



# VANTAGETRUST FUND FEES AND EXPENSES

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OCTOBER 2016

Please note that the “estimated total expenses” provided below are estimated as of October 1, 2016, are subject to change, and include waivers and expense reimbursements, if any. These estimated total expenses include plan administration fees, as well as fees incurred by the VantageTrust Fund and its underlying investment options, such as investment management, transfer agency, and other service fees. A significant portion of these fees are paid to ICMA-RC or its subsidiaries. **Please note that your plan may include funds with different expenses.** For current information specific to your Plan’s fund lineup and expenses, log in to ICMA-RC’s Account Access at [www.icmarc.org](http://www.icmarc.org) or contact ICMA-RC by calling 800-669-7400.

**You should read *Making Sound Investment Decisions – A Retirement Investment Guide* (“Guide”) along with this document before making any investment decision.**

FUND NAME	ESTIMATED TOTAL EXPENSES
<b>CASH MANAGEMENT FUND</b>	
VT Cash Management Fund	0.43%
<b>STABLE VALUE FUND</b>	
VT PLUS Fund	0.81%
<b>GUARANTEED LIFETIME INCOME</b>	
VT Retirement Income Advantage Fund	1.72%
<b>BOND FUNDS</b>	
VT Vantagepoint Low Duration Bond Fund	0.61%
VT Vantagepoint Core Bond Index Fund	0.20%
VT Western Asset Core Plus Bond Fund	0.45%
VT Vantagepoint Inflation Focused Fund	0.64%
VT PIMCO High Yield Fund	0.81%
<b>ASSET ALLOCATION FUNDS — TARGET DATE FUNDS</b>	
VT Vantagepoint Milestone Retirement Income Fund	0.77%
VT Vantagepoint Milestone 2010 Fund	0.77%
VT Vantagepoint Milestone 2015 Fund	0.80%
VT Vantagepoint Milestone 2020 Fund	0.80%
VT Vantagepoint Milestone 2025 Fund	0.81%
VT Vantagepoint Milestone 2030 Fund	0.83%
VT Vantagepoint Milestone 2035 Fund	0.84%
VT Vantagepoint Milestone 2040 Fund	0.86%
VT Vantagepoint Milestone 2045 Fund	0.89%
VT Vantagepoint Milestone 2050 Fund	0.92%
VT Vantagepoint Milestone 2055 Fund	0.98%
<b>ASSET ALLOCATION FUNDS — TARGET RISK FUNDS</b>	
VT Vantagepoint Model Portfolio Conservative Growth Fund	0.81%
VT Vantagepoint Model Portfolio Traditional Growth Fund	0.83%
VT Vantagepoint Model Portfolio Long-Term Growth Fund	0.88%
VT Vantagepoint Model Portfolio Global Equity Growth	0.91%

FUND NAME	ESTIMATED TOTAL EXPENSES
<b>U.S. STOCK FUNDS</b>	
VT Vantagepoint Equity Income Fund	0.71%
VT Invesco Diversified Dividend Fund	0.58%
VT AllianzGI NFJ Dividend Value Fund	0.98%
VT Vantagepoint 500 Stock Index Fund	0.19%
VT Vantagepoint Broad Market Index Fund	0.18%
VT Vantagepoint Growth & Income Fund	0.81%
VT Parnassus Core Equity Fund	0.87%
VT Oppenheimer Main Street Fund	0.69%
VT Vantagepoint Growth Fund	0.80%
VT Contrafund®*	0.71%
VT T. Rowe Price® Growth Stock Fund**	0.92%
VT Wells Fargo Premier Large Company Growth Fund	1.00%
VT Vantagepoint Select Value Fund	0.96%
VT Goldman Sachs Mid Cap Value Fund	0.90%
VT Vantagepoint Mid/Small Company Index Fund	0.19%
VT Vantagepoint Aggressive Opportunities Fund	0.79%
VT AMG TimesSquare Mid Cap Growth Fund	1.23%
VT Harbor Mid Cap Growth Fund	1.11%
VT AllianzGI NFJ Small-Cap Value Fund	1.13%
VT Vantagepoint Discovery Fund	0.81%
VT Oppenheimer Discovery Fund	0.86%
<b>INTERNATIONAL FUNDS</b>	
VT Vantagepoint International Fund	0.96%
VT Vantagepoint Overseas Equity Index Fund	0.26%
VT Diversified International Fund	1.00%
VT Harbor International Fund	1.01%
<b>BALANCED FUND</b>	
VT Puritan® Fund*	0.56%
<b>SPECIALTY FUNDS</b>	
VT Nuveen Real Estate Securities Fund	1.05%

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## Payments from Third-Party Mutual Funds

Each of the third-party mutual funds in which the VT Funds invest, or their service providers, make payments to ICMA-RC or its affiliates. These payments may be in the form of 12b-1 fees, service fees, compensation for subaccounting, or for other services provided by ICMA-RC. At the time of this publication, the following fund families pay at the annual percentage rates set forth below based on VT Fund balances invested in their funds:

- AMG TimesSquare .....0.35%
- AllianzGI ..... up to 0.35%
- Fidelity ..... up to 0.25%
- Goldman Sachs ..... 0.25%
- Harbor ..... 0.25%
- Invesco ..... 0.25%
- Nuveen ..... 0.25%
- Oppenheimer ..... 0.25%
- Parnassus ..... 0.25%
- PIMCO ..... 0.25%
- T. Rowe Price®\*\* ..... 0.40%
- Wells Fargo ..... 0.35%
- Western Asset ..... up to 0.35%



# MAKING SOUND INVESTMENT DECISIONS

## A Retirement Investment Guide (“Guide”)

OCTOBER 2016

### INTRODUCTION

ICMA Retirement Corporation (“ICMA-RC”) and VantageTrust Company, LLC (“Trust Company”) provide plan administration, education and communication services, and sponsor investment options for deferred compensation and qualified retirement plans maintained by state and local governments for their employees (“Plan(s)”). ICMA-RC is a non-profit organization dedicated to supporting the public sector, and the Trust Company is a wholly owned subsidiary of ICMA-RC, the investment adviser to the Trust Company.

### Purpose of VantageTrust

VantageTrust (the “Trust”) is a group trust established and maintained by the Trust Company and provides for the commingled investment of the assets of retirement and deferred compensation plans administered by ICMA-RC. The Trust facilitates efficient investment management of retirement accounts with similar investment objectives. The VantageTrust Funds (“VT Funds”) are collective trust funds made available to you through the Trust.

### Important Considerations

Before investing in a VT Fund you should carefully consider:

- your investment goals, your tolerance for risk, your investment time horizon, and your personal financial circumstances;
- there is no guarantee that a VT Fund will meet its investment objective;
- past fund performance does not indicate or guarantee future performance;
- you can lose money investing in the VT Funds; and
- the VT Funds are not guaranteed or insured by the Federal Deposit Insurance Corporation (“FDIC”), any other government agency, or ICMA-RC.

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**Important Note:** A VantageTrust Fund Fees and Expenses document must accompany this Guide, and you should review this document before you invest in the VT Funds. Please contact Investor Services by calling 800-669-7400 if you need to obtain the appropriate document for your Plan. The VT Funds are offered in different share classes. A description of these share classes can be found in the *Retirement Investment Guide Additional Information*, which you can obtain by calling Investor Services at the number above.

## VANTAGETRUST INVESTMENT OPTIONS AND SUMMARY DESCRIPTIONS

The table below lists each investment option as well as the page number where a summary describing that option can be found.

Fixed Income Funds	Stable Value/Cash Management		Bond	
	VT Cash Management Fund.....	3	VT Vantagepoint Low Duration Bond Fund.....	4
VT PLUS Fund.....	3	VT Vantagepoint Core Bond Index Fund.....	4	
		VT Western Asset Core Plus Bond Fund.....	4	
		VT Vantagepoint Inflation Focused Fund.....	5	
		VT PIMCO High Yield Fund.....	5	

Asset Allocation Funds	Asset Allocation/Target Date		Asset Allocation/Target Risk	
	VT Vantagepoint Milestone Retirement Income Fund.....	7	VT Vantagepoint Model Portfolio Conservative Growth Fund.....	9
VT Vantagepoint Milestone 2010 Fund.....	7	VT Vantagepoint Model Portfolio Traditional Growth Fund.....	9	
VT Vantagepoint Milestone 2015 Fund.....	8	VT Vantagepoint Model Portfolio Long-Term Growth Fund.....	10	
VT Vantagepoint Milestone 2020 Fund.....	8	VT Vantagepoint Model Portfolio Global Equity Growth Fund.....	10	
VT Vantagepoint Milestone 2025 Fund.....	8			
VT Vantagepoint Milestone 2030 Fund.....	8			
VT Vantagepoint Milestone 2035 Fund.....	8			
VT Vantagepoint Milestone 2040 Fund.....	8			
VT Vantagepoint Milestone 2045 Fund.....	8			
VT Vantagepoint Milestone 2050 Fund.....	8			
VT Vantagepoint Milestone 2055 Fund.....	8			

U.S. Stock Funds	Value		Blend		Growth	
	Large-Cap					
VT Vantagepoint Equity Income Fund.....	12	VT Vantagepoint 500 Stock Index Fund.....	12	VT Vantagepoint Growth Fund.....	13	
VT Invesco Diversified Dividend Fund.....	12	VT Vantagepoint Broad Market Index Fund.....	12	VT Contrafund®*.....	14	
VT AllianzGI NFJ Dividend Value Fund.....	12	VT Vantagepoint Growth & Income Fund.....	13	VT T. Rowe Price® Growth Stock Fund†**.....	14	
		VT Parnassus Core Equity Fund.....	13	VT Wells Fargo Premier Large Company Growth Fund.....	14	
		VT Oppenheimer Main Street Fund.....	13			
Mid-Cap						
VT Vantagepoint Select Value Fund.....	14			VT Vantagepoint Aggressive Opportunities Fund.....	15	
VT Goldman Sachs Mid Cap Value Fund.....	14			VT AMG TimesSquare Mid Cap Growth Fund.....	15	
				VT Harbor Mid Cap Growth Fund.....	15	
Small-Cap						
VT AllianzGI NFJ Small-Cap Value Fund.....	15	VT Vantagepoint Mid/Small Company Index Fund.....	16	VT Oppenheimer Discovery Fund.....	16	
		VT Vantagepoint Discovery Fund.....	16			

Other Investment Options	International		Balanced		Specialty		Other Investment Options***	
	VT Vantagepoint International Fund.....	17	VT Puritan® Fund*.....	17	VT Nuveen Real Estate Securities Fund.....	18	VT Retirement Income Advantage Fund.....	18
VT Vantagepoint Overseas Equity Index Fund.....	17							
VT Diversified International Fund.....	17							
VT Harbor International Fund.....	17							

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\*\*\* Information about VT CD Accounts can be found on Account Access at [www.icmarc.org](http://www.icmarc.org).

Each VT Fund, except the VT PLUS Fund (or “PLUS Fund”) and the VT Retirement Income Advantage Fund, invests substantially all of its assets in the single underlying fund identified below — either one of the VT III Vantagepoint Funds (which are collective funds sponsored and managed by ICMA-RC) or a third-party mutual fund. Certain VT Funds, services, or products described in this Guide may not be available through your Plan, and all are subject to change. The summaries below are not complete descriptions of the investment options or the VT Funds.

More information about the investments available through VantageTrust is available at [www.icmarc.org](http://www.icmarc.org), or you can call 800-669-7400 and ask that copies of the following documents be sent to you by mail or email.

- *Retirement Investment Guide Additional Information*, a companion document to this Guide that provides more information about the VT Funds and policies and procedures that may affect your investment.
- *VT Retirement Income Advantage Fund Important Considerations*, which contains information about the fund that you should consider before investing.
- Underlying third-party mutual fund prospectuses that describe in greater detail each fund’s principal investment strategies, risks, and expenses.

## VANTAGETRUST FIXED INCOME INVESTMENT OPTIONS

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>CASH MANAGEMENT FUND</b>				
VT Cash Management Fund	Fidelity® Money Market Government Portfolio	As high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity.	The underlying fund normally invests at least 99.5% of its total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities). The underlying fund invests in U.S. Government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury.	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• U.S. Treasury Securities Risk</li> </ul>
<b>STABLE VALUE FUND</b>				
VT PLUS Fund	None	A competitive level of income consistent with providing capital preservation and meeting liquidity needs.	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.	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Issuer Risk</li> <li>• Liquidity Risk</li> <li>• Reinvestment Risk</li> <li>• Call Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Securities Lending Risk</li> <li>• Derivative Instruments Risk</li> </ul>

**VANTAGETRUST FIXED INCOME INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>BOND FUNDS</b>				
<b>VT Vantagepoint Low Duration Bond Fund</b>	VT III Vantagepoint Low Duration Bond Fund	Total return that is consistent with preservation of capital.	The underlying fund invests, under normal circumstances, at least 80% of its net assets in bonds and other fixed income securities of varying maturities, and normally invests at least 65% of its net assets in bonds and other fixed income securities with more than one year to maturity. The underlying fund seeks to maintain a portfolio effective duration of no greater than three years. It may invest in high yield securities ("junk bonds") and floating rate loans, as well as foreign securities and derivative instruments.	<ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Interest Rate Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• Municipal Securities Risk</li> <li>• Call Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Floating Rate Loans Risk</li> <li>• High Yield Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT Vantagepoint Core Bond Index Fund</b>	VT III Vantagepoint Core Bond Index Fund	Current income by approximating the performance of the Bloomberg Barclays U.S. Aggregate Bond Index.	The underlying fund invests, under normal circumstances, at least 80% of its net assets in bonds and other fixed income securities included in the Bloomberg Barclays U.S. Aggregate Bond Index, selected and weighted to seek to result in investment characteristics comparable to those of that index and performance that correlates with the performance of that index. It considers To-Be-Announced ("TBA") transactions that provide substantially similar exposure to securities in the Bloomberg Barclays U.S. Aggregate Bond Index to be investments included within the index. The underlying fund follows an indexed or passively managed approach to investing. A sampling technique is employed to approximate index characteristics, using fewer securities than are contained in the index.	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• TBA Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• Credit Risk</li> <li>• Indexing Risk</li> <li>• Portfolio Turnover Risk</li> </ul>
<b>VT Western Asset Core Plus Bond Fund</b>	Western Asset Core Plus Bond Fund	Maximize total return, consistent with prudent investment management and liquidity needs.	The underlying fund invests in fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets in debt and fixed income securities. Although the underlying fund may invest in securities of any maturity, it will normally maintain a dollar-weighted average effective duration within 30% of the average duration of the domestic bond market as a whole as estimated by its subadvisers. The underlying fund may invest up to 20% of its total assets in non-U.S. dollar denominated securities and up to 20% of the fund's net assets may be invested in debt securities that are not rated in the Baa or BBB categories or above at the time of purchase by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs") or, if unrated, securities of comparable quality at the time of purchase (as determined by the underlying fund's subadvisers). Such debt securities are commonly known as "junk bonds" or "high yield securities." The underlying fund may invest up to 25% of its total assets in the securities of non-U.S. issuers and intends to invest a substantial portion of its assets in mortgage-backed and asset-backed securities. It may also enter into various exchange-traded and over-the-counter derivative transactions including, but not limited to, futures, options, swaps, foreign currency futures, and forwards.	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• High Yield Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Leverage Risk</li> <li>• Liquidity Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Foreign Government Securities Risk</li> <li>• Call Risk</li> <li>• Issuer Risk</li> <li>• Inflation-Adjusted Securities Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Management Risk</li> </ul>

## VANTAGETRUST FIXED INCOME INVESTMENT OPTIONS

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>BOND FUNDS (CONTINUED)</b>				
<b>VT Vantagepoint Inflation Focused Fund</b>	VT III Vantagepoint Inflation Focused Fund	Inflation protection and income.	The underlying fund invests, under normal circumstances, in a combination of (1) inflation-indexed fixed income securities or instruments, (2) other fixed income securities or instruments, and (3) inflation-linked derivatives. To the extent that the underlying fund's subadvisers invest in fixed income securities that are not inflation-indexed, they may use inflation-linked derivatives in connection with such investments to seek to achieve the investment objective. The underlying fund generally invests in investment grade fixed income securities.	<ul style="list-style-type: none"> <li>• Inflation-Adjusted Securities Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Call Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Municipal Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT PIMCO High Yield Fund</b>	PIMCO High Yield Fund	Maximum total return consistent with preservation of capital and prudent investment management.	The underlying fund invests, under normal circumstances, at least 80% of its assets in a diversified portfolio of high yield securities ("junk bonds"), which may be represented by forward contracts or derivatives such as options, futures, or swap agreements, rated below investment grade by Moody's, or equivalently rated by S&P or Fitch. The remainder of its assets may be invested in investment grade fixed income securities that include bonds or other debt securities issued by various U.S. and non-U.S. public- and private-sector entities. It may also invest in securities denominated in foreign currencies and in securities and instruments tied to emerging market countries and in preferred stock. The underlying fund may invest in derivative instruments without limitation.	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• High Yield Securities Risk</li> <li>• Issuer Risk</li> <li>• Liquidity Risk</li> <li>• Derivative Instruments Risk</li> <li>• Stock Market Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Leverage Risk</li> <li>• Management Risk</li> <li>• Short Sale Risk</li> </ul>

### Additional Information About the VT PLUS Fund

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.

The PLUS Fund invests in certain stable value investment contracts, described below, to seek to achieve, over the long run, returns higher than those of money market funds and short-term bank rates and relatively stable returns compared to short-to-intermediate term fixed income funds. The PLUS Fund generally will not track shorter-term interest rates as closely as money market mutual funds, due to its longer maturity, potential adverse market changes, and provisions in stable value contracts held by the PLUS Fund. In addition, while the PLUS Fund's returns are generally expected to follow

interest rate trends over time, they typically would do so on a lagged basis.

**Investment Strategies** — ICMA-RC employs a structured, multi-product, multi-manager approach in managing the PLUS Fund. The PLUS Fund invests primarily in a diversified and tiered portfolio of stable value investment contracts and in fixed income securities, fixed income mutual funds, and fixed income commingled trust funds ("fixed income assets") that back certain stable value investment contracts. In addition, the PLUS Fund invests in cash and cash equivalents including short-term investment funds and money market mutual funds. The PLUS Fund's portfolio may include different types of investments with a variety of negotiated terms and maturities and is diversified across sectors and issuers. The composition of the PLUS Fund's portfolio and its allocations to various stable value investments and fixed income investment sectors, across the fund's multiple tiers, is determined based on prevailing



economic and capital market conditions, relative value analysis, liquidity needs, and other factors.

The PLUS Fund primarily invests in stable value investment contracts that allow Plan participants who invest in the PLUS Fund to make benefit withdrawals at book value, i.e., original book or contract value plus accrued interest, plus additional deposits less withdrawals, fees and expenses, and other adjustments.

The types of stable value investment contracts in which the PLUS Fund may invest are described below.

*Traditional Guaranteed Investment Contracts (“GICs”)* — contracts issued by insurance companies that guarantee (1) payments of interest at a fixed or floating rate and (2) repayments of principal. The amount invested by the PLUS Fund in each Traditional GIC becomes part of the insurance company’s general account assets, which are managed and invested as the insurance company deems appropriate. Payments of principal and interest under a GIC depend on the insurance company’s creditworthiness and ability to meet its obligations when they come due.

*Separate Account GICs* — contracts issued by insurance companies that are backed by fixed income assets held in a separate account at the insurance company that is held separate from the insurance company general account assets for the benefit of the PLUS Fund and any other contract holders in that separate account. The underlying fixed income assets are managed by either the insurance company, an affiliate of the insurance company, or a third-party manager.

*Synthetic GICs* — contracts issued by insurance companies, banks, or other financial institutions (a “Synthetic GIC issuer”) that are backed by fixed income assets owned by the PLUS Fund. The Synthetic GIC issuer contract, which provides for participant withdrawals at book value under certain conditions, is called a “wrap contract,” and the issuer may be referred to as a “wrap provider” or “wrapper.” The underlying fixed income assets are managed by fixed income managers hired or approved by ICMA-RC; additionally, certain fixed income assets are managed by ICMA-RC. Certain wrap providers require that they or an affiliate manage the portfolio that they wrap.

*Bank Investment Contracts (“BICs”)* — contracts that are similar but not identical to Traditional GICs and are issued by a bank as a benefit-responsive bank deposit.

**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 nonstandard 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; downgrade or default of issuers of GICs, BICs, Separate Account GICs, or Synthetic GICs; 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; or 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.

**Securities Lending** — The PLUS Fund participates in a securities lending program under which its custodian is authorized to lend a limited amount of fixed income securities backing the Synthetic GICs. The fixed income securities that are on loan require cash or other forms of collateral at least equal to the market value of the securities loaned as provided for in a Securities Lending Agency Agreement with JPMorgan Chase Bank, N.A. The collateral received is reinvested into cash equivalents including money market funds. As with other extensions of credit, there are risks of delay in recovery of the securities on loan. In the event of default or insolvency of the borrower, the PLUS Fund will be indemnified by its custodian for the securities lending program conducted through the custodian if, at the time of a default by a borrower, some or all of the loaned securities have not been returned by the borrower.

**Crediting Rate** — Investors in the PLUS Fund receive a daily accrual to their accounts that seeks to approximate the PLUS Fund’s expected yield. The crediting rate is set monthly, at the end of the prior month, and seeks to approximate what the PLUS Fund’s actual earnings will be for the current month, increased or decreased to adjust for differences between actual and credited earnings in prior periods. This crediting rate is estimated taking into account current yields on the PLUS Fund’s holdings in GICs and short-term investment funds and prior period performance of the securities underlying the Separate Account and Synthetic GICs held by the PLUS Fund. The PLUS Fund’s monthly crediting rate may not move in the same direction as prevailing interest rates over certain time periods.

The Trust Company reserves the right to change the PLUS Fund’s policies or fees at any time.

Please refer to *Retirement Investment Guide Additional Information* for more information about the PLUS Fund’s management, investments, and risks.

**Direct transfers from the PLUS Fund to competing funds are restricted. These restrictions are described in the “Investor’s Guide” section of this Guide.**



**VANTAGETRUST ASSET ALLOCATION INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>ASSET ALLOCATION FUNDS — TARGET DATE FUNDS</b>				
<b>VT Vantagepoint Milestone Retirement Income Fund</b>	VT III Vantagepoint Milestone Retirement Income Fund	Current income and opportunities for capital growth that have limited risk.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 63% fixed income investments, 30% equity investments, and 7% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”), among others.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>
<b>VT Vantagepoint Milestone 2010 Fund</b>	VT III Vantagepoint Milestone 2010 Fund	High total return consistent with the fund’s current asset allocation.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) using an asset allocation strategy designed for investors who retired in or around the year 2010 and would like to make gradual withdrawals from their investment. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”), among others. As time elapses, the underlying fund’s allocation to equity and multi-strategy investments decreases and its allocation to fixed income investments increases so that by June 30 of the year 2020 (10 years after the year indicated in its name), the underlying fund’s net assets will be invested approximately 30% in equity funds, 63% in fixed income funds, and 7% in multi-strategy funds.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>

**VANTAGETRUST ASSET ALLOCATION INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>ASSET ALLOCATION FUNDS — TARGET DATE FUNDS (CONTINUED)</b>				
VT Vantagepoint Milestone 2015 Fund	VT III Vantagepoint Milestone 2015 Fund	High total return consistent with the fund's current asset allocation.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs") using an asset allocation strategy designed for investors who retired in or around the year 2015 and would like to make gradual withdrawals from their investment. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts ("REITs"), among others. As time elapses, the underlying fund's allocation to equity and multistrategy investments decreases and its allocation to fixed income investments increases so that by June 30 of the year 2025 (10 years after the year indicated in its name), the underlying fund's net assets will be invested approximately 30% in equity funds, 63% in fixed income funds, and 7% in multi-strategy funds.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>
VT Vantagepoint Milestone 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055 Funds	VT III Vantagepoint Milestone 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055 Funds	High total return consistent with a fund's current asset allocation.	The corresponding underlying VT III Vantagepoint Milestone Fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds ("ETFs") using an asset allocation strategy designed for investors who expect to begin making gradual withdrawals from their investment, typically at or after retirement (assumed to occur at age 60), in or around the year stated in the underlying fund's name. The underlying fund invests in a combination of equity, fixed income, and multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts ("REITs"), among others. As time elapses, the underlying fund's allocation to equity and multi-strategy investments decreases and its allocation to fixed income investments increases so that by June 30 of the 10th year after the year indicated in the underlying fund's name, its net assets will be invested approximately 30% in equity funds, 63% in fixed income funds, and 7% in multi-strategy funds.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>

**VANTAGETRUST ASSET ALLOCATION INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>ASSET ALLOCATION FUNDS — TARGET RISK FUNDS</b>				
<b>VT Vantagepoint Model Portfolio Conservative Growth Fund</b>	VT III Vantagepoint Model Portfolio Conservative Growth Fund	Reasonable current income and capital preservation, with modest potential for capital growth.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 61% fixed income investments, 30% equity investments, and 9% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”), among others.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>
<b>VT Vantagepoint Model Portfolio Traditional Growth Fund</b>	VT III Vantagepoint Model Portfolio Traditional Growth Fund	Moderate capital growth and reasonable current income.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 34% fixed income investments, 54% equity investments, and 12% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”), among others.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>

## VANTAGETRUST ASSET ALLOCATION INVESTMENT OPTIONS

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>ASSET ALLOCATION FUNDS — TARGET RISK FUNDS (CONTINUED)</b>				
<b>VT Vantagepoint Model Portfolio Long-Term Growth Fund</b>	VT III Vantagepoint Model Portfolio Long-Term Growth Fund	High long-term capital growth and modest current income.	The underlying fund invests in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) to seek to obtain exposure to approximately 15% fixed income investments, 72% equity investments, and 13% multi-strategy investments. Multi-strategy investments generally include asset classes and strategies that seek to provide additional diversification from traditional stocks and bonds. Examples may include convertible securities, derivative-based strategies, and real estate investment trusts (“REITs”), among others.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• Prepayment and Extension Risk</li> <li>• Derivative Instruments Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>
<b>VT Vantagepoint Model Portfolio Global Equity Growth Fund</b>	VT III Vantagepoint Model Portfolio Global Equity Growth Fund	High long-term capital growth.	The underlying fund invests, under normal circumstances, 100% of its net assets in equity funds by investing in a combination of other VT III Vantagepoint Funds and one or more third party exchange-traded funds (“ETFs”) whose assets are invested, under normal circumstances, at least 80% in equity securities (common and preferred stock) or instruments that provide equity exposure. The underlying fund expects to have significant exposure to non-U.S. securities.	<ul style="list-style-type: none"> <li>• Asset Allocation Risk</li> <li>• Fund of Funds Risk</li> <li>• ETF Risks</li> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Preferred Stock Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Indexing Risk</li> <li>• Large Investor Risk</li> </ul>

### Additional Information About VT Vantagepoint Milestone Funds and VT Vantagepoint Model Portfolio Funds

The VT Vantagepoint Milestone Funds are target date funds and the VT Vantagepoint Model Portfolio Funds are target risk funds. Each invests substantially all of its assets in the single VT III Vantagepoint Milestone Fund (“Milestone Fund”) or VT III Vantagepoint Model Portfolio Fund (“Model Portfolio Fund”) that shares its name and investment objective. In turn, each underlying Milestone Fund or Model Portfolio Fund is a “fund of funds” that invests substantially all of its assets in other VT III Vantagepoint Funds and one or more third party ETFs. By investing in this way, each Milestone Fund or Model Portfolio Fund is exposed to the risks as well as the potential rewards of its underlying funds and of the portfolio holdings and strategies of those funds.

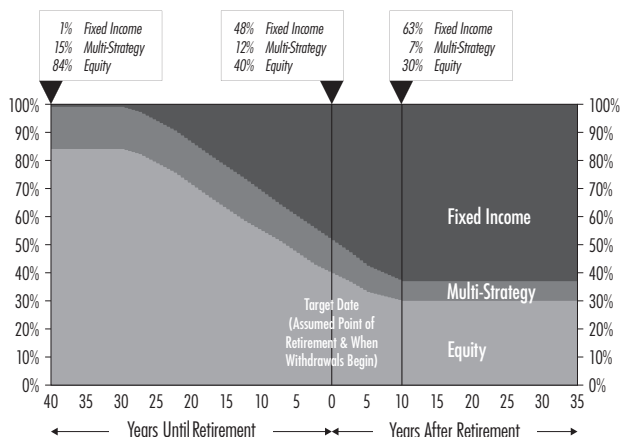
### Target Date Funds

The targeted allocation of each Milestone Fund’s assets among underlying funds and the asset classes they represent is determined by ICMA-RC, the investment adviser to the Trust Company with respect to the VT III Funds.

Over time, ICMA-RC will adjust the asset allocation of each “dated” Milestone Fund to seek to become more conservative as the year designated in its name approaches and for approximately 10 years beyond the designated year. This is intended to reduce investment risk as investors move toward and into retirement. However, there is no guarantee that this goal will be achieved, and investors may lose money. Ten years after the date in the Milestone Fund’s name, it will reach its “landing point” and its target asset allocation becomes constant.

The sequence of asset allocation changes that the dated Milestone Funds are expected to follow is known as the “glide path” and is illustrated in the chart below.

All dated Milestone Funds expect to follow the same glide path, regardless of target year.



### Underlying Funds to the Target Risk and Target Date Funds<sup>1</sup>

Each Model Portfolio and Milestone Fund seeks to obtain exposures to different asset classes and offer diversification by allocating its assets among other VT III Vantagepoint Funds and one or more third party ETFs listed below:

#### FIXED INCOME FUNDS

VT III Vantagepoint Low Duration Bond Fund

VT III Vantagepoint Core Bond Index Fund

VT III Vantagepoint Inflation Focused Fund

VT III Vantagepoint High Yield Fund

#### EQUITY FUNDS

VT III Vantagepoint Equity Income Fund

VT III Vantagepoint Growth & Income Fund

VT III Vantagepoint Growth Fund

VT III Vantagepoint Select Value Fund

VT III Vantagepoint Mid/Small Company Index Fund

VT III Vantagepoint Aggressive Opportunities Fund

VT III Vantagepoint Discovery Fund

VT III Vantagepoint International Fund

Third-Party Emerging Markets ETFs

#### MULTI-STRATEGY FUND

VT III Vantagepoint Diversifying Strategies Fund

<sup>1</sup> The VT III Vantagepoint Fixed Income and Equity Funds that are underlying funds for certain VT Funds are described in this Guide. The VT III Vantagepoint Diversifying Strategies Fund and VT III Vantagepoint High Yield Fund are described on pages 20 and 21.

**VANTAGETRUST U.S. STOCK INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>LARGE-CAP U.S. STOCK FUNDS</b>				
<b>VT Vantagepoint Equity Income Fund</b>	VT III Vantagepoint Equity Income Fund	Long-term capital growth with consistency derived from dividend yield.	The underlying fund invests, under normal circumstances, at least 80% of its net assets in equity securities. The underlying fund seeks to invest primarily in the common stocks of U.S. companies that its subadvisers believe will pay dividends. As a result of its income focus, certain sectors or industries may be emphasized. The underlying fund may exhibit greater sensitivity to certain economic factors (e.g., changing interest rates) than will the general stock market. It may invest in companies of all sizes, but generally focuses on larger capitalization companies. A portion of the underlying fund invests in (or obtains exposure to) stocks included in a custom version of the Russell 1000 <sup>®</sup> Value Index, following an indexed or passively managed approach to investing.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Preferred Stock Risk</li> <li>• Style Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Indexing Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT Invesco Diversified Dividend Fund</b>	Invesco Diversified Dividend Fund	Long-term growth of capital and, secondarily, current income.	The underlying fund invests primarily in dividend-paying equity securities. The principal type of equity security in which it invests is common stock. The underlying fund invests in securities that its portfolio managers believe are undervalued based on various valuation measures. It may invest up to 25% of its net assets in securities of foreign issuers.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Management Risk</li> <li>• Style Risk</li> </ul>
<b>VT AllianzGI NFJ Dividend Value Fund</b>	AllianzGI NFJ Dividend Value Fund	Long-term growth of capital and income.	The underlying 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 that pay or are expected to pay dividends. Under normal circumstances, the underlying fund will invest primarily in common stocks of companies with market capitalizations greater than \$3.5 billion. The underlying fund's portfolio managers use a value investing style. It may also invest in REITs and in non-U.S. securities, including emerging market securities.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Issuer Risk</li> <li>• Credit Risk</li> <li>• Foreign Currency Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Style Risk</li> <li>• Focused Investment Risk</li> <li>• Liquidity Risk</li> <li>• Management Risk</li> <li>• Foreign Securities Risk</li> <li>• REITs Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Portfolio Turnover Risk</li> </ul>
<b>VT Vantagepoint 500 Stock Index Fund</b>	VT III Vantagepoint 500 Stock Index Fund	Long-term capital growth by approximating the performance of the S&P 500 Index.	The underlying fund invests, under normal circumstances, at least 90% of its net assets in stocks included in the S&P 500 Index, weighted to seek to replicate the investment characteristics of the S&P 500 Index and performance that correlates with that of the index. The underlying fund follows an indexed or "passively managed" approach to investing.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Indexing Risk</li> </ul>
<b>VT Vantagepoint Broad Market Index Fund</b>	VT III Vantagepoint Broad Market Index Fund	Long-term capital growth by approximating the performance of the Russell 3000 <sup>®</sup> Index.	The underlying fund invests, under normal circumstances, at least 90% of its net assets in equity issuers included in the Russell 3000 <sup>®</sup> Index, selected and weighted to seek to result in investment characteristics comparable to those of that index and performance that correlates with the performance of that index. It follows an indexed or "passively managed" approach to investing.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Indexing Risk</li> </ul>

**VANTAGETRUST U.S. STOCK INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>LARGE-CAP U.S. STOCK FUNDS (CONTINUED)</b>				
<b>VT Vantagepoint Growth &amp; Income Fund</b>	VT III Vantagepoint Growth & Income Fund	Long-term capital growth and current income.	The underlying fund invests, under normal circumstances, primarily in U.S. common stocks that its subadvisers believe offer the potential for capital appreciation or that may provide current income by paying dividends. Strategies used by its subadvisers include 1) focusing on large-capitalization U.S. companies whose common stocks are believed to offer potential for price appreciation because of undervaluation, earnings growth, or both; and 2) emphasizing U.S. stocks that may pay dividends.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Preferred Stock Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Foreign Securities Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Foreign Currency Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT Parnassus Core Equity Fund</b>	Parnassus Core Equity Fund	Capital appreciation and current income.	The underlying fund invests primarily in a diversified portfolio of equity securities. Equity securities include common stock and preferred stock. Under normal circumstances, the underlying fund will invest a minimum of 80% of its net assets (plus borrowings for investment purposes) in equity securities, and at least 75% of its total assets will normally be invested in equity securities that pay interest or dividends. The remaining 25% may be invested in non-dividend paying equity securities, short term instruments, and money market instruments (i.e., cash and cash equivalents). It is primarily a large-cap fund, which means that it normally invests more than half of its net assets in large, well-established businesses. Such companies are those that are considered by the investment adviser to the underlying fund to have a market capitalization that is greater than the median market capitalization of the Russell 1000 <sup>®</sup> Index measured at the time of purchase. To a lesser extent, it may invest in small- and mid-capitalization companies. The underlying fund also may purchase foreign securities directly on foreign markets. It invests mainly in domestic stocks of companies that its investment adviser believes are financially sound and have good prospects. It also may, to a lesser extent, invest in foreign securities of similar companies.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Large-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Management Risk</li> <li>• Foreign Securities Risk</li> </ul>
<b>VT Oppenheimer Main Street Fund</b>	Oppenheimer Main Street Fund	Capital appreciation.	The underlying fund mainly invests in common stocks of U.S. companies of different capitalization ranges. Its portfolio managers currently focus on "larger capitalization" issuers, which are considered to be companies with market capitalizations equal to the companies in the Russell 1000 <sup>®</sup> Index. Its portfolio consists of both growth and value stocks.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Focused Investment Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> </ul>
<b>VT Vantagepoint Growth Fund</b>	VT III Vantagepoint Growth Fund	Long-term capital growth.	The underlying fund invests, under normal circumstances, primarily in U.S. common stocks that are considered by its subadvisers to have above-average potential for growth. Its subadvisers emphasize stocks of well established medium- and large-capitalization firms. The underlying fund also may invest in foreign equity securities, small-capitalization equity securities, U.S. preferred securities, and U.S. convertible securities.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Preferred Stock Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Style Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>



**VANTAGETRUST U.S. STOCK INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>LARGE-CAP U.S. STOCK FUNDS (CONTINUED)</b>				
VT Contrafund <sup>®</sup>	Fidelity <sup>®</sup> Contrafund <sup>®</sup>	Capital appreciation.	The underlying fund normally invests primarily in common stocks and in securities of companies whose value its portfolio managers believe are not fully recognized by the public. It invests in domestic and foreign issuers and also invests in growth or value stocks or both. The underlying 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.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Issuer Risk</li> </ul>
VT T. Rowe Price <sup>®</sup> Growth Stock Fund	T. Rowe Price <sup>®</sup> Growth Stock Fund	Long-term capital growth through investment in stocks.	The underlying 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 it may invest in companies of any market capitalization, the underlying fund generally seeks investments in stocks of large capitalization companies. While most of its assets will typically be invested in U.S. common stocks, the underlying fund may invest in foreign stocks in keeping with its objectives. It may at times invest significantly in technology stocks.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Management Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Style Risk</li> <li>• Large-Cap Securities Risk</li> <li>• Focused Investment Risk</li> <li>• Foreign Securities Risk</li> </ul>
VT Wells Fargo Premier Large Company Growth Fund	Wells Fargo Premier Large Company Growth Fund	Long-term capital appreciation.	The underlying fund invests, under normal circumstances, at least 80% of its net assets in equity securities of large capitalization companies and up to 20% of its total assets in equity securities of foreign issuers, including ADRs and similar investments. The underlying fund invests principally in equity securities of large capitalization companies, which it defines as securities with market capitalizations within the range of the Russell 1000 <sup>®</sup> Index. The underlying fund's adviser focuses on finding companies with under-appreciated prospects for robust and sustainable growth in earnings and revenue.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Style Risk</li> <li>• Management Risk</li> </ul>
<b>MID-CAP U.S. STOCK FUNDS</b>				
VT Vantagepoint Select Value Fund	VT III Vantagepoint Select Value Fund	Long-term growth from dividend income and capital appreciation.	The underlying fund invests, under normal circumstances, primarily in common stocks of mid-capitalization U.S. companies that its subadvisers believe present attractive investment opportunities at favorable prices in relation to the intrinsic worth of the issuer and may offer the possibility for growth through reinvestment of dividends. The underlying fund generally seeks to invest in common stocks of companies with market capitalizations that fall within the range of companies in the Russell Midcap <sup>®</sup> Value Index. It also may invest in foreign equity securities, U.S. preferred stock, U.S. convertible securities, and small-capitalization equity securities and may invest up to 10% of its net assets in REITs.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Equity Income/Interest Rate Risk</li> <li>• Style Risk</li> <li>• REITs Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Preferred Stock Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
VT Goldman Sachs Mid Cap Value Fund	Goldman Sachs Mid Cap Value Fund	Long-term capital appreciation.	The underlying fund invests, under normal circumstances, at least 80% of its net assets plus any borrowings (measured at the time of purchase) for investment purposes in a diversified portfolio of equity investments in mid-cap issuers with public stock market capitalizations within the range of the market capitalization of companies constituting the Russell Midcap <sup>®</sup> Value Index. Although it will invest primarily in publicly traded U.S. securities, including REITs, it may invest in foreign securities, including securities of issuers in countries with emerging markets or economies and securities quoted in foreign currencies.	<ul style="list-style-type: none"> <li>• Style Risk</li> <li>• Large Investor Risk</li> <li>• Stock Market Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Small-Cap Securities Risk</li> <li>• REITs Risk</li> </ul>

**VANTAGETRUST U.S. STOCK INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
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**MID-CAP U.S. STOCK FUNDS (CONTINUED)**

VT Vantagepoint Aggressive Opportunities Fund	VT III Vantagepoint Aggressive Opportunities Fund	High long-term capital appreciation.	The underlying fund invests, under normal circumstances, primarily in common stocks of small- to mid-capitalization U.S. and foreign companies. One or more of its subadvisers employing an actively managed strategy seeks to select common stocks it believes offer the opportunity for high capital appreciation. In addition, a portion of the underlying fund invests in (or obtains exposure to) stocks included in a custom version of the Russell Midcap <sup>®</sup> Growth Index, following an indexed or “passively managed” approach to investing. The range of stocks in which the underlying fund generally invests is expected to be that of the Russell Midcap <sup>®</sup> Index.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Style Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Indexing Risk</li> <li>• Derivative Instruments Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Preferred Stock Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
VT AMG TimesSquare Mid Cap Growth Fund	AMG TimesSquare Mid Cap Growth Fund	Long-term capital appreciation.	The underlying fund, under normal circumstances, invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in common and preferred stocks of U.S. mid-capitalization companies. Its portfolio managers consider the term “mid-capitalization companies” to refer to companies that, at the time of purchase, are within the range of capitalizations of companies in the Russell Midcap <sup>®</sup> Growth Index.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Style Risk</li> <li>• Management Risk</li> <li>• Focused Investment Risk</li> <li>• Mid-Cap Securities Risk</li> </ul>
VT Harbor Mid Cap Growth Fund	Harbor Mid Cap Growth Fund	Long-term growth of capital.	The underlying fund invests primarily in equity securities, principally common and preferred stocks of mid-cap companies (defined as those that fall within the range of the Russell Midcap <sup>®</sup> Growth Index). The underlying fund’s subadviser focuses on companies that it believes have strong earnings growth, improving operating trends, competitive advantages, and attractive relative value. Under normal market conditions, it invests at least 80% of its net assets, plus borrowings for investment purposes, in a diversified portfolio of equity securities of mid-cap companies. The underlying fund may invest up to 25% of its total assets in the securities of foreign issuers, including issuers located or doing business in emerging markets. The underlying fund may also invest in equity securities of privately held companies.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Issuer Risk</li> <li>• Style Risk</li> <li>• Management Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Foreign Securities Risk</li> <li>• Privately Held Company Risk</li> </ul>

**SMALL-CAP U.S. STOCK FUNDS**

VT AllianzGI NFJ Small-Cap Value Fund	AllianzGI NFJ Small-Cap Value Fund	Long-term growth of capital and income.	The underlying 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, considered to be companies with market capitalizations of between \$100 million and \$4 billion that at the time of purchase are considered undervalued by the underlying fund’s portfolio managers. In addition to common stocks and other equity securities (such as preferred stocks, convertible securities, and warrants), it may invest in REITs, and non-U.S. securities, including emerging market securities.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Issuer Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Credit Risk</li> <li>• Derivative Instruments Risk</li> <li>• Focused Investment Risk</li> <li>• Leverage Risk</li> <li>• Liquidity Risk</li> <li>• Management Risk</li> <li>• REITs Risk</li> <li>• Portfolio Turnover Risk</li> </ul>
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**VANTAGETRUST U.S. STOCK INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>SMALL-CAP U.S. STOCK FUNDS (CONTINUED)</b>				
<b>VT Vantagepoint Mid/Small Company Index Fund</b>	VT III Vantagepoint Mid/Small Company Index Fund	Long-term capital growth by approximating the performance of the Russell 2500™ Index.	The underlying fund invests, under normal circumstances, at least 90% of its net assets in equity issuers included in the Russell 2500™ Index, selected and weighted to seek to replicate the investment characteristics of the Russell 2500™ Index and performance that correlates with the performance of that index. The underlying fund follows an indexed or “passively managed” approach to investing.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• REITs Risk</li> <li>• Indexing Risk</li> </ul>
<b>VT Vantagepoint Discovery Fund</b>	VT III Vantagepoint Discovery Fund	Long-term capital growth.	The underlying fund invests, under normal circumstances, primarily in a combination of common stocks of U.S. small-capitalization companies, Russell 2000® Index futures contracts, and U.S. and foreign fixed income securities. Its subadvisers select stocks that they believe have above average potential for growth and that generally have market capitalizations that fall within the range of companies in the Russell 2000® Index. The underlying fund’s U.S. and foreign fixed income securities (1) are held, in part, as collateral in conjunction with its use of futures contracts; (2) may include government and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities, and municipal securities; and (3) at all times have a portfolio effective duration no greater than three years. In addition to using Russell 2000® Index futures contracts, the underlying fund’s subadvisers also may use other derivative instruments. The underlying fund also may invest in foreign equity securities (including those of issuers located in emerging market countries), U.S. preferred stock, and U.S. and foreign convertible stock.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Preferred Stock Risk</li> <li>• Foreign Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Convertible Securities Risk</li> <li>• High Yield Securities Risk</li> <li>• Municipal Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Call Risk</li> <li>• Mortgage-Backed Securities Risk</li> <li>• Asset-Backed Securities Risk</li> <li>• U.S. Government Agency Securities Risk</li> <li>• Portfolio Turnover Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT Oppenheimer Discovery Fund</b>	Oppenheimer Discovery Fund	Capital appreciation.	The underlying fund mainly invests in common stocks of U.S. companies that its portfolio manager believes have favorable growth prospects. The underlying fund emphasizes stocks of small-capitalization companies, which are defined as those issuers that are, at the time of purchase, within the range of market capitalizations of the Russell 2000® Growth Index.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Style Risk</li> <li>• Focused Investment Risk</li> </ul>

**INTERNATIONAL, BALANCED, SPECIALTY, AND OTHER INVESTMENT OPTIONS**

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>INTERNATIONAL FUNDS</b>				
<b>VT Vantagepoint International Fund</b>	VT III Vantagepoint International Fund	Long-term capital growth and diversification by country.	The underlying fund invests primarily in the common stocks of companies headquartered outside the United States. Under normal circumstances, the underlying fund invests at least 80% of its net assets in foreign equity securities (common and preferred stock), including securities of issuers located in emerging market countries. It also may invest in U.S. or foreign fixed income securities of any maturity, U.S. equity securities, and U.S. or foreign convertible securities.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Preferred Stock Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Derivative Instruments Risk</li> <li>• Credit Risk</li> <li>• Interest Rate Risk</li> <li>• Convertible Securities Risk</li> <li>• Multi-Manager Risk</li> </ul>
<b>VT Vantagepoint Overseas Equity Index Fund</b>	VT III Vantagepoint Overseas Equity Index Fund	Long-term capital growth and diversification by approximating the performance of the MSCI Europe Australasia Far East (EAFE) Index (Net).	The underlying fund invests, under normal circumstances, at least 90% of its net assets in a portfolio of the equity securities (common and preferred stock) in the MSCI Europe Australasia Far East (EAFE) Index (Net), weighted to seek to replicate the investment characteristics of that index and performance that correlates with that of the index. The underlying fund follows an indexed or “passively managed” approach to investing.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Mid-Cap Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Indexing Risk</li> </ul>
<b>VT Diversified International Fund</b>	Fidelity® Diversified International Fund	Capital growth.	The underlying fund normally invests primarily in non-U.S. securities and common stocks. It allocates its investments across different countries and regions. It 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.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Foreign Securities Risk</li> <li>• Issuer Risk</li> </ul>
<b>VT Harbor International Fund</b>	Harbor International Fund	Long-term total return, principally from growth of capital.	The underlying fund invests primarily (no less than 65% of its total assets) in common and preferred stocks of foreign companies, including those located in emerging market countries. Companies in its portfolio generally have market capitalizations in excess of \$1 billion at the time of purchase and are selected using a value oriented approach. Under normal market conditions, it will invest in a minimum of 10 countries throughout the world, focusing on companies located in Europe, the Pacific Basin, and emerging industrialized countries whose economies and political regimes appear stable.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Issuer Risk</li> <li>• Style Risk</li> <li>• Management Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> </ul>
<b>BALANCED FUND</b>				
<b>VT Puritan® Fund</b>	Fidelity® Puritan® Fund	Income and capital growth consistent with reasonable risk.	The underlying fund invests approximately 60% of its assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower quality debt securities when its outlook is neutral. It invests at least 25% of its total assets in fixed income senior securities (including debt securities and preferred stock) and also invests in domestic and foreign issuers. It may invest in growth stocks or value stocks or both. The underlying fund invests in Fidelity’s central funds (specialized investment vehicles used by Fidelity funds to invest in particular security types or investment disciplines).	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• Interest Rate Risk</li> <li>• Foreign Securities Risk</li> <li>• Issuer Risk</li> </ul>

## INTERNATIONAL, BALANCED, SPECIALTY, AND OTHER INVESTMENT OPTIONS

VantageTrust Fund Name	Underlying Fund	Investment Objective	Summary of Investment Strategies	Summary of Principal Risks
<b>SPECIALTY FUND</b>				
VT Nuveen Real Estate Securities Fund	Nuveen Real Estate Securities Fund	Above-average current income and long-term capital appreciation.	The underlying fund, under normal market conditions, invests at least 80% of the sum of its net assets and the amount of any borrowings for investment purposes, in income-producing common stocks of publicly traded companies engaged in the real estate industry. These companies derive at least 50% of their revenues or profits from the ownership, construction, management, financing, or sale of real estate or have at least 50% of the fair market value of their assets invested in real estate. A majority of its total assets will be invested in real estate investment trusts ("REITs"). REITs are publicly traded corporations or trusts that invest in residential or commercial real estate. The underlying fund expects to emphasize investments in equity REITs, although it may invest in mortgage and hybrid REITs. The underlying fund may invest up to 15% of its total assets in non-dollar denominated equity securities of non-U.S. issuers. In addition, it may invest up to 25% of its assets, collectively, in non-dollar denominated equity securities of non-U.S. issuers and in dollar denominated equity securities of non-U.S. issuers that are either listed on a U.S. stock exchange or represented by depositary receipts that may or may not be sponsored by a domestic bank. Up to 15% of its total assets may be invested in equity securities of emerging market issuers. The underlying fund also may utilize multiple types of derivatives.	<ul style="list-style-type: none"> <li>• Stock Market Risk</li> <li>• REITs Risk</li> <li>• Small-Cap Securities Risk</li> <li>• Foreign Securities Risk</li> <li>• Emerging Markets Securities Risk</li> <li>• Foreign Currency Risk</li> <li>• Interest Rate Risk</li> <li>• Credit Risk</li> <li>• Derivative Instruments Risk</li> </ul>

### Other Investment Options

Guaranteed Lifetime Income — VT Retirement Income Advantage Fund

See following page for a description of this investment option.

## OTHER VANTAGETRUST INVESTMENT OPTIONS

### Guaranteed Lifetime Income — VT Retirement IncomeAdvantage Fund

**Investment Objective** — To seek both moderate capital growth and current income while providing a guaranteed lifetime income feature that protects retirement income against market downturns.

**Principal Investment Strategies** — The VT Retirement IncomeAdvantage Fund invests in a Separate Account under a group variable annuity issued by Prudential Retirement Insurance and Annuity Company (“Prudential”).<sup>1</sup> The Separate Account, in turn, invests in collective trust funds with an allocation of approximately 60% equities (both domestic and foreign) and 40% fixed income. ICMA-RC manages the assets of the Separate Account.

**Principal Investment Risks** — Guarantees are based on the claims-paying ability of Prudential and are subject to certain limitations, terms, and conditions. Like all variable

investments, the fund can lose value. In addition, the underlying funds of the Separate Account may be exposed to the following risks: Stock Market Risk, Mid-Cap Securities Risk, Foreign Securities Risk, Interest Rate Risk, Credit Risk, U.S. Government Agency Securities Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Inflation Protected Securities Risk, Convertible Securities Risk, High Yield Securities Risk, and Derivative Instruments Risk.

**Fees and Expenses** — A Guarantee Fee of from 1.00% to a maximum of 1.50% is assessed by Prudential for the VT Retirement IncomeAdvantage Fund’s guarantees and is included in the VT Retirement IncomeAdvantage Fund’s net expense ratio. For additional information about the VT Retirement IncomeAdvantage Fund, including information about fees and expenses, please review *VantageTrust Funds Fees and Expenses*, *VT Retirement IncomeAdvantage Fund Important Considerations*, and *Retirement Investment Guide Additional Information*.

<sup>1</sup> **Prudential Retirement Insurance and Annuity Company (Prudential)**, CA COA #08003, Hartford, CT. Neither Prudential nor ICMA-RC guarantees the investment performance or return on contributions to Prudential’s Separate Account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. Prudential may increase the Guarantee Fee in the future, from 1.00% up to a maximum of 1.50%. Like all variable investments, this Fund may lose value. Availability and terms may vary by jurisdiction; subject to regulatory approvals. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Guarantees are based on Prudential’s claims-paying ability. This annuity is issued under Contract form # GA-2020-TGWB4-0805-RC. ICMA-RC provides recordkeeping services to your Plan and is the investment manager of the underlying Prudential separate account. Prudential or its affiliates may compensate ICMA-RC for providing these and related administrative services in connection with the Fund. Variable annuities are suitable for long-term investing, particularly retirement savings. ©2016 Prudential, the Prudential logo, and the Rock symbol and Bring Your Challenges are service marks of the Prudential Insurance Company of America, Newark, NJ, and its related entities, registered in many jurisdictions worldwide. Note: Participants who are interested in the VT Retirement IncomeAdvantage Fund must first receive and read the **VT Retirement IncomeAdvantage Fund Important Considerations** document, before investing.

## VT III Diversifying Strategies Fund and VT III High Yield Fund — Used Only by the Model Portfolio Funds and Milestone Funds

The VT III Vantagepoint Diversifying Strategies Fund and the VT III Vantagepoint High Yield Fund are described below. Many of the underlying funds to the VT Vantagepoint Model Portfolio Funds and VT Vantagepoint Milestone Funds invest

in the Diversifying Strategies Fund and High Yield Fund as part of their investment strategies.

Neither the Diversifying Strategies Fund nor the High Yield Fund is available for investment directly or through VantageTrust by Plans or Plan participants.

### VT III Vantagepoint Diversifying Strategies Fund

#### INVESTMENT OBJECTIVE

Long-term capital growth.

#### PRINCIPAL INVESTMENT STRATEGIES

The fund employs multiple investment strategies to seek long-term growth of capital, with lower volatility over time than that of stocks in general and a risk/return profile different from that of traditional asset classes, such as stocks and fixed income securities. In combination, the fund's investment strategies seek to provide investment exposure to U.S. and foreign convertible securities, stocks, fixed income securities, and real estate investment trusts ("REITs") through direct investments or through the use of derivative instruments. The fund currently uses the following investment strategies:

- **Convertible Securities Strategy** — The fund allocates a portion of its assets to a portfolio of convertible securities of U.S. or foreign companies (which may include issuers located in emerging market countries). Convertible securities, which include convertible bonds and convertible preferred stocks, possess investment characteristics of both stocks and bonds. The fund's subadvisers seek to invest in those convertible securities they believe represent an attractive risk/reward potential. The majority of these securities are rated below investment grade or are unrated. The fund's subadvisers also may invest in a combination of either convertible or non-convertible bonds, and common stocks or equity options, to seek to replicate the investment exposure of convertible securities or to seek to manage risk. The subadvisers implementing the fund's convertible securities strategy may also invest in other types of fixed income and equity securities, including "restricted" securities, such as Rule 144A securities.
- **Enhanced Equity Strategy** — Another portion of the fund's assets invests in a portfolio of Russell 2000<sup>®</sup> Index futures contracts and U.S. and foreign fixed income securities. This strategy's subadviser utilizes Russell 2000 Index futures contracts or swap agreements to gain equity exposure, combined with purchasing U.S. and foreign fixed income securities seeking to generate returns in excess of the futures contracts' or swap agreements' implied financing costs. The fund's U.S. and foreign fixed income securities in this portion of the fund's portfolio (1) are held, in part, as collateral in conjunction with the fund's use of futures contracts; (2) may include government and agency securities, corporate bonds, mortgage-backed securities, asset-backed securities, and municipal securities; and (3) generally have a portfolio effective duration of no greater than three years. Effective duration is a measure of the expected change in value of a fixed income security for a given change in interest rates and takes into account that expected cash flows will fluctuate as interest rates change. For example, the value of a fixed income security with an effective duration of two years would be expected to decline around 2% if interest rates rose by 1%. Conversely, the value of the same fixed income security would be expected to increase around 2% if interest rates fell by 1%. The fixed income securities in this portion of the fund are generally investment grade securities.
- **Low Duration-Plus Fixed Income Strategy** — Another portion of the fund's portfolio invests in core short and intermediate maturity fixed income securities (including securities issued or guaranteed by the U.S. government or foreign governments and their agencies or instrumentalities and U.S. and foreign mortgage-backed and asset-backed securities) that combined generally have a portfolio effective duration of no greater than three years.  
The strategy's core fixed income securities are generally investment grade securities (i.e., securities rated within the four highest grades by Standard & Poor's, Moody's Investors Service, Inc., or Fitch Ratings or unrated securities that the subadviser determines are of comparable quality) that the subadviser to this portion of the fund believes provide return opportunities because they are priced below fair market value relative to securities of similar credit quality and interest rate sensitivity. Plus, the strategy also incorporates investments in non-core sectors and securities that may include but are not limited to below investment grade and unrated securities; foreign securities, including securities of issuers located in emerging market countries; inflation-adjusted securities; floating rate loans; and currencies that the subadviser believes offer attractive investment opportunities. The subadviser may use futures and swaps as part of this fixed income strategy and may seek to reduce risk of loss due to currency fluctuations by hedging its non-U.S. dollar exposure, using a variety of techniques, including forward currency contracts.
- **Passive REIT Index Strategy** — Another portion of the fund's assets invests in a portfolio of REIT and REIT-like securities included in the Dow Jones U.S. Select REIT Index™, following an indexed or passively managed approach to investing. The subadviser to this portion of the fund seeks to approximate the investment characteristics and performance of the Dow Jones U.S. Select REIT Index by investing in REITs and REIT-like securities included in that index. The Dow Jones U.S. Select REIT Index is an unmanaged index that intends to measure the performance of publicly traded REITs and REIT-like securities. The index is a subset of the Dow Jones U.S. Select Real Estate Securities Index, which represents equity REITs and real estate operating companies traded in the U.S.

#### PRINCIPAL RISKS

Convertible Securities Risk, Interest Rate Risk, Credit Risk, High Yield Securities Risk, Small-Cap Securities Risk, Derivative Instruments Risk, Foreign Securities Risk, U.S. Government Agency Securities Risk, Asset-Backed Securities Risk, Mortgage-Backed Securities Risk, REITs Risk, Indexing Risk, Foreign Currency Risk, Municipal Securities Risk, Floating Rate Loans Risk, Call Risk, Stock Market Risk, Portfolio Turnover Risk, Multi-Manager Risk.



## VT III Vantagepoint High Yield Fund

### INVESTMENT OBJECTIVE

Current income and capital appreciation.

### PRINCIPAL INVESTMENT STRATEGIES

The fund invests, under normal circumstances, at least 80% of its net assets in high yield fixed income securities and other instruments that are rated below investment grade. For purposes of this 80% policy, the fund considers a below investment grade rating to be a rating that is below the four highest grades by Standard & Poor's, Moody's Investors Service, Inc., or Fitch Ratings. Below investment grade securities are commonly referred to as "junk bonds." These investments may include:

- U.S. or foreign corporate fixed income securities;
- U.S. or foreign floating rate loans;
- U.S. or foreign mortgage-backed securities;
- U.S. or foreign asset-backed securities;
- Municipal securities;
- Fixed income securities issued or guaranteed by foreign governments or their agencies or instrumentalities or by supra-national organizations; and
- U.S. or foreign convertible fixed income securities.

The fund's fixed income investments may be of any maturity. The fund's investments in floating rate loans may not exceed 30% of the fund's net assets. The fund also may invest up to 20% of its net assets in:

- Securities and instruments of any type that are not considered to be below investment grade; and
- Unrated securities and instruments of the types listed above that the fund's subadviser(s) determines are below investment grade in quality.

The fund may invest no more than 50% of its net assets in foreign securities or other foreign instruments. In addition, the fund may invest no more than 30% of its net assets in securities or other instruments of issuers located in emerging market countries (these investments are also subject to the 50% limit above). The fund primarily invests in U.S. dollar denominated instruments.

The fund also may invest up to 20% of its net assets in derivative instruments. The fund's subadviser may use forwards, futures, options, swap agreements, and swaptions to manage risk or to obtain or adjust investment exposure. The fund's investments in credit default swaps, if any, will be less than 5% of the fund's net assets.

### PRINCIPAL RISKS

High Yield Securities Risk, Credit Risk, Interest Rate Risk, Call Risk, Floating Rate Loans Risk, Mortgage-Backed Securities Risk, Asset-Backed Securities Risk, Prepayment and Extension Risk, U.S. Government Agency Securities Risk, Municipal Securities Risk, Foreign Securities Risk, Foreign Government Securities Risk, Emerging Markets Securities Risk, Foreign Currency Risk, Convertible Securities Risk, Derivative Instruments Risk, Liquidity Risk, Multi-Manager Risk.

## INVESTMENT RISKS

Key risks of investing in the VT Funds and their underlying funds are summarized below. This is not an exhaustive list. A VT Fund or an underlying fund may fail to achieve its investment objective. Each VT Fund may be subject to Market Risk which is the risk that the value of a security owned by an underlying fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. You may lose money by investing in the VT Funds. For additional information about an underlying fund's risk, please see that fund's offering documents.

### Equity Securities/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 have.

**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.

**Large-Cap Securities Risk** — Although stocks issued by larger companies tend to have less overall volatility than stocks of small- and mid-capitalization companies, larger companies may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods. In addition, larger companies may be less capable of responding quickly to competitive challenges and industry changes and may suffer sharper price declines as a result of earnings disappointments.

**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 Markets 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, as well as 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.

**Privately Held Company Risk** — Investments in the equity securities of privately held companies involve greater risk than investments in equity securities of public companies. Because there is no public market for the company's securities, it can be difficult to determine current valuations for the company overall and for the specific securities held by an underlying fund. Further, a fund would not be able to sell these securities until a liquidity event occurs, such as through an initial public offering of the company's stock, which is normally outside the

control of a fund. Accordingly, these securities should be considered illiquid. There is also significantly less information available about these companies' business models, quality of management, earnings growth potential, and other criteria used to evaluate their investment prospects.

### Fixed Income Securities Risks

**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.

**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 the value of securities 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 economies 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** — 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.

**U.S. Treasury Securities Risk** — A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate.

**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).

**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.

### **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 that of 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 receive payments only 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 ("CMBSs") 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, CMBSs 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.

**Prepayment and Extension Risk** — Mortgage-backed and asset-backed securities are exposed to prepayment risk and extension risk. Prepayment risk may occur when borrowers pay their mortgages or loans more quickly than expected under the terms of the mortgage or loan. In such circumstances, a holder of such security may then 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. Conversely, extension risk may occur when rising interest rates result in slower than

expected or decreased prepayments. When that occurs, the average life or duration of the security may be extended and may make it more sensitive to interest rates changes. Such extension may also effectively lock-in a below market interest rate and reduce the value of the security.

**TBA Risk** — In To-Be-Announced ("TBA") transactions, a fund commits to purchase certain mortgage-backed securities for a fixed price at a future date. TBA transactions involve the risk that the actual securities received by a fund may be less favorable than what was anticipated when entering into the transaction. TBA transactions also involve the risk that a counterparty will fail to deliver the securities, exposing a fund to further losses.

**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**

Use of derivative instruments involves risks different from, or possibly greater than, the risks associated with more traditional investments and may involve a small amount of investment relative to the amount of risk assumed. Risks associated with derivative instruments include the risk that the other party to a derivative contract may not fulfill its obligations (counterparty risk); the risk that a particular derivative instrument, such as an over-the-counter derivative instrument, may be difficult to purchase or sell (liquidity risk); the risk that certain derivative instruments are more sensitive to interest rate changes and market price fluctuations (interest rate and market risks); the risk of mispricing or improper valuation of the derivative instrument (valuation risk); the inability of the derivative instrument to correlate in value with its underlying asset, reference rate, or index (basis risk); and the risk that the fund may lose substantially more than the amount invested in the derivative instrument, and that the fund may be forced to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements (leverage risk). There is no assurance that a fund's use of any derivatives strategy will succeed or that a fund will not lose money.

### **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. 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 fund may engage in one or more securities lending programs conducted by the fund's 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, 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.

### **Focused Investment Risk**

At times a fund may emphasize investments in a particular industry or sector. To the extent that the fund increases its emphasis on investments in a particular industry or sector, the value of its investments may fluctuate more in response to events affecting that industry or sector, such as changes in economic conditions, government regulations, availability of

basic resources or supplies, or other events that affect that industry or sector more than others.

### **Indexing Risk**

An indexed, 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 (1) fees and expenses associated with managing the indexed portfolio (whereas the index has no management fees or transaction expenses); (2) changes to the index; and (3) the timing of cash flows into and out of the indexed portfolio.

### **Management Risk**

Individual investments of an underlying fund may not perform as expected, and that underlying fund’s portfolio management practices may not achieve the desired result. There is a risk that its portfolio managers may allocate assets to an asset class that underperforms other asset classes.

### **Multi-Manager Risk**

While ICMA-RC monitors each subadviser and the overall management of the VT III Vantagepoint Funds that are the underlying funds to certain VantageTrust Funds, each subadviser makes investment decisions independently from ICMA-RC 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 a 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.

### **Portfolio Turnover 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 transaction fees and expenses. These costs are ultimately passed on to shareholders.

### **Fund of Funds Risk**

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

### **ETF Risks**

An investment in an ETF generally presents the same primary risks as an investment in other investment companies; 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 Loans 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. Thus, 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 funds are subject to Asset Allocation Risk, which is the risk that the selection of, and the allocation to, those other funds may cause a fund to underperform other funds or investments with a similar investment objective.

### **Leverage Risk**

Leverage, including borrowing, will cause the value of an underlying 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 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.

### **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 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 funds that are "funds of funds" or 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 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.



## INVESTOR'S GUIDE

This guide explains how you can invest in the VT Funds, or transfer your assets, as well as certain restrictions and policies that apply to your investments. More information can be found in *Retirement Investment Guide Additional Information*, which is available at [www.icmarc.org](http://www.icmarc.org) after logging into Account Access or by calling Investor Services at 800-669-7400 and asking that a copy be mailed to you at no charge.

### Investor's Guide

<b>Definition of Business Day and Close of Business</b>	"Business day" means a day when the New York Stock Exchange ("NYSE") and ICMA-RC are both open for business. "Close of business" means 4:00 p.m. Eastern Time, or the final close of trading on any day when trading on the NYSE closes at a time other than 4:00 p.m. Eastern Time.
<b>Transfers and Allocation Changes</b>	Unless your Employer indicates otherwise, you may make transfers among VT Funds and change your investment allocations daily by Internet (Account Access) or by speaking with an Investor Services representative at ICMA-RC. Instructions sent by email correspondence will not be accepted. Account Access is normally available 24 hours a day, seven days a week. Transfers are subject to certain restrictions (see "Transfer Restrictions").
<b>800-669-7400</b>	Provides access to self-service phone application and call center agents when needed.
<b>Account Access</b>	Account Access is a home page on the Internet. The address is <a href="http://www.icmarc.org">www.icmarc.org</a> . You can access your Plan fund lineup, ICMA-RC-administered account balances, investment allocations, and investment performances via Account Access. You can also make transfers or change your investment allocations.
<b>Unit Accounting for All VT Funds Except the PLUS Fund</b>	<p>Investments in the VT Funds (except the PLUS Fund) are accounted for by the number of units you hold. You are not purchasing shares of the underlying fund, but are instead purchasing units of the VT Fund. Each unit represents the share price of the underlying fund less any VantageTrust fees and expenses.</p> <p>The worth of a unit is known as its net asset value ("NAV"). Units represent your proportional ownership interest in each VT Fund in which you are invested. The daily NAV of a unit is determined at the close of each business day. The value of a unit will fluctuate and may be worth more or less than the original cost of your investment.</p> <p>Purchase orders received in good order by close of business will generally receive that day's calculated NAV of a VT Fund.</p>
<b>Portfolio Valuation of the PLUS Fund</b>	<p>The portfolio of the PLUS Fund consists of stable value investment contracts issued by financial institutions, including fixed income assets backing certain stable value investment contracts and cash investments held, in part, for liquidity purposes. In accordance with industry practice, investment contracts are carried at cost plus accrued interest, plus additional deposits less withdrawals and other adjustments, which is known as "contract value" or "book value."</p> <p>Contributions, transfers, and disbursements are effected at contract value or book value and not by reference to any alternative valuation method that might attempt to account for changes in market interest rates or credit risk.</p>
<b>Distributions and Reinvestment of Earnings</b>	The VT Funds do not distribute dividends, interest, or capital gains. A distribution may occur in an underlying fund and would be reinvested.
<b>Contributions</b>	Employers may submit contributions as often as weekly.
<i>When Contributions Are Made</i>	Contributions to the VT Funds received in good order prior to the close of business on a business day are posted to participant accounts that business day. Contributions received in good order after close of business are treated as if received the next business day. Contributions to the PLUS Fund begin to earn the PLUS Fund's crediting rate on the next business day.
<i>Contributions Must Be in "Good Order"</i>	<p>"Good order" means that contribution deposits must be accompanied by sufficient detail, such as the participant's account or enrollment information, and in ICMA-RC's standard format, to enable ICMA-RC to allocate contributions to participant accounts properly. Participant should be enrolled in the Employer's plan(s) prior to contribution submission.</p> <p>If a contribution is not received in good order, the deposit is held in a non-interest-bearing account until all necessary information is received. If a contribution is not in good order after three business days, ICMA-RC coordinates with the Employer to return the contribution to the Employer. Contributions received for an identified participant account that does not have complete allocation instructions will be invested in the Plan's default option chosen by your Employer.</p>
<b>Confirmations and Quarterly Statements</b>	You will receive a confirmation after each transaction and a quarterly statement that shows your quarterly activity. Part-time seasonal employees will receive only annual statements. Please review these reports carefully, and call ICMA-RC at 800-669-7400 immediately if you see any discrepancies.

## Investor's Guide (continued)

### Transfer Restrictions

#### *PLUS Fund Restrictions on Transfers to Competing Funds*

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

#### *Additional Information About Restrictions on PLUS Fund Public Employer Withdrawals and Transfer Restrictions*

In the event an Employer initiates withdrawal of all or part of its Plan's assets from the PLUS Fund, ICMA-RC has full discretion to defer the payout of such assets for a period of up to twelve months. In the case of a total withdrawal, participant transfers of PLUS Fund assets to other investment options may be restricted and participants may not be able to make additional investments in the PLUS Fund during this twelve-month period.

#### *Restrictions on Frequent Trading — Transfer Restrictions*

Fund-to-fund transfers involving certain funds are limited to reduce excessive trading and its potential adverse effects on an underlying fund, such as increased costs.

Certain VT Funds impose trade restrictions such as holding periods and/or redemption fees at the request of the underlying fund. These holding periods and redemption fees can be found in *Retirement Investment Guide Additional Information* and may be changed from time to time.

#### **Disbursements to Participants in 401 and 457 Plans**

Disbursement requests must be received in good order and will be processed promptly upon satisfactory validation by ICMA-RC.

#### **Inability to Conduct Business**

Unusual circumstances or emergencies may prevent ICMA-RC from conducting business on a given day or for longer periods of time. Plan transactions may be delayed until ICMA-RC resumes normal business operations. In addition, ICMA-RC may be open for business but operating on a limited basis. If this occurs, you may be required to place transactions through Account Access. The processing of your orders or instructions may be delayed during periods of limited operations. Neither ICMA-RC, the Trust Company, nor the VT Funds will be responsible or liable for any financial gains or losses in an account during these periods of interruption.

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**ICMA-RC RESERVES THE RIGHT TO CHANGE ANY OF THESE POLICIES OR PROCEDURES AT ANY TIME.**

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