

**FARMERS GROUP, INC. 401(K) SAVINGS PLAN**  
**Plan Number 093492**  
**Plan Information as of – 06/07/2019**

This legally required notice includes important information about the investment options under your retirement plan. You can also review additional information about your investment options, which is available on your plan's website at <http://retirementplans.vanguard.com/PubFundChart/farmers/9799>, or by contacting Vanguard Participant Services at 800-523-1188 or writing to Vanguard at P.O. Box 2900, Valley Forge, PA 19482-2900. You can obtain a free paper copy of the information on the website by calling Vanguard at 800-523-1188. **No specific action is required on your part as a result of this notice.**

**It takes just a few minutes to sign up for e-delivery:** If you haven't already signed up to receive plan communications electronically, you can do so by logging on to your Vanguard® retirement plan account at [vanguard.com](http://vanguard.com). Click **My profile**, select **Mailing preferences**, and follow the prompts.

**Summary**

This document has two parts. Part I consists of general plan information, including how you may direct investments in your plan account, whether you have voting rights associated with any plan investments and any restrictions that may apply to that investment direction. Part I also describes the fees and expenses you will pay for plan administration and individual transactions. Part II consists of performance information for plan investment options. This part shows you how well the investments have performed in the past. Part II also shows you the fees and expenses you will pay if you invest in an option.

**Part I. General plan information**

**A. How to direct your plan investments**

Your plan gives you the right to direct some or all of your plan investments. You can direct your plan investments using any of the three convenient methods listed below. For a list of the designated investment alternatives offered in your plan and any designated investment managers, please refer to the complete investment fee and performance chart contained in this notice.

- **Online.** Log on to your account at [vanguard.com](http://vanguard.com) anytime. If you have not signed up for secure online account access, visit [vanguard.com/register](http://vanguard.com/register) and follow the prompts. You will need your plan number: 093492.
- **By phone.** Call the 24-hour interactive VOICE® Network at **800-523-1188**. You will need a personal identification number (PIN) to use VOICE. To create a PIN, follow the prompts.
- **With personal assistance.** Vanguard Participant Services associates are available at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern Time. If calling from outside the United States contact Vanguard at 610-669-1000.

You also can access current and previous account statements at any time through our secure website, using the online access instructions above. Your plan statements are published electronically on a periodic basis, at least quarterly. You have the right to request and obtain, free of charge, a paper version of your account statements. You can print it right off Vanguard's website, or contact Vanguard at **800-523-1188** to request that one be mailed. You can also get Vanguard statements by mail automatically. To review or update your mailing preferences, simply log on to your account at [vanguard.com](http://vanguard.com), go to **My Profile**, and select **Mailing Preferences**.

Transaction requests (for example, a contribution, exchange or redemption) must be in good order. "Good order" means that Vanguard has determined that (1) your transaction request includes complete information and (2) appropriate assets are already in your account or new assets have been received.

Vanguard, as your plan's record keeper, will determine the necessary processing time for your transaction request before submission to the fund(s).

Your transaction will then be based on the next-determined net asset value (NAV) of the investment's shares. If your transaction request is received by Vanguard in good order on a business day before the close of regular trading on the New York Stock Exchange (NYSE) (generally 4 p.m., Eastern Time), you will receive that day's NAV and trade date. If your transaction request is received in good order while the NYSE is closed, you will receive the next business day's NAV and trade date.

If your transaction involves one or more investments with an early cutoff time for processing or another trading restriction, your entire transaction will be subject to that cutoff time when the trade date for your transaction is determined. If an early cutoff time applies to an investment available in your plan, please review the next section for additional information.

You may not cancel any transaction request once processing has begun. Please be careful when placing a transaction request.

### **Vanguard brokerage**

You are also permitted to open a brokerage account with Vanguard. Vanguard brokerage provides you with an expanded range of investment options beyond the plan's core lineup. You may only direct your vested assets to the Vanguard brokerage account.

Investments available through a Vanguard brokerage account may charge fees like purchase fees or redemption fees that could be charged to your individual plan account. Please review a fund's prospectus and the enclosed commission schedule for details. You should contact Vanguard or review [vanguard.com](http://vanguard.com) for additional information about any fees associated with the purchase or sale of a security before buying or selling that security.

Transactions in your Vanguard brokerage account can be initiated through Vanguard online at [vanguard.com](http://vanguard.com) or by speaking with a Vanguard brokerage associate at 800-339-4515 (select option 2). If calling from outside the United States contact Vanguard at 610-669-1000.

Vanguard's online and phone order systems are available anytime. Vanguard brokerage associates are available to accept orders on business days from 8 a.m. to 5 p.m. Eastern Time. Please see the enclosed commission schedule for transaction costs and other information regarding this service.

Your initial brokerage investment must be at least \$2,500.

The minimum amount for ongoing exchanges into the Vanguard brokerage account is \$500.

### **Proxy voting**

The plan administrator or other named fiduciary for the plan exercises voting, tender and similar rights with respect to the mutual funds in the plan, except for mutual fund investments held in your self-directed brokerage account.

You have the right to exercise voting, tender and similar rights with respect to the holdings in your self-directed brokerage account.

## **B. Limitations on your ability to direct investments**

### **Frequent trading policy**

Because excessive transactions can disrupt the management of an investment and increase its transaction costs, limits are placed on exchanges and other transactions. If you move money out of an investment (other than money market funds, stable value investments, employer securities, short-term bond funds, but including Short-Term Inflation-Protected Securities Index), you cannot move money back into the same investment for 30 days. This policy applies regardless of the dollar amount. Please note that the 30-day clock restarts after every exchange out of the investment.

The frequent trading policy does not apply to the following: exchange requests submitted by mail to Vanguard (exchange requests submitted by fax, if otherwise permitted, are not mail requests and are subject to the policy); exchanges of shares purchased with participant payroll or employer contributions or

loan payments; exchanges of shares purchased with reinvested dividend or capital gains distributions; distributions, loans, and in-service withdrawals from a plan; redemptions of shares as part of a plan termination or at the direction of the plan; redemptions of shares to pay fund or account fees; share or asset transfers or rollovers; re-registrations of shares within the same investment; conversions of shares from one share class to another in the same investment; and automated transactions executed through the Vanguard Managed Account Program.

Note that your plan and the issuers of your plan's investments reserve the right to revise or terminate the exchange privilege (your ability to move money between investments), limit the amount of any exchange, or reject any exchange at any time, without notice.

### **Equity wash rules**

You cannot move money from your plan's stable value fund to an investment option that is considered a competing investment option. Competing investment options include money market funds or other investments that invest primarily or exclusively in money market instruments or certain fixed-income investments.

Before you can move money from the stable value fund to a competing investment option, you must place the money in a noncompeting investment option for 90 days. Then you may move the money to the competing investment option.

For purposes of Equity wash rules, the Self-Directed Brokerage Account is considered a competing investment option. Before you can move money from your plan's stable value fund to a Self-Directed Brokerage account, you must place the money in another investment option for 90 days. Then you may move the money to the Self-Directed Brokerage account.

### **C. Plan administrative expenses**

The following fees will be charged to your plan account for administration of the plan, to the extent the plan is charged these fees. Please also review your account statement for disclosure of the dollar amount actually charged to your account for these services, and a description of the services to which these fees relate.

The plan incurs expenses for general plan administrative services such as legal, accounting or recordkeeping services. A \$35 annual fee is charged to each plan participant, deducted from your account and used to pay these expenses. This amount is subject to review and may be adjusted by the plan sponsor periodically. Please review your account statement to see the dollar amount actually charged to your account for these services, and a description of the services to which these fees relate.

The plan incurs expense for general plan administrative services such as legal, accounting, or recordkeeping services that are allocated on a per capita basis and charged to your account to the extent those fees are charged to the plan. Please review your account statement to see the dollar amount actually charged to your account for these services.

### **D. Individual transaction expenses**

Your account will be subject to additional fees if you select one of the following plan services. Please also review your account statement for a detailed disclosure of the dollar amount actually charged to your account for these services and a description of the services to which these fees relate.

#### **Loan origination fee**

An origination fee will be deducted from the loan proceeds for each loan issued from your account. The fee is \$40 if you request the loan through **vanguard.com** or VOICE®, and \$90 if you request the loan with personal assistance from a Vanguard associate.

#### **Hardship withdrawal fee**

If you request a hardship withdrawal from your account, a fee of \$75 will be deducted from your account balance for each hardship withdrawal that is processed.

### **Self-Directed Brokerage Option facilitation fee**

If you open a self-directed brokerage account, an annual fee of \$50 will be deducted from your non-brokerage investments for services to support access to the brokerage account.

### **Investment fees charged to your account**

Investments in your plan may carry additional fees, including administrative charges, commissions, sales loads, sales charges, deferred sales charges, redemption fees, surrender charges, exchange fees, account fees, and purchase fees. Please review the complete investment fee and performance chart contained in this notice to determine whether these fees may be charged for an investment option, and review your account statement for a detailed disclosure of the dollar amount actually charged to your account each quarter that is attributable to these fees.

### **Upcoming Plan Changes**

The self-directed brokerage provider will change from Vanguard Brokerage option to TD Ameritrade on July 12, 2019, with the brokerage service to be available upon freeze lift sometime in the first week of July 29, 2019. Your plan provides you with the option to open a self-directed brokerage account within your retirement plan. A self-directed brokerage account provides you with access to an expanded range of investments beyond the plan's core investment lineup. The brokerage provider for plan brokerage accounts is TD Ameritrade, Inc.

Investments available through a brokerage account may incur fees like purchase fees or redemption fees that could be charged to your self-directed brokerage account. Please review a fund's prospectus and the enclosed commission and fee schedule for details. You should contact TD Ameritrade or review [tdameritraderetirement.com](http://tdameritraderetirement.com) for additional information about any fees associated with the purchase or sale of an investment before buying or selling that investment.

### **Self-Directed Brokerage Option facilitation fee**

If you open a self-directed brokerage account, an annual fee of \$50 will be deducted by Vanguard from your non-brokerage investments for services to support access to the brokerage account.

You can access your self-directed brokerage account by logging on to your plan account at [vanguard.com](http://vanguard.com) or by logging on directly at [tdameritrade.com](http://tdameritrade.com). Transactions in your self-directed brokerage account can be initiated through TD Ameritrade online at [tdameritrade.com](http://tdameritrade.com) or by speaking with a TD Ameritrade Participant Service Specialist at 866-766-4015.

TD Ameritrade's online and phone order systems are available anytime. TD Ameritrade Participant Service Specialists are available to accept orders on business days from 8 a.m. to 7 p.m., Eastern Time. Please see the enclosed commission and fee schedule for transaction costs and other information regarding this service.

No more than 99% of your balance may be invested in a self-directed brokerage account.

Your initial brokerage investment must be at least \$2,500.00.

The minimum amount for ongoing exchanges into the brokerage account is \$500.

You may allocate no more than 99% of your future contributions to the brokerage account.

The Fee and Commission Schedule for the TD Ameritrade Self-Directed Brokerage Account is found at the end of this notice. Please be advised that the plan only permits the purchase of mutual funds in the self-directed brokerage account. Therefore, please refer to the portion of the Fee and Commission Schedule that pertains to mutual funds on page 1 of 2 to understand the fees and commissions associated with the purchase and sale of mutual fund assets.

## Part II. Investment performance and fee information

The table below focuses on the performance of investment options that do not have a fixed or stated rate of return. This table shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about an option's principal risks is available on your plan's website.

This table also shows fee and expense information for the investment options listed below, including the total annual operating expenses of each investment option listed below. Total annual operating expenses are expenses that reduce the rate of return of the investment option. This table also shows shareholder-type fees. These fees are in addition to total annual operating expenses. The table also shows any restrictions or limitations that may apply to purchases, transfers, or withdrawals of the investment.

Please note, each benchmark provided in the chart is a broad-based securities market index, as required by Department of Labor regulation. When reviewing performance of a blended fund (a fund that invests in a mix of stocks, bonds and/or money market instruments, like a Target Date Fund or balanced fund), it may also be useful to compare fund returns to composite benchmarks comprised of multiple broad-based indices based on the fund's composition, goals and objectives. Composite benchmarks are available in the fund prospectuses and at [vanguard.com](http://vanguard.com). If you have questions or need help finding additional information, contact Vanguard Participant Services at 800-523-1188.

## Investment performance and expenses

The table below provides important information about your investment options (as of March 31, 2019)

*The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [www.vanguard.com/performance](http://www.vanguard.com/performance).*

	Annual expense ratio		1 year	Average Annual Return			Fund inception date
	As a %	Per \$1000		5 year	10 year	Since fund inception <sup>1</sup>	
<b>Domestic Equity</b>							
<b>Farmers Active Stock Fund</b>	0.27%	\$2.70	2.05%	6.34%	N/A	8.42%	07/01/2013
<b>Benchmark:</b> MSCI All Country World GR Index			3.16%	7.03%	N/A	8.96%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

<b>Farmers Stock Index Fund</b>	0.06%	\$0.60	2.00%	6.98%	N/A	8.98%	07/02/2013
<b>Benchmark:</b> MSCI All Country World GR Index			3.16%	7.03%	N/A	8.98%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

Risk: Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility.

	Annual expense ratio		Average Annual Return				
	As a %	Per \$1000	1 year	5 year	10 year	Since fund inception <sup>1</sup>	Fund inception date
<b>Balanced</b>							
<b>Vanguard Target Retirement 2015 Trust Plus</b>	0.06%	\$0.60	3.89%	5.05%	N/A	6.92%	08/15/2011
<b>Benchmark:</b> Target Retirement 2015 Composite Index			4.05%	5.16%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2020 Trust Plus</b>	0.06%	\$0.60	3.93%	5.76%	N/A	7.86%	08/15/2011
<b>Benchmark:</b> Target Retirement 2020 Composite Index			4.08%	5.86%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2025 Trust Plus</b>	0.06%	\$0.60	3.92%	6.18%	N/A	8.51%	08/15/2011
<b>Benchmark:</b> Target Retirement 2025 Composite Index			4.11%	6.28%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2030 Trust Plus</b>	0.06%	\$0.60	3.81%	6.49%	N/A	9.10%	08/15/2011
<b>Benchmark:</b> Target Retirement 2030 Composite Index			3.99%	6.60%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2035 Trust Plus</b>	0.06%	\$0.60	3.68%	6.80%	N/A	9.67%	08/15/2011
<b>Benchmark:</b> Target Retirement 2035 Composite Index			3.86%	6.91%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2040 Trust Plus</b>	0.06%	\$0.60	3.49%	7.07%	N/A	10.06%	08/15/2011
<b>Benchmark:</b> Target Retirement 2040 Composite Index			3.72%	7.21%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2045 Trust Plus</b>	0.06%	\$0.60	3.35%	7.18%	N/A	10.15%	08/15/2011
<b>Benchmark:</b> Target Retirement 2045 Composite Index			3.63%	7.34%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2050 Trust Plus</b>	0.06%	\$0.60	3.35%	7.17%	N/A	10.15%	08/15/2011
<b>Benchmark:</b> Target Retirement 2050 Composite Index			3.63%	7.34%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.05%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							
<b>Vanguard Target Retirement 2055 Trust Plus</b>	0.06%	\$0.60	3.35%	7.15%	N/A	10.42%	11/30/2011
<b>Benchmark:</b> Target Retirement 2055 Composite Index			3.63%	7.34%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	14.06%	
Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None							

	Annual expense ratio		1 year	Average Annual Return			Fund inception date
	As a %	Per \$1000		5 year	10 year	Since fund inception <sup>1</sup>	
<b>Balanced</b>							
<b>Vanguard Target Retirement 2060 Trust Plus</b>	0.06%	\$0.60	3.35%	7.17%	N/A	9.35%	03/23/2012
<b>Benchmark:</b> Target Retirement 2060 Composite Index			3.63%	7.34%	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	10.40%	N/A	12.74%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

<b>Vanguard Target Retirement 2065 Trust Plus</b>	0.06%	\$0.60	3.42%	N/A	N/A	8.95%	07/24/2017
<b>Benchmark:</b> Target Retirement 2065 Composite Index			3.63%	N/A	N/A	N/A	
<b>Benchmark:</b> MSCI U.S. Broad Market GR Index			8.77%	N/A	N/A	10.22%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

<b>Vanguard Target Retirement Income Trust Plus</b>	0.06%	\$0.60	4.04%	4.22%	N/A	5.07%	08/15/2011
<b>Benchmark:</b> Target Retirement Income Composite Index			4.06%	4.31%	N/A	N/A	
<b>Benchmark:</b> Bloomberg Barclays U.S. Aggregate Bond Index			4.48%	2.74%	N/A	2.57%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

Risk: Target-date investments are subject to the risks of their underlying funds. The year in the investment name refers to the approximate year (the target date) when an investor would retire and leave the workforce. The investment will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. A target-date investment is not guaranteed at any time, including on or after the target date.

Please note, each benchmark provided in the chart is a broadbased securities market index, as required by Department of Labor regulation. When reviewing performance of a blended fund (a fund that invests in a mix of stocks, bonds and/or money market instruments, like a Target Date Fund or balanced fund), it may also be useful to compare fund returns to composite benchmarks comprised of multiple broadbased indices based on the fund's composition, goals and objectives. Composite benchmarks are available in the fund prospectuses and at [vanguard.com](http://vanguard.com).

	Annual expense ratio		1 year	Average Annual Return			Fund inception date
	As a %	Per \$1000		5 year	10 year	Since fund inception <sup>1</sup>	
<b>Bond</b>							
<b>Farmers Active Bond Fund</b>	0.30%	\$3.00	4.82%	3.44%	N/A	3.57%	07/01/2013
<b>Benchmark:</b> Bloomberg Barclays Global Aggregate Hedged USD Index			4.93%	3.64%	N/A	3.70%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

<b>Farmers Bond Index Fund</b>	0.05%	\$0.50	4.48%	2.75%	N/A	2.77%	07/02/2013
<b>Benchmark:</b> Bloomberg Barclays U.S. Aggregate Bond Index			4.48%	2.74%	N/A	2.76%	

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None

Risk: Investments in bond funds are subject to interest rate, credit, and inflation risk. While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Although the market values of government securities are not guaranteed and may fluctuate, these securities are guaranteed as to the timely payment of principal and interest. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings.

Short-Term Reserves	Annual expense ratio		1 year	Average Annual Return			Since fund inception <sup>1</sup>	Fund inception date
	As a %	Per \$1000		5 year	10 year			
<b>Farmers Active Stable Value Fund</b>	0.12%	\$1.20	2.15%	1.76%	N/A	1.71%		07/01/2013
<b>Benchmark:</b> FTSE U.S. Treasury-Bill 3-Month Index			2.11%	0.72%	N/A	0.64%		

Shareholder-type fees: Sales charge: None Redemption fee: None Deferred sales charge: None  
Fund subject to equity wash rules.

*A stable value investment is neither insured nor guaranteed by the U.S. government. There is no assurance that the investment will be able to maintain a stable net asset value, and it is possible to lose money in such an investment.*

<sup>1</sup>Performance data is since inception date of the fund, if less than 10 years of performance is available.

### Fee information

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's website for an example showing the long-term effect of fees and expenses at <https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.-pdf>. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

Please visit <http://retirementplans.vanguard.com/PubFundChart/farmers/9799> for updated fee and performance information for each of these investment alternatives, along with additional information regarding the investment's issuer, objectives and goals, principal strategies and risks and portfolio turnover rate.

To better understand your investment options, please also visit <https://retirementplans.vanguard.com/VGApp/pe/Glossary> for a glossary of terms.

### Fee/expense definitions

**Total annual operating expense (gross expense ratio)** – The investment fund's annual operating expenses, often expressed as a percentage of average net assets. The total annual operating expense does not reflect any fee waivers or reimbursements that may be in effect.

**Sales charge** – A charge deducted from the amount invested when shares of a fund are initially purchased. The amount is generally relative to the amount of the investment, so that larger investments incur smaller rates of charge.

**Redemption fee** – The redemption fee is an amount charged when shareholders redeem shares of a fund within a specified number of days following the purchase of those shares. The redemption fee is intended to allow funds to recoup some of the costs incurred as a result of short-term trading strategies, such as market timing.

**Deferred sales charge** – This charge is imposed when investors redeem shares. The percentage charged generally declines the longer shares are held.

**Liquidity Fee** – A money market fund must impose (unless determined by its board) a liquidity fee of 1% on all redemptions if the money market fund's weekly liquid assets fall below 10% of total assets; a money market fund's board may impose a liquidity fee of up to 2% on all redemptions if the fund's weekly liquid assets fall below 30% of total assets.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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Money market yields more closely reflect the current earnings of a money market fund than the average annual total returns of such a fund.

Vanguard trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.

Collective trusts and separately managed accounts (SMAs) are not mutual funds. These investments are available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.

<b>NOT FDIC INSURED</b>	<b>NO BANK GUARANTEE</b>	<b>MAY LOSE VALUE</b>
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# VBO<sup>®</sup> commission schedule

Effective July 1, 2016

Transactions in your Vanguard Brokerage Option (VBO) account can be initiated through Vanguard Brokerage Services<sup>®</sup> (VBS<sup>®</sup>) online at [vanguard.com](http://vanguard.com) or by speaking with a VBS associate at **800-339-4515** (select option 2).

You can access your VBO account through [vanguard.com](http://vanguard.com) anytime. VBS associates are available to accept orders Monday through Friday from 8 a.m. to 5 p.m., Eastern time. Note: We can't accept written instructions for trades.

Fixed income securities can be traded online from 8 a.m. to 5 p.m., Eastern time, or through a VBS associate.

A separate commission will be charged for each security bought or sold. Separate commissions also will be charged for multiple orders of the same security and transaction type (buy or sell), even if placed on the same day. For example, if you place an order to buy (or sell) 100 shares of XYZ Company and a separate order to buy (or sell) 100 shares of XYZ Company later in the day, you will be charged two commissions.

Orders that are executed over multiple days are charged separate commissions. If you change an order and it is executed in multiple orders on the same day, each execution is charged a separate commission. Keep in mind that all investing is subject to risk, including the possible loss of the money you invest.

Security type	Commission rate (subject to change)
Vanguard ETFs® (exchange-traded funds)	Free. If you buy and sell the same Vanguard ETF in a VBO account more than 25 times in a 12-month period, you may be restricted from purchasing that Vanguard ETF through your VBO account for 60 days.
Stocks and non-Vanguard ETFs	<p>Online or associate-assisted: \$7 per trade.</p> <p>The following fees apply for all investment channels:</p> <ul style="list-style-type: none"> <li>Foreign securities transactions: \$50 processing fee (not applicable to American Depositary Receipts) plus commission. If a trade executes over multiple days, the commission will be charged for each day on which an execution occurs. Additional fees may apply for trades executed directly on local markets.</li> <li>American Depositary Receipt (ADR) fees: Custodian banks for ADRs are permitted to charge ADR holders certain fees, which are detailed in the ADR prospectuses. "Pass through" ADR fees are collected from VBS by the Depository Trust Company (DTC) and will be deducted from your brokerage account automatically and shown on your account statement. Other fees, including dividend processing fees, may be withheld by the DTC from the amount paid by the issuer.</li> </ul>
Options	<p>Online or associate-assisted: \$7 + \$1 per contract.</p> <p>Options exercise and assignments resulting in a stock trade are subject to a \$7 + \$0.01 per share commission.</p> <p>Options exercise and assignments resulting in a cash settlement are subject to a \$7 + \$1 per contract commission.</p>
Vanguard mutual funds available through FundAccess®*	<ul style="list-style-type: none"> <li>No transaction fees for Vanguard funds.</li> <li>No fee for dollar-cost averaging; minimum two transactions; minimum transaction \$100.</li> </ul>
Non-Vanguard mutual funds available through FundAccess*	<p><b>No-transaction-fee (NTF) funds:</b></p> <ul style="list-style-type: none"> <li>Redemption fee of \$50 for all sales within 60 calendar days of the most recent purchase trade date.</li> <li>No fee for dollar-cost averaging; minimum two transactions; minimum transaction \$100.</li> <li>Minimum initial investment for most funds is \$1,000.**</li> </ul> <p><b>Transaction-fee (TF) funds:</b></p> <ul style="list-style-type: none"> <li>Fee is \$20 per transaction (any order size).</li> <li>The same fee applies through all investment channels.</li> <li>A fee of \$3 per scheduled transaction is charged for dollar-cost averaging; minimum two transactions; minimum transaction \$100.</li> <li>Minimum for initial and additional investments is \$1,000.**</li> </ul> <p><b>Load funds:</b></p> <p>Sales charges and minimum purchases: The schedule for a specific load fund may vary, perhaps significantly, from the general descriptions shown here. Check a fund's prospectus for details. Minimum for initial and additional investments is \$1,000.**</p> <p>Class A shares:</p> <ul style="list-style-type: none"> <li>Front-end load (purchase fee) varies by fund company and may be as high as 5.75%. Review the fund's prospectus carefully before investing.</li> <li>Discounts (breakpoints) may be available if you make a large purchase, already hold other mutual funds offered by the same fund company (individually or combined with a spouse or other qualifying person), or commit to regularly purchasing the fund's shares.</li> </ul>

Security type	Commission rate (subject to change)
<b>Non-Vanguard mutual funds available through FundAccess*</b> (continued)	<p>Class B shares:</p> <ul style="list-style-type: none"> <li>• Back-end load (redemption fee) decreases to zero over a period of years. (Also known as a contingent deferred sales charge.)</li> </ul> <p>Class C shares:</p> <ul style="list-style-type: none"> <li>• Back-end load (redemption fee) decreases to zero after one year. (Also known as a contingent deferred sales charge.)</li> </ul> <p>All share classes:</p> <ul style="list-style-type: none"> <li>• Sales charges for a specific load fund may vary, perhaps significantly, from the general description shown here. Check a fund's prospectus for details.</li> <li>• VBS does not charge additional fees for the purchase, sale, or exchange of any load fund offered through FundAccess.</li> <li>• VBS does not charge a fee for dollar-cost averaging, but sales charges imposed by the fund still apply. Minimum two transactions, minimum transaction \$100.</li> </ul>
<b>U.S. Treasury securities***</b>	
New issues purchased at auction	<ul style="list-style-type: none"> <li>• Commission-free.</li> </ul>
Secondary market issues	<ul style="list-style-type: none"> <li>• Commission-free.</li> </ul>
<b>Corporate bonds***</b>	
New issues	<ul style="list-style-type: none"> <li>• Commission-free; minimum purchase \$10,000; subject to dealer minimum.</li> </ul>
Existing issues, unlisted (over-the-counter)	<ul style="list-style-type: none"> <li>• \$2 per \$1,000 face amount. No minimum. \$250 maximum.</li> </ul>
<b>U.S. government agency bonds***</b>	
New issues	<ul style="list-style-type: none"> <li>• Commission-free; minimum purchase \$10,000; subject to dealer minimum.</li> </ul>
Existing issues	<ul style="list-style-type: none"> <li>• \$2 per \$1,000 face amount. No minimum. \$250 maximum.</li> </ul>
<b>Mortgage-backed securities***</b>	<ul style="list-style-type: none"> <li>• \$50 per transaction.</li> </ul>
<b>Certificates of deposit (CDs)***</b>	
New issues	<ul style="list-style-type: none"> <li>• Commission-free; minimum purchase \$10,000; subject to dealer minimum.</li> </ul>
Existing issues (purchase)	<ul style="list-style-type: none"> <li>• \$2 per \$1,000 face amount. No minimum. \$250 maximum.</li> </ul>
Existing issues (sale)	<ul style="list-style-type: none"> <li>• Commission-free.</li> </ul>

## Connect with Vanguard®

vanguard.com/retirementplans > 800-523-1188

*For more information, visit [vanguard.com](http://vanguard.com), or call 800-523-1188 for funds in your plan and 800-339-4515 for funds offered through Vanguard Brokerage Services, to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.*

Options are a leveraged investment and are not suitable for every investor. Options involve risk, including the possibility that you could lose more money than you invest. Prior to buying or selling options, you must receive a copy of *Characteristics and Risks of Standardized Options* issued by the OCC. A copy of this booklet is available at [www.theocc.com](http://www.theocc.com). It may also be obtained from your broker, any exchange on which options are traded, or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (888-678-4667 or 888-OPTIONS). The booklet contains information on options issued by the OCC. It is intended for educational purposes. No statement in the booklet should be construed as a recommendation to buy or sell a security or to provide investment advice. For further assistance, please call the Options Industry Council ("OIC") Helpline at 888-OPTIONS or view the website at [www.optionseducation.org](http://www.optionseducation.org). The OIC can provide you with balanced options education and tools to assist you with your options questions and trading.

Please be aware that you must be preapproved by Vanguard Brokerage to trade options in your VBO account.

*You must buy and sell Vanguard ETF shares through a broker like Vanguard Brokerage Services (offered commission-free) or through another broker (which may incur commissions). Trading limits, fund expenses, and minimum investments may apply. Vanguard ETF shares are not redeemable directly with the issuing fund other than in very large aggregations worth millions of dollars. Like stocks, ETF shares are subject to market volatility. When buying or selling an ETF, you will pay or receive the current market price, which may be more or less than net asset value.*

\*Vanguard funds are subject to minimum amounts for initial and additional investments. The offering conditions of funds included in the FundAccess program are subject to change at any time, including, but not limited to, fee classification (load, transaction-fee, and no-transaction-fee) and transfer eligibility. For information about a specific fund, go to [vanguard.com](http://vanguard.com) and review the fund prospectus, or contact a VBS associate at 800-339-4515 (press 2).

\*\*NTF, TF, and load funds are subject to the greater of the FundAccess minimum investment requirements or those identified in the fund's prospectus. Vanguard Brokerage Services may negotiate fund minimum investment requirements that are greater than or less than the program standards noted above.

\*\*\*Vanguard Brokerage Services may act as an agent, executing your order at cost plus a commission, or as a principal, adding markups to purchase prices or subtracting markdowns from sales prices. When acting as a principal for a primary market issue, Vanguard Brokerage generally receives a fee concession from the issuer. Bond and CD prices are available at [vanguard.com](http://vanguard.com) and are price indications only. Online prices for all secondary-market bonds and CDs are before commissions.

Vanguard Brokerage Services is a division of Vanguard Marketing Corporation, Member FINRA and SIPC.



### Participant Education

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# Self-Directed Brokerage Accounts for Vanguard Directly Recordkept Plans: Commission and Fees

PO Box 2226 ■ Omaha, NE 68103-2226

Fax: 800-914-8980

Our low, straightforward trading commissions let you concentrate on executing your investment strategy...not on calculating fees.

## COMMISSIONS

Please note: Your Plan may restrict certain investments and not all commissions shown may be applicable.

### Equities (Individual Stocks, ADRs, Closed End Funds)

Trade Unlimited Shares (Market or Limit)	Price
Online/Mobile	\$6.95
Interactive Voice Response (IVR) Phone System	\$6.95
Broker-Assisted	\$24.99

Orders executed in multiple lots on the same trading day will be charged a single commission. When an order is partially executed over multiple trading days, the order is subject to a separate commission charge for each trading day.

### Exchange Traded Funds (ETFs)

Trade Unlimited Shares (Market or Limit)	Price
Commission-Free ETFs	No Commission & No Short Term Trading Fee
Vanguard ETFs	Waived***
Internet	\$6.95
Interactive Voice Response (IVR) Phone System	\$6.95
Broker-Assisted	\$24.99

Orders executed in multiple lots on the same trading day will be charged a single commission. When an order is partially executed over multiple trading days, the order is subject to a separate commission charge for each trading day. TD Ameritrade receives remuneration from ETFs that participate in commission-free ETF program for shareholder, administrative, and/or other services.

### Options

Equity or Index, Market, and Limit Orders	Price
Internet	\$6.95 + \$0.75 fee per contract
Interactive Voice Response (IVR) Phone System	\$6.95 + \$0.75 fee per contract
Broker-Assisted	\$6.95 + \$0.75 fee per contract
Nickel Buyback	\$0+ \$0.00 fee per contract

Nickel buyback lets you buy back single order short option positions—for both calls and puts—without any commissions or contract fees if the price is a nickel or less. You don't have to wait for expiration.

Please note: Options exercises and assignments will incur a \$19.99 commission. Options involve risks and are not suitable for all investors.

### Mutual Funds

	Price (Internet or Broker Assisted)
No-Transaction-Fee (NTF) Funds	No Commission*
Short Term Redemption Fee	Waived
No-Load Funds	\$25
Vanguard No-Load Funds	Waived***
Load Funds	No Commission*
Systematic Mutual Fund Transactions	Waived**

\*The Fund Family will charge fees as detailed in the fund prospectuses.

NTF mutual funds are no-load mutual funds for which TD Ameritrade does not charge a transaction fee. TD Ameritrade receives remuneration from mutual fund companies, including those participating in its no-load, NTF program for recordkeeping, shareholder services, and other administrative and distribution services. The amount of TD Ameritrade's remuneration for these services is based in part on the amount of investments in such funds by our clients. NTF mutual funds and other funds offered through TD Ameritrade have other fees and expenses that apply to a continued investment in the fund and are described in the prospectus.

\*\*All Periodic investments, withdrawals, and exchanges are subject to the rules and regulations of the Fund(s). You must be of legal age and have received and read the prospectus for each fund. You will be bound by the terms and conditions of the Fund(s). There is no per-transaction charge. Please ensure there are sufficient funds in your TD Ameritrade account to make the systematic purchase.

\*\*\*Specific fees may be waived for self-directed transactions in Vanguard ETFs and Mutual Funds within active Vanguard Retirement Plan Self-Directed Brokerage Accounts.



## Bonds and CDs

Product Type	Price <i>(Internet or Broker Assisted)</i>
Treasuries at Auction	No Commission
Bond and CD Trades	On a net yield basis

TD Ameritrade may act as principal on any fixed-income transaction. When acting as principal, we will add a markup to any purchase, and subtract a markdown from every sale. This markup or markdown will be included in the price quoted to you.

All buy orders for bonds are subject to a five-bond (\$5,000 par value) minimum. Online CD buy orders are subject to a two-CD (\$2,000 par value) minimum.

## SERVICE FEES

Reorganization	
Mandatory	\$20
Voluntary Tender Offer	\$30
Statements and Trade Confirmations†	
Electronic Statements/Confirmations	No Charge
Paper Statements/Confirmations	No Charge
Replacement Paper Statements/Confirmations	\$5
Transfers	
Outbound Full Account Transfer	\$50
Outbound Partial Transfer (DTC)	\$25

## Exception Fees

Removal of Non Marketable Security	No Charge
Alternative Investment (AI) Custody Fee	\$250 per year per position
Alternative Investment (AI) Transaction Fee	\$100 per transaction
Restricted Security Processing	\$250
Research Fee††	\$60 per hour

## Regulatory Fees

"Section 31" Fee <sup>1</sup>	\$0.000013 per \$1.00 of transaction proceeds
Options Regulatory Fee <sup>2</sup>	\$0.0169 per options contract
Trading Activity Fee <sup>3</sup>	\$0.000119 per equity share \$0.002 per options contract \$0.00075 per bond \$0.00000075 x value per asset-backed security trade

All prices shown in U.S. dollars. Commission schedules and fees may vary by program, location, or arrangements and are subject to change upon 30 days' notice to you.

All service fees are subject to change. TD Ameritrade reserves the right to pass-through Regulatory Fees, foreign transaction fees, and other fees to the client accounts, which may be assessed under various U.S. regulations or imposed by foreign governments and are subject to change without notice.

† Some accounts, such as options-approved accounts, are required to receive monthly statements either electronically (free) or via U.S. mail.

†† Research is conducted subsequent to specific and usually disputed account activities.

<sup>1</sup> Applies to certain sell transactions, assessed at a rate consistent with Section 31 of the Securities Exchange Act of 1934. TD Ameritrade remits these fees to certain self-regulatory organizations and national securities exchanges, which in turn make payment to the SEC. These fees are intended to cover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. The rate is subject to annual and mid-year adjustments which may not be immediately known to TD Ameritrade; as a result, the fee assessed may differ from or exceed the actual amount of the fee applicable to your transaction. Any excess may be retained by TD Ameritrade. Fees are rounded to the nearest penny.

<sup>2</sup> This fee varies by options exchange, where an options trade executes, and whether the broker responsible for the trade is a member of a particular exchange. As a result, TD Ameritrade calculates a blended rate that equals or slightly exceeds the amount it is required to remit to the options exchanges.

<sup>3</sup> This fee is assessed at a rate consistent with Section 1 of Schedule A of FINRA's By-Laws for trading activity. Current rates are: \$0.000119 per share for each sale of a covered equity security, with a maximum charge of \$5.95 per trade; \$0.002 per contract for each sale of an option; \$0.00075 per bond for each sale of a covered TRACE-Eligible Security (other than an Asset-Backed Security) and/or municipal security, with a maximum charge of \$0.75 per trade; \$0.00000075 times the value, as reported to TRACE, of a sale of an Asset-Backed Security, with a maximum charge of \$0.75 per trade. Fees are rounded to the nearest penny.

TD Ameritrade, Inc. and Vanguard are separate and unaffiliated companies, and are not responsible for one another's information, policies, or services.

Investment Products: Not FDIC Insured \* No Bank Guarantee \* May Lose Value

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