid non-discretionary. Each program is explained in more detail below and will vary in cost, account minimums, features, and access to financial advisors. All options will require your accounts to be with Vanguard. Our lead investment recommendations will generally only include Vanguard ETFs and mutual funds, and will generally not include purchases of individual securities or bonds, CDs, options, derivatives, annuities, third-party mutual funds, closed-end funds, partnerships, or other non-Vanguard securities.

In our robo discretionary offers we provide online financial planning tools designed to help you create a goal-based financial plan, and the service will create an investment strategy aligned with your personal inputs. We'll monitor your enrolled accounts frequently using an algorithm. We'll have full investment discretion in order to transact as necessary to align your account(s) with your goal(s). Enrollment requires cash or eligible securities in a Vanguard Brokerage Account totaling at least \$3,000.

Our hybrid discretionary offers include the same features as our robo discretionary offers, with the opportunity to consult with a financial advisor to refine your investment plan and goal(s). Enrollment minimums vary by program.

Our hybrid non-discretionary offer provides ongoing advised account services. You'll work with a financial advisor, agree upon a financial plan and investment strategy, and grant us authority to trade your account(s) in accordance with that plan. We will not implement or change your plan without your approval. We will monitor your accounts and rebalance, as needed, on a quarterly basis. This service requires a minimum of \$500,000 of investable cash or securities in the advised portfolio.

**Additional Information:** For more information about the services, see the "Advisory business" and "Types of clients" sections of each program brochure, which can be found at [vanguard.com/adviceforms](https://vanguard.com/adviceforms) under the Vanguard Advisers, Inc. heading.

**Conversation Starters:** Consider these questions before choosing a financial service. You can find more information on these conversation starters at [vanguard.com/adviceforms](https://vanguard.com/adviceforms) or call us at the number provided below.



- Given my financial situation, should I choose an investment advisory 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?

Our discretionary offers each charge gross advisory fees and then credit any revenue Vanguard retains from the assets held in your accounts to arrive at a net advisory fee. The amount of this credit will vary by account and holdings.

For our non-discretionary offer, the annual advisory fee is charged on advised assets and the fee rate decreases on a tiered level as advised assets increase. In addition, where mutual funds are held in your account (including Vanguard), there are built-in fees known as "expense ratios." These are the costs for the fund company to run a fund and will vary by fund, so your combined fees for advice and investments will vary.

Advisory fees for all offers are calculated on a rolling 90-day period based on your average daily balance in the portfolio over the entire fee period. We do not charge advisory fees on the balance of money market funds or other cash equivalents held within your portfolio, except for recommended allocations to cash equivalents in the discretionary advice offer effective on or about October 21, 2023. As you invest more assets in the programs, the amount of fees we collect will increase; therefore, there could be incentive to encourage you to increase your assets.

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.

**Additional Information:** There may be additional fees, including an Advice Platform Fee (non-discretionary offer) account service fees, and non-Vanguard fund fees, as discussed in more detail in the "Fees and compensation" section of each program's Form ADV Brochure.



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 acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment advisor, we have to act in your best interest and put your interests ahead of ours. At the same time, 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 investment advice we provide you. Here are some examples to help you understand what this means:

- Our lead advice will be to invest in Vanguard funds. You will pay the funds' expense ratios. The funds' expense ratios are received by The Vanguard Group, Inc., as revenue. The discretionary services reimburse any revenue received by Vanguard from the gross advisory fee.
- You may qualify for more than one of our advisory services—each with different levels of fees and benefits—that will advise you to invest your enrolled assets in substantially the same portfolio.
- We'll also require your advised assets to be in accounts held with our affiliates. Those accounts may be subject to additional fees, like account service fees, commissions, and other charges and processing fees. If you were to transact in non-Vanguard funds through a Vanguard Brokerage Account, our affiliate, Vanguard Marketing Corporation, may receive transaction fees, front-end and back-end loads, sales charges, 12b-1 fees, and revenue-sharing payments from certain non-Vanguard funds.

**Additional Information:** See the "Fees and compensation" section of each program's Form ADV Brochure for more details on how we and our affiliates make money and the conflicts involved.



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

### **How do your financial professionals make money?**

Our advisors servicing clients are not compensated for, or on the basis of, any recommendation or sales of specific securities. Advisors who deliver advice to clients are paid base compensation and are eligible for an annual payment from an enterprise-wide compensation plan. Certain advisors are also eligible to receive an annual discretionary bonus. Our robo discretionary service does not employ advisors who directly advise client accounts. Please see the "Advisor compensation" section of the respective service brochure ([vanguard.com/adviceforms](https://vanguard.com/adviceforms)) for more details on compensation practices.

### **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](https://investor.gov/CRS). There, you will find a free and simple search tool to research us and our financial professionals.



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

For more information regarding our advisory services, obtain a copy of Form ADV or Form CRS from [adviserinfo.sec.gov](https://adviserinfo.sec.gov), or contact us at 800-523-9447 to request a copy.



Who is my primary contact person? Is he or she 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?