



November 2021

Vanguard 403(b) Services  
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St. Petersburg, Florida 33711

[vanguard403bservices.com/sponsors](http://vanguard403bservices.com/sponsors)

## More on the mergers of Vanguard Institutional Target Retirement Funds into Vanguard Target Retirement Funds

Dear Plan Administrator,

As you may already know, Vanguard announced publicly on September 28, 2021, that the Vanguard Institutional Target Retirement Funds will merge into Vanguard Target Retirement Funds. The mergers are expected to be completed on or about February 11, 2022.

As a result, the investment options available under the Vanguard 403(b) Services Program are changing. Each Vanguard Institutional Target Retirement Fund will automatically merge into the corresponding Vanguard Target Retirement Fund based on the specified target date. The expense ratio of each combined Target Retirement Fund is expected to be reduced to 0.08% after the merger date. In comparison, each current Vanguard Institutional Target Retirement Fund has an expense ratio of 0.09% (\$0.90 for every \$1,000 invested).

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.

### Blackout period ensures a smooth transition

In order to successfully merge the affected Institutional Target Retirement Funds, a **blackout period will go into effect at 4 p.m. Eastern time on Wednesday, February 9, 2022, through the week of February 14, 2022.**

During this time, plan participants invested in the Vanguard Institutional Target Retirement Funds won't be able to access their accounts or process any transactions that would include these funds, including distributions. Contributions, rollovers, and loan payments into the Institutional Target Retirement Funds that we receive during this time will be processed after the blackout period ends. Note: plan participants not invested in the Vanguard Institutional Target Retirement Funds will experience no interruption in access to their accounts.

Plan participants who are invested in or contribute to an Institutional Target Retirement Fund don't need to take any action; their money will move automatically to the lower cost corresponding Target Retirement Fund, unless the participant exchanges his or her balance and/or changes his or her contribution allocation to a different fund prior to 4 p.m., Eastern time on February 9, 2022.

### Documents have been revised to reflect upcoming changes

- The Newport Trust Company 403(b)(7) Group and Individual Custodial Account Agreements have been amended to reflect the Vanguard Target Retirement Funds as the new default funds.
- The Vanguard 403(b) Services Administrative and Recordkeeping Service Description has also been amended to reflect the Vanguard Target Retirement Funds as the new default funds.



All amended documents applicable to your plan type are now available for your review on the plan sponsor website: [vanguard403bservices.com/sponsors](http://vanguard403bservices.com/sponsors). The amended Newport Trust Company 403(b)(7) Individual Custodial Account Agreement will also be posted to the participant website.

#### What to expect next

- In December, a second letter will be sent to you with details about the blackout period. This letter will include instructions specific to ERISA plan sponsors on how to access the updated fee disclosure notices (one for plan sponsors only and another for participants) after the fund mergers have taken place. If you are an ERISA plan sponsor, you must distribute the participant fee disclosure notice to participants as soon as administratively feasible once the updated notice has been made available. The fee disclosure notice will be posted to both the plan sponsor and participant websites.
- In early January 2022, we'll distribute a letter to participants about the upcoming changes to the plan.

**Please note that no action is required by you unless you wish to select different replacement funds for your plan.** If this is the case, please follow the instructions provided below:

- **Group Custodial Account Plans (GCAs)**  
If you are interested in selecting different replacement funds, you must call your dedicated Client Services team by December 20, 2021 at 877-893-5426 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.
- **Individual Custodial Account Plans (ICAs)**  
If you are interested in selecting different replacement funds, you must first transition your plan from an individual custodial account plan to a group custodial account by calling your dedicated Client Services team by December 15, 2021, at 877-893-5426 Monday through Friday from 8 a.m. to 8 p.m., Eastern time.

You'll receive more details about the transition as the blackout period approaches.

Thank you for belonging to the Vanguard community of investors.

Sincerely,

Vanguard 403(b) Services

#### *Legal notices*

*For more information about Vanguard funds, visit [vanguard.com](http://vanguard.com) or call 877-893-5426 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. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Diversification does not ensure a profit or protect against a loss.

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