



## Lower expense ratios are on the way

Dear Shareholder,

In recent months, Vanguard has lowered the minimum investment for Admiral Shares on many of our index funds and also introduced several new Admiral Share class funds. This means more investors can take advantage of the low expense ratios Admiral Shares offer. Lower expense ratios mean more of your returns stay in your account, so it can grow faster and help you build more wealth over time.

We're reaching out to you to let you know that on or around July 22, 2019, the investor share class of the funds listed on the table below will close for Vanguard 403(b) Services accounts. If you are invested in these funds, your assets will be automatically converted from Investor Shares to Admiral Shares of the same fund. If your contributions are being allocated to Investor Shares of any of these funds, future allocations will move to Admiral Shares of the same funds. You do not need to take any action and there will not be a blackout period.

The conversion process will take place on or around July 22, 2019 and all shares will be converted. Please note that if you process any type of transaction pertaining to the Investor Share class of the index funds on the attached tables on or after this date, it may be cancelled.

Got questions? You'll find a set of FAQs below.

### Helping you reach your goals

At Vanguard, we're always on the lookout for ways to reduce costs and keep investing simple—it's all part of our mission of giving you the best chance for investment success.

Thanks for being part of the Vanguard community of investors.

Sincerely,

Vanguard 403(b) Services

*For more information about Vanguard funds, visit [vanguard.com/fundprospectus](https://www.vanguard.com/fundprospectus) 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.*

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

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## Frequently asked questions about Admiral Shares conversions

### **Will I remain invested in my Vanguard fund once my shares have converted?**

Yes. Admiral Shares are merely a separate class of lower-expense shares of the same fund that are available to qualifying investors.

### **Where can I learn more about admiral shares?**

You can learn more about admiral shares by visiting <https://investor.vanguard.com/mutual-funds/admiral-shares>.

### **Will my account balance change because of the conversion?**

No. Because the Admiral Shares price (its net asset value) for your fund is generally higher than the Investor Shares price, after conversion you'll own fewer Admiral Shares than you did Investor Shares. However, the total dollar value of your new Admiral Shares will equal the total dollar value of your Investor Shares at the time of the change.

### **Will my account services carry over to the new share class?**

Yes. We'll transfer your account services (such as required minimum distribution payments) to your new Admiral Shares automatically.



### Investor Share Index Funds Converting to the Admiral Share Class Fund

Fund Name	Fund Number	Ticker
500 Index Fund Investor Shares	40	VFINX
Balanced Index Fund Investor Shares	2	VBINX
Developed Markets Index Fund Investor Shares	1397	VDVIX
Dividend Appreciation Index Fund Investor Shares	602	VDAIX
Emerging Markets Stock Index Fund Investor Shares	533	VEIEX
Emerging Markets Government Bond Index Fund Investor Shares	1120	VGOVX
European Stock Index Fund Investor Shares	79	VEURX
Extended Market Index Fund Investor Shares	98	VEXMX
FTSE All-World ex-US Index Fund Investor Shares	770	VFWIX
Global ex-U.S. Real Estate Index Fund Investor Shares	738	VGXRX
Growth Index Fund Investor Shares	9	VIGRX
Intermediate-Term Bond Index Fund Investor Shares	314	VBIIX
International Dividend Appreciation Index Fund Investor Shares	2015	VIAIX
International High Dividend Yield Index Fund Investor Shares	1530	VIHIX
Large-Cap Index Fund Investor Shares	307	VLACX
Mid-Cap Growth Index Fund Investor Shares	832	VMGIX
Mid-Cap Index Fund Investor Shares	859	VIMSX
Mid-Cap Value Index Fund Investor Shares	835	VMVIX
Pacific Stock Index Fund Investor Shares	72	VPACX
Short-Term Bond Index Fund Investor Shares	132	VBISX
Short-Term Inflation-Protected Securities Index Fund Investor Shares	1967	VTIPX
Small-Cap Growth Index Fund Investor Shares	861	VISGX
Small-Cap Index Fund Investor Shares	48	NAESX
Small-Cap Value Index Fund Investor Shares	860	VISVX
Tax-Exempt Bond Index Fund Investor Shares	1491	VTEBX
Total Bond Market Index Fund Investor Shares	84	VBMFX
Total International Bond Index Fund Investor Shares	1231	VTIBX
Total International Stock Index Fund Investor Shares	113	VGTSX
Total Stock Market Index Fund Investor Shares	85	VTSMX
Value Index Fund Investor Shares	6	VIVAX
Real Estate Index Fund Investor Shares	123	VGSIX

*\*Not all funds listed above may be available in your plan. Please log on to your account at [vanguard.com](http://vanguard.com) and click on your 403(b) plan to see a list of funds available in your plan.*

### Investor Share Index Funds now offering an Admiral Share Class

Fund Name	Fund Number	Ticker
FTSE Social Index Fund Investor Shares	213	VFTSX
Long-Term Bond Index Fund Investor Shares	522	VBLTX
High Dividend Yield Index Fund Investor Shares	623	VHDYX
Total World Stock Index Fund Investor Shares	628	VTWSX
FTSE All-World ex-US Small-Cap Index Investor Shares	1684	VFSVX

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