

Focus on investing for your future

Read on to learn about important fund changes
coming to the Drexel retirement plans.



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Your retirement plan is undergoing some exciting changes. To help you better understand the investment options available to you and to assist you in making informed investment decisions, Drexel University and Drexel University College of Medicine have decided to streamline the fund lineup of the Drexel retirement plans. The investment options available in the plans will be simplified and improved to ensure that they continue to help you meet your financial goals and that the plans comply with the regulations that govern them.

The changes outlined in this letter apply to the:

Drexel University Defined Contribution Retirement Plan

Drexel University Tax-Deferred Annuity Plan

Philadelphia Health & Education Corporation Defined Contribution Retirement Plan

New funds

The following new funds will be available for investment in your plan beginning Monday, May 2, 2011:

- **PIMCO Total Return Fund Institutional Class** seeks maximum total return, consistent with preservation of capital and prudent investment management.
- **CRM Small/Mid Cap Value Fund Institutional Shares** seeks long-term capital appreciation.
- **Lord Abbett Developing Growth Fund I Shares** seeks long-term growth of capital through investing in stocks of small U.S. companies.

New mutual fund window

Effective Monday, May 2, 2011, your plan will also offer a separate mutual fund window through Vanguard Brokerage Services®. Through the mutual fund window, you will have access to several thousand funds from Vanguard and other mutual fund companies not part of your plan's main investment options.

Closing funds

In addition, a number of funds currently available in your plan will be closed on Friday, June 3, 2011. Any balance you have in one of the closing funds on this date will be transferred to the date-specific Vanguard Target Retirement Fund closest to the year you will reach age 65. The following funds will be closing:

Vanguard Admiral™ Treasury Money Market Fund	Vanguard Dividend Growth Fund
Vanguard Federal Money Market Fund	Vanguard Equity Income Fund
Vanguard Short-Term Bond Index Fund	Vanguard FTSE Social Index Fund
Vanguard Short-Term Federal Fund	Vanguard Growth Index Fund
Vanguard Short-Term Investment-Grade Fund	Vanguard Growth and Income Fund
Vanguard Short-Term Treasury Fund	Vanguard High Dividend Yield Index Fund
Vanguard GNMA Fund	Vanguard Large-Cap Index Fund
Vanguard Intermediate-Term Bond Index Fund	Vanguard Morgan™ Growth Fund
Vanguard Intermediate-Term Investment-Grade Fund	Vanguard PRIMECAP Core Fund
Vanguard Intermediate-Term Treasury Fund	Vanguard Total Stock Market Index Fund
Vanguard LifeStrategy® Income Fund	Vanguard U.S. Growth Fund
Vanguard High-Yield Corporate Fund	Vanguard U.S. Value Fund
Vanguard Long-Term Bond Index Fund	Vanguard Value Index Fund
Vanguard Long-Term Investment-Grade Fund	Vanguard Windsor™ Fund
Vanguard Long-Term Treasury Fund	Vanguard Capital Opportunity Fund
Vanguard Asset Allocation Fund	Vanguard Capital Opportunity Fund
Vanguard Balanced Index Fund	Vanguard Explorer™ Fund
Vanguard Balanced Index Fund	Vanguard Growth Equity Fund
Vanguard LifeStrategy Conservative Growth Fund	Vanguard Mid-Cap Growth Fund
Vanguard LifeStrategy Moderate Growth Fund	Vanguard Mid-Cap Growth Index Fund
Vanguard STAR® Fund	Vanguard Mid-Cap Index Fund
Vanguard Wellesley® Income Fund	Vanguard Mid-Cap Value Index Fund
Vanguard Wellington™ Fund	Vanguard Selected Value Fund
Vanguard Convertible Securities Fund	Vanguard Small-Cap Growth Index Fund
Vanguard LifeStrategy Growth Fund	Vanguard Small-Cap Index Fund
Vanguard Capital Value Fund	Vanguard Small-Cap Value Index Fund
Vanguard Strategic Small-Cap Equity Fund	Vanguard Strategic Equity Fund
Vanguard Developed Markets Index Fund	Vanguard International Explorer Fund
Vanguard European Stock Index Fund	Vanguard International Value Fund
Vanguard FTSE All-World ex-US Small-Cap Index Fund	Vanguard Pacific Stock Index Fund
Vanguard Global Equity Fund	Vanguard Total International Stock Index Fund
Vanguard Diversified Equity Fund	Vanguard Total World Stock Index Fund
Vanguard Dividend Appreciation Index Fund	

How your money will move

Your balances and contributions in the closing funds will move to the Vanguard Target Retirement Fund with the target year closest to the year in which you will reach age 65 unless you move your money or redirect your contributions into other funds by **4 p.m., Eastern time, on Friday, June 3, 2011.**

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 (stocks) to more conservative ones (bonds and short-term reserves) 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.

Fee change for your retirement plan

Beginning in 2011, Drexel University College of Medicine participants will be charged an administrative fee of \$24 per year. The administrative fee for Drexel University participants will also increase from \$15 to \$24 per year. The fee will be deducted from each account on a quarterly basis. The first quarterly deduction of \$6 will be reflected on your 2011 third-quarter statement. Because of the increased availability of lower-cost index funds in the new fund lineup, however, your total cost of investing may decrease.

The administrative fee covers the costs associated with recordkeeping, statements, postage, and other services. The administrative fee will be deducted on a pro rata basis from each of the funds in your account. In other words, if a fund makes up 50% of your account balance, 50% of the fee will be deducted from that fund.

Meet with Vanguard

To assist you with any questions you have about your retirement plan and your investment options, Vanguard will host a series of group meeting and one-on-one sessions.

Come to a session that works for you. Refer to the following chart for information on the group meetings. To register for a one-on-one session, visit meetvanguard.com.

Dates	Times	Locations
Wednesday, April 20, 2011	10 to 11:30 a.m.	University City 33rd & Chestnut St. MacAlister Hall Room 2019
Tuesday, April 26, 2011	11 a.m. to 12:30 p.m.	Queen Lane Campus 2900 Queen Lane Auditorium B
Wednesday, April 27, 2011	3 to 4:30 p.m.	University City 31st & Market St. Hill Conference Room 240
Friday, April 29, 2011	11 a.m. to 12:30 p.m.	Center City Campus 325 N. 15th St. Stiles Hall CL-A

Review your investments

It is important that you review your current investments. For your long-term retirement needs, you should carefully consider the importance of a balanced and diversified investment portfolio, taking into account all your assets, income, and investments. Keep in mind that diversification does not ensure a profit or protect against a loss in a declining market.

Your new fund lineup

Vanguard offers you a choice of investment paths making it easier to choose funds for your retirement savings. No matter what level of investing experience you have, you can create a portfolio that fits your investment objective, time horizon, and comfort with risk. Read on to determine which path best suits you.

Target Retirement Funds: All-in-one investments

"I find investment decisions difficult."

You may want to consider investing in just one Target Retirement Fund. A single Target Retirement Fund provides diversification and is designed to keep your assets invested appropriately for someone in your stage of life, up to and including your retirement years.

Consider choosing the fund with the date that's closest to the year when you expect to retire. If you are already retired, consider choosing Vanguard Target Retirement Income Fund. This fund is designed to provide retirees with income while preserving the original investment.

Vanguard Target Retirement 2055 Fund	Vanguard Target Retirement 2025 Fund
Vanguard Target Retirement 2050 Fund	Vanguard Target Retirement 2020 Fund
Vanguard Target Retirement 2045 Fund	Vanguard Target Retirement 2015 Fund
Vanguard Target Retirement 2040 Fund	Vanguard Target Retirement 2010 Fund
Vanguard Target Retirement 2035 Fund	Vanguard Target Retirement 2005 Fund
Vanguard Target Retirement 2030 Fund	Vanguard Target Retirement Income Fund

Core funds: Do-it-yourself investments

"I want to tailor an investment portfolio to my goals, time horizon, and risk tolerance."

If you have investing experience and the time to research your fund options, consider creating a portfolio of core funds. These are funds of various asset classes that, when used in combination, can provide diversification. Your new funds are listed in bold.

Vanguard Prime Money Market Fund	Vanguard Extended Market Index Fund
Vanguard Inflation-Protected Securities Fund	Vanguard PRIMECAP Fund
PIMCO Total Return Fund Institutional Class	CRM Small/Mid Cap Value Fund Institutional Shares
Vanguard Total Bond Market Index Fund	Lord Abbett Developing Growth Fund I Shares
Vanguard 500 Index Fund	Vanguard Emerging Markets Stock Index Fund
Vanguard Windsor II Fund	Vanguard FTSE All-World ex-US Index Fund
Vanguard REIT Index Fund	Vanguard International Growth Fund

If you want guidance but also want to maintain control over your investing, then complete Vanguard's "Investor questionnaire" at vanguard.com/investor. Your results will give you suggestions for an appropriate investment mix based on your investment goals, time horizon, and comfort with risk. You can use the suggested investment mix to help you build a mix of funds.

Mutual fund window: More investment choice

"I know a lot about investing and want to add other mutual funds to my portfolio. I recognize that this involves substantially higher costs and risks."

If you're an experienced investor looking to expand your retirement portfolio with additional mutual funds, you may want to take advantage of the mutual fund window. With this option you open a Vanguard Brokerage Services account in which you can invest a portion of your savings in several thousand funds from Vanguard and other mutual fund companies not part of your plan's main investment options.

While a brokerage account offers you greater investment choice and control, you should be aware that your risks can be substantially higher than they are with your main investment options. In addition, you'll be responsible for paying commissions and other costs. The mutual fund window option offered through your plan may have specific provisions and restrictions that you should also consider when deciding whether or not to open an account.



A note about risk

All investing is subject to 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. While the market values of government securities are not guaranteed and may fluctuate, these securities are guaranteed as to the timely payment of principal and interest. Investments in bond funds are subject to interest rate, credit, and inflation risk. PIMCO Total Return Fund may invest in derivatives. Derivatives are subject to a number of risks, such as liquidity risk, interest rate risk, market risk, credit risk, and management risk. A fund investing in a derivative instrument could lose more than the principal amount invested. 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.

Connect with Vanguard®

You can access your account, research your funds, and conduct transactions in any of these ways:

- **Online.** Log on to your account at **vanguard.com** anytime. Not yet registered for immediate, secure online account access? Go to **vanguard.com/register**. You will need your plan number (**091322** for Drexel University; **097301** for Drexel University College of Medicine).
- **By phone.** Call Vanguard's 24-hour interactive VOICE® Network at **800-523-1188**. To use VOICE, you will need the personal identification number (PIN) Vanguard mailed to you.
- **With personal assistance.** Vanguard Participant Services associates are available at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

Connect with Vanguard®

retirementplans.vanguard.com > 800-523-1188

For more information about any fund, including investment objectives, risks, charges, and expenses, call Vanguard at 800 523 1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at vanguard.com.

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.

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