This letter is sent to you as a holder in Vanguard Investments Common Contractual Fund (the "**CCF**"). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in the CCF, please send this letter to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This letter has not been reviewed by the Central Bank of Ireland (the "Central Bank") and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The Directors are of the opinion that there is nothing contained in this letter nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank.

The Directors have taken all reasonable care to ensure that, as at the date of this letter, the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility for the information contained in this letter.

Unless otherwise indicated, all capitalised terms shall have the same meaning as otherwise described in the prospectus for the CCF dated 30 November 2016 (the "**Prospectus**").

VANGUARD GROUP (IRELAND) LIMITED
Registered Office
70 Sir John Rogerson's Quay
Dublin 2
Ireland

31 July 2017

Dear holder

We are writing to you as a holder of Vanguard Investments Common Contractual Fund (the "**CCF**").

The purpose of this letter is to inform holders of the CCF that it is intended to insert a new Clause 11.04 in the deed of constitution of the CCF (the "**Deed**") (renumbering the remaining clauses) in order to allow Vanguard Group (Ireland) Limited, in its capacity as the manager of the CCF (the "**Manager**"), the flexibility to introduce swing pricing where the directors of the Manager (the "**Directors**") determine that this is in the interests of investors.

Background and Rationale for Proposed Introduction of Swing Pricing as Dilution Adjustment Mechanism

The pricing of units in each Sub-Fund of the CCF is, and will continue to be, carried out on a single pricing basis. This means that a single price is applied to any transaction, regardless of whether an investor is purchasing or redeeming units. The single price is based on the valuation provisions in respect of the underlying investments (as detailed in the Prospectus) less liabilities i.e. the NAV.

However, the actual cost of purchasing or selling units in a Sub-Fund may be higher or lower than the actual valuation price of the underlying investments used in calculating the relevant unit price. This is because the single price at which investors buy and sell their units does not necessarily reflect the dealing costs arising when investing new money coming into the Sub-Fund or selling securities in the Sub-Fund's portfolio when investors leave to facilitate redemption requests. These costs may include dealing charges, commissions, taxes and the effect of dealing at prices other than the relevant valuation price of the underlying investments. Such dealing costs are generally charged to the Sub-Fund, and flows in or out may have a materially disadvantageous effect on all of the investors in a Sub-Fund, including those who are not responsible for generating the costs. This effect is known as "dilution". Vanguard believes in protecting the interests of existing or remaining investors in the CCF by taking steps to minimise the effect of dilution.

Investors in the CCF are currently protected from the effects of dilution by the ability, in certain circumstances, by making an additional charge (called a "dilution levy") when an investor buys or sells a significant number of units. In this regard ADLs and PDLs (as outlined above) are currently applied to manage the effects of dilution.

Following a review of the options available to protect investors from the effects of dilution, it has been determined that a dilution adjustment should be applied to the NAV (i.e. swing pricing) in place of the current dilution mechanism of ADLs and PDLs, as explained in the "Benefits of Swing Pricing" section below.

Benefits of Swing Pricing

Swing pricing ensures:

- all trading costs are borne by trading investors so continuing investors are protected from the dilution caused by such trading activity;

- similar or better long term tracking with less performance drag as existing investors are insulated from the costs associated with clients transacting in the Sub-Fund; and

- consistent treatment in all circumstances of all investor transactions on any given dealing day as a dilution adjustment will normally be applied whenever there are net purchases or net redemptions.

In addition to the foregoing benefits, the Directors have been advised that the application of swing pricing is preferred by many investors over other available methods. Accordingly, the Directors have been advised that the introduction of swing pricing, in place of the current ADLs and PDLs, is aligned with investor demand and that this will encourage further investment into the CCF, thereby reducing total expense ratios for existing investors.

Accordingly, the introduction of swing pricing will replace the current application of ADLs and PDLs to manage the effects of dilution. As part of the transition to swing pricing, it is proposed to remove all ADLs and PDLs currently applied in respect of the CCF.

How "Swing Pricing" Works

When applying swing pricing, the NAV for the relevant Sub-Fund will be calculated and then, the NAV-based single price will be adjusted or "swung" according to the rate of the applicable dealing adjustment. The determination to swing the NAV in respect of a Sub-Fund will be made following a consideration of the dealing activity (i.e. purchases or redemptions) in the relevant Sub-Fund on that dealing day. Swing pricing will be applied whenever there are net purchases or net redemptions on any dealing day however the CCF may, in its discretion, decide not to apply swing pricing on any day if it is determined that the benefits to investors of not applying swing pricing outweigh the detriments. Accordingly, where a Sub-Fund is experiencing net inflows (i.e. the aggregate number of units purchased exceeds the number redeemed), the application of swing pricing would increase the price of units above their NAV per unit. Where, conversely, a Sub-Fund is experiencing net redemptions because the number of units redeemed is greater in total than the number which are purchased, the application of swing pricing would reduce the price of units to below their NAV per unit. An adjusted price (reflecting the "swing") will be the official price for the Sub-Fund for all deals that day - buys, sells and switches.

Swing pricing will not benefit Vanguard in any way. It is designed to treat all investors in a Sub-Fund fairly.

The Directors are of the opinion that the proposed changes are in the best interests of the holders as a whole.

Timing

The change to the Deed will take effect on or about 2 October 2017 subject to the approval of the Central Bank. An updated prospectus and KIIDs for the CCF will also be published on this date to reflect this change.

For further details concerning the proposed material changes as part of the amendment and restatement of the Deed, please see Appendix I hereto which is subject to any amendments as may be requested by the Central Bank.

If you have any queries, or if any of the above is not clear, please consult with your professional adviser or Vanguard's Client Services team by email at european_client_services@vanguard.co.uk or personal_investor_enquiries@vanguard.co.uk or by telephone at +44 203 753 4305.

Yours faithfully

Director
For and on behalf of
VANGUARD GROUP (IRELAND) LIMITED

APPENDIX I

SUMMARY OF CHANGES TO THE DEED OF CONSTITUTION OF VANGUARD INVESTMENTS COMMON CONTRACTUAL FUND

The below is a summary of the change that is proposed to be made to the Deed:

A new Clause 11.04 of the Deed has been inserted (renumbering the remaining clauses) in order to allow the CCF the flexibility to introduce swing pricing where the Directors determine that this is in the interests of investors:

"*Further, the Directors may determine that the Net Asset Value per Unit calculated in respect of a Sub-Fund on a Dealing Day on which there are net subscriptions into or net redemptions from the Sub-fund may be adjusted to avoid or reduce the dilutive effect of such dealing caused by the cost of acquiring or disposing of Investments, including, without limitation, dealing charges, taxes, and any spread between acquisition and disposal prices of Investments. Any such policy shall be applied consistently in respect of a Sub-Fund and in respect of all of the Investments of that Sub-Fund*."