

# Plan Service Report

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM  
For Period Ended June 30, 2012

2<sup>nd</sup> 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](http://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](http://www.icmarc.org/vpprospectus), by calling 800-669-7400 or emailing [investorservices@icmarc.org](mailto: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.*

# Second Quarter 2012 Economic Review

2<sup>nd</sup> Quarter 2012

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## Economic Commentary

United States economic growth slowed in the second quarter of 2012. New and reentering job seekers outpaced the net increase in nonfarm jobs, declines in both the ISM manufacturing and nonmanufacturing indices indicated weakening economic conditions, and consumer confidence as reported by the Conference Board index, dropped for the fourth consecutive month. On the positive side, the housing market appeared to be showing signs of a slow recovery.

- The Federal Open Market Committee (FOMC) met in June and voted to extend “Operation Twist” through the end of the year to keep long term interest rates low and to maintain its target range for the federal funds annual rate at 0.00% to 0.25%.
- The Bureau of Economic Analysis (BEA) revised its estimate of real GDP growth for the first quarter downward to 1.9% from an initial estimate of 2.2%, and down from the 3% reported for the fourth quarter of 2011.
- U.S. manufacturing activity weakened in the second quarter and ended the quarter at 49.7, the first sub-50 reading of the recovery. The ISM nonmanufacturing index also fell in the second quarter, but ended the quarter above the pivotal 50 percent level at 52.1. For both indices, a reading above 50 percent generally indicates expansion; below 50 generally indicates contraction.
- Nonfarm payrolls increased by 225,000 jobs in the second quarter versus 677,000 in the first quarter. While jobs increased in the second quarter, the unemployment level rose from 8.1% at the end of April, to 8.2% at the end of June, which was the same level reported at the end of the first quarter.
- The Case-Shiller Home Price Index of national home prices increased at an annualized rate of 4.6% in the first quarter. On a year-over-year basis, the index was down 1.9% and was more than 32% below its 2006 peak.

# Second Quarter 2012 Economic Review

## Domestic Equity Markets

After a robust first quarter, U.S equity markets pulled back in the second quarter. The pull back was partially offset by a rally at the end of June amid news of a European accord, which investors hope will help resolve the regions debt crisis and possibly bolster the Euro.

- U.S. value stocks outperformed growth stocks in the second quarter. The Russell 1000 Value index lost 2.20%, while the Russell 1000 Growth index lost 4.02% in the quarter.
- Large-cap stocks outperformed small- and mid-cap stocks in the second quarter. The large-cap Standard & Poor's 500 index, "S&P 500 Index," fell 2.75%, while the small-cap Russell 2000 fell 3.47% and the mid-cap S&P 400 index dropped 4.93%.
- Four of the ten S&P 500 sectors rose in the second quarter, led by a 14.13% return in the Telecommunication Services sector, and followed by a 6.55% return in the Utilities sector. The Financials and Information Technology sectors were hardest hit with losses of 6.83% and 6.68% respectively.

## Morningstar Returns for Domestic Equity Funds-- 2nd Quarter 2012\*

	Value	Blend	Growth
Large-Cap	-3.61%	-4.16%	-5.62%
Mid-Cap	-4.79%	-5.48%	-6.01%
Small-Cap	-4.85%	-4.89%	-5.42%

## Morningstar Returns for Domestic Equity Funds-- 1 Year Ending \*

	Value	Blend	Growth
Large-Cap	0.50%	0.94%	0.81%
Mid-Cap	-3.42%	-5.10%	-4.31%
Small-Cap	-2.74%	-3.71%	-5.09%

\*See disclosure at end of chapter

*Past performance is no guarantee of future results*

*For Plan Sponsor Use Only*

# Second Quarter 2012 Economic Review

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## Fixed Income Markets

The Federal Open Market Committee (FOMC) maintained its target short-term interest rate at an annualized 0.00% to 0.25% during the quarter and indicated a continuing expectation of economic conditions that warrant the exceptionally low interest rates at least through late-2014. The FOMC also voted to extend through year-end 2012, “Operation Twist”, its program to lower long-term interest rates by extending the average maturity of its security holdings through sales of its short-term securities and purchases of long-term securities.

- Barclays U.S. Treasury Long Index gained an impressive 10.57% in the second quarter, outperforming shorter maturity bonds, as investors sought to reduce their risk exposure.
- On June 1, the yield on the 10-year Treasury note fell below 1.5%, a record low, but later retraced its path to end the second quarter at 1.67%, down from 2.23% at the end of March.
- The Barclays U.S. Aggregate Bond Index, a broad measure of the U.S. investment grade fixed income market, which includes Treasuries, returned 2.06% for the second quarter.
- Barclays U.S. Treasury Inflation-Protected Securities (“TIPS”) index gained 3.15% in the second quarter. Inflation protected securities are influenced by inflation expectations as well as interest rate changes.

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## Morningstar Returns for Domestic Fixed Income Funds--1 Year Ending 6/30/2012\*

Category	Quarter	Year
Ultrashort Bond	0.19%	0.79%
Short Government Short-Term Bond	0.37% 0.51%	1.63% 2.05%
Inflation-Protected Bond	2.35%	9.08%
Intermediate Government Intermediate-Term Bond	1.55% 1.82%	5.88% 6.57%
Long Government Long-Term Bond	11.92% 3.85%	35.92% 13.40%
High Yield Bond	1.14%	5.14%

\*See disclosure at end of chapter

# Second Quarter 2012 Economic Review

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## International Equity Markets

International equity markets fell back in the second quarter of 2012 in both developed and emerging markets reflecting the softening economic environment, continuing sovereign-debt and banking crisis and Europe and an economic slowdown in China. The pull back was partially offset by a rally at the end of June amid news of a European accord, which is intended to help resolve the regions debt crisis and possibly bolster the Euro.

- Developed international markets, as measured by the MSCI EAFE NR Index fell 7.13% for the quarter, outperforming the steeper decline of the emerging markets as measured by the MSCI EM NR Index which dropped 8.89%.
- Performance in the emerging markets was led by China with a 5.3% loss in the quarter and was followed by India which declined 9.5%. Russia lost 14.0% and Brazil dropped 18.8%.
- Major European stock exchanges produced negative returns in the second quarter. The UK's FTSE 100 fell 4.0% and was followed by France's CAC-40 Index which declined 8.2%. Germany's DAX Index dropped 11.7%
- The U.S. dollar gained 6.08% against the Euro and 2.64% against the U.K. Pound, and lost 3.05% against the Japanese Yen. The U.S. dollar Index, which measures the dollar against a basket of currencies, gained 3.56%. A stronger U.S. dollar generally detracts from returns for dollar-based investors holding non-U.S. dollar denominated securities.

## Morningstar Returns for Domestic International Equity Funds--1 Year Ending 6/30/2012\*

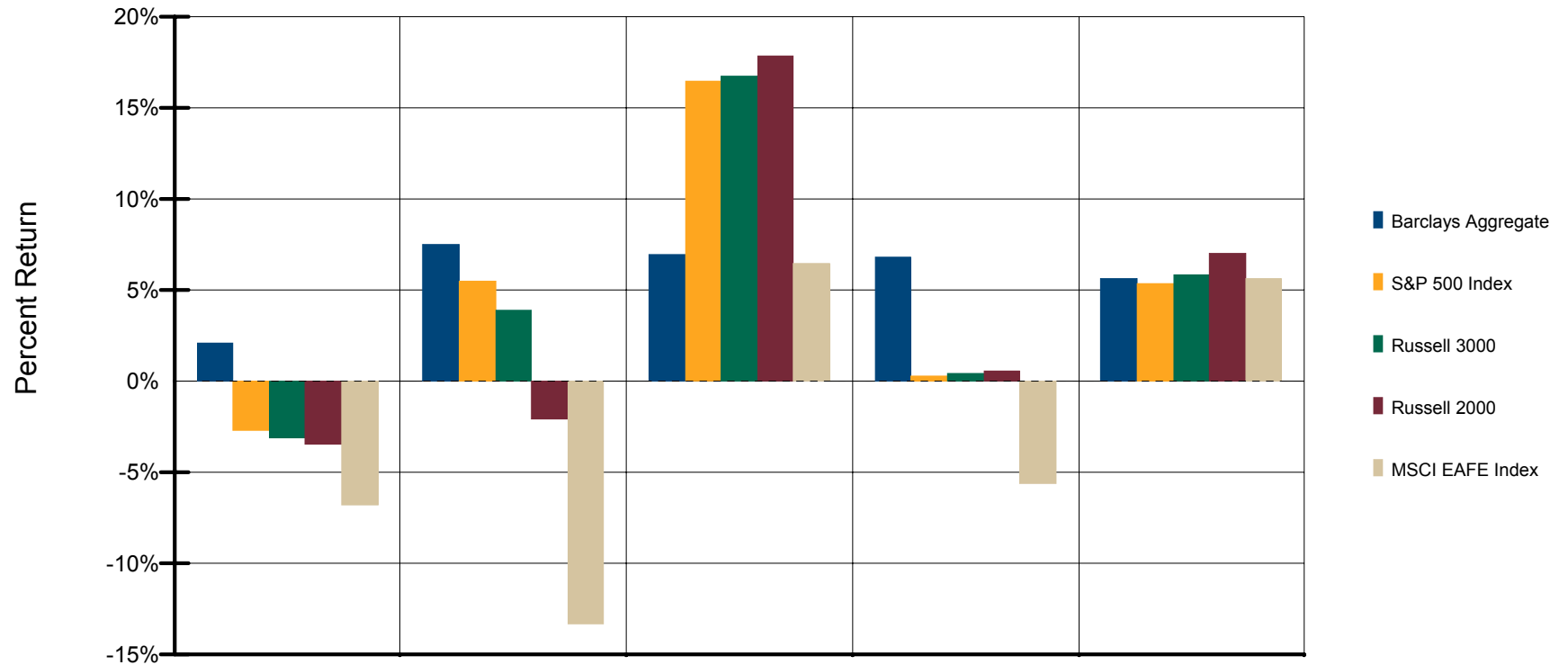
Category	Quarter	Year
Foreign Large Value	-7.37%	-15.34%
Foreign Large Blend	-6.89%	-13.86%
Foreign Large Growth	-7.21%	-11.51%
Foreign Small/Mid Value	-8.64%	-16.15%
Foreign Small/Mid Growth	-6.37%	-11.25%
Diversified Emerging Mkts	-8.20%	-16.10%
World Allocation	-2.92%	-3.49%

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\*See disclosure at end of chapter



# Capital Markets Returns



	Q2 '12	1 Year	3 Years	5 Years	10 Years
Barclays Aggregate	2.06%	7.47%	6.93%	6.79%	5.63%
S&P 500 Index	-2.75%	5.45%	16.40%	0.22%	5.33%
Russell 3000	-3.15%	3.84%	16.73%	0.39%	5.81%
Russell 2000	-3.47%	-2.08%	17.80%	0.54%	7.00%
MSCI EAFE Index	-6.85%	-13.38%	6.45%	-5.63%	5.62%

Periods greater than one year represent annualized performance.

## Retirement Focused Investing – RHS Plans

		U.S. STOCK			TARGET-RISK/TARGET-DATE <sup>13</sup>
		Value	Blend	Growth	9 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	LIFETIME INCOME <sup>19</sup>
		--	--	--	--
					BALANCED
					--
					SPECIALTY
					--

**All data on page is as of June 30, 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. Lists funds available for all RHS plans with more than five participants.

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# Vantagepoint Milestone Funds<sup>1,5,13</sup>

## Morningstar<sup>®2</sup> Three- and Five-Year Rankings as of 6/30/2012

Vantagepoint Fund	VP Milestone Retirement 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
Morningstar <sup>®2</sup> 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
1st quartile								◆ 18	
2nd quartile		◆ 25	◆ 29	◆ 37	◆ 27	◆ 25	◆ 30	◆ 25	
<b>Median Return</b>						◆ 52			
3rd quartile	◆ 56								
			◆ 74	◆ 71	◆ 74				
4th quartile	◆ 88	◆ 91							

◆ 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, 239 and 90 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2000-2010 category, 145 and 122 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2011-2015 category, 140 and 85 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2016-2020 category, 190 and 138 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2021-2025 category, 122 and 69 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2026-2030 category, 189 and 137 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2031-2035 category, 116 and 69 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2036-2040 category, 186 and 121 funds were ranked for the three- and five-year periods, respectively. With respect to the Target Date 2041-2045 category, 115 and 67 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.

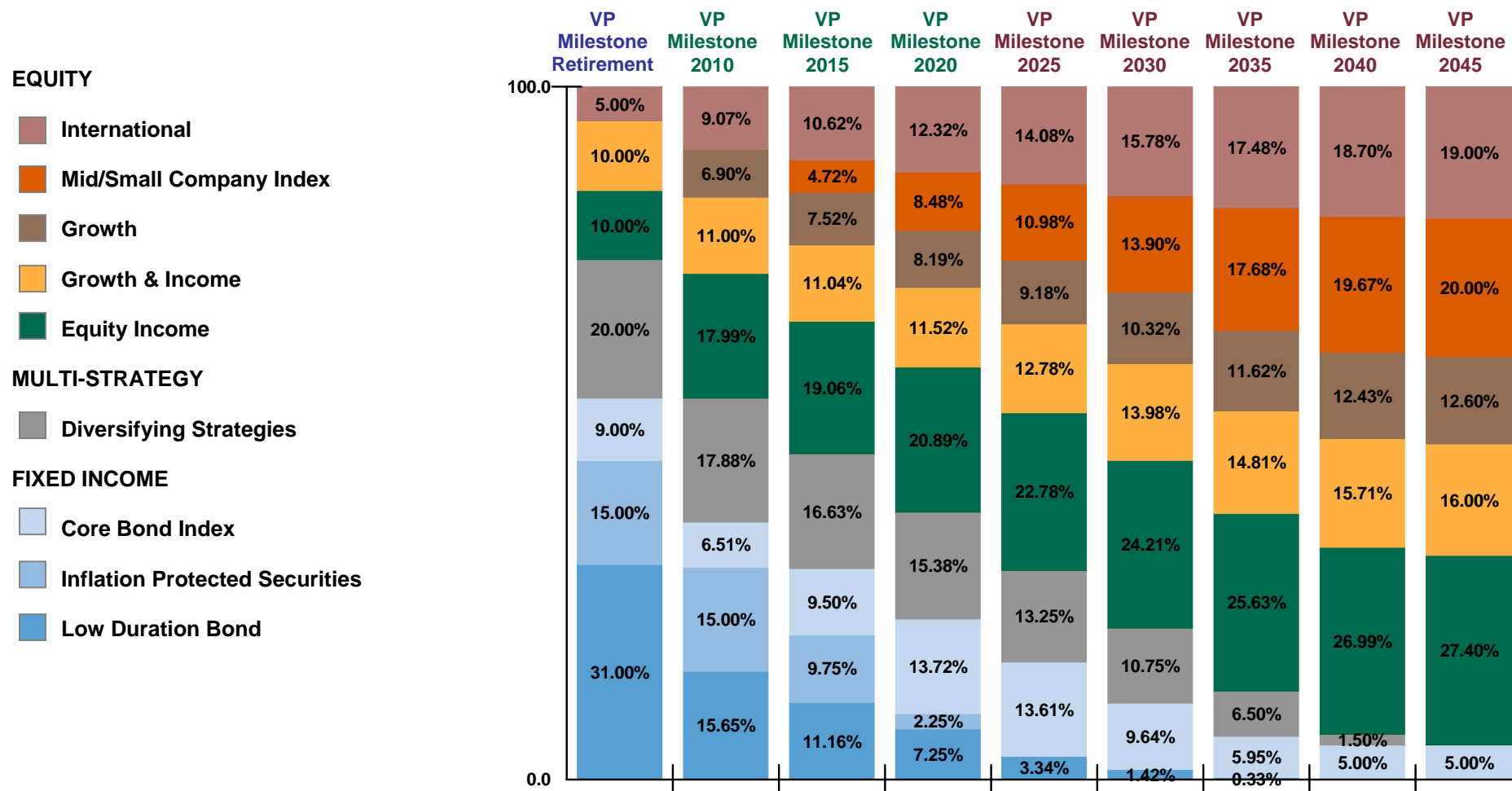
See disclosure at end of chapter.  
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# Vantagepoint Milestone Funds<sup>1,5,13</sup>

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Target Allocations as of 6/30/2012



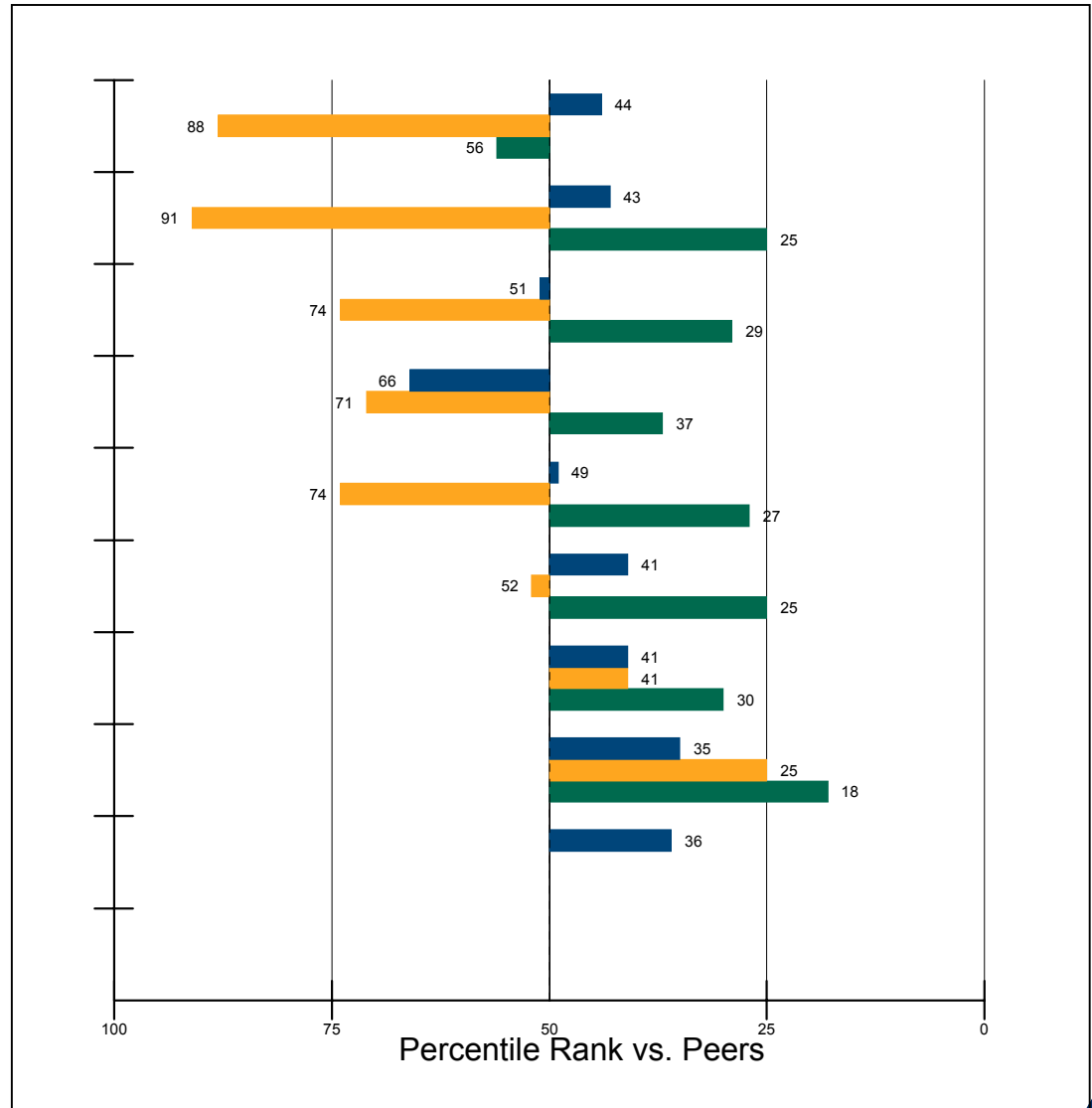
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# Fund Performance vs. Morningstar Peers<sup>1,2</sup>

Fund	Overall Morningstar Rating <sup>2</sup>	Asset Allocation (All Plans)	Participant Usage (All Plans)
Vantagepoint Milestone Ret Inc	☆☆☆	14.99%	15.37%
Vantagepoint Milestone 2010	☆☆☆	13.50%	11.86%
Vantagepoint Milestone 2015	☆☆☆	18.68%	16.51%
Vantagepoint Milestone 2020	☆☆☆	20.93%	18.75%
Vantagepoint Milestone 2025	☆☆☆	15.66%	16.58%
Vantagepoint Milestone 2030	☆☆☆☆	9.16%	10.61%
Vantagepoint Milestone 2035	☆☆☆☆	4.68%	6.11%
Vantagepoint Milestone 2040	☆☆☆☆	1.83%	2.98%
Vantagepoint Milestone 2045	NA	0.57%	1.23%



■ 1 Year ■ 3 Year ■ 5 Year

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# Fund Focus List<sup>1,2</sup>

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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	--	14.99%	13.50%	18.68%	20.93%	15.66%
% of Participants	--	15.37%	11.86%	16.51%	18.75%	16.58%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	3	3	3	3	3
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	2	2	2	2	2
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	88%	91%	74%	71%	74%
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	44%	43%	51%	66%	49%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	8	7	7	7
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	--	<b>5 of 7</b>	<b>5 of 7</b>	<b>6 of 7</b>	<b>6 of 7</b>	<b>6 of 7</b>

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<sup>1,2</sup>

2<sup>nd</sup> Quarter 2012

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Criteria	Criterion Benchmark*	Vantagepoint Milestone 2030	Vantagepoint Milestone 2035	Vantagepoint Milestone 2040	Vantagepoint Milestone 2045
% of Assets	--	9.16%	4.68%	1.83%	0.57%
% of Participants	--	10.61%	6.11%	2.98%	1.23%
Overall Morningstar Star Rating <sup>2</sup>	3 or higher	4	4	4	NA
3-Year Morningstar Star Rating <sup>2</sup>	3 or higher	3	3	4	NA
3-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	52%	41%	25%	NA
1-Year Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better	41%	41%	35%	36%
3-Month Performance Pct. Rank in Category <sup>2</sup>	75 <sup>th</sup> percentile or better for 5 of last 8 quarters	8	7	6	7
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	--	<b>7 of 7</b>	<b>7 of 7</b>	<b>7 of 7</b>	<b>4 of 4</b>

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## Fund Data

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# Fund Performance<sup>1,2</sup>

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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						
<b>Vantagepoint Milestone Ret Inc<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>--</b>	<b>2.62</b>	<b>7.43</b>	<b>3.13</b>	<b>--</b>	<b>4.00</b>	<b>1/3/2005</b>
Barclays U.S. Intermediate Aggregate Bond Index					5.28	5.98	6.25	5.19		
Milestone Ret Income Custom Benchmark					5.63	9.08	4.67	--		
Morningstar Retirement Income					2.49	9.58	3.05	4.37		
<b>Vantagepoint Milestone 2010<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>1.85</b>	<b>8.28</b>	<b>2.71</b>	<b>--</b>	<b>4.18</b>	<b>1/3/2005</b>
Barclays U.S. Intermediate Aggregate Bond Index					5.28	5.98	6.25	5.19		
Milestone 2010 Custom Benchmark					5.72	10.26	4.30	--		
Morningstar Target Date 2000-2010					1.24	10.22	1.63	4.57		
<b>Vantagepoint Milestone 2015<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>1.07</b>	<b>9.84</b>	<b>1.90</b>	<b>--</b>	<b>4.20</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2015 Custom Benchmark					5.72	11.73	3.29	--		
Morningstar Target Date 2011-2015					0.57	10.69	0.67	3.59		
<b>Vantagepoint Milestone 2020<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>0.13</b>	<b>10.53</b>	<b>1.24</b>	<b>--</b>	<b>4.05</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2020 Custom Benchmark					5.71	12.67	2.71	--		
Morningstar Target Date 2016-2020					0.85	11.40	0.45	4.70		

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For Plan Sponsor Use Only

# Fund Performance<sup>1,2</sup>

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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						
<b>Vantagepoint Milestone 2025<sup>5,12</sup></b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>--</b>	<b>-0.33</b>	<b>11.31</b>	<b>0.76</b>	<b>--</b>	<b>3.97</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2025 Custom Benchmark					5.68	13.51	2.16	--		
Morningstar Target Date 2021-2025					-0.68	11.95	-0.19	--		
<b>Vantagepoint Milestone 2030<sup>5,12</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>--</b>	<b>-0.91</b>	<b>12.06</b>	<b>0.32</b>	<b>--</b>	<b>3.89</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2030 Custom Benchmark					5.63	14.30	1.66	--		
Morningstar Target Date 2026-2030					-0.92	12.15	-0.76	4.93		
<b>Vantagepoint Milestone 2035<sup>5,12</sup></b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>--</b>	<b>-1.63</b>	<b>12.76</b>	<b>0.00</b>	<b>--</b>	<b>3.83</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2035 Custom Benchmark					5.54	15.06	1.23	--		
Morningstar Target Date 2031-2035					-1.87	12.52	-1.01	--		
<b>Vantagepoint Milestone 2040<sup>5,12</sup></b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>--</b>	<b>-1.80</b>	<b>13.33</b>	<b>-0.07</b>	<b>--</b>	<b>3.81</b>	<b>1/3/2005</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2040 Custom Benchmark					1.61	14.43	-0.92	--		
Morningstar Target Date 2036-2040					-2.04	12.46	-1.20	4.87		

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2<sup>nd</sup> Quarter 2012

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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						
<b>Vantagepoint Milestone 2045<sup>5,12</sup></b>	--	--	--	--	<b>-1.96</b>	--	--	--	<b>7.36</b>	<b>1/4/2010</b>
Standard & Poors 500 Index					5.45	16.40	0.22	5.33		
Milestone 2045 Custom Benchmark					1.57	--	--	--		
Morningstar Target Date 2041-2045					-2.58	12.65	-1.29	--		

Vantagepoint Milestone Ret Inc, Vantagepoint Milestone 2010 and Vantagepoint Milestone 2015 were the best performers (absolute returns, not relative to peers) among the plan's target-disk/target-date funds for the last 12 months with returns of 2.62%, 1.85% and 1.07% respectively. Vantagepoint Milestone 2045, Vantagepoint Milestone 2040 and Vantagepoint Milestone 2035 were the lower performers with returns of -1.96%, -1.80% and -1.63% respectively in the quarter.

### All data on page is as of June 30, 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.

For Plan Sponsor Use Only

# Fund Summary<sup>1,2</sup>

2<sup>nd</sup> Quarter 2012

Platinum Services Plan Service Report

## 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 <sup>5,12</sup>	Retirement Income	123/279 (44%)	211/239 (88%)	51/90 (56%)	--	Below Average
Vantagepoint Milestone 2010 <sup>5,12</sup>	Target Date 2000-2010	69/158 (43%)	132/145 (91%)	31/122 (25%)	--	Average
Vantagepoint Milestone 2015 <sup>5,12</sup>	Target Date 2011-2015	85/166 (51%)	104/140 (74%)	25/85 (29%)	--	Average
Vantagepoint Milestone 2020 <sup>5,12</sup>	Target Date 2016-2020	140/211 (66%)	135/190 (71%)	51/138 (37%)	--	Average
Vantagepoint Milestone 2025 <sup>5,12</sup>	Target Date 2021-2025	77/157 (49%)	91/122 (74%)	19/69 (27%)	--	Below Average
Vantagepoint Milestone 2030 <sup>5,12</sup>	Target Date 2026-2030	86/210 (41%)	98/189 (52%)	34/137 (25%)	--	Average
Vantagepoint Milestone 2035 <sup>5,12</sup>	Target Date 2031-2035	63/151 (41%)	48/116 (41%)	21/69 (30%)	--	Average
Vantagepoint Milestone 2040 <sup>5,12</sup>	Target Date 2036-2040	72/207 (35%)	46/186 (25%)	22/121 (18%)	--	Average
Vantagepoint Milestone 2045 <sup>5,12</sup>	Target Date 2041-2045	52/144 (36%)	--	--	--	--

### All data on page is as of June 30, 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.

For Plan Sponsor Use Only

# Disclosures

<sup>1</sup> *Investment data for Vantagepoint Funds and VantageTrust Funds are from ICMA-RC. Data for registered non-Vantagepoint Funds provided by Morningstar, Inc.® All rights reserved. The information contained herein; (1) is proprietary to Morningstar and/or its affiliates; (2) may not be copied or distributed; (3) is not warranted to be accurate, complete or timely. ICMA-RC does not review the Morningstar data. Data for non-registered funds not covered by Morningstar are provided by the fund companies.*

ICMA-RC's proposed 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 fund's historical portfolio holdings. Placement of a registered mutual in a particular Morningstar category does not mean that a fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category. ICMA-RC does not independently verify Morningstar data.

<sup>2</sup> For each underlying fund of VantageTrust 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. Past performance is no indicator or guarantee of future results.

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.

# Disclosures

<sup>2</sup> Cont. The number of funds in Morningstar® categories as of 06/30/2012, is provided below:

Morningstar® Category	3-Year	5-Year	10-Year	Morningstar® Category	3-Year	5-Year	10-Year
Aggressive Allocation	371	345	140	Natural Resources	124	98	38
Communications	46	38	29	Precious Metals	70	62	45
Conservative Allocation	569	482	182	Real Estate	215	199	108
Diversified Emerging Markets	353	243	147	Retirement Income	239	90	20
Financial	98	85	66	Short Government	136	125	109
Foreign Large Blend	733	582	325	Short-Term Bond	352	324	190
Foreign Large Growth	210	171	96	Small Blend	598	518	310
Foreign Large Value	322	257	145	Small Growth	662	574	378
Foreign Small/Mid Growth	96	88	53	Small Value	284	253	150
Foreign Small/Mid Value	36	24	19	Target Date 2000 – 2010	145	122	16
Health	121	117	96	Target Date 2011 – 2015	140	85	5
High Yield Bond	512	449	307	Target Date 2016 – 2020	190	138	21
Inflation-Protected Bond	158	146	20	Target Date 2021 – 2025	122	69	N/A
Intermediate Government	319	294	248	Target Date 2026 – 2030	189	137	16
Intermediate-Term Bond	1,015	880	606	Target Date 2031 – 2035	116	69	N/A
Large Blend	1,539	1,346	838	Target Date 2036 – 2040	186	121	16
Large Growth	1,510	1,297	855	Target Date 2041 – 2045	115	67	N/A
Large Value	1,082	955	579	Target Date 2046 – 2050	143	59	6
Long Government	32	29	22	Target Date 2051 +	23	11	N/A
Long-Term Bond	49	36	18	Technology	185	171	139
Mid-Cap Blend	385	311	195	Utilities	75	73	51
Mid-Cap Growth	678	598	430	World Allocation	257	167	83
Mid-Cap Value	336	296	149	World Bond	244	178	123
Moderate Allocation	766	673	371	World Stock	706	515	290
Multisector Bond	202	163	103				

<sup>3</sup> American Century and Ultra are registered trademarks of American Century Services Corporation.

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

<sup>5</sup> 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

- <sup>6</sup> Funds that invest in small and/or mid-sized company stocks typically involve greater risks, particularly in the short-term, than those investing in large, more established companies.
- <sup>7</sup> 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.
- <sup>8</sup> ICMA-RC and/or an affiliate of ICMA-RC receives compensation for services rendered by ICMA-RC to plans and participants invested in Certificates of Deposit ("CDs"). This compensation is 0.60% per year and may be used for any of the following services:
- Advertising and marketing costs
  - Additional distribution support
  - Educational seminars and training
  - Shareholder record-keeping and/or transfer agency services
- CD Account interest rates are fixed during the term of the CD Account. FDIC coverage is reduced by any "retirement" account balances held directly with Bank of America, N.A. MMDA interest rates can vary daily during the open investment window. Please note that early withdrawal penalties apply to emergency and hardship withdrawals. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.
- <sup>9</sup> *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.*
- <sup>10</sup> A rise/fall in the interest rates can have a significant impact on bond prices and the NAV (net asset value) of the fund. Funds that invest in bonds can lose their value as interest rates rise and an investor can lose principal.
- <sup>11</sup> Foreign investments are subject to more risks not associated with domestic investments (i.e. currency, economy and political risks).
- <sup>12</sup> 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.
- <sup>13</sup> Funds that concentrate investments in one industry may involve greater risks than more diversified funds, including greater potential for volatility.
- <sup>14</sup> *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.*

# Disclosures

- <sup>15</sup> *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.*
- <sup>16</sup> 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.
- <sup>17</sup> **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 ICMA-RC 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.



## II. Plan Activity

2<sup>nd</sup> Quarter 2012

Platinum Services Plan Service Report

# Plan Snapshot

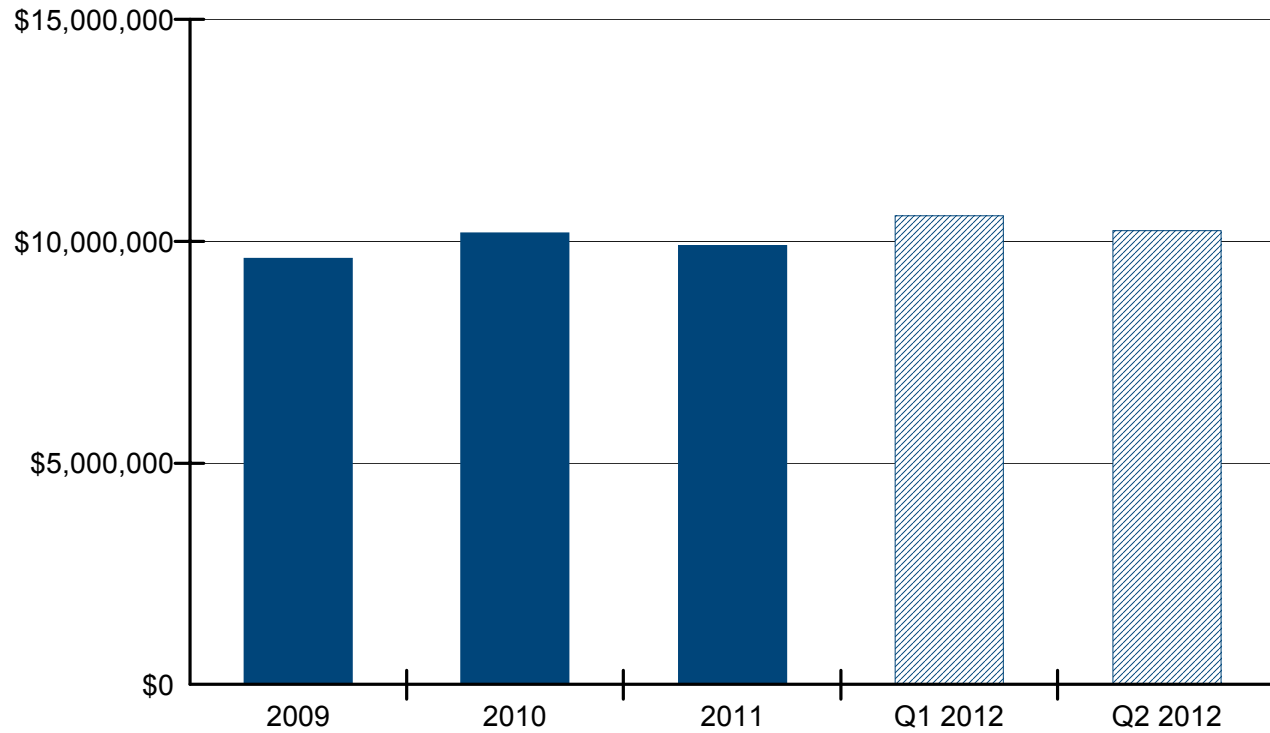
Plan Type	Plan Number	Plan Name	Assets	Participants
RHS	801712	VMERS	\$10,248,124	4468
<b>Total</b>			<b>\$10,248,124</b>	<b>4468</b>

Data on all subsequent pages is aggregated by plan type for plans with more than five participants.

*For Plan Sponsor Use Only*



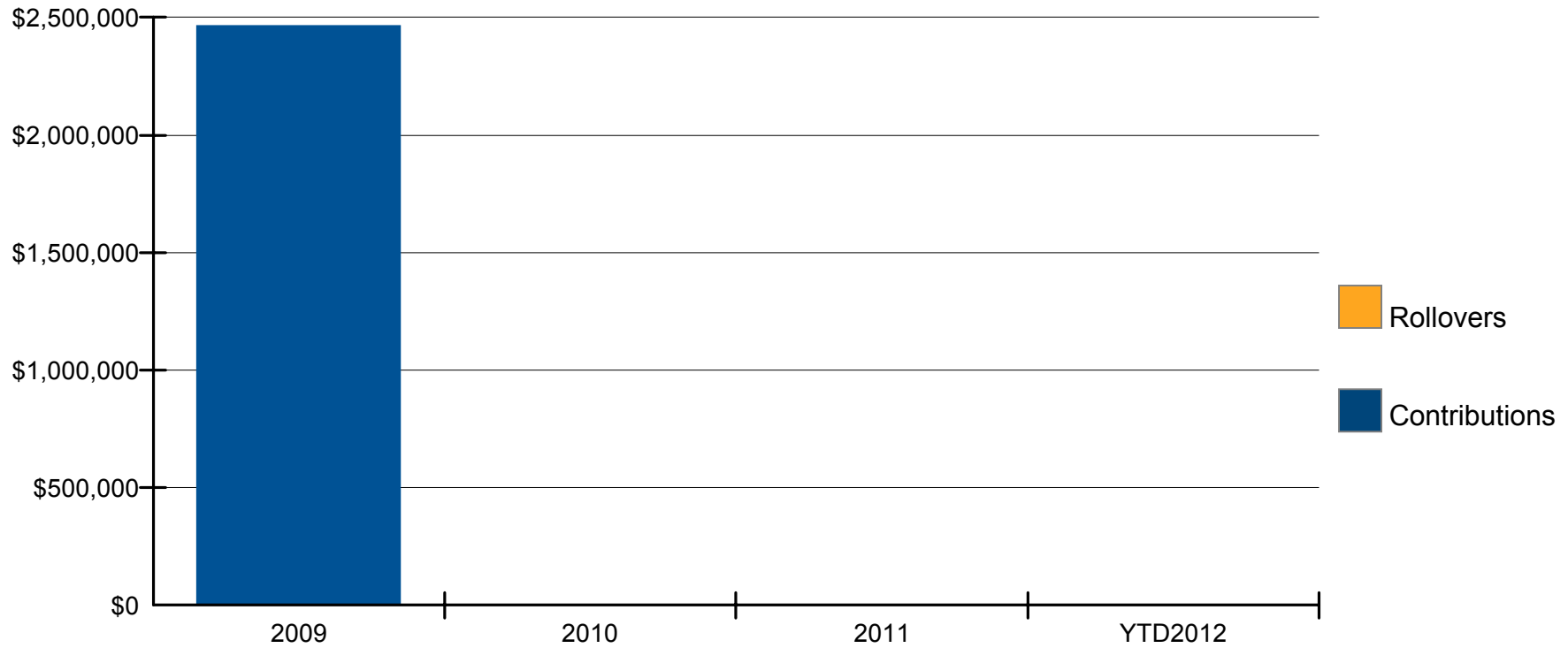
# RHS Plan Asset Trends *(as of June 30, 2012)*



Assets	\$9,610,737	\$10,193,771	\$9,894,531	\$10,585,198	\$10,248,124
--------	-------------	--------------	-------------	--------------	--------------

Since March 2012, the VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan's overall value saw a decline of 3.2% to \$10,248,124 from \$10,585,198. During the time period since December 31, 2009, assets have increased 6.6%.

# RHS Plan Contributions *(as of June 30, 2012)*



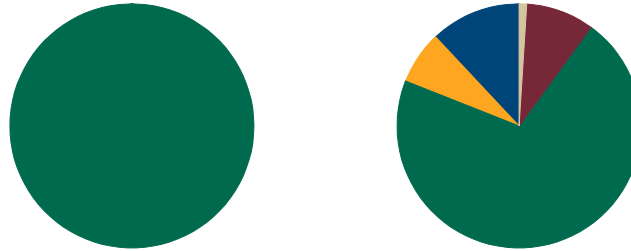
Contributions	\$2,467,135	\$910	\$0	\$0
Rollovers	\$0	\$0	\$0	\$0
Loan Repayments	\$0	\$0	\$0	\$0
Total*	\$2,467,135	\$910	\$0	\$0
Active Participants	4737	1	NA	NA
Average Contribution*	\$521	\$910	NA	NA

\*Please note that Rollovers are excluded from this calculation.

# RHS Plan Asset Allocation *(as of June 30, 2012)*

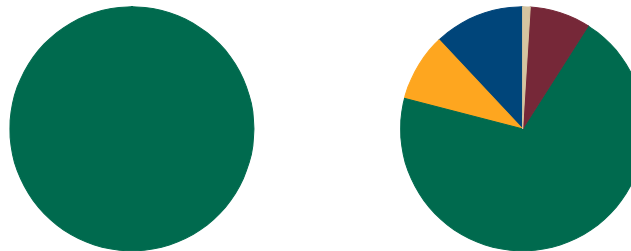
Your RHS Plan    Total ICMA-RC RHS Clients

June 30, 2011



Stable Value/Cash Management Funds	0.00%	12.00%
Bond Funds	0.00%	7.00%
Lifetime Income Funds	0.00%	0.00%
Balanced/Asset Alloc. Funds	100.00%	71.00%
U.S. Stock Funds	0.00%	9.00%
International/Global Stock Funds	0.00%	1.00%

June 30, 2012




Stable Value/Cash Management Funds	0.00%	12.00%
Bond Funds	0.00%	9.00%
Lifetime Income Funds	0.00%	0.00%
Balanced/Asset Alloc. Funds	100.00%	70.00%
U.S. Stock Funds	0.00%	8.00%
International/Global Stock Funds	0.00%	1.00%

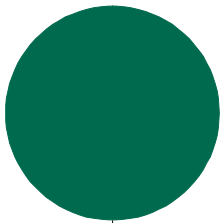
Note: Asset allocation for all clients except Washington State.

*For Plan Sponsor Use Only*

# RHS Plan Asset Allocation by Age (as of June 30, 2012)

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

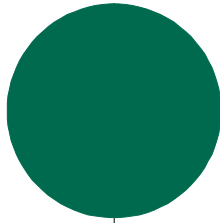
## Under 35



100.0%

70 Inactive  
70 Participants  
\$75,774 Total Assets  
\$1,082 Average Balance

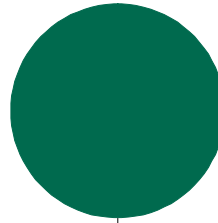
## 35 - 45



100.0%

461 Inactive  
461 Participants  
\$780,306 Total Assets  
\$1,693 Average Balance

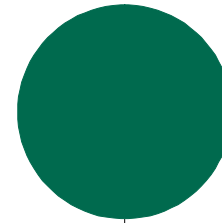
## 46 - 55



100.0%

1309 Inactive  
1309 Participants  
\$2,816,121 Total Assets  
\$2,151 Average Balance

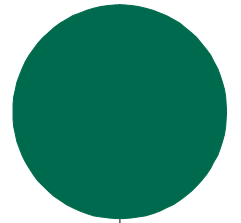
## 56 - 65



100.0%

1540 Inactive  
1540 Participants  
\$3,987,291 Total Assets  
\$2,589 Average Balance

## Over 65

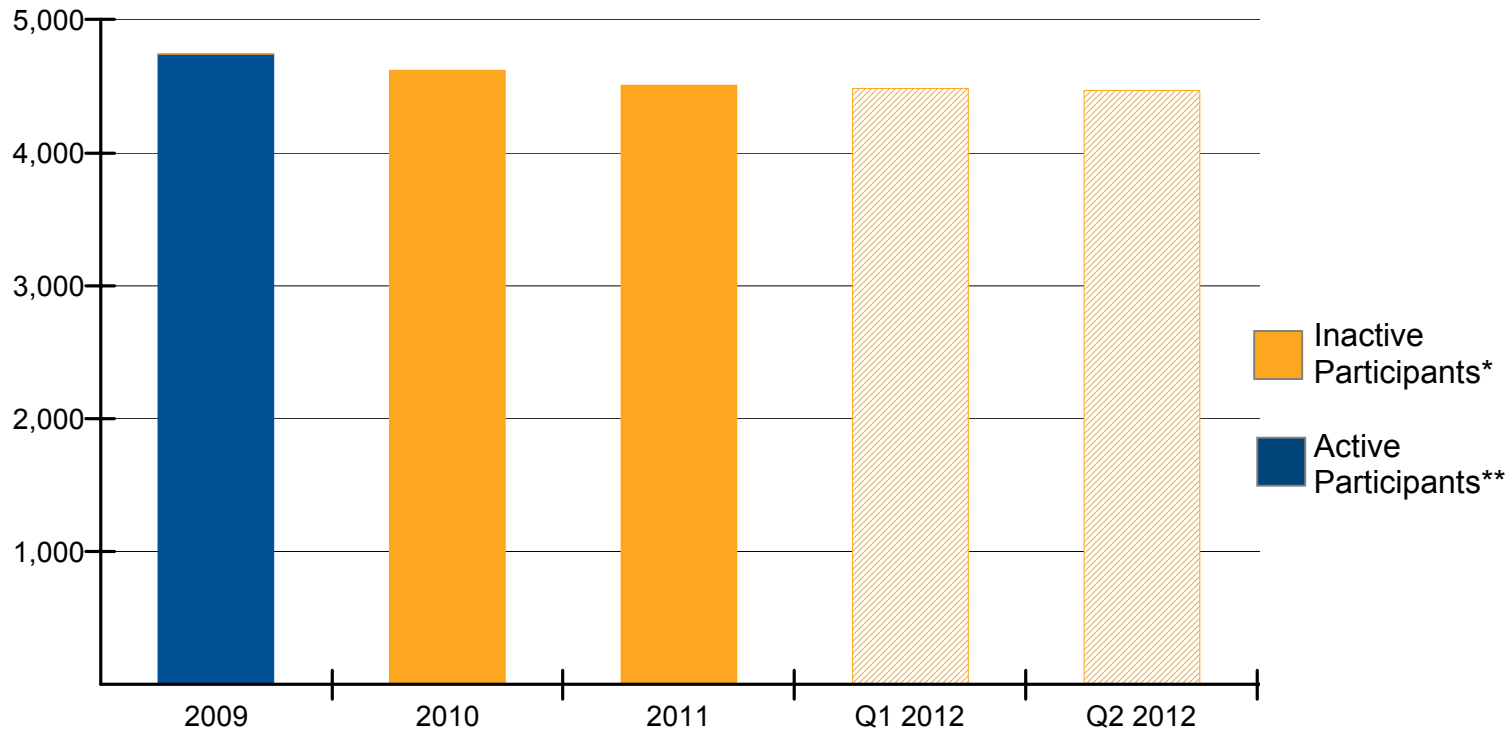


100.0%

1087 Inactive  
1087 Participants  
\$2,583,689 Total Assets  
\$2,377 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 June 30, 2012)*

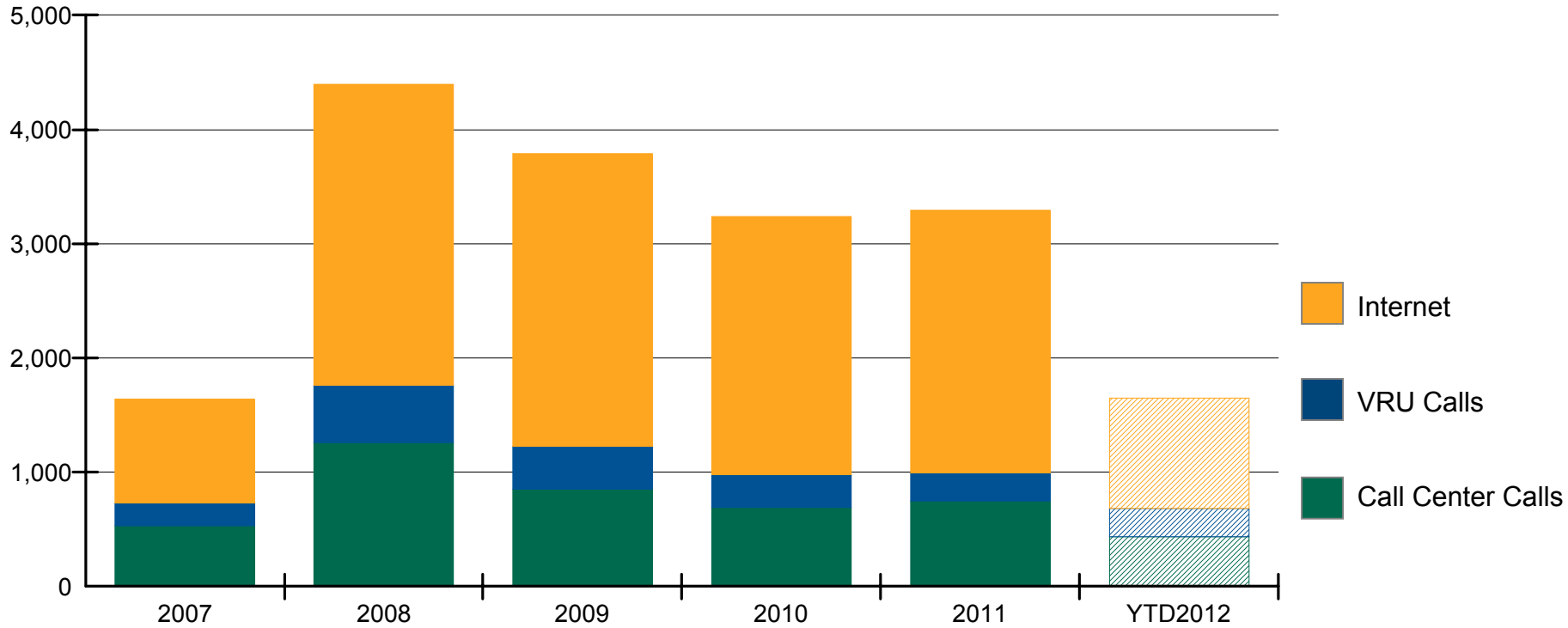


Inactive	10	4615	4510	4487	4468
Active	4737	1	0	0	0
Total	4747	4616	4510	4487	4468

\*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 June 30, 2012)*

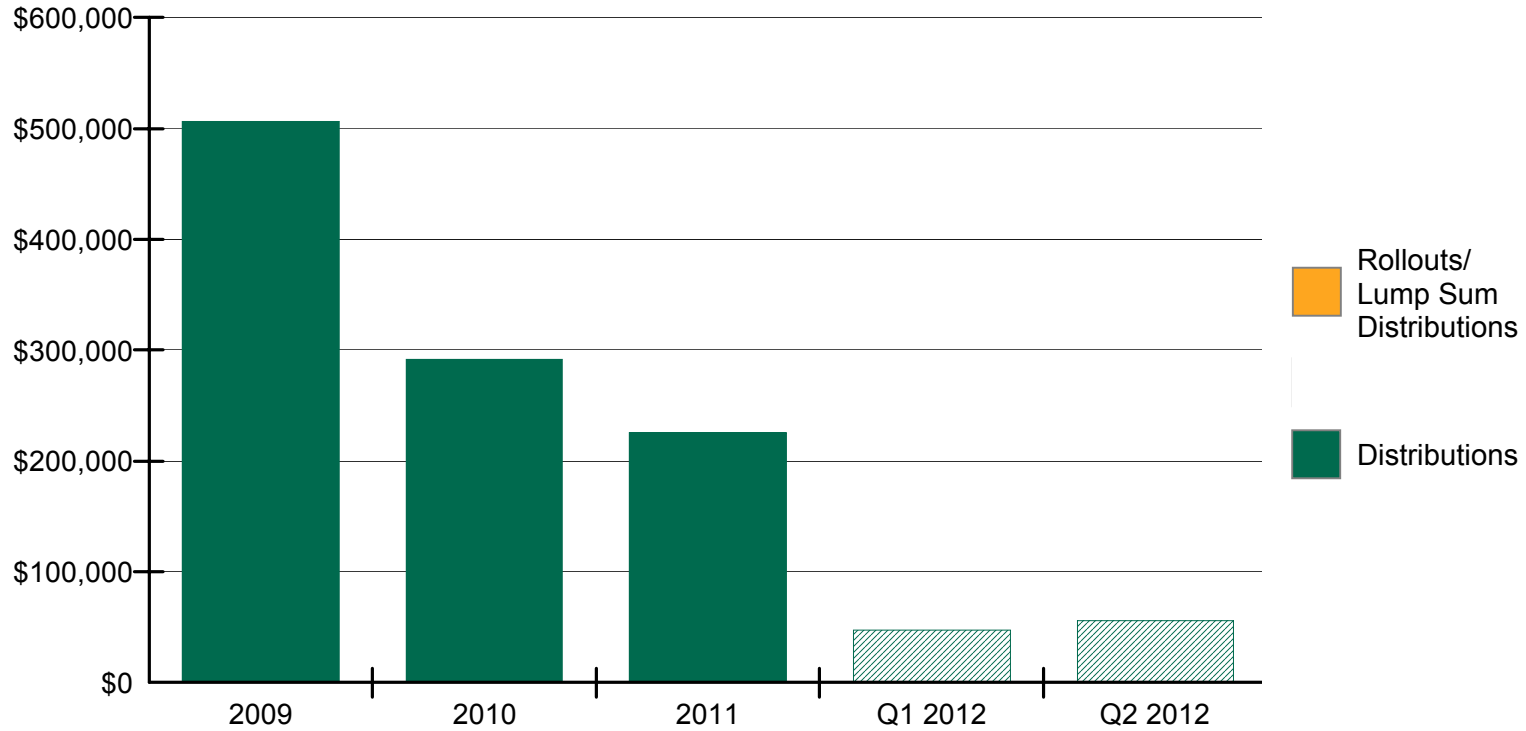


Internet	911	2639	2562	2265	2296	966
VRU	193	502	378	286	254	246
Call Center	533	1255	847	690	741	437
Total	1637	4396	3787	3241	3291	1649

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 June 30, 2012)*



Rollouts/Lump Sum	\$0	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0	\$0
Distributions	\$506,071	\$292,029	\$225,079	\$47,408	\$55,534
Total	\$506,071	\$292,029	\$225,079	\$47,408	\$55,534
# of Rollouts	0	0	0	0	0
# of Distributions	1717	1079	752	141	133
Total	1717	1079	752	141	133

# RHS Plan Activity

2<sup>nd</sup> Quarter 2012

Platinum Services Plan Service Report

## Plan Summary

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan includes nine balanced funds for investment options. Over the last quarter, the plan's 4,468 participants contributed a total of \$8,760 with the largest amount, \$8,760 to its balanced funds. Overall, the plan has 100% in its balanced funds.

Over the last quarter with regard to market value, balanced funds fell \$254,227. On a net cash flow basis (contribution, plus net transfers less withdrawals), balanced funds declined \$68,506. Since March 2012, the total value of VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan saw a decline of 3.2% to \$10,248,124 from \$10,585,198.

	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	\$1,582,097	\$8,760	-\$41,894	\$2,994	-\$10,382	\$1,536,154	14.99%	687
Vantagepoint Milestone 2010	1,427,212	0	-18,763	0	-22,675	1,383,264	13.50%	530
Vantagepoint Milestone 2015	1,974,750	0	-14,841	-1,542	-41,723	1,914,622	18.68%	738
Vantagepoint Milestone 2020	2,210,327	0	-1,767	-1,453	-60,578	2,144,699	20.93%	838
Vantagepoint Milestone 2025	1,657,899	0	0	0	-51,768	1,604,880	15.66%	741
Vantagepoint Milestone 2030	974,864	0	0	0	-35,357	938,769	9.16%	474
Vantagepoint Milestone 2035	500,464	0	0	0	-20,513	479,575	4.68%	273
Vantagepoint Milestone 2040	195,933	0	0	0	-8,512	187,274	1.83%	133
Vantagepoint Milestone 2045	61,651	0	0	0	-2,718	58,886	0.57%	55
<b>Total</b>	<b>\$10,585,198</b>	<b>\$8,760</b>	<b>-\$77,266</b>	<b>\$0</b>	<b>-\$254,226</b>	<b>\$10,248,124</b>	<b>100.00%</b>	<b>4468</b>

# III. Fee Disclosure

2<sup>nd</sup> 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 to Vantage Trust Company, LLC

In addition to offering retirement plan services, 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, 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.

### 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; identification of investment benchmarks; portfolio performance analysis and reporting; and reviews of the performance of the investment manager(s). 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 under Guided Pathways Program

ICMA-RC acts as investment adviser under the Guided Pathways®<sup>2</sup>, 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®<sup>2</sup>, 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.

## Advisory Services for Public Employers Pre-Funding OPEB Commitments

ICMA-RC also offers investment advisory services to public employers who pre-fund other post-employment benefits, such as post-employment healthcare. Advice in connection with OPEB commitments 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 mutual fund investment manager(s) selected.

## 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 Ibbotson<sup>2</sup> 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.

## 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 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:

**12b-1 fees** – Paid from the assets of some mutual funds to pay for promotion, distribution and marketing expenses. ICMA-RC receives 12b-1 fees from fund companies as compensation for services rendered by ICMA-RC to plans and participants that invest in the mutual fund directly or through a VantageTrust fund.

**Ancillary service fees** – Explicit fees deducted from plan participant accounts to pay for services chosen by participants, including financial plans, loans, online investment advice, Managed Accounts<sup>2</sup> and self-directed brokerage accounts made available by ICMA-RC and the plan.

**Asset-based VantageTrust Plan Administration fee** – This fee is deducted from the assets of VantageTrust Funds made available to certain Section 401 and 457 plans.

**Asset-based RHS Plan Administration fee** – This fee is deducted directly from participant accounts in Retirement Health Savings (RHS) plans administered by ICMA-RC.

**Investment advisory fees** – 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. In addition, 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.

**Participant fees** – 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.

**Fund-level administration fees** – Deducted from the assets of some mutual funds, these fees are paid 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.



# 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 June 30, 2012, the estimated annual cost to your plan is \$103,153 consisting of \$88,799 from fund fees and expenses (0.88% of plan assets) and \$14,354 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	\$44,018 (0.43%)	\$10,124 (0.10%)	\$54,142 (0.53%)
Participant Account Fees	\$14,354	\$0	\$14,354
<b>Total</b>	<b>\$58,372</b>	<b>\$10,124</b>	<b>\$68,496</b>

## 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 June 30, 2012**

# RHS Fees/Fund Expenses & ICMA-RC Revenue

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	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
<b>Target-Risk/Target-Date Funds</b>								
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	\$1,559,035	0.85%	\$13,252	0.44%	\$6,860	0.10%	\$1,559
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	\$1,386,455	0.91%	\$12,617	0.44%	\$6,100	0.10%	\$1,386
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	\$1,892,917	0.88%	\$16,658	0.44%	\$8,329	0.10%	\$1,893
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	\$2,100,685	0.85%	\$17,856	0.43%	\$9,033	0.10%	\$2,101
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	\$1,564,970	0.88%	\$13,772	0.43%	\$6,729	0.10%	\$1,565
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	\$914,148	0.89%	\$8,136	0.43%	\$3,931	0.10%	\$914
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	\$466,915	0.91%	\$4,249	0.43%	\$2,008	0.10%	\$467
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	\$181,863	0.90%	\$1,637	0.43%	\$782	0.10%	\$182
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	\$57,188	1.09%	\$623	0.43%	\$246	0.10%	\$57
<b>Total Average Month-End Assets:</b>		<b>\$10,124,176</b>						
<b>Total Fees and Expenses to Plan:</b>			<b>0.88%</b>	<b>\$88,799</b>				
<b>Total Shareholder Servicing Revenue Retained by ICMA-RC:</b>					<b>0.43%</b>	<b>\$44,018</b>		
<b>Total Investment Advisory Revenue Retained by ICMA-RC:</b>							<b>0.10%</b>	<b>\$10,124</b>

## All data on page is as of June 30, 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.

For Plan Sponsor Use Only

# RHS Fee & Fund Expense Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	Gross Expense Ratio	Expense Waiver Amount	Waiver Type	Waiver Expiration Date	Net Expense Ratio	Plan Admin Fee	Total Fees & Expenses	Redemption Fee <sup>1</sup>	Trade Restriction <sup>1</sup>
<b>Target-Risk/Target-Date Funds</b>										
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.85%	0.00%	--	NA	0.85%	0.00%	0.85%	None	None
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.88%	0.00%	--	NA	0.88%	0.00%	0.88%	None	None
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.89%	0.00%	--	NA	0.89%	0.00%	0.89%	None	None
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.91%	0.00%	--	NA	0.91%	0.00%	0.91%	None	None
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.90%	0.00%	--	NA	0.90%	0.00%	0.90%	None	None
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	1.09%	0.01%	Contractual	4/30/2013	1.09%	0.00%	1.09%	None	None

**All data on page is as of June 30, 2012**

See disclosure at end of chapter.

# RHS ICMA-RC Gross Revenue Detail

Fund <sup>1</sup>	Morningstar Category <sup>17</sup>	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 <sup>3</sup>
<b>Target-Risk/Target-Date Funds</b>							
Vantagepoint Milestone Ret Inc <sup>9,12</sup>	Retirement Income	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2010 <sup>9,12</sup>	Target Date 2000-2010	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2015 <sup>9,12</sup>	Target Date 2011-2015	0.00%	0.00%	0.44%	0.44%	0.10%	0.54%
Vantagepoint Milestone 2020 <sup>9,12</sup>	Target Date 2016-2020	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2025 <sup>9,12</sup>	Target Date 2021-2025	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2030 <sup>9,12</sup>	Target Date 2026-2030	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2035 <sup>9,12</sup>	Target Date 2031-2035	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2040 <sup>9,12</sup>	Target Date 2036-2040	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%
Vantagepoint Milestone 2045 <sup>9,12</sup>	Target Date 2041-2045	0.00%	0.00%	0.43%	0.43%	0.10%	0.53%

## All data on page is as of June 30, 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

2<sup>nd</sup> Quarter 2012

Platinum Services Plan Service Report

## Assessments from Participant Accounts in 3 months ending June 30, 2012

Service	Fee	Number of Assessments	Annual Cost
Other Fees	Participant Services (e.g. annual asset and account fees)	5341	\$14,354
<b>Total Fees from Participant Accounts</b>			<b>\$14,354</b>

### 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 June 30, 2012**

**12b-1 Fees** – A fee paid by and included in the expense ratio of some mutual funds for promotion, distribution and marketing expenses. ICMA-RC retains 12b-1 fees received from fund companies as compensation for services rendered by ICMA-RC to plans and participants that mutual funds normally provide to investors who maintain their accounts directly with the fund company.

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

**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 Fee and 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 ICMA-RC’s administration fee and the expense ratio as reported by Morningstar 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 Non-Investment Advisory Revenue** – This simulation is designed to provide an estimate of the non-investment advisory revenue received by ICMA-RC for plan and participant administration services, not a calculation of such revenue received. Annualized non-investment advisory revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized non-investment advisory 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. Non-investment advisory 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.

**Fees and Net Expense Ratio** – Consists of ICMA-RC asset-based administration fees and the net expense ratio of the fund.

**Fees and Shareholder Servicing** – Consists of ICMA-RC's asset-based administration fees, as well as 12b-1 fees and other compensation provided by funds for plan and participant administration services rendered by ICMA-RC that mutual funds would normally provide to direct investors. The amounts listed for Vantagepoint and VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-investment advisory compensation paid by the fund to ICMA-RC and/or its affiliates.

**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.

**ICMA-RC Investment Advisory Revenue** – Consists of investment advisory fees assessed by ICMA-RC for management of the VantageTrust PLUS Fund and by Vantagepoint Investment Advisers, LLC (VIA, a wholly-owned subsidiary of ICMA-RC) for management of The Vantagepoint Funds, which are underlying funds of those VantageTrust funds that have a corresponding name and investment objective. VIA manages the investment process by evaluating, recommending and monitoring the performance of one or more subadvisers for each Vantagepoint Fund.

**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** – Consists of investment advisory fees assessed by ICMA-RC for management of the VantageTrust PLUS Fund and by Vantagepoint Investment Advisers, LLC (VIA, a wholly-owned subsidiary of ICMA-RC) for management of The Vantagepoint Funds, which are underlying funds of the VantageTrust Funds having a corresponding name and investment objective. VIA manages the investment process by evaluating, recommending and monitoring the performance of one or more subadvisers for each Vantagepoint Fund.

**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.

**Non-Investment Advisory Fees from Funds** – ICMA-RC receives compensation from funds that are available for investment in your retirement plan. Compensation is received for plan and participant administration services rendered by ICMA-RC that mutual funds would normally provide to direct investors. The asset based revenue disclosed is anticipated annual asset-based revenue on assets administered as of the date of this report. 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.

**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.

**Plan Administration Fees** – This asset-based fee is typically embedded in the daily share prices of the plan's investment options and is not evident on participant statements. Fee reduces the net investment performance of a fund. It is described in detailed disclosure documents, and the dollar impact of the fee increases as assets grow. The VantageTrust Plan Administration fee is deducted from the assets of VantageTrust Funds made available to certain Section 401 and 457 plans.

**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 Fees & Expenses** – Total cost to investors, consisting of the net expense ratio and administration fee.

**Total ICMA-RC Revenue** – Summation of all revenue received by ICMA-RC, including administration fees, 12b-1 fees and transfer agency fees from funds, shareholder services fees from funds 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.



<sup>1</sup> 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](http://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](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://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](http://www.icmarc.org/vpprospectus), by calling 800-669-7400 or emailing [investorservices@icmarc.org](mailto: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.

Investment data for Vantagepoint Funds and VantageTrust Funds are from ICMA-RC. Data for registered non-Vantagepoint Funds provided by Morningstar, Inc.® All rights reserved. The information contained herein; (1) is proprietary to Morningstar and/or its affiliates; (2) may not be copied or distributed; (3) is not warranted to be accurate, complete or timely. ICMA-RC does not independently verify or review for accuracy the Morningstar data. Data for non-registered funds not covered by Morningstar are provided by the fund companies.

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 charge a redemption fee or institute trading restrictions. The most up to date information about redemption fee or trading restrictions is contained in the funds 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](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org). You can obtain information about ICMA-RC’s Frequent Trading Policy at [www.icmarc.org/frequenttrading](http://www.icmarc.org/frequenttrading).

- <sup>2</sup> 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 Ibbotson Associates, a federally registered investment adviser, and wholly owned subsidiary of Morningstar, Inc., which is not affiliated with ICMA-RC. All rights reserved. Ibbotson and the Ibbotson logo are trademarks or service marks of Morningstar, Inc.
- <sup>3</sup> 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.

The asset based revenue disclosed above is anticipated annual asset-based and/or per-participant revenue on assets administered as of 06/30/2012. 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.

- <sup>4</sup> 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.

Direct transfers from the PLUS Fund to competing funds are restricted. Competing funds include, but are not limited to, the following types of investment options: (1) cash funds (like the VT Cash Management Fund), money market mutual funds, bank accounts or certificates of deposit (such as the VT CD Account option), stable value funds or substantially similar investment options that offer guarantees of principal or income, such as guaranteed annuity contracts or similar arrangements with financial institutions; (2) short-term bond funds that invest in fixed income securities and seek to maintain or have an average portfolio duration of less than three years; (3) any investment option that invests 80% or more of its assets in (i) fixed income securities or funds with a duration of less than three years, or (ii) instruments that seek to provide capital preservation such as stable value funds, bank certificates of deposit or bank accounts, and cash or cash equivalents; and (4) a self-directed brokerage account. To transfer money from the PLUS Fund to a competing fund, you must first transfer the amount to a non-competing fund for a period of at least 90 days.

- <sup>5</sup> *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.*

<sup>6</sup> *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.*

<sup>7</sup> ICMA-RC and/or an affiliate of ICMA-RC receives compensation for services rendered by ICMA-RC to plans and participants invested in Certificates of Deposit (“CDs”). This compensation is 0.60% per year and may be used for any of the following services:

- Advertising and marketing costs
- Additional distribution support
- Educational seminars and training
- Shareholder record-keeping and/or transfer agency services

CD Account interest rates are fixed during the term of the CD Account. FDIC coverage is reduced by any "retirement" account balances held directly with Bank of America, N.A. MMDA interest rates can vary daily during the open investment window. Please note that early withdrawal penalties apply to emergency and hardship withdrawals. For more information regarding CD Accounts, please contact Investor Services at 800-669-7400.

<sup>8</sup> A rise/fall in the interest rates can have a significant impact on bond prices and the NAV (net asset value) of the fund. Funds that invest in bonds can lose their value as interest rates rise and an investor can lose principal.

<sup>9</sup> 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.

<sup>10</sup> American Century and Ultra are registered trademarks of American Century Services Corporation.

<sup>11</sup> T. Rowe Price is a registered trademark of T. Rowe Price Group, Inc. – all rights reserved.

<sup>12</sup> 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.

<sup>13</sup> Funds that invest in small and/or mid-sized company stocks typically involve greater risks, particularly in the short-term than those investing in large, more established companies.

<sup>14</sup> Foreign investments are subject to more risks not associated with domestic investments (i.e. currency, economy and political risks).

<sup>15</sup> Funds that concentrate investments in one industry may involve greater risks than more diversified funds, including greater potential for volatility.

# Disclosures

<sup>16</sup> Morningstar categorizes funds based on the fund's historical portfolio holdings. Placement in a particular Morningstar category does not mean that a fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A fund's investment strategy and portfolio holdings are governed by its prospectus, not its Morningstar category. ICMA-RC does not independently verify Morningstar data.

<sup>17</sup> **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.

<sup>18</sup> 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. The interest penalty is calculated as the net rate of the CD Account plus 0.60%. Some exceptions to the penalty may apply. See the *Retirement Investment Guide Additional Information* for further details.

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.

<sup>19</sup> 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.

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- <sup>20</sup> Underlying mutual fund expenses and plan administration fees still apply in addition to the Managed Accounts advisory fee. Please read the current applicable prospectus, Making Sound Investment Decisions: A Retirement Investment Guide, and the ICMA-RC Guided Pathways Fund Advice and Managed Accounts Investment Advisory Agreement for a description of these fees and expenses.
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