



Part 2A of Form ADV: Firm *Brochure*

For OPEB Advisory Services

March 30, 2020

ICMA Retirement Corporation

777 North Capitol Street, N.E.
Washington, DC 20002-4240
800-669-7400
www.icmarc.org

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

Additional information about ICMA-RC also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2 Material Changes

Since its last annual update on March 29, 2019, this brochure has been updated to disclose the new brokerage account provider, Charles Schwab & Co., Inc., that we recommend in connection with our OPEB Advisory Services. Please see Items 12 and 15 for additional information.

Item 3 Table of Contents

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

Item 4 Advisory Business

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

OPEB Advisory Services

We provide OPEB Advisory Services, a non-discretionary investment advisory service, to our existing public employer clients who pre-fund their Other Post-Employment Benefits (OPEB) such as post-employment healthcare. We do not offer OPEB Advisory Services to new clients. The advice is provided by associates in our Investment Division and is limited to unaffiliated, third-party, registered mutual funds and exchange-traded funds. It includes assistance in drafting investment policy statements; recommendations regarding asset allocation; assistance in selecting investments; identification of investment benchmarks; portfolio performance analysis and reporting; and reviews of the performance of the third-party fund funds and investment manager(s). The advice is tailored to the individual needs of each OPEB client as outlined in its investment policy statement. You are ultimately responsible for the selection of investments held in your OPEB account and can impose restrictions on investing in these vehicles.

As of December 31, 2019, we provided non-discretionary advisory services to OPEB clients with \$141,757,959 in assets.

Item 5 Fees and Compensation

Our fee for OPEB Advisory Services is based on the following schedule, which may be negotiated:

<u>OPEB Assets</u>	<u>Annual Fee</u>
First \$10 MM	35 bps
Next \$40 MM	20 bps
Next \$25 MM	15 bps
Over \$75 MM	10 bps

The advisory fee (in basis points per annum) is payable in arrears on a monthly basis as of the last business day of each calendar month. In the event that the account’s balance goes to zero, the fee will be pro-rated based on the number of days the account had a fund balance during the month.

In addition to the advisory fee noted above, you also pay your proportionate share of the fees and expenses that are paid at the fund level and borne by all shareholders. These fees and expenses typically include, among others, investment advisory, transfer agent, custodial and distribution fees and portfolio brokerage costs that are paid by each fund. We do not receive any monetary compensation from the brokerage account provider or any of the funds based on our OPEB clients' investments. The fees and charges you pay to the brokerage account provider are disclosed to you by that provider. Please see our response to Item 12 for a discussion of our brokerage practices and the role of the brokerage account provider.

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

Not Applicable.

Item 7 Types of Clients

We provide OPEB Advisory Services to public sector employers who pre-fund their post-employment healthcare liabilities. Typically, we will not provide investment advisory services to employers with less than \$1 million in OPEB assets. We do not offer OPEB Advisory Services to new clients.

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

Our Investment Division seeks to employ customized asset allocation strategies for our public employer clients. Strategies involve recommending asset class mixes and funds for implementation of asset allocation decisions. Among other things, factors such as appropriateness for the particular client, how the fund complements other recommended funds, past performance, investment style and strategy, and the qualifications, experience, and past performance of the fund managers may be considered in formulating recommendations. The ultimate decisions on selection of asset classes, funds and fund managers, and the allocation among selected funds is the responsibility of our clients and/or the clients' respective governing boards or trustees.

Your OPEB Advisory Services portfolio may comprise mutual funds and exchange-traded funds. Past performance of investments provides no assurance of future performance. It is possible to lose money by investing in mutual funds or exchange-traded funds, which is a risk you should be prepared to bear. The risks of investing in a particular mutual fund or exchange-traded fund are defined and disclosed to you in the applicable fund's prospectus.

Item 9 Disciplinary Information

Not Applicable.

Item 10 Other Financial Industry Activities and Affiliations

Broker-Dealer

ICMA-RC Services, LLC (“RC Services”) is one of our wholly owned subsidiaries and is a broker-dealer registered with the SEC and a member of FINRA. Some of our management persons are also registered representatives of RC Services.

Banking Institution

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

Investment Adviser

Vantagepoint Investment Advisers, LLC (“VIA”) is one of our wholly owned subsidiaries and is an SEC registered investment adviser. VIA offers investment advisory services to various clients, including its affiliate, VTC. VIA provides investment advisory and management services to VTC with respect to certain investment options made available within the VT Trusts.

Collective Trust Funds

Through OPEB Advisory Services we provide investment advice to you only with respect to unaffiliated, third-party, registered mutual funds and exchange-traded funds. We do not advise our OPEB Advisory Services clients with respect to investment options of the VT Trusts.

If you are also a client of our retirement plan administration services, you can make available through your Retirement Plan certain investment options of the VT Trusts (“VT Trust Funds”). Such investment options are offered to Retirement Plans and their Participants through VantageTrust and VantageTrust II. Certain VT Trust Funds invest in other VT Trust Funds. We receive asset based fees for administrative services provided to VTC with respect to the VT Trust Funds. Our wholly owned subsidiary, VIA, receives asset based fees for investment advisory and administrative services provided to VTC with respect to the VT Trust Funds. VIA has entered into agreements with subadvisers for the performance of VIA’s management duties and responsibilities relating to certain Funds. VIA retains the responsibility and authority to monitor and review the performance of each subadviser, and VTC retains oversight of VIA’s advisory responsibilities. VIA’s investment advisory fees are in addition to any fees paid to the subadvisers.

Conflicts

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

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

Code of Ethics

We adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 to help meet our fiduciary obligations to our clients to act in the clients' best interests and to subordinate our interests and our associates' interests to the interests of our advisory clients. The Code of Ethics helps to ensure that our associates avoid or appropriately manage conflicts with the interests of clients. Under the Code of Ethics, all of our associates are required to comply with ethical restraints relating to clients, including restrictions on giving gifts to, and receiving gifts from, clients in violation of our gift policy. Our Code of Ethics also addresses the SEC's "pay-to-play" rule, which is designed to prevent investment advisers from making political contributions or hidden payments in an effort to influence their selection by government officials to provide advisory services to government entities. Our Code of Ethics prohibits political contributions to certain state and local government officials, restricts using third party solicitors for potential clients unless those solicitors are subject to the pay to play rule, and implements a ban on engaging in fundraising activities for certain officials, political action committees, as well as state and local political parties. Our Political Contributions Policy contained in the Code of Ethics applies to all officers and employees with us or one of our affiliated entities regardless of position, responsibility or title. Exceptions to the political contribution prohibition are possible only upon approval of our Chief Compliance Officer ("CCO") and only if, among other things, the amount of the contribution is the lesser of \$150 per year or per election.

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

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

Participation or Interest in Client Transactions

Our investment advice to you is limited to unaffiliated, third-party, registered mutual funds and exchange-traded funds. The ultimate decisions on selection of asset classes, funds and fund managers, and the allocation among selected funds is your responsibility or the responsibility of your governing board or trustees. We do not receive any monetary compensation from the brokerage account provider, or any of the third-party funds based on the investments in your OPEB Advisory Services account. Please see Item 12 for more information.

Personal Securities Trading

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

In order to address these conflicts, we have implemented a Personal Securities Trading Policy that governs the personal investing activities of our Access Persons. The Personal Securities Trading Policy is designed to prevent unlawful practices in connection with personal securities trading of associates.

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

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

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

Item 12 Brokerage Practices

Our OPEB Advisory Services clients are not permitted to direct us to use specified brokers in performing OPEB portfolio transactions. We recommend that our OPEB Advisory Services clients use a brokerage account provider with which we have established a business relationship. Currently that brokerage account provider is Pershing Advisor Solutions LLC (“PAS”), but will be transitioned to Charles Schwab & Co., Inc. (“Schwab”). Your OPEB Advisory Services account assets are anticipated to begin transitioning from PAS to Schwab in the second calendar quarter of 2020. The exact date of the transition will vary by client, based on your timing and operational preferences.

Schwab is a registered broker-dealer that is not affiliated with us. We have entered into a written agreement for Schwab to provide trading, clearing, and custody services to our OPEB clients. While we recommend that you use Schwab as your custodian and broker, you will decide whether to do so. If you choose to use Schwab, you will open your account by entering into an account agreement directly with them. Schwab will hold your assets in a brokerage account in your name. You are the owner of the Schwab account and may take any authorized action with respect to the account. You may submit orders to Schwab, or we may submit orders on your behalf at your direction.

We receive our advisory fee from the assets of your account only pursuant to your written authorization to Schwab and as agreed upon in the *Employer Investment Program Investment Advisory & Management Services Agreement* we enter into with you. Schwab does not determine the suitability of the type or frequency of the investments in your account; make discretionary or non-discretionary investments for your account; determine the suitability or reasonableness of any investment advisory fee we charge; or provide you with any investment recommendations or investment, tax, or legal advice.

We receive no monetary compensation from Schwab for this arrangement, but Schwab does make available to us products and services that include research, software, and reporting services. The availability of these products and services from Schwab benefits us because we do not have to produce or purchase them. The availability of these products and services also creates an incentive for us to recommend Schwab to our OPEB clients based on the benefits we receive. Schwab discloses to you the fees they charge with respect to your brokerage account. These fees may be higher than those obtainable from other brokers for like services. After termination of our agreement with Schwab, termination of your agreement with Schwab, or termination of our authorization on your account, you will be solely responsible for your own account.

Our investment advice to you is nondiscretionary, and you retain authority to effect all securities transactions in your account. Thus, transactions for each of our OPEB client accounts are generally effected independently.

Item 13 Review of Accounts

Our reviews of your account are focused on your account's investment performance and whether the investments meet your stated investment objectives, policies, procedures, guidelines, restrictions and liquidity requirements set forth in your investment policy statement. Client accounts are reviewed annually and monitored quarterly. On an annual basis, overall investment strategies as well as asset class and fund recommendations are reviewed and revised as necessary. On a quarterly basis, fund and portfolio performance are monitored with recommendations on rebalancing or fund substitutions provided to you as necessary. Further, we will periodically assess the applicability of the chosen benchmarks and make recommendations with respect to the appropriateness of the benchmarks as necessary.

We or our designee will provide quarterly written reports showing the market value of your account as of the close of such quarter, as well as a written report on the net gain or loss of the market value of the account on a quarterly, annual, and since inception basis. As the historical record develops, other intervals such as 3-year, 5-year and 10-year account performance will be included.

Further, we are available to consult with you upon request.

Item 14 Client Referrals and Other Compensation

We do not compensate third parties for client referrals. The brokerage account provider that we recommend in connection with OPEB Advisory Services makes available to us certain products and services that result in an economic benefit to us. Please see Item 12 for additional information.

Item 15 Custody

Under government regulations, we are deemed to have custody of your assets because you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. You should carefully review those statements when you receive them. We also urge you to compare Schwab's account statements with the periodic account reports you receive from us.

Item 16 Investment Discretion

Not Applicable.

Item 17 Voting Client Securities

We do not have the authority to vote securities in your account. You will receive your proxies or other solicitations directly from your custodian or a transfer agent. We do not provide advice about how you should vote your proxies.

Item 18 Financial Information

Not Applicable.