



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

*For VantageTrust Company Advisory Services*

March 30, 2020

**Vantagepoint Investment Advisers, LLC**

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This brochure provides information about the qualifications and business practices of Vantagepoint Investment Advisers, LLC (“VIA”). 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. VIA is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

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

## **Item 2 Material Changes**

Since the annual update to this brochure on March 29, 2019 this brochure has been updated to remove references to the VT II General Account Trust Fund because Vantagepoint Investment Advisers, LLC no longer provides investment advice to VantageTrust Company, LLC with respect to that Fund.

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#### **Item 4 Advisory Business**

Vantagepoint Investment Advisers, LLC (“VIA”) has been an SEC registered investment adviser since 1999 and offers investment advisory services to various clients, including its affiliate, VantageTrust Company, LLC (“VTC”), 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 for the purpose of the collective investment and reinvestment of assets of certain tax-exempt, deferred compensation and qualified retirement plans, retiree welfare plans, related trusts and certain other eligible investors.

VIA is a wholly-owned subsidiary of The International City Management Association Retirement Corporation (“ICMA-RC”). 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” or “Plans”) for their employees (“Participants”). ICMA-RC offers a full range of Retirement Plan administration services to Plan Sponsors, including administration, recordkeeping, and education services.

VIA provides discretionary and non-discretionary investment advisory and management services to VTC with respect to certain investment options made available within the VT Trusts (each a “Fund” and collectively, the “Funds”).

VIA provides discretionary investment advisory and management services to VTC with respect to the following Funds:

**Vantagepoint PLUS Fund** – a group of funds within the VT Trusts. The VT PLUS Fund and the VT II PLUS Fund each invest their assets in the VT III PLUS Fund (collectively, the “Vantagepoint PLUS Fund” or “PLUS Fund”), which is a stable value fund consisting of a diversified portfolio of stable value investment contracts (i.e., Traditional Guaranteed Investment Contracts (“GICs”), Separate Account GICs, and Synthetic GICs), fixed income securities, collective investment trust funds (including the VT II Special Purpose Funds), short-term investment funds and/or mutual funds, including money market funds. VIA advises VTC regarding the investment and reinvestment of the VT III PLUS Fund assets and also conducts the day-to-day management of that Fund. As part of its management duties, VIA selects the stable value investment contracts in which the VT III PLUS Fund invests. VIA also selects and monitors the fixed income managers that have and exercise investment discretion with respect to the securities backing the Synthetic GIC portfolios. In instances where the Synthetic GIC provider restricts the selection to their affiliated fixed income manager(s), VIA may select that Synthetic GIC provider and its affiliated fixed income manager but only after satisfying VIA’s investment manager due diligence process.

**Vantagepoint Funds** – a group of funds within the VT Trusts. As used in this brochure, “Vantagepoint Funds” refers to the VT III Vantagepoint Funds managed by VIA, and those VT Vantagepoint Funds and VT II Vantagepoint Funds that invest their assets in a VT III Vantagepoint Fund that has a corresponding name, investment objective, and strategy.

As part of its investment management responsibilities with respect to the VT III Vantagepoint Funds, VIA selects and monitors third-party investment managers that exercise investment discretion with respect to the portfolio securities of certain VT III Vantagepoint Funds. VIA also selects and monitors the investments of certain VT III Vantagepoint Funds.

**VantageTrust II Model Portfolio Funds** – a group of target risk funds made available to Other Post-Employment Benefits (OPEB) Trusts. Each of these funds invests in VT III Vantagepoint Funds and may also invest in third-party exchange-traded funds.

**VT II Special Purpose Funds** – a group of funds that are primarily used to gain exposure to fixed income securities within stable value investment strategies. As part of its investment advisory and management services, VIA either exercises investment discretion in the purchase and sale of the fixed income securities within the Special Purpose Funds, or selects and monitors third-party investment managers who exercise such investment discretion.

VIA tailors its advisory services to the needs of VTC, and manages the Funds in accordance with investment policies and guidelines approved by VTC. VIA is responsible for recommending changes to the Funds and their investment policies and guidelines as deemed warranted. VTC, as trustee of the VT Trusts, has ultimate authority over the Funds and may impose alternate investment guidelines, including restrictions on investing in certain securities or types of securities. Please see Item 8 for additional information.

VIA also provides non-discretionary investment advisory support to VTC with respect to the following Funds made available through the VT Trusts:

**Trust Series Funds**— a group of funds within VT, each of which invests its assets in a third-party mutual fund not affiliated with VIA. VIA monitors the performance and characteristics of the underlying third-party mutual funds and their managers, provides analyses and reports on their performance to VTC, and, where appropriate, recommends to VTC the addition or removal of third-party mutual funds from the Trust Series Funds.

**VantageTrust Certificate of Deposit Accounts** – a group of CD Accounts with third-party bank(s). The CD Accounts are closed to new investments, but VIA provides advisory support to VTC with respect to the CD Accounts by periodically reviewing CD Account performance and providing analyses and performance reports to VTC.

As of December 31, 2019, VIA managed \$44,229,162,602 for VTC on a discretionary basis. As of December 31, 2019, VIA provided non-discretionary investment advisory support to VTC with respect to \$6,230,922,589 in assets.

### **Item 5 Fees and Compensation**

VIA's investment advisory fees vary depending on the particular type and level of services provided and are part of the negotiated investment advisory agreement between VTC and VIA. VIA charges the following fees with respect to the Funds:

**Vantagepoint PLUS Fund** – VIA receives a combined investment advisory and administrative fee of 0.15% of assets invested in the VT III PLUS Fund. VIA does not charge an investment advisory fee to VTC with respect to the VT and VT II PLUS Funds in recognition of the fact that there is no investment discretion or investment management activities exercised with respect to such Funds, and such Funds invest their assets in the VT III PLUS Fund.

VIA's corporate parent, ICMA-RC, charges the VT and VT II PLUS Funds an administrative fee of up to 0.15% of assets invested in such Funds for services such as finance and accounting support. The administrative fee may be discounted for each Retirement Plan investing in the VT PLUS Fund based on the amount of such Retirement Plan's assets invested in such Fund, as well as other factors, including other relationships between the Retirement Plan and ICMA-RC. In this regard, ICMA-RC may consider all of a Plan Sponsor's Retirement Plans for which ICMA-RC provides administrative and other services. ICMA-RC also receives a plan and participant services fee of up to 0.25% of assets invested in the VT or VT II PLUS Fund for recordkeeping, reporting and disclosure services relating to servicing Retirement Plans and their Participants in VT or VT II. The plan and participant services fee may be discounted for each Retirement Plan investing in the VT or VT II PLUS Fund based on the amount of such Retirement Plan's assets invested in such Funds, as well as other factors, including other relationships between the Retirement Plan and ICMA-RC, and economies of scale provided by such Retirement Plans. In this regard, ICMA-RC may consider all of a Plan Sponsor's Retirement Plans for which ICMA-RC provides administrative and other services.

The relevant fees are accrued daily and periodically deducted from the assets invested in the Funds.

**Vantagepoint Funds** – VIA receives investment advisory fees ranging from 0.05% to 0.28% of the average daily net assets invested in the VT III Vantagepoint Funds. VIA does not charge an investment advisory fee to VTC with respect to the VT or VT II Vantagepoint Funds in recognition of the fact that there is no investment discretion or investment management activities exercised with respect to such Funds, and each VT and VT II Vantagepoint Fund invests its assets in a VT III Vantagepoint Fund with a corresponding name, investment objective and strategy.

VIA's corporate parent, ICMA-RC, receives asset-based compensation from the VT III Vantagepoint Funds for certain administrative support services, such as finance and accounting support, of up to 0.10% of the average daily net assets invested in the VT III Vantagepoint Funds. ICMA-RC also receives a plan and participant services fee of up to 0.25% of the average daily net assets invested in the VT and VT II Vantagepoint Funds for recordkeeping, reporting and disclosure services provided to VTC with respect to such Funds.

**VantageTrust II Model Portfolio Funds** – VIA receives an advisory fee of 0.10% of the average daily net assets invested in the VantageTrust II Model Portfolio Funds. VIA's corporate parent, ICMA-RC, receives a plan and participant services fee of up to 0.25% of average daily net assets invested in the VantageTrust II Model Portfolio Funds for recordkeeping, reporting and disclosure services provided to VTC with respect to such

Funds. The fee level depends on the level and type of services provided to an individual Plan investing in such Funds.

**VT II Special Purpose Funds** – In those instances where VIA exercises investment discretion over the portfolio of securities within a VT II Special Purpose Fund, VIA charges an advisory fee of up to 0.10% of average daily net assets invested in the Fund, and VIA's corporate parent, ICMA-RC, charges an administrative fee of 0.10%. Currently, the VT III PLUS Fund is the only investor in the VT II Special Purpose Fund for which VIA exercises such discretion. VIA and ICMA-RC have waived their fees with respect to the VT III PLUS Fund's investment. In those instances where VIA exercises investment discretion in the selection and oversight of a VT II Special Purpose Fund's third-party fixed income managers, VIA does not charge an investment advisory fee and ICMA-RC does not charge an administrative fee. However, these VT II Special Purpose Funds pay an investment management fee to the third-party managers.

VIA does not charge any fees to VTC with respect to the non-discretionary investment advisory support VIA provides with respect to the Trust Series Funds and the CD Accounts. However, VIA's corporate parent, ICMA-RC, receives fees for administrative services provided to such Funds. For the Trust Series Funds, ICMA-RC receives an administrative fee of up to 0.55% of account assets. For CD Accounts, ICMA-RC receives compensation in the form of an administrative fee of up to 0.60% on CD Account balances.

VTC pays VIA monthly, from the VT Trusts' assets, the above-referenced fees computed based on the average daily net asset value of the Fund. VIA may waive its fees in whole or in part in its sole discretion.

### **Other Fund Fees and Expenses**

With respect to certain Funds VIA selects and monitors third-party investment managers that exercise investment discretion over all or a portion of the Fund. VIA's fees listed above are in addition to any fees payable to the third-party managers. Operating, custody, brokerage and other transaction expenses are payable from the assets of the Funds. Please see Item 12 for a discussion of brokerage practices. Certain of the Funds may invest in underlying third-party or proprietary funds that charge their own fees and expenses in accordance with the terms of their respective disclosure and governing documents. The Funds, and their investors, bear their proportional share of these underlying fees and expenses. Pursuant to a master agreement between VTC and ICMA-RC, ICMA-RC is paid plan administration fees from Fund assets for administrative and recordkeeping services rendered by ICMA-RC to Plan Sponsors for their Retirement Plans that are invested in the Funds. These plan administration fees are in addition to the fees discussed above.

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

Not Applicable.

## **Item 7 Types of Clients**

VIA provides the investment advisory services described in this brochure to VTC, the trustee of the Funds also described in this brochure.

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

VIA employs various methods of analysis and investment strategies and there are various types of risk involved, as described below.

### **Vantagepoint PLUS Fund**

**Investment Strategies** – The PLUS Fund seeks to provide competitive current income consistent with preserving capital and meeting liquidity needs. Accordingly, the VT III PLUS Fund invests in a diversified portfolio of Traditional GICs, Separate Account GICs, Synthetic GICs, collective investment trust funds, including the VT II Special Purpose Funds, short-term investment funds, and/or mutual funds, including money market funds. Cash investments such as short-term investment funds and money market funds are held, in part, to seek to provide liquidity for payouts. The VT III PLUS Fund's portfolio may include different types of stable value investment contracts with a variety of negotiated terms and maturities, and the underlying fixed income securities and collective funds backing the Synthetic GICs are diversified across sectors and issuers. The objective is to obtain diversification and competitive returns through portfolio structuring.

The composition of the VT III PLUS Fund portfolio and its allocation to various stable value investment contracts, underlying fixed-income investment sectors, money market funds, and other mutual funds or collective funds will be based upon prevailing economic and capital market conditions, as well as relative value analysis. VIA utilizes active management strategies to ensure that the PLUS Fund is properly structured to seek to provide a low risk, liquid, stable value option for Participants. As such, VIA actively manages investment opportunities and cash flows, Synthetic GIC wrap contracts, and certain risk aspects by, for example, diversification across investments and wrap providers. Additionally, VIA monitors fixed income security, subadviser, and collective fund performance, as well as subadviser investment guidelines.

**Methods of Analysis** – For Traditional, Separate Account, and Synthetic GICs, VIA engages in an analytical process that begins with an evaluation of the credit rating of the issuers. The issuer approval process includes a review of publicly available disclosures and regulatory filings. The analysis focuses on key aspects of creditworthiness, including asset quality, liquidity, capital adequacy, profitability, risk management, and corporate management. The approval process also includes an in-person meeting with company management. Once approved, issuers are reviewed on an ongoing basis and must continue to meet specific credit criteria to remain eligible for new investment. The ongoing review includes analysis of quarterly financial statements, monitoring of market developments and major rating agency commentary, and a meeting at least annually with company managers. Approved issuers must maintain certain minimum credit ratings to remain on the approved list, but issuers may be removed from the list proactively when VIA's internal analysis detects credit weakening, regardless of an issuer's rating. VIA investment professionals



also conduct qualitative and quantitative analysis on the stable value investment contracts, money market funds, and other funds within the VT III PLUS Fund.

**Risk of Loss** – There are investment risks associated with the PLUS Fund’s underlying investments, including, but not limited to, issuer risk, credit risk, interest rate risk, and derivatives risk. There are specific risks, including liquidity, credit, and reinvestment risk, associated with the stable value contracts in which the PLUS Fund invests. Generally, stable value contracts are illiquid and may not be assigned or transferred without the permission of the issuer.

Additional risks associated with investing in the PLUS Fund include, but are not limited to, failure of the issuers of GICs, Separate Account GICs, Synthetic GICs or wrapper contracts to meet their obligations to the PLUS Fund. There is no guarantee that the PLUS Fund will achieve its investment objective, and the client may lose money, which is a risk the client should be prepared to bear. Please refer to the applicable PLUS Fund Fact Sheet and Disclosure Memorandum for a more detailed discussion of the risks of investing in the PLUS Fund.

## **Vantagepoint Funds**

**Investment Strategies** – Each fund in the VT Vantagepoint Fund series and the VT II Vantagepoint Fund series invests its assets in a corresponding series of the VT III Vantagepoint Funds, each of which follows a distinct investment strategy.

**Methods of Analysis** – VIA conducts quantitative and qualitative analysis and monitors each of the Vantagepoint Funds for adherence to their stated investment objectives and strategies, as well as performance.

The VT III Vantagepoint Model Portfolio Funds (“Vantagepoint Model Portfolio Funds”) and the VT III Vantagepoint Milestone Funds (“Vantagepoint Milestone Funds”) invest in other VT III Vantagepoint Funds and may also invest in exchange-traded funds or other third-party funds. VIA may alter the allocations to the underlying funds for a variety of reasons, including changes in an underlying fund’s investment objective or strategy or a change in VIA’s investment assumptions. If one component of a particular Vantagepoint Model Portfolio Fund or Vantagepoint Milestone Fund outperforms another component over any given time period, the Fund will become “out of balance.” VIA monitors the performance and underlying fund allocation and will, from time to time, transfer assets from one underlying fund to another in order to rebalance the Vantagepoint Model Portfolio Funds and Vantagepoint Milestone Funds.

Other VT III Vantagepoint Funds are managed on a day-to-day basis by third-party investment managers that are selected and monitored by VIA.<sup>1</sup> In selecting these subadvisers and in determining the amount of their asset allocations, VIA considers a variety of factors, which may include but are not limited to a manager’s investment performance, compliance program, brokerage policies, qualifications of the manager’s

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<sup>1</sup> VIA directly manages a portion of the VT III Vantagepoint Low Duration Bond Fund, and a portion of the VT III Vantagepoint Diversifying Strategies Fund.

investment professionals, proposed subadvisory fees and their effect on the Fund's expense ratios, and the specific investment process proposed by the third-party investment manager. In certain instances VIA may allocate a portion of a VT III Vantagepoint Fund to a pooled vehicle managed by the selected third-party manager, in lieu of engaging such third-party manager to manage a portion of the assets of the Fund directly.

As part of the advisory services VIA provides with respect to the VT III Vantagepoint Low Duration Bond Fund, VIA exercises investment discretion with respect to a portion of the portfolio securities of such Fund. The investment strategies and methods of analysis VIA uses in exercising such discretion are generally the same as the investment strategies and methods of analysis VIA uses when exercising discretion over the portfolio securities in a VT II Special Purpose Fund. Please see the discussion below for more information on those strategies and methods of analysis.

As part of the advisory services VIA provides with respect to the VT III Vantagepoint Diversifying Strategies Fund, VIA exercises investment discretion with respect to the selection of the alternative investments in which a portion of such Fund invests and monitors such investments on an ongoing basis. In exercising such discretion, VIA seeks to invest in a diversified portfolio of alternative investments, primarily in the form of limited partnership interests in the private equity, real assets, and direct lending and distressed debt asset classes. VIA typically seeks diversification across the alternative investments' strategies, vintage years, and geographies. In selecting such investments, VIA considers a variety of factors, including the macro environment and investment cycle, and the performance record of the alternative managers.

**Risk of Loss** – The investment risks vary depending on the Funds and type of investment strategies employed. There is no guarantee that a Vantagepoint Fund will achieve its investment objective, and the client may lose money, which is a risk the client should be prepared to bear. Please refer to the applicable Fund Fact Sheet and Disclosure Memorandum for a more detailed discussion of the specific risks of investing in each of the Funds.

## **VantageTrust II Model Portfolio Funds**

**Investment Strategies** – Each VantageTrust II Model Portfolio Fund in the series invests substantially all of its assets in a combination of VT III Vantagepoint Funds and may also invest in one or more third-party exchange traded funds. Each VantageTrust II Model Portfolio Fund seeks a different degree of potential risk and reward and is diversified among the underlying funds in differing allocations to seek to achieve the stated objective of the Fund.

**Methods of Analysis** – VIA conducts quantitative and qualitative analysis and monitors the Funds for adherence to their stated investment objectives and strategies, as well as performance. VIA may alter the underlying fund allocations for reasons including changes in an underlying fund's investment objective or strategy or a change in VIA's investment assumptions. If one component of a particular VantageTrust II Model Portfolio Fund outperforms another component over any given time period, the Fund will become "out of balance." VIA monitors the performance and underlying fund allocation and will, from

time to time, transfer assets from one underlying fund to another in order to rebalance a VantageTrust II Model Portfolio Fund.

**Risk of Loss** – There are investment risks associated with the VantageTrust II Model Portfolio Funds and the underlying funds. Each of the underlying funds has risks that vary depending on the type of fund and strategies employed. There is no guarantee that a VantageTrust II Model Portfolio Fund will achieve its investment objective, and the client may lose money, which is a risk the client should be prepared to bear. Please refer to the VantageTrust II Model Portfolio Funds’ Fact Sheets and the VantageTrust II Disclosure Memorandum for a more detailed discussion of the specific risks of investing in each of the Funds.

## **VT II Special Purpose Funds**

**Investment Strategies** – These Funds invest primarily in a portfolio of investment grade fixed income securities designed to provide current income with the potential for capital appreciation. Where VIA exercises investment discretion in the purchase and sale of portfolio securities within a VT II Special Purpose Fund, VIA generally takes a value-driven, long-term strategic view when making its selections, while also seeking to take advantage of short-term tactical opportunities that arise in the market. For other VT II Special Purpose Funds, VIA selects and monitors the third-party investment managers who exercise investment discretion with respect to the portfolio securities within the Funds. Because certain of the VT II Special Purpose Funds are used for operational efficiencies in the stable value advisory services VIA provides to its other clients, VIA seeks diversification across such Funds in terms of managers.

**Methods of Analysis** – In the exercise of investment discretion over the fixed income securities of a VT II Special Purpose Fund, VIA applies a combination of top-down and bottom-up analysis. The top-down approach includes, but is not limited to, analysis of the global economy, political environment, fixed income markets, equity markets, credit conditions, and the interaction among these inputs. The top-down approach is generally used to determine the overall risk budget for the Fund, which is primarily driven by duration, yield curve, and sector allocation decisions. Bottom-up, relative value analysis is then used to allocate across industries and individual securities. As part of the portfolio management process, VIA also uses various tools and systems to help evaluate and manage the risks in the portfolio, which may include, but are not limited to, benchmark comparisons, tracking error measurements, and scenario analyses.

In the selection and oversight of third-party managers, VIA considers a variety of factors, which may include but are not limited to a manager’s investment process and performance, compliance program, and proposed fees. VIA monitors the fixed income securities’ and VT II Special Purpose Funds’ performance, as well as each Fund’s investment guidelines, on an ongoing basis.

**Risk of Loss** – There are investment risks associated with investing in the VT II Special Purpose Funds including, but not limited to, interest rate risk, credit risk, prepayment and extension risk, call risk, foreign securities risk, municipal securities risk, inflation-adjusted securities risk, mortgage-backed securities risk, asset-backed securities risk, and

derivatives risk, as applicable based on the Fund. Please see the VantageTrust II Disclosure Memorandum for additional information. There is no guarantee that the VT II Special Purpose Funds will achieve their investment objectives, and the client may lose money, which is a risk the client should be prepared to bear.

## **Trust Series Funds**

**Investment Strategies** – Each of the Trust Series Funds invests substantially all of its assets in a third-party mutual fund, which follows a distinct investment strategy. VIA seeks to identify third-party mutual funds appropriate for retirement investment programs, taking into consideration a variety of factors, including but not limited to, investment style and strategy, risk and return profile, management tenure and experience, and how the third-party fund complements other investment options available through VantageTrust.

VIA may recommend to VTC that a third-party mutual fund be included in or removed from the Trust Series based on a variety of factors, including but not limited to: (1) qualitative assessments of the adequacy of the VantageTrust investment options in meeting Plan Participants' retirement investment needs; and (2) quantitative and qualitative assessments of the quality of the mutual fund's management and prospects for performance given a mutual fund's investment objective and strategy, utilizing analytical methods described below.

**Methods of Analysis** – VIA conducts quantitative and qualitative analysis when recommending underlying mutual funds for inclusion in the Trust Series. Quantitative analysis includes the use of commercially available software and external databases as well as compilation of internal databases to analyze universes of third-party mutual funds and available share classes appropriate for use in the Trust Series, and fund managers' investment style and performance relative to their peers and appropriate benchmarks. Qualitative analysis includes the compilation and analysis of information pertaining to the underlying fund managers, their firms, and their business practices. Qualitative analysis as practiced at VIA normally includes interviews of the fund managers and other key personnel of the third-party mutual fund firm. VIA conducts ongoing analysis of each underlying fund's management, compliance with investment objectives and strategies, risk factors, and performance, including prospects for future performance. Such recommendations may be based on single or multiple factors.

**Risk of Loss** – There are investment risks associated with the Trust Series Funds' underlying investments, which are mutual or money market funds that have risks that vary depending on the type of fund and strategies employed. There is no guarantee that a Trust Series Fund will achieve its investment objective, and the client may lose money, which is a risk the client should be prepared to bear. Please refer to each Fund's applicable disclosure materials for a more detailed discussion of the specific risks of investing in the Fund.

## **CD Accounts**

**Investment Strategy, Method of Analysis, and Risk of Loss:** The CD Accounts are closed to new investments; however, VIA periodically reviews CD Account performance and provide analyses and performance reports to VTC.

CD Accounts bear risks, including but not limited to issuer risk and credit risk. There is no guarantee that a CD Account will achieve its objective, and the client may lose money, which is a risk the client should be prepared to bear.

## **Item 9 Disciplinary Information**

Not Applicable.

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

### **Broker-Dealer**

ICMA-RC Services, LLC (“RC Services”), a wholly-owned subsidiary of ICMA-RC and an affiliate of VIA, is a broker-dealer registered with the SEC and is a FINRA member firm. RC Services engages in marketing and solicitation activities with respect to certain Funds of the VT Trusts. Certain management persons of VIA are registered representatives of RC Services.

### **Investment Adviser**

ICMA-RC is the corporate parent of VIA. As discussed in Item 4 above, ICMA-RC provides Retirement Plan administration and recordkeeping services to Plan Sponsors. ICMA-RC is also an SEC-registered investment adviser and provides investment advisory and management services to various types of clients. Supervised persons of VIA are also supervised persons of ICMA-RC.

### **Banking Institution**

VIA provides the investment advisory services described herein to its affiliate, VTC, a New Hampshire non-depository trust company and a wholly-owned subsidiary of ICMA-RC. VTC is the sole trustee of the VT Trusts and their related funds, including the Funds described herein.

### **Conflicts**

Please see the response to Item 11 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**

VIA adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 to help meet its fiduciary obligations to its clients to act in the clients' best interests and to subordinate VIA and its associates' interests to the interests of VIA's clients. The Code of Ethics helps to ensure that VIA associates avoid or appropriately manage conflicts with the interests of VIA's clients. Under the Code of Ethics, all VIA 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 VIA's gift policy.

VIA's Code of Ethics also addresses the SEC's "pay-to-play" rule, which is designed to prevent investment advisers from making political contributions or hidden payments in an effort to influence their selection by government officials to provide advisory services to government entities. VIA's Code of Ethics prohibits political contributions to certain state and local government officials, restricts using third party solicitors for potential clients unless those solicitors are subject to the pay-to-play rule, and implements a ban on engaging in fundraising activities for certain officials, political action committees, as well as state and local political parties. VIA's Political Contributions Policy contained in the Code of Ethics applies to all officers and employees of VIA and its affiliated entities regardless of position, responsibility or title. Exceptions to the political contribution prohibition are possible only upon approval of VIA's 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, VIA has adopted procedures to control the use of material, non-public information. These procedures take into account that VIA and its related persons may, from time to time, come into possession of material non-public and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, VIA and its related persons may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client of VIA. Accordingly, should such persons come into possession of material non-public or other confidential information with respect to any company, they are prohibited from communicating such information to or using such information for the benefit of their respective clients, and have no obligation or responsibility to disclose such information to nor responsibility to use such information for the benefit of their clients when following policies and procedures designed to comply with law.

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

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

VIA provides investment advice with respect to certain Funds described herein in which VIA or its corporate parent, ICMA-RC, has a financial interest.

VIA receives asset-based compensation for the advisory services it provides to the VT III Vantagepoint Funds and the VT III PLUS Fund. In addition, ICMA-RC receives asset-based

administrative fees from such Funds. When a VT or VT II Vantagepoint Fund invests in a VT III Vantagepoint Fund, and when the VT or VT II PLUS Fund invests in the VT III PLUS Fund, a potential conflict of interest exists because VIA and ICMA-RC receive compensation in the form of advisory and administrative fees based on the assets invested in the VT III Vantagepoint Funds and the VT III PLUS Fund. A similar conflict exists when VIA causes a Vantagepoint Model Portfolio Fund, a Vantagepoint Milestone Fund, or a VantageTrust II Model Portfolio Fund to invest in a VT III Vantagepoint Fund and when VIA causes the VT III PLUS Fund to invest in the VT II Special Purpose Funds.

In addition, when VIA recommends that a Trust Series Fund invest in a third-party mutual fund, a potential conflict of interest exists because VIA's corporate parent, ICMA-RC, typically receives administrative fees from its third-party mutual fund settlement and clearing agent based on assets invested in the underlying third-party mutual fund.

Pursuant to a master agreement between VTC and ICMA-RC, ICMA-RC is paid from Fund assets for administrative and recordkeeping services rendered by ICMA-RC to Plan Sponsors for their Retirement Plans that are invested in the Funds. These plan administrative fees are negotiated between ICMA-RC and the Plan Sponsor. Such plan administration fees are in addition to the advisory and administrative fees described above.

All of the fees and payments from third-parties described above are expressly disclosed to and acknowledged by VTC in its agreements with VIA and ICMA-RC.

### **Personal Securities Trading**

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

In order to address these conflicts, VIA has implemented a Personal Securities Trading Policy that governs the personal investing activities of Access Persons and any associate that has gained access to material non-public information. The Personal Securities Trading Policy is designed to prevent unlawful practices in connection with personal securities trading of associates.

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

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

VIA has also taken steps to ensure that associates who also manage investments for the corporate portfolio of ICMA-RC do not misuse confidential information about client investments. VIA requires that trades for the corporate portfolio be placed in accordance with pre-clearance guidelines that mirror those in the Personal Securities Trading Policy. Additionally, the VIA 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 client accounts.

### **Item 12 Brokerage Practices**

VIA does not select or recommend broker-dealers for mutual fund transactions on behalf of VTC. Transactions in mutual funds are settled and cleared through a third-party settlement and clearing agent.

When VIA exercises discretion in the purchase and sale of securities within a client account, VIA also typically selects the broker-dealers for transactions in such securities. In selecting the broker-dealers and determining the reasonableness of their compensation, VIA will generally consider the following factors:

- Financial stability
- Industry reputation
- Commission schedule
- Trade execution service quality and performance (including settlement quality)
- Any experience VIA's personnel may have with the broker-dealer
- Information available through a service to which VIA has access, such as FINRA's CRD BrokerCheck
- Publicly available news reports
- Reports from third-party vendors regarding best execution

Where VIA exercises investment discretion over the securities within a client account, from time to time VIA will decide to purchase or sell the same securities for more than one account at approximately the same time. In such instances, VIA typically will aggregate the transactions across accounts, to the extent consistent with best execution and the terms of the relevant investment advisory agreements with the clients. When such trade aggregation occurs, VIA allocates the transactions only in a manner that ensures all clients are treated fairly and that VIA is not favoring any one advisory account over another.

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

#### **Account Reviews**

As part of the advisory services provided to VTC, VIA conducts periodic reviews of the Funds and the results are presented to the VTC Board of Directors, typically on a quarterly basis. The reviews include, but are not limited to, ongoing analyses of investments and performance of the Funds. Where applicable, VIA also reviews third-party firms that provide services relevant to the Funds, such as the third-party managers that manage the assets of certain Funds and/or that manage underlying investments in certain Funds. The reviews are conducted by VIA investment professionals, specifically, Fund Managers, Directors, and Vice Presidents.



An additional broader annual review and discussion is conducted with VTC regarding the overall structure of the VT Trusts' investment options, and a strategic review is provided of recent and potential Fund changes and enhancements.

### **Account Reporting**

VIA provides written informational data and strategy reports as needed but no less frequently than on a quarterly basis. Intra-quarter reporting is provided when special events occur, such as significant market events or other factors that may impact the performance of the investment portfolios or the strategies of the Funds. Quarterly reports include pertinent investment information including, but not limited to, absolute and relative performance information and characteristics data. The level of detail provided is commensurate with VIA's level of responsibility for management of the Funds.

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

Not Applicable.

### **Item 15 Custody**

Not applicable. In lieu of receiving account statements from a qualified custodian, VTC receives audited financial statements in accordance with Advisers Act Rule 206(4)-2(b)(4).

### **Item 16 Investment Discretion**

With respect to the VT III PLUS Fund, VIA exercises investment discretion with respect to the purchase of Traditional, Separate Account, and Synthetic GICs, as well as money market funds and other mutual funds and collective funds that make up the VT III PLUS Fund's liquidity components. VIA also has discretion with respect to the establishment of investment guidelines for fixed income managers for the underlying fixed income portfolios backing Synthetic GICs, within the constraints of VT III PLUS Fund investment guidelines approved from time to time by VTC. However, the responsibility for the selection and purchase of the underlying fixed income securities within Synthetic GIC portfolios rests with the applicable fixed income manager.

With respect to the Vantagepoint Milestone Funds, the Vantagepoint Model Portfolio Funds, and the VantageTrust II Model Portfolio Funds, VIA exercises investment discretion with respect to such funds' investments in underlying funds. VIA also exercises investment discretion in the selection and oversight of the subadvisers that manage the assets of certain VT III Vantagepoint Funds.

With respect to a portion of the VT III Vantagepoint Low Duration Bond Fund and VT III Vantagepoint Diversifying Strategies Fund, VIA exercises investment discretion in the purchase and sale of the portfolio securities in which such Funds invest.

With respect to the VT II Special Purpose Funds, VIA exercises investment discretion either in the purchase and sale of portfolio securities for the Funds, or in the selection and oversight of the Funds' third-party fixed income managers.

VIA has accepted its delegation of investment discretion with respect to the Funds in its investment advisory agreement with VTC, and exercises such discretion consistent with Fund investment guidelines that have been approved by VTC.

### **Item 17 Voting Client Securities**

VIA's Proxy Voting Policies and Procedures apply to all accounts over which VIA has and exercises voting power with respect to client securities. Where VIA delegates its investment management discretion to a third-party manager, VIA also typically delegates proxy voting authority to such manager, as discussed below.

#### **VIA Proxy Voting**

Currently, the only voting securities over which VIA exercises voting power on behalf of VTC are shares of registered mutual funds held in the Trust Series Funds. It is VIA's guiding principle to vote client proxies for the exclusive benefit of and in the best economic interests of the client, that is, in the manner that VIA believes most likely to maximize total return to the client as investor in the securities being voted. VIA is responsible for identifying any material conflicts of interest, analyzing and evaluating particular proposals presented for vote, and determining when and how client proxies should be voted in accordance with the general rules and criteria set forth in the Proxy Voting Guidelines.

VIA's Proxy Voting Policies and Procedures set forth specific voting instructions for certain shareholder events associated with registered mutual funds, providing instructions on how to vote for each event. However, the Guidelines are not exhaustive and do not cover all potential voting issues. VIA will handle situations not covered by the Guidelines in accordance with the guiding principle stated above. VIA is not bound to strictly adhere to the Guidelines and may seek voting instructions from the client.

A possible material conflict of interest could exist when the matter being voted has a material impact on VIA or one of its affiliated companies, which could arise, for example, if VIA was responsible for voting a proxy on behalf of a client for a security that is also held in the corporate portfolio of VIA's corporate parent, ICMA-RC. In the event VIA determines there is a material conflict of interest that may affect VIA's judgment on a particular vote, VIA may vote the proxy only if VIA's Proxy Voting Guidelines specify how such matters generally will be voted, that is, the guidelines state that votes generally will be cast "for" or "against" or "abstain" on that type of proposal. If the Guidelines do not indicate how the vote should be cast, VIA either will seek voting instructions or a waiver of the conflict from the advisory client, vote the shares in the same proportion as the vote of all other holders of such security (if this option is available to VIA), or refrain from voting.

#### **Subadviser Proxy Voting**

Where VIA has delegated its investment management authority to a subadviser (for example, with respect to VT III Vantagepoint Funds), the authority and responsibility for voting proxies with respect to the underlying voting securities of the Funds also has been delegated to such subadvisers. VIA reviews and evaluates the proxy voting policies and voting record of each subadviser as part of its initial scrutiny and ongoing oversight of each subadviser. Although VIA does not currently

expect to be called on to vote proxies where that responsibility has been delegated to a subadviser, if that were to occur, VIA would vote such proxies on a case-by-case basis, following the guidelines described above and, where appropriate, taking into account the principles set forth in the proxy voting policies of the subadviser for the portion of the Fund that holds the security to be voted.

Clients may obtain a copy of VIA's Proxy Voting Policies and Procedures, and where applicable, information about how relevant proxies were voted, upon request by contacting VIA at 800-669-7400.

#### **Item 18 Financial Information**

Not Applicable.