

## A Small Step Goes a Long Way – Enroll Today!

This booklet contains important information you will need to enroll in your employer's 457 deferred compensation plan, through which you can save and invest for your future with tax advantages.

Contributions from your paycheck go automatically to your retirement account.

As part of your enrollment, you will need to make three important decisions:

1. How much to contribute
2. How to invest
3. Who to designate as your beneficiary(ies)

As the financial provider that administers your plan, ICMA-RC can help you every step of the way.

Sincerely,  
ICMA-RC



## About ICMA-RC

Founded in 1972, ICMA-RC is a non-profit independent financial services corporation focused on providing retirement plans and related services for more than a million public sector participant accounts and approximately 9,000 retirement plans. Our mission is to help build retirement security for public employees. We deliver on our mission by focusing on service, quality and value.

All of our retirement programs, administrative services and educational tools have been developed specifically for public sector retirement plan participants like you.

### WHAT YOU NEED TO DO:

Please complete and return the enrollment form. See the instructions and form section beginning on page 9.

See contact information on page 2 if you have questions.





Ruben Diaz  
Retirement Plans Specialist  
(888) 883-8577  
rdiaz@icmarc.org



Ryan Carpenter  
Retirement Plans Specialist  
(866) 838-9365  
rcarpenter@icmarc.org

## Table of Contents

### Introduction & Overview

- 3 Plan Highlights**
  - Enrollment
  - Contributions
  - Pre-Tax Contribution
  - Roth Contributions
  - Investments
  - Withdrawals
  - Loans
  - Account Information
- 5 Enrolling In Your 457 Deferred Compensation Plan**
  - Don't Delay — Start Saving Now
  - Control What You Can
  - How Much To Contribute
  - How To Invest
  - Available Investment Options
  - Tax Advantages
  - Who To Designate As Your Beneficiary
  - Next Steps

### Enrollment Materials

- 9 Completing the Enrollment Form**
- 19 Investment Options**
- 35 Fee Disclosure**
- 48 Notice Regarding Default Investments**
- 49 Privacy Policy Notice**
- 50 Disaster Recovery Plan**
- 51 Guided Pathways Fund Advice and Managed Accounts Investment Advisory Agreement**
- 59 Part 2A of Form ADV: Firm Brochure**

# Plan Highlights

Review this summary information to understand how your 457 Deferred Compensation Plan works.

## ENROLLMENT

Simply complete the enclosed enrollment form and submit it to your employer. Participating in a retirement plan, such as your 457 plan, can have a significant positive impact on your future.

## CONTRIBUTIONS

All current benefited employees are eligible to participate in the Plan.

You must decide the amount you wish to contribute each pay period to your retirement plan. A portion of your pay is contributed to your plan twice monthly through convenient payroll deductions. Participation in the Plan can begin with as little as \$10.00 a pay-period (\$25.00 a pay-period if you are entitled to a City contribution) up to the maximum allowed by law.

- You can change your contribution amount at any time. When you submit a change, it will take effect the following calendar month.
- The maximum contribution for 2018 is \$18,500 (or \$24,500 if you are age 50 or older).
- You can elect to make pre-tax and/or Roth contributions to the plan.
- You may also transfer, or roll over, other eligible retirement accounts to your 457 plan.

**Pre-Tax Contributions** reduce your taxable income for the year. These amounts, along with associated earnings, will be taxed as ordinary income in the year they are withdrawn from your account.

**Roth Contributions** are made on an after-tax basis and do not reduce your taxable income for the year. However, Roth contributions and associated earnings can be withdrawn tax free if:

- five years have passed since January 1 of the year of your first Roth contribution, and
- you are at least 59½ years old (or disabled or deceased).

## INVESTMENTS

Your contributions will be invested in the funds that you select, and the value of your account will fluctuate based on the performance of the funds. Carefully review the enclosed information relating to your investment options before making your selections. You can make changes to your investments at any time.

## WITHDRAWALS

**After you separate from service with your employer,** you will be eligible to withdraw your money at any time. However, you will not be required to take any withdrawals until after age 70½.

**While you are still employed,** your withdrawal options are limited to the following circumstances:

- After you attain age 70½.
- Small account balance distributions. If your balance is under \$5,000, and no contributions have been made for a period of two years.
- Emergency withdrawals. Under certain emergency situations, as defined by the IRS.

## LOANS

The Plan is intended to help you put aside money for your retirement. However, City of Riverside has included a Plan feature that lets you borrow money from the Plan.

- The amount the Plan may loan to you is limited by rules under the tax law. All loans will be limited to the lesser of: one-half of your vested account balance or \$50,000.
- All loans must generally be repaid within five years.

Other requirements and limits must be met, and certain fees may apply. Please contact ICMA-RC to learn more about loans or to request a loan.

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*SUMMARY DESCRIPTION The actual rules governing your plan are contained in state retirement laws and the federal tax code. This publication provides a summary of the rules, and is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern. This plan introduction is designed to provide you with general plan information. If there is a conflict between the information in this summary and the Plan document, the Plan document will be the controlling document.*



## ACCOUNT INFORMATION

You can review your account information online by logging into your account at [www.icmarc.org](http://www.icmarc.org). Or, use the automated phone system at **800-669-7400**.

You will receive quarterly account statements showing detailed information on your account, including your current balance and investment performance. Sign up for ICMA-RC's eDelivery services to receive email notifications when your quarterly statements and transaction confirmations are available online.

# ENROLLING IN YOUR 457 DEFERRED COMPENSATION PLAN

Review this information to help guide your contribution and investment decisions.

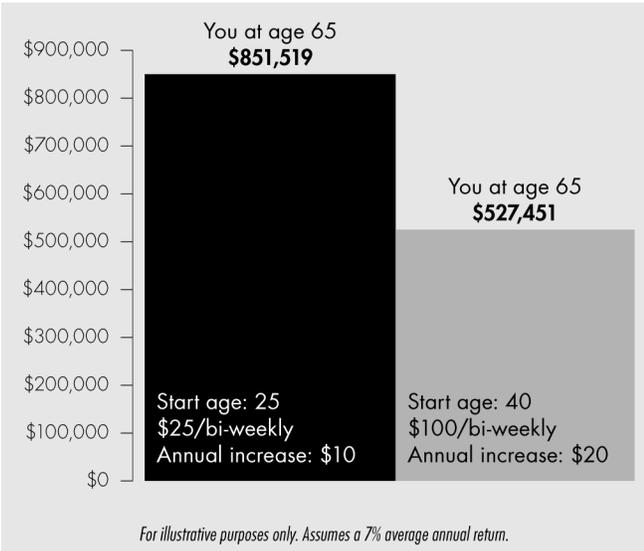
## DON'T DELAY — START SAVING NOW

Don't put off enrolling. Your 457 plan provides flexibility and control.

- Contribution amounts can be changed, stopped, restarted at any time. There are no minimum limits so you can start small while you determine your ideal savings rate.
- Investment options can be changed at any time.
- Beneficiary designations can be changed at any time.

## CONTROL WHAT YOU CAN

Although you cannot predict how the financial markets will perform or future inflation, tax rates, or other economic conditions, you can control when you start saving for retirement.



And starting earlier can give you a huge advantage. View the preceding chart — by starting to save at, say, age 25 instead of age 40, you can save a lot less each pay period and save about the same amount over your lifetime but come out way ahead. Of course, regardless of your current age, it's never too late to start.

## HOW MUCH TO CONTRIBUTE

The benefits you will receive from a pension or Social Security could go a long way to providing a comfortable retirement, but additional savings will likely be needed to help you live comfortably over a potentially long retirement.

- Visit [www.icmarc.org/learn](http://www.icmarc.org/learn) for a variety of resources designed to help you save.
- For a more in-depth and personalized recommendation, consider ICMA-RC's Guided Pathways® ([www.icmarc.org/guidedpathways](http://www.icmarc.org/guidedpathways)).
- Or, request a consultation with your ICMA-RC representative.

**Contribute What You Can.** Even small savings can really add up over time. In fact, starting out small, and then increasing how much you save by just a little each year could go a long way.

## HOW TO INVEST

As you choose your investments, consider the following:

**Determine your risk level** — how much investment risk you need to consider taking, and are comfortable taking. Use this to help you decide the approximate percentage of your money that should be in stock funds vs. bond funds vs. lower-risk options such as stable value funds, money market funds, and CDs.

Consider a level of risk that is most likely to allow you to meet your long-term goals but also that you can maintain, especially during rough stretches.

**Be diversified.** Own different types of investments. This does not ensure against losses, but can help you manage risk.

To help guide your risk and diversification decisions, see the following pages:

- Take a look at the historical risk and return of different mixes of stocks and bonds. Higher-risk options like stocks have provided higher returns but also much steeper losses during certain time periods. But even low-risk options still have risk; they will be more likely to lose money to inflation over time.
- Review the different investment options and services available to you.



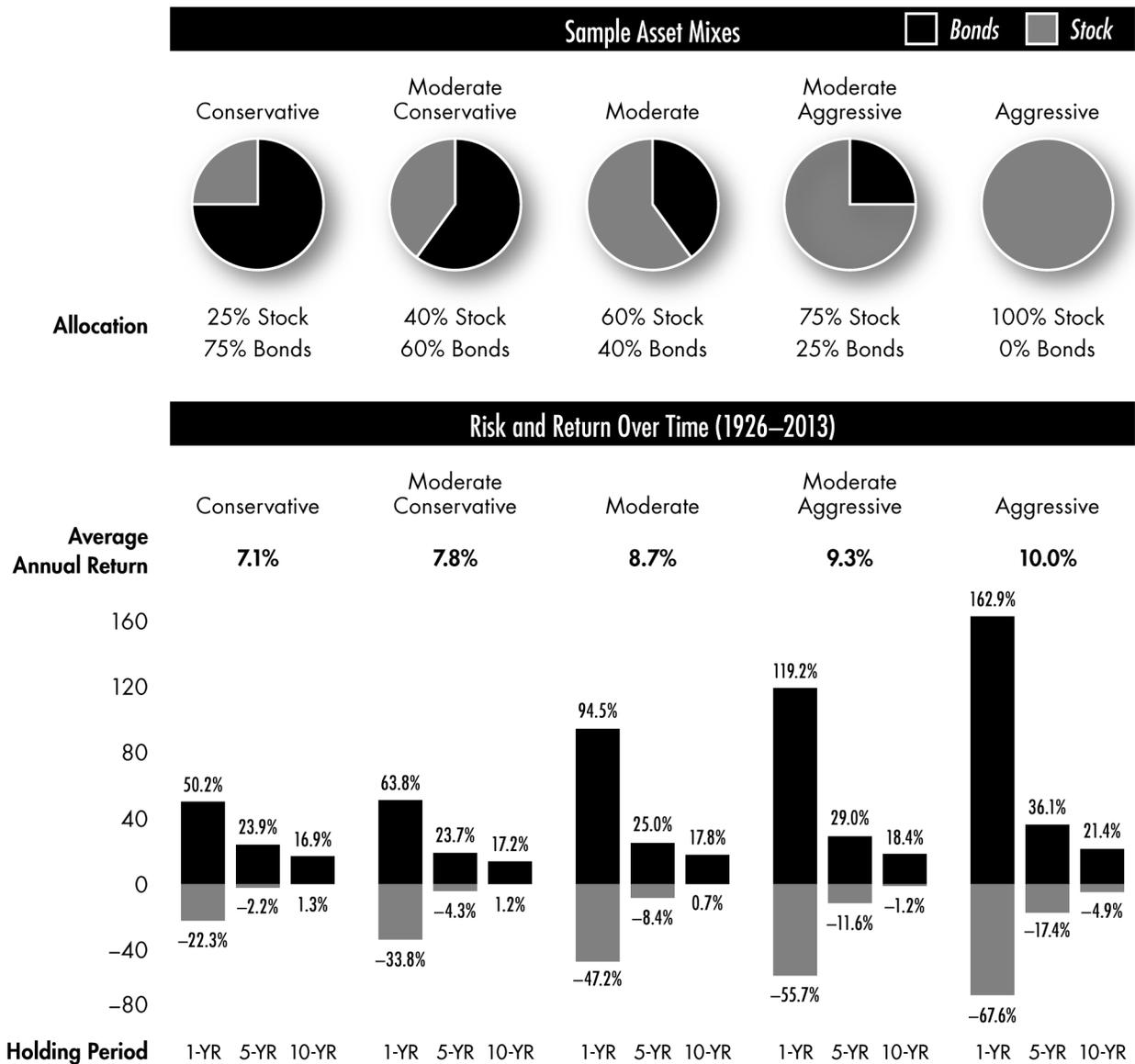
## Asset Allocation

The pie charts show different portfolios allocated between stocks and bonds.

The bar charts under each pie chart show the range of compounded annual returns for each portfolio for one, five and 10-year periods from 1926 to 2013. (For example, 10-year periods run from 1926 to 1935, 1927 to 1936, and so on.)

Portfolios near the conservative end of the spectrum have been less volatile and more predictable. But note that even they have resulted in losses in some periods.

Portfolios near the aggressive end of the spectrum have been more volatile and less predictable, but historically have resulted in higher returns.



Average Annual Returns and Range of Returns (1926–2013)

Source: Morningstar Direct<sup>SM</sup>

Performance figures on this page were calculated using historical returns of the Standard & Poor's 500 Index and U.S. Long-Term Government Bonds. These indexes were used as proxies for equity and fixed-income asset classes, respectively, and do not predict actual or future performance of any fund(s) or account(s).

Past performance is no guarantee of future results. Future returns may be lower than those depicted in the illustrations above.

## AVAILABLE INVESTMENT OPTIONS

Consider the following options to help you build a diversified portfolio with an appropriate overall level of risk.

**Simplify and diversify with one fund.** Target funds invest in a variety of individual stock and bond funds and may be appropriate if you are looking to simplify your investment decisions while still being diversified. Consider a:

- Target-date fund with the year in the fund name that closely matches the year you expect to begin withdrawals. Target-date funds are designed to gradually reduce risk over time.<sup>1</sup>

**Build your own investment portfolio.** If you are comfortable picking and choosing from different funds, this option provides the most flexibility and control.

And ICMA-RC has tools to help – Asset Class Guidance and Fund Advice, part of our Guided Pathways® service, provide recommendations for you to follow.

**Ask ICMA-RC to invest and manage your account for you.** You will be enrolled in ICMA-RC's Managed Accounts service, which provides professional account management through each stage of your career and in retirement, from building up your savings to drawing them down. Managed Accounts:

- Recommends how much you need to contribute to reach a comfortable retirement
- Selects and manages your investments for you based on your personal and financial situation
- Makes periodic updates to help keep you on track
- Helps you transition from building up your savings to drawing them down.

Managed Accounts helps you take the guesswork and complication out of these very important saving, investing, planning, and withdrawal decisions. It provides a strategy for you to follow and then manages your account for you, saving you time and minimizing the likelihood that you overreact to market upturns and downturns.

You are charged an asset-based fee for these services.<sup>2,3,4</sup>

**Be Smart about Investing.** Learn more about personal finances, including retirement planning, without being overwhelmed. Discover tools to help you plan, save, and invest for your future at [www.icmarc.org/realize](http://www.icmarc.org/realize).

## TAX ADVANTAGES

Let's say you are in the 25% federal income tax bracket, have a \$40,000 annual salary and determine you need to save 5% per paycheck, or \$77, for your future retirement.

When \$77 is saved pre-tax, it is not subject to tax until later when you withdraw, so it reduces your paycheck by only \$58. **Pre-tax contributions help you save.**

Investment earnings are tax-deferred so your account can grow before being subject to tax.

**Roth Contributions.** Your plan may allow you to also make after-tax Roth contributions – while you get no immediate tax benefit, future withdrawals including earnings may be *tax-free*.<sup>5</sup> Visit [www.icmarc.org/rothanalyzer](http://www.icmarc.org/rothanalyzer) to help you determine how to split your contributions between pre-tax and Roth.

<sup>1</sup> A target-date 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>2</sup> Underlying mutual fund expenses and plan administration fees still apply. Please consult the applicable Fund Fact Sheet(s) and Funds' #8242; Disclosure Memorandum for a description of these fees and expenses.

<sup>3</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, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

<sup>4</sup> Managed Accounts is not suitable for all investors. Please contact our Guided Pathways® team or your ICMA-RC Retirement Plan Specialist and fully read the ICMA-RC Guided Pathways® Fund Advice and Managed Accounts Investment Advisory Agreement prior to enrolling in Managed Accounts to determine if this service is right for you.

## WHO TO DESIGNATE AS YOUR BENEFICIARY

It is important to designate the individuals who will receive your retirement account assets after you die.

Designating beneficiaries overrides your will. If you choose beneficiaries:

- Your assets will be paid out according to your wishes and will not be subject to the potential costs and delays of probate, as well as creditor claims.
- Your beneficiaries may receive more tax advantages.

## Next Steps

**Enroll today!** Take the first step to a secure retirement and enroll in the plan.

### Manage your account — conveniently

- Online — sign up for Account Access at [www.icmarc.org](http://www.icmarc.org)
- By phone — 24-hour access through the automated phone system at **800-669-7400**

**Go paperless.** Receive notifications that your transaction confirmations and quarterly statements are available online. Visit [www.icmarc.org/paperless](http://www.icmarc.org/paperless) to learn more.

**Get personalized service.** Your ICMA-RC representative can help you enroll and continue to plan your retirement, throughout your working and retirement years.

**Periodically review** your retirement strategy to determine if you should adjust how much you are saving and your investments. Do so about once a year or anytime you experience a major life change.

<sup>5</sup> *Withdrawals will be tax-free if five years have passed since January 1 of the year of the first Roth contribution and if you are at least 59 1/2 (or disabled or deceased).*

## Completing the Enrollment Form

The most important step to begin achieving your retirement goals is to enroll. Please review the investment options information and remove the form pages from this enrollment book before completing the Enrollment Form.

**Section 1:** Complete all required personal information.

**Section 2:** Specify the total percentage or dollar amount you wish to contribute each pay period.

**Section 3:** Designate your beneficiaries.

**Section 4:** Choose one of the investment selections:

### SIMPLIFY AND DIVERSIFY WITH ONE FUND

#### Target-Date Fund

- If you select this option, you must select the Target-Date Fund, for the year that most closely matches when you expect to begin making gradual withdrawals, typically when or after you retire.
- Target-Date Fund are composed of portfolios of other funds.
- Underlying fund selection and asset mix of Target-Date Funds are intended to reflect time until you begin making gradual withdrawals, typically when or after you retire.
- Asset mix of each "dated" Target-Date Fund becomes increasingly conservative over time.
- Review and select the fund from the Balanced/Asset Allocation Funds list in the Investment Options section.

### BUILD YOUR OWN INVESTMENT PORTFOLIO — allows maximum flexibility.

- Review the funds listed in the Investment Options section.
- Select the funds and the desired allocation.

### ASK ICMA-RC TO INVEST AND MANAGE YOUR ACCOUNT FOR YOU

- If you select this option, you will be enrolled in ICMA-RC's Managed Accounts service.
- You are charged an ongoing asset-based fee for this service.
- All eligible funds in your plan are considered for inclusion in Managed Accounts.
- Provides savings rate and retirement age recommendations.
- Takes into consideration retirement age, current income, desired retirement income, ICMA-RC accounts, Social Security, and if you make available, pensions and other savings and investments.
- Monitors and reallocates your ICMA-RC account on an ongoing basis to account for provided changes in your personal and financial situation.

**Section 5:** Sign your completed form and submit to your employer for approval.

**Section 6–9:** If you selected *Managed Accounts* in Section 4, you must complete Sections 6–9.

For additional details and disclosure on the above steps, please refer to the enrollment form instructions on the back of the form.

## 1. REQUIRED PERSONAL INFORMATION

Employer Plan Number: 302829      Employer Plan Name: CITY OF RIVERSIDE CA

Social Security Number (for tax-reporting purposes): \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Full Name of Participant: \_\_\_\_\_  

Last
First
M.I.

Mailing Address/Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)      Date Employed/Rehired: \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)       Rehire? check if Yes

Provide your email to be enrolled in e-Delivery automatically. You will receive email notification when your quarterly statements and transaction confirmations are available online. You may opt out by checking the box below. **Email Address** (required for e-Delivery): \_\_\_\_\_  No, I do not wish e-Delivery at this time.

Job Title: \_\_\_\_\_

Preferred Phone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_      Gender:  Male  Female      Marital Status:  Married  Single  
Area Code

## 2. CONTRIBUTION AMOUNT

Specify a percentage or dollar amount for pre-tax and/or Roth contributions. If you sign this form prior to your first day of work, contributions will begin as soon as administratively possible. Otherwise, contributions will begin as soon as administratively possible following the month in which this form is signed.

**Pre-tax** contributions of \_\_\_\_\_% or \$\_\_\_\_\_ from my pay each pay period.

**Roth** contributions of \_\_\_\_\_% or \$\_\_\_\_\_ from my pay each pay period.

If you are taking advantage of the catch-up contribution provision available to 457 deferred compensation plan participants, please check the applicable box here:

"Age 50" catch-up provision

## 3. BENEFICIARY DESIGNATION

- Update and designate additional beneficiaries at any time via Account Access at [www.icmarc.org](http://www.icmarc.org).
- Failure to indicate any percentage or failure to use whole percentages (e.g., enter 33%, not 33.33% or 33 1/3 %) that total 100% for your "Primary" beneficiary(ies) and 100% for your "Contingent" beneficiary(ies) may invalidate your beneficiary designation.
- Check one "Beneficiary Type" and one "Relationship" for each beneficiary. Failure to do so may result in your designation being invalid.
- Married Participants - Some 401 plans require that you obtain consent from your spouse if you do not designate him/her as the primary beneficiary for 100% of your account. If you live in a community property state (AZ, CA, ID, LA, NV, NM, TX, WA, or WI), you must obtain consent from your spouse to designate a nonspouse beneficiary for greater than 50% of the account. Use the Beneficiary Designation Form, available online at [www.icmarc.org/forms](http://www.icmarc.org/forms), if spousal consent is required.**

Beneficiary Type:  Primary      Relationship (Check One):  Spouse  Non-Spouse  Trust\*  Charity

\_\_\_\_\_  

Name
Date of Birth
Social Security Number
\_\_\_\_\_%  
(whole % only)

Beneficiary Type (Check One):  Primary  Contingent      Relationship (Check One):  Spouse  Non-Spouse  Trust\*  Charity

\_\_\_\_\_  

Name
Date of Birth
Social Security Number
\_\_\_\_\_%  
(whole % only)

Beneficiary Type (Check One):  Primary  Contingent      Relationship (Check One):  Spouse  Non-Spouse  Trust\*  Charity

\_\_\_\_\_  

Name
Date of Birth
Social Security Number
\_\_\_\_\_%  
(whole % only)



Employer Plan Number 302829      Social Security Number \_\_\_\_\_      Name (please print) \_\_\_\_\_

Beneficiary Type (Check One):  Primary  Contingent      Relationship (Check One):  Spouse  Non-Spouse  Trust\*  Charity

Name \_\_\_\_\_      Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_      Social Security Number \_\_\_\_\_      % of Benefit \_\_\_\_\_  
(whole % only)

**\* Trust Beneficiaries** - You must submit a copy of your entire trust document with the enrollment form if you desire the beneficiaries of the trust to be treated as designated beneficiaries for the purpose of determining required minimum distributions.

**Designate additional beneficiaries online after your account is established, or write "see attached sheet" and attach and sign a separate piece of paper with your name, plan number, Social Security number, and the additional beneficiary information.**

### 4. INVESTMENT SELECTION

**Choose only one of the investment selections.** Your selection will determine how contributions to your account will be invested. If no allocation instructions are provided, the percentages do not total 100%, or the allocation instructions are invalid, assets will be allocated to the default investment selected by your employer until additional instructions are received from you. Review the **Notice Regarding Default Investments** included in the Enrollment Kit for more information. Note: The allocation instructions you provide will apply to payroll contributions only.

**Simplify and diversify with one fund- Please refer to the Investment Options Sheet for a list of funds and codes.**

Target Date Fund.

**OR**

**Build your own investment portfolio**  
 Input the fund codes and allocation percentages (must total 100%) to show how contributions to your account will be invested. A list of funds and codes can be found on the Investment Options Sheet.  
**Note: Please use whole percentages only.**

INVESTMENT ALLOCATION			
Code	Percent	Code	Percent
			<b>TOTAL = 100%</b>

**OR**

**Ask ICMA-RC to invest and manage your account for you**

**Managed Accounts** - By electing this option, you agree to have your account professionally managed by ICMA-RC. If you elect this option, do not complete Option #2.  
 Annual Salary: \$ \_\_\_\_\_ Desired Retirement Age: \_\_\_\_\_ Your Annual Desired Retirement Income: \$ \_\_\_\_\_ or \_\_\_\_\_ %  
(100% of current after-tax salary is recommended)

Additional Employer Annual Contribution (if applicable) \_\_\_\_\_ % or \$ \_\_\_\_\_

Will you receive Social Security Retirement Benefits?  Yes  No      Annual Social Security Retirement Benefit \$ \_\_\_\_\_ (Please see instructions for further details)  
 Number of Dependents \_\_\_\_\_

Will you receive Pension payments outside of Social Security or your 457 or 401 Plan retirement accounts?  Yes  No. If you select "Yes" please complete A, B and C below:  
 (A) Age at which Pension Begins \_\_\_\_\_ (B) Annual Pension Benefit Amount (choose only one) Option A: \$ \_\_\_\_\_ (In today's dollars) you expect to receive in retirement  
**Or**  
 Option B: \_\_\_\_\_ % of your salary you expect to receive in retirement  
 (C) Is your Pension subject to a cost of living adjustment (COLA) in retirement?  Yes  No



**Employer Plan Number**  
302829

**Social Security Number**  
\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

**Name (please print)**  
\_\_\_\_\_

## 5. AUTHORIZED SIGNATURES

**Submit this form to your employer promptly to avoid investment delay.** If this form is faxed to ICMA-RC please do not mail the original.

Note that by signing this form you acknowledge that you agree to the following disclosure: I understand that ICMA-RC has established required procedures for Internet and telephone transfers that include personal identification numbers, recording of instructions, and written confirmations. In the event I choose to transfer funds by Internet or telephone, I agree that neither the VantageTrust Company, ICMA-RC, ICMA-RC Services, LLC, nor Vantagepoint Transfer Agents, LLC, will be liable for any loss, cost, or expense for acting upon any Internet or telephone instructions believed by it to be genuine and in accordance with the required procedures.

You hereby verify that by signing this Enrollment Form you have read and understand: 1) *ICMA-RC Guided Pathways® Fund Advice and Managed Accounts Investment Advisory Agreement*, dated June 2017 (the "Investment Advisory Agreement"), including the information on Managed Accounts advisory fees and 2) *Part 2A of ICMA-RC's Form ADV for Guided Pathways® and Retirement Readiness Reports Advisory Services*.

By signing this Enrollment Form, you also certify that you agree to all the terms and conditions set forth on the enclosed Investment Advisory Agreement and that you are also executing the Investment Advisory Agreement as of the date you sign this Enrollment Form.

\_\_\_\_\_  
Participant's Signature

\_\_\_/\_\_\_/\_\_\_  
Month Day Year

Employee ID \_\_\_\_\_  
For Employer Use Only

\_\_\_\_\_  
Authorized Employer Official's Signature

\_\_\_/\_\_\_/\_\_\_  
Month Day Year





Employer Plan Number  
302829

Social Security Number  
\_\_\_\_\_

Name (please print)  
\_\_\_\_\_

## Additional Managed Accounts Information

Only complete and return this page if you selected Managed Accounts (Option 1) in the "Allocation of Contributions" section on Page this form, and wish to further personalize your enrollment in Managed Accounts.

### 6. RETIREMENT INFORMATION

**ONLY COMPLETE THIS SECTION IF YOU ARE WITHIN 10 YEARS OF YOUR DESIRED RETIREMENT AGE AND THE VT RETIREMENT INCOMEADVANTAGE FUND IS AN AVAILABLE INVESTMENT OPTION IN YOUR RETIREMENT PLAN**

A. To what extent is this retirement account intended to be a source of ongoing income during your retirement years?

Extremely likely - Nearly 100% chance     Likely - 75% chance (default)     Not likely - Less than 50% chance

B. Once you have reached age 65, on average you should expect to live an additional 20 to 25 years. Given your own health status and family history do you feel you will live?

Shorter than average     Near average (default)     Longer than average

C. Bequest Amount \$ \_\_\_\_\_

### 7. YOUR SPOUSE OR PARTNER INFORMATION

Please read the instructions on the back for important information about including Spouse or Partner information.

**Spouse or Partner Name** \_\_\_\_\_

<b>Last</b>	<b>First</b>	<b>MI</b>
<b>Date of Birth</b> _____		
<input type="checkbox"/> Male <input type="checkbox"/> Female	<b>Desired Retirement Age:</b> _____	<b>Current Annual Salary</b> \$ _____
Your Spouse's or Partner's Annual Desired Retirement Income: \$ _____ or _____ %		

(100% of current after-tax salary is recommended)

Will your Spouse or Partner receive Social Security Retirement Benefits?  Yes  No

Annual Social Security Retirement Benefit \$ \_\_\_\_\_ (Please see instructions for further details)

**Spouse or Partner's Pension**

(A) Age at which Pension Begins \_\_\_\_\_

(B) Annual Pension Benefit Amount (choose only one): **Option #1:** \$ \_\_\_\_\_ (In today's dollars) your spouse/partner expects to receive in retirement **OR**

**Option #2:** \_\_\_\_\_ % of your spouse/partner's salary he/she expects to receive in retirement

(C) Is this Pension subject to a cost of living adjustment (COLA) in retirement?  Yes  No

### 8. OUTSIDE ACCOUNT INFORMATION

**Outside Account 1:** Account Owner  You or  Your Spouse/Partner

Account Type (Check only one)  401(k)     401(a)     403(b)     457     Traditional IRA     Roth IRA     Taxable Savings     Taxable Brokerage

Account Name \_\_\_\_\_

Total Account Balance \$ \_\_\_\_\_    You or your Spouse/Partner Annual Contribution \$ \_\_\_\_\_    Employer Annual Contribution \*\$ \_\_\_\_\_ \* If applicable

**Asset Allocation Details**

US Stocks _____ %	Bonds _____ %
International Stocks _____ %	Cash _____ %
<b>Total = 100%</b>	

**Outside Account 2:** Account Owner  You or  Your Spouse/Partner

Account Type (Check only one)  401(k)     401(a)     403(b)     457     Traditional IRA     Roth IRA     Taxable Savings     Taxable Brokerage

Account Name \_\_\_\_\_

Total Account Balance \$ \_\_\_\_\_    You or your Spouse/Partner Annual Contribution \$ \_\_\_\_\_    Employer Annual Contribution \*\$ \_\_\_\_\_ \* If applicable

**Asset Allocation Details**

US Stocks _____ %	Bonds _____ %
International Stocks _____ %	Cash _____ %
<b>Total = 100%</b>	

### 9. SIGNATURE

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

# ADDITIONAL MANAGED ACCOUNTS INFORMATION INSTRUCTIONS

**Only complete and return this page if you selected Managed Accounts (Option #1) in the "Allocation of Contributions" section on Page 1 of this form and wish to further personalize your enrollment in Managed Accounts.**

Although this additional information is not required to enroll you in Managed Accounts, we strongly recommend you provide as much information about yourself as possible to help ICMA-RC provide you with a more personalized level of account management.

**Retirement Information:** Only complete this section if you are within 10 years of your desired retirement age and the VT Retirement IncomeAdvantage Fund is an available investment option in your Retirement Plan. If you are within 10 years of your desired retirement age and the VT Retirement IncomeAdvantage Fund is an available investment option in your Retirement Plan and you do not provide an answer, the second answer listed for both questions will be used ("Likely -75% chance" and "Near average").

If the VT Retirement IncomeAdvantage Fund is an option in your Retirement Plan, based on your overall situation and responses to the following questions, Managed Accounts may recommend that a portion of your assets be invested in the VT Retirement IncomeAdvantage Fund, a VantageTrust Fund that invests in a separate account under a group variable annuity issued by a third-party insurance company, based on your overall situation and responses to the following questions. A Guarantee Fee of 1.00% is assessed by the third-party insurance company for the VT Retirement IncomeAdvantage Fund guarantees and is included along with other fund fees and expenses in the VT Retirement IncomeAdvantage Fund's net expense ratio. These guarantees are also subject to certain limitations, terms, and conditions. Please see the *VT Retirement IncomeAdvantage Fund Summary Important Considerations* document for more information.

**Your Spouse or Partner Information provided in Section 6:** Including information on your Spouse's or Partner's salary will increase your household retirement income and retirement income goals, which has a direct impact on the advice you will receive. If you elect to include your spouse or partner, it is important that you provide information on his/her Social Security benefits, Pensions, and Outside Accounts.

**Social Security Retirement Benefits:** Please indicate whether your spouse or partner will expect to receive Social Security retirement benefits. If you select "Yes" or do not select either box, we will include an estimate of Social Security benefits.

**Annual Social Security Retirement Benefit:** If no Annual Social Security Retirement Benefit is provided, Managed Accounts will generate an estimated amount based on your spouse or partner's current salary. If you wish to have Social Security benefits included in the account management for a retired spouse or partner, you must provide an estimated annual dollar amount.

Pension:

- **Annual Pension Benefit Amount**, please choose only one of the two below options:  
Option #1 - Enter the annual benefit amount your spouse or partner expects to receive in retirement in today's dollars.  
**OR**  
Option #2 - Enter the percentage of salary your spouse or partner expects to receive in retirement.
- Select "Yes" to "Is their pension subject to a cost of living adjustment (COLA)?", if your spouse or partner's annual pension benefit will increase after retirement.

## **Outside Accounts Information provided in Section 8:**

- Annual Outside Account contributions will be considered as Pre-Tax for all account types except for Roth IRA, Taxable Savings, and Taxable Brokerage which will be considered Post-Tax.
- Please designate the asset allocation for the listed outside accounts. If no asset allocation is provided or if the asset allocation provided does not total 100%, the asset allocation will initially be designated as 55% U.S. Large Cap Stocks, 5% U.S. Small Cap Stocks, and 40% Bonds.
- To provide information on more than two outside accounts, (1) write "see attached sheet" in the section and (2) attach and sign a separate piece of paper with your name, plan number, Social Security Number, and additional outside account information.

Once you have completed this page, sign it and submit it to your employer along with Page 1 of the enrollment form.

A confirmation package will be mailed to you following receipt, in good order, of all necessary documentation. This package will confirm your personal and financial information and provide you with your wealth forecast and information on how ICMA-RC will be managing your account.

To update your information, including the asset allocation for your outside accounts, at any time after your Managed Accounts enrollment, go online to [www.icmarc.org](http://www.icmarc.org) or call Investor Services at 800-669-7400 to request a *Guided Pathways® Managed Accounts Update Form*.

# CITY OF RIVERSIDE CA 457 Deferred Compensation Plan Investment Options

Stable Value/Cash Management	Ticker	Code
VT PLUS Fund <sup>1,2</sup>		7071
Vanguard Federal Money Market <sup>3,4</sup>	VMFXX	5527
<b>Bond</b>		
American Funds US Govt Secs <sup>3,5</sup>	RGVGX	1688
MetWest Total Return Bond M <sup>3,5</sup>	MWTRX	1516
Vanguard Ttl Bond Mkt Idx Adm <sup>3,5</sup>	VBTLX	5452
<b>Balanced/Asset Allocation</b>		
T Rowe Price® Retirement 2005 <sup>3,6,7</sup>	TRRFX	5366
T Rowe Price® Retirement 2010 <sup>3,6,7</sup>	TRRAX	5365
T Rowe Price® Retirement 2015 <sup>3,6,7</sup>	TRRGX	5364
T Rowe Price® Retirement 2020 <sup>3,6,7</sup>	TRRBX	5363
T Rowe Price® Retirement 2025 <sup>3,6,7</sup>	TRRHX	5362
T Rowe Price® Retirement 2030 <sup>3,6,7</sup>	TRRCX	5361
T Rowe Price® Retirement 2035 <sup>3,6,7</sup>	TRRJX	5360
T Rowe Price® Retirement 2040 <sup>3,6,7</sup>	TRRDY	5359
T Rowe Price® Retirement 2045 <sup>3,6,7</sup>	TRRKX	5358
T Rowe Price® Retirement 2050 <sup>3,6,7</sup>	TRRMX	5357
T Rowe Price® Retirement 2055 <sup>3,6,7</sup>	TRRNX	5356
T Rowe Price® Retirement 2060 <sup>3,6,7</sup>	TRRLX	1528
American Funds American Bal R6 <sup>3</sup>	RLBGX	4399
<b>U.S. Stock</b>		
MFS Value R4 <sup>3,8</sup>	MEIJX	5088
American Century® Value Inv <sup>3,8,9</sup>	TWVLX	4366
Vanguard 500 Index Admiral <sup>3</sup>	VFIAX	5404
American Funds Fundamental Inv <sup>3</sup>	RFNGX	4414
Vanguard Total Stock Mkt Index <sup>3</sup>	VTSAX	5458
Fidelity Contrafund® <sup>3,8</sup>	FCNTX	4733
Am Funds Growth Fund of Am R6 <sup>3,8</sup>	RGAGX	4420
T Rowe Price® Growth Stock <sup>3,6,8</sup>	TRSAX	5368
Fidelity Low-Priced Stock <sup>3,8,10</sup>	FLPSX	4752
MFS Mid Cap Value R4 <sup>3,8,10</sup>	MVCJX	5098
Vanguard Extended Mkt Idx Adm <sup>3,10</sup>	VEXAX	5412
T Rowe Price® Mid-Cap Growth <sup>3,6,8,10</sup>	RPMGX	5302
AllianzGI NfJ Small-Cap Value <sup>3,8,11</sup>	PVADX	4320
Columbia Small Cap Value I Adv <sup>3,8,11</sup>	CVVRX	4524
Vanguard Small-Cap Index Adm <sup>3,11</sup>	VSMAX	5449
Loomis Sayles Small Cap Value <sup>3,11</sup>	LSSCX	5028
Hartford SmallCap Growth Y <sup>3,8,11</sup>	HSLYX	4859
<b>International/Global Stock</b>		
American Funds Cap World G&I <sup>3,12</sup>	RWIGX	4408
Oppenheimer Global Y <sup>3,12</sup>	OGLYX	5132
Vanguard Total Intl Stock Idx <sup>3,12</sup>	VTIAX	5460
American Funds EuroPacific Gr <sup>3,8,12</sup>	RERGX	4412
<b>Specialty</b>		
Cohen & Steers Real Est Sec I <sup>3,13</sup>	CSDIX	4504

Some of the funds listed above may not be available to your Plan. To ensure that you have the most current list of available funds and/or to obtain additional fund information, please log on to Account Access at [www.icmarc.org](http://www.icmarc.org) or call ICMA-RC Investor Services at 800-669-7400.

- <sup>1</sup> Before investing in the Fund you should carefully consider your investment goals, tolerance for risk, investment time horizon, and personal circumstances. There is no guarantee that the Fund will meet its investment objective and you can lose money.
- <sup>2</sup> The Fund is an investment option of VantageTrust, a group trust established and maintained by VantageTrust Company, LLC, a wholly owned subsidiary of ICMA-RC. VantageTrust provides for the commingling of assets of certain trusts and plans as described in its Declaration of Trust, and is only available for investment by such eligible trusts and plans. The Fund is not a mutual fund. Its units are not deposits of VantageTrust Company and are not insured by the Federal Deposit Insurance Corporation or any other agency. The Fund is a security that has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Company Act of 1940. For additional information regarding the Fund, including a description of the principal risks, please consult the VantageTrust Funds Disclosure Memorandum, which is available when you log in at [www.icmarc.org](http://www.icmarc.org), or upon request by calling 800-669-7400.
- <sup>3</sup> Please read the fund's prospectus or disclosure materials 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 or disclosure materials before investing. To request a prospectus or disclosure materials, you may contact us by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org).
- <sup>4</sup> You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.
- <sup>5</sup> 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.
- <sup>6</sup> T. Rowe Price® is a registered trademark of T. Rowe Price Group, Inc. - all rights reserved.
- <sup>7</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.
- <sup>8</sup> Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Both styles may go in and out of favor. When the investing style used by a fund is out of favor, that fund is likely to underperform other funds that use investing styles that are in favor.
- <sup>9</sup> American Century® is a registered trademark of American Century Services Corporation.
- <sup>10</sup> 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.
- <sup>11</sup> Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established

## CITY OF RIVERSIDE CA Investment Options (continued)

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.

<sup>12</sup> Funds that invest 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.

<sup>13</sup> 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.

### Risk Glossary

Key risks of investing in a fund are summarized below. This is not an exhaustive list. A fund may fail to achieve its investment objective, and you may lose money by investing in a fund. Additional information about risk can be found in a fund's prospectus.

#### Stock Market Risks

Investments in equity securities such as common stock or preferred stock are subject to stock market risk. Stock market risk is the possibility that stock prices overall will experience increased volatility and decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

**Small-Cap Securities Risk** — Investments 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.

**Mid-Cap Securities Risk** — Investments 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.

**Preferred Stock Risk** — Preferred stockholders generally have more limited voting rights than the common stockholders. Holders of a company's debt securities generally have a superior right to payment compared to holders of the company's preferred stock, and are therefore paid before holders of preferred stock. The value and volatility of preferred stock may be dependent on factors that affect both fixed income securities (including changes in interest rates and in a company's creditworthiness) and equity securities. Holders of preferred stock may suffer losses if dividends are not paid.

**Equity Income/Interest Rate Risk** — Distributions to shareholders may decline when interest rates fall or when dividend income from investments in stocks declines.

#### Foreign Securities Risks

Foreign Securities (whether equity or fixed income) may involve the risk of loss or fluctuations due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; generally higher credit risks for foreign issuers; higher transaction costs; and pricing factors affecting investment in the securities of foreign businesses or governments.

**Emerging Market Securities Risk** — Emerging market countries may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Emerging market countries often have less uniformity in accounting and reporting requirements, and unreliable securities valuation. It is sometimes difficult to obtain and enforce court judgments in such countries and there is often a greater potential for nationalization or expropriation of assets by the government of an emerging market country. Investments in securities issued by companies located in emerging market countries may present risks different from, or greater than, the risks of investing in securities issued by companies located in developed foreign countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in developed countries.

**Foreign Currency Risk** — Investments directly in foreign currencies or in securities that trade in, and receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, are subject to the risk that those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities denominated in those currencies. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, any amounts not recovered will reduce the income received by the holder.

**Foreign Government Securities Risk** — Foreign government securities are fixed income securities issued by a foreign government, a foreign municipality, or an agency or instrumentality thereof. The ability of a foreign governmental obligor to meet its obligations to pay principal and interest to debtholders generally will be adversely affected by rising foreign interest rates, as well as the level of the relevant government's foreign currency reserves and currency devaluations. If a governmental obligor defaults on its obligations, a security holder may have limited legal recourse against the issuer or guarantor. These risks may be heightened during periods of economic or political instability, and are generally heightened in emerging market countries.

#### Fixed Income Securities Risks

Fixed income securities consist primarily of debt obligations issued by governments, corporations, municipalities and other borrowers, but may also include structured securities that provide for participation interests in debt obligations. Fixed income securities may also include loan participations and assignments that are privately negotiated notes representing the equivalent of a loan or bank debt. Fixed income securities may be subject to a variety of risks described in greater detail below.

**Interest Rate Risk** — Fixed income securities fluctuate in value as interest rates change. The general rule is that if interest rates rise, the market prices of fixed income securities will usually decrease. The reverse is also generally true: if interest rates fall, the market prices of fixed income securities will generally increase.

A fixed income security with a longer maturity (or a fund holding fixed income securities with a longer average maturity) will typically be more sensitive to changes in interest rates and it will fluctuate more in price than a shorter term security. Because of their very short-term nature, money market instruments carry less interest rate risk.

**Credit Risk** — Fixed income securities are also exposed to credit risk, which is the possibility that the issuer of a fixed income security will default on its obligation to pay interest and/or principal, which could cause a fixed income securities holder to lose money. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk (see U.S. Government Agency Securities Risk). Corporate fixed income securities rated BBB or above by Standard & Poor's are generally considered to carry moderate credit risk. Corporate fixed income securities rated lower than BBB are considered to have significant credit risk (see High Yield Securities Risk). Of course, fixed income securities with lower credit ratings generally pay a higher level of income to investors. The financial stability of issuers located in foreign countries may be more precarious than those located in the United States. As a result, credit risk may be greater with foreign issuers of fixed income securities (see Foreign Securities Risk).

## CITY OF RIVERSIDE CA Investment Options (continued)

**Call Risk** — A fixed income security may include a provision allowing the issuer to purchase the security back from its holder earlier than the final maturity date of the security, otherwise known as a “call feature.” Issuers often exercise this right when interest rates have declined. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities generally experience when rates decline. Unscheduled calls or prepayments also may limit the potential for capital appreciation on the security. Furthermore, after a call feature is exercised, a holder may be forced to reinvest the proceeds received at the prevailing interest rate, which is likely to be lower than the interest rate paid on the security that was called.

**High Yield Securities Risk** — Lower-quality fixed income securities (those of less than investment grade quality, commonly known as “high yield bonds” or “junk bonds”) are considered speculative, involve greater risk of default and tend to be particularly sensitive to changes in the financial condition of the issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions. The market prices of these securities may also experience greater volatility than the market prices of investment grade securities and may decline significantly in periods of general economic difficulty. These securities may be harder to value, and may present greater liquidity risk (particularly if the security has restrictions on resale). In addition, the value of lower-quality fixed income securities of smaller, less well-known issuers can be more volatile than that of larger issuers.

Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. Issuers of these securities are less secure financially as compared with issuers of investment grade securities. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

**Municipal Securities Risk** — Municipal securities are fixed income securities issued by state and local governments, territories and possessions of the U.S., regional governmental authorities, and their agencies and instrumentalities. The value of, payment of interest and repayment of principal with respect to, and the ability of the holder to sell, a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations and voter initiatives as well as the economics of the regions in which the issuers in which the holder invests are located. Revenue bonds are generally not backed by the taxing power of the issuing municipality. To the extent that a municipal security is not heavily followed by the investment community or such security issue is relatively small, the security may be difficult to value or sell at a fair price.

**Inflation-Adjusted Securities Risk** — Inflation-adjusted securities are fixed income securities for which the principal values or coupon rates are indexed to changes in inflation. Interest payments on inflation-adjusted securities will vary as the principal or interest is adjusted for inflation and may be more volatile than interest paid on ordinary fixed income securities. Inflation-adjusted securities may not produce a steady income stream, particularly during deflationary periods. In fact, during periods of extreme deflation, these securities may provide no income at all.

**U.S. Government Agency Securities Risk** — Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. Certain U.S. Government agency securities are backed only by the right of the issuer to borrow from the U.S. Treasury, or are supported only by the credit of the issuer or instrumentality (while the U.S. Government has historically provided financial support to U.S. Government-sponsored agencies or instrumentalities, there is no assurance that it will always do so).

**Inflation Risk** — The market price of fixed income securities generally falls as inflation increases because the purchasing power of the future income and repaid principal is expected to be worth less when received by the debt securities holder. Fixed income securities that pay a fixed rather than variable interest rate are especially vulnerable to inflation risk because variable-rate debt securities may be able to participate, over the long term, in rising interest rates which have historically corresponded with long-term inflationary trends.

**Mortgage-Backed and Asset-Backed Securities Risk** — Mortgage-backed and asset-backed securities are exposed to prepayment risk, which is the risk that borrowers will pay their mortgages or loans more quickly than required under the terms of the mortgage or loan, thereby affecting the average life and often the yield of securities backed by those mortgages or loans. Most borrowers are likely to prepay their mortgage or loan at a time when it may be least advantageous to a holder of these securities. A holder may be forced to reinvest the proceeds of prepayments in lower-yielding instruments, resulting in a decline in the holder's income. Prepayments typically occur during periods of falling interest rates. Unscheduled prepayments in a falling rate environment would also limit the potential for capital appreciation on mortgage-backed and asset-backed securities. When interest rates rise, the values of mortgage-backed and asset-backed securities generally fall. Rising interest rates may result in decreased prepayments, which could extend the average life of the security and cause its value to decline more than traditional fixed-income securities and increase its volatility. This is known as extension risk. Certain mortgage-backed or asset-backed securities may be more volatile and less liquid than other traditional types of fixed income securities. Investments in asset-backed securities are subject to additional risks associated with the nature of the assets and the servicing of those assets.

If mortgage-backed or asset-backed securities are “subordinated” to other interests in the same pool, the holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. An unanticipated high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the holder of such subordinated securities and reduce the values of those securities or, in some cases, render them worthless. The risk of such defaults is generally higher in the case of mortgage pools that include “subprime mortgages.”

Commercial mortgage-backed securities (“CMBS”) are structured like residential mortgage-backed securities and bear the same risks as residential mortgage-backed securities described above. The structure and prepayment penalties inherent in a CMBS provide the investor with a greater protection than a residential mortgage-backed security. However, CMBS may carry greater credit risk as the securities may represent only a few projects versus a residential mortgage-backed security that may represent thousands of homeowners spread across different regions of the country.

**Reinvestment Risk** — This is the risk that the principal amount of an investment, generally a fixed income security, will be paid at a time when the proceeds may not be able to be reinvested in a security with a comparable return. For example, this can occur when a new stable value investment is purchased at or reset to a lower contract rate than the average contract rate of the stable value fund.

### Derivative Instruments Risks

Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or return, or index, and may relate to stocks, fixed income securities, interest rates, currencies or currency exchange rates, commodities, and indexes comprised of these types of assets. Examples of derivative instruments include options, futures, forward currency contracts, options on futures contracts and swap agreements. There is no assurance that the use of any derivatives strategy will succeed, that the instruments necessary to implement investment strategies will be available or that a derivative instrument holder may not lose money. Also, investing in financial contracts such as options involve additional risks and costs, which may result in losses instead of gains, so the benefits of the transaction might be diminished and a derivative instrument holder may incur substantial losses. The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. The following provides a general discussion of certain risk factors relating to derivative instruments:

**Swap Risk** — Swap agreements involve the risk that the party with whom the swap holder has entered into the swap will default on its obligation to pay the swap holder and the risk that the swap holder will not be able to meet its obligations to pay the other party to the agreement. Swap agreements are not traded on exchanges or other organized markets, and may be less liquid than other derivative instruments.

## CITY OF RIVERSIDE CA Investment Options (continued)

**Management Risk** — Derivatives are highly specialized instruments that require investment techniques and risk analyses different from those associated with equity and fixed income securities. The use of a derivative requires an understanding not only of the underlying instrument, but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

**Counterparty Risk** — The use of a derivative instrument involves the risk that a loss may occur if another party to the contract (counterparty) fails to make required payments or defaults on its obligations to the derivative instrument holder. The financial stability of counterparties located in foreign countries may be more precarious than those located in the U.S. As a result, counterparty risk may be greater with foreign counterparties.

**Liquidity Risk** — Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. An investment in illiquid derivative instruments may reduce the returns of the investment because the derivative instrument holder may not be able to sell the instruments at the time desired for an acceptable price, or might not be able to sell the instruments at all. Illiquid derivative instruments may also be difficult to value.

**Interest Rate Risk** — Certain derivative instruments are more sensitive to interest rate changes and market price fluctuations.

**Leverage Risk** — Certain transactions may give rise to a form of leverage. The use of leverage may cause a fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage may cause a fund to be more volatile than if it had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the fund's portfolio securities.

**Lack of Availability** — Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. The ability to use derivatives may be limited by certain regulatory and tax considerations.

**Market and Other Risks** — Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way that is detrimental to the interest of the derivative instrument holder. If a derivative instrument holder incorrectly forecasts the value of securities, currencies or interest rates or other economic factors in using derivatives, the holder might have been in a better position if it had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other fund instruments. A derivative instrument holder may also have to buy or sell a security at a disadvantageous time or price to satisfy its obligations or to meet asset segregation requirements in connection with certain derivative transactions.

**Valuation and Basis Risks** — Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track.

### Convertible Securities Risk

Convertible securities possess investment characteristics of both stocks and bonds. Convertible securities include convertible bonds and preferred stocks that may be exchanged for a specific number of shares of the issuing company's common stock at a specified conversion price. The value of a convertible security increases and decreases with the value of the underlying common stock and thus is subject to the risks associated with equity securities. When the convertible security's conversion price is similar to the price of the underlying common stock, the convertible security itself generally behaves more like the common stock. When the convertible security's conversion price is greater than the price of the underlying common stock, the convertible security generally behaves more like a fixed income security (and thus will be more sensitive to changes in interest rates).

Convertible securities tend to be of lower credit quality, generally have a higher risk of default and tend to be less liquid than traditional non-convertible securities. Lower-quality debt securities (those of less than investment grade quality) (high yield securities or "junk bonds") involve greater risk of default and tend to be particularly

sensitive to changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic conditions. In addition, the value of lower-quality debt securities of smaller, less well-known issuers can be more volatile than that of larger issuers.

Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

### REITs Risk

Real estate investment trusts ("REITs") are entities that either own properties or make construction or mortgage loans, and also may include operating or finance companies. When the profits or revenues of, or the values of real estate properties owned by REITs decline or fail to meet market expectations, REIT stock prices may also decline. By investing in a REIT, a Fund is subject to the risks associated with investing in real estate (any of which could cause the value of a REIT's stock price to decline), which include, without limitation: possible declines in the value of real estate; adverse general and local economic conditions; inability to obtain financing (at all or on acceptable terms); overbuilding in a given market; property tax increases; insufficient levels of occupancy; increases in operating expenses and in interest rates; and environmental problems. In addition to risks related to investments in real estate generally, investing in REITs involves certain other risks related to their structure and focus including, without limitation, the following: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility (see "Small-Cap and Mid-Cap Securities Risk"). Investing in REITs also involves risks related to the heavy cash flow dependency of REITs and the possibility that a REIT may fail to maintain applicable exemptions under U.S. and foreign securities and tax laws, which would significantly reduce the return on an investment in the REIT.

### Issuer Risk

The value of any type of security may decline for a number of reasons that relate directly to the issuer such as management performance, financial leverage, reduced demand for the issuer's goods and services, and the possibility that an issuer may go bankrupt.

### Securities Lending Risk

An underlying mutual fund may engage in one or more securities lending programs conducted by the Funds' custodian or other entities to seek to generate income. These loans are secured by collateral invested in cash or cash equivalents. The collateral that a fund receives from a borrower is generally invested in money market funds, other cash equivalents, short-term fixed income securities or other similar instruments. Securities lending subjects a fund to certain risks. The borrower of the security may fail to return the loaned security in a timely manner, which could cause the fund to lose money. In addition, the fund may incur investment losses as a result of investing the collateral received in connection with the loans.

### Liquidity Risk

Liquidity risk exists when a particular security or other instrument is difficult to trade. An investment in illiquid assets may reduce the returns of the investment because the holder of such assets may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all. Illiquid assets may also be difficult to value.

### Style Risk

All of the Funds are subject, in varying degrees, to style risk, which is the possibility that returns from a specific type of security in which a Fund invests or the investment style of a fund's adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. Therefore, investing in a fund with a specific style will create exposure to this risk. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Therefore, both the growth and value investing styles may,

# CITY OF RIVERSIDE CA Investment Options (continued)

over time, go in and out of favor. At times when the investing style used by a fund is out of favor, that fund may underperform other funds that use different investing styles.

## Indexing Risk

An index or passively managed strategy is designed to approximate the investment characteristics and performance of a specified index. Unlike an actively managed strategy, an index strategy does not rely on a portfolio manager's decision making with respect to which individual securities may outperform others. Securities in an index strategy may be purchased, held, and sold at times when an actively managed portfolio would not do so. In addition, performance of an index strategy will deviate from the performance of the specified index, which is known as tracking error. Tracking error may be caused by: (i) fees and expenses associated with managing the indexed portfolio (whereas the index has no management fees or transaction expenses); (ii) changes to the index; and (iii) the timing of cash flows into and out of the indexed portfolio.

## Multi-Manager Risk

While VIA monitors each subadviser and the overall management of the Funds, each subadviser makes investment decisions independently from VIA and the other subadvisers. It is possible that the security selection process of one subadviser will not complement that of the other subadvisers. As a result, the Funds' exposure to a given security, industry, sector or market capitalization could be smaller or larger than if the Funds were each managed by a single subadviser, which could affect a Fund's performance.

## Asset Allocation Risk

Asset allocation risk as it relates to the VT Vantagepoint Model Portfolio and Milestone Funds is the risk that the selection of the underlying funds and the allocation of fund assets among them will cause the fund to lose money or to underperform other funds with similar investment objectives. In addition, there is the risk that the asset classes favored by the allocations will not perform as expected. The fund's investment adviser may alter the fund's asset allocation, as well as its underlying fund-level allocations, for reasons other than the passage of time. Any changes made in the underlying funds, such as changes in investment objectives or strategies, may affect the fund's performance. The amount invested by the fund in each underlying fund is exposed to the same risks as that underlying fund.

## Active Trading Risk

A fund may engage in a significant number of short-term transactions, which may adversely affect performance. Increased portfolio turnover may result in higher brokerage costs or other transactions fees and expenses. These costs are ultimately passed on to shareholders.

## Fund of Funds Risk

A Fund's investment in another investment company (including another Fund) is subject to the risks associated with that investment company's portfolio securities. For example, if the investment company holds common stocks, the Fund also would be exposed to the risk of investing in common stocks. In addition, when a Fund purchases shares of another investment company (including another fund), the Fund will indirectly bear its proportionate share of the advisory fees and other operating expenses of such investment company. The fees and expenses of the other investment company are in addition to the Fund's own fees and expenses.

## ETF Risk

An investment in an ETF generally presents the same primary risks as an investment in other investment companies (see "Fund of Funds Risk" above). However, an investment in an ETF may be subject to the following additional risks: (1) the market price of an ETF's shares may be above or below their net asset value; (2) an active trading market for the exchange-traded fund's shares may not develop or be maintained; (3) trading in an ETF's shares may be halted if the listing exchange's officials deem such action appropriate; (4) an ETF may not be actively managed and may not accurately track the performance of the reference index; (5) an ETF would not necessarily sell a security because the issuer of the security was in financial trouble unless the security is removed from the index that the exchange-traded fund seeks to track; and (6) the value of an investment in an ETF will decline more or less in correlation with any decline in the value of the index the ETF seeks to track.

## Floating Rate Loan Risk

Investments in floating rate loans have risks that are similar to those of fixed income securities. In addition, floating rate loans carry the risk of impairment of collateral. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As such a floating rate loan may not be fully collateralized and can decline significantly in value. Floating rate loans may also carry liquidity risk. Floating rate loans generally are subject to legal or contractual restrictions on resale. Therefore, the liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. If the credit quality of a floating rate loan suffers a significant decline, the secondary trading market for that same loan may also decline, making it more difficult to sell and to value. Difficulty in selling a floating rate loan can result in a loss.

## Asset Allocation Risk

All funds that invest in other mutual funds are subject to asset allocation risk which is the risk that the selection of, and the allocation to, those other mutual funds may cause a fund to underperform other funds or investments with a similar investment objective.

## Banking and Financial Services Securities Risk

Banks and financial services companies are highly dependent on the supply of short-term financing. The value of securities of issuers in the banking and financial services industry can be sensitive to changes in government regulation, interest rates, economic downturns in the United States and abroad, and other factors.

## Inflation-Adjusted Securities Risk

Investments in inflation-adjusted securities are affected by changes in interest and inflation rates. Interest payments on inflation-adjusted securities will vary as the principal or interest is adjusted for inflation and may be more volatile than interest paid on ordinary fixed income securities. Inflation-adjusted securities may not produce a steady income stream, and may not provide any income, particularly during deflationary periods.

## Leverage Risk

Leverage, including borrowing, will cause the value of an underlying mutual fund's shares to be more volatile than if the fund did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the fund's portfolio securities. An underlying mutual fund may engage in transactions or purchase instruments that give rise to forms of leverage, such as derivatives, reverse repurchase agreements or other borrowings, investment of collateral from loans of portfolio securities, or use of when-issued, delayed-delivery, or forward commitment transactions.

## Non-Diversified Risk

Certain funds are classified as non-diversified. This means that the underlying fund may have investments in fewer issuers than a diversified mutual fund of comparable size. A non-diversified fund can be more volatile than a diversified fund, and volatility may be expected to increase when the fund makes significant investments in a single issuer or issuers within a particular economic sector, industry or geographic region.

## Repurchase Agreement Counterparty Risk

The risk that a counterparty to a repurchase agreement could fail to honor the terms of its agreement.

## Short Sale Risk

A short sale is the sale of a security that a fund does not own or any sale that is consummated by the delivery of a security borrowed by the fund. In general, short selling is used to try to profit from an expected downward price movement of the security, to provide liquidity in response to unanticipated demand, or to hedge the risk of a long position in the same security or in a related security. Short sales create a risk that a fund may be required to close the short position by buying back the security at a time when the security has appreciated in value, thus resulting in a loss to the fund. Because a short position loses value as the security's price increases and there is no upper limit to a security's price, the loss on a short sale is theoretically unlimited. In contrast, the loss on a long position is limited to what the fund originally paid for the security. A fund may not

## CITY OF RIVERSIDE CA Investment Options (continued)

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*always be able to borrow a security it seeks to sell short at a particular time due to a lack of supply of the security available for borrowing or because the costs to borrow such a security are too high. As a result, a fund may be unable to fully implement its investment strategy. Short sales magnify the potential for gain or loss on monies invested by borrowing securities and losses can exceed the amount invested in a short position. Assets segregated to cover short sales may decline in value.*

### **Large Investor Risk**

*From time to time, certain underlying mutual funds that are "fund of funds" or registered mutual funds that have other investment vehicles, such as a retirement plan or collective investment trust as a majority shareholder, may experience large investments or redemptions due to allocations or rebalancings. While it is impossible to predict the overall impact of these transactions over time, there could be adverse effects on portfolio management. For example, an underlying mutual fund may be required to sell securities or invest cash at times when it would not otherwise do so. These transactions can increase transaction costs.*



# CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<b>Stable Value/Cash Management</b>		
VT PLUS Fund	Please find information regarding this fund in the section titled "Additional Information About Your Investment Options."	
Vanguard Federal Money Market Fund	Please find information regarding this fund in the section titled "Additional Information About Your Investment Options."	
<b>Bond</b>		
American Funds US Government Securities Fund Morningstar Category† ‡: Intermediate Government	<b>Objective†:</b> The investment seeks to provide a high level of current income consistent with prudent investment risk and preservation of capital. <b>Strategy†:</b> The fund invests at least 80% of its assets in securities that are guaranteed or sponsored by the U.S. government, its agencies and instrumentalities, including bonds and other debt securities denominated in U.S. dollars, which may be represented by other investment instruments, including derivatives. It may also invest in mortgage-backed securities issued by federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government. It invests in debt securities with a wide range of maturities.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
Metropolitan West Total Return Bond Fund Morningstar Category† ‡: Intermediate-Term Bond	<b>Objective†:</b> The investment seeks to maximize long-term total return. <b>Strategy†:</b> The fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in investment grade fixed income securities or unrated securities that are determined by the Adviser to be of similar quality. Up to 20% of the fund's net assets may be invested in securities rated below investment grade. The fund also invests at least 80% of its net assets plus borrowings for investment purposes in fixed income securities it regards as bonds.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
Vanguard Total Bond Market Index Morningstar Category† ‡: Intermediate-Term Bond	<b>Objective†:</b> The investment seeks the performance of Bloomberg Barclays U.S. Aggregate Float Adjusted Index. <b>Strategy†:</b> Bloomberg Barclays U.S. Aggregate Float Adjusted Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of its investments will be selected through the sampling process, and at least 80% of its assets will be invested in bonds held in the index.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Balanced/Asset Allocation</b>		
T Rowe Price® Retirement 2005 Fund Morningstar Category† ‡: Target-Date 2000-2010	<b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income. <b>Strategy†:</b> The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. It is managed based on the specific retirement year (target date 2005) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.

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‡ Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the 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, guidelines or other governing documents, not its Morningstar category.

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<p>T Rowe Price® Retirement 2010 Fund</p> <p>Morningstar Category† ‡: Target-Date 2000-2010</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2010) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2015 Fund</p> <p>Morningstar Category† ‡: Target-Date 2015</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2015) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2020 Fund</p> <p>Morningstar Category† ‡: Target-Date 2020</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2020) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2025 Fund</p> <p>Morningstar Category† ‡: Target-Date 2025</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2025) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2030 Fund</p> <p>Morningstar Category† ‡: Target-Date 2030</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2030) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2035 Fund</p> <p>Morningstar Category† ‡: Target-Date 2035</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2035) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<p>T Rowe Price® Retirement 2040 Fund</p> <p>Morningstar Category† ‡: Target-Date 2040</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2040) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2045 Fund</p> <p>Morningstar Category† ‡: Target-Date 2045</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2045) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2050 Fund</p> <p>Morningstar Category† ‡: Target-Date 2050</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2050) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2055 Fund</p> <p>Morningstar Category† ‡: Target-Date 2055</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. Its allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. The fund is managed based on the specific retirement year (target date 2055) included in its name and assumes a retirement age of 65. While the fund is non-diversified, it invests in diversified underlying holdings.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Retirement 2060 Fund</p> <p>Morningstar Category† ‡: Target-Date 2060+</p>	<p><b>Objective†:</b> The investment seeks the highest total return over time consistent with an emphasis on both capital growth and income.</p> <p><b>Strategy†:</b> The fund pursues its objective by investing in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. The fund's allocation between T. Rowe Price stock and bond funds will change over time in relation to its target retirement date. It is primarily designed for an investor who anticipates retiring at or about the target date and who plans to withdraw the value of the account in the fund gradually after retirement.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>American Funds American Balanced Fund</p> <p>Morningstar Category† ‡: Allocation-50% to 70% Equity</p>	<p><b>Objective†:</b> The investment seeks conservation of capital, current income and long-term growth of capital and income.</p> <p><b>Strategy†:</b> The fund uses a balanced approach to invest in a broad range of securities, including common stocks and investment-grade bonds. It also invests in securities issued and guaranteed by the U.S. government and by federal agencies and instrumentalities. In addition, the fund may invest a portion of its assets in common stocks, most of which have a history of paying dividends, bonds and other securities of issuers domiciled outside the United States.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<b>U.S. Stock</b>		
<b>MFS Value Fund</b> Morningstar Category † ‡: Large Value	<b>Objective</b> †: The investment seeks capital appreciation. <b>Strategy</b> †: The fund normally invests the fund's assets primarily in equity securities. Equity securities include common stocks and other securities that represent an ownership interest (or right to acquire an ownership interest) in a company or other issuer. MFS focuses on investing the fund's assets in the stocks of companies it believes are undervalued compared to their perceived worth (value companies).	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>American Century® Value Fund</b> Morningstar Category † ‡: Large Value	<b>Objective</b> †: The investment seeks long-term capital growth; income is a secondary objective. <b>Strategy</b> †: In selecting stocks for the fund, the portfolio managers look for companies of all sizes whose stock price may not reflect the company's value. The managers attempt to purchase the stocks of these undervalued companies and hold each stock until the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company. The fund may invest a portion of its assets in foreign securities when these securities meet the portfolio managers' standards of selection.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Vanguard 500 Index Fund</b> Morningstar Category † ‡: Large Blend	<b>Objective</b> †: The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. <b>Strategy</b> †: The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>American Funds Fundamental Investors</b> Morningstar Category † ‡: Large Blend	<b>Objective</b> †: The investment seeks long-term growth of capital and income. <b>Strategy</b> †: The fund invests primarily in common stocks of companies that appear to offer superior opportunities for capital growth and most of which have a history of paying dividends. It may invest significantly in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund's assets.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Vanguard Total Stock Market Index Fund</b> Morningstar Category † ‡: Large Blend	<b>Objective</b> †: The investment seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. <b>Strategy</b> †: The fund employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index, which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Fidelity Contrafund®</b> Morningstar Category † ‡: Large Growth	<b>Objective</b> †: The investment seeks capital appreciation. <b>Strategy</b> †: The fund normally invests primarily in common stocks. It invests in securities of companies whose value the advisor believes is not fully recognized by the public. The fund invests in domestic and foreign issuers. It invests in either "growth" stocks or "value" stocks or both. The fund uses fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions to select investments.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<p>American Funds The Growth Fund of America</p> <p>Morningstar Category† ‡: Large Growth</p>	<p><b>Objective†:</b> The investment seeks growth of capital.</p> <p><b>Strategy†:</b> The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest up to 25% of its assets in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund's assets. Under this approach, the portfolio of the fund is divided into segments managed by individual managers who decide how their respective segments will be invested.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Growth Stock Fund</p> <p>Morningstar Category† ‡: Large Growth</p>	<p><b>Objective†:</b> The investment seeks long-term capital growth through investments in stocks.</p> <p><b>Strategy†:</b> The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of a diversified group of growth companies. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Fidelity Low-Priced Stock Fund</p> <p>Morningstar Category† ‡: Mid-Cap Value</p>	<p><b>Objective†:</b> The investment seeks capital appreciation.</p> <p><b>Strategy†:</b> The fund normally invests primarily in common stocks and invests at least 80% of assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies. It potentially invests in stocks not considered low-priced and in domestic and foreign issuers. The fund invests in either "growth" stocks or "value" stocks or both.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>MFS Mid Cap Value Fund</p> <p>Morningstar Category† ‡: Mid-Cap Value</p>	<p><b>Objective†:</b> The investment seeks capital appreciation.</p> <p><b>Strategy†:</b> The fund normally invests at least 80% of the fund's net assets in issuers with medium market capitalizations. The adviser generally defines medium market capitalization issuers as issuers with market capitalizations similar to those of issuers included in the Russell Midcap Value Index over the last 13 months at the time of purchase. It normally invests the fund's assets primarily in equity securities.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Vanguard Extended Market Index Fund</p> <p>Morningstar Category† ‡: Mid-Cap Blend</p>	<p><b>Objective†:</b> The investment seeks to track a benchmark index that measures the investment return of small- and mid-capitalization stocks.</p> <p><b>Strategy†:</b> The fund employs an indexing investment approach designed to track the performance of S&amp;P Completion Index, a broadly diversified index of stocks of small and mid-size U.S. companies. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>T Rowe Price® Mid-Cap Growth Fund</p> <p>Morningstar Category† ‡: Mid-Cap Growth</p>	<p><b>Objective†:</b> The investment seeks long-term capital appreciation.</p> <p><b>Strategy†:</b> The fund normally invests at least 80% of net assets (including any borrowings for investment purposes) in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. The advisor defines mid-cap companies as those whose market capitalization falls within the range of either the S&amp;P MidCap 400 Index or the Russell Midcap Growth Index. While most assets will typically be invested in U.S. common stocks, the fund may invest in foreign stocks in keeping with the fund's objectives.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<p>AllianzGI NFJ Small-Cap Value Fund</p> <p>Morningstar Category† ‡: Small Value</p>	<p><b>Objective†:</b> The investment seeks long-term growth of capital and income.</p> <p><b>Strategy†:</b> The fund normally invests at least 80% of its net assets (plus borrowings made for investment purposes) in common stocks and other equity securities of companies with smaller market capitalizations. The manager currently considers smaller market capitalization companies to be companies with market capitalizations of between \$100 million and the greater of \$4 billion or the capitalization of the largest company in the Russell 2000 Index. The fund normally invests significantly in securities of companies that the portfolio managers expect will generate income (for example, by paying dividends).</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Columbia Small Cap Value I Fund</p> <p>Morningstar Category† ‡: Small Value</p>	<p><b>Objective†:</b> The investment seeks long-term capital appreciation.</p> <p><b>Strategy†:</b> Under normal circumstances, the fund invests at least 80% of its net assets (including the amount of any borrowings for investment purposes) in equity securities of companies that have market capitalizations in the range of the companies in the Russell 2000 Value Index (the index) at the time of purchase, that the fund's investment manager believes are undervalued. It may invest up to 20% of its total assets in foreign securities.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Vanguard Small-Cap Index Fund</p> <p>Morningstar Category† ‡: Small Blend</p>	<p><b>Objective†:</b> The investment seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks.</p> <p><b>Strategy†:</b> The fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Loomis Sayles Small Cap Value Fund</p> <p>Morningstar Category† ‡: Small Blend</p>	<p><b>Objective†:</b> The investment seeks long-term capital growth from investments in common stocks or other equity securities.</p> <p><b>Strategy†:</b> The fund normally will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in the equity securities of "small-cap companies," including preferred stocks, warrants, securities convertible into common or preferred stocks and other equity-like interests in an entity. Currently, the manager defines a small-cap company to be one whose market capitalization falls within the capitalization range of the Russell 2000 Index, an index that tracks stocks of 2,000 of the smallest U.S. companies.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<p>Hartford SmallCap Growth Fund</p> <p>Morningstar Category† ‡: Small Growth</p>	<p><b>Objective†:</b> The investment seeks long-term capital appreciation.</p> <p><b>Strategy†:</b> The fund invests at least 80% of its assets in common stocks of small capitalization companies. The sub-adviser defines small capitalization companies as companies with market capitalizations within the collective range of the Russell 2000 and S&amp;P SmallCap 600 Indices. The fund employs a multi-portfolio manager structure whereby portions of its assets are allocated among different portfolio management teams who employ distinct investment styles intended to complement one another. It may invest up to 20% of its net assets in securities of foreign issuers and non-dollar securities.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>
<b>International/Global Stock</b>		
<p>American Funds Capital World Growth &amp; Income Fund</p> <p>Morningstar Category† ‡: World Large Stock</p>	<p><b>Objective†:</b> The investment seeks long-term growth of capital while providing current income.</p> <p><b>Strategy†:</b> The fund invests primarily in common stocks of well-established companies located around the world, many of which have the potential to pay dividends. It invests, on a global basis, in common stocks that are denominated in U.S. dollars or other currencies. Under normal market circumstances, the fund will invest a significant portion of its assets in securities of issuers domiciled outside the United States, including those based in developing countries.</p>	<p>Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.</p>

## CITY OF RIVERSIDE CA Investment Options (continued)

Fund Name	Investment Objective/Principal Investment Strategy	Principal Risks
<b>Oppenheimer Global Fund</b> Morningstar Category† ‡: World Large Stock	<b>Objective†:</b> The investment seeks capital appreciation. <b>Strategy†:</b> The fund invests mainly in common stock of U.S. and foreign companies. It can invest without limit in foreign securities and can invest in any country, including countries with developing or emerging markets. However, the fund currently emphasizes its investments in developed markets such as the United States, Western European countries and Japan. It does not limit its investments to companies in a particular capitalization range, but primarily invests in mid- and large-cap companies. The fund normally will invest in at least three countries (one of which may be the United States).	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Vanguard Total International Stock Index Fund</b> Morningstar Category† ‡: Foreign Large Blend	<b>Objective†:</b> The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. <b>Strategy†:</b> The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes approximately 5,800 stocks of companies located in over 45 countries.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>American Funds EuroPacific Growth Fund</b> Morningstar Category† ‡: Foreign Large Growth	<b>Objective†:</b> The investment seeks long-term growth of capital. <b>Strategy†:</b> The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.
<b>Specialty</b>		
<b>Cohen &amp; Steers Real Estate Securities Fund</b> Morningstar Category† ‡: Real Estate	<b>Objective†:</b> The investment seeks total return through investment in real estate securities. <b>Strategy†:</b> The fund invests at least 80% of its total assets in income-producing common stocks and other equity securities issued by real estate companies, such as real estate investment trusts ("REITs"). It may invest up to 20% of its total assets in securities of foreign issuers (including emerging market issuers) which meet the same criteria for investment as domestic companies, including investments in such companies in the form of American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and European Depositary Receipts ("EDRs"). The fund is non-diversified.	Please see the Fund's prospectus or other disclosure documents for information about the Fund's risks.

# Additional Information About Your Investment Options

## VT PLUS Fund

### Objective

The PLUS Fund's investment objective is to seek to offer a competitive level of income consistent with providing capital preservation and meeting liquidity needs. Key goals are to seek to preserve capital, by limiting the risk of loss of principal and delivering stable returns, and to meet the liquidity needs of those who invest in the PLUS Fund.

### Principal Investment Strategies

The PLUS Fund seeks to maintain a stable net asset value. It invests primarily in a diversified portfolio of stable-value investments, including traditional guaranteed investment contracts (traditional "GICs"), separate account GICs, synthetic GICs backed by fixed income securities or investments, and cash and cash equivalents including, short-term investment funds, and money market funds.

### Principal Investment Risks

Different risks are associated with the different types of stable value investment contracts in which the PLUS Fund invests. Generally, stable value investment contracts are illiquid and may not be assigned, transferred or sold to someone else without the permission of the issuing insurance company or bank. These contracts often include non-standard negotiated terms and do not trade in a secondary market.

Additional risks of investing in the PLUS Fund include, but are not limited to: failure of the issuers of GICs, BICs, Separate Account GICs, or Synthetic GICs to meet their obligations to the PLUS Fund; failure of ICMA-RC to meet its objectives or obligations, as investment adviser for the PLUS Fund; default or downgrade of the fixed income assets that back Separate Account GICs and Synthetic GICs; failure of the third-party fixed income managers of the portfolios underlying the Separate Account GICs and Synthetic GICs to meet their investment objectives or their obligations to the PLUS Fund; loss of value or failure to redeem shares or allow withdrawals on a timely basis by one or more of the commingled investment vehicles in which the PLUS Fund invests, which may include short-term investment funds or other mutual funds.

There is no guarantee that the Fund will achieve its investment objective. You may lose money by investing in the Fund. The Fund's principal investment risks include: Interest Rate Risk, Credit Risk, Issuer Risk, Liquidity Risk, Reinvestment Risk, Call Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Securities Lending Risk, Derivative Instruments Risk, Large Investor Risk. Please see the Risk Glossary for additional information about the Fund's risks.

Please note that there are transfer restrictions that apply to the PLUS Fund.

### Management

Investment professionals from ICMA Retirement Corporation (ICMA-RC) serve as the portfolio management team for the PLUS Fund. This team is responsible for the investment and reinvestment of PLUS Fund assets and also conducts the day-to-day management of the Fund.

# Vanguard Federal Money Market Fund

Money market fund

Risk level Low <-----> High	Total net assets	Expense ratio as of 12/23/16	Ticker symbol	Inception date	Fund number
<b>1</b> <b>2</b> <b>3</b> <b>4</b> <b>5</b>	\$66,259 MM	0.11%	VMFXX	07/13/81	0033

### Investment objective

Vanguard Federal Money Market Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

### Investment strategy

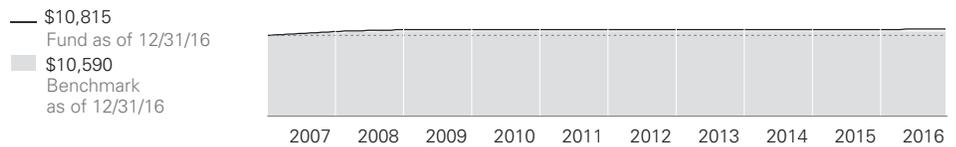
The fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Although these securities are high-quality, most of the securities held by the fund are neither guaranteed by the U.S. Treasury nor supported by the full faith and credit of the U.S. government. To be considered high quality, a security must be determined by Vanguard to present minimal credit risk based in part on a consideration of maturity, portfolio diversification, portfolio liquidity, and credit quality. The fund maintains a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities). The fund generally invests 100% of its assets in government securities and therefore will satisfy the 99.5% requirement for designation as a government money market fund.

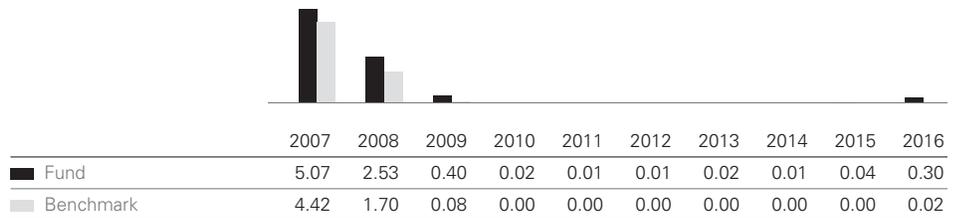
### Benchmark

US Gov't Money Market Funds Average

Growth of a \$10,000 investment : January 31, 2007—December 31, 2016



### Annual returns



### Total returns

	Periods Ended December 31, 2016						
	7-Day SEC Yield	Quarter	Year to Date	One Year	Three Years	Five Years	Ten Years
Fund	0.45%	0.08%	0.30%	0.30%	0.12%	0.08%	0.83%
Benchmark	—	0.02%	0.02%	0.02%	0.01%	0.00%	0.61%

**The performance data shown represent past performance, which is not a guarantee of future results. Investment returns will fluctuate. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).**

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Seven-day current yield net of expenses. The yield quotation more closely reflects the current earnings of the fund than the total return quotation.



# Vanguard Federal Money Market Fund

Money market fund

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## Plain talk about risk

The fund is designed for investors with a low tolerance for risk; however, the fund's performance could be hurt by:

**Income risk:** The chance that the fund's income will decline because of falling interest rates. Because the fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.

**Manager risk:** The chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

**Credit risk:** The chance that the issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the fund because it invests only in securities that are considered to be of high quality.

While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest.

**You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

**For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.**

If you receive your retirement plan statement from Vanguard or log on to Vanguard's website to view your plan, visit [vanguard.com](http://vanguard.com) or call **800-523-1188**.

If you receive your retirement plan statement from a service provider other than Vanguard or log on to a record keeper's website that is not Vanguard to view your plan, please call **855-402-2646**.

**Visit [vanguard.com](http://vanguard.com) to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.**

**Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.**

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value

## ICMA-RC ANNUAL SERVICE AND FEE DISCLOSURE

ICMA-RC, a non-profit organization dedicated to serving public sector participants like you since 1972. ICMA-RC is proud to serve as your retirement plan provider.

ICMA-RC has provided industry-leading services to the public sector since 1972 and our sole mission is to help public employees build retirement security. The organization's mission is delivered through our RealizeRetirement® approach in which ICMA-RC actively engages participants in their retirement programs, educates them on how to build their asset base toward a stated objective, and provides participants the tools to build a comprehensive retirement plan.

All of ICMA-RC's retirement plan administrative services and educational tools are designed specifically for the public sector. We are focused on delivering the highest level of service, quality and value for our clients.

### ICMA-RC's Commitment

As part of our commitment to you, ICMA-RC provides access to comprehensive retirement plan services including:

- An array of educational seminars and one-on-one consultations provided by salaried ICMA-RC representatives dedicated to helping public employees and retirees meet retirement savings goals.
- Financial planning services provided at little or no cost by salaried ICMA-RC CERTIFIED FINANCIAL PLANNER™ professionals to help with strategies for preparing and investing for retirement.
- Associates available on our toll-free line.
- Comprehensive online financial information and educational tools and resources.
- Access to a wide range of investment alternatives which may include target-date and/or target-risk funds, stock/bond funds, a stable value fund and a guaranteed lifetime income fund.
- Guided Pathways® Advisory Services, ICMA-RC's comprehensive suite of investment advisory services.

Your retirement plan is a valuable asset, and an important part of your total employee benefits package. By sponsoring a retirement plan, your employer is providing an opportunity for you to reach your financial goals.

### Annual Service and Disclosure Statement

The annual service and disclosure statement outlines the cost of services in your plan. The amount you pay for your retirement plan is based on the available services, those you choose to use and the funds in which you invest. While retirement plan fees are important, they are only part of the story. The quality and value of the services you receive will assist you in saving for retirement and should also be considered.

The enclosed disclosure statement shows fees and fund costs. It is informational and requires no action on your part. It simply outlines the costs of the value-added services you receive. The disclosure statement includes:

- **Plan-Related Information:** A schedule of fees that may be deducted from your account, providing a clear view of the cost of services you may choose to use.
- **Performance:** Fund, index benchmark and peer average returns to provide comparative information on the performance of funds made available by your plan.
- **Fees and Expenses:** A schedule of the expenses of each fund made available by your plan, the annual cost of a \$1,000 investment in each fund, and fund redemption fees/trading restrictions.
- **Annuity Information:** For plans making the VT Retirement Income Advantage Fund available, additional information regarding the objectives, pricing factors and fees of this fund.

We are dedicated to providing information and education that supports informed decision making and is consistent with the best standards in the retirement plan industry. To find out more about our education and plan administration services, the investment alternatives made available by your plan, as well as fees, please talk to your local ICMA-RC representative or visit us online at [www.icmarc.org](http://www.icmarc.org).

ICMA-RC's services, combined with more than 45 years of experience, bring an extraordinary understanding and dedication to the retirement saving needs of the public sector. Our success is based on delivering the highest level of service, value and quality to our clients and we are committed to assisting you in building your retirement security.



**CITY OF RIVERSIDE CA**  
**457 Deferred Compensation Plan**  
**Fee and Investment Disclosure**  
**September 30, 2017**

This disclosure document includes important information to help you understand the fees associated with your plan and to compare the expenses and fees of the investment options made available in your retirement plan. If you have further questions regarding the plan's investment options, would like to view the most recent monthly and quarterly performance, direct your contribution allocations, transfer from one investment option to another, or to request a printed copy of this disclosure you may log on to Account Access at [www.icmarc.org](http://www.icmarc.org) or contact us at 800-669-7400.

**I. Plan Related Information**

This section discusses fees that may be assessed to your account, either as a participant in the plan or for services made available by the plan that you may choose to use.

GUIDED PATHWAYS	
Fund Advice <sup>1,2,3</sup>	\$20 annual fee
Managed Accounts <sup>1,2,4</sup>	0.40% on first \$100,000 0.35% on next \$100,000 0.25% on next \$300,000 0.00% on All assets over \$500,000
LOANS	
Origination, Refinance, Reamortization	\$75 per application
Loan Maintenance	\$50 annual fee
EXPEDITED DISBURSEMENT	
Wire	\$15 per use
FedEx	varies by delivery address
LEGAL	
Domestic Relations Order Processing	\$250 per divorce

Some of the plan's administrative expenses for the preceding quarter were paid from the total operating expenses of one or more of the plan's investment options. The total operating expenses of each investment, which include any amount paid to offset administration, are shown in Section II Investment Related Information.

- 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, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.*
- Underlying mutual fund expenses and plan administration fees still apply. Please consult the applicable Fund Fact Sheet(s) and Funds' #8242; Disclosure Memorandum for a description of these fees and expenses.*
- The annual Fund Advice fee may be waived for participants who qualify for ICMA-RC's Premier Program.*
- Managed Accounts is not suitable for all investors. Please contact our Guided Pathways® team or your ICMA-RC Retirement Plan Specialist and fully read the ICMA-RC Guided Pathways® Fund Advice and Managed Accounts Investment Advisory Agreement prior to enrolling in Managed Accounts to determine if this service is right for you.*

## VARIABLE RETURN INVESTMENTS

PERFORMANCE AS OF 09/30/2017

Investment Option / Benchmark / Peer Group	Type of Option*	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
<b>STABLE VALUE/CASH MANAGEMENT</b>							
<b>VT PLUS Fund</b> <sup>1,2,3,4</sup>	Stable Value	0.00	0.00	1.86	0.00	–	4/1999
BofA ML US 3-Mo. T-Bill Index (Annualized) <sup>a</sup>		0.66	0.32	0.22	0.47		
<b>Vanguard Federal Money Market Fund</b> <sup>5,6,7</sup>	Money Market	0.63	0.30	0.18	0.50	4.27	7/1981
Ibbotson US 30-Day T-Bill Index <sup>b,c</sup>		0.59	0.25	0.16	0.36		
<b>BOND</b>							
<b>American Funds US Government Securities Fund</b> <sup>5,7,8</sup>	Intermediate Government	-0.02	2.22	1.49	–	3.07	5/2009
Bloomberg Barclays U.S. Government/Mortgage Bond Index <sup>c,d</sup>		-0.78	2.19	1.55	3.85		
Morningstar Intermediate Government <sup>c,e</sup>		-0.94	1.63	1.00	3.47		
<b>Metropolitan West Total Return Bond Fund</b> <sup>5,7,8</sup>	Intermediate-Term Bond	0.09	2.18	2.49	5.53	6.32	3/1997
Bloomberg Barclays U.S. Agg Bond Index <sup>c,f</sup>		0.07	2.71	2.06	4.27		
Morningstar Intermediate-Term Bond <sup>c,e</sup>		0.83	2.51	2.12	4.26		
<b>Vanguard Total Bond Market Index</b> <sup>5,7,8</sup>	Intermediate-Term Bond	-0.13	2.62	1.97	4.22	4.24	11/2001
Bloomberg Barclays U.S. Agg Float-Adjusted Bond Index <sup>c,g</sup>		0.06	2.72	2.07	–		
Morningstar Intermediate-Term Bond <sup>c,e</sup>		0.83	2.51	2.12	4.26		
<b>BALANCED/ASSET ALLOCATION</b>							
<b>T Rowe Price® Retirement 2005 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2000-2010	7.39	4.97	5.96	4.81	5.85	2/2004
S&P Target Date Retirement Income Index <sup>c,h</sup>		5.37	4.14	4.60	3.89		
Morningstar Target-Date 2000-2010 <sup>c,e</sup>		7.10	4.66	5.51	3.89		
<b>T Rowe Price® Retirement 2010 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2000-2010	8.39	5.40	6.68	4.88	7.69	9/2002
S&P Target Date 2010 Index <sup>c,h</sup>		6.93	4.80	5.69	4.23		
Morningstar Target-Date 2000-2010 <sup>c,e</sup>		7.10	4.66	5.51	3.89		
<b>T Rowe Price® Retirement 2015 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2015	9.99	6.04	7.75	5.22	6.59	2/2004
S&P Target Date 2015 Index <sup>c,h</sup>		8.43	5.47	6.73	4.55		
Morningstar Target-Date 2015 <sup>c,e</sup>		8.05	5.01	6.23	4.08		
<b>T Rowe Price® Retirement 2020 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2020	12.03	6.83	8.81	5.51	8.78	9/2002
S&P Target Date 2020 Index <sup>c,h</sup>		9.86	6.05	7.64	4.77		
Morningstar Target-Date 2020 <sup>c,e</sup>		8.92	5.22	6.40	4.12		
<b>T Rowe Price® Retirement 2025 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2025	13.73	7.46	9.75	5.73	7.31	2/2004
S&P Target Date 2025 Index <sup>c,h</sup>		11.39	6.57	8.42	4.93		
Morningstar Target-Date 2025 <sup>c,e</sup>		10.85	5.92	7.54	4.42		
<b>T Rowe Price® Retirement 2030 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2030	15.32	8.03	10.54	5.95	9.56	9/2002
S&P Target Date 2030 Index <sup>c,h</sup>		12.79	7.07	9.17	5.02		
Morningstar Target-Date 2030 <sup>c,e</sup>		12.52	6.49	8.23	4.45		
<b>T Rowe Price® Retirement 2035 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2035	16.60	8.45	11.12	6.11	7.74	2/2004
S&P Target Date 2035 Index <sup>c,h</sup>		14.19	7.57	9.82	5.13		
Morningstar Target-Date 2035 <sup>c,e</sup>		14.35	7.03	9.12	4.73		
<b>T Rowe Price® Retirement 2040 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2040	17.62	8.74	11.51	6.30	9.84	9/2002
S&P Target Date 2040 Index <sup>c,h</sup>		15.15	7.90	10.28	5.22		
Morningstar Target-Date 2040 <sup>c,e</sup>		15.27	7.31	9.41	4.73		

Investment Option / Benchmark / Peer Group	Type of Option*	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
<b>T Rowe Price® Retirement 2045 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2045	17.98	8.86	11.59	6.34	8.01	5/2005
S&P Target Date 2045 Index <sup>c,h</sup>		15.87	8.14	10.63	5.22		
Morningstar Target-Date 2045 <sup>c,e</sup>		16.14	7.57	9.82	4.88		
<b>T Rowe Price® Retirement 2050 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2050	17.99	8.85	11.58	6.33	6.81	12/2006
S&P Target Date 2050 Index <sup>c,h</sup>		16.53	8.36	10.96	5.36		
Morningstar Target-Date 2050 <sup>c,e</sup>		16.18	7.63	9.81	4.87		
<b>T Rowe Price® Retirement 2055 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2055	17.95	8.85	11.56	6.32	6.80	12/2006
S&P Target Date 2055 Index <sup>c,h</sup>		16.94	8.47	11.19	5.49		
Morningstar Target-Date 2055 <sup>c,e</sup>		16.60	7.82	10.21	6.06		
<b>T Rowe Price® Retirement 2060 Fund</b> <sup>5,7,9,10</sup>	Target-Date 2060+	17.94	8.85	–	–	7.52	6/2014
S&P Target Date 2055 Index <sup>c,h</sup>		16.94	8.47	11.19	5.49		
Morningstar Target-Date 2060+ <sup>c,e</sup>		16.85	8.27	10.87	–		
<b>American Funds American Balanced Fund</b> <sup>5,7</sup>	Allocation-50% to 70% Equity	12.78	8.31	10.72	–	12.52	5/2009
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Allocation – 50% to 70% Equity <sup>c,e</sup>		10.52	5.38	7.51	5.07		
<b>U.S. STOCK</b>							
<b>MFS Value Fund</b> <sup>5,7,11</sup>	Large Value	17.18	10.45	14.01	7.13	8.57	4/2005
Russell 1000 Value Index <sup>c,i</sup>		15.12	8.53	13.20	5.92		
Morningstar Large Value <sup>c,e</sup>		16.17	7.99	12.23	5.72		
<b>American Century® Value Fund</b> <sup>5,7,11,12</sup>	Large Value	11.69	7.54	12.34	6.28	9.82	9/1993
Russell 1000 Value Index <sup>c,i</sup>		15.12	8.53	13.20	5.92		
Morningstar Large Value <sup>c,e</sup>		16.17	7.99	12.23	5.72		
<b>Vanguard 500 Index Fund</b> <sup>5,7</sup>	Large Blend	18.57	10.78	14.18	7.43	5.81	11/2000
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Large Blend <sup>c,e</sup>		17.65	9.03	12.91	6.58		
<b>American Funds Fundamental Investors</b> <sup>5,7</sup>	Large Blend	20.69	11.82	14.91	–	15.47	5/2009
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Large Blend <sup>c,e</sup>		17.65	9.03	12.91	6.58		
<b>Vanguard Total Stock Market Index Fund</b> <sup>5,7</sup>	Large Blend	18.63	10.69	14.18	7.69	6.41	11/2000
CRSP US Total Market Index <sup>c,k</sup>		18.64	10.71	14.21	7.73		
Morningstar Large Blend <sup>c,e</sup>		17.65	9.03	12.91	6.58		
<b>Fidelity Contrafund®</b> <sup>5,7,11</sup>	Large Growth	23.21	12.03	14.55	8.52	12.49	5/1967
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Large Growth <sup>c,e</sup>		19.75	10.36	13.70	7.55		
<b>American Funds The Growth Fund of America</b> <sup>5,7,11</sup>	Large Growth	20.22	11.82	15.44	–	15.32	5/2009
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Large Growth <sup>c,e</sup>		19.75	10.36	13.70	7.55		
<b>T Rowe Price® Growth Stock Fund</b> <sup>5,7,9,11</sup>	Large Growth	25.78	13.62	15.98	8.91	8.33	12/2001
S&P 500 Index <sup>c,i</sup>		18.61	10.81	14.22	7.44		
Morningstar Large Growth <sup>c,e</sup>		19.75	10.36	13.70	7.55		

Investment Option / Benchmark / Peer Group	Type of Option*	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
<b>Fidelity Low-Priced Stock Fund</b> <sup>5,7,11,13</sup>	Mid-Cap Value	16.91	8.44	12.81	8.10	13.77	12/1989
Russell 2000 Index <sup>c,l</sup>		20.74	12.18	13.79	7.85		
Morningstar Mid-Cap Value <sup>c,e</sup>		14.83	7.90	12.71	6.85		
<b>MFS Mid Cap Value Fund</b> <sup>5,7,11,13</sup>	Mid-Cap Value	13.80	9.09	14.01	7.86	8.66	4/2005
Russell Midcap Value Index <sup>c,m</sup>		13.37	9.19	14.33	7.85		
Morningstar Mid-Cap Value <sup>c,e</sup>		14.83	7.90	12.71	6.85		
<b>Vanguard Extended Market Index Fund</b> <sup>5,7,13</sup>	Mid-Cap Blend	19.00	10.44	14.21	8.32	8.10	11/2000
S&P Completion Index <sup>c,n</sup>		18.91	10.34	14.11	8.20		
Morningstar Mid-Cap Blend <sup>c,e</sup>		15.93	8.00	12.86	6.86		
<b>T Rowe Price® Mid-Cap Growth Fund</b> <sup>5,7,9,11,13</sup>	Mid-Cap Growth	20.13	13.73	16.35	10.11	13.77	6/1992
Russell Midcap Growth Index <sup>c,o</sup>		17.82	9.96	14.18	8.20		
Morningstar Mid-Cap Growth <sup>c,e</sup>		18.18	9.13	12.62	6.92		
<b>AllianzGI NFJ Small-Cap Value Fund</b> <sup>5,7,11,14</sup>	Small Value	19.28	6.89	10.61	7.21	11.26	11/1995
Russell 2000 Value Index <sup>c,p</sup>		20.55	12.12	13.27	7.14		
Morningstar Small Value <sup>c,e</sup>		17.89	9.17	12.32	7.10		
<b>Columbia Small Cap Value I Fund</b> <sup>5,7,11,14</sup>	Small Value	26.17	13.46	—	—	15.78	11/2012
Russell 2000 Value Index <sup>c,p</sup>		20.55	12.12	13.27	7.14		
Morningstar Small Value <sup>c,e</sup>		17.89	9.17	12.32	7.10		
<b>Vanguard Small-Cap Index Fund</b> <sup>5,7,14</sup>	Small Blend	17.35	10.44	13.94	8.58	9.24	11/2000
CRSP US Small Cap Index <sup>c,q</sup>		17.33	10.41	14.12	8.94		
Morningstar Small Blend <sup>c,e</sup>		18.91	10.01	12.83	7.19		
<b>Loomis Sayles Small Cap Value Fund</b> <sup>5,7,14</sup>	Small Blend	19.68	12.24	14.28	8.38	12.46	5/1991
Russell 2000 Value Index <sup>c,p</sup>		20.55	12.12	13.27	7.14		
Morningstar Small Blend <sup>c,e</sup>		18.91	10.01	12.83	7.19		
<b>Hartford SmallCap Growth Fund</b> <sup>5,7,11,14</sup>	Small Growth	21.81	12.84	14.84	9.47	9.50	2/2002
Russell 2000 Growth Index <sup>c,t</sup>		20.98	12.17	14.28	8.47		
Morningstar Small Growth <sup>c,e</sup>		20.40	11.15	13.02	7.57		
<b>INTERNATIONAL/GLOBAL STOCK</b>							
<b>American Funds Capital World Growth &amp; Income Fund</b> <sup>5,7,15</sup>	World Large Stock	18.80	7.66	11.17	—	12.16	5/2009
MSCI ACWI Index (Net) <sup>c,s</sup>		18.65	7.43	10.20	3.88		
Morningstar World Large Stock <sup>c,e</sup>		17.50	7.21	10.39	3.98		
<b>Oppenheimer Global Fund</b> <sup>5,7,15</sup>	World Large Stock	27.67	9.96	13.22	5.82	9.55	11/1998
MSCI ACWI Index (Net) <sup>c,s</sup>		18.65	7.43	10.20	3.88		
Morningstar World Large Stock <sup>c,e</sup>		17.50	7.21	10.39	3.98		
<b>Vanguard Total International Stock Index Fund</b> <sup>5,7,15</sup>	Foreign Large Blend	19.27	5.31	7.49	—	5.64	11/2010
FTSE Global All Cap ex US Index <sup>c,t</sup>		19.72	5.56	7.77	2.06		
Morningstar Foreign Large Blend <sup>c,e</sup>		18.01	5.07	7.74	1.22		
<b>American Funds EuroPacific Growth Fund</b> <sup>5,7,11,15</sup>	Foreign Large Growth	20.63	7.56	9.51	—	10.48	5/2009
MSCI ACWI ex USA Index (Net) <sup>c,u</sup>		19.61	4.70	6.97	1.28		
Morningstar Foreign Large Growth <sup>c,e</sup>		18.47	6.96	8.81	2.25		

Investment Option / Benchmark / Peer Group	Type of Option*	1 yr	3 yr	5 yr	10 yr	Since Inception	Inception Date
<b>SPECIALTY</b>							
Cohen & Steers Real Estate Securities Fund <sup>5,7,16</sup>	Real Estate	1.84	12.26	11.65	7.51	9.91	7/1998
FTSE NAREIT Equity REITs <sup>6V</sup>		0.67	9.86	9.69	5.83		
Morningstar Real Estate <sup>6E</sup>		1.78	8.76	8.73	5.13		

\* Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the 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, guidelines or other governing documents, not its Morningstar category.

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- b *The Ibbotson Associates US 30-Day T-Bill Index measures the performance of a single issue of outstanding Treasury bill which matures closest to, but not beyond, one month from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue.*
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- f *The Bloomberg Barclays U.S. Aggregate Bond Index consists of investment-grade U.S. fixed income securities.*
- g *The Bloomberg Barclays U.S. Aggregate Bond Floated Adjusted Index consists of investment-grade U.S. fixed income securities and includes agencies and mortgage-backed securities held in government accounts.*
- h *The S&P Target Date Indexes reflect exposure to various asset classes included in target date funds driven by a survey of such funds for each particular target date.*
- i *The S&P 500 Index consists of 500 companies representing larger capitalization stocks traded in the U.S.*
- j *The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values.*
- k *The CRSP US Total Market Index consists of companies representing mega, large, small and micro capitalization stocks traded in the U.S. on the NYSE, NYSE Market, NASDAQ or ARCA.*
- l *The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index, and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.*

- m The Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values.*
- n The S&P Completion Index is a sub-index of the S&P Total Market Index, including all stocks eligible for the S&P TMI and excluding all current constituents of the S&P 500.*
- o The Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values.*
- p The Russell 2000® Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.*
- q The CRSP US Small Cap Index consists of companies representing small capitalization stocks traded in the U.S. on the NYSE, NYSE Market, NASDAQ or ARCA.*
- r The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values.*
- s The MSCI All Country World Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid cap segments of developed and emerging markets. The net version of this index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.*
- t The FTSE Global All Cap ex US Index is comprised of large, mid and small cap global stocks, providing coverage of Developed and Emerging Markets, excluding the US.*
- u The MSCI All Country World ex USA Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of large and mid cap segments of developed and emerging markets, excluding the U.S. The net version of this index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.*
- v The FTSE NAREIT Equity Index is an index of publicly traded US REITs, not designated as Timber REITs or Infrastructure REITs, that own commercial property.*

## Fees and Expenses

The fees and expenses table below discloses total annual operating expenses for the plan's investment options as well as any shareholder-type fees or trading restrictions. The total annual operating expenses of these investment options reduce their rate of return.

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

Investment Option	Type of Option*	Gross Expense Ratio	Net Expense Ratio	Total Annual Operating Expense ( per \$1000)	Other fees or restrictions <sup>i</sup>
<b>STABLE VALUE/CASH MANAGEMENT</b>					
VT PLUS Fund <sup>1,2</sup>	Stable Value	0.82	0.82	\$8.20	90 day equity wash <sup>ii</sup>
Vanguard Federal Money Market Fund <sup>3,4</sup>	Money Market	0.11	0.11	\$1.10	
<b>BOND</b>					
American Funds US Government Securities Fund <sup>3,5,6</sup>	Intermediate Government	0.27	0.27	\$2.70	\$5,000.00 / 30 days
Metropolitan West Total Return Bond Fund <sup>3,5,6</sup>	Intermediate-Term Bond	0.67	0.67	\$6.70	
Vanguard Total Bond Market Index <sup>3,5,6</sup>	Intermediate-Term Bond	0.05	0.05	\$0.50	
<b>BALANCED/ASSET ALLOCATION</b>					
T Rowe Price® Retirement 2005 Fund <sup>3,5,7,8</sup>	Target-Date 2000-2010	0.58	0.58	\$5.80	Any \$/ 30 days

Investment Option	Type of Option*	Gross Expense Ratio	Net Expense Ratio	Total Annual Operating Expense ( per \$1000)	Other fees or restrictions <sup>i</sup>
T Rowe Price® Retirement 2010 Fund <sup>3,5,7,8</sup>	Target-Date 2000-2010	0.57	0.57	\$5.70	Any \$/ 30 days
T Rowe Price® Retirement 2015 Fund <sup>3,5,7,8</sup>	Target-Date 2015	0.59	0.59	\$5.90	Any \$/ 30 days
T Rowe Price® Retirement 2020 Fund <sup>3,5,7,8</sup>	Target-Date 2020	0.63	0.63	\$6.30	Any \$/ 30 days
T Rowe Price® Retirement 2025 Fund <sup>3,5,7,8</sup>	Target-Date 2025	0.67	0.67	\$6.70	Any \$/ 30 days
T Rowe Price® Retirement 2030 Fund <sup>3,5,7,8</sup>	Target-Date 2030	0.69	0.69	\$6.90	Any \$/ 30 days
T Rowe Price® Retirement 2035 Fund <sup>3,5,7,8</sup>	Target-Date 2035	0.72	0.72	\$7.20	Any \$/ 30 days
T Rowe Price® Retirement 2040 Fund <sup>3,5,7,8</sup>	Target-Date 2040	0.74	0.74	\$7.40	Any \$/ 30 days
T Rowe Price® Retirement 2045 Fund <sup>3,5,7,8</sup>	Target-Date 2045	0.74	0.74	\$7.40	Any \$/ 30 days
T Rowe Price® Retirement 2050 Fund <sup>3,5,7,8</sup>	Target-Date 2050	0.74	0.74	\$7.40	Any \$/ 30 days
T Rowe Price® Retirement 2055 Fund <sup>3,5,7,8</sup>	Target-Date 2055	0.74	0.74	\$7.40	Any \$/ 30 days
T Rowe Price® Retirement 2060 Fund <sup>3,5,7,8</sup>	Target-Date 2060+	0.74	0.74	\$7.40	Any \$/ 30 days
American Funds American Balanced Fund <sup>3,5</sup>	Allocation-50% to 70% Equity	0.29	0.29	\$2.90	\$5,000.00 / 30 days
<b>U.S. STOCK</b>					
MFS Value Fund <sup>3,5,9</sup>	Large Value	0.61	0.61	\$6.10	\$15,000.00 / 30 days
American Century® Value Fund <sup>3,5,9,10</sup>	Large Value	0.98	0.98	\$9.80	
Vanguard 500 Index Fund <sup>3,5</sup>	Large Blend	0.04	0.04	\$0.40	
American Funds Fundamental Investors <sup>3,5</sup>	Large Blend	0.31	0.31	\$3.10	\$5,000.00 / 30 days
Vanguard Total Stock Market Index Fund <sup>3,5</sup>	Large Blend	0.04	0.04	\$0.40	
Fidelity Contrafund® <sup>3,5,9</sup>	Large Growth	0.68	0.68	\$6.80	
American Funds The Growth Fund of America <sup>3,5,9</sup>	Large Growth	0.33	0.33	\$3.30	\$5,000.00 / 30 days
T Rowe Price® Growth Stock Fund <sup>3,5,7,9</sup>	Large Growth	0.93	0.93	\$9.30	Any \$/ 30 days
Fidelity Low-Priced Stock Fund <sup>3,5,9,11</sup>	Mid-Cap Value	0.68	0.68	\$6.80	
MFS Mid Cap Value Fund <sup>3,5,9,11</sup>	Mid-Cap Value	0.91	0.91	\$9.10	\$15,000.00 / 30 days
Vanguard Extended Market Index Fund <sup>3,5,11</sup>	Mid-Cap Blend	0.08	0.08	\$0.80	
T Rowe Price® Mid-Cap Growth Fund <sup>3,5,7,9,11</sup>	Mid-Cap Growth	0.77	0.77	\$7.70	Any \$/ 30 days
AllianzGI NFJ Small-Cap Value Fund <sup>3,5,9,12,13</sup>	Small Value	1.14	1.14	\$11.40	
Columbia Small Cap Value I Fund <sup>3,5,9,12,13</sup>	Small Value	1.13	1.07	\$10.70	Any \$/ 30 days
Vanguard Small-Cap Index Fund <sup>3,5,13</sup>	Small Blend	0.06	0.06	\$0.60	
Loomis Sayles Small Cap Value Fund <sup>3,5,12,13</sup>	Small Blend	0.99	0.96	\$9.60	
Hartford SmallCap Growth Fund <sup>3,5,9,13</sup>	Small Growth	0.83	0.83	\$8.30	
<b>INTERNATIONAL/GLOBAL STOCK</b>					
American Funds Capital World Growth & Income Fund <sup>3,5,14</sup>	World Large Stock	0.45	0.45	\$4.50	\$5,000.00 / 30 days
Oppenheimer Global Fund <sup>3,5,14</sup>	World Large Stock	0.90	0.90	\$9.00	
Vanguard Total International Stock Index Fund <sup>3,5,14</sup>	Foreign Large Blend	0.11	0.11	\$1.10	
American Funds EuroPacific Growth Fund <sup>3,5,9,14</sup>	Foreign Large Growth	0.50	0.50	\$5.00	\$5,000.00 / 30 days
<b>SPECIALTY</b>					
Cohen & Steers Real Estate Securities Fund <sup>3,5,15</sup>	Real Estate	0.91	0.91	\$9.10	

\* Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the 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, guidelines or other governing documents, not its Morningstar category.

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- i 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](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).
  - ii 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. For additional information on the VT PLUS Fund restrictions on transfers to competing funds, please refer to the Fund's Fact Sheet and Funds' Disclosure Memorandum.
- 1 Before investing in the Fund you should carefully consider your investment goals, tolerance for risk, investment time horizon, and personal circumstances. There is no guarantee that the Fund will meet its investment objective and you can lose money.
  - 2 The Fund is an investment option of VantageTrust, a group trust established and maintained by VantageTrust Company, LLC, a wholly owned subsidiary of ICMA-RC. VantageTrust provides for the commingling of assets of certain trusts and plans as described in its Declaration of Trust, and is only available for investment by such eligible trusts and plans. The Fund is not a mutual fund. Its units are not deposits of VantageTrust Company and are not insured by the Federal Deposit Insurance Corporation or any other agency. The Fund is a security that has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Company Act of 1940. For additional information regarding the Fund, including a description of the principal risks, please consult the VantageTrust Funds Disclosure Memorandum, which is available when you log in at [www.icmarc.org](http://www.icmarc.org), or upon request by calling 800-669-7400.
  - 3 Please read the fund's prospectus or disclosure materials 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 or disclosure materials before investing. To request a prospectus or disclosure materials, you may contact us by calling 800-669-7400, emailing [investorservices@icmarc.org](mailto:investorservices@icmarc.org), or visiting [www.icmarc.org](http://www.icmarc.org).
  - 4 You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.
  - 5 Certain information including, but not limited to, benchmark performance or other performance and/or fee information, is provided by Morningstar, Inc., © 2017 All rights reserved. This information: (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 and/or its content providers are responsible for any damages or losses arising from any use of information. Morningstar is a registered trademark of Morningstar, Inc.
  - 6 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.
  - 7 T. Rowe Price® is a registered trademark of T. Rowe Price Group, Inc. - all rights reserved.
  - 8 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.
  - 9 Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Both styles may go in and out of favor. When the investing style used by a fund is out of favor, that fund is likely to underperform other funds that use investing styles that are in favor.
  - 10 American Century® is a registered trademark of American Century Services Corporation.

- 11 *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.*
- 12 *Differences between the net expense ratio and gross expense ratio of a fund are typically due to fee waivers, expense reimbursements, expense limits, and/or the reimbursement of fees to the fund.*
- 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.*
- 14 *Funds that invest 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.*

## Glossary

Please refer to <http://www.icmarc.org/for-individuals/plansmart/glossary.html> for a glossary of investment and fee related terms.



## Notice Regarding Default Investments

You have the right to direct the investment of assets in your account to any of the investments offered under your plan, at no additional cost to you. Use your plan's enrollment form to provide allocation instructions for the investment of contributions to your account. After completing the enrollment process, you may provide allocation instructions, or change the election made on your enrollment form, by contacting ICMA-RC's Investor Services toll-free at 800-669-7400, or online using Account Access at [www.icmarc.org](http://www.icmarc.org).

In the absence of valid allocation instructions for your account, all assets will be invested in the default fund selected by your employer until additional instructions are received from you. More information regarding the default fund selected by your employer is available by contacting ICMA-RC's Investor Services.

Increase your chances of achieving your retirement savings goals by giving careful consideration to the benefits of a well-balanced and diversified portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing the risk of losing money in your retirement account. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

Additional information regarding the investment options available to your plan, including the default fund chosen by your employer, is available by contacting ICMA-RC's Investor Services.



# Privacy Policy Notice

ICMA Retirement Corporation  
ICMA Retirement Trust  
ICMA-RC Services, LLC

VantageTrust Company, LLC  
VantageTrust  
The Vantagepoint Funds

Vantagepoint Investment Advisers, LLC  
Vantagepoint Transfer Agents, LLC

**Our Privacy Policy.** Protecting your privacy is important to us. In providing financial services and investment products to you, we collect certain nonpublic personal information about you. Our policy generally is to keep this information strictly confidential, and to use or disclose it as needed to provide services to you, or as permitted or required by law or by you. Our privacy policy applies equally to our former customers and investors, as well as individuals who simply inquire about the services or investments we offer. We may change this privacy policy in the future upon notification to you.

**Information We Collect.** The nonpublic personal information we have about you includes information you give us when you open an account, invest in The Vantagepoint Funds or VantageTrust Funds, or write or call us, such as your name, address, social security number, employment, investment objectives and experience, financial circumstances, and investment transactions and holdings.

**Information We Disclose.** We disclose nonpublic personal information about you to our affiliates, and to outside firms that help us provide services to you, for use only for that purpose. If you elect to invest in ICMA-RC's Managed Accounts Program or in the VT Retirement IncomeAdvantage Fund, ICMA-RC will share information necessary to make these products and services available to you with Ibbotson Associates and Prudential Retirement Insurance and Annuity Company, the third party firms with which ICMA Retirement Corporation has contracted in connection with these products and services, respectively.

[Note: The following applies to all states except California and New York State.] We may also disclose nonpublic personal information to nonaffiliated third party financial institutions with which we have established, or may in the future establish, relationships in order to offer select financial products of interest to our customers. Currently, ICMA Retirement Corporation has established a relationship with M&T Bank for enrollment and information services in connection with ICMA Retirement Corporation's 457 Deferred Compensation Program in certain jurisdictions [applicable for participants in plans located in Maryland (excluding the metropolitan DC area), Pennsylvania and West Virginia]. ICMA Retirement Corporation also has contracted with Ibbotson Associates to make available a Retirement Readiness Report to employees of 401 and 457 plan sponsors that elect this optional service for their employees. Before any additional third party relationships are added, they must be approved by the Board of Directors of the ICMA Retirement Corporation. Once approved, ICMA Retirement Corporation will notify you of any additional third party relationships in future publications of this privacy policy.

You have the right to stop us from disclosing nonpublic personal information about you to these parties, except as permitted or required by law. To do so, call us toll free at 800-827-2710. If you do not notify us that you wish to block disclosure of this nonpublic personal information, we will allow information to be sent to you from all third party financial institutions with which we have established relationships.

**How We Safeguard Your Information.** We restrict access to nonpublic personal information about you to those persons who need to know it or who are permitted or required by law or by you to receive it. We maintain physical, electronic and procedural safeguards to protect the confidentiality of your information.

## Welcome to ICMA-RC.

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*Some of the funds, services, or products described in this Privacy Policy may not be available to your Plan, and all are subject to change.*

## Disaster Recovery Plan

ICMA Retirement Corporation (ICMA-RC) is committed to protecting the assets of our customers and being prepared to quickly recover and resume operations in the event of a significant business interruption. We have always regarded this as an obligation to our customers and have allocated resources to ensure our ability to meet this commitment. These capabilities are designed to:

Provide for the complete recovery of our technology infrastructure and data.

Consider the impact of various types of potential interruptions and prepare an appropriate strategy for each.

Enable ICMA-RC to continue to perform our critical business functions and minimize the impact to our customers.

The goal of our Disaster Recovery Plan is to be able to recover and resume business operations within 24 hours after the onset of a situation that warrants a disaster declaration. To accomplish this we have:

- Detailed plans for every division across our corporation that identify specific actions to be taken, personnel requirements to meet those actions, and other resources necessary to restore critical processes and resume business operations. Keep in mind that the ability to conduct trading and other transactional activity is dependent on the stock market being open and the availability of telecommunications to perform the trade.
- Contracted with a national information availability provider for alternative workspace for our personnel, network infrastructure and telecommunications infrastructure, in the event that our facility is unusable because of an incident. This enables ICMA-RC to respond to your inquiries and provide information regarding your accounts during an incident.
- Established processes for the backup of data. Complete copies of production data are backed up at the completion of a daily processing cycle and are stored offsite at multiple secure locations. For critical data, backups are sent periodically throughout the day to a remote server. In addition, information required by regulatory agencies is archived and stored offsite at secure locations.
- Tested the effectiveness of our Disaster Recovery Plan to ensure that we have the ability to continue to operate in the event of an incident. Semi-annual exercises are conducted, with active annual participation of over 20% of ICMA-RC employees, to test the recovery of the network infrastructure and the functionality of all critical applications and processes.

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*If you have any questions about this plan or ICMA-RC please contact an Investor Services Representative at 800-669-7400.*



## ICMA-RC GUIDED PATHWAYS® FUND ADVICE AND MANAGED ACCOUNTS INVESTMENT ADVISORY AGREEMENT *September 2015*

This investment advisory agreement (“Agreement”) describes the terms and conditions under which ICMA Retirement Corporation (“ICMA-RC”), a Delaware corporation registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”), will operate the Fund Advice service (“Fund Advice”) or Managed Accounts service (“Managed Accounts”). By entering into this Agreement, you have elected to participate in a voluntary investment advisory service program offered by ICMA-RC for your designated retirement plan (“Plan”) assets or Vantagepoint Individual Retirement Account (“IRA”) assets (collectively, “Account(s”).

### RESPONSIBILITIES

Under **Fund Advice**, ICMA-RC may provide “point-in-time” individual investment advice (e.g., fund specific investment recommendations) developed from the eligible investment options made available through your Plan or through ICMA-RC’s Vantagepoint IRA (“Eligible Investment Options”) and in accordance with objective, independent, third-party investment recommendations.

Under **Managed Accounts**, in accordance with guidelines established by the United States Department of Labor under its Advisory Opinion No. 2001-09A, ICMA-RC may provide ongoing management of your Account(s) by investing and reinvesting assets in your Account(s) in Eligible Investment Options in accordance with objective, independent, third-party investment recommendations.

**Managed Accounts** is a discretionary, asset allocation investment management service.

ICMA-RC has hired Morningstar Investment Management LLC (“Morningstar Investment Management”), an SEC-registered investment adviser and a subsidiary of Morningstar, Inc. to serve as the Independent Financial Expert (“IFE”) for **Fund Advice** and **Managed Accounts** to provide investment recommendations to ICMA-RC which are used in advising or managing your Account(s). Both **Fund Advice** and **Managed Accounts** are offered through Guided Pathways®, ICMA-RC’s platform for the delivery of a suite of services for participants of Public Employer retirement plans and ICMA-RC’s Vantagepoint IRA (collectively, “Participants”).

Our ability to advise or manage your Account(s) or provide fund recommendations properly depends on you providing us with as much current personal and financial information as possible.

### FUND ADVICE AND MANAGED ACCOUNTS AUTHORIZATION AND APPOINTMENT

#### Fund Advice

Under **Fund Advice**, you request that ICMA-RC provide “point-in-time” individual investment advice (e.g., fund specific investment recommendations) developed from Eligible Investment Options and in accordance with objective, independent, third-party investment recommendations developed by Morningstar Investment Management, acting as the IFE. Under **Fund Advice**, you acknowledge and understand that you must pay an annual fee to continue to obtain this advice and, if the fee is not paid, the contract terminates and a new contract would have to be entered in order to obtain additional advice. Applicable fees are described more fully below. You also understand and acknowledge that this advice

provided is based on the Eligible Investment Options and will also take into account other personal and financial information that you provide to ICMA-RC, including information regarding your income or other investments that you may have outside of your Account(s). You further acknowledge and understand that under **Fund Advice**, you are responsible for implementing any advice or fund specific recommendation using the ordinary means available to your Account(s) (e.g., transfer of account balances), and for subsequent monitoring or review of the Account(s) and of the information utilized in arriving at the **Fund Advice** recommendations and that you remain responsible for making any future or further changes to your Account(s) investment allocations. In addition, you remain responsible for implementing any recommended changes to your Plan or IRA savings rates.

#### Managed Accounts

Under **Managed Accounts**, you request that ICMA-RC exercise discretionary authority to allocate and reallocate your Account(s) and to implement individualized advice generated by Morningstar Investment Management, acting as the IFE. ICMA-RC is authorized to exercise the investment discretion described below with respect to the assets in the Account(s), including such additional assets as may result from transactions in, contributions to and transfers of assets into the Account(s).

Under **Managed Accounts**, you agree to provide personal, financial and other information as reasonably requested by ICMA-RC and to inform ICMA-RC promptly of any changes in your circumstances in order to assist ICMA-RC in the development and management of an investment strategy that is suitable and appropriate for you. You understand that ICMA-RC will notify you annually to contact ICMA-RC regarding any changes in your personal and financial situation or investment objections to determine whether any such changes have occurred or whether you wish to impose any reasonable restriction on the Account(s) that is not fundamentally inconsistent with your investment objective or the nature or operation of **Managed Accounts**. You further understand that ICMA-RC personnel who are knowledgeable about the management of the Account(s) will be reasonably available to respond to your inquiries. You will receive a quarterly statement consisting of all activity in the Account(s), including fees and expenses and confirmations of any transactions in the Account(s).

Under **Managed Accounts**, you acknowledge that initially, and at least once each year thereafter during which you are still enrolled, you will be asked to review and confirm the accuracy and completeness of the information upon which **Managed Accounts** advice is based. Because you are directing ICMA-RC to manage the Account(s) on

your behalf, certain individually requested financial transactions otherwise available under the Account(s), such as contribution allocations and reallocations and fund transfers, either systematic or otherwise, will not be processed until you have terminated participation in **Managed Accounts**. Your request for any allocation, reallocation or fund transfer will be interpreted as a direction to terminate **Managed Accounts** for your Account(s).

Under **Managed Accounts**, you remain responsible for implementing any recommended changes to your Plan or IRA savings rates and, for notifying ICMA-RC of any savings rate changes.

Under **Managed Accounts**, ICMA-RC accepts its appointment as investment manager for the Account(s) pursuant to the terms and conditions set forth in this Agreement. The rights, powers, authorities and duties of ICMA-RC shall be solely and exclusively as provided in this Agreement and under applicable law.

Under this Agreement, ICMA-RC will provide you with the advisory services described below.

## SERVICES

**Fund Advice** provides “point-in-time” individualized investment advice to Participants seeking assistance in selecting specific investments. Fund specific recommendations are constructed by the IFE from among the Eligible Investment Options. You are responsible for implementing any advice or fund specific recommendation using the ordinary means available to your Account(s) (e.g., transfer of account balances), and for subsequent monitoring or review of the Account(s) and of the information utilized in arriving at the **Fund Advice** recommendations.

Under **Fund Advice**, a model advice portfolio will be recommended to you based on your financial situation, time horizon and other personal and financial information that you have provided to ICMA-RC. Your financial situation incorporates information about your income and assets; your investment time horizon reflects when you may need access to assets in your Account(s).

In determining an appropriate target asset mix for your Account(s) under **Fund Advice**, ICMA-RC also considers all non-ICMA-RC retirement assets you have provided to ICMA-RC. While ICMA-RC will not provide investment advice on these assets, they will be taken into consideration in providing your investment advice. For example, if your other assets are invested more in equity, the assets in your Account(s) may be invested more conservatively. Conversely, if your other assets are invested more in cash or bonds or if you have provided information on a pension/defined benefit plan, the assets in your Account(s) may be invested more aggressively.

Under **Fund Advice**, you are responsible for the accuracy and completeness of the information provided to ICMA-RC. You understand that we will rely on this information in making fund specific recommendations. Again, you are responsible for implementing any advice or fund specific recommendation using the ordinary means available to your Account(s) (i.e., transfer of account balances), and for subsequent monitoring or review of the Account(s) and of the information utilized in arriving at the **Fund Advice** recommendations and that you remain responsible for making any future or further changes to your Account(s) investment allocations. In addition, you remain responsible for implementing any recommended changes to your Plan or IRA savings rates.

**Managed Accounts** is a discretionary asset allocation and

management service that invests assets in one of a number of model advice portfolios created by the IFE based on the Eligible Investment Options and selected according to the investment methodology utilized by the IFE. Once you enroll, ICMA-RC will manage eligible assets, including future contributions, in your Account on a discretionary basis, and you will not be able to make any exchanges of such eligible assets among investment options within the Account(s) or otherwise direct or further restrict the management of assets while enrolled in **Managed Accounts**. Eligible assets in your Account(s) will be allocated to a portfolio of investment options managed in accordance with an IFE-recommended model advice portfolio. When appropriate, eligible assets in your Account(s) will be reallocated among various investment options chosen from the universe of Eligible Investment Options.

In exercising our discretion under this Agreement, ICMA-RC may take any and all actions necessary to allocate, reallocate or rebalance investments in your Account(s) in accordance with the model advice portfolio recommendations of the IFE and may execute such instruments, orders or agreements as may be necessary or proper in connection with providing advice to the Account(s).

Under **Managed Accounts**, you will be assigned to a model advice portfolio based on your financial situation, time horizon and other personal and financial information that you have provided to ICMA-RC. Your financial situation incorporates information about your income and assets; your investment time horizon reflects when you may need access to assets in your Account(s). In determining an appropriate target asset mix for your Account(s), either when you initially elect **Managed Accounts** or during a quarterly review of your Account(s), **Managed Accounts** also considers all non-managed retirement assets you have provided to ICMA-RC. While these assets are not managed by ICMA-RC, they will be taken into consideration in managing your Account(s). For example, if your other assets are invested more in equity, your Account(s) assets may be invested more conservatively. Conversely, if your other assets are invested more in cash or bonds, your Account(s) assets may be invested more aggressively.

Under **Managed Accounts**, you are responsible for the accuracy and completeness of the information provided to ICMA-RC. You understand that we will rely on the information in making an initial recommendation and in the ongoing management of your Account(s). It is your responsibility to notify ICMA-RC promptly of any change that may affect the manner in which we should allocate or invest the eligible assets in your Account(s). At least annually, ICMA-RC will remind you to verify or update your personal and financial information. It is essential that your personal and financial information be kept current and accurate. Based on the information you provide, the IFE may change the target asset mix and the model advice portfolio to which **Managed Accounts** manages your Account(s). You will continue to receive all reports with respect to your Account(s) that you would receive if you were not enrolled in **Managed Accounts**.

Under **Managed Accounts**, you remain responsible for implementing any recommended changes to Plan or IRA savings rates. In addition, you should notify ICMA-RC of any savings rate changes.

## ALTERNATE PORTFOLIO SELECTION

You acknowledge that if you are enrolled in **Managed Accounts** and personally select an alternate model advice portfolio as opposed to the model advice portfolio recommended by **Managed Accounts**, you

will remain in this alternate portfolio until you instruct us otherwise. As a participant in **Managed Accounts**, we will continue to monitor and rebalance your chosen alternate portfolio. However, selection of an alternative portfolio may decrease the likelihood of achieving your retirement goals as calculated by Morningstar Investment Management. We will also communicate our recommended model advice portfolio at least annually.

## YOUR RESPONSIBILITIES

You are responsible for providing correct and complete information to ICMA-RC, and under **Managed Accounts**, for notifying ICMA-RC of any change that affects your participation. This includes any event or change in circumstances that may impact your investment time horizon or financial situation. For example, you should inform ICMA-RC of any:

- Change to your employment status or annual income;
- Change in your contribution rate;
- Change to your desired retirement age;
- Other events that may cause a re-evaluation of target asset mix and model advice portfolio assignment.

## INVESTMENT APPROACH

In creating model advice portfolios, Morningstar Investment Management uses a quantitative approach to determine Eligible Investment Options that have demonstrated, over time, consistency in risk characteristics and security selection capabilities. The investment options eligible for inclusion in the recommended asset allocation and fund specific advice are limited to only Eligible Investment Options.

Morningstar Investment Management follows a three-step approach to create a model advice portfolio from all your eligible investment options.

**Analyze Investments:** Morningstar Investment Management performs investment analysis to narrow the universe of investment options to form a select list of investments. They apply returns-based style analysis to monitor historical performance and estimate style exposure. Rigorous quantitative analysis is then used to validate the selected list of investment options.

**Construct Portfolio:** Once the investment options are analyzed, Morningstar Investment Management determines the appropriate combination of investment options. This approach, which includes a proprietary alpha-tracking error optimization, can incorporate a balanced core group of investments combined with select active investments to create a portfolio that is unique and goal-specific. By using alpha, tracking error and investment styles, an optimal mix of investment options is determined and the target strategic asset allocations are implemented.

**Monitor Portfolio:** Finally, Morningstar Investment Management monitors and reviews each model advice portfolio to ensure that it stays in line with its stated strategic asset allocation target and continues to meet Morningstar Investment Management's investment criteria.

## TERMS AND CONDITIONS

**Binding Agreement.** This is a legal and binding Agreement governing your use of **Fund Advice**, a "point-in-time" investment advisory service or **Managed Accounts**, a discretionary asset allocation

investment advisory service provided by ICMA-RC with the IFE services of Morningstar Investment Management.

**Scope of Managed Accounts.** **Managed Accounts** will provide asset allocation and rebalancing of all eligible assets in your Account(s), including future contributions, on a discretionary basis. You will not be able to make any exchanges of eligible assets among investment options within the Account(s) or otherwise direct or further restrict the management of those assets while enrolled in **Managed Accounts**.

**Eligibility.** To be eligible to participate in **Fund Advice** or **Managed Accounts**, you must be enrolled in an eligible ICMA-RC administered 457(b), 401(a), 401(k) Plan, or the Vantagepoint IRA.

**Under Managed Accounts or Fund Advice,** if you are subject to any imposed frequent trading restrictions, you are not eligible to participate in **Managed Accounts** or **Fund Advice**. You are eligible to enroll in **Managed Accounts** or **Fund Advice** at any time, except as may be restricted by your Plan for your Plan account. However, if you previously terminated participation in **Managed Accounts** with respect to any account with ICMA-RC, you must wait at least until the next calendar quarter before re-enrolling in **Managed Accounts** for any account with ICMA-RC and may not enroll more than two times in any 12-month period. If you hold non-traditional investment options that cannot be purchased or sold without restriction through your Plan (such as self-directed brokerage assets or assets in Certificates of Deposit) or if you hold assets in a VantageBroker IRA account, these investments are ineligible for management by ICMA-RC, but will be taken into consideration by **Managed Accounts** when determining your asset allocation portfolio.

**Accuracy of Information.** You are responsible for the accuracy and completeness of the information provided to ICMA-RC for the initial recommendation and under **Managed Accounts**, for the ongoing management of your Account(s). Under **Managed Accounts**, it is your responsibility to notify ICMA-RC promptly of any change that may affect the manner in which we should allocate or invest the eligible assets in your Account(s).

### Eligible Investment Options.

**For Retirement Plans:** The investment options eligible for inclusion in **Fund Advice** or **Managed Accounts** are limited to those chosen for your Plan by your employer sponsoring your Plan, or the Plan's named fiduciary, and that can be purchased and sold without restriction by you within your Plan.

The IFE may recommend that a portion of your assets be invested in the VT Retirement IncomeAdvantage Fund, a VantageTrust Fund that invests in a separate account under a group variable annuity issued by a third-party insurance company. A Guarantee Fee of 1.00% is assessed by the third-party insurance company for the VT Retirement IncomeAdvantage Fund guarantees and is included along with other fund fees and expenses in the VT Retirement IncomeAdvantage Fund's net expense ratio. Guarantees are based on the claims-paying ability of the third-party insurance company. These guarantees are also subject to certain limitations, terms, and conditions. Your rights to these guarantees may be impacted if (1) you make any transfers, exchanges or withdrawals from the Fund (other than guaranteed withdrawals after you lock-in), (2) your Plan Sponsor switches retirement plan providers or removes the VT Retirement IncomeAdvantage Fund from the plan lineup, or (3) the VT

Retirement IncomeAdvantage Fund or the group annuity contract in which it invests is terminated. For additional information about the VT Retirement IncomeAdvantage Fund, please review these three documents: 1) *VT Retirement IncomeAdvantage Fund Important Considerations*, 2) *Making Sound Investment Decisions - A Retirement Investment Guide*, and 3) *Retirement Investment Guide - Additional Information*. These documents are available online via Account Access ([www.icmarc.org](http://www.icmarc.org)) or by contacting ICMA-RC Investor Services at 1-800-669-7400.

**For IRA Owners:** The investment options eligible for inclusion in **Fund Advice** or **Managed Accounts** are those permitted by the Vantagepoint IRA. You should know that while ICMA-RC selects the investment options for the Vantagepoint IRA, ICMA-RC does not select those options in the capacity of a fiduciary for your IRA account or for the Vantagepoint IRA. When making the Vantagepoint IRA investment options available to IRA owners, ICMA-RC is in no way recommending the selection of any particular investment option for inclusion in **Fund Advice** or **Managed Accounts**. The decision to include a particular investment option in **Fund Advice** or **Managed Accounts** and whether such fund will be part of a model advice portfolio is made by Morningstar Investment Management as the IFE.

**Custody.** For **Managed Accounts**, the assets in the Account(s) shall be held in your name at a “qualified custodian” (“Custodian”), as defined by Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (“Advisers Act”). ICMA-RC will open a custodial account on your behalf with the Custodian, and you will receive written notice of the name and address of the Custodian upon enrollment in **Managed Accounts**. You understand that the Custodian will, at a minimum, provide you with quarterly statements with respect to the Account(s). Statements shall include the securities and cash, if any, in the Account(s) at the end of the applicable period and all transactions in the Account(s) during that period. You further understand that ICMA-RC will not be liable for any act or omission of the Custodian. Nothing in this Section shall prohibit ICMA-RC from directly billing the Account(s) for fees incurred under this Agreement in accordance with Advisers Act Rule 206(4)-2, or other applicable law.

**Fund Advice Annual Fee.** An annual standard fee of \$20 will be charged to your Account(s) for participating in **Fund Advice**. You understand that the **Fund Advice** fee does not cover any other fees or expenses associated with your Account(s). For retirement plan accounts, the actual fee you are charged depends on the Plan you participate in and may be lower than \$20 but not higher. The fixed annual fee will be charged to your Account(s) following enrollment and will entitle you to use the service for a twelve-month period. For each succeeding twelve-month period for which the **Fund Advice** service is initiated or continued, you will be required to pay the annual fee in order to continue receiving the service. If this fee is not paid, the contract terminates automatically and a new contract must be entered into in order to re-access **Fund Advice**.

**Managed Accounts Advisory Fee.** An annual advisory fee will be charged to your Account(s) based on a percentage of the average daily balance of eligible assets in your Account(s). The advisory fee will be charged to cover ongoing management of the eligible assets in your Account(s), the communications ICMA-RC sends to keep you informed about your Account(s), and the related service you

receive. The fee is payable in arrears in monthly increments as of the last day of each calendar month. In the event your participation in **Managed Accounts** terminates before the end of the month, the fee will be prorated based on the number of days the Account(s) was managed during the calendar month, unless ICMA-RC chooses to waive the fee for that period.

You will have six calendar days after enrolling in **Managed Accounts** to terminate the service without incurring the Managed Accounts fee.

The **Managed Accounts** fee will be calculated as a percentage of the Account(s)’ value and applied to the Account(s) as a fixed dollar amount. If you receive **Managed Accounts** advice on multiple accounts, account balances for all accounts enrolled in **Managed Accounts** are aggregated for the purpose of calculating fees. The standard **Managed Accounts** fee schedule is:

Account Balance	Annual Fee
First \$100,000	0.40%
Next \$100,000	0.35%
Next \$300,000	0.25%
Over \$500,000	0.00% (no additional fee charged)

For retirement plan accounts, the actual fee you are charged depends on the Plan(s) you participate in and may be lower than what is listed above. An example of the Managed Accounts fee charged under the standard schedule is as follows: if your Account(s) balance is \$500,000, the first \$100,000 will be charged a fee of 0.40%, the next \$100,000 will be charged a fee of 0.35%, and the next \$300,000 will be charged a fee of 0.25%. Any assets over \$500,000 would be charged a fee of 0.00% (no additional fee charged).

The **Managed Accounts** fee will be deducted pro-rata against all investments in any Account(s) included in **Managed Accounts** and will be assessed on a pro-rata basis among your eligible investments. This Agreement constitutes authorization for the Custodian to pay fees to ICMA-RC directly from the Account(s), in accordance with Advisers Act Rule 206(4)-2. The fee will be deducted directly from your Account(s) and will be reflected as a fee charge on your quarterly statement.

Certain Eligible Investment Options may charge a redemption fee on specific transactions. Transactions initiated under **Managed Accounts** may result in such redemption fees being charged to you. Any applicable redemption fees will be deducted directly from your Account(s).

You understand that the **Managed Accounts** fee covers only our advisory fee for allocating and reallocating assets in your Account(s) and does not cover any other fees or expenses associated with your Account(s).

**Risks of Investing.** Investments in your retirement savings Account(s) are subject to the risks associated with investing in mutual funds and other securities, and will not always be profitable. Although each Eligible Investment Option is subject to a degree of risk that could affect their performance, certain investment options entail additional risk specific to their asset class. For example, high yield bond investments are subject to increased risk of default, compared to higher rated securities. Foreign investments are subject to greater risks of currency fluctuations and political uncertainty. Equity

securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies. Specialty funds invest in a limited number of companies and are generally non-diversified.

The advice provided under **Fund Advice** or **Managed Accounts** does not take into account your personal risk tolerance with respect to your investment objectives. Moreover, the Morningstar Investment Management process used to generate the advice under **Fund Advice** or **Managed Accounts** may involve investment risk that exceeds your acceptable risk tolerance level.

For retirement plan accounts, you agree to release, hold harmless and indemnify your sponsoring employer or other sponsoring entity, from and against any and all liability, loss, cost or expense arising out of any action or decision you make in reliance upon information provided through **Fund Advice** or allocations made through **Managed Accounts**. ICMA-RC does not guarantee the results or timing of any recommendations, or that the objectives of the funds or your Account(s) will be met. Except as otherwise required by law, ICMA-RC will not be liable for:

- Any loss resulting from following your instructions or using inaccurate, outdated or incomplete information you provide;
- Any act or failure to act by a fund or any of its agents or any other third party; and
- Any loss in the market value of your Account(s), except for losses resulting from our breach of fiduciary duty, bad faith, or gross negligence.

However, nothing in this Agreement shall constitute a waiver of, or limitation on, any rights you have under federal and state laws to the extent such rights may not be waived or limited.

### Changes in Managed Accounts

**For Retirement Plan Accounts, Managed Accounts** has been made available for you to invest your eligible Plan assets under arrangements with your employer sponsoring your Plan or the Plan's named fiduciary, including an investment management services agreement between your employer sponsoring your Plan or the Plan's named fiduciary and ICMA-RC. The employer sponsoring your Plan or the Plan's named fiduciary may modify or terminate this arrangement at any time. See Termination, below, for more details. **Managed Accounts** and the terms under which it is made available to you are subject to material change only by agreement between your employer sponsoring your Plan or the Plan's named fiduciary and ICMA-RC.

**For Vantagepoint IRA Owners.** Changes to the terms and conditions of **Managed Accounts** may be made by ICMA-RC. You will be provided thirty (30) days notice of any change in the terms and conditions of the service. See Termination, below, for additional details.

**Account Activity and Timing.** Under **Managed Accounts**, ICMA-RC will manage the eligible assets in your Account(s) so that they generally align with the appropriate model advice portfolio. Due to activity you may initiate, such as loans, withdrawals and market activity in the Account(s), your investments may deviate from the associated model advice portfolio. Quarterly, or as you notify ICMA-RC of changes to your personal and financial information, Morningstar Investment Management re-examines the model advice portfolio to determine if a reallocation to a different model advice portfolio is needed. If a new model advice portfolio is needed, your Account(s) assets will be reallocated and rebalanced to the new model's target asset allocation.

Quarterly, assuming a new model advice portfolio is not needed, Morningstar Investment Management reviews the allocation of your current Account to determine if any fund deviates from the recommended model advice portfolio by more than a pre-specified minimum percentage, which would at no time be greater than 3%. If it does, ICMA-RC will transfer assets among the currently designated funds to ensure your Account remains consistent with the target allocation of the model advice portfolio

During the time you are enrolled in **Managed Accounts**, you are prohibited from initiating exchanges of eligible assets and directing how new contributions are allocated in your Account(s).

For retirement plan accounts, in-service distributions, withdrawals, and loans will be satisfied according to Plan rules, and may temporarily impact our ability to closely track the model advice portfolio. Transfers to an alternate payee pursuant to a qualified domestic relations order ("QDRO") will be governed by court order and Plan rules, but such a transfer will immediately terminate our obligation to manage the portion of the Account(s) transferred, unless the alternate payee is eligible and separately elects to participate in **Managed Accounts**. On rare occasions due to: market conditions, such as fund closure, system availability, fund restrictions, Plan rules, Plan sponsor action, or other circumstances ICMA-RC may be prevented or delayed from processing transactions in accordance with your direction or the direction of **Managed Accounts**. Certain Plan rules or restrictions may not be applicable while you are enrolled in **Managed Accounts**. We, our affiliates, the Plan, and your employer sponsoring the plan will not be responsible for any losses, damages, or missed price opportunities in these circumstances. As we manage the eligible assets in your Account(s), we will consider the effect of any corrections applied to your Account(s), but we will not attempt to make any retroactive changes to management decisions that were previously made.

Any pending fund transfer requests and pending future contribution allocation requests you may have initiated will be cancelled upon your enrollment in **Managed Accounts**.

All rollover or transfer assets or maturing Certificates of Deposit will be allocated according to the contribution allocation assigned to your Account(s) under **Managed Accounts**.

**Termination.** You may choose to terminate your participation in **Managed Accounts** at any time, with no additional charge. Advisory fee charges will be prorated based on the number of days your Account(s) was managed during the month unless waived. Your termination election will be effective upon confirmation of receipt of your termination request. Participation in **Managed Accounts** will terminate automatically: (i) if you initiate a fund transfer or asset reallocation while in **Managed Accounts**; or (ii) for that portion of your Account(s) transferred to an alternate payee pursuant to a QDRO. Upon notification of your death, participation will also terminate and your Account(s) will remain in the then-current investments until alternate direction from an authorized party is provided. Termination will not affect: (i) the validity of any action previously taken, (ii) any liabilities or obligations for transactions initiated before termination, and (iii) our right to charge and retain fees for services rendered. We will have no obligation to recommend or take any action with regard to assets in your Account(s) after termination of **Managed Accounts**.

**Reports.** You will receive confirmations of all transactions in your Account(s). In addition, you will receive quarterly statements consisting of all activity in the Account(s), all fees and expenses, and the beginning and ending value of the Account(s) for the period.

**Shareholder and Other Rights.** You are responsible for exercising any applicable shareholder and other rights with respect to investment options in your Account(s). ICMA-RC will not exercise any shareholder rights on your behalf unless required by law. ICMA-RC will not advise you on the voting of proxies for fund shares held in your Account(s). In addition, ICMA-RC will not advise you on legal proceedings, including bankruptcies and class actions, involving investment options.

**Additional Information and Acknowledgements.** **Fund Advice** and **Managed Accounts** rely on historical performance and other data all of which have limitations. Past performance of investments is no guarantee of future results. **Fund Advice** and **Managed Accounts** depend upon a number of factors, including the information you provide, various assumptions, and estimates, and other considerations. As a result, the forecast developed, and the analysis and actions taken by ICMA-RC are not guarantees that you will achieve your retirement goals. You acknowledge that we are basing our actions with respect to your Account(s) on the information you provide to us, and agree that if you participate in **Managed Accounts** you will provide updated personal and financial information as necessary. We shall not be liable to you for any misstatement or omission contained in personal and financial information or any loss, liability, claim damage or expense whatsoever arising out of or attributable to such misstatement or omission. Some of the information provided in conjunction with **Fund Advice** and **Managed Accounts** is provided by independent third parties and not by ICMA-RC or its IFE. We do not make any guarantees or warranties, express or implied, as to the accuracy, timeliness or completeness of such information. You understand and agree that **Fund Advice** and **Managed Accounts** do not recommend investments with respect to any individual stocks or bonds, other than shares or units of Eligible Investment Options and also may not consider all investment alternatives available under your Plan or through the Vantagepoint IRA, either with the understanding of your employer sponsoring your plan or because either ICMA-RC or its IFE has determined that adequate data does not exist for us to appropriately consider such alternatives.

You understand that our providing **Fund Advice** or **Managed Accounts** should not be considered to be our approval or endorsement of the available alternatives in your Plan or in the Vantagepoint IRA.

You further understand that we provide advisory services and manage accounts for other investors, including: participants in your Plan, participants in other plans, Vantagepoint IRA owners, and other investors. The advisory services, advice or actions we take or provide to such other individuals and entities may differ from those provided to you. We are not obligated to recommend or disclose to you any investment recommendations or actions we provide or take on behalf of such other individuals or entities.

**Eligible Participants.** **Fund Advice** and **Managed Accounts** are offered only to persons residing in the United States and nothing herein shall be construed as an offer of this service in other jurisdictions.

**Non-Solicitation.** No part of **Fund Advice** or **Managed Accounts** should be construed as an offer to sell or buy the securities mentioned. The advice provided reflects the deduction of taxes based on the information we know about you. It is not intended to provide legal, accounting or tax advice and should not be relied upon in that regard. If desired, you should obtain advice specific to your circumstances from your own legal, accounting, or tax advisors.

**Interest in Client Transactions.** **Fund Advice** and **Managed Accounts** may recommend mutual funds or other investments available under your Plan or through the Vantagepoint IRA, some or all of which may be managed by ICMA-RC or an affiliate, or with respect to which ICMA-RC or one of its affiliates receives administrative or record keeping fees. When investing in any investment alternatives or any other security whether through **Fund Advice** or **Managed Accounts** or otherwise, please obtain and read a copy of the current prospectus or other available descriptions of the investment alternative, which contains more complete information, including sales charges and expenses.

**Personal Information.** The use and storage of any information including, without limitation, your account number, password, identification, portfolio information, account balances and any other information available on your personal computer is your sole risk and responsibility. You are responsible for providing and maintaining the communications and equipment (including personal computers and modems) and telephone or alternative services required for accessing and utilizing electronic or automated services, and for all communications service fees and charges incurred by you in accessing these services. For retirement plan accounts only: You consent to the sharing of personal data about you with any of your employers, Plans, administrators, record keepers, custodians or other person necessary for us to provide **Fund Advice** or **Managed Accounts** to you.

**Agreement to Arbitrate.** You acknowledge and agree that any controversy or claim arising out of or relating to this Agreement or the breach thereof, or relating to ICMA-RC's investment advisory business, as described herein, shall be submitted to arbitration administered by the American Arbitration Association. Arbitration is final and binding on the parties and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate. By agreeing to this arbitration agreement, you do not waive any rights you may have under any applicable state and federal securities laws.

In agreeing to arbitration, you understand that:

- Arbitration is final and binding on the parties
- The parties are waiving their right to seek remedies in court, including the right to jury trial
- Pre-arbitration discovery is generally more limited than and different from court procedures
- The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appear or to seek modifications of rulings by the arbitrator is strictly limited
- Where more than one arbitrator is appointed, the panel of arbitrators typically may include a minority of arbitrators who are or were affiliated with the securities industry
- Fees, costs and expenses in connection with an arbitration shall be paid by customer

The arbitration shall be conducted in Washington, DC, pursuant to the Commercial Arbitration Form Rules of the American Arbitration Association, then in effect, and may occur before a panel of one or three arbitrators in accordance with the rules of the organization administering the arbitration.

**Rights Under ERISA and Advisers Act.** Nothing in this Agreement should be construed to mean you are waiving any rights to which you are statutorily qualified under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or the Advisers Act. The federal securities laws and ERISA impose liabilities under certain circumstances on persons who act in good faith; thus, nothing in this Agreement shall in any way constitute a waiver or limitation on any rights which the undersigned may have under federal securities laws or ERISA.

**Governing Law.** This Agreement shall be governed by the Advisers Act, to the extent applicable, by ERISA, and to the extent not preempted, by the laws of the State of Delaware, without giving effect to the choice of law provisions contained therein.

**Contact and Communications.** Any notices required or desired to be sent to ICMA-RC may be delivered in person, by registered or certified U.S. mail, postage paid, return receipt requested, overnight courier or confirmed facsimile to Legal Department, ICMA Retirement Corporation, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002-4240. You understand and agree that, for our mutual protection, we may monitor any or all your communications with us, including keeping copies of all written correspondence and e-mails. Any notices or materials required or desired to be sent to you shall be sent to your most recent address received by ICMA-RC until such time as ICMA-RC receives an amended address.

**Extraordinary Events.** We shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, pandemic flu or other conditions beyond our control. We shall not be responsible for damages caused by equipment failure, communications line failure, unauthorized access, theft, systems failure, and other occurrences beyond our control.

**Additional Provisions.** You agree not to assign this Agreement, and we agree not to assign this Agreement (within the meaning of the Advisers Act) without your consent. If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any court or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition.

The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

**Form ADV Part 2A.** Part 2A of ICMA-RC’s Form ADV (“Brochure”), contains additional information about ICMA-RC and our advisory services and is available on our web site at [www.icmarc.org](http://www.icmarc.org), on the SEC’s web site at [www.sec.gov](http://www.sec.gov), or by contacting ICMA-RC Investor Services at 800-669-7400. By entering into this Agreement, you represent that you have received and reviewed a copy of the Brochure.

## PRIVACY

**Protection of Nonpublic Personal Information.** ICMA-RC is subject to various privacy requirements for the protection of its clients under the Gramm-Leach-Bliley Act (“GLBA”) and regulations promulgated pursuant to GLBA.

**Definition of Nonpublic Personal Information.** Nonpublic personal information of customers or consumers (“NPI”) includes, but is not limited to, names, addresses, account balances, account numbers, account activity, Social Security numbers, taxpayer identification numbers, and sensitive financial and health information. NPI includes information on our forms or in a database of any kind, information created by us, information collected by or on behalf of us and personally identifiable information derived from NPI.

**Disclosure and Use of NPI.** All NPI that ICMA-RC obtains as a result of offering these services to you shall not be used, disclosed, reused, or redisclosed to any unaffiliated third party, except to carry out the purposes for which the information was disclosed.

ICMA-RC shall be permitted to disclose relevant aspects of the NPI to its officers, agents, subcontractors, employees, and the IFE only to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under the Agreement.

The obligations of this Section shall not restrict any disclosure by ICMA-RC pursuant to any applicable state or federal laws or regulations, or by request or order of any court or government agency.

**Security of NPI.** ICMA-RC further agrees that it has established and maintains policies and procedures designed to ensure the confidentiality and security of NPI. This shall include procedures to protect against anticipated threats or hazards to the security or integrity of the information and unauthorized access to or use of the information.

## ACCEPTANCE

*You acknowledge that by enrolling in either Fund Advice or Managed Accounts you have read and understand: 1) the Fund Advice annual fee and the Managed Accounts advisory fees explained in this Agreement; 2) the possibility of allocation to the VT Retirement Income Advantage Fund explained in this agreement; 3) ICMA-RC’s Brochure (Form ADV Part 2A) further describing Managed Accounts and Fund Advice; and 4) this Agreement.*

*Further, your use of the Fund Advice or Managed Accounts services will signify your consent to be bound by all the terms and conditions stated in this Agreement.*

Under **Managed Accounts**, a confirmation package will be generated following receipt in good order of all necessary documentation. This package will confirm your personal and financial information, and it will provide the results of your wealth forecast and the investment advice pertaining to it.



**ICMA RETIREMENT CORPORATION  
777 NORTH CAPITOL STREET, NE  
WASHINGTON, DC 20002  
800-669-7400  
WWW.ICMARC.ORG**

**BRC000-168-25546-0815-7861-497**

**REVISED 1/2016**



**Part 2A of Form ADV: Firm Brochure**

*For Guided Pathways® and Retirement Readiness Reports  
Advisory Services*

March 31, 2017

## **ICMA Retirement Corporation**

777 North Capitol Street, N.E.  
Washington, DC 20002-4240  
800-669-7400  
[www.icmarc.org](http://www.icmarc.org)

This brochure provides information about the qualifications and business practices of ICMA Retirement Corporation (“ICMA-RC”). If you have any questions about the contents of this brochure, please contact us at 800-669-7400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about ICMA-RC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Material Changes**

No material changes since the March 30, 2016 amendment to this brochure.



### **Item 3 Table of Contents**

Item 2	Material Changes .....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	7
Item 6	Performance-Based Fees and Side-By-Side Management .....	8
Item 7	Types of Clients.....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9	Disciplinary Information .....	10
Item 10	Other Financial Industry Activities and Affiliations .....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading .....	11
Item 12	Brokerage Practices .....	14
Item 13	Review of Accounts.....	15
Item 14	Client Referrals and Other Compensation.....	15
Item 15	Custody.....	15
Item 16	Investment Discretion.....	16
Item 17	Voting Client Securities.....	16
Item 18	Financial Information .....	16

### **Item 4 Advisory Business**

ICMA-RC is a Delaware non-profit corporation established in 1972 to assist state and local governments and their agencies and instrumentalities (“Plan Sponsors”) in the establishment and maintenance of deferred compensation and qualified retirement plans (“Retirement Plans”) for their public sector employees. ICMA-RC offers a full range of retirement plan administration services to Plan Sponsors, including administration, recordkeeping, and education services. ICMA-RC has been an SEC registered investment adviser since 1983 and provides a number of different investment advisory services, including the following:

#### **Guided Pathways Advisory Services**

Since March 2007, ICMA-RC has offered educational and advisory services to Retirement Plan participants enrolled in Guided Pathways Advisory Services. In March 2013, ICMA-RC began offering Guided Pathways Advisory Services to investors in the



Vantagepoint IRA administered by ICMA-RC (Vantagepoint IRA investors and Retirement Plan participants referred to collectively as, “Participants”). Guided Pathways Advisory Services include:

**Managed Accounts** – discretionary, on-going investment management for allocation of invested assets among mutual funds and other pooled investment vehicles available within an ICMA-RC administered Retirement Plan or Vantagepoint IRA;

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

**Asset Class Guidance** – nondiscretionary, point-in-time, individualized asset allocation recommendations for Participants looking for assistance in selecting Retirement Plan or Vantagepoint IRA investments at the asset class level such as large-cap, small cap or international equities. Asset Class Guidance does not provide advice on specific investment options.

Fund Advice and Asset Class Guidance are generally available to Participants in Retirement Plans administered by ICMA-RC, unless expressly prohibited by the Retirement Plan sponsor. For Managed Accounts, the Plan Sponsor must expressly adopt that service before it is made available to the Retirement Plan’s participants. Unlike Fund Advice and Managed Accounts, Asset Class Guidance is provided to Participants at no cost and is for educational purposes only. Asset Class Guidance is not intended to be investment advice or serve as the sole or primary basis for a Participant’s investment decisions.

ICMA-RC delivers Guided Pathways Advisory Services via a combination of online, mail, and telephone media as well as in-person meetings. Individual ICMA-RC associates with Series 65 licenses deliver or facilitate the delivery of the Guided Pathways Advisory Services to the investor.

As part of Guided Pathways Advisory Services, ICMA-RC has entered into a contract with Morningstar Investment Management LLC (“Morningstar Investment Management”) to serve as the Independent Financial Expert (“IFE”). Morningstar Investment Management is an SEC registered investment adviser and wholly owned subsidiary of Morningstar, Inc. In its role as IFE, Morningstar Investment Management first develops overall asset class allocation models. It then develops a fund-specific investment portfolio for each of the asset class allocation models. For Retirement Plan participants, the investment options eligible for inclusion in the portfolios are limited to only those funds chosen for the Retirement Plan by the Plan Sponsor. For Vantagepoint IRA investors, the investment options eligible for inclusion in the portfolios are limited to those funds permitted by the Vantagepoint IRA.



For Participants who select Managed Accounts discretionary management, Morningstar Investment Management determines the fund-specific investment portfolio that it determines is most appropriate based on the Participant's financial situation, investment time horizon, sustainable retirement income, and other relevant factors. ICMA-RC then allocates the assets of the Participant's account in accordance with the Morningstar Investment Management recommended portfolio. Quarterly, or as a Participant notifies ICMA-RC of changes to his or her personal and financial information, Morningstar Investment Management re-examines the investment portfolio to determine if a reallocation to a different investment portfolio is needed. If a new investment portfolio is needed, the Participant's assets will be reallocated and rebalanced to the new target asset allocation.

For those opting for the nondiscretionary Fund Advice, Morningstar Investment Management recommends the appropriate fund-specific investment portfolio, ICMA-RC delivers the recommendation to the Participants, and Participants choose whether to implement the recommendation.

For Asset Class Guidance, Morningstar Investment Management recommends the appropriate asset class allocation model, ICMA-RC delivers the recommendation to the Participants, and Participants choose: (1) whether to implement the recommended asset class allocation model; and (2) which specific investment options to populate the recommended asset classes.

Under the Guided Pathways Advisory Services, Morningstar Investment Management's recommendations are based on a Participant's financial situation, investment time horizon, sustainable retirement income, and other personal and financial information provided to ICMA-RC by the Plan Sponsor or Participant. "Financial situation" incorporates information about Participants' income and assets, and "investment time horizon" reflects when Participants expect to begin withdrawing assets from their account.

Morningstar Investment Management employs Monte Carlo simulations to determine the likely annual retirement income that a participant will be able to sustain, through depletion of retirement savings, over a period greater than normal life expectancy. Morningstar Investment Management provides a recommended withdrawal plan designed to optimize the tax efficiency of withdrawals from each available income source.

In determining an appropriate target asset mix for retirement accounts in Guided Pathways Advisory Services, Morningstar Investment Management also considers information about all non-Retirement Plan assets of the Participant that has been provided to ICMA-RC. While ICMA-RC will not provide investment advice with respect to assets outside of a Retirement Plan or Vantagepoint IRA, Morningstar Investment Management will take those outside assets into consideration in the advice process. For example, if the outside assets are invested more in equity, Morningstar Investment Management may recommend a more conservative investment portfolio. Conversely, if the outside assets



are invested more in cash or bonds or if information is provided on a pension/defined benefit plan, Morningstar Investment Management may recommend a more aggressive investment portfolio.

Under Asset Class Guidance and Fund Advice, Participants may elect to implement some or all of the advice provided, including electing to not invest in certain asset classes or specific funds. Under the discretionary Managed Accounts service, Participants may select an alternate investment portfolio as opposed to the recommended investment portfolio, and will remain in this alternate portfolio until they instruct ICMA-RC otherwise. When an account is allocated in accordance with an alternate portfolio selected by the Participant, Morningstar Investment Management will continue to rebalance the account to align it with the alternate portfolio; however, Morningstar Investment Management will not reallocate the account to a different portfolio, even if the Participant notifies ICMA-RC of changes to his or her personal or financial information. Selection of an alternate portfolio may decrease the likelihood of achieving the Participant's retirement goals as calculated by Morningstar Investment Management.

The investment advice and asset allocation guidance provided under Guided Pathways Advisory Services does not take into account nor does it make any assumption related to a Participant's personal risk tolerance with respect to their investment objectives. As a result, the forecast and recommendations may involve investment risk that exceeds a Participant's acceptable risk tolerance level.

As of December 31, 2016, ICMA-RC managed \$1,529,199,268 under the discretionary Managed Accounts service. ICMA-RC does not manage Managed Accounts client assets on a non-discretionary basis. As of December 31, 2016 accounts with a total of \$44,379,126 were enrolled in the non-discretionary Fund Advice service.

### **Retirement Readiness Reports**

As an added feature of the Guided Pathways Advisory Services platform, and at the request of a Plan Sponsor, ICMA-RC may provide Retirement Readiness Reports ("Reports") to full-time employees of a Plan Sponsor (both existing Retirement Plan participants and non-participant employees). These Reports include: (1) a forecast of the individual 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 and fund specific recommendations based on certain employee specific data and available investment options in the Retirement Plan. ICMA-RC has engaged Morningstar Investment Management to generate the investment recommendations in the Reports. Morningstar Investment Management uses the same investment methodologies and software to generate the Reports that it uses for the Guided Pathways Advisory Services program described above.

Once a Plan Sponsor requests a Report, it is generated based on Plan Sponsor-provided personal and financial status information and assumptions (e.g., target annual retirement income and retirement age) for each employee. If any of the information or assumptions



are inaccurate, an employee should not rely on the recommendations provided in the Report. Existing Retirement Plan participants may contact ICMA-RC to correct any information that is inaccurate or does not apply to their personal situation or to provide additional information not depicted in the Report.

Employees may or may not elect to implement some or all of the advice provided, including electing to not invest in certain asset classes or specific funds.

## **Item 5 Fees and Compensation**

### **Guided Pathways Advisory Services**

*Managed Accounts* – Participants who enroll in Managed Accounts are assessed an asset based fee that is charged on a monthly basis. Managed Accounts fees are calculated as a percentage of the average daily account value at the end of each month. For Retirement Plan participants, the standard Managed Accounts Fee Schedule may be waived or discounted by agreement with the Plan Sponsor. However, the fees for Managed Accounts services are non-negotiable at the Participant level.

For Participants receiving Managed Accounts advice on multiple accounts, the asset based fee is calculated based on the aggregate account balances for all accounts the Participant has enrolled in Managed Accounts. The standard Managed Accounts Fee Schedule is shown below:

<b>Account Balance</b>	<b>Annual Fee</b>
First \$100,000	0.40%
Next \$100,000	0.35%
Next \$300,000	0.25%
Over \$500,000	0.00% (no additional fee charged)

On a monthly basis, the Managed Accounts Fee will be deducted pro-rata in arrears against all investments in any account enrolled in Managed Accounts. If participation in Managed Accounts terminates before the end of any month, the fee will be based on the number of days the account was managed during the calendar month.

*Fund Advice* – Fund Advice is provided to Participants for a fixed annual fee of \$20. The fee is charged to the account following enrollment and entitles Participants to use the service for a twelve-month period. For each succeeding twelve-month period for which the Fund Advice service is initiated or continued, Participants are required to pay the annual fee. If this fee is not paid, the Fund Advice service terminates automatically and a new contract must be entered in order to re-access Fund Advice. This fee may be waived for certain Retirement Plan participants with high account balances and/or who are enrolled in selected Retirement Plans.

*Asset Class Guidance* – No fee is assessed for Asset Class Guidance.



Participants that invest in the collective funds and mutual funds made available to their Retirement Plans or through the Vantagepoint IRA will indirectly bear their proportionate share of the fees and expenses that are paid at the fund level and borne by all shareholders or unit holders. These fees and expenses typically include, among others, investment advisory, transfer agent, custodial and distribution fees and portfolio brokerage costs that are paid by each fund and/or its underlying fund. The above fund fees and expenses are in addition to the advisory fees charged to Participants in the Guided Pathways Advisory Services program.

### **Retirement Readiness Reports**

ICMA-RC does not charge recipients for their Retirement Readiness Reports. The costs for the Reports are included in the fees paid by a Retirement Plan to ICMA-RC for providing Retirement Plan recordkeeping, administrative, and educational services.

### **Other Compensation – Guided Pathways Advisory Services**

While ICMA-RC makes available no-load funds or funds that have agreed to waive loads for Participants, ICMA-RC or one of its affiliates typically receive asset-based fees for providing investment advisory, recordkeeping, administrative and/or retirement plan administration services with respect to the funds in which Participants invest. Please see the response to Item 11, under Participation or Interest in Client Transactions, for a description of any potential conflict of interest from ICMA-RC's receipt of these fees.

Within their ICMA-RC-administered Retirement Plan accounts or Vantagepoint IRA accounts, Participants *do not* have the option to purchase funds recommended in the Guided Pathways Advisory Services program and Retirement Readiness Reports through other brokers or agents. However, Participants *do* have the option to purchase some of the funds recommended in the Guided Pathways Advisory Services program and Retirement Readiness Reports *outside of* their ICMA-RC-administered Retirement Plan or Vantagepoint IRA accounts through other brokers or agents.

### **Item 6 Performance-Based Fees and Side-By-Side Management**

Not applicable.

### **Item 7 Types of Clients**

#### **Guided Pathways Advisory Services**

Guided Pathways Advisory Services are available to individual participants in employer-sponsored state and local Retirement Plans administered by ICMA-RC and to Vantagepoint IRA investors. There is no minimum account size required to participate in any of the Guided Pathways Advisory Services.



While Fund Advice and Asset Class Guidance are generally available to all Retirement Plan participants, the Plan Sponsor must expressly adopt Managed Accounts before it is made available to the Retirement Plan's participants.

### **Retirement Readiness Reports**

At the request of a Plan Sponsor, ICMA-RC may provide Retirement Readiness Reports to all full-time employees of the Plan Sponsor (both existing Retirement Plan participants and non-participants).

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

### **Guided Pathways Advisory Services and Retirement Readiness Reports**

In making investment recommendations under Guided Pathways Advisory Services and Retirement Readiness Reports, Morningstar Investment Management first constructs asset class allocation models. These are constructed to provide a spectrum of risk/reward choices appropriate for a broad range of Participants. The allocation among asset classes is based on historic and projected returns and return patterns (standard deviations and correlations) for the asset classes.

After the asset class allocation models are established, Morningstar Investment Management then constructs fund-specific investment portfolios for each of the asset class allocation models. Morningstar Investment Management uses various quantitative criteria including style-based returns and tracking error, fund expense levels, and alpha. In addition, Morningstar Investment Management conducts a qualitative review and assessment for each fund-specific investment portfolio prior to its recommendation.

Morningstar Investment Management's investment portfolios are based on and specific to the investment options available for each Retirement Plan or the Vantagepoint IRA. Morningstar Investment Management, however, does not determine the Retirement Plan or Vantagepoint IRA investment options upon which the investment portfolios are based. For Retirement Plans, the Plan Sponsor has exclusive responsibility for selecting the Plan's investment options, and those selections are made independent of Guided Pathways Advisory Services. For the Vantagepoint IRA, ICMA-RC selects the available investment options. While ICMA-RC selects the overall investment options for the Vantagepoint IRA, it does not recommend the selection of any particular investment option for inclusion in Fund Advice or Managed Accounts.

Investments in funds recommended by Morningstar Investment Management are subject to the risks associated with investing in mutual funds, collective funds, and other securities, and will not always be profitable. Although each investment option available through the Retirement Plan or Vantagepoint IRA is subject to a degree of risk that could affect their performance, certain investment options entail additional risk specific to their asset class. For example, high yield bond investments are subject to increased risk of default, compared to higher rated securities. Foreign investments are subject to greater



risks of currency fluctuations and political uncertainty. Equity securities of companies with relatively small market capitalization may be more volatile than securities of larger, more established companies. Specialty funds invest in a limited number of companies and are generally non-diversified.

Based on the information provided by the Participant, Morningstar Investment Management may recommend that a portion of the Participant's assets be invested in the VT Retirement Income Advantage Fund, a Vantage Trust Fund that invests in a separate account under a group variable annuity issued by a third-party insurance company. The separate account, in turn, invests in underlying collective trust funds that are subject to the risks associated with investing in those vehicles, such as stock market risk, preferred stock risk, inflation-adjusted securities risk, emerging market securities risk, interest rate risk, equity income/interest rate risk, credit risk, foreign securities risk, foreign currency risk, mid-cap securities risk, small-cap securities risk, indexing risk, U.S. government agencies securities risk, call risk, mortgage backed securities risk, asset-backed securities risk, active trading risk, derivative instruments risk, convertible securities risk and multi-manager risk.

Insurance guarantees (i.e., the ability of the VT Retirement Income Advantage Fund to allow participants to make periodic withdrawals after the account balance has been depleted) are provided by the third-party insurance company and are based on that company's claims paying ability. Further, investments in the VT Retirement Income Advantage Fund involve the risk that the insurance guarantees may terminate under certain conditions, such as when: Participants may leave their Retirement Plan; the Plan Sponsor may switch Retirement Plan providers; the Plan Sponsor may remove the fund from the Retirement Plan's investment lineup; and the fund and/or the group annuity contract in which it invests may terminate.

The advice provided does not take into account nor does it make any assumption related to a Participant's personal risk tolerance with respect to their investment objectives. As a result, the forecast and recommendations may involve investment risk that exceeds a Participant's acceptable risk tolerance level.

### **Item 9 Disciplinary Information**

Not Applicable.

### **Item 10 Other Financial Industry Activities and Affiliations**

#### **Broker-Dealer**

ICMA-RC Services, LLC ("RC Services"), a wholly owned subsidiary of ICMA-RC, is a broker-dealer registered with the SEC and is a member of FINRA. Certain management persons of ICMA-RC are registered representatives of RC Services.



## **Investment Adviser**

Vantagepoint Investment Advisers, LLC (“VIA”), a wholly owned subsidiary of ICMA-RC and an SEC registered investment adviser, served as the investment adviser to The Vantagepoint Funds prior to those funds being terminated and liquidated in 2016. VIA’s investment advisory business is in the process of being revised.

## **Banking Institution**

VantageTrust Company, LLC (“VTC”) is a New Hampshire non-depository trust company and a wholly owned subsidiary of ICMA-RC. VTC is the sole trustee of VantageTrust (“VT”), VantageTrust II (“VT II”) and VantageTrust III (“VT III”) (collectively, the “VT Trusts”), trusts established and maintained by VTC for the purpose of the collective investment and reinvestment of assets of certain tax-exempt, governmental pension and profit-sharing plans, retiree welfare plans, related trusts and certain other eligible investors. ICMA-RC provides, for a negotiated fee, certain recordkeeping, management, and administrative services to VTC for the benefit of the eligible investors within the VT Trusts.

## **Collective Trust Funds**

Investment options are offered to Retirement Plans and their participants through VantageTrust and VantageTrust II. Certain VT, VT II and VT III Funds invest in other funds of the VT Trusts. ICMA-RC receives asset based fees for investment advice and administrative services provided to VTC with respect to the VT, VT II and VT III Funds. ICMA-RC has entered into agreements with subadvisers for the performance of some or all of ICMA-RC’s duties and responsibilities relating to certain Funds. ICMA-RC retains the responsibility and authority to monitor and review the performance of each subadviser, and VTC retains oversight of ICMA-RC’s advisory responsibilities. ICMA-RC’s investment advisory fees are in addition to any fees paid to the subadvisers.

## **Conflicts**

Please see the response to Item 11, under Participation or Interest in Client Transactions, for a description of any potential conflict of interest from the above financial industry affiliations.

### **Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

#### **Code of Ethics**

ICMA-RC adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 to help ICMA-RC meet its fiduciary obligations to its clients to act in the clients’ best interests and to subordinate ICMA-RC and its associates’ interests to the interests of ICMA-RC’s clients. The Code of Ethics helps to ensure that ICMA-RC associates avoid or

appropriately manage conflicts with the interests of clients. Under the Code of Ethics, all ICMA-RC associates are required to comply with ethical restraints relating to clients, including restrictions on giving gifts to, and receiving gifts from, clients in violation of ICMA-RC's gift policy.

ICMA-RC's Code of Ethics also addresses the SEC's "pay-to-play" rule, which is designed to prevent investment advisers from making political contributions or hidden payments in an effort to influence their selection by government officials to provide advisory services to government entities. ICMA-RC's Code of Ethics prohibits political contributions to certain state and local government officials, restricts using third party solicitors for potential clients unless those solicitors are subject to the pay to play rule, and implements a ban on engaging in fundraising activities for certain officials, political action committees, as well as state and local political parties. ICMA-RC's Political Contributions Policy contained in the Code of Ethics applies to all officers and employees of ICMA-RC and its affiliated entities regardless of position, responsibility or title. Exceptions to the political contribution prohibition are possible only upon approval of ICMA-RC's Chief Compliance Officer and only if, among other things, the amount of the contribution is the lesser of \$150 per year or per election.

Also as part of the Code of Ethics, ICMA-RC has adopted procedures to control the use of material, non-public information. These procedures take into account that ICMA-RC and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, ICMA-RC and its related persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client of ICMA-RC. Accordingly, should such persons come into possession of material non-public or other confidential information with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients when following policies and procedures designed to comply with law.

A copy of the Code of Ethics is available to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

ICMA-RC makes available to Retirement Plans and their participants investment options in VantageTrust and VantageTrust II as well as third-party funds. With respect to Vantagepoint IRA accounts, ICMA-RC makes available third-party funds. As noted above in Item 10, ICMA-RC is affiliated with VantageTrust Company, LLC, the trustee for the VT Trusts. Certain VT, VT II and VT III Funds, including the VT Retirement IncomeAdvantage Fund, invest in other funds of the VT Trusts. When ICMA-RC makes available to participants investments through VT and VT II, a conflict of interest exists because ICMA-RC receives compensation in the form of advisory and/or administrative fees based on the assets invested in the VT, VT II and VT III Funds.



Additionally, ICMA-RC receives administrative fees from its third-party fund settlement and clearing agent (“Clearing Agent”) for providing administrative and other services based on Retirement Plan assets invested in third-party funds; such administrative fees come from payments made by third-party funds to the Clearing Agent. ICMA-RC may credit or make payments to certain Retirement Plans or employers based, in part, on anticipated administrative fee income from its Clearing Agent or may reduce the fees charged to Retirement Plans or employers for plan administration or other services based on such anticipated fee income to ICMA-RC (“administrative allowances”). These administrative allowances are negotiated, may not be directly tied to the payments received by ICMA-RC, and may be more or less than actual payments received. Any such crediting, allowance, or fee reduction arrangement is described in the Administrative Services Agreement with each Retirement Plan.

With respect to the VT Retirement Income Advantage Fund, ICMA-RC receives an advisory fee and a services fee from the third-party insurance company for managing the separate account in which the Fund invests.

ICMA-RC selects the Vantagepoint IRA investment options. However, ICMA-RC does not recommend the selection of any particular investment option for inclusion in Fund Advice or Managed Accounts. ICMA-RC is not acting as a fiduciary when it selects the Vantagepoint IRA investment options. As described above, ICMA-RC will receive compensation based on an investor’s allocation of assets among investment options within the Vantagepoint IRA.

Because of the above, a potential conflict of interest exists when ICMA-RC makes available the Guided Pathways Advisory Services program, either through Managed Accounts or Fund Advice, or Retirement Readiness Reports, because ICMA-RC also receives the additional compensation described above. In handling this potential conflict, ICMA-RC has designed Guided Pathways Advisory Services and its component Managed Accounts and Fund Advice services in accordance with the United States Department of Labor Advisory Opinion 2001-091A (the “Advisory Opinion”). The Advisory Opinion provides an authorization for retirement plan and IRA providers to offer investment advice to their participants provided, among other things, that the advice is generated by an Independent Financial Expert (“IFE”). ICMA-RC has selected Morningstar Investment Management to act as the IFE for Guided Pathways Advisory Services. Under the Advisory Opinion and ICMA-RC’s contract with Morningstar Investment Management, ICMA-RC cannot influence the investment recommendations generated for Participants by Morningstar Investment Management. As such, ICMA-RC does not select the specific investment options that it recommends to a Managed Accounts or Fund Advice client. With respect to retirement plans, ICMA-RC also discloses the specific fees and expenses, as well as the compensation received from third-party funds, associated with a plan’s investment options to Plan Sponsors, who have a fiduciary duty to select the investment options available to a Retirement Plan participant.



## **Personal Securities Trading**

ICMA-RC and its associates are not obligated to refrain from recommending, buying or selling any security that ICMA-RC recommends to its clients, and may buy or sell for their own accounts, or for the accounts of any other client, any such security. Because ICMA-RC or certain of its associates (defined as “Access Persons”) may invest in the same securities as ICMA-RC’s clients, there exists a potential conflict of interest from placing their own corporate or personal interests ahead of those of their clients. There is also a potential conflict from ICMA-RC or its Access Persons having access to material, non-public information about the investments of their clients and using such information for personal gain in breach of their fiduciary duty to those clients.

In order to address these conflicts, ICMA-RC has implemented a Personal Securities Trading Policy that governs the personal investing activities of Access Persons and any associate that has gained access to Material Non-Public Information. The Personal Securities Trading Policy is designed to prevent unlawful practices in connection with personal securities trading of associates.

Access Persons are required to pre-clear certain securities trades and provide quarterly reports of their personal transactions. In addition, Access Persons must direct their brokers to provide copies to the CCO or the designee of all brokerage confirmations relating to all personal securities transactions in which they have a beneficial ownership interest.

A copy of the Personal Securities Trading Policy is available to any client or prospective client upon request.

ICMA-RC has also taken steps to ensure that associates who manage investments for ICMA-RC’s own corporate portfolio do not misuse confidential information about client investments. ICMA-RC requires that trades for the corporate portfolio be placed in accordance with pre-clearance guidelines that mirror those in the Personal Securities Trading Policy. Additionally, the ICMA-RC associates that participate in the investment decision and transaction must attest that the trade was not based on material non-public information and that the trade does not conflict with the interests of other accounts managed by ICMA-RC or its affiliates.

### **Item 12 Brokerage Practices**

Clients are not permitted to direct ICMA-RC to use specified brokers in performing portfolio transactions.

### **Guided Pathways Advisory Services – Managed Accounts**

As recordkeeper for the Retirement Plans or Vantagepoint IRAs that it administers, ICMA-RC batches purchase and sale requests from Participants, including advisory clients and non-clients, for unaffiliated third-party mutual funds that are an investment

option of a client model portfolio for a Managed Accounts client. Such transactions are completely filled for all participating accounts on the date of the transaction. Because such orders are for registered mutual funds, the aggregation process does not have a material effect on the quality of the execution as all orders received in good order before 4:00pm (ET) will receive the same execution price.

### **Item 13 Review of Accounts**

#### **Guided Pathways Advisory Services and Retirement Readiness Reports**

All investment advice provided to Participants in Guided Pathways Advisory Services is developed by Morningstar Investment Management, the Independent Financial Expert. ICMA-RC does not review the accounts of such Participants. However, ICMA-RC does annually review the asset allocation methodology and portfolios used by Morningstar Investment Management to develop the investment advice.

For Managed Accounts, reports outlining portfolio holdings and account performance are provided quarterly. These statements are mailed to all Managed Account Participants and are also available online. In addition, Managed Account Participants, on an annual basis, are provided with a detailed summary of the personal information they have provided as part of the Managed Accounts process and are asked to update the information if necessary.

### **Item 14 Client Referrals and Other Compensation**

ICMA-RC does not pay third-parties for advisory client referrals. However, ICMA-RC does compensate certain ICMA-RC employees to solicit Managed Accounts clients. Such compensation is either based on the amount of net new enrollments in Managed Accounts, or is tied to the amount of new assets enrolled in Managed Accounts that is attributable to Retirement Plan Participants solicited by the employee. ICMA-RC structures all solicitation arrangements in accordance with SEC Rule 206(4)-3.

### **Item 15 Custody**

#### **Guided Pathways Advisory Services**

For Managed Accounts, the assets in the account are maintained in the Participant's name by VTC, the "qualified custodian" as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. VTC is a wholly owned subsidiary of ICMA-RC (see Item 10). VTC is located at 777 North Capitol Street, NE, Washington DC 20002.

As the qualified custodian, VTC will send account statements on a quarterly basis. Participants should carefully compare the account statements that they receive from VTC with the quarterly statement that they receive from ICMA-RC.



## **Item 16 Investment Discretion**

### **Guided Pathways Advisory Services and Retirement Readiness Reports**

For Participants who select Managed Accounts discretionary management, ICMA-RC allocates assets of the Participant's account in accordance with the Morningstar Investment Management's recommended investment portfolio which Morningstar Investment Management has recommended as most appropriate based on the Participant's financial situation, investment time horizon, sustainable retirement income and other relevant factors.

Participants enrolled in Managed Accounts may personally select an alternate investment portfolio, as opposed to the investment portfolio recommended by Morningstar Investment Management, and would remain in this alternate portfolio until they instruct ICMA-RC otherwise. When an account is allocated in accordance with an alternate portfolio selected by the Participant, Morningstar Investment Management will continue to rebalance the account to align it with the alternate portfolio; however, Morningstar Investment Management will not reallocate the account to a different portfolio, even if the Participant notifies ICMA-RC of changes to his or her personal or financial information. Selection of an alternate portfolio may decrease the likelihood of Participants achieving their retirement goals as calculated by Morningstar Investment Management.

## **Item 17 Voting Client Securities**

ICMA-RC does not have the authority to vote Managed Account securities. Individual clients that are also shareholders will receive their proxies or other solicitations directly from their custodian or a transfer agent. ICMA-RC does not provide advice about how clients should vote their proxies.

## **Item 18 Financial Information**

Not Applicable.

