

# Moving your Vanguard funds to a Vanguard Brokerage Account

Disclosure statement

Effective June 2023

**The Vanguard Brokerage Account** offers an easy way to organize and manage all your investments—and so much more. The sooner you move your Vanguard funds to a brokerage account, the sooner you can take advantage of these great benefits:

## Flexibility

You can hold Vanguard mutual funds and ETFs (exchange-traded funds), stocks, bonds, and CDs (certificates of deposit), as well as ETFs and funds from other companies, all in the same account. This simplified account structure makes it easier for you to invest.\*

## Protection for Vanguard fund holdings

All securities, including Vanguard mutual funds, are covered—up to SIPC limits.

## Simple account management

You'll receive one statement and one annual consolidated tax form for each brokerage account in the first full year after the move.

## Fast fund transactions

If you sell a stock or bond, you can reinvest the proceeds in Vanguard funds the same day. As always, you won't pay commissions to buy or sell Vanguard mutual funds and ETFs in a Vanguard Brokerage Account.\*\*

## Seamless transition

There are no tax implications associated with the transition to the new account structure. Refer to the summary of features and services on pages 4–5 to understand fees that may apply to your new brokerage account.

## Make your move today

To move your Vanguard mutual funds to a brokerage account, go to [vanguard.com/VBAtransition](https://vanguard.com/VBAtransition) and select **Transition now**.

## What will happen to my accounts?

### I only have Vanguard mutual fund accounts.

For each registration, you'll open a new brokerage account with a new account number and move your Vanguard fund assets into it. Your new brokerage account will also have a settlement fund (which will be opened with a zero balance) to pay for and receive proceeds from any trades you make.

### I already have a Vanguard Brokerage Account.

You can move your Vanguard mutual funds into your existing brokerage account and keep that account number. You'll no longer need your separate mutual fund account.



### I want to keep the same investments.

Your investments won't change. Your mutual fund transaction history, tax forms, personal performance information, and other data will carry over to your brokerage account.

\*Vanguard funds not held in a brokerage account are held by The Vanguard Group, Inc., and are not protected by SIPC. Securities in your brokerage account are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member FINRA and SIPC.

\*\*Trading limits, fund expenses, minimum investments and account service fees may apply. All ETFs are subject to management fees and expenses. All ETF sales are subject to a securities transaction fee. See the Vanguard Brokerage Services commission and fee schedules at [vanguard.com/commissions](https://vanguard.com/commissions) for full details.

# Questions and answers

## The process

### Once my brokerage account is opened, how long will it take for my Vanguard mutual funds to move into it?

If you consent to move your Vanguard mutual fund assets before the market closes (typically 4 p.m., Eastern time), the move will generally be complete as soon as the next business day. If you consent to move your Vanguard mutual fund assets after the market closes, those assets will generally appear in your brokerage account as soon as the second business day.

### Can I use my accounts during the process?

During the night of the move, you'll be unable to access your brokerage or mutual fund assets from approximately midnight until 6 a.m., Eastern time.

**Brokerage accounts.** If you already have assets in your brokerage account, they'll remain invested throughout the process. You can continue to trade in your account until the process begins (see above).

**Vanguard mutual fund accounts.** On the day of the move, you'll be able to transact on your Vanguard mutual fund assets as usual until the market closes.

**Note:** Your transaction history from your mutual fund accounts will carry over to your brokerage account after the transition.

## Accessing your account

### How will I be able to access my account information?

You can access your account information anytime at [vanguard.com](http://vanguard.com) or via our mobile app.

### Will my agent still have access to my accounts?

If you've granted an agent or other third party authority to transact only on your Vanguard mutual fund accounts and want the agent to also have access to your brokerage accounts, you'll need to establish that access on your Vanguard Brokerage Account after the transfer. In some cases, you may be able to begin this process during the transition.

*If you've granted access on your existing brokerage account, that access will remain in effect.*

To change your third-party access:

1. Log on to your Vanguard account.
2. Select the **Forms and applications** link at the top of the page.
3. Under **Allow others access to view or transact on your accounts**, choose the correct form.
4. Complete it and mail it to us at the address provided on the form.

### Where can I find information about my settlement fund?

When you log on to your account, your **Holdings** page offers access to more information about your settlement fund, such as credits and debits, assets available to trade, and assets available to withdraw.

## Account services

### Will I need to establish my account services after the move?

Most services you've established on your Vanguard mutual fund holdings will be carried over to your brokerage account.

**How to establish checkwriting.** If you're interested in our checkwriting service, please note the following:

- If you're moving Vanguard funds to an existing brokerage account that doesn't currently have checkwriting privileges and you want them added to your brokerage account, you'll need to complete and submit our Checkwriting Service Form (available at [vanguard.com/literature](http://vanguard.com/literature)). *If your existing brokerage account already has checkwriting, you don't need to take any action.*
- If you have checkwriting privileges established on any Vanguard funds that are moving to a new brokerage account, those privileges won't carry over to the new account because of the difference in account structures. To obtain a new checkbook, you'll need to submit the Vanguard Brokerage Account Checkwriting Form, which we'll send you based on your mailing preferences. **When you receive your new checkbook, please destroy your old mutual fund account checks.**

We'll do our best to honor any outstanding checks written on a Vanguard mutual fund from your previous account that are presented for payment within 45 days after you've transferred your Vanguard funds into your brokerage account. For details, see the Vanguard Brokerage Account Agreement.

**How to establish direct deposit.** You can set up direct deposits online and have the proceeds (minus any debit amounts) swept to your settlement fund. Follow these steps or follow the prompts within the transition process:

1. Log in to your Vanguard account.
2. Access the [Profile & account settings](#) page and select **Direct deposit**.

## What about dividends and capital gains

For all your brokerage holdings, you'll have two options:

- Reinvest them in additional shares of the distributing holding.
- Distribute them in cash to your settlement fund.

Once your Vanguard mutual funds are in your brokerage account, you'll also have the option of distributions paid on the funds being sent by electronic transfer to your bank.

If dividends or capital gains are paid on the date your funds transfer into your brokerage account, they'll be distributed by the method you've chosen, unless you originally elected to have them paid to another Vanguard mutual fund. In that case, they'll be reinvested in the funds that paid them.

In the future, these dividends and capital gains on your Vanguard mutual funds will be paid to your settlement fund, unless you elect to have them reinvested or electronically transferred to your bank.

## How can I set up electronic bank transfers?

You can link an external bank to your Vanguard account by accessing the [Profile & account settings](#) page and selecting **Bank information**.

## Account history

### How will the change affect my cost basis information?

The cost basis of your fund investments, including your calculation method, will be the same once transitioned to your identically registered Vanguard Brokerage Account. However, there are a few important considerations, depending on the calculation method you've elected for sales of fund shares acquired on or after January 1, 2012.

### If you're currently using the average cost method (AvgCost).

When you consent to move your mutual fund assets, you'll need to instruct Vanguard to temporarily switch your cost basis method to first in, first out (FIFO). This switch will preserve your flexibility to choose a different cost basis method for these shares in the future. Once the fund assets are in your brokerage account, they'll be defaulted back to AvgCost.

### If you're currently using the FIFO or specific identification (SpecID) method.

When you consent to move your assets, you'll need to instruct Vanguard to continue to apply the FIFO or SpecID election to any sales of your fund investments after they're transferred to your brokerage account. This will ensure that your cost basis method doesn't default to AvgCost.

## Account protection

### Will my Vanguard mutual funds be covered by SIPC after the transfer to my brokerage account?

Yes, up to certain limits. The securities in your brokerage account, including Vanguard mutual funds, will be held in custody by Vanguard Brokerage Services<sup>®</sup>, a division of Vanguard Marketing Corporation. Vanguard Marketing Corporation is a member of SIPC, which protects its members for up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request from Vanguard or at [sipc.org](http://sipc.org).

## Advisor account

### What if I have a mutual fund account that's currently enrolled in Vanguard Personal Advisor Services<sup>®</sup>?

If you're a Vanguard Personal Advisor client and you move your Vanguard funds to a Vanguard Brokerage Account, some attributes from your mutual fund account (such as goal selection, managed account status, cash flow analysis, and fee account selection) will be carried over to your brokerage account provided that your brokerage account doesn't have a balance at the time of the transition.

The tables on pages 4–5 provide a summary of services and features available in your mutual fund accounts and brokerage account before and after the transition.

## Features

	<b>Before the move</b>	<b>After the move</b>
<b>Account type</b>	<b>Mutual fund account</b>	<b>Brokerage account</b>
<b>Account structure</b>	Vanguard mutual fund accounts are held directly with The Vanguard Group, Inc., the funds' transfer agent.	Securities in your Vanguard Brokerage Account, including Vanguard mutual funds, will be held by Vanguard Marketing Corporation.
<b>Processing time to buy Vanguard funds with proceeds from the sale of brokerage assets</b>	At least three days.	Same day.
<b>Account number</b>	You have separate account numbers for each mutual fund account.	You'll have one account number—your brokerage account number—for each of your brokerage accounts. You'll no longer have separate account numbers for your Vanguard mutual fund holdings.
<b>E-delivery/Online statements</b>	Available.	Available.
<b>Tax forms</b>	The quantity of forms varies based on the number and types of accounts.	For the tax year of your move, you'll receive separate tax forms for your mutual fund accounts and brokerage accounts. Starting the first full tax year after your move, you'll receive a single tax form for each brokerage account. <b>Note:</b> Brokerage account tax forms are distributed later than mutual fund account tax forms.
<b>SIPC coverage</b>	Mutual fund accounts aren't covered.	Securities, including Vanguard mutual funds, are covered—up to SIPC limits.
<b>Account service fee</b>	\$25 annual fee for each mutual fund account. Refer to the applicable Vanguard fund prospectus or visit <a href="http://vanguard.com">vanguard.com</a> to learn about exclusions that may apply.	\$25 annual fee for each brokerage account. Refer to the Vanguard Brokerage commission and fee schedules at <a href="http://vanguard.com/commissions">vanguard.com/commissions</a> to learn about exclusions that may apply.

## Services

	Before the move	After the move
<b>Account type</b>	<b>Mutual fund account</b>	<b>Brokerage account</b>
<b>Dividends and capital gains distributions</b>	<p>You have two options with a Vanguard mutual fund-only account:</p> <ul style="list-style-type: none"> <li>• Cash: distributed by check or by electronic transfer to your bank, or transferred to purchase shares of another fund.</li> <li>• Reinvest: to buy additional shares of the same fund.</li> </ul>	<p>For all your brokerage holdings, you'll have two options:</p> <ul style="list-style-type: none"> <li>• Reinvest: to buy additional shares of the distributing holding.</li> <li>• Cash: paid to settlement fund.</li> </ul> <p>Once your Vanguard mutual funds are in your brokerage account, you'll also have the option of distributions paid on the funds being sent by electronic transfer to your bank.</p> <p><b>Note:</b> If dividends or capital gains are paid on the date your funds transfer into your brokerage account, they'll be distributed in the method you've chosen, unless you originally elected to have them paid to another Vanguard mutual fund. In that case, they'll be reinvested in the funds that paid them.</p> <p>In the future, these dividends and capital gains on your Vanguard mutual funds will be paid to your settlement fund, unless you elect to have them reinvested or electronically transferred to your bank.</p>
<b>Electronic bank transfers</b>	Available.	Available. You can establish electronic bank transfers online. See page 3 for instructions.
<b>Automatic investment/withdrawal plan</b>	Available.	Available for Vanguard mutual funds.
<b>Checkwriting</b>	Separate checkbooks offered for each eligible money market and bond mutual fund.	<p><b>For existing brokerage accounts</b></p> <p>If you're moving Vanguard funds to an existing brokerage account that doesn't currently have checkwriting privileges and you want them added to your brokerage account, you'll need to complete and submit our Checkwriting Service Form (available at <a href="http://vanguard.com/literature">vanguard.com/literature</a>). If your existing brokerage account already has checkwriting, you don't need to take any action. When you receive your new checkbook, please destroy your old mutual fund account checks.</p> <p><b>For new brokerage accounts</b></p> <p>If you have checkwriting privileges established on any Vanguard funds that are moving to a new brokerage account, those privileges won't carry over to the new account because of the difference in account structures. To obtain a new checkbook, you'll need to submit the Vanguard Brokerage Account Checkwriting Form, which we'll send you based on your mailing preferences.</p> <p><b>Payment of checks written on your old mutual fund account</b></p> <p>We'll do our best to honor any outstanding checks written on a Vanguard mutual fund from your previous account that are presented for payment within 45 days after you've transferred your Vanguard funds into your brokerage account. For details, see the Vanguard Brokerage Account Agreement.</p>
<b>Direct deposit</b>	Available.	Available.

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All investing is subject to risk, including the possible loss of the money you invest.

Visit [vanguard.com](https://www.vanguard.com) to obtain prospectuses or, if available, summary prospectuses, for Vanguard funds, ETFs, or non-Vanguard funds offered through Vanguard Brokerage Services. The prospectus contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

You must buy and sell Vanguard ETF Shares through Vanguard Brokerage Services (we offer them commission-free) or through another broker (which may charge commissions). See the Vanguard Brokerage Services commission and fee schedules on [vanguard.com](https://www.vanguard.com) for full details. Vanguard ETF Shares aren't redeemable directly with the issuing fund other than in very large aggregations worth millions of dollars. ETFs are subject to market volatility. When buying or selling an ETF, you'll pay or receive the current market price, which may be more or less than net asset value.

Advice services are provided by Vanguard Advisers, Inc., a registered investment advisor, or by Vanguard National Trust Company, a federally chartered, limited-purpose trust company.

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