For clients of Vanguard Brokerage Services®

The following is a general description of plans in place at Vanguard and Vanguard Brokerage Services ("Vanguard Brokerage") to maintain business continuity in the event that operations are disrupted for any reason.

Contingency planning at Vanguard and Vanguard Brokerage Services

Vanguard’s goal is to help its millions of shareholders build and preserve wealth. So it is critical that we plan carefully and methodically to ensure a quick and smooth recovery in the event of a disaster or emergency. From Chairman and CEO F. William McNabb III to each Vanguard associate, Vanguard has a companywide commitment—including the investment of significant resources—to ensure that your assets are safe and that our service to you continues without interruption.

Our approach to contingency planning is simple. We think of our business as a chain in which each link is a component of our operation—people, facilities, business processes, infrastructure, and information. Each link is equally important and must be accounted for and tested as part of an overall business-continuity program.

To accomplish this, we have established a Contingency Council to oversee key initiatives, as well as a special unit, Vanguard’s Business Contingency Services group, dedicated to coordinating the planning, development, testing, and execution of contingency plans.

Vanguard’s business contingency planning provides for the recovery and restoration of all critical operations. Our process consists of three major components: detailed, written business contingency plans; data security and recovery; and business contingency tests.

• **Business contingency plans.** Vanguard designs specific, formal plans to respond to a range of incidents—from worst-case scenarios, such as loss of a data center, buildings, or staff, to occurrences such as power outages or excessive phone volumes. These plans are regularly tested and updated to accommodate changes in contingency requirements.

• **Data security and recovery.** Data security is, of course, a top priority. To mitigate computer virus attacks and other acts of cyberterrorism, we have implemented controls monitored by a dedicated team of information security specialists. We also maintain a network of redundant systems, off-site data storage, and off-site tape vaults to ensure that all source data are recoverable in a disaster.

• **Business contingency tests.** All contingency plans undergo rigorous testing, ranging from comprehensive evaluations of a variety of emergency scenarios to full-scale drills in which we close a building and conduct business from a remote location. We also periodically conduct mock disaster drills with the cooperation of local, state, and federal authorities. We conduct integrated tests with critical vendors to validate our ability to work together during an emergency. In addition, our Information Technology division frequently performs disaster recovery tests to gauge how quickly we can regain our systems in the event of an emergency.
Maintaining business as usual

In addition to regular planning and testing, Vanguard uses several routine business strategies to ensure flexibility and resiliency in our operations. To reduce the potential impact of recovery from regional events such as major power outages and winter storms, we maintain geographic diversity by running key business functions from multiple locations. Moreover, resources (such as power) for significant buildings are backed up with redundant and/or emergency power-supply capability.

And, should events warrant, Vanguard’s Contingency Council and Public Relations Group are prepared to meet to determine what type of communication is necessary and to create appropriate messages.

In the event of a business disruption

Should there be a significant business disruption, please visit Vanguard’s website at vanguard.com for additional information, which will include instructions to ensure prompt access to your funds and securities.

If you have questions about Vanguard’s plans . . .

The preceding descriptions are general overviews of Vanguard’s plans. If you require more specific information, a Vanguard Brokerage associate will be happy to help you. Call Vanguard Brokerage at 800-992-8327.