

October 2017



P.O. Box 2600
Valley Forge, PA 19482-2600

vanguard.com

[Name]
[Company]
[Address 1]
[Address 2]
[Address 3]
[City, State Zip]

Vanguard 403(b) Services is almost here

Dear [Sponsor Name],

The 403(b) account transition is nearly complete! As of **November 13, 2017**, the Vanguard 403(b) Services program you've been hearing about will be firmly in place. At that time, you and your participants will have access to the enhanced program offerings, including a fund lineup that introduces our lower-cost Admiral™ share class of mutual funds and an expanded website that features more customized online capabilities.

Prior to the transition

Be aware that as we finalize the transition, there will be a blackout period during which participants' 403(b) accounts will be accessible only for viewing. From the close of business on **Friday, November 3**, through the **week of November 6, 2017**, participants won't be able to transact on these accounts or take any distributions (including onetime distributions, installment distributions, and automatic exchanges). **The blackout period affects 403(b) accounts only.** All other Vanguard accounts will be accessible during this time. Visit vanguard.com/admininfo for additional details about the 403(b) account transition period.

Contributions during and after the blackout period

To ensure contributions can be processed and aren't rejected, please observe the following:

- **October 31:** Last day to submit an ACH contribution allocation through Vanguard Small Business Online®.
- **November 1:** Last day checks made payable to and received by Vanguard can be processed. **Checks received after 4 p.m., Eastern time, will be returned.**

Keep in mind . . .

Key dates

- **October 31**
Last day Vanguard Small Business Online will be available for contributions.
- **November 1**
Last day Vanguard can accept a check made payable to Vanguard.
- **November 3 (close of business) through the week of November 6**
Blackout period.
- **November 13**
Account transition complete and vanguard403bservices.com/sponsor available for use.

Key information sites

- Transition information:
vanguard.com/admininfo
 - Secure sponsor website:
vanguard403bservices.com/sponsor
 - Participant FAQs:
vanguard.com/transition
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Important

Going forward: All checks must be made payable to Newport Trust Company FBO [plan name and number] and sent to:

Newport Trust Company
Attention: Vanguard 403(b) Services
P.O. Box 645451
Pittsburgh, PA 15264-5252

Please note: Contributions made payable to and received by Newport Group during the blackout period won't be processed in participant accounts until November 13.

- **Beginning November 13:**

- The enhanced sponsor website, vanguard403bservices.com/sponsor, will be available for use, and online contributions can be submitted at this time.
- For more information regarding contribution deadlines and remittance procedures, visit vanguard.com/admininfo.

Fund changes and fee schedule

Refer to the enclosures with this letter for details about the fund lineup changes and important information regarding fees.

For more information

In the coming weeks, you'll receive the credentials you'll need to log on to the enhanced sponsor website. If you'd like more information in the meantime, visit vanguard.com/admininfo or call us at 844-859-0275 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.

Once again, thank you for belonging to the Vanguard community of investors.

Sincerely,



Alba E. Martinez
Principal
Retail Investor Group



Notification of changes to Vanguard mutual funds in the 403(b) program

For Vanguard 403(b) plan sponsors and participants

Changes coming to the fund lineup

Vanguard 403(b) plans will undergo several changes to the mutual fund lineup during the transition to the new Vanguard 403(b) Services program. The transition is scheduled to start at the close of business on November 3, 2017, and continue through the week of November 6, 2017.

Admiral[™] Shares offered

Admiral Shares will be available for Vanguard mutual funds that offer this share class, denoted with an “*” on the fund list on the opposite side of this page. Admiral Shares have lower expense ratios than our standard Investor share class. There will be no minimum investment or fund balance requirements.

Funds being “grandfathered”

Vanguard 403(b) Services will offer a streamlined fund lineup after the transition, shown on the opposite side of this page. Funds that won't be included in the new lineup will be “grandfathered” and still available to existing plans if at least one participant owns shares of the fund at the time of the transition. Following the transition, any new or existing plan participants may invest in these funds as long as at least one participant in the plan continues to own shares.

Two new fund closures

When the blackout period begins on November 3, the Convertible Securities Fund and the Wellington[™] Fund will be closed to plans that don't currently have participants invested in the funds. This is in addition to the funds that are already closed: Capital Opportunity, Dividend Growth, Primecap, and Primecap Core.

Contribution restrictions on five funds

The four mutual funds with purchase fees, shown on the opposite side of this page, and the Managed Payout Fund won't be available for contributions from 403(b) plan participants. Participants who currently hold these funds will only be able to sell fund shares, and contribution allocations or exchanges into the funds won't be permitted.

Note: Participants currently allocating money to these funds will be notified that they must change their contribution allocation prior to the transition.

18 funds eliminated from the lineup

The municipal money market and bond funds shown on the enclosed list will be removed from the fund lineup because they aren't intended for retirement investing. When the blackout period begins on November 3, these funds won't be available to existing investors and won't be offered to new plan participants.

Note: Participants holding or allocating contributions to these funds will be notified that they must exchange their assets to a different fund or change their contribution allocation prior to the transition.

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Funds being “grandfathered”

Capital Value	Large-Cap Index*
Diversified Equity	Long-Term Bond Index
Dividend Appreciation Index*	Long-Term Investment-Grade*
Emerging Markets Select Stock	Long-Term Treasury*
Emerging Markets Stock Index*	Market Neutral
Energy*	Morgan™ Growth*
Equity Income Fund*	Pacific Stock Index*
European Stock Index*	Precious Metals and Mining
FTSE All-World ex-US Index*	Short-Term Bond Index*
FTSE All-World ex-US Small-Cap Index	Short-Term Federal*
Global Minimum Volatility*	Short-Term Inflation-Protected Securities Index*
GNMA*	Short-Term Treasury*
High Dividend Yield Index	STAR®
High-Yield Corporate*	Treasury Money Market
Intermediate-Term Bond Index*	Ultra-Short-Term Bond*
Intermediate-Term Treasury*	Wellesley® Income*
International Explorer™	Windsor™*
	Windsor II™*

Two new fund closures

Convertible Securities	Wellington™*
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The fund closures only apply to plans that don’t have any participants invested in the funds at the time of the transition.

See enclosed notice for details about these funds.

*Funds that offer Admiral Shares

Funds closing to new contributions

Emerging Markets Government Bond Index	International High Dividend Yield Index
Global ex-U.S. Real Estate Index	Managed Payout
International Dividend Appreciation Index Funds	

Funds being eliminated from the lineup

California Municipal Money Market	Long-Term Tax-Exempt
New Jersey Municipal Money Market	Limited-Term Tax-Exempt
New York Municipal Money Market	Massachusetts Tax-Exempt
Pennsylvania Municipal Money Market	New Jersey Long-Term Tax-Exempt
Municipal Money Market	New York Long-Term Tax-Exempt
California Intermediate-Term Tax-Exempt	Ohio Long-Term Tax-Exempt
California Long-Term Tax-Exempt	Pennsylvania Long-Term Tax-Exempt
High-Yield Tax-Exempt	Short-Term Tax-Exempt
Intermediate-Term Tax-Exempt	Tax-Exempt Bond Index

Funds that don't have any changes

500 Index	Mid-Cap Growth
Balanced Index	Mid-Cap Growth Index
Core Bond	Mid-Cap Index
Developed Markets Index	Mid-Cap Value Index
Explorer	Prime Money Market
Explorer Value	REIT Index
Extended Market Index	Selected Value
Federal Money Market	Short-Term Investment-Grade
FTSE Social Index	Small-Cap Growth Index
Global Equity	Small-Cap Index
Growth and Income	Small-Cap Value Index
Growth Index	Strategic Equity
Health Care	Strategic Small-Cap Equity
Inflation-Protected Securities	Target Retirement Funds
Intermediate-Term Investment-Grade	Total Bond Market Index
International Growth	Total International Bond Index
International Value	Total International Stock Index
LifeStrategy® Conservative Growth	Total Stock Market Index
LifeStrategy Growth	Total World Stock Index
LifeStrategy Income	U.S. Growth
LifeStrategy Moderate Growth	U.S. Value
	Value Index

For more information about Vanguard funds, visit vanguard.com to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

You could lose money by investing in the Vanguard Treasury Money Market Fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

All investing is subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.



Vanguard 403(b) Services fee schedule

Pricing for Vanguard 403(b) Services will change to reflect the program's additional services and capabilities. Starting in 2018, each participant will pay a flat \$5 monthly recordkeeping fee (\$60 annually). This fee replaces the \$15 annual fee for each mutual fund held in the account.

Administrative and custodial services

Annual recordkeeping and custodial fee (deducted from participant accounts unless plan sponsor elects to pay fee)	\$60 per year/\$5 per month per participant (starting in 2018)
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Transactions—Charged to participant accounts per occurrence

Transactions—Charged to participant accounts per occurrence

Loan setup	\$ 50
Annual loan maintenance	\$ 25
Hardship distribution (when reviewed and calculated by Vanguard)	\$125
Domestic relations order (when reviewed and qualified by Vanguard)	\$225
Overnight check	\$ 20

Plan events—Invoiced to plan sponsor

Onsite enrollment and education (optional)	\$750/day plus expenses
Plan termination or deconversion	\$750