Office of the Secretary

United States Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549-1090

Re: Comment on Proposed Plan of Distribution — In the Matter of The Vanguard Group, Inc., Administrative Proceeding File No. 3-22435

Dear Office of the Secretary:

I am submitting this comment pursuant to the Commission's Notice of Proposed Plan of Distribution and Opportunity for Comment (Release No. 34-105804, June 29, 2026) in the above-referenced matter. I am a harmed investor within the meaning of the Proposed Plan, having held shares of affected Vanguard Investor Target Retirement Funds in a non-tax-advantaged account and received excess capital gains distributions in 2021 attributable to the Respondent's misconduct as described in the Commission's Order.

I appreciate the Commission staff's work in developing a methodology that avoids requiring individual claims from the large majority of affected investors. However, I respectfully submit that several aspects of the Plan of Allocation's Recognized Loss methodology do not accurately capture the harm suffered by investors, and I ask the Commission to consider the following concerns before approving the Proposed Plan.

1. The Present Value credit for held shares assumes a recurring event that has no basis in the record

The Plan of Allocation credits investors who still held their shares as of the record date for the 2022 capital gains allocation with only a fraction of their 2021 tax harm, on the theory that a similarly-sized excess capital gains distribution would have occurred again in the future in the ordinary course, and that this future tax liability should be netted against the 2021 harm using a Present Value Factor.

This assumption is not supported by the Commission's own findings. The Order describes the 2021 distributions as “historically larger” than normal, caused by a one-time, discrete event — the redemption wave triggered by Vanguard's November 2020 decision to lower the minimum investment for the Institutional TRFs. There is no basis in the record for assuming that a comparable redemption event, and the comparably outsized capital gains distribution it caused, would recur in the ordinary course of these funds' operations. The Plan should not discount

investors' Recognized Loss based on an assumed future event that the Commission's own factual findings do not support.

2. The implied discounting horizon does not reflect the buy-and-hold, multi-decade design of these funds

The Present Value Factor in Table A is calculated using a Discount Rate drawn from Vanguard's own forecast model, but the Plan does not disclose the resulting assumed holding period. Based on the disclosed factors and plausible forecast return assumptions, the implied holding period appears to be measured in single-digit years — far shorter than the multi-decade retirement horizon that Target Retirement Funds are specifically designed and marketed for.

Investors who purchased these funds did so because of their long-dated, buy-and-hold retirement design. A Present Value assumption calibrated to a fund's internal turnover cadence, rather than to the actual investment horizon the product is built around, will systematically understate the harm to precisely the buy-and-hold investors these funds were designed to serve. I ask the Commission to require disclosure of the specific discount rate and implied holding period used for each Security, and to reconsider whether a shorter, turnover-based horizon is an appropriate proxy for investor harm in a product designed for decades-long holding.

3. The December 27, 2022 cutoff creates an arbitrary and retroactively-determined cliff in compensation

The Plan of Allocation draws a sharp line between shares sold before the close of trading on December 27, 2022 and shares still held as of that date, with materially different — and in some cases multiple-fold different — compensation outcomes on either side of that line. Investors had no way of knowing, at the time they made their own investment decisions in 2022, that this specific date would later be selected as the dividing line for compensation under a settlement that had not yet been finalized.

An investor who sold shares one or two days before this cutoff and an investor who sold one or two days after it may receive dramatically different Recognized Loss amounts for economically identical circumstances, based entirely on a line drawn years later and unknowable at the time. I ask the Commission to consider whether a more gradual treatment, or a methodology less sensitive to the precise timing of an investor's sale relative to a subsequently-determined record date, would more fairly and accurately reflect actual investor harm.

This is not a hypothetical concern for me. Once I learned what had happened, I lost confidence in Vanguard's handling of these funds and wanted to fully divest. But doing so responsibly required understanding the actual tax consequences first, which I could not know until the 2022 tax year concluded and Vanguard's distributions for that year — the fund's ordinary, 'normal' distributions as distinguished from the 2021 anomaly — were finalized. I sold a portion of my shares earlier in 2022 to help cover the unexpected tax liability from 2021, but completing my exit in a

financially sound way required waiting until year-end 2022, after the very record date the Plan now uses to determine my compensation. Investors who acted prudently and diligently, waiting for complete tax-year information before making a final, informed decision to fully divest, are penalized under this methodology relative to investors who sold impulsively or on incomplete information before the cutoff. That outcome inverts the incentive the Commission should want to encourage.

4. The Plan does not disclose sufficient information for investors to verify the calculation

Footnote 5 to the Plan of Allocation states that the Discount Rate is calculated using "the Vanguard Capital Markets Model's® forecasts of the annualized 10-year return for various asset classes as of December 31, 2022, and each Security's asset class allocation as of the same date," but does not disclose the actual discount rate, implied holding period, or asset allocation assumptions used for each Security. Without this information, affected investors have no meaningful way to verify or challenge the Present Value Factors in Table A, even though those factors materially affect their compensation.

I respectfully request that the Commission require the Fund Administrator, or Commission staff, to publish the underlying discount rate, implied holding period, and asset allocation assumptions used to calculate the Present Value Factor for each Security, so that affected investors can meaningfully evaluate the fairness of the methodology being applied to their claims.

Conclusion

I recognize that the Commission staff undertook substantial effort to design a methodology that would allow distribution without requiring claims from most investors, and I do not take issue with that overall approach. My concerns go specifically to whether the Present Value and holding-period assumptions embedded in the Plan of Allocation accurately reflect the harm suffered by investors who purchased Target Retirement Funds for their intended purpose: long-term, buy-and-hold retirement investing. I respectfully ask the Commission to consider these concerns, and if appropriate, to revise the Plan of Allocation before approving the Proposed Plan, or at minimum to require greater disclosure of the assumptions underlying it.

Thank you for your consideration.

Respectfully submitted,

Sean Murphy