

May 2017



P.O. Box 1110
Valley Forge, PA 19482-1110

vanguard.com

Action required: Fee disclosure requirements for ERISA 403(b) plans

Dear Plan Administrator,

The U.S. Department of Labor fee disclosure regulations require full transparency for employer-sponsored retirement plans. Service providers (Vanguard) and plan sponsors (you) each have responsibilities and need to take action to comply with the regulations. Vanguard strongly supports fee transparency and is committed to promoting cost consciousness. When plan sponsors and participants understand the costs associated with retirement plans and the potential impact those costs have on investment returns over time, they can make informed decisions about their investment and service options.

A summary of your responsibilities

- **Review Vanguard's summary of plan services and fees.** As a service provider, Vanguard must furnish a summary of plan services and fees to plan sponsors. The enclosed *403(b) fee disclosure information* booklet includes a detailed description of the investment management services we provide and a listing of all direct and indirect compensation we receive. As a plan sponsor, you have a fiduciary duty to review the booklet and determine if fees for services to the plan are reasonable.
- **Provide disclosures to participants.** As a sponsor of a plan affected by the regulations, you're required to provide an initial disclosure—followed by annual disclosures—to all participants, eligible nonparticipating employees, and beneficiaries. These disclosures must include information about the plan in general, the plan's investments, and the administrative and individual expenses associated with plan participation. Within the same communication, you'll also need to include comparative information for all service providers in your plan. In addition, you're required to provide quarterly disclosures of all individual or administrative fees deducted from participant accounts in the preceding quarter. **In summary, as a plan sponsor, you're responsible for complying with all participant disclosure requirements.**

We're here to help you

For help in understanding and fulfilling your responsibilities, please see the enclosed *403(b) fee disclosure information* booklet for the following documents:

- **Understanding 403(b) fee disclosure rules** (pages i–iv). Details about the regulations, a description of the services we'll provide to help you comply, and a description of the information you must distribute to participants.
- **403(b) fee disclosure for plan sponsors** (pages A1–A10). A description of services provided and information on all plan-related and investment-related fees within the Vanguard 403(b) program.

(over)

- **403(b) fee notice for plan participants** (pages B1–B16). General plan information, investment performance, and information on all plan-related and investment-related fees charged to participants within the Vanguard 403(b) program.

In addition, all participant statements issued by Vanguard provide clear information about any fees deducted during the statement period and the services provided in exchange for those fees. Participants can visit vanguard.com for more information about fees as well as a glossary of investing terms.

New Target Retirement Fund to be introduced; two others merging. Money market fund liquidated

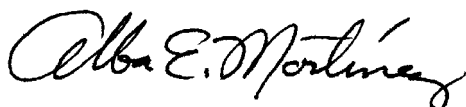
Also enclosed are two copies of the *Notification of changes to Vanguard fund lineup*, which identifies upcoming changes to our Target Retirement Fund and money market fund lineups. **Keep one copy with your plan records and distribute the other to your participants.**

Your next steps

- Read **Understanding 403(b) fee disclosure rules** carefully to ensure you understand what steps you'll need to take to comply with these regulations.
- Review **403(b) fee disclosure for plan sponsors** to determine if our fees are reasonable.
- Review **403(b) fee notice for plan participants** and distribute it annually to the appropriate recipients along with disclosures from any additional providers.
- Distribute copies of the *Notification of changes to Vanguard fund lineups* to each of your plan participants.

If you have any questions, please call us at **800-962-5068** Monday through Friday from 8 a.m. to 8 p.m., Eastern time. Thank you for choosing Vanguard as your investment provider.

Sincerely,



Alba E. Martinez
Principal
Retail Investor Group



Notification of changes to Vanguard fund lineup

For Vanguard 403(b) plan administrators

This document provides important updates to the list of Vanguard funds offered by your 403(b) plan.

The Employee Retirement Income Security Act of 1974 (ERISA) requires plan sponsors to act prudently and solely in the interest of plan participants when selecting or monitoring plan providers and investments. We're providing this information to help you fulfill your fiduciary responsibilities.

New Target Retirement Fund to be introduced; two others merging

Vanguard Target Retirement Funds will soon see the following changes:

- In midyear, the Target Retirement 2065 Fund will be added to the list of available Vanguard Target Retirement Funds. This fund will seek to meet the needs of investors beginning the accumulation phase of their retirement savings.
- In early July, the Target Retirement 2010 Fund will be merged into the Target Retirement Income Fund as their asset allocations have become nearly identical. Effective January 5, 2017, the Target Retirement 2010 Fund closed to new investors, but the fund remains available to plan participants as an investment option until the merger is complete.

These changes are in keeping with Vanguard's strategy of offering a full range of target-date investments that span the retirement needs of all generations in the workforce at any given time.

Ohio Tax-Exempt Money Market Fund liquidated

After careful consideration, the board of trustees of Vanguard Ohio Tax-Exempt Money Market Fund decided to liquidate the fund on February 15, 2017.

It was determined that because of the fund's relatively small and decreasing asset and shareholder bases and the low likelihood that the fund would attract sufficient new assets in the short or long run—given recent changes with money market reform—it was in the best interest of the shareholders to liquidate the fund.

For more information about these and other funds in your plan, visit vanguard.com/mutualfunds.

Actions required

- Please keep this notification with your plan records.
- Distribute a copy of the enclosed plan participant notification of changes to each of your plan participants.

Questions?

If you have questions, call a retirement specialist at 800-962-5068 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.

Thank you for choosing Vanguard as your investment provider.

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

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

Visit [vanguard.com](https://www.vanguard.com) to obtain a fund prospectus or, if available, a summary prospectus, which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.



Vanguard®

Notification of changes to Vanguard fund lineup

For Vanguard 403(b) plan participants

This document provides important updates to the Vanguard funds offered by your 403(b) plan.

New Target Retirement Fund to be introduced; two others merging

Vanguard Target Retirement Funds will soon see the following changes:

- In midyear, the Target Retirement 2065 Fund will be added to the list of available Vanguard Target Retirement Funds. This fund will seek to meet the needs of investors beginning the accumulation phase of their retirement savings.
- In early July, the Target Retirement 2010 Fund will be merged into the Target Retirement Income Fund as their asset allocations have become nearly identical. Effective January 5, 2017, the Target Retirement 2010 Fund closed to new investors, but the fund remains available to plan participants as an investment option until the merger is complete.

These changes are in keeping with Vanguard's strategy of offering a full range of target-date investments that span the retirement needs of all generations in the workforce at any given time.

Ohio Tax-Exempt Money Market Fund liquidated

After careful consideration, the board of trustees of Vanguard Ohio Tax-Exempt Money Market Fund decided to liquidate the fund on February 15, 2017.

It was determined that because of the fund's relatively small and decreasing asset and shareholder bases and the low likelihood that the fund would attract sufficient new assets in the short or long run—given recent changes with money market reform—it was in the best interest of the shareholders to liquidate the fund.

Please keep this notification with your plan records. For more information about these and other funds in your plan, visit vanguard.com/mutualfunds or call us at the number below.

How to change your investment allocations

If you'd like to change your investment allocations, you have three ways to do so:

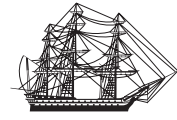
- Log on to your Vanguard account. From the menu, choose **My Accounts** and select **Balances & holdings**. If you haven't yet signed up for secure online account access, go to vanguard.com/register and follow the prompts.
- Call us at 800-962-5068 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.
- Send a letter of instruction to Vanguard, P.O. Box 1110, Valley Forge, PA 19482-1110. For overnight delivery, mail to Vanguard, 455 Devon Park Drive, Wayne, PA 19087-1815.

Thank you for choosing Vanguard as your investment provider.

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

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

Visit [vanguard.com](https://www.vanguard.com) to obtain a fund prospectus or, if available, a summary prospectus, which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.



Vanguard®

403(b) fee disclosure information

The information in this booklet will help you understand your regulatory requirements.



For plan sponsors

Understanding 403(b) fee disclosure rules

U.S. Department of Labor regulations require transparency surrounding the fees and services of 403(b) service providers. These regulations state that:

- Plan service providers must disclose detailed information about their fees and services to plan sponsors.
- Plan sponsors must disclose certain plan and investment-related information, including fees and expenses, to all plan participants.

Plans subject to disclosure requirements

The disclosure requirements apply to certain types of retirement plans, including 403(b) plans that are subject to the Employee Retirement Income Security Act (“ERISA”).

Costs matter

Vanguard strongly supports fee transparency and is committed to providing straightforward, useful fee and expense disclosures. We encourage you to compare our fees with those of other service providers and to consider how the combined costs of recordkeeping and investment-related fees can impact out-of-pocket expenses for your participants.

Plan sponsors pay no fees for the services Vanguard provides. And Vanguard mutual funds operate on an “at cost” basis, which means funds cost investors what they cost us to run them. We’re able to keep costs low because we have no sales commissions or loads. For more information on low-cost investing for retirement, visit vanguard.com/403b7employers.

Our disclosure to you

ERISA requires plan sponsors to act prudently and solely in the interest of plan participants when selecting or monitoring plan providers and investments. We’ve provided detailed information in this booklet to help you fulfill your fiduciary duty to ensure fees are reasonable.

Information to be disclosed

- Description of services provided.
- Direct compensation for services (received directly from the plan).
- Indirect compensation for services (received from a source other than the plan sponsor, service provider, affiliate, or subcontractor).
- Investment-related fees, such as expense ratios and purchase/redemption fees, and manner of payment.

Form of disclosure

Service providers must supply disclosure information to plan sponsors in written form. In accordance with the regulations, we've enclosed a 403(b) fee disclosure report describing Vanguard's services and a breakdown of direct and indirect compensation and any recordkeeping fees associated with those services. We've also provided expense ratios and industry-average expense ratios for all Vanguard investments offered through the Vanguard 403(b) program.

How to determine if fees are reasonable

When evaluating a plan, you should consider such aspects as quality of services, costs, complexity of the plan, and the needs of participants. While obtaining a competitive bid can be one way to evaluate fees, you may also want to consider alternatives such as industry benchmarks and surveys.

Your disclosure to plan participants

Regulations require you to distribute detailed information about the fees and services of all plan providers offered under your plan to new participants on or before the date that they can direct investments in the plan and on an annual basis thereafter. **As a plan sponsor, compliance with participant disclosure requirements is ultimately your responsibility.**

Please note: For purposes of this notification, the term "plan participant" includes active new participants, eligible nonparticipating employees, and beneficiaries with a balance, including alternate payees under a qualified domestic relations order ("QDRO").

Information to be disclosed

In the enclosed 403(b) fee notice for plan participants, you'll notice two types of information: plan-related and investment-related. All of the information in the following chart is required by Department of Labor regulations.

Plan information	
General plan information	A list of all investment options, the requirements for giving investment instructions, and participant voting rights.
Administrative expenses	Expenses that may be charged to or deducted from an account, such as annual recordkeeping fees (i.e., account service fees), and a description of services to which charges relate.
Individual expenses	Expenses such as hardship fees.

Investment information	
Performance data	Information about historical investment performance, including 1-, 5-, and 10-year returns. Since-inception returns are provided for all funds that have fewer than 10 years of performance data.
Benchmark information	The name and returns of an appropriate broad-based securities market index over the same 1-, 5-, 10-year, and since-inception periods as the performance data.
Fee and expense information	Any shareholder-type fees or restrictions on a participant's ability to purchase or withdraw from the investment, and the total annual operating expenses (expense ratio), expressed as both a percentage of assets and as a dollar amount for each \$1,000 invested.
Comparative format	Investment-related information must be provided in a chart or similar format designed to help participants compare each investment option under the plan.
Website	A website address that gives participants access to additional and updated information about investment options.
Glossary	A glossary of financial terms to assist participants is available at vanguard.com .

Form of disclosure

The 403(b) fee disclosure for plan participants in this booklet contains all the Vanguard-related information you're required to provide to plan participants. You can send this information to participants through the mail or, if you meet Department of Labor requirements, electronically.

If you have a multiprovider plan, you must supply information from all providers in a single mailing; however, you're not required to combine multiple disclosures into a single notice. This applies to both initial and annual fee disclosure notices for participants.

Your responsibility

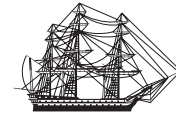
- Ensure the participant disclosure information is complete and accurate, and add to or edit the disclosure as needed.
- Distribute information from all providers offered under your plan to all plan participants.
- Ensure that all participants receive future disclosures according to the chart below.

	What's included?	How is it distributed?	When is it due?
Initial notice to new participants	Full fee disclosure.	You must distribute. We recommend distributing with other new-hire materials. (Available at vanguard.com for your reference.)	On or before the date participants can first direct investments in the plan.
Annual notices	Full fee disclosure.	You must distribute. (Vanguard will send you a notice annually.)	Annually.
Quarterly updates	All fees deducted from each account and the services related to those fees.	On Vanguard participant account statements.	Quarterly.
Change notices	A description of changes to fees or plan information.	You must distribute. (Vanguard will send you notification of any change when required.)	Generally 30–90 days before the effective date of the change.

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.

All investing is subject to risk, including the possible loss of the money you invest. Services provided by Vanguard to the Vanguard funds are at cost.

© 2017 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor.



403(b) fee disclosure for plan sponsors

As a retirement plan service provider, Vanguard must furnish a description of plan services and fees to plan sponsors in accordance with the Department of Labor’s rules under ERISA Section 408(b)(2). To meet this requirement, we’re providing you with this report, which includes a description of the services provided to your plan and a listing of all direct and indirect compensation received by Vanguard. We hope you’ll find this information helpful and recommend that you use it to help satisfy your ERISA fiduciary duty to ensure that your plan is paying reasonable compensation for the services provided to the plan.

Contents

Vanguard’s services.....	A2
Vanguard’s fees	A3
Investment expenses	A3
Notes	A8
Appendix	A8

Vanguard's services

Custodial and recordkeeping services

Vanguard Fiduciary Trust Company ("VFTC") serves as custodian for the Vanguard Individual 403(b)(7) custodial accounts. Vanguard's custodial and recordkeeping services to the plan include:

- Basic participant account recordkeeping (e.g., demographic and investment records).
- Maintenance of participant beneficiary records.
- Daily participant transaction accounting (i.e., purchases, redemptions, and exchanges).
- Investment education services.
- Investment election and allocation changes.
- Salary deferral and employer contribution processing.
- Distribution services (e.g., processing hardships, in-service withdrawals, and rollovers).
- Required minimum distribution services (e.g., automatic calculations and optional ongoing distributions).
- Participant tax-reporting services (e.g., IRS Form 1099-R).
- Participant confirmations, statements, and standard notices.
- Plan-level annual accounting (5500 package for use in preparing IRS Form 5500).
- Information sharing (e.g., historical plan or participant data).
- Dedicated support providing multichannel participant and plan sponsor access (e.g., phone and 24-hour online account management on [vanguard.com](https://www.vanguard.com)).

Statement of fiduciary status

To the extent participants use asset allocation services provided by Vanguard Advisers, Inc. ("VAI"), VAI acts as a registered investment advisor under the Investment Advisers Act of 1940.

Vanguard's fees

Recordkeeping fee	Fee	Amount
Direct compensation	Annual recordkeeping per-participant fee (i.e., account service fee)	\$15 per fund*
Indirect compensation	—	\$0
Termination	—	\$0

*The cost to the plan for recordkeeping services is \$15 for each mutual fund a participant holds in his or her Vanguard 403(b)(7) account. This fee is deducted directly from each participant's fund account annually. This fee doesn't apply to Vanguard Flagship Select, Flagship, Voyager Select, or Voyager Services clients. In such cases, the estimated cost of recordkeeping is still \$15 per fund, even when there's no explicit charge. Unlike for other types of accounts at Vanguard, the recordkeeping fee isn't waived for participant enrollment in e-delivery of statements, confirmations, and fund information, or if the participant has at least \$10,000 in a fund account.

Investment expenses

The following table provides expense information for investment options available through the 403(b) program at Vanguard (as of December 31, 2016).

Visit vanguard.com/mutualfunds for:

- Updated fee and performance information.
- Fund prospectuses.
- Additional information about each investment's objective and goals, strategies and risks, and portfolio turnover rate.
- A glossary of investment terms.

Vanguard funds have no purchase or redemption fees except where indicated.

International funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
Developed Markets Index Fund (Inv) (12/19/2013)	0.20%	\$2.00	1.34%
Emerging Markets Government Bond Index Fund (Inv) (5/31/2013) <i>Purchase fee: 0.75%</i>	0.49	4.90	1.18
Emerging Markets Select Stock Fund (Inv) (6/27/2011)	0.93	9.30	1.50
Emerging Markets Stock Index Fund (Inv) (5/4/1994)	0.33	3.30	1.50
European Stock Index Fund (Inv) (6/18/1990)	0.26	2.60	1.48
FTSE All-World ex-US Index Fund (Inv) (3/8/2007)	0.26	2.60	1.34
FTSE All-World ex-US Small-Cap Index Fund (Inv) (4/2/2009)	0.31	3.10	1.56
Global Equity Fund (Inv) (8/14/1995)	0.57	5.70	1.24
Global ex-U.S. Real Estate Index Fund (Inv) (11/1/2010) <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.36	3.60	1.36
Global Minimum Volatility Fund (Inv) (12/12/2013)	0.27	2.70	1.24
International Dividend Appreciation Index Fund (2/25/2016) <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.35	3.50	1.24
International Explorer™ Fund (Inv) (11/4/1996)	0.42	4.20	1.56
International Growth Fund (Inv) (9/30/1981)	0.46	4.60	1.34
International High Dividend Yield Index Fund (2/25/2016) <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.40	4.00	1.33
International Value Fund (Inv) (5/16/1983)	0.46	4.60	1.34
Pacific Stock Index Fund (Inv) (6/18/1990)	0.26	2.60	1.05
Precious Metals and Mining Fund (5/23/1984)	0.35	3.50	1.46
Total International Bond Index Fund (Inv) (5/31/2013)	0.17	1.70	1.01
Total International Stock Index Fund (Inv) (4/29/1996)	0.19	1.90	1.34
Total World Stock Index Fund (Inv) (6/26/2008)	0.25	2.50	1.24

Stock funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
500 Index Fund (Inv) (8/31/1976)	0.16%	\$1.60	1.07%
Capital Opportunity Fund (Inv) (8/14/1995)	0.45	4.50	1.23
Capital Value Fund (Inv) (12/17/2001)	0.50	5.00	1.10
Diversified Equity Fund (Inv) (6/10/2005)	0.40	4.00	1.12
Dividend Appreciation Index Fund (Inv) (4/27/2006)	0.19	1.90	1.07
Dividend Growth Fund (Inv) (5/15/1992)	0.33	3.30	1.07
Energy Fund (Inv) (5/23/1984)	0.37	3.70	1.43
Equity Income Fund (Inv) (3/21/1988)	0.26	2.60	1.20
Explorer Fund (Inv) (12/11/1967)	0.49	4.90	1.34
Explorer Value™ Fund (Inv) (3/30/2010)	0.63	6.30	1.32

Stock funds *(continued)*

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
Extended Market Index Fund (Inv) (12/21/1987)	0.22%	\$2.20	1.13%
FTSE Social Index Fund (Inv) (5/31/2000)	0.22	2.20	1.14
Growth and Income Fund (Inv) (12/10/1986)	0.34	3.40	1.07
Growth Index Fund (Inv) (11/2/1992)	0.22	2.20	1.14
Health Care Fund (Inv) (5/23/1984)	0.36	3.60	1.31
High Dividend Yield Index Fund (Inv) (11/16/2006)	0.16	1.60	1.20
Large-Cap Index Fund (Inv) (1/30/2004)	0.20	2.00	1.07
Market Neutral Fund (Inv) (11/11/1998)	1.46	14.60	1.57
Mid-Cap Growth Fund (Inv) (12/31/1997)	0.43	4.30	1.28
Mid-Cap Growth Index Fund (Inv) (8/24/2006)	0.20	2.00	1.28
Mid-Cap Index Fund (Inv) (5/21/1998)	0.20	2.00	1.13
Mid-Cap Value Index Fund (Inv) (8/24/2006)	0.20	2.00	1.20
Morgan™ Growth Fund (Inv) (12/31/1968)	0.40	4.00	1.23
PRIMECAP Core Fund (Inv) (12/9/2004)	0.47	4.70	1.12
PRIMECAP Fund (Inv) (11/1/1984)	0.40	4.00	1.23
REIT Index Fund (Inv) (5/13/1996)	0.26	2.60	1.28
Selected Value Fund (Inv) (2/15/1996)	0.39	3.90	1.20
Small-Cap Growth Index Fund (Inv) (5/21/1998)	0.20	2.00	1.34
Small-Cap Index Fund (Inv) (10/3/1960)	0.20	2.00	1.24
Small-Cap Value Index Fund (Inv) (5/21/1998)	0.20	2.00	1.32
Strategic Equity Fund (Inv) (8/14/1995)	0.21	2.10	1.13
Strategic Small-Cap Equity Fund (Inv) (4/24/2006)	0.34	3.40	1.24
Total Stock Market Index Fund (Inv) (4/27/1992)	0.16	1.60	1.12
U.S. Growth Fund (Inv) (1/6/1959)	0.46	4.60	1.14
U.S. Value Fund (Inv) (6/29/2000)	0.26	2.60	1.10
Value Index Fund (Inv) (11/2/1992)	0.22	2.20	1.09
Windsor™ Fund (Inv) (10/23/1958)	0.39	3.90	1.10
Windsor II Fund (Inv) (6/24/1985)	0.34	3.40	1.09

Balanced funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
Balanced Index Fund (Inv) (11/9/1992)	0.22%	\$2.20	0.92%
Convertible Securities Fund (Inv) (6/17/1986)	0.38	3.80	1.38
LifeStrategy® Conservative Growth Fund (Inv) (9/30/1994)	0.13	1.30	0.97
LifeStrategy Growth Fund (Inv) (9/30/1994)	0.15	1.50	1.12
LifeStrategy Income Fund (Inv) (9/30/1994)	0.12	1.20	0.90
LifeStrategy Moderate Growth Fund (Inv) (9/30/1994)	0.14	1.40	1.05
Managed Payout Fund (Inv) (5/2/2008)	0.38	3.80	0.86
STAR® Fund (Inv) (3/29/1985)	0.34	3.40	1.05
Target Retirement 2010 Fund (Inv) (6/7/2006)	0.14	1.40	0.36
Target Retirement 2015 Fund (Inv) (10/27/2003)	0.14	1.40	0.35
Target Retirement 2020 Fund (Inv) (6/7/2006)	0.14	1.40	0.45
Target Retirement 2025 Fund (Inv) (10/27/2003)	0.15	1.50	0.40
Target Retirement 2030 Fund (Inv) (6/7/2006)	0.15	1.50	0.44
Target Retirement 2035 Fund (Inv) (10/27/2003)	0.15	1.50	0.40
Target Retirement 2040 Fund (Inv) (6/7/2006)	0.16	1.60	0.42
Target Retirement 2045 Fund (Inv) (10/27/2003)	0.16	1.60	0.38
Target Retirement 2050 Fund (Inv) (6/7/2006)	0.16	1.60	0.41
Target Retirement 2055 Fund (Inv) (8/18/2010)	0.16	1.60	0.38
Target Retirement 2060 Fund (Inv) (1/19/2012)	0.16	1.60	0.38
Target Retirement Income Fund (Inv) (10/27/2003)	0.14	1.40	0.43
Wellesley® Income Fund (Inv) (7/1/1970)	0.23	2.30	0.81
Wellington™ Fund (Inv) (7/1/1929)	0.26	2.60	0.92

Bond funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
California Intermediate-Term Tax-Exempt Fund (Inv) (3/4/1994)	0.20%	\$2.00	0.74%
California Long-Term Tax-Exempt Fund (Inv) (4/7/1986)	0.20	2.00	0.92
Core Bond Fund (3/28/2016)	0.25	2.50	0.78
GNMA Fund (Inv) (6/27/1980)	0.21	2.10	0.90
High-Yield Corporate Fund (Inv) (12/27/1978)	0.23	2.30	1.08
High-Yield Tax-Exempt Fund (Inv) (12/27/1978)	0.20	2.00	0.91
Inflation-Protected Securities Fund (Inv) (6/29/2000)	0.20	2.00	0.74
Intermediate-Term Bond Index Fund (Inv) (3/1/1994)	0.16	1.60	0.78
Intermediate-Term Investment-Grade Fund (Inv) (11/1/1993)	0.20	2.00	0.78
Intermediate-Term Tax-Exempt Fund (Inv) (9/1/1977)	0.20	2.00	0.79
Intermediate-Term Treasury Fund (Inv) (10/28/1991)	0.20	2.00	0.42

Bond funds *(continued)*

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
Limited-Term Tax-Exempt Fund (Inv) (8/31/1987)	0.20%	\$2.00	0.68%
Long-Term Bond Index Fund (Inv) (3/1/1994)	0.16	1.60	0.84
Long-Term Investment-Grade Fund (Inv) (7/9/1973)	0.21	2.10	0.84
Long-Term Tax-Exempt Fund (Inv) (9/1/1977)	0.20	2.00	0.91
Long-Term Treasury Fund (Inv) (5/19/1986)	0.20	2.00	0.42
Massachusetts Tax-Exempt Fund (12/9/1998)	0.16	1.60	1.03
New Jersey Long-Term Tax-Exempt Fund (Inv) (2/3/1988)	0.20	2.00	0.92
New York Long-Term Tax-Exempt Fund (Inv) (4/7/1986)	0.20	2.00	0.94
Ohio Long-Term Tax-Exempt Fund (6/18/1990)	0.16	1.60	1.01
Pennsylvania Long-Term Tax-Exempt Fund (Inv) (4/7/1986)	0.20	2.00	1.01
Short-Term Bond Index Fund (Inv) (3/1/1994)	0.16	1.60	0.73
Short-Term Federal Fund (Inv) (12/31/1987)	0.20	2.00	0.89
Short-Term Inflation-Protected Securities Index Fund (Inv) (10/16/2012)	0.17	1.70	0.74
Short-Term Investment-Grade Fund (Inv) (10/29/1982)	0.20	2.00	0.73
Short-Term Tax-Exempt Fund (Inv) (9/1/1977)	0.20	2.00	0.60
Short-Term Treasury Fund (Inv) (10/28/1991)	0.20	2.00	0.52
Tax-Exempt Bond Index Fund (Inv) (8/21/2015) <i>Purchase fee: 0.25%</i>	0.20	2.00	0.91
Total Bond Market Index Fund (Inv) (12/11/1986)	0.16	1.60	0.78
Ultra-Short-Term Bond Fund (Inv) (2/24/2015)	0.20	2.00	0.52

Money market funds**

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)		Industry average expense ratio*
	As a %	Per \$1,000	
California Municipal Money Market Fund† (6/1/1987)	0.16%	\$1.60	0.16%
Federal Money Market Fund†† (7/13/1981)	0.11	1.10	0.26
Municipal Money Market Fund† (6/10/1980)	0.15	1.50	0.14
New Jersey Municipal Money Market Fund† (2/3/1988)	0.16	1.60	0.21
New York Municipal Money Market Fund† (9/3/1997)	0.16	1.60	0.17
Pennsylvania Municipal Money Market Fund† (6/13/1988)	0.16	1.60	0.21
Prime Money Market Fund† (6/4/1975)	0.16	1.60	0.32
Treasury Money Market Fund†† (12/14/1992)	0.09	0.90	0.25

*Source: Lipper, a Thomson Reuters Company, as of December 31, 2016.

**Notes applying to money market entries are detailed on page A10.

The expenses chart contained in this notice may contain investment options not available in your plan (e.g., certain closed funds).

Notes

This report includes all anticipated fees, expenses, and compensation paid to or received by Vanguard. Any fees, expenses, or compensation unknown to Vanguard that's charged or received by another covered service provider to the plan isn't included.

All investing is subject to risk, including the possible loss of the money you invest. Bond funds are subject to interest rate risk, which is the chance bond prices overall will decline because of rising interest rates, and credit risk, which is the chance a bond issuer will fail to pay interest and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Foreign investing involves additional risks including currency fluctuations and political uncertainty. The cost information presented in this analysis is from the best available information on the date it was prepared and is subject to change.

All fund expense ratios are reported as of December 31, 2016. For more information about any fund, including investment objectives, risks, charges, and expenses, refer to the fund prospectus or, if available, the summary prospectus. Because some funds invest in other investment companies, including business development companies ("BDCs"), SEC rules require that these funds' reported expense ratios include the expenses of these other investment companies (known as acquired fund fees and expenses, or "AFFE"), though these are actually internal expenses of the BDCs—not fees paid to Vanguard—and aren't fund expenses that additionally reduce the returns of these funds.

Asset allocation services are provided by Vanguard Advisers, Inc., a registered investment advisor.

Appendix

Recordkeeping disclosures

- **Direct compensation:** compensation received directly from the covered plan. These fees are deducted directly from participant accounts or plan assets.
- **Indirect compensation:** compensation received from any source other than the covered plan, the plan sponsor, the covered service provider, an affiliate, or a subcontractor.

Compensation among related parties

Service providers must supply plan sponsors with a description of any compensation that will be paid to the service provider, an affiliate, or a subcontractor in connection with the services provided to the plan if such compensation is set on a transaction basis (e.g., commissions, soft dollars, finder's fees, or other similar incentive compensation based on business placed or retained) or will be charged directly against the plan's investment and reflected in the net value of the investment (e.g., 12b-1 fees).

No such compensation has been or will be paid to Vanguard or any affiliate or subcontractor in connection with the services provided to the plan.

Manner of receipt of compensation

Compensation received by Vanguard will be paid directly from participants' individual custodial accounts or investments as detailed herein.

Float disclosure

Vanguard maintains pooled (or "omnibus") accounts to facilitate transactions. One such pooled account holds distributions pending redemption of a check. To the extent there are any earnings (i.e., "float") on the money that accumulates in the pooled account, the earnings are allocated proportionately among all of the Vanguard mutual funds in order to offset expenses of the mutual funds. This cash management process ultimately lowers the expense ratios of the mutual funds, thereby benefiting all fund shareholders, including plan participants.

With respect to distributions pending redemption of a check, the potential earnings period begins on the date the distribution check is written and ends on the date the check is presented for payment. The earnings rate is a rate that's based on the federal funds rate. Administrative procedures are in place to limit any potential float period.

Trade processing and reconciliation

Vanguard strives to ensure timely and accurate processing of all transactions. Although Vanguard seeks to avoid errors, occasionally an error may occur when Vanguard processes a transaction on behalf of a plan participant. If a processing error caused by Vanguard is identified, once Vanguard has obtained sufficient information to correct the error, Vanguard promptly takes corrective action to put the plan and participants in a position financially equivalent to the position they would've been in if the error hadn't occurred.

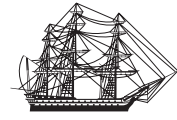
Vanguard has procedures in place to reconcile all transactions on its recordkeeping systems, including corrective transactions. If Vanguard determines that corrective action by Vanguard to fix a processing error caused by Vanguard results in losses, Vanguard makes the plan and affected participants whole for the amount of such losses. If gains occur as a result of any corrective action to adjust plan accounts on Vanguard's recordkeeping system, such gains are retained by Vanguard and may be used to offset any losses resulting from corrections and this reconciliation process.

Gift and entertainment disclosure

Vanguard's Gift and Entertainment Policy (the "Policy") was adopted in accordance with applicable regulatory guidelines and is intended to help employees make appropriate decisions that are consistent with the best interests of Vanguard fund shareholders. It's Vanguard's policy that giving and receiving gifts and entertainment should never create or appear to create a conflict of interest, interfere with the impartial fulfillment of our responsibilities to clients, create the appearance of a reward, or place Vanguard in a difficult or compromising position. Vanguard employees aren't permitted to solicit gifts or entertainment, and extravagant or excessive entertaining is also prohibited. Vanguard has carefully reviewed the gifts and entertainment received by its employees pursuant to this Policy. It has been determined that under any reasonable method of allocation, the gifts and entertainment attributable to any plan are of insubstantial value and, therefore, exempt from reporting on the Schedule C for the plan's IRS Form 5500. Similarly, Vanguard doesn't reasonably anticipate receiving nonmonetary compensation associated with any plan in excess of \$250 and, accordingly, doesn't have reportable nonmonetary compensation for purposes of ERISA Section 408(b)(2).

† The Fund is only available to retail investors (natural persons). You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. 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.

†† You could lose money by investing in the 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.



Vanguard[®]

403(b) fee notice for plan participants

Federal regulations require plan sponsors to give you specific information about plan fees and investments to help you manage your retirement plan account. This document includes important information about investment options available under Vanguard's 403(b) program.

Costs matter

Vanguard is a strong proponent of fee transparency and is committed to providing straightforward, useful fee and expense disclosures. We encourage you to compare our fees with those of other service providers and to consider how the combined costs of recordkeeping and investment-related fees can impact your out-of-pocket expenses.

Vanguard investors can earn more over time. Here's how: We have no outside owners, so investors never have to give up a part of their returns to a financial conglomerate or public stockholders. We're able to keep costs low because we have no sales commissions or loads. And we've consistently lowered costs over time, so more returns stay with our investors. For more information on low-cost investing for retirement, visit vanguard.com/403b7employees.

Document summary

This document has two parts. Part I consists of general plan information, including how you may direct your retirement plan investments at Vanguard, restrictions that may apply to that investment direction, and whether you have additional voting rights associated with such plan investments. Part I also describes the fees and expenses you'll pay for plan administration and individual transactions you may choose to conduct within the Vanguard program. Part II contains past performance information for the Vanguard investment options and the fees and expenses associated with each fund.

If you want additional information about these investment options, you can visit vanguard.com/mutualfunds; contact a Vanguard 403(b) retirement specialist at 800-962-5068 Monday through Friday from 8 a.m. to 8 p.m., Eastern time; or write to us at P.O. Box 1110, Valley Forge, PA 19482-1110.

Part I. General plan information

A. How to direct your plan investments at Vanguard

Your plan gives you the right to direct some or all of your plan investments. You may invest the assets of your Vanguard 403(b)(7) account in any of the Vanguard funds available under your plan. Please note: The investment performance and expenses chart in this notice may contain investment options not available in your plan. For further information on your plan's investment options, contact your plan administrator.

You can direct your Vanguard investments using any of the following methods:

- **Online.** Log on to your account at vanguard.com at any time. If you haven't signed up for secure online account access, visit vanguard.com/register and follow the prompts.
- **By phone.** Contact a Vanguard 403(b) retirement specialist at 800-962-5068.
- **By mail.** Mail written requests to Vanguard, P.O. Box 1110, Valley Forge, PA 19482-1110. For overnight delivery, mail to Vanguard, 455 Devon Park Drive, Wayne, PA 19087-1815.

Transaction requests (i.e., a contribution, an exchange, or a distribution) must be in good order, meaning that Vanguard has determined that (1) the transaction request includes complete information and (2) appropriate assets are already in the account or new assets have been received.

For information about trade dates for transaction requests received in good order, please refer to the fund's prospectus.

Proxy voting

All periodic notices, prospectuses, financial statements, reports, proxies, and proxy soliciting materials relating to the Vanguard fund shares held in your account will be delivered to you. If you submit your direction in the required form by the applicable deadline, Vanguard will vote shares allocated to your account in accordance with your direction. If you don't provide timely instructions to Vanguard, Vanguard will vote your shares in proportionately the same manner as shares that were voted on in a timely manner by the fund's other shareholders.

B. Limitations on your ability to direct investments

Because excessive transactions can disrupt the management of an investment option and increase its transaction costs, Vanguard places certain limits on exchanges and other transactions. If you move money out of an investment option (other than money market funds and short-term bond funds), you can't move money back into the same investment option for 30 calendar days. This frequent-trading 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 doesn't apply to:

- Transaction requests submitted by mail to Vanguard.
- Purchases of shares by asset transfer or direct rollover.
- Transactions through Vanguard's Automatic Exchange Service, Automatic Withdrawal Plan, Required Minimum Distribution Service, and Vanguard Small Business Online®.
- Purchases of shares with reinvested dividend or capital gains distributions.
- Redemptions of shares to pay fund or account fees.
- Transfers and reregistrations of shares within the same fund.

Note that Vanguard reserves the right to revise or terminate the exchange privilege (your ability to move money between funds), limit the amount of any exchange, or reject any exchange at any time, without notice.

C. Plan administrative expenses

Administrative expenses are fees charged to your account for administration of your plan. An annual recordkeeping fee (i.e., account service fee) of \$15 is charged for each Vanguard mutual fund held in your account. This fee is deducted directly from each participant's fund account annually and can't be waived for those enrolled in Vanguard's e-service package. The fee doesn't apply to Vanguard Flagship Select, Flagship, Voyager Select, or Voyager Services clients. Please review your quarterly account statement for the dollar amount and description of any fee charged to your account.

D. Individual transaction expenses

Transaction expenses are investment fees charged to your account for individual transactions. Your account may be subject to additional fees if you choose to invest in a fund with purchase or redemption fees. Please review the investment performance and expenses chart contained in this notice to determine whether these fees may be assessed for an investment fund choice, and review your quarterly account statement for a detailed disclosure of the dollar amount actually charged to your account each quarter, if any.

Part II. Investment performance and fee information

The following table shows how the Vanguard investment options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods. Past performance doesn't guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about risks is available at vanguard.com/mutualfunds.

The table also shows fee information and total annual operating expenses (expense ratio) for each Vanguard investment option. Total annual operating expenses reduce the rate of return of the investment option. This table also shows shareholder-type fees, such as purchase and redemption fees, where applicable. These fees are in addition to total annual operating expenses.

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. For an example showing the long-term effects of fees and expenses, visit the U.S. Department of Labor website at dol.gov/ebsa/pdf/401kfeesemployee.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 retirement goals.

Investment performance and expenses

The following table provides performance and expense information for investment options available through the 403(b) program at Vanguard (as of December 31, 2016). Please note, past performance is no guarantee of future results. Visit vanguard.com/mutualfunds for:

- Updated fee and performance information.
- Fund prospectuses.
- Additional information about each investment's objective and goals, strategies and risks, and portfolio turnover rate.
- A glossary of investment terms.

Vanguard funds have no purchase or redemption fees except where indicated.

International funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Developed Markets Index Fund (Inv) (12/19/2013) Benchmark: Spliced Developed ex US Index	0.20%	\$2.00	1.34%	2.36% 2.29	— 6.92%	— 0.93%	−0.20% 0.05
Emerging Markets Government Bond Index Fund (Inv) (5/31/2013) Benchmark: Bloomberg Barclays USD Emerging Markets Government RIC Capped Index <i>Purchase fee: 0.75%</i>	0.49	4.90	1.18	8.87 10.02	— —	— —	3.35 3.82
Emerging Markets Select Stock Fund (Inv) (6/27/2011) Benchmark: FTSE Emerging Index	0.93	9.30	1.50	16.86 13.17	2.74 1.83	— 2.37	−1.05 −1.53
Emerging Markets Stock Index Fund (Inv) (5/4/1994) Benchmark: Spliced Emerging Markets Index	0.33	3.30	1.50	11.50 11.77	1.26 1.61	1.72 2.01	5.93 —
European Stock Index Fund (Inv) (6/18/1990) Benchmark: Spliced European Stock Index	0.26	2.60	1.48	−0.80 −0.48	6.45 6.55	0.51 0.50	6.75 6.82
FTSE All-World ex-US Index Fund (Inv) (3/8/2007) Benchmark: FTSE All-World ex US Index	0.26	2.60	1.34	4.67 4.80	5.26 5.52	— 1.54	1.08 1.53
FTSE All-World ex-US Small-Cap Index Fund (Inv) (4/2/2009) Benchmark: FTSE Global Small-Cap ex US Index	0.31	3.10	1.56	4.17 4.07	6.66 6.80	— 2.17	10.73 11.33
Global Equity Fund (Inv) (8/14/1995) Benchmark: Spliced Global Equity Index	0.57	5.70	1.24	6.57 7.86	11.09 9.36	3.54 3.57	8.34 6.48
Global ex-U.S. Real Estate Index Fund (Inv) (11/1/2010) Benchmark: S&P Global ex-U.S. Property Index <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.36	3.60	1.36	1.01 1.46	8.32 8.22	— —	3.83 3.77
Global Minimum Volatility Fund (Inv) (12/12/2013) Benchmark: FTSE Global All Cap Index (USD Hedged)	0.27	2.70	1.24	8.53 10.10	— 12.25	— 5.01	10.28 8.09
International Dividend Appreciation Index Fund (2/25/2016) Benchmark: NASDAQ International Dividend Achievers Select Index <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.35	3.50	1.24	— 1.37	— —	— —	6.53 —
International Explorer™ Fund (Inv) (11/4/1996) Benchmark: S&P EPAC SmallCap Index	0.42	4.20	1.56	−1.77 1.34	9.74 10.27	2.60 2.73	8.91 6.37
International Growth Fund (Inv) (9/30/1981) Benchmark: Spliced International Index	0.46	4.60	1.34	1.71 4.50	7.06 5.00	2.42 −0.12	10.00 8.53
International High Dividend Yield Index Fund (2/25/2016) Benchmark: FTSE All-World ex US High Dividend Yield Index <i>Purchase fee: 0.25%, Redemption fee: 0.25%</i>	0.40	4.00	1.33	— 8.41	— 5.03	— 1.33	15.59 —
International Value Fund (Inv) (5/16/1983) Benchmark: Spliced International Index	0.46	4.60	1.34	4.46 4.50	6.01 5.00	0.75 −0.12	8.56 8.31
Pacific Stock Index Fund (Inv) (6/18/1990) Benchmark: Spliced Pacific Stock Index	0.26	2.60	1.05	5.19 4.67	6.80 7.03	1.43 1.56	2.12 2.18
Precious Metals and Mining Fund (5/23/1984) Benchmark: Spliced Global Custom Metals & Mining Index	0.35	3.50	1.46	50.64 62.37	−11.87 −9.01	−4.91 −1.34	4.23 3.27

International funds *(continued)*

Vanguard fund <small>(Inception date)</small>	Annual expense ratio <small>(as of December 31, 2016)</small>			Average annual returns <small>(as of December 31, 2016)</small>			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Total International Bond Index Fund (Inv) (5/31/2013) Benchmark: Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	0.17%	\$1.70	1.01%	4.67% 4.90	— —	— —	3.95% 4.27
Total International Stock Index Fund (Inv) (4/29/1996) Benchmark: Spliced Total International Stock Index	0.19	1.90	1.34	4.65 4.72	5.43% 5.58	0.88% 0.98	4.16 4.18
Total World Stock Index Fund (Inv) (6/26/2008) Benchmark: Spliced Total World Stock Index	0.25	2.50	1.24	8.67 8.82	9.74 9.99	— —	4.70 4.72

Stock funds

Vanguard fund <small>(Inception date)</small>	Annual expense ratio <small>(as of December 31, 2016)</small>			Average annual returns <small>(as of December 31, 2016)</small>			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
500 Index Fund (Inv) (8/31/1976) Benchmark: S&P 500 Index	0.16%	\$1.60	1.07%	11.82% 11.96	14.49% 14.66	6.82% 6.95	10.87% 10.02
Capital Opportunity Fund (Inv) (8/14/1995) Benchmark: Russell Midcap Growth Index	0.45	4.50	1.23	10.56 7.33	17.89 13.51	9.06 7.83	11.99 8.77
Capital Value Fund (Inv) (12/17/2001) Benchmark: Russell 3000 Value Index	0.50	5.00	1.10	11.81 18.40	13.30 14.81	5.17 5.76	6.21 7.70
Diversified Equity Fund (Inv) (6/10/2005) Benchmark: MSCI US Broad Market Index	0.40	4.00	1.12	8.47 12.67	14.05 14.71	6.49 7.26	7.38 8.18
Dividend Appreciation Index Fund (Inv) (4/27/2006) Benchmark: NASDAQ US Dividend Achievers Select Index	0.19	1.90	1.07	11.73 11.93	11.57 11.76	6.85 7.08	7.20 7.45
Dividend Growth Fund (Inv) (5/15/1992) Benchmark: Dividend Growth Spliced Index	0.33	3.30	1.07	7.53 11.93	12.37 11.76	7.79 5.94	8.13 7.16
Energy Fund (Inv) (5/23/1984) Benchmark: Spliced Energy Index	0.37	3.70	1.43	33.10 27.66	1.67 0.01	2.75 1.20	10.94 11.42
Equity Income Fund (Inv) (3/21/1988) Benchmark: Spliced Equity Income Index	0.26	2.60	1.20	14.70 16.96	13.68 14.40	7.42 7.18	10.16 10.92
Explorer Fund (Inv) (12/11/1967) Benchmark: Russell 2500 Growth Index	0.49	4.90	1.34	12.33 9.73	13.12 13.88	7.04 8.24	9.08 —
Explorer Value™ Fund (Inv) (3/30/2010) Benchmark: Russell 2500 Value Index	0.63	6.30	1.32	20.67 25.20	15.05 15.04	— 6.94	13.11 12.42
Extended Market Index Fund (Inv) (12/21/1987) Benchmark: Spliced Extended Market Index	0.22	2.20	1.13	15.99 15.95	14.50 14.55	7.80 7.84	10.73 10.74
FTSE Social Index Fund (Inv) (5/31/2000) Benchmark: Spliced Social Index	0.22	2.20	1.14	10.24 10.42	15.80 16.06	6.04 6.25	3.51 3.70

Stock funds (continued)

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Growth and Income Fund (Inv) (12/10/1986) Benchmark: S&P 500 Index	0.34%	\$3.40	1.07%	11.97% 11.96	15.07% 14.66	6.36% 6.95	9.95% 10.02
Growth Index Fund (Inv) (11/2/1992) Benchmark: Spliced Growth Index	0.22	2.20	1.14	5.99 6.16	13.90 14.13	7.99 8.20	8.95 9.10
Health Care Fund (Inv) (5/23/1984) Benchmark: Spliced Health Care Index	0.36	3.60	1.31	-8.99 -6.83	16.78 13.35	10.22 7.84	16.37 10.70
High Dividend Yield Index Fund (Inv) (11/16/2006) Benchmark: FTSE High Dividend Yield Index	0.16	1.60	1.20	16.75 16.96	14.23 14.40	7.02 7.24	7.22 7.44
Large-Cap Index Fund (Inv) (1/30/2004) Benchmark: Spliced Large Cap Index	0.20	2.00	1.07	11.50 11.75	14.37 14.61	6.95 7.14	7.74 7.93
Market Neutral Fund (Inv) (11/11/1998) Benchmark: Citigroup 3-Month U.S. T-Bill Index	1.46	14.60	1.57	2.62 0.27	3.82 0.08	1.67 0.72	3.10 1.98
Mid-Cap Growth Fund (Inv) (12/31/1997) Benchmark: Russell Midcap Growth Index	0.43	4.30	1.28	0.44 7.33	11.44 13.51	7.52 7.83	9.53 7.52
Mid-Cap Growth Index Fund (Inv) (8/24/2006) Benchmark: Spliced Mid Cap Growth Index	0.20	2.00	1.28	6.62 6.78	12.81 12.98	7.20 7.38	7.87 8.05
Mid-Cap Index Fund (Inv) (5/21/1998) Benchmark: Spliced Mid Cap Index	0.20	2.00	1.13	11.07 11.25	14.22 14.42	7.52 7.70	9.50 9.51
Mid-Cap Value Index Fund (Inv) (8/24/2006) Benchmark: Spliced Mid Cap Value Index	0.20	2.00	1.20	15.11 15.28	15.41 15.62	7.53 7.72	8.48 8.68
Morgan™ Growth Fund (Inv) (12/31/1968) Benchmark: Russell 3000 Growth Index	0.40	4.00	1.23	3.28 7.39	13.66 14.44	6.88 8.28	10.10 —
PRIMECAP Core Fund (Inv) (12/9/2004) Benchmark: MSCI US Prime Market 750 Index	0.47	4.70	1.12	12.35 11.72	16.11 14.66	9.24 7.17	9.90 7.93
PRIMECAP Fund (Inv) (11/1/1984) Benchmark: S&P 500 Index	0.40	4.00	1.23	10.63 11.96	16.76 14.66	9.31 6.95	13.40 11.07
REIT Index Fund (Inv) (5/13/1996) Benchmark: REIT Spliced Index	0.26	2.60	1.28	8.34 8.60	11.62 11.86	5.09 5.20	10.64 10.68
Selected Value Fund (Inv) (2/15/1996) Benchmark: Russell Midcap Value Index	0.39	3.90	1.20	16.34 20.00	14.27 15.70	7.48 7.59	8.97 10.83
Small-Cap Growth Index Fund (Inv) (5/21/1998) Benchmark: Spliced Small Cap Growth Index	0.20	2.00	1.34	10.61 10.62	12.65 12.68	8.09 8.11	8.11 7.98
Small-Cap Index Fund (Inv) (10/3/1960) Benchmark: Spliced Small Cap Index	0.20	2.00	1.24	18.17 18.26	14.68 14.81	8.04 8.10	10.65 —
Small-Cap Value Index Fund (Inv) (5/21/1998) Benchmark: Spliced Small Cap Value Index	0.20	2.00	1.32	24.65 24.82	16.21 16.41	7.63 7.76	8.81 8.66
Strategic Equity Fund (Inv) (8/14/1995) Benchmark: Spliced Small and Mid Cap Index	0.21	2.10	1.13	17.92 15.77	17.34 15.00	7.55 8.05	10.82 10.31
Strategic Small-Cap Equity Fund (Inv) (4/24/2006) Benchmark: MSCI US Small Cap 1750 Index	0.34	3.40	1.24	20.64 20.41	16.45 15.04	7.62 8.21	7.47 7.96

Stock funds (continued)

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Total Stock Market Index Fund (Inv) (4/27/1992) Benchmark: Spliced Total Stock Market Index	0.16%	\$1.60	1.12%	12.53% 12.68	14.49% 14.64	7.11% 7.23	9.34% 9.48
U.S. Growth Fund (Inv) (1/6/1959) Benchmark: Russell 1000 Growth Index	0.46	4.60	1.14	-0.75 7.08	14.32 14.50	7.18 8.33	10.12 —
U.S. Value Fund (Inv) (6/29/2000) Benchmark: Russell 3000 Value Index	0.26	2.60	1.10	16.36 18.40	15.93 14.81	6.27 5.76	7.41 7.15
Value Index Fund (Inv) (11/2/1992) Benchmark: Spliced Value Index	0.22	2.20	1.09	16.75 16.93	14.82 15.04	5.85 6.00	9.45 9.59
Windsor™ Fund (Inv) (10/23/1958) Benchmark: Russell 1000 Value Index	0.39	3.90	1.10	12.49 17.34	14.85 14.80	5.39 5.72	11.32 —
Windsor II Fund (Inv) (6/24/1985) Benchmark: Russell 1000 Value Index	0.34	3.40	1.09	13.41 17.34	13.23 14.80	5.69 5.72	10.66 10.91

Balanced funds**

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Balanced Index Fund (Inv) (11/9/1992) Benchmark: Spliced Total Stock Market Index	0.22%	\$2.20	0.92%	8.63% 12.68	9.47% 14.64	6.27% 7.23	8.04% 9.42
Convertible Securities Fund (Inv) (6/17/1986) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.38	3.80	1.38	6.62 12.62	7.98 14.59	5.97 7.18	8.07 —
LifeStrategy® Conservative Growth Fund (Inv) (9/30/1994) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.13	1.30	0.97	5.96 12.62	6.15 14.59	4.39 7.18	6.85 9.50
LifeStrategy Growth Fund (Inv) (9/30/1994) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.15	1.50	1.12	8.33 12.62	9.73 14.59	4.65 7.18	7.81 9.50
LifeStrategy Income Fund (Inv) (9/30/1994) Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index	0.12	1.20	0.90	4.58 2.65	4.27 2.23	4.10 4.34	6.29 5.73
LifeStrategy Moderate Growth Fund (Inv) (9/30/1994) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.14	1.40	1.05	7.13 12.62	7.96 14.59	4.69 7.18	7.48 9.50
Managed Payout Fund (Inv) (5/2/2008) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.38	3.80	0.86	7.55 12.62	7.78 14.59	— 7.18	4.50 8.06
STAR® Fund (Inv) (3/29/1985) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.34	3.40	1.05	6.55 12.62	8.89 14.59	5.56 7.18	9.34 —

Balanced funds** (continued)

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Target Retirement 2010 Fund (Inv) (6/7/2006) Benchmark: MSCI US Broad Market Index	0.14%	\$1.40	0.36%	5.22% 12.67	5.97% 14.71	4.61% 7.26	5.31% 8.15
Target Retirement 2015 Fund (Inv) (10/27/2003) Benchmark: MSCI US Broad Market Index	0.14	1.40	0.35	6.16 12.67	7.22 14.71	4.85 7.26	5.97 8.75
Target Retirement 2020 Fund (Inv) (6/7/2006) Benchmark: MSCI US Broad Market Index	0.14	1.40	0.45	6.95 12.67	8.17 14.71	4.99 7.26	5.85 8.15
Target Retirement 2025 Fund (Inv) (10/27/2003) Benchmark: MSCI US Broad Market Index	0.15	1.50	0.40	7.48 12.67	8.86 14.71	5.00 7.26	6.39 8.75
Target Retirement 2030 Fund (Inv) (6/7/2006) Benchmark: MSCI US Broad Market Index	0.15	1.50	0.44	7.85 12.67	9.50 14.71	4.98 7.26	5.98 8.15
Target Retirement 2035 Fund (Inv) (10/27/2003) Benchmark: MSCI US Broad Market Index	0.15	1.50	0.40	8.26 12.67	10.15 14.71	5.09 7.26	6.90 8.75
Target Retirement 2040 Fund (Inv) (6/7/2006) Benchmark: MSCI US Broad Market Index	0.16	1.60	0.42	8.73 12.67	10.51 14.71	5.26 7.26	6.21 8.15
Target Retirement 2045 Fund (Inv) (10/27/2003) Benchmark: MSCI US Broad Market Index	0.16	1.60	0.38	8.87 12.67	10.54 14.71	5.27 7.26	7.27 8.75
Target Retirement 2050 Fund (Inv) (6/7/2006) Benchmark: MSCI US Broad Market Index	0.16	1.60	0.41	8.85 12.67	10.54 14.71	5.27 7.26	6.27 8.15
Target Retirement 2055 Fund (Inv) (8/18/2010) Benchmark: MSCI US Broad Market Index	0.16	1.60	0.38	8.88 12.67	10.51 14.71	— 7.26	10.16 14.41
Target Retirement 2060 Fund (Inv) (1/19/2012) Benchmark: MSCI US Broad Market Index	0.16	1.60	0.38	8.84 12.67	— 14.71	— 7.26	9.66 13.76
Target Retirement Income Fund (Inv) (10/27/2003) Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index	0.14	1.40	0.43	5.25 2.65	4.91 2.23	4.88 4.34	5.15 4.24
Wellesley® Income Fund (Inv) (7/1/1970) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.23	2.30	0.81	8.08 12.62	7.29 14.59	6.66 7.18	9.85 —
Wellington™ Fund (Inv) (7/1/1929) Benchmark: Dow Jones U.S. Total Stock Market Float Adjusted Index	0.26	2.60	0.92	11.01 12.62	10.44 14.59	6.89 7.18	8.25 —

Bond funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
California Intermediate-Term Tax-Exempt Fund (Inv) (3/4/1994) Benchmark: Bloomberg Barclays Municipal CA Intermediate Bond Index	0.20%	\$2.00	0.74%	-0.18%	3.30%	3.93%	4.77%
				-0.74	2.74	4.49	—
California Long-Term Tax-Exempt Fund (Inv) (4/7/1986) Benchmark: Bloomberg Barclays CA Municipal Index	0.20	2.00	0.92	0.06	4.38	4.17	5.97
				-0.14	3.85	4.44	—
Core Bond Fund (3/28/2016) Benchmark: Bloomberg Barclays U.S. Aggregate Float Adjusted Income	0.25	2.50	0.78	—	—	—	0.25
				2.75	2.24	—	—
GNMA Fund (Inv) (6/27/1980) Benchmark: Bloomberg Barclays U.S. GNMA Bond Index	0.21	2.10	0.90	1.85	1.95	4.36	7.39
				1.56	1.81	4.35	7.69
High-Yield Corporate Fund (Inv) (12/27/1978) Benchmark: Bloomberg Barclays U.S. Corporate High Yield Bond Index	0.23	2.30	1.08	11.19	6.51	6.31	8.48
				17.13	7.36	7.45	—
High-Yield Tax-Exempt Fund (Inv) (12/27/1978) Benchmark: Bloomberg Barclays Municipal Bond Index	0.20	2.00	0.91	0.83	4.40	4.43	6.55
				0.25	3.28	4.25	—
Inflation-Protected Securities Fund (Inv) (6/29/2000) Benchmark: Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index	0.20	2.00	0.74	4.52	0.71	4.11	5.44
				4.68	0.89	4.36	5.67
Intermediate-Term Bond Index Fund (Inv) (3/1/1994) Benchmark: Spliced Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index	0.16	1.60	0.78	2.75	2.76	5.27	6.00
				3.10	2.96	5.37	6.15
Intermediate-Term Investment-Grade Fund (Inv) (11/1/1993) Benchmark: Bloomberg Barclays U.S. 5–10 Year Credit Bond Index	0.20	2.00	0.78	3.83	3.73	5.28	5.79
				5.23	4.39	5.86	6.33
Intermediate-Term Tax-Exempt Fund (Inv) (9/1/1977) Benchmark: Bloomberg Barclays 1–15 Year Municipal Bond Index	0.20	2.00	0.79	0.08	2.81	3.89	5.42
				0.01	2.54	4.00	—
Intermediate-Term Treasury Fund (Inv) (10/28/1991) Benchmark: Bloomberg Barclays U.S. 5–10 Year Treasury Bond Index	0.20	2.00	0.42	1.19	1.29	4.41	5.85
				1.18	1.61	5.03	6.15
Limited-Term Tax-Exempt Fund (Inv) (8/31/1987) Benchmark: Bloomberg Barclays 1–5 Year Municipal Bond Index	0.20	2.00	0.68	-0.16	1.04	2.36	4.11
				0.00	1.25	2.86	—
Long-Term Bond Index Fund (Inv) (3/1/1994) Benchmark: Spliced Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index	0.16	1.60	0.84	6.41	3.93	6.76	7.30
				6.68	4.07	6.85	7.36
Long-Term Investment-Grade Fund (Inv) (7/9/1973) Benchmark: Bloomberg Barclays U.S. Long Credit A or Better Bond Index	0.21	2.10	0.84	7.82	5.54	6.97	8.40
				7.88	5.13	6.52	8.42
Long-Term Tax-Exempt Fund (Inv) (9/1/1977) Benchmark: Bloomberg Barclays Municipal Bond Index	0.20	2.00	0.91	0.63	4.04	4.30	5.88
				0.25	3.28	4.25	—

Bond funds (continued)

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
Long-Term Treasury Fund (Inv) (5/19/1986) Benchmark: Bloomberg Barclays U.S. Long Treasury Bond Index	0.20%	\$2.00	0.42%	1.20% 1.33	2.35% 2.52	6.41% 6.68	7.63% 8.01
Massachusetts Tax-Exempt Fund (12/9/1998) Benchmark: Bloomberg Barclays MA Municipal Bond Index	0.16	1.60	1.03	-0.12 -0.20	3.34 2.97	4.01 4.27	4.40 —
New Jersey Long-Term Tax-Exempt Fund (Inv) (2/3/1988) Benchmark: Bloomberg Barclays NJ Municipal Bond Index	0.20	2.00	0.92	0.80 0.71	3.50 3.25	3.96 4.13	5.84 —
New York Long-Term Tax-Exempt Fund (Inv) (4/7/1986) Benchmark: Bloomberg Barclays NY Municipal Bond Index	0.20	2.00	0.94	0.53 0.39	3.79 3.22	4.09 4.24	5.73 —
Ohio Long-Term Tax-Exempt Fund (6/18/1990) Benchmark: Bloomberg Barclays OH Municipal Bond Index	0.16	1.60	1.01	0.98 0.31	4.03 3.51	4.43 4.01	5.85 —
Pennsylvania Long-Term Tax-Exempt Fund (Inv) (4/7/1986) Benchmark: Bloomberg Barclays PA Municipal Bond Index	0.20	2.00	1.01	0.66 0.24	3.82 3.49	4.12 4.46	5.92 —
Short-Term Bond Index Fund (Inv) (3/1/1994) Benchmark: Spliced Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index	0.16	1.60	0.73	1.41 1.57	1.08 1.30	2.90 3.05	4.21 4.41
Short-Term Federal Fund (Inv) (12/31/1987) Benchmark: Bloomberg Barclays U.S. 1–5 Year Government Bond Index	0.20	2.00	0.89	1.14 1.02	0.82 0.80	2.71 2.76	4.97 5.10
Short-Term Inflation-Protected Securities Index Fund (Inv) (10/16/2012) Benchmark: Bloomberg Barclays U.S. Treasury Inflation Protected Securities (TIPS) 0–5 Year Index	0.17	1.70	0.74	2.59 2.81	— 0.48	— —	-0.03 0.05
Short-Term Investment-Grade Fund (Inv) (10/29/1982) Benchmark: Bloomberg Barclays U.S. 1–5 Year Credit Bond Index	0.20	2.00	0.73	2.72 2.58	2.19 2.46	3.23 3.86	6.16 6.83
Short-Term Tax-Exempt Fund (Inv) (9/1/1977) Benchmark: Bloomberg Barclays 1 Year Municipal Bond Index	0.20	2.00	0.60	0.36 0.30	0.58 0.63	1.64 1.82	3.95 —
Short-Term Treasury Fund (Inv) (10/28/1991) Benchmark: Bloomberg Barclays U.S. 1–5 Year Treasury Bond Index	0.20	2.00	0.52	0.99 1.02	0.55 0.77	2.33 2.77	4.12 4.39
Tax-Exempt Bond Index Fund (Inv) (8/21/2015) Benchmark: S&P National AMT-Free Municipal Bond Index <i>Purchase fee: 0.25%</i>	0.20	2.00	0.91	0.00 0.36	— 3.06	— —	1.57 1.84
Total Bond Market Index Fund (Inv) (12/11/1986) Benchmark: Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index	0.16	1.60	0.78	2.50 2.75	2.03 2.24	4.18 4.36	6.02 6.31
Ultra-Short-Term Bond Fund (Inv) (2/24/2015) Benchmark: Bloomberg Barclays U.S. Treasury Bellwethers: 1 Year Index	0.20	2.00	0.52	1.29 0.84	— 0.37	— 1.46	0.80 0.58

Money market funds

Vanguard fund (Inception date)	Annual expense ratio (as of December 31, 2016)			Average annual returns (as of December 31, 2016)			
	As a %	Per \$1,000	Industry average expense ratio*	1 year	5 years	10 years	Since inception
California Municipal Money Market Fund† (6/1/1987) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.16%	\$1.60	0.16%	0.29% 0.27	0.07% 0.08	0.63% 0.72	2.32% —
Federal Money Market Fund†† (7/13/1981) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.11	1.10	0.26	0.30 0.27	0.08 0.08	0.83 0.72	4.35 4.24
Municipal Money Market Fund† (12/31/2016) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.15	1.50	0.14	0.33 0.27	0.08 0.08	0.69 0.72	3.03 —
New Jersey Municipal Money Market Fund† (2/3/1988) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.16	1.60	0.21	0.28 0.27	0.07 0.08	0.65 0.72	2.30 —
New York Municipal Money Market Fund† (9/3/1997) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.16	1.60	0.17	0.30 0.27	0.07 0.08	0.64 0.72	1.51 —
Pennsylvania Municipal Money Market Fund† (6/13/1988) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.16	1.60	0.21	0.29 0.27	0.07 0.08	0.67 0.72	2.33 —
Prime Money Market Fund† (6/4/1975) Benchmark: Citigroup 3-Month U.S. T-Bill Index	0.16	1.60	0.32	0.49 0.27	0.12 0.08	0.90 0.72	5.13 —
Treasury Money Market Fund†† (12/14/1992) Benchmark: iMoneyNet Money Fund Report's 100% Treasury Funds Average	0.09	0.90	0.25	0.25 0.01	0.06 0.00	0.74 0.51	2.57 2.16

*Source: Lipper, a Thomson Reuters Company, as of December 31, 2016.

**Each benchmark provided in the chart is a broad-based securities market index, as required by Department of Labor regulations. When reviewing performance of a balanced 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 with composite benchmarks composed of multiple broad-based indexes based on the fund's composition, goals, and objectives. Composite benchmarks are available in the fund prospectuses and also on vanguard.com.

***For the most recent available data on the average expense ratios of similar funds, visit vanguard.com.

† *The Fund is only available to retail investors (natural persons). You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. 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.*

†† *You could lose money by investing in the 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.*

This information is intended for distribution to retirement plans only. Copyright 2017 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed (except to intended retirement plan sponsors, participants, or beneficiaries); and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Please note, you cannot invest in an index (benchmark).

The investment performance and expenses chart contained in this notice may contain investment options not available in your plan (e.g., certain closed funds). For further information on your plan's investment options, please contact Vanguard or your plan administrator.

Past performance

The performance data shown represent past performance, which isn't 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 quarter-end and month-end, visit [vanguard.com/fundperformance](https://www.vanguard.com/fundperformance).

Fee definitions

Account service fee: The cost to the plan for recordkeeping services is \$15 for each mutual fund a participant holds in a Vanguard 403(b)(7) account. This fee is deducted directly from each participant's fund account annually. This fee doesn't apply to Vanguard Flagship Select, Flagship, Voyager Select, or Voyager Services clients. Unlike for other types of accounts at Vanguard, this fee isn't waived for enrollment in e-delivery of statements, confirmations, and fund information, or if you have at least \$10,000 in a fund account.

Purchase fee: an amount charged when shareholders purchase shares of a fund. This fee isn't a sales charge or load because it's paid directly to the fund to offset the costs of trading certain securities.

Redemption fee: an amount charged when shareholders redeem shares of a fund. Some funds only charge a redemption fee when shares are bought and sold within a specified time period. 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. **Note:** Vanguard funds have no purchase or redemption fees except where indicated in the preceding tables.

For more information

Visit [vanguard.com/mutualfunds](https://www.vanguard.com/mutualfunds) for updated fee and performance information for each Vanguard investment option, along with additional information regarding the investment's objectives and goals, strategies and risks, and portfolio turnover rate.

Visit [personal.vanguard.com/us/glossary](https://www.personal.vanguard.com/us/glossary) for a list of defined investment terms relevant to the Vanguard investment options under this plan. This glossary is intended to help you better understand your options.

A note about risk

All investing is subject to risk, including the possible loss of the money you invest. While U.S. Treasury or government agency securities provide substantial protection against credit risk, they don't protect investors against price changes due to changing interest rates. While the market values of government securities aren't guaranteed and may fluctuate, these securities are guaranteed as to the timely payment of principal and interest. Bond funds are subject to interest rate risk, which is the chance bond prices overall will decline because of rising interest rates, and credit risk, which is the chance a bond issuer will fail to pay interest and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Stocks of companies in emerging markets are generally more risky than stocks of companies in developed countries. Foreign investing involves additional risks including currency fluctuations and political uncertainty. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility.

Services provided by Vanguard to the Vanguard funds are at cost.



P.O. Box 1110
Valley Forge, PA 19482-1110

Connect with Vanguard® > vanguard.com > 800-962-5068

© 2017 The Vanguard Group, Inc.
All rights reserved. Vanguard Marketing
Corporation, Distributor.

403BDIS 052017