

Plan Service Report

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM
For Period Ended December 31, 2012

4th Quarter 2012

Platinum Services Plan Service Report

ICMA-RC's Mission and Values Statement

We help public employees build retirement security.

We put clients first and serve them with excellence, integrity and leadership.

ICMA-RC's Service Commitment

At ICMA-RC, we recognize that our success is based on the quality of our relationships with employers and retirement plan participants. We know that the trust employers and their participants have in us is not to be taken lightly. Our customer-focused relationships are built on providing exceptional education, in good times and in bad, along with investment, retirement and plan administration solutions. We seek to maximize this experience by providing the best possible service, quality and value to plan sponsors and their employees as they build retirement security. We call this commitment Platinum Services.

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IMPORTANT NOTICE: Your plan does NOT invest directly in Vantagepoint or third party mutual funds. Section 401 or 457 plans invest in these “underlying” funds through the funds of the VantageTrust (“VT Funds”). An additional VantageTrust plan administration fee may be applied to the VT Funds and will reduce performance compared to that of the underlying funds shown in this report. Reference to such underlying mutual fund ticker symbols or other non-performance data by VT Funds is for reference only and NOT reflective of the returns of the corresponding VT Funds. **Fund performance reduced by the additional VantageTrust plan administration fee is provided just prior to disclosures at the end of this section of the brochure.**

I. Investment Due Diligence Review

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The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data illustrated. For performance data current to the most recent month end, contact ICMA-RC by calling 1-800-669-7400. Performance data current to the most recent quarter end is available by visiting www.icmarc.org. Please read the fund's prospectus carefully for a complete summary of all fees, expenses, financial highlights, investment objectives and strategies, risks and performance information. The prospectus contains this and other information about the investment company. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You can obtain a prospectus, statement of additional information and other information about the Vantagepoint Funds online at www.icmarc.org/vpprospectus, by calling 800-669-7400 or emailing investorservices@icmarc.org.

Investment statistics, including fund performance, does not include any administration fees assessed to the plan. The investment statistics and performance illustrated reflect financial information of the mutual funds that serve as the underlying investments of the associated VantageTrust Fund. Please read Making Sound Investment Decisions, A Retirement Investment Guide and the underlying mutual fund prospectus for further information.

Fourth Quarter 2012 Economic Review

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Economic Commentary

In the fourth quarter, U.S. news reports were dominated first by the presidential election and then by fears concerning the consequences of going over the fiscal cliff. Despite these worries, U.S. economic data showed signs of improvement in the quarter. Real GDP growth for the third quarter was reported at 3.1% on an annualized basis, up from 1.3% for the second quarter. Nonfarm payroll increased by 453,000 new jobs in the fourth quarter, a significant increase, but lower than the 505,000 new jobs created in the third quarter, and the unemployment rate ended the quarter at 7.8%, unchanged from the end of the third quarter. Both the ISM manufacturing and ISM nonmanufacturing indices ended the year above the neutral threshold of 50, which indicates some economic expansion has occurred. And home sales in November reached their highest level since 2010.

- The Federal Open Market Committee (FOMC) announced mid-December a change from its time-period based commitment to low interest rates to one dependent on economic conditions. The FOMC also announced it will purchase \$45 billion per month in Treasury securities, replacing Operation Twist that was scheduled to expire at the end of December.
- The estimate of real GDP growth for the third quarter was revised upward to 3.1% on an annualized basis, up from the prior estimate of 2.7% and up from 1.3% reported for the second quarter. The rise primarily reflected increases in both government spending and nonfarm inventory investment. Government spending grew 3.9%, the highest rate in three years. The increase in inventory accounted for more than a third of the overall growth and raised the question of whether the GDP growth rate will be sustainable.
- U.S. manufacturing conditions strengthened slightly in the fourth quarter with the ISM manufacturing index averaging 50.6 for the quarter versus 50.3 for the third quarter. The ISM nonmanufacturing index averaged 55.0 in the fourth quarter, above the third quarter average of 53.8. For both indices a reading above 50 percent generally indicates expansion; below 50 percent generally indicates contraction.
- The Case-Schiller Home Price Index of national home prices increased at an annualized rate of 4.5% in the third quarter, a decline from the 9.3% annualized rate increase in the second quarter. However, the price appreciation has become more geographically diverse with 83% of the 134 metro areas covered in the report posting quarter-to-quarter gains. On a year-over-year basis, the index was up 3.7%, the strongest rate of growth in more than six years. The index remains more than 30% below its 2006 peak.

Fourth Quarter 2012 Economic Review

Domestic Equity Markets

U.S. equity markets, as represented by the S&P 500 index, fell for the first half of the fourth quarter, then reversed course and recovered most of their losses to end the quarter with little change. However value stocks generally outperformed growth stocks by over 200 basis points in the quarter with value stocks rising while growth stocks fell.

- U.S. value stocks outperformed growth stocks in the fourth quarter. The Russell 1000 Value index rose 1.52%, while the Russell 1000 Growth index fell 1.32% in the quarter.
- Mid-cap stocks outperformed small- and large-cap stocks in the fourth quarter. the mid-cap S&P 400 index increased 3.61%, while the small-cap Russell 2000 index rose 1.85% and the Standard & Poor's 500 index, "S&P 500 index," ended the quarter down 0.38%.
- Five of the ten S&P 500 sectors rose in the fourth quarter, led by a 5.92% return in the Financials sector, and followed by a 3.70% return in the Industrials sector. The Telecommunication Services and Information Technology sectors were hardest hit with returns of -6.02% and -5.72% respectively.

Morningstar Returns for Domestic Equity Funds-- 4th Quarter 2012*

	Value	Blend	Growth
Large-Cap	0.98%	0.49%	-0.65%
Mid-Cap	3.35%	3.38%	1.18%
Small-Cap	3.75%	2.54%	-0.03%

Morningstar Returns for Equity Funds--1 Year Ending 12/31/2012*

	Value	Blend	Growth
Large-Cap	14.57%	14.96%	15.34%
Mid-Cap	16.60%	16.15%	14.07%
Small-Cap	16.00%	15.46%	13.15%

*See disclosure at end of chapter

Past performance is no guarantee of future results

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Fixed Income Markets

In the fourth quarter, the Federal Open Market Committee (FOMC) announced a change in its process for adjusting monetary policy. Adjustments will be tied to economic conditions rather than the specified time periods previously employed. The FOMC anticipates maintaining low interest rates as long as the unemployment rate remains above 6.5% and inflation between one to two years ahead is projected to be no more than 2.5%. In addition the FOMC announced it will purchase \$45 billion per month in Treasury securities, replacing Operation Twist. With the promise of long-term low interest rates, investors continued to favor riskier, lower quality bonds.

- High yield bonds generally led the fixed income market in the fourth quarter as shown by the Barclays U.S. Corporate High Yield index, which returned 3.29%.
- Barclays U.S. Treasury Inflation-Protected Securities ("TIPS") index gained 0.69% in the fourth quarter. Inflation protected securities are influenced by inflation expectations as well as interest rate changes.
- The Barclays U.S. Aggregate Bond Index, a broad measure of the U.S. investment grade fixed income market, which includes Treasuries, returned 0.21% for the fourth quarter.
- Barclays U.S. Treasury Long Index lost 0.77% in the quarter, which reflected the slight rise in long-term interest rates.
- The yield on the 10-year Treasury note ended the fourth quarter at 1.76%, up 11 basis points from the 1.65% yield at the end of the third quarter.

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Morningstar Returns for Domestic Fixed Income Funds--1 Year Ending 12/31/2012*

Category	Quarter	Year
Ultrashort Bond	0.20%	1.99%
Short Government Short-Term Bond	-0.10% 0.37%	1.06% 3.67%
Inflation-Protected Bond	0.62%	6.45%
Intermediate Government Intermediate-Term Bond	-0.17% 0.76%	2.80% 7.01%
Long Government Long-Term Bond	-1.16% 1.45%	3.87% 12.97%
High Yield Bond	3.07%	14.67%

*See disclosure at end of chapter

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International Equity Markets

International equity markets performed well in the fourth quarter in both developed and emerging markets, continuing the rally that began in the third quarter. Developed equity market performance was buoyed by the continuing commitment among European Union leaders to the preservation of the euro zone. The emerging market equity markets continued to perform well, but returns were dampened by slowed economic growth, which primarily reflected reduced exports to Europe. In Japan, a newly elected government began efforts to stimulate the Japanese economy through monetary easing and a weakening the yen.

- Developed international markets as measured by the MSCI EAFE NR index rose 6.57% in the fourth quarter, ahead of the emerging markets rise of 5.58% as measured by the MSCI EM NR index.
- Performance in the emerging markets, as represented by the MSCI NR country indexes, was led by China with a 12.87% return, followed by Brazil with a 3.47% increase, Russia with a 2.46% return and India with a 0.48% rise.
- Major European stock markets, as measured by the MSCI NR country indexes rose in the fourth quarter. Performance was led by France's 10.83% return, followed by Germany's return of 8.51% and a rise of 4.17% in the UK.
- The U.S. dollar declined 2.49% against the Euro and 0.59% against the U.K. Pound, but gained 11.02% against the Japanese Yen. The U.S. dollar index, which measures the dollar against a basket of currencies, weakened by 0.07% in the fourth quarter. A weaker U.S. dollar generally adds to returns for dollar-based investors holding non-U.S. dollar denominated securities.

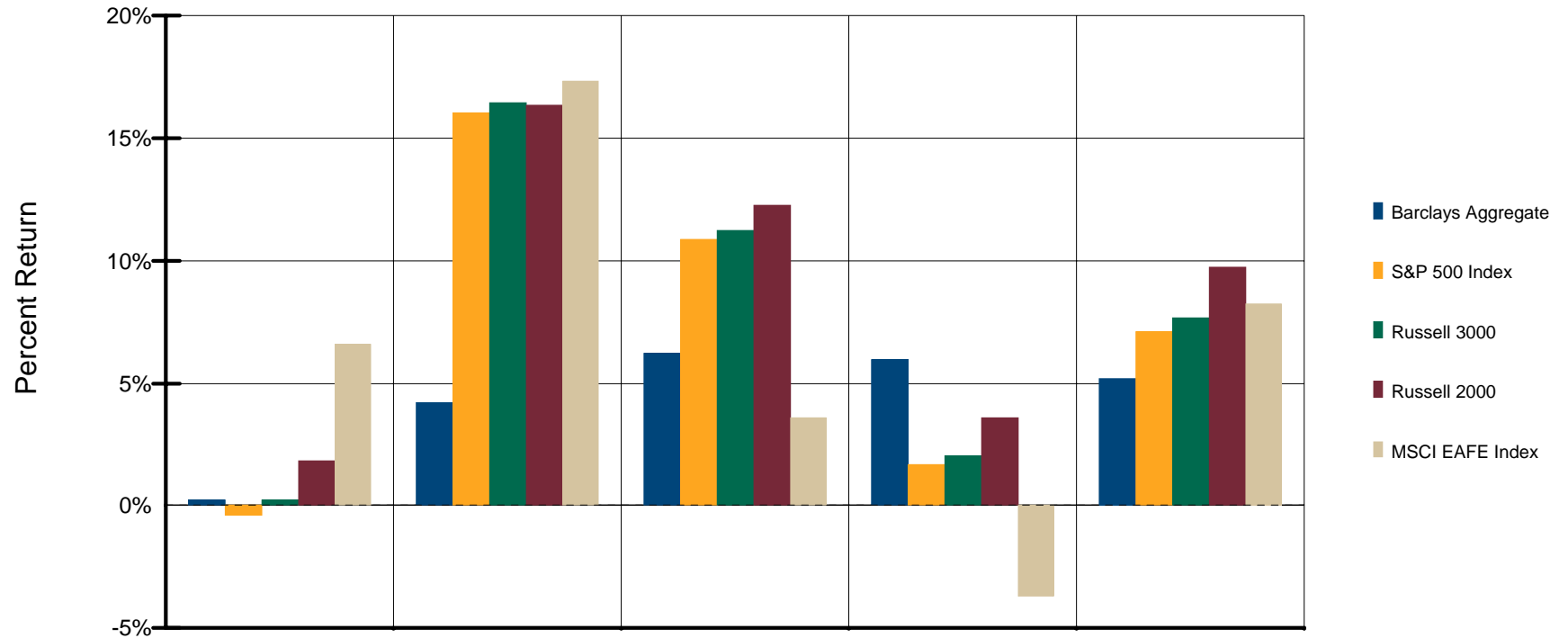
Past performance is no guarantee of future results

Morningstar Returns for International Equity Funds--1 Year Ending 12/31/2012*

Category	Quarter	Year
Foreign Large Value	6.66%	16.21%
Foreign Large Blend	6.50%	18.29%
Foreign Large Growth	5.49%	17.70%
Foreign Small/Mid Value	6.13%	21.38%
Foreign Small/Mid Growth	4.68%	22.20%
Diversified Emerging Mkts	6.10%	18.15%
World Allocation	1.65%	10.74%

*See disclosure at end of chapter

Capital Markets Returns



	Q4 '12	1 Year	3 Years	5 Years	10 Years
Barclays Aggregate	0.21%	4.21%	6.19%	5.95%	5.18%
S&P 500 Index	-0.38%	16.00%	10.87%	1.66%	7.10%
Russell 3000	0.25%	16.42%	11.20%	2.04%	7.68%
Russell 2000	1.85%	16.35%	12.25%	3.56%	9.72%
MSCI EAFE Index	6.57%	17.32%	3.56%	-3.69%	8.21%

Periods greater than one year represent annualized performance.

Retirement Focused Investing – RHS Plans

		U.S. STOCK			TARGET-RISK/TARGET-DATE
		Value	Blend	Growth	10 funds in asset category. See Fund Summary pages for names of all funds in asset category.
Large		--	--	--	
	Mid	--	--	--	
	Small	--	--	--	
		STABLE VALUE/CASH MANAGEMENT	BOND	INTERNATIONAL/GLOBAL STOCK	SPECIALTY
		--	--	--	--

All data on page is as of December 31, 2012

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Vantagepoint Milestone Funds^{1,5,13}

Morningstar^{®2} Three- and Five-Year Rankings as of 12/31/2012

Vantagepoint Fund	VP Milestone Retire Income	VP Milestone 2010	VP Milestone 2015	VP Milestone 2020	VP Milestone 2025	VP Milestone 2030	VP Milestone 2035	VP Milestone 2040	VP Milestone 2045	VP Milestone 2050
Morningstar ^{®2} Category	Retirement Income	Target Date 2000-2010	Target Date 2011-2015	Target Date 2016-2020	Target Date 2021-2025	Target Date 2026-2030	Target Date 2031-2035	Target Date 2036-2040	Target Date 2041-2045	Target Date 2046-2050
1st quartile								◆ 19		
2nd quartile	◆ 32	◆ 32	◆ 35		◆ 32	◆ 28	◆ 30	◆ 27	◆ 25	
Median Return				◆ 48		◆ 51				
3rd quartile		◆ 69	◆ 61		◆ 68					
4th quartile	◆ 83			◆ 73						

◆ 3-Year Rank
◆ 5-Year Rank

Number next to each diamond represents a percentile rank within the appropriate Morningstar style category universe of funds. The percentile ranking is based on Total Return relative to funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. With respect to the Retirement Income category, 257 and 187 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2000-2010 category, 139 and 117 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2011-2015 category, 136 and 84 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2016-2020 category, 179 and 132 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2021-2025 category, 121 and 77 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2026-2030 category, 179 and 132 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2031-2035 category, 121 and 77 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2036-2040 category, 175 and 125 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2041-2045 category, 120 and 76 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2046-2050 category, 139 and 79 funds were ranked for the three- and five-year periods, respectively. Past performance is no guarantee of future results. Please be advised that with "Fund of Funds" arrangements such as the Vantagepoint Milestone Funds, additional underlying fees may apply. Please read Making Sound Investment Decisions: A Retirement Investment Guide ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing.

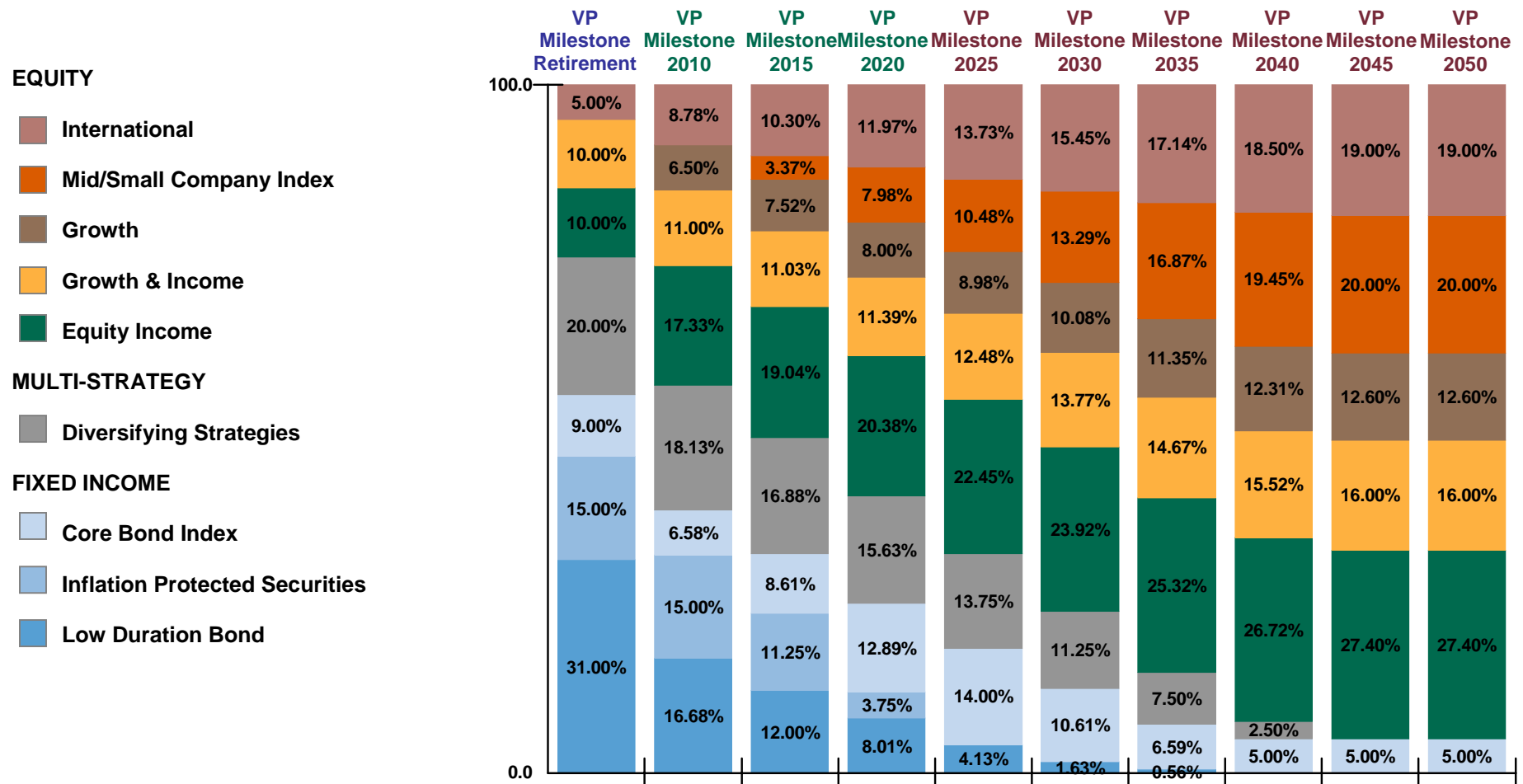
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Vantagepoint Milestone Funds^{1,5,13}

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Target Allocations as of 12/31/2012



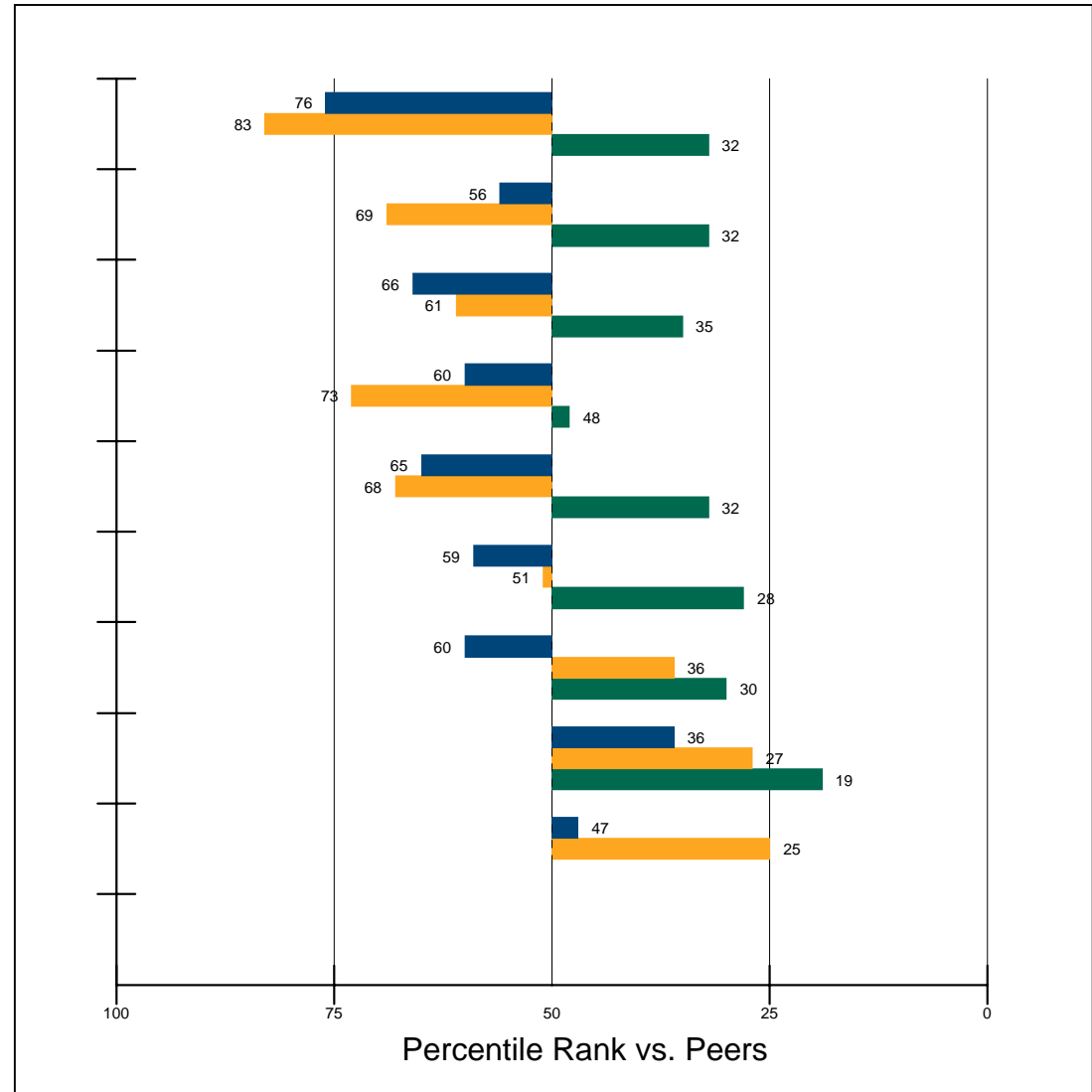
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Fund Performance vs. Morningstar Peers^{1,2}

Fund	Overall Morningstar Rating ²	Asset Allocation (All Plans)	Participant Usage (All Plans)
Vantagepoint Milestone Ret Inc	☆☆☆	14.51%	15.20%
Vantagepoint Milestone 2010	☆☆☆☆	13.10%	11.73%
Vantagepoint Milestone 2015	☆☆☆	18.61%	16.55%
Vantagepoint Milestone 2020	☆☆☆	21.20%	18.84%
Vantagepoint Milestone 2025	☆☆☆	15.93%	16.66%
Vantagepoint Milestone 2030	☆☆☆☆	9.37%	10.67%
Vantagepoint Milestone 2035	☆☆☆	4.80%	6.12%
Vantagepoint Milestone 2040	☆☆☆☆	1.89%	2.99%
Vantagepoint Milestone 2045	☆☆☆	0.57%	1.17%



■ 1 Year ■ 3 Year ■ 5 Year

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Fund Focus List^{1,2}

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Criteria	Criterion Benchmark*	Vantagepoint Milestone Ret Inc	Vantagepoint Milestone 2010	Vantagepoint Milestone 2015	Vantagepoint Milestone 2020	Vantagepoint Milestone 2025
% of Assets	--	14.51%	13.10%	18.61%	21.20%	15.93%
% of Participants	--	15.20%	11.73%	16.55%	18.84%	16.66%
Overall Morningstar Star Rating ²	3 or higher	3	4	3	3	3
3-Year Morningstar Star Rating ²	3 or higher	2	3	2	2	2
3-Year Performance Pct. Rank in Category ²	75 th percentile or better	83%	69%	61%	73%	68%
1-Year Performance Pct. Rank in Category ²	75 th percentile or better	76%	56%	66%	60%	65%
3-Month Performance Pct. Rank in Category ²	75 th percentile or better for 5 of last 8 quarters	7	8	7	7	8
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	4 of 7	7 of 7	6 of 7	6 of 7	6 of 7

Data above are some metrics a plan sponsor may consider in reviewing funds in their retirement plans. Additional data as deemed appropriate by the plan sponsor should be considered when conducting a comprehensive review of funds. Page includes data for actively managed registered funds in plans with more than five participants as provided by Morningstar®. See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees.

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Fund Focus List^{1,2}

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Criteria	Criterion Benchmark*	Vantagepoint Milestone 2030	Vantagepoint Milestone 2035	Vantagepoint Milestone 2040	Vantagepoint Milestone 2045
% of Assets	--	9.37%	4.80%	1.89%	0.57%
% of Participants	--	10.67%	6.12%	2.99%	1.17%
Overall Morningstar Star Rating ²	3 or higher	4	3	4	3
3-Year Morningstar Star Rating ²	3 or higher	3	3	3	3
3-Year Performance Pct. Rank in Category ²	75 th percentile or better	51%	36%	27%	25%
1-Year Performance Pct. Rank in Category ²	75 th percentile or better	59%	60%	36%	47%
3-Month Performance Pct. Rank in Category ²	75 th percentile or better for 5 of last 8 quarters	8	8	7	8
Manager Change	None in last 12 months	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No
Metrics Met	--	7 of 7	7 of 7	7 of 7	7 of 7

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Fund Data

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Fund Performance^{1,2}

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Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
Vantagepoint Milestone Ret Inc^{5,12}	3	2	4	--	7.18	5.47	3.35	--	4.20	1/3/2005
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Milestone Ret Income Custom Benchmark					6.65	6.85	4.47	--		
Morningstar Retirement Income					9.01	6.77	2.94	4.99		
Vantagepoint Milestone 2010^{5,12}	4	3	4	--	9.53	6.42	3.24	--	4.51	1/3/2005
Barclays U.S. Intermediate Aggregate Bond Index					3.56	5.22	5.39	4.80		
Milestone 2010 Custom Benchmark					9.11	8.07	4.44	--		
Morningstar Target Date 2000-2010					9.61	7.03	2.54	5.66		
Vantagepoint Milestone 2015^{5,12}	3	2	3	--	10.25	6.95	2.65	--	4.57	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2015 Custom Benchmark					10.09	8.53	3.71	--		
Morningstar Target Date 2011-2015					10.65	7.22	2.04	4.67		
Vantagepoint Milestone 2020^{5,12}	3	2	3	--	11.25	7.28	2.19	--	4.51	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2020 Custom Benchmark					11.15	8.99	3.32	--		
Morningstar Target Date 2016-2020					11.68	7.85	1.89	6.17		

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Fund Performance^{1,2}

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Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
Vantagepoint Milestone 2025^{5,12}	3	2	4	--	12.24	7.70	1.89	--	4.49	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2025 Custom Benchmark					12.19	9.43	2.97	--		
Morningstar Target Date 2021-2025					13.03	7.94	1.37	--		
Vantagepoint Milestone 2030^{5,12}	4	3	4	--	13.28	8.08	1.64	--	4.48	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2030 Custom Benchmark					13.24	9.85	2.64	--		
Morningstar Target Date 2026-2030					13.59	8.13	1.00	6.63		
Vantagepoint Milestone 2035^{5,12}	3	3	3	--	14.47	8.56	1.48	--	4.50	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2035 Custom Benchmark					14.36	10.31	2.39	--		
Morningstar Target Date 2031-2035					14.64	8.14	0.75	--		
Vantagepoint Milestone 2040^{5,12}	4	3	4	--	15.33	8.88	1.50	--	4.53	1/3/2005
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2040 Custom Benchmark					16.31	9.52	0.71	--		
Morningstar Target Date 2036-2040					14.64	8.23	0.57	6.80		

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Fund Performance^{1,2}

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Target-Risk/Target-Date Fund Returns

The expense ratio for a 'fund of funds' includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
Vantagepoint Milestone 2045^{5,12}	3	3	--	--	15.49	8.76	--	--	8.75	1/4/2010
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2045 Custom Benchmark					16.32	9.51	--	--		
Morningstar Target Date 2041-2045					15.31	8.19	0.56	--		
Vantagepoint Milestone 2050^{5,12}	--	--	--	--	--	--	--	--	2.66	9/11/2012
Standard & Poors 500 Index					16.00	10.87	1.66	7.10		
Milestone 2050 Custom Benchmark					--	--	--	--		
Morningstar Target Date 2046-2050					15.07	8.28	0.54	6.76		

Of the plan's target-risk/target-date funds, the top returns (absolute, not relative to peers) during the last 12 months were Vantagepoint Milestone 2045, Vantagepoint Milestone 2040 and Vantagepoint Milestone 2035 with returns of 15.49%, 15.33% and 14.47% respectively. Vantagepoint Milestone Ret Inc, 7.18%, Vantagepoint Milestone 2010, 9.53%, and Vantagepoint Milestone 2015, 10.25%, were the lower performing funds for the quarter.

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Fund Summary^{1,2}

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Summary Table

Plan Option	Morningstar® Category	Peer Ranking over last year (Percentile)	Peer Ranking over last 3 years (Percentile)	Peer Ranking over last 5 years (Percentile)	Peer Ranking over last 10 years (Percentile)	Comparative Risk Relative to Funds in Category over last 3 years
Vantagepoint Milestone Ret Inc ^{5,12}	Retirement Income	215/281 (76%)	214/257 (83%)	59/187 (32%)	--	Below Average
Vantagepoint Milestone 2010 ^{5,12}	Target Date 2000-2010	81/145 (56%)	97/139 (69%)	38/117 (32%)	--	Average
Vantagepoint Milestone 2015 ^{5,12}	Target Date 2011-2015	102/154 (66%)	83/136 (61%)	30/84 (35%)	--	Average
Vantagepoint Milestone 2020 ^{5,12}	Target Date 2016-2020	126/208 (60%)	131/179 (73%)	64/132 (48%)	--	Average
Vantagepoint Milestone 2025 ^{5,12}	Target Date 2021-2025	101/154 (65%)	83/121 (68%)	25/77 (32%)	--	Average
Vantagepoint Milestone 2030 ^{5,12}	Target Date 2026-2030	124/208 (59%)	91/179 (51%)	37/132 (28%)	--	Average
Vantagepoint Milestone 2035 ^{5,12}	Target Date 2031-2035	93/154 (60%)	44/121 (36%)	24/77 (30%)	--	Average
Vantagepoint Milestone 2040 ^{5,12}	Target Date 2036-2040	74/204 (36%)	47/175 (27%)	24/125 (19%)	--	Above Average
Vantagepoint Milestone 2045 ^{5,12}	Target Date 2041-2045	69/145 (47%)	31/120 (25%)	--	--	Average
Vantagepoint Milestone 2050 ^{5,12}	Target Date 2046-2050	--	--	--	--	--

All data on page is as of December 31, 2012

See disclosure at end of chapter. Performance shown above is of underlying funds, not VantageTrust Funds, and does not include any additional VantageTrust Plan Administration Fees. See performance prior to compliance disclosures for returns of VantageTrust Funds inclusive of all fees.

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Disclosures

¹ *The source for this information is Morningstar, Inc. Copyright © 2012 Morningstar, Inc.® All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Morningstar, Inc. is a global investment research firm that is not affiliated with ICMA-RC. ICMA-RC does not independently verify Morningstar data.*

ICMA-RC's identified fund line-up is a commitment to administer these funds for the plan, not advice to the plan sponsor on the composition of the plan's fund line-up. ICMA-RC provides plan sponsors fund information to assist them in meeting their fiduciary responsibility in managing the plan. The plan sponsor retains the obligation to prudently select and monitor the investment funds it offers to plan participants. ICMA-RC may adjust fees commensurate with changes in revenue from alternative funds selected by the plan sponsor from ICMA-RC's mutual fund platform.

Morningstar places registered mutual funds in certain categories based on the mutual fund's historical portfolio holdings. Placement of a registered mutual fund in a particular Morningstar category does not mean that the mutual fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A registered mutual fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category.

VantageTrust funds are not assigned Morningstar categories and, therefore a Morningstar category listed for a VantageTrust fund has been assigned to the underlying registered mutual fund in which the VantageTrust fund invests.

² For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. For funds with loads, the Morningstar rating on a load-waived basis is provided, when available. Load-waived ratings do not include any front- or back-end sales loads and are intended for investors that have access to such purchase terms. Funds with loads are waived for plans administered by ICMA-RC. Past performance is no guarantee of future results.

Disclosures

² Cont. The number of funds in applicable Morningstar® categories as of 12/31/2012, is provided below:

Morningstar® Category	3-Year	5-Year	10-Year	Morningstar® Category	3-Year	5-Year	10-Year
Aggressive Allocation	321	296	124	Natural Resources	117	94	40
Communications	44	36	27	Precious Metals	70	65	49
Conservative Allocation	584	505	198	Real Estate	220	205	129
Diversified Emerging Markets	358	250	150	Retirement Income	257	187	21
Financial	98	88	66	Short Government	131	119	105
Foreign Large Blend	713	589	325	Short-Term Bond	357	319	206
Foreign Large Growth	223	182	105	Small Blend	607	527	330
Foreign Large Value	328	263	146	Small Growth	658	570	384
Foreign Small/Mid Growth	109	96	58	Small Value	279	247	144
Foreign Small/Mid Value	36	29	20	Target Date 2000 – 2010	139	117	14
Health	127	119	96	Target Date 2011 – 2015	136	84	7
High Yield Bond	517	459	322	Target Date 2016 – 2020	179	132	21
Inflation-Protected Bond	159	149	35	Target Date 2021 – 2025	121	77	N/A
Intermediate Government	318	294	254	Target Date 2026 – 2030	179	132	16
Intermediate-Term Bond	1,001	874	612	Target Date 2031 – 2035	121	77	N/A
Large Blend	1,506	1,324	836	Target Date 2036 – 2040	175	125	16
Large Growth	1,503	1,301	863	Target Date 2041 – 2045	120	76	N/A
Large Value	1,051	930	591	Target Date 2046 – 2050	139	79	6
Long Government	30	27	19	Target Date 2051 +	25	11	N/A
Long-Term Bond	53	37	17	Technology	194	169	139
Mid-Cap Blend	352	309	195	Utilities	75	73	55
Mid-Cap Growth	671	591	431	World Allocation	266	189	86
Mid-Cap Value	357	311	177	World Bond	248	198	126
Moderate Allocation	810	707	409	World Stock	736	549	297
Multisector Bond	218	171	106				

³ American Century is a registered trademark of American Century Services Corporation.

⁴ T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.

⁵ The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

Disclosures

- ⁶ Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.
- ⁷ Because there is no trading market for investment contracts, PLUS Fund returns consist of yield only. Returns are annualized for each of the periods shown.
- ⁸ CD Accounts are issued by Bank of America, N.A. ("Bank"), a member of the FDIC, and are available as VantageTrust investment options. CD Account deposits of up to \$250,000 are insured by the FDIC, subject to certain limitations. Amounts to be invested in CD Accounts are initially held in the Bank's Money Market Deposit Account ("MMDA") and earn the Bank's MMDA rate. At the end of the open investment window, assets are transferred to the CD Account where interest is credited daily and compounded monthly.
- Certificate of Deposit Accounts (CD Accounts) Annual Percentage Rates (APRs) and Annual Percentage Yields (APYs) are valid for the purchases made within the related open investment window and assume principal and interest remain in the account until maturity. Withdrawals and penalties will reduce earnings on the account. Please be advised, there may be associated penalties for withdrawing from a CD Account prior to the maturity date. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.
- ⁹ *The Cash Management Fund is invested in a single registered mutual fund, the Dreyfus Cash Management Fund. Investments in the VantageTrust Cash Management Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Dreyfus Cash Management Fund seeks to preserve its value at \$1.00 per share, it is possible to lose money by investing in the Fund.*
- ¹⁰ A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.
- ¹¹ Funds that Invests in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets).

Disclosures

- ¹² The expense ratio for a “fund of funds” includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.
- ¹³ Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.
- ¹⁴ *Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund’s current earnings than the quotation of total return.*
- ¹⁵ *Return is the VantageTrust PLUS Fund gross of ICMA-RC fees and net of subadviser, wrap and custodial fees. ICMA-RC fees will reduce returns received by investors.*
- ¹⁶ The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents the performance returns of actual stable value pooled funds and is the stable value industry benchmark used by many institutional investors, consultants, advisors and plan sponsors for monitoring the stable value pooled fund universe. Gross returns used in the Universe do not include plan administration fees or adviser expenses – actual performance experienced by participants would be commensurately lower. Rankings are based on data from Hueler Analytics, Inc. that is a technology and research firm covering stable value products not affiliated with ICMA-RC. ICMA-RC does not independently verify Hueler Analytics, Inc. data.
- ¹⁷ **Prudential Retirement Insurance and Annuity Company (Prudential)**, CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential’s Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential’s claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential Separate Account. Prudential or its affiliates may compensate ICMARC for providing these and related administrative services in connection with the Fund. Before electing the Spousal Benefit (if available) on behalf of any beneficiary not recognized as your spouse under Federal law, be aware that provisions of your plan or the Internal Revenue Code might prevent, limit or otherwise affect the ability of the beneficiary to receive the Spousal Benefit. Variable annuities are suitable for long-term investing, particularly retirement savings. Prudential, the Prudential logo, and the Rock symbol are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. **Note:** Participants who are interested in the VantageTrust Retirement IncomeAdvantage Fund must first receive and read the **VantageTrust Retirement IncomeAdvantage Fund Important Considerations** document before investing.
- ¹⁸ Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.

II. Plan Activity

4th Quarter 2012

Platinum Services Plan Service Report

Plan Snapshot

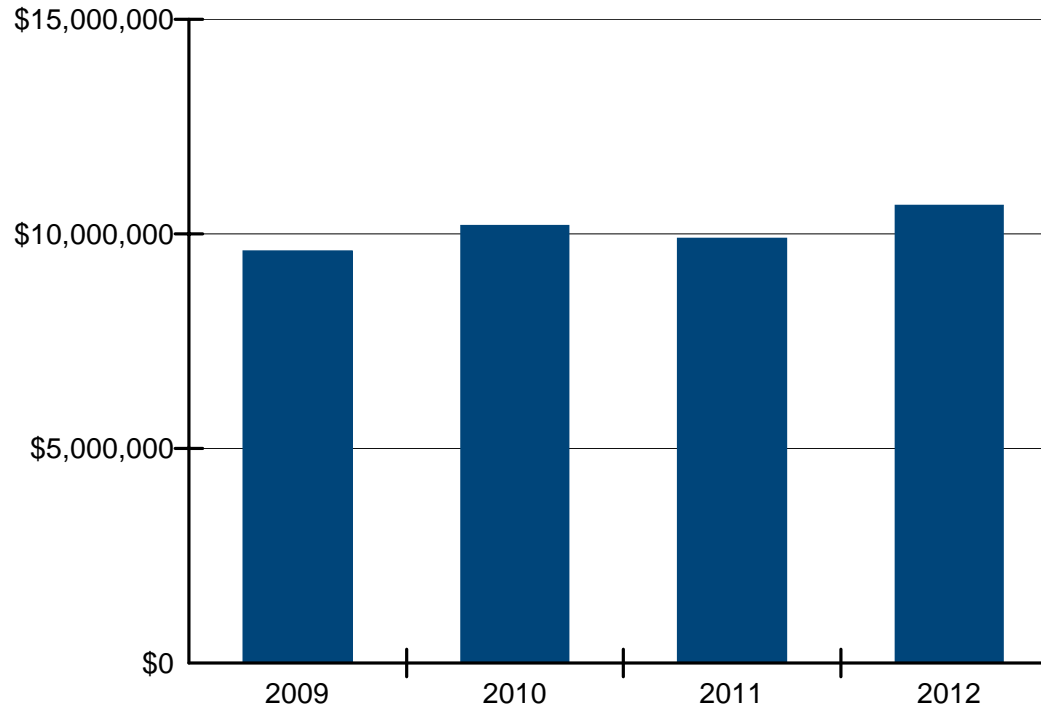
Plan Type	Plan Number	Plan Name	Assets	Participants
RHS	801712	VMERS	\$10,666,695	4441
Total			\$10,666,695	4441

Data on all subsequent pages is aggregated by plan type.

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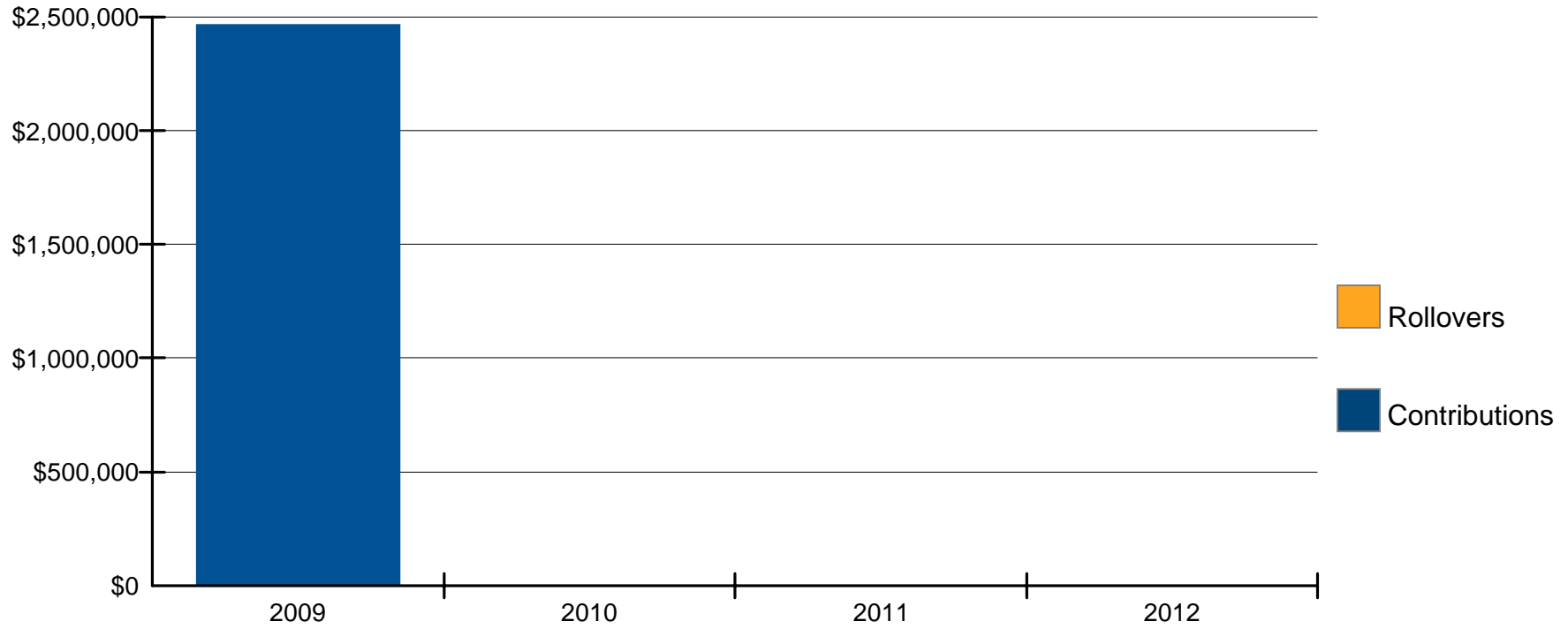
RHS Plan Asset Trends *(as of December 31, 2012)*



Assets	\$9,610,737	\$10,193,771	\$9,894,531	\$10,666,695
--------	-------------	--------------	-------------	--------------

With an increase of 0.5% since September 2012, the VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan saw its overall value grow to \$10,666,695 from \$10,612,617.

RHS Plan Contributions *(as of December 31, 2012)*



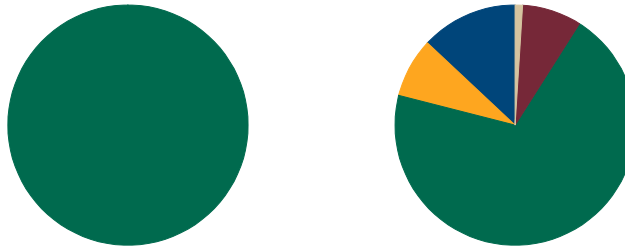
Contributions	\$2,467,135	\$910	\$0	\$0
Rollovers	\$0	\$0	\$0	\$0
Loan Repayments	\$0	\$0	\$0	\$0
Total*	\$2,467,135	\$910	\$0	\$0
Active Participants	4737	1	NA	NA
Average Contribution*	\$521	\$910	NA	NA

*Please note that Rollovers are excluded from this calculation.

RHS Plan Asset Allocation *(as of December 31, 2012)*

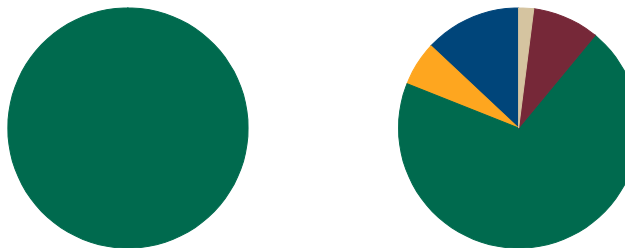
Your RHS Plan Total ICMA-RC RHS Clients

December 31, 2011



Stable Value/Cash Management	0.00%	13.00%
Bond	0.00%	8.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	100.00%	70.00%
U.S. Stock	0.00%	8.00%
International/Global Stock	0.00%	1.00%

December 31, 2012



Stable Value/Cash Management	0.00%	13.00%
Bond	0.00%	6.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	100.00%	70.00%
U.S. Stock	0.00%	9.00%
International/Global Stock	0.00%	2.00%

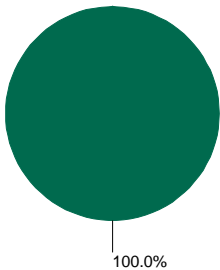
Note: Asset allocation for all clients except Washington State.

For Plan Sponsor Use Only

RHS Plan Asset Allocation by Age (as of December 31, 2012)

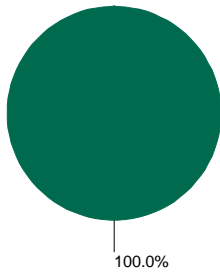
- Stable Value/Cash Management
- Bond
- Guaranteed Lifetime Income
- Balanced/Asset Allocation
- U.S. Stock
- International/Global Stock

Under 35



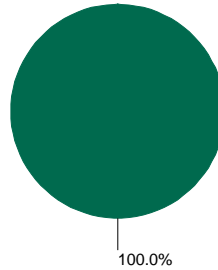
62 Inactive
62 Participants
\$73,682 Total Assets
\$1,188 Average Balance
3 Invested in One Fund

35 - 45



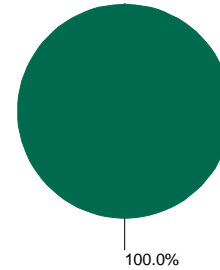
431 Inactive
431 Participants
\$771,314 Total Assets
\$1,790 Average Balance

46 - 55



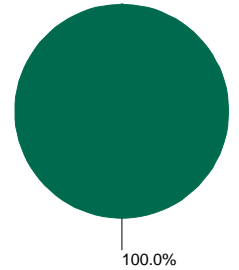
1262 Inactive
1262 Participants
\$2,867,355 Total Assets
\$2,272 Average Balance

56 - 65



1554 Inactive
1554 Participants
\$4,170,860 Total Assets
\$2,684 Average Balance

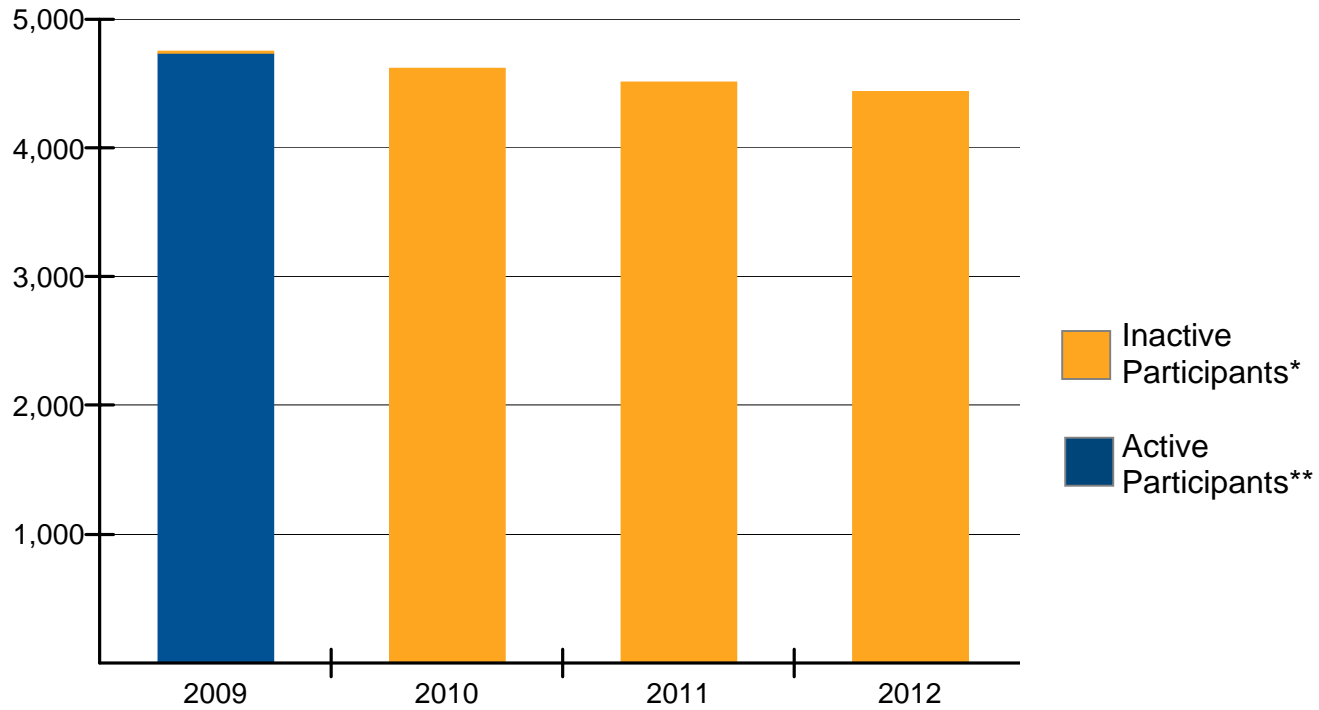
Over 65



1131 Inactive
1131 Participants
\$2,780,351 Total Assets
\$2,458 Average Balance

Data for participants invested in one fund excludes funds in the Target Risk and Target Date category.

RHS Plan Participation Trends *(as of December 31, 2012)*

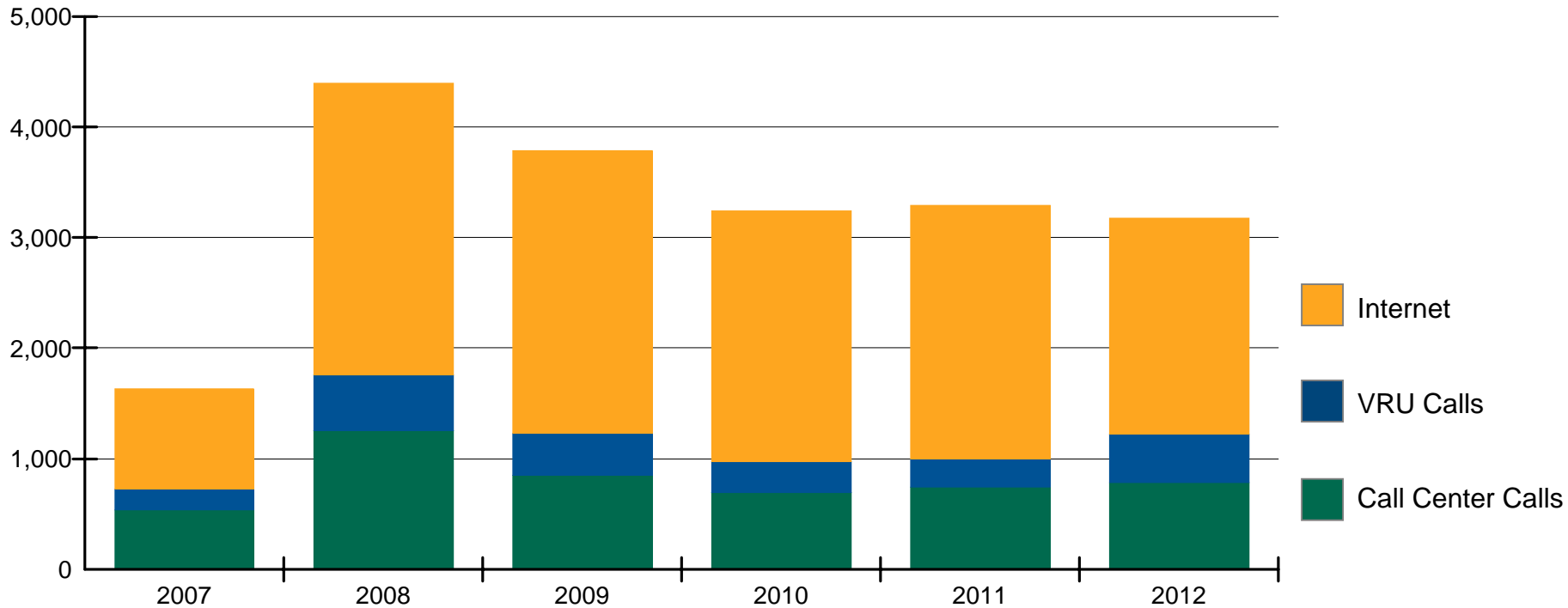


Inactive	10	4615	4510	4441
Active	4737	1	0	0
Total	4747	4616	4510	4441

*Inactive Participants--participants who have a balance and did not make a contribution to the plan within the last 12 months.

**Active Participants--participants who have a balance and made a contribution to the plan within the last 12 months.

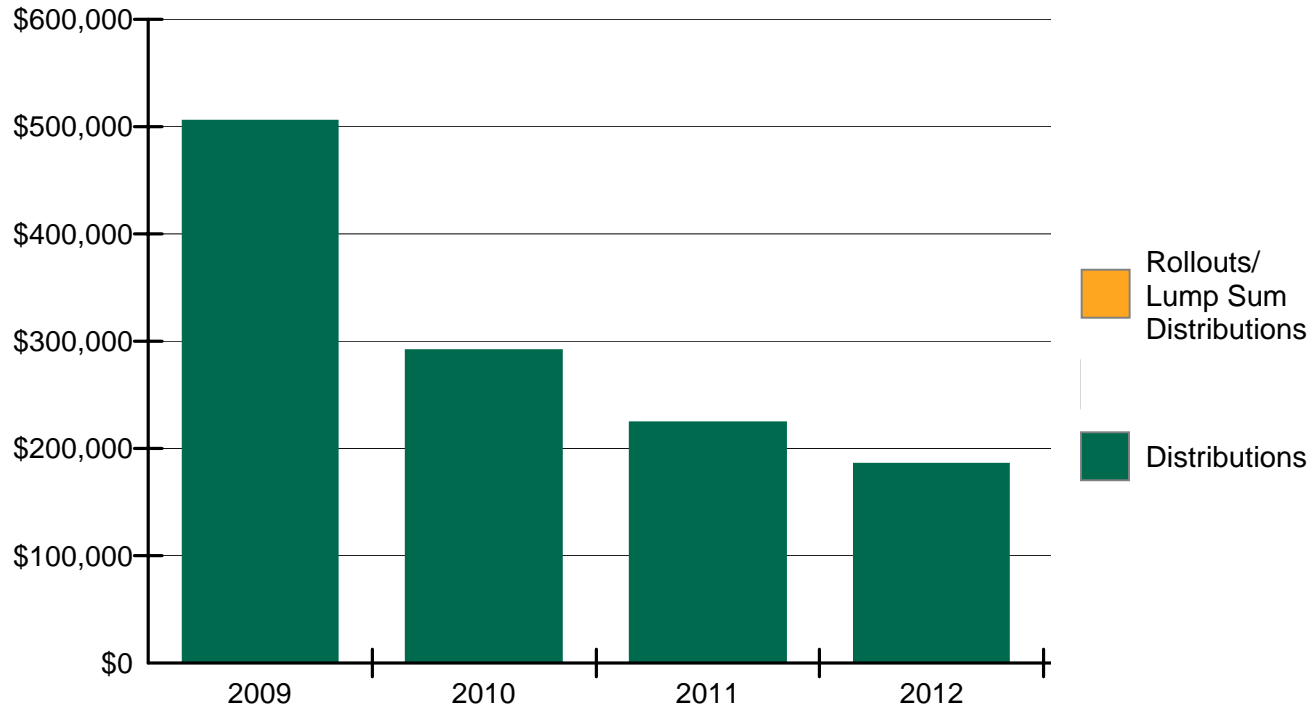
RHS Plan Service Usage *(as of December 31, 2012)*



Internet	911	2639	2562	2265	2296	1954
VRU	193	502	378	286	254	440
Call Center	533	1255	847	690	741	780
Total	1637	4396	3787	3241	3291	3174

The chart above provides the number of contacts made by your RHS plan participants to ICMA-RC using several media — online using our Account Access participant Web site, VantageLine voice response unit, or call center representatives.

RHS Plan Withdrawal Trends *(as of December 31, 2012)*



Rollouts/Lump Sum	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0
Distributions	\$506,071	\$292,029	\$225,079	\$186,474
Total	\$506,071	\$292,029	\$225,079	\$186,474
# of Rollouts	0	0	0	0
# of Distributions	1717	1079	752	534
Total	1717	1079	752	534

RHS Plan Activity

4th Quarter 2012

Platinum Services Plan Service Report

Plan Summary

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan includes ten balanced funds for investment options. Over the last quarter, the plan's 4,441 participants contributed a total of \$3,132 with the largest amount, \$3,132 to its balanced funds. Overall, the plan has 100% in its balanced funds.

Over the last quarter with regard to market value, balanced funds increased in market value by \$130,118. On a net cash flow basis (contribution, plus net transfers less withdrawals), balanced funds dropped \$61,635. Since September 2012, the RHS plan for the VERMONT MUNICIPAL EMPLOYEES RET SYSTEM saw its total value increase 0.5% from \$10,612,617 to \$10,666,695.

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants with Balance
Vantagepoint Milestone Ret Inc	\$1,561,871	\$3,132	-\$26,881	\$3,135	\$11,576	\$1,547,541	14.51%	675
Vantagepoint Milestone 2010	1,415,867	0	-25,721	-3,135	13,042	1,397,499	13.10%	521
Vantagepoint Milestone 2015	1,977,184	0	-11,688	0	21,508	1,984,884	18.61%	735
Vantagepoint Milestone 2020	2,234,519	0	-447	0	29,392	2,261,608	21.20%	837
Vantagepoint Milestone 2025	1,675,801	0	-30	0	24,352	1,698,858	15.93%	740
Vantagepoint Milestone 2030	984,880	0	0	0	15,673	999,807	9.37%	474
Vantagepoint Milestone 2035	502,782	0	0	0	9,380	511,785	4.80%	272
Vantagepoint Milestone 2040	197,590	0	0	0	3,919	201,361	1.89%	133
Vantagepoint Milestone 2045	62,123	0	0	-2,458	1,277	60,896	0.57%	52
Vantagepoint Milestone 2050	0	0	0	2,458	-3	2,454	0.02%	3
Total	\$10,612,617	\$3,132	-\$64,767	\$0	\$130,118	\$10,666,695	100.00%	4441

III. Fee Disclosure

4th Quarter 2012

Platinum Services Plan Service Report

Overview of Services Provided by ICMA-RC

ICMA-RC provides your RHS plan the following administration, record keeping and education services:

- Participant enrollment services
- Establishment/maintenance of participant accounts reflecting amounts contributed, income, gains/losses credited and amounts disbursed
- Maintenance of Website, electronic data transfer (from employers) media, as well as toll-free Call Center and VRU for the receipt of participant and employer instructions
- Allocation of plan contributions received in good order by 4:00pm ET according to participant instructions or to the default option selected by the employer for the plan
- Implementation of participant fund transfer instructions received in good order by 4:00 p.m. ET at the price as of the close of business
- Distribution of assets to participants and beneficiaries in accordance with Internal Revenue Code and plan document
- Implementation of daily net transactions with underlying and outside fund companies on an omnibus basis
- Maintenance of fund holdings and transaction activity on our system on an allocated basis
- Delivery of quarterly plan sponsor and participant statements by mail or online at the recipient's direction
- Online access to an extensive range of reports as well as transaction capabilities for plan sponsors and participants
- Provision of extensive online and hard copy educational materials
- Access to educational seminars and individual consultations by professional and knowledgeable representatives
- Administration of a fund lineup selected by the plan sponsor from the fund platform made available by ICMA-RC

Statement Regarding Fiduciary/Investment Advisory Services

ICMA-RC generally acts in a non-fiduciary capacity as record keeper and administrator for the plans. The following are the only circumstances in which we act as a fiduciary:

ICMA-RC Advisory Services under Guided Pathways Program

ICMA-RC acts as investment adviser under the Guided Pathways®² program, a platform for the delivery of a suite of advisory services available to Participants in retirement plans administered by ICMA-RC. These services include:

Managed Accounts – discretionary, on-going allocation of assets among mutual funds and other pooled investment vehicles available within a Participant's Retirement Plan;

Fund Advice – nondiscretionary, point-in-time, individualized recommendations to Participants looking for help in selecting specific mutual fund investments for their accounts from among the investment options made available through their Retirement Plan; and

Asset Class Guidance – nondiscretionary, point-in-time, individualized asset allocation recommendations for Participants looking for assistance in selecting Retirement Plan investments at the asset category level.

As part of Guided Pathways®², ICMA-RC has entered into a contract with Ibbotson Associates, Inc. ("Ibbotson"), an SEC registered investment adviser and wholly owned subsidiary of Morningstar Associates, under which Ibbotson serves as the Independent Financial Expert ("IFE"). In its role as IFE, Ibbotson develops asset class allocation models. Furthermore, for each Plan, Ibbotson develops a fund-specific allocation model for each of the asset class allocation models.

For Participants who select Managed Accounts discretionary management, ICMA-RC, based on the recommendation of Ibbotson, determines which fund-specific asset allocation model is most appropriate given the Participant's financial situation, investment time horizon, and other relevant factors. For those opting for nondiscretionary Fund Advice, the service recommends the appropriate fund-specific asset allocation model, and Participants choose whether to implement the recommendation. For Asset Class Guidance, the service suggests the appropriate asset-class level allocation model, and Participants choose: (1) whether to implement the recommended asset-class level allocation; and (2) the specific funds to use to populate the recommended asset classes.

Retirement Readiness Reports

At the request of a Plan Sponsor, ICMA-RC may provide Retirement Readiness Reports (“Reports”) to all full-time employees of the plan sponsor (both existing plan participants and non-participants). These Reports include: 1) a forecast of an employee’s income at retirement in relation to a retirement income objective provided by the plan sponsor; 2) a set of recommendations (including potential changes in savings rate) to help the employee reach this retirement income objective; and 3) an asset allocation recommendation based on certain employee specific data. For existing plan participants, the Report will also include a fund specific investment recommendation based on the available investment options in the plan. ICMA-RC has engaged Ibbotson² to generate the investment recommendations in the Report. Ibbotson uses the same investment methodologies and software to generate the Report that it uses for the Guided Pathways® program, described above.

ICMA-RC Advisory Services to EIP Advisor Client

ICMA-RC offers non-discretionary investment advisory services to public employers who pre-fund their Other Post-Employment Benefits (OPEB) such as post-employment healthcare. The advice is provided by ICMA-RC associates in our Investment Division who hold the Chartered Financial Analyst® designation and is limited to unaffiliated, third-party, registered mutual funds and exchange-traded funds. It includes assistance in drafting investment policy statements; recommendations regarding asset allocation; assistance in selecting investments in mutual funds; identification of investment benchmarks; portfolio performance analysis and reporting; and reviews of the performance of the investment manager(s) selected. The advice is tailored to the individual needs of each OPEB client as outlined in its investment policy statement. Each OPEB client is ultimately responsible for the selection of investments held in its portfolio and can impose restrictions on investing in these vehicles.

ICMA-RC Advisory Services to Vantage Trust Company, LLC

ICMA-RC, in its capacity as an investment adviser registered with the SEC, provides investment advisory, management, and administrative services to Vantage Trust Company, LLC (“VTC”) in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. VTC is a New Hampshire non-depository trust company and a wholly-owned subsidiary of ICMA-RC. VTC is the sole trustee of VantageTrust, a trust established and maintained for the purpose of commingling assets of state and local government qualified retirement and deferred compensation plans.

Vantagepoint Investment Advisers, LLC (“VIA”)

VIA, a wholly-owned subsidiary of ICMA-RC and also an SEC-registered investment adviser, serves as the investment adviser to The Vantagepoint Funds, the underlying funds of the VantageTrust Vantagepoint Funds available as investment options to qualified and deferred compensation plan participants through VantageTrust. The Vantagepoint Funds is an SEC-registered series investment company with each fund in the series having a different investment objective and strategy. Pursuant to its written advisory agreement with The Vantagepoint Funds, VIA, with the consent and approval of The Vantagepoint Funds’ Board of Directors, enters into agreements with subadvisers for the performance of some or all of VIA’s duties and responsibilities to the Funds. VIA retains the responsibility and authority to monitor and review the performance of each subadviser.

Group Annuity Contract Separate Account

ICMA-RC provides investment advisory and management services with respect to the insurance company separate account that is the underlying investment of the group annuity contract issued to VantageTrust Company, LLC in connection with the VantageTrust Retirement Income Advantage Fund. ICMA-RC is responsible, among other things, for investing and reinvesting assets of the separate account in accordance with the investment guidelines; maintaining the separate account asset allocation within the specified target percentages and tolerances; voting all proxies and taking all other investor actions with respect to the securities in the separate account; and meeting with the independent insurance company to review the performance of the separate account and the underlying investments.

Compensation Received by ICMA-RC

ICMA-RC receives compensation for the services it provides in the following manner:

Record keeping Fees Deducted from Participant Accounts: ICMA-RC may be compensated for record keeping services with the following explicit fees deducted from participant accounts:

- **Participant fees** – A flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.
- **Asset-based Fee** – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.
- **Ancillary service fees** – Fees deducted from plan participant accounts to pay for services chosen by participants, including financial plans, loans, online investment advice, Managed Accounts² and self-directed brokerage accounts made available by ICMA-RC and the plan.

Compensation Received from Funds Made Available by the Plan: ICMA-RC and its affiliates may be compensated for record keeping and investment advisory services from the mutual funds it administers:

- **Record keeping fees** – Deducted from the assets of some mutual funds or collective investment funds, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid by VantageTrust Company, LLC, the fund or fund company to ICMA-RC for services rendered by ICMA-RC to the Fund and to the plans and participants that invest in the fund directly or through the VantageTrust Funds. The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-advisory compensation paid by a fund to ICMA-RC and/or its affiliates.
- **Investment advisory fees** – Consists of compensation paid to Vantagepoint Investment Advisers, LLC (“VIA”), a wholly-owned subsidiary of ICMA-RC and an SEC-registered investment adviser, which serves as the investment adviser to The Vantagepoint Funds, for which ICMA-RC is the sponsor, as well as compensation paid to Vantagepoint Transfer Agents, LLC (“VTA”) for other fund services. In addition, this includes compensation paid to ICMA-RC for investment advisory services provided to VantageTrust Company in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. Investment fees are deducted from fund assets and reflected in the Net Asset Values of the Vantagepoint Funds and the VantageTrust Funds.

RHS Fee and Revenue Summary

Your RHS Plan incurs costs for services it receives, including revenue retained by ICMA-RC for record keeping and investment advisory services. As of December 31, 2012, the estimated annual cost to your plan is \$120,031 consisting of \$91,529 from fund fees and expenses (0.88% of plan assets) and \$28,501 of participant account fees.

Out of total estimated plan costs, ICMA-RC received the following estimated annual revenue:

Revenue Source	Record Keeping	Investment Advisory	Total
Funds	\$45,361 (0.43%)	\$10,432 (0.10%)	\$55,793 (0.53%)
Participant Account Fees	\$28,501	\$0	\$28,501
Total	\$73,862	\$10,432	\$84,294

Methodology

ICMA-RC estimated its annual compensation as follows:

- Dollar values of record keeping and investment advisory revenue were estimated by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. Results of this calculation for each fund were aggregated to derive a total estimated revenue in dollars for the past 12 months.
- Estimated revenue as a percent of plan assets was calculated by dividing the total estimated dollar value by the average month-end balance for the plan for the past 12 months.

Participant usage fees were actual fees charged to participant accounts for the current quarter-ending period.

All data on page is as of December 31, 2012

RHS Fees/Fund Expenses & ICMA-RC Revenue

Fund ¹	Morningstar Category ¹⁷	Average Month-End Assets	Fees & Expenses to Plan		ICMA-RC Gross Revenue			
			Fees & Net Expense Ratio	Estimated Expense Cost	Non-Investment Advisory	Estimated Annual Revenue	Investment Advisory	Estimated Annual Revenue
Target-Risk/Target-Date								
Vantagepoint Milestone Ret Inc ^{9,12}	Retirement Income	\$1,553,738	0.85%	\$13,207	0.44%	\$6,836	0.10%	\$1,554
Vantagepoint Milestone 2010 ^{9,12}	Target Date 2000-2010	\$1,401,644	0.91%	\$12,755	0.44%	\$6,167	0.10%	\$1,402
Vantagepoint Milestone 2015 ^{9,12}	Target Date 2011-2015	\$1,947,173	0.88%	\$17,135	0.44%	\$8,568	0.10%	\$1,947
Vantagepoint Milestone 2020 ^{9,12}	Target Date 2016-2020	\$2,187,890	0.85%	\$18,597	0.43%	\$9,408	0.10%	\$2,188
Vantagepoint Milestone 2025 ^{9,12}	Target Date 2021-2025	\$1,637,985	0.88%	\$14,414	0.43%	\$7,043	0.10%	\$1,638
Vantagepoint Milestone 2030 ^{9,12}	Target Date 2026-2030	\$960,477	0.89%	\$8,548	0.43%	\$4,130	0.10%	\$960
Vantagepoint Milestone 2035 ^{9,12}	Target Date 2031-2035	\$490,718	0.91%	\$4,466	0.43%	\$2,110	0.10%	\$491
Vantagepoint Milestone 2040 ^{9,12}	Target Date 2036-2040	\$192,182	0.90%	\$1,730	0.43%	\$826	0.10%	\$192
Vantagepoint Milestone 2045 ^{9,12}	Target Date 2041-2045	\$60,240	1.08%	\$651	0.43%	\$259	0.10%	\$60
Vantagepoint Milestone 2050 ^{9,12}	Target Date 2046-2050	\$2,454	1.10%	\$27	0.53%	\$13	0.00%	\$0
Total Average Month-End Assets:		\$10,434,502						
Total Fees and Expenses to Plan:			0.88%	\$91,529				
Total Shareholder Servicing Revenue Retained by ICMA-RC:					0.43%	\$45,361		
Total Investment Advisory Revenue Retained by ICMA-RC:							0.10%	\$10,432

All data on page is as of December 31, 2012

Dollar values of fees and expenses by fund are estimates derived by multiplying the average month end balance for the past 12 months and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses, net expenses and waivers for each fund immediately follows this table.

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RHS Fee & Fund Expense Detail

Fund ¹	Morningstar Category ¹⁷	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	+	Plan Admin Fee	=	Total Fees & Expenses	Redemption Fee ¹	Trade Restriction ¹
Target-Risk/Target-Date												
Vantagepoint Milestone Ret Inc ^{9,12}	Retirement Income	0.85%	0.00%	--	NA	0.85%		0.00%		0.85%	None	None
Vantagepoint Milestone 2010 ^{9,12}	Target Date 2000-2010	0.91%	0.00%	--	NA	0.91%		0.00%		0.91%	None	None
Vantagepoint Milestone 2015 ^{9,12}	Target Date 2011-2015	0.88%	0.00%	--	NA	0.88%		0.00%		0.88%	None	None
Vantagepoint Milestone 2020 ^{9,12}	Target Date 2016-2020	0.85%	0.00%	--	NA	0.85%		0.00%		0.85%	None	None
Vantagepoint Milestone 2025 ^{9,12}	Target Date 2021-2025	0.88%	0.00%	--	NA	0.88%		0.00%		0.88%	None	None
Vantagepoint Milestone 2030 ^{9,12}	Target Date 2026-2030	0.89%	0.00%	--	NA	0.89%		0.00%		0.89%	None	None
Vantagepoint Milestone 2035 ^{9,12}	Target Date 2031-2035	0.91%	0.00%	--	NA	0.91%		0.00%		0.91%	None	None
Vantagepoint Milestone 2040 ^{9,12}	Target Date 2036-2040	0.90%	0.00%	--	NA	0.90%		0.00%		0.90%	None	None
Vantagepoint Milestone 2045 ^{9,12}	Target Date 2041-2045	1.09%	0.01%	CONTRACTUAL	4/30/2013	1.08%		0.00%		1.08%	None	None
Vantagepoint Milestone 2050 ^{9,12}	Target Date 2046-2050	2.60%	1.50%	Contractual	4/30/2014	1.10%		0.00%		1.10%	None	None

All data on page is as of December 31, 2012

See disclosure at end of chapter.

For Plan Sponsor Use Only

See disclosure at end of chapter

RHS ICMA-RC Gross Revenue Detail

Fund ¹	Morningstar Category ¹⁷	Plan Admin Fee	+ 12b-1 from Funds	+ Other Non-Investment Advisory from Funds	= Non-Investment Advisory Subtotal	+ ICMA-RC Investment Advisory	= Total ICMA-RC Revenue ³
Target-Risk/Target-Date							
Vantagepoint Milestone Ret Inc ^{9,12}	Retirement Income	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2010 ^{9,12}	Target Date 2000-2010	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2015 ^{9,12}	Target Date 2011-2015	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2020 ^{9,12}	Target Date 2016-2020	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2025 ^{9,12}	Target Date 2021-2025	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2030 ^{9,12}	Target Date 2026-2030	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2035 ^{9,12}	Target Date 2031-2035	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2040 ^{9,12}	Target Date 2036-2040	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2045 ^{9,12}	Target Date 2041-2045	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2050 ^{9,12}	Target Date 2046-2050	0.00%	0.00%	0.53%	0.53%	0.00%	0.53%

All data on page is as of December 31, 2012

Section includes data for funds with the lowest administration fee available to the plan with more than five participants. See disclosure at end of chapter.

RHS ICMA-RC Participant Account Fees

4th Quarter 2012

Platinum Services Plan Service Report

Assessments from Participant Accounts in 6 months ending December 31, 2012

Service	Fee	Number of Assessments	Annual Cost
<u>Administration Fees (Benefits & Non-Benefits Eligible)</u>			
Per Participant Fee	\$30 annual fee	1719	\$12,867
Administration	0.300% (annualized) on assets	8911	\$15,635
Total Fees from Participant Accounts			\$28,501

Statement Regarding Termination Provisions

ICMA-RC imposes no Contingent Deferred Sales Charges of any kind or Market Value Adjustments on the stable value VantageTrust PLUS Fund. Costs may be assessed for termination without cause prior to the conclusion of a term contract. Mutual funds administered for the plan may assess redemption fees for assets that have been invested for less than the period of time defined in the fund prospectus.

ICMA-RC retains full discretion to fund Employer withdrawals from the VantageTrust PLUS Fund in an orderly manner over a period of up to 12 months in order to lessen the negative impact that a substantial withdrawal may have on investors remaining in the fund.

All data on page is as of December 31, 2012

Ancillary Service Fee – Fees deducted from plan participant accounts to pay for services chosen by participants that are made available by ICMA-RC and the plan

Average Month-End Assets – Average month-end assets in plans for the 12 month period ending on the date of this report.

Asset-based Fee – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.

Contingent Deferred Sales Charges (CDSCs): Some mutual funds may charge investors for marketing costs of up to 8% of assets either at the time an investment is made or when assets are redeemed. In the public sector retirement plan community, these “contingent deferred sales charges” can be charged when participants move to another plan administrator or when the plan sponsor terminates the plan administrator.

Estimated Expense Cost – This simulation is designed to provide an estimate of the cost of fund expenses to your plan, not a calculation of actual expenses incurred. Annualized costs to your plan from fund expenses have been estimated by multiplying the average month-end balance in each fund with the net fund expense ratio as of the date of this report. Actual experience of the plan will vary based on assets in each fund over an annual period and changes that may occur in expense ratios over that period.

Estimated Record Keeping Revenue – This simulation is designed to provide an estimate of revenue received by ICMA-RC for plan and participant services, not a calculation of such revenue received. Annualized record keeping revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized record keeping revenue anticipated to be received by ICMA-RC from fund companies based on current contracts with those companies as of the date of this report. Record keeping revenue is paid by fund companies based on calculation methodologies of each fund company. Actual fees and revenue of the plan will vary based on those differing methodologies.

Estimated Investment Advisory Revenue – This simulation is designed to provide an estimate of the investment advisory revenue received by ICMA-RC, not a calculation of actual revenue received. Annualized investment advisory revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized investment advisory revenue anticipated to be received by ICMA-RC as of the date of this report. Actual experience of the plan will vary based on those differing methodologies, as well as on the assets in each fund over an annual period.

Expense Waiver Amount – The amount that a service provider or a mutual fund has agreed to waive in order to reduce or limit operating expenses for the fund. Fee waivers may not be available in the future.

Financial Plan Fee – Flat-dollar fee assessed after delivery of an in-depth financial plan requested by a participant.

Gross Expense Ratio – The annualized amount, expressed as a percentage of their total investment that investors will pay annually for the mutual fund's operating expenses and management fees before any waivers.

Investment Advice Fee – Annual dollar-based fee for access to independent online investment advice. Some vendors charge the plan a fee for each eligible participant, while other vendors charge a fee only when a participant uses the service.

Investment Advisory Fees – Consists of compensation paid to Vantagepoint Investment Advisers, LLC (“VIA”), a wholly-owned subsidiary of ICMA-RC and an SEC-registered investment adviser, which serves as the investment adviser to The Vantagepoint Funds, for which ICMA-RC is the sponsor, as well as compensation paid to Vantagepoint Transfer Agents, LLC (“VTA”) for other fund services. In addition, this includes compensation paid to ICMA-RC for investment advisory services provided to VantageTrust Company, LLC in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. Investment fees are deducted from fund assets and reflected in the Net Asset Values of the Vantagepoint Funds and the VantageTrust Funds.

Loan Fees – Fees assessed when a participant voluntarily takes a loan from his or her plan account. Vendors typically charge for establishing/re-amortizing loans and for maintaining loans. Fees are usually assessed on a flat dollar basis, with start-up fees assessed at the initiation or re-amortization of a loan and maintenance fees charged annually.

Managed Accounts Fee – An asset-based fee paid by participants who receive independent managed account services. Fee reductions may be provided when participant accounts reach certain asset levels. Fee is assessed on participant accounts and reported on participant statements.

Morningstar Category – Categories are from Morningstar® as of the date of this report for underlying funds where available. Category for the PLUS Fund was determined by ICMA-RC based on fund characteristics. Morningstar®, Inc. is a global investment research firm that is not affiliated with ICMA-RC. Morningstar® used as a source for some data.

Net Expense Ratio – The amount shown is the gross expense ratio less any expense waivers. The daily portion of this expense is deducted from the fund prior to the fund company's calculation of the daily price reported to the public.

Participant Fee – An explicit flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.

Record keeping fees – Deducted from the assets of some mutual funds or collective investment trusts, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid by VantageTrust Company, LLC, the fund or fund company to ICMA-RC for services rendered by ICMA-RC to the Fund and to the plans and participants that invest in the fund directly or through the VantageTrust Funds. The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-advisory compensation paid by a fund to ICMA-RC and/or its affiliates.

Redemption Fee – To discourage frequent trading and reduce the cost of such activity to the fund and its investors, a fund may assess a redemption fee when fund shares, held for less than a minimum period of time, are sold or “redeemed.”

Self-Directed Brokerage Fee – Fee assessed when a participant voluntarily uses self-directed brokerage account services that provide access to a wide range of mutual funds and individual securities (if offered by plan). A fee for establishing the account or for maintaining the account may be assessed. The brokerage services vendor will assess additional fees.

Total ICMA-RC Revenue – Summation of all revenue received by ICMA-RC, including record keeping fees and investment advisory fees from proprietary funds managed by ICMA-RC.

Trade Restrictions – As an alternative to assessing redemption fees to discourage frequent trading, funds may require participants to wait a defined period after redeeming shares to transfer assets back into the fund.

Waiver Expiration Date – The date upon which the contractual obligation to provide the waiver lapses.

Waiver Type - Indicates whether the reduction in fund expense ratio is voluntary or contractual.

¹ Please read *Making Sound Investment Decisions: A Retirement Investment Guide* (“Guide”) carefully for more information on fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or visiting www.icmarc.org.

Please read the fund’s prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org

Please read the fund’s prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. The prospectus contains this and other information about the investment company. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org. You can obtain a prospectus, statement of additional information and other information about the Vantagepoint Funds online at www.icmarc.org/vpprospectus, by calling 800-669-7400 or emailing investorservices@icmarc.org. The Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC and member FINRA/SIPC.

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Frequent trading rules are designed to detect and discourage trading activities that may increase costs to all investors. All funds or underlying funds are monitored for frequent trading. Certain funds or underlying funds may impose fees or restrictions to deter frequent trading. Current information about these fees or restrictions can be found in a fund’s or underlying fund’s prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org. You can obtain information about ICMA-RC’s Frequent Trading Policy at www.icmarc.org/frequenttrading.

Certain funds or underlying funds may charge a redemption fee. Current information about redemption fee, if any, will be contained in the fund’s or underlying fund’s prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org.

- ² Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert Ibbotson Associates, Inc. Ibbotson is a federally registered investment adviser and wholly owned subsidiary of Morningstar, Inc. Both Ibbotson and Morningstar are not affiliated with ICMA-RC. All rights reserved. Ibbotson and the Ibbotson logo are trademarks or service marks of Ibbotson Associates, Inc.
- ³ ICMA-RC receives compensation from outside funds that are available for investment in your retirement plan. Compensation is received for services rendered by ICMA-RC to plans and participants that mutual funds would normally provide. This compensation is received in several ways from various sources and may include compensation for the following services:
- Advertising and marketing costs (12b-1 fees)
 - Additional distribution support
 - Educational seminars and training
 - Shareholder record-keeping and/or transfer agency services

The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all compensation paid by the fund to ICMA-RC and/or its affiliates. This amount includes ICMA-RC's asset-based shareholder servicing compensation that is included in the daily NAV calculation. Shareholder servicing expenses are included in the gross and net fund expenses disclosed.

The asset based revenue disclosed above is anticipated annual asset-based and/or per-participant revenue on assets administered as of 12/31/2012. This revenue is subject to change at the discretion of the fund company and is received at various times through the course of a year based on the policies of the individual fund companies.

- ⁴ PLUS Fund return is annualized for all periods.

Direct transfers from a stable value fund to competing funds are restricted. Competing funds may include, but are not limited to money market mutual funds, certificates of deposit, stable value funds, investment options that offer guarantees of principal or income, certain short-term bond funds and self-directed brokerage accounts. Certain restrictions may apply when you want to transfer money from a stable value fund to a competing fund. These restrictions generally include waiting periods before transfers can be made back into a stable value fund.

- ⁵ *Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.*

- ⁶ *The Cash Management Fund is invested in a single registered mutual fund, the Dreyfus Cash Management Fund. Investments in the VantageTrust Cash Management Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Dreyfus Cash Management Fund seeks to preserve its value at \$1.00 per share, it is possible to lose money by investing in the Fund. The 7-Day Yield more closely reflects the Fund's current earnings than the quotation of total return.*
- ⁷ CD Accounts are issued by Bank of America, N.A. ("Bank"), a member of the FDIC, and are available as VantageTrust investment options. CD Account deposits of up to \$250,000 are insured by the FDIC, subject to certain limitations. Amounts to be invested in CD Accounts are initially held in the Bank's Money Market Deposit Account ("MMDA") and earn the Bank's MMDA rate. At the end of the open investment window, assets are transferred to the CD Account where interest is credited daily and compounded monthly.
- Certificate of Deposit Accounts (CD Accounts) Annual Percentage Rates (APRs) and Annual Percentage Yields (APYs) are valid for the purchases made within the related open investment window and assume principal and interest remain in the account until maturity. Withdrawals and penalties will reduce earnings on the account. Please be advised, there may be associated penalties for withdrawing from a CD Account prior to the maturity date. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.
- ⁸ A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.
- ⁹ The expense ratio for a "fund of funds" includes acquired fund fees and expenses, which are expenses incurred indirectly by the fund through its ownership in other mutual funds.
- ¹⁰ American Century is a registered trademark of American Century Services Corporation.
- ¹¹ T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.
- ¹² The fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.
- ¹³ Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.

Disclosures

- ¹⁴ Funds that Invests in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets).
- ¹⁵ Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.
- ¹⁶ Morningstar places registered mutual funds in certain categories based on the mutual fund's historical portfolio holdings. Placement of a registered mutual fund in a particular Morningstar category does not mean that the mutual fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A registered mutual fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category.

VantageTrust funds are not assigned Morningstar categories and, therefore a Morningstar category listed for a VantageTrust fund has been assigned to the underlying registered mutual fund in which the VantageTrust fund invests.

- ¹⁷ **Prudential Retirement Insurance and Annuity Company (Prudential)**, CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential's Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential's claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential Separate Account. Prudential or its affiliates may compensate ICMARC for providing these and related administrative services in connection with the Fund. Before electing the Spousal Benefit (if available) on behalf of any beneficiary not recognized as your spouse under Federal law, be aware that provisions of your plan or the Internal Revenue Code might prevent, limit or otherwise affect the ability of the beneficiary to receive the Spousal Benefit. Variable annuities are suitable for long-term investing, particularly retirement savings. Prudential, the Prudential logo, and the Rock symbol are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. **Note:** Participants who are interested in the VantageTrust Retirement IncomeAdvantage Fund must first receive and read the **VantageTrust Retirement IncomeAdvantage Fund Important Considerations** document before investing.

- ¹⁸ Participants can withdraw assets from a CD Account at any time, but withdrawals prior to the maturity date are subject to an early withdrawal penalty equal to 180 days of interest on the amount withdrawn, unless one of the exceptions identified below applies. The interest penalty is calculated as the gross rate of the CD Account (i.e., the net rate plus the Annual CD Administrative Fee).

Transfers from the VantageTrust PLUS Fund to CD Accounts are prohibited. Assets must be invested outside of the VantageTrust PLUS Fund in a non-competing fund for a period of at least 90 days before being transferred to CD Accounts. ICMA-RC will limit each participant's aggregate investment in CD Accounts to an amount less than \$250,000. This limit includes principal, accrued interest, future interest, and any previously purchased VantageTrust CD Accounts issued by Countrywide Bank or MBNA. If an individual's total investment in CD Accounts exceeds the \$250,000 limit, ICMA-RC will transfer the excess amounts to the Plan's designated maturity fund. Note that ICMA-RC can only limit a participant's aggregate investment in CD Accounts through Plans administered by ICMA-RC.

- ¹⁹ Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert Ibbotson Associates, Inc. Ibbotson is a federally registered investment adviser and wholly owned subsidiary of Morningstar, Inc. Both Ibbotson and Morningstar are not affiliated with ICMA-RC. All rights reserved. Ibbotson and the Ibbotson logo are trademarks or service marks of Ibbotson Associates, Inc.
- ²⁰ Underlying mutual fund expenses and plan administration fees still apply. Please consult the current applicable prospectus and Making Sound Investment Decisions: A Retirement Investment Guide for a description of these fees and expenses.
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