

Dear Retirement Plan Participant,

There's no question that the news from Wall Street has been distressing.

But how should you respond to the headlines?

If you're like most retirement plan participants, you've remained focused on the long run.

To help you keep your perspective, we wanted to share with you Vanguard's views on the current market conditions.

As always, you can find these and other stories about the markets, Vanguard® funds, and how to maintain a long-term perspective on Vanguard.com.

Vanguard CEO Bill McNabb on recent market events

In this video, Vanguard CEO Bill McNabb discusses market volatility, the reaction of our shareholders, the status of our money market funds, and the financial strength of Vanguard.

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=McNabbQnAVideo>

Vanguard clients benefit from our unique strengths

Since the start of September, the financial services industry has undergone dramatic upheaval. Name-brand institutions have gone bankrupt or been acquired; others have been forced to seek federal government protection. The turmoil raises an obvious question: How secure is Vanguard? In a word, "very."

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=VanguardStrengths>

As stock prices fall, here's how to keep your cool

It's perfectly natural to be concerned when the value of your investments falls. You can weather these swings by sticking to a carefully selected investment plan based on your long-term personal situation and goals, and not on the short-term moods of the financial markets. Here are some tips.

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=WhenStocksGoDown>

A word on Vanguard money market funds

Vanguard is confident in the stability of its money market funds, which it continues to manage with extreme prudence.

Our largest money market fund, Vanguard® Prime Money Market Fund, holds more than half of its assets in U.S. Treasury and federal agency securities. It has no

exposure to money market instruments issued by securities dealers, including Lehman Brothers. It also has no exposure to securities of AIG.

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=MoneyMarket>

As Wall Street wobbles, the impact on diversified portfolios is muted

A number of Vanguard stock and fixed income funds have modest exposure to distressed financial companies. But most of our clients have built portfolios designed to weather market turbulence.

As they have in crises past, the time-tested principles of diversification and balance, fortified by a long-term perspective, may likely prove the most productive response to the market's recent turmoil.

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=WallStreetWobbles>

Vanguard Chief Investment Officer Gus Sauter on market turmoil

Amid continuing fallout from unsettled credit markets, punctuated by the collapse of Lehman Brothers Holdings Inc., investors may wonder where it will all end.

In this video interview, Gus Sauter, Vanguard's chief investment officer, offers his thoughts on the resiliency of our financial system.

<https://retirementplans.vanguard.com/VGApp/pe/PubVgiNews?ArticleName=GusSauterVideo>

Visit www.vanguard.com to obtain a fund prospectus, which includes investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.

All investing is subject to risks. Investments in bond funds are subject to interest rate, credit, and inflation risk. While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Diversification does not ensure a profit or protect against a loss in a declining market.

Vanguard Marketing Corporation, Distributor.