

Plan Service Report

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM
For Period Ended June 30, 2017

2nd Quarter 2017

Platinum Services Plan Service Report

ICMA-RC's Mission and Values Statement

We help public employees build retirement security.

We put clients first and serve them with excellence, integrity and leadership.

ICMA-RC's Service Commitment

At ICMA-RC, we recognize that our success is based on the quality of our relationships with employers and retirement plan participants. We know that the trust employers and their participants have in us is not to be taken lightly. Our customer-focused relationships are built on providing exceptional education, in good times and in bad, along with investment, retirement and plan administration solutions. We seek to maximize this experience by providing the best possible service, quality and value to plan sponsors and their employees as they build retirement security. We call this commitment Platinum Services.

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IMPORTANT NOTICE: *If your plan makes available VT Funds, note that VT Funds invest either in collective investment funds or underlying third party mutual funds. Data presented on the VT Vantagepoint Funds is for the funds in which your plan invests and is inclusive of all fees. Data presented on VT Funds that invest in third party underlying mutual funds of other fund companies is for the underlying fund and also is inclusive of all fees. Reference to such underlying non-performance data by VT Funds is for reference only and NOT reflective of the returns of the corresponding VT Funds.*

I. Investment Due Diligence Review

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Past performance is no guarantee of future results.

Please read Making Sound Investment Decisions: A Retirement Investment Guide and the accompanying VantageTrust Fund Fees and Expenses document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at www.icmarc.org.

Second Quarter Economic Review

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Economic Commentary

Economically, the United States continues its steady albeit slow-growth expansion now in its eighth year. The labor market continues to strengthen with June representing the 81st consecutive month of job growth. However, broad wage gains that usually accompany strong job markets are still elusive. Although the U.S. is below the Federal Reserve's (Fed) long-term natural rate of unemployment, June's year-on-year average hourly earnings growth of 2.5% is still lower than the 2.9% wage growth produced at the end of the Great Recession.

U.S. real gross domestic product (GDP) grew at an annualized 1.4% rate in the first quarter, down from 2.1% in the fourth quarter. In a reversal, the U.S. fell behind the Eurozone, which reported 2.3% annualized growth rate in the first quarter. China's annual GDP grew 6.9%, slightly higher than the 6.8% growth rate the country registered in the prior quarter. An increase in industrial output, retail sales, and fixed-asset investment led to above-market-consensus GDP growth for China, the second-largest economy.

- Seasonally-adjusted U.S. nonfarm payrolls grew by an average of 194,000 jobs per month in the second quarter, with June's 222,000 jobs number significantly higher than March's 50,000 figure. On a comparative basis, the second-quarter three-month average is higher than the 166,000 reported in the first quarter of 2017 and the 153,000 jobs created in the second quarter of 2016. The U.S. unemployment rate continued to fall, dropping from 4.5% in March to 4.4% in June, signaling a continued tightening in the U.S. labor market. While June's labor force participation rate increased from May's 62.7% reading to end the quarter at 62.8%, it is down from March's 63.0% rate. It has been in the range of 62.5% to 63.0% for the past few years, down from about 66% a decade ago.
- The Institute for Supply Management (ISM) Manufacturing Purchasing Manager's Index increased to 57.8 in June's reading from 57.2 in March. However, the second-quarter average was 55.8, lower than the 57.0 average in the first quarter. The ISM Nonmanufacturing Index rose to 57.4, above its March reading of 55.2, and continues to strengthen from the low-50s readings last year.
- The Conference Board's Consumer Confidence Index cooled from its elevated 124.9 in March, but still posted a historically-high 118.9 in June and remains higher than 109.4 in November. The National Federation of Independent Business' Small Business Optimism Index fell slightly in June to 103.6, down from 104.7 in March.
- U.S. existing home sales slightly rebounded in May with a seasonally-adjusted annual rate of 5.62 million — up from 5.47 million in February. Existing home sales have been hampered by inventory shortages as the supply of homes on the market has dropped to 4.2 months, lower than the six-month supply typically viewed as a healthy balance between supply and demand. Seasonally-adjusted sales of new single-family homes, however, totaled 610,000 in May, down slightly from the upwardly-revised 615,000 in February.
- Retail sales were inconsistent, missing economists' consensus every month in the second quarter. April's retail sales increased by 0.3% before falling 0.1% in May and 0.2% in June. However, many economists blame May and June's drop in part due to lower gas prices more than a lack of consumer participation.

Second Quarter Economic Review

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Economic Commentary

- Vehicle sales slowed during the quarter and reported seasonally-adjusted annualized sales of 16.5 million units in June — down 100,000 units from the 16.6 million pace in March. This was the fourth-consecutive month vehicle sales fell below the 17-million level and nearly two million units below the 18.4 million seasonally-adjusted annualized units sold in December 2016.
- Inflation slowed through the quarter, with the Consumer Price Index 12-month price index increasing 1.6% in the 12-month period ended June, down from 2.7% in February. The Fed's target inflation rate is 2.0%, but low inflation could complicate its current path toward rate normalization.

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Domestic Equity Markets

U.S. equity markets continued its strong performance during the second quarter with gains across all market capitalizations, although most indices lagged their first-quarter performance. In the large-cap space, the gains were broad-based with nine of the S&P 500's 11 sectors reporting gains during the second quarter, matching the first-quarter's total.

- The S&P S&P 500 Index returned 3.09%, including dividends, ending the quarter at 2,423, up from 2,363 at the end of March 2017. For the first half of the year the S&P 500 has returned 9.34%, including dividends.
- The S&P 500 was led by particularly strong returns in the Health Care sector (7.10%) alongside Industrials (4.73%) and Information Technology (4.14%). This was the second-consecutive quarter Health Care and Information Technology were among the top three performing sectors. Two sectors had negative quarterly returns: Telecom Services (-7.05%) and Energy (-6.36%). This was the second-consecutive quarter Energy has provided negative returns in excess of 6.00%.
- The Russell 2000 Index, representing U.S. small-cap stocks, gained 2.46%, nearly matching the 2.47% growth the index attained in 2017's first quarter, while the Russell Midcap Index rose 2.70%.
- Growth continued to outperform value-style investing across all capitalization ranges, a continuation of 2017's first quarter. The Russell 1000 Growth Index returned 4.67% versus the Russell 1000 Value Index's gain of 1.34%. The Russell 2000 Growth Index rose 4.39% in the quarter compared with the 0.67% increase of the Russell 2000 Value Index.
- The price of gold fell to \$1,242 per ounce at quarter end from its March 30 level of \$1,254.

Past performance is no guarantee of future results

Morningstar Returns for Domestic Equity Funds-- 2nd Quarter 2017*

	Value	Blend	Growth
Large-Cap	1.78%	2.92%	5.01%
Mid-Cap	1.03%	1.93%	4.68%
Small-Cap	0.26%	1.53%	4.33%

Morningstar Returns for Domestic Equity Funds-- 1 Year Ending 6/30/2017*

	Value	Blend	Growth
Large-Cap	16.49%	17.17%	20.02%
Mid-Cap	17.26%	17.37%	18.58%
Small-Cap	21.15%	20.96%	23.12%

*See disclosure at end of chapter

Second Quarter Economic Review

2nd Quarter 2017

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Fixed Income Markets

Contrary to U.S. equities, fixed income markets broadly outperformed its first-quarter performance. Like the first quarter of 2017, the bond rally continued in the second quarter even though the Fed raised the target range of its federal funds rate and signaled additional increases on its path to normalization during its June meeting.

Yields at the long end of the yield curve surprisingly decreased during the quarter, which points to investors becoming slightly more reticent about economic growth and the reflation trade.

- The During the quarter, Treasury yields from longer-dated maturities (10-year and 30-year) slightly decreased and the yield curve flattened. The spread between two-year and 10-year Treasury yields decreased from 113 basis points (1.13 percentage points) to 93 basis points. At quarter end, the two-year U.S. Treasury note increased 11 basis points to finish with a 1.38% yield; the five-year Treasury note decreased four basis points to a 1.89% yield; and the 10-year note and 30-year Treasury bond yielded 2.31% and 2.84%, respectively, down from 2.40% and 3.02%, at last quarter's end.
- The broad Bloomberg Barclays U.S. Aggregate Bond Index returned 1.45%, up from the 0.82% gain produced last quarter.
- U.S. municipal bonds also beat its first-quarter performance, returning 1.96%, along with the Bloomberg Barclays U.S. Corporate Investment Grade Index, which provided investors a 2.54% return this quarter.
- Two notable exceptions to stronger second-quarter fixed income performance were high yield and Treasury Inflated Protection Securities (TIPS). The Bloomberg Barclays U.S. Corporate High Yield Index gained 2.17%, versus a 2.70% last quarter. The Bloomberg Barclays TIPS Index decreased 0.40% versus a 1.26% gain in the first quarter.
- Emerging market bonds (in U.S. dollars) continued its strong 2017 performance, returning 1.77% in the second quarter.

Morningstar Returns for Domestic Fixed Income Funds--Period Ending 6/30/2017*

Category	Quarter	Year
Ultrashort Bond	0.37%	1.46%
Short Government Short-Term Bond	0.24% 0.56%	-0.36% 1.23%
Inflation-Protected Bond	-0.49%	0.10%
Intermediate Government Intermediate-Term Bond	0.72% 1.49%	-1.24% 0.94%
Long Government Long-Term Bond	4.19% 3.94%	-7.26% 1.05%
High Yield Bond	1.74%	10.78%

*See disclosure at end of chapter

Second Quarter Economic Review

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International Equity Markets

International markets (in U.S. dollars) generally outperformed the U.S. equity markets partially owing to a weaker dollar and stronger economic conditions. European markets, on average, outperformed the S&P 500, with France (9.11%) and Switzerland (8.96%) the leading developed European markets, while the overall MSCI Europe Index returned 7.37%. The MSCI Japan Index reported a quarterly gain of 5.19%. Developed stocks had strong gains, with the MSCI EAFE Index returning 7.25%. The MSCI Emerging Markets Index reported stronger performance by returning 11.45%.

- Developed markets had strong gains, with the MSCI EAFE Index returning 6.12%. The MSCI Emerging Markets Index reported slightly stronger performance by returning 6.27%.
- The larger emerging markets were led by China and Mexico, which produced gains of 10.57% and 7.19%, respectively. In contrast, Russia reported a decrease of 10.03%, one of the few countries reporting a loss, an acceleration of first quarter's 4.61% loss.

Morningstar Returns for International Equity Funds--1 Year Ending 6/30/2017*

Category	Quarter	Year
Foreign Large Value	5.10%	19.94%
Foreign Large Blend	6.25%	19.13%
Foreign Large Growth	7.98%	17.80%
Foreign Small/Mid Value	6.15%	21.05%
Foreign Small/Mid Growth	8.94%	18.92%
Diversified Emerging Mkts	5.87%	20.48%
World Allocation	2.83%	10.10%

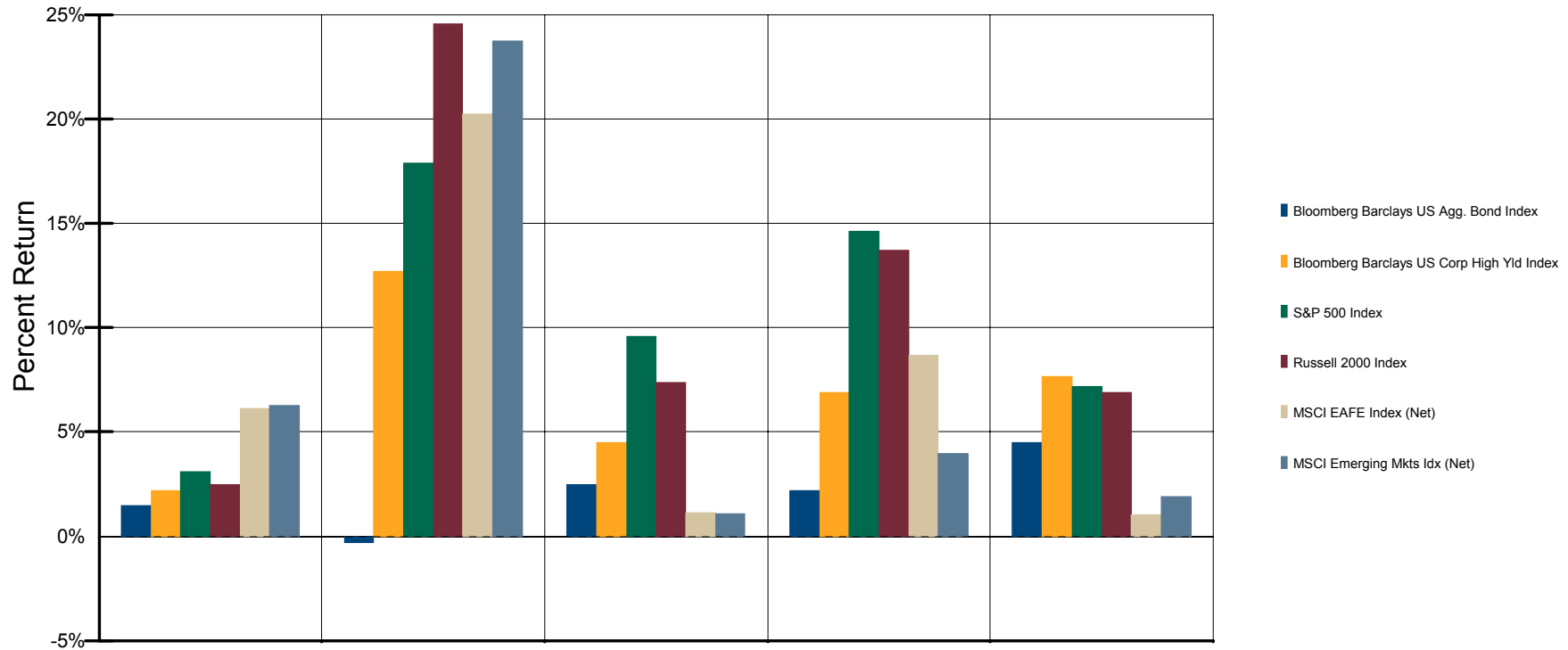
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*See disclosure at end of chapter

Capital Markets Returns

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	Q2 '17	1 Year	3 Years	5 Years	10 Years
Bloomberg Barclays US Aggregate Bnd Index	1.45%	-0.31%	2.48%	2.21%	4.48%
Bloomberg Barclays US Corp High Yield Index	2.17%	12.70%	4.48%	6.89%	7.67%
S&P 500 Index	3.09%	17.90%	9.61%	14.63%	7.18%
Russell 2000 Index	2.46%	24.60%	7.36%	13.70%	6.92%
MSCI EAFE Index (Net)	6.12%	20.27%	1.15%	8.69%	1.03%
MSCI Emerging Mkts Idx (Net)	6.27%	23.75%	1.07%	3.96%	1.91%

Periods greater than one year represent annualized performance.

Past performance is no guarantee of future results.

Retirement Focused Investing – RHS Plans

		U.S. STOCK			TARGET-RISK/TARGET-DATE
		Value	Blend	Growth	11 funds in asset category. See Fund Summary pages for names of all funds in asset category.
Large		--	--	--	
	Mid	--	--	--	
	Small	--	--	--	
		STABLE VALUE/CASH MANAGEMENT	BOND	INTERNATIONAL/GLOBAL STOCK	BALANCED
		--	--	--	--
					SPECIALTY
					--

All data on page is as of June 30, 2017

See disclosure at end of chapter. This is a list of funds available for all RHS plans with more than five participants.

VT Vantagepoint Milestone Funds^{1,5,13}

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Morningstar^{®,2} Three-, Five- and Ten-Year Rankings as of 6/30/2017

VT Vantagepoint Milestone Funds	Retirement Income	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone
1st quartile					
2nd quartile				41 39	
Median Return		47			45
3rd quartile	63 64 61		70 69	58	69
4th quartile		76			
		83			
Morningstar^{®,2} Category	Target-Date Retirement	Target-Date 2000-2010	Target-Date 2015	Target-Date 2020	Target-Date 2025
Funds Ranked in Category: 3-Year Period	137	89	91	184	158
Funds Ranked in Category: 5-Year Period	114	69	69	148	118
Funds Ranked in Category: 10-Year Period	66	50	31	84	48

- ◆ 3-Year Rank
- ◆ 5-Year Rank
- ◆ 10-Year Rank

Number next to each diamond represents a percentile rank within the appropriate Morningstar style category universe of funds. The percentile ranking is based on Total Return relative to funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Past performance is no guarantee of future results. Please read Making Sound Investment Decisions: A Retirement Investment Guide ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing.

VT Vantagepoint Milestone Funds^{1,5,13}

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Morningstar^{®,2} Three-, Five- and Ten-Year Rankings as of 6/30/2017

VT Vantagepoint Milestone Funds	VT II Vantagepoint	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone	VT II Vantagepoint Milestone
1st quartile					
2nd quartile					
Median Return					
3rd quartile					
4th quartile					
Morningstar^{®,2} Category	Target-Date 2030	Target-Date 2035	Target-Date 2040	Target-Date 2045	Target-Date 2050
Funds Ranked in Category: 3-Year Period	184	158	184	158	176
Funds Ranked in Category: 5-Year Period	148	118	148	117	137
Funds Ranked in Category: 10-Year Period	84	48	84	46	41

- ◆ 3-Year Rank
- ◆ 5-Year Rank
- ◆ 10-Year Rank

Number next to each diamond represents a percentile rank within the appropriate Morningstar style category universe of funds. The percentile ranking is based on Total Return relative to funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Past performance is no guarantee of future results. Please read Making Sound Investment Decisions: A Retirement Investment Guide ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing.

VT Vantagepoint Milestone Funds^{1,5,13}

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VT III Vantagepoint Fund Target Allocations as of 6/30/2017

EQUITY

- Emerging Market
- International
- Overseas Equity Index
- Discovery
- Aggressive Opportunities
- Mid/Small Company Index
- Select Value
- Growth
- Growth & Income
- Equity Income

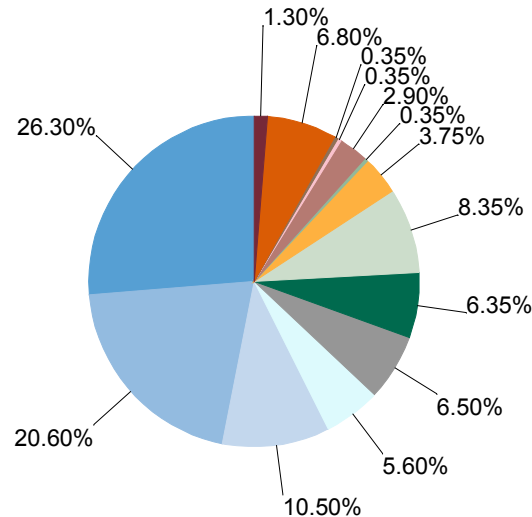
MULTI-STRATEGY

- Diversifying Strategies

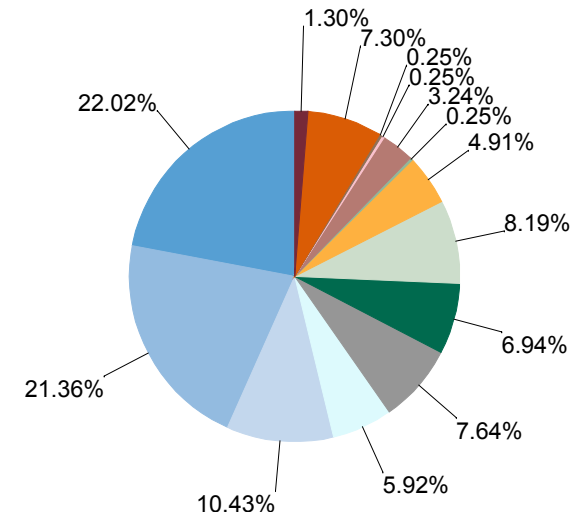
FIXED INCOME

- High Yield Bond
- Inflation Focused
- Core Bond Index
- Low Duration Bond

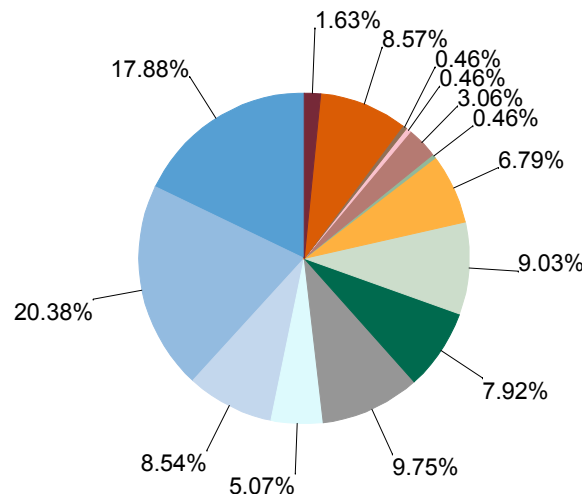
See disclosure at end of chapter.



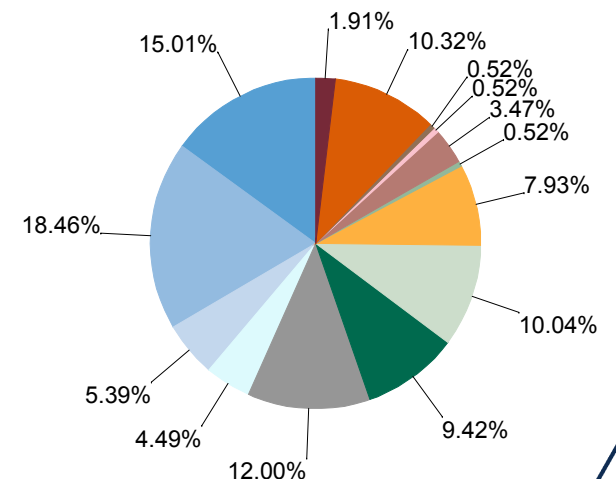
VT Vantagepoint Retirement Income



VT Vantagepoint 2010



VT Vantagepoint 2015



VT Vantagepoint 2020

All data on page is as of June 30, 2017

For Plan Sponsor Use Only

VT Vantagepoint Milestone Funds^{1,5,13}

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VT III Vantagepoint Fund Target Allocations as of 6/30/2017

EQUITY

- Emerging Market
- International
- Overseas Equity Index
- Discovery
- Aggressive Opportunities
- Mid/Small Company Index
- Select Value
- Growth
- Growth & Income
- Equity Income

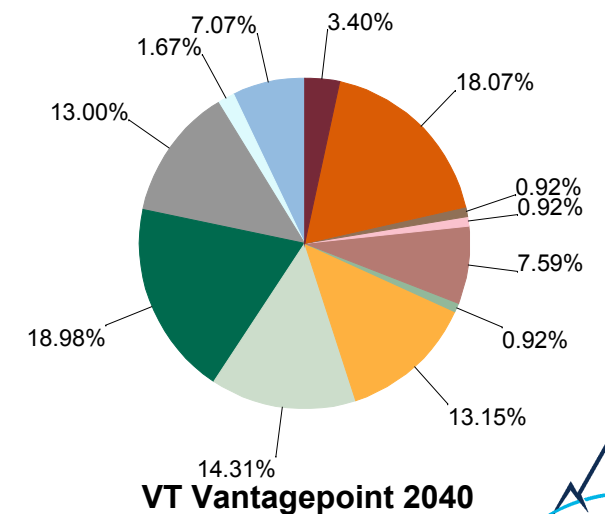
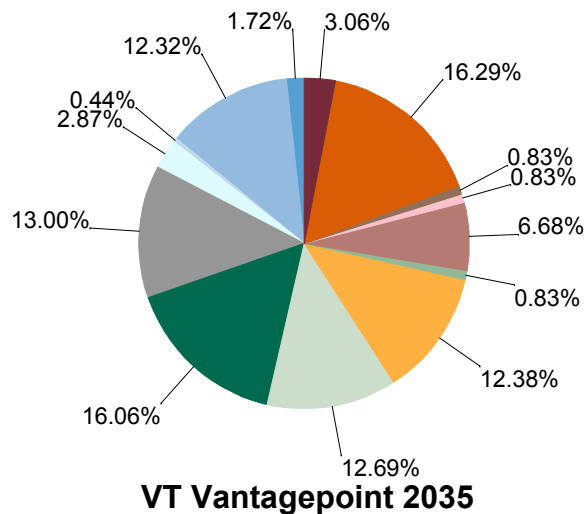
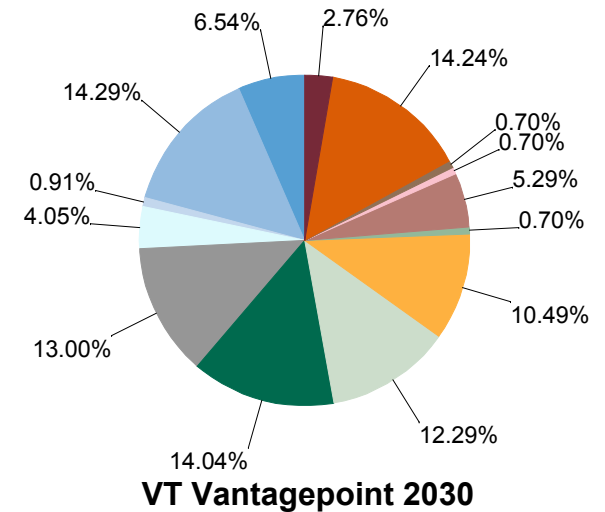
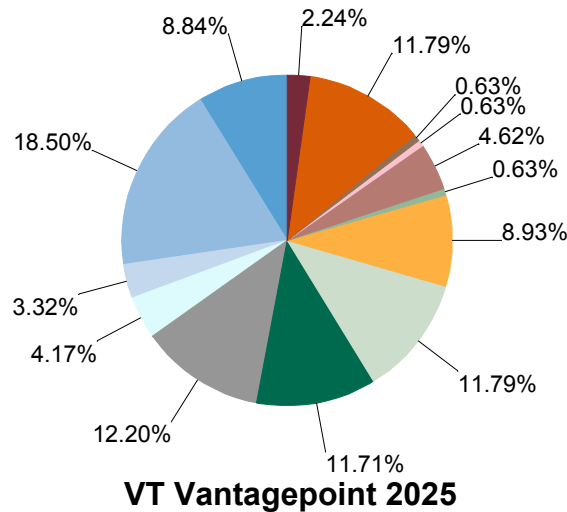
MULTI-STRATEGY

- Diversifying Strategies

FIXED INCOME

- High Yield Bond
- Inflation Focused
- Core Bond Index
- Low Duration Bond

See disclosure at end of chapter.



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VT Vantagepoint Milestone Funds^{1,5,13}

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VT III Vantagepoint Fund Target Allocations as of 6/30/2017

EQUITY

- Emerging Market
- International
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- Mid/Small Company Index
- Select Value
- Growth
- Growth & Income
- Equity Income

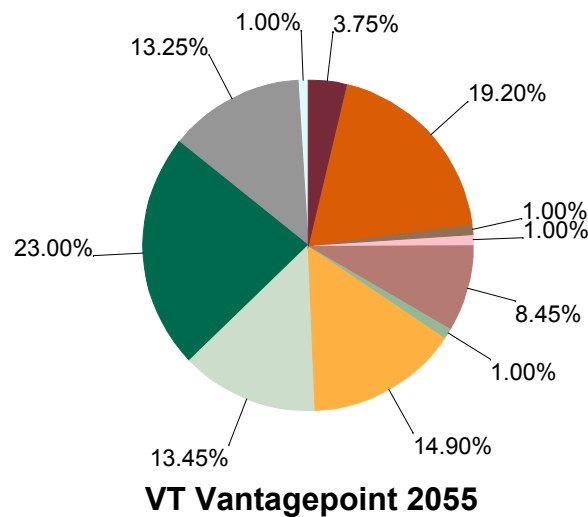
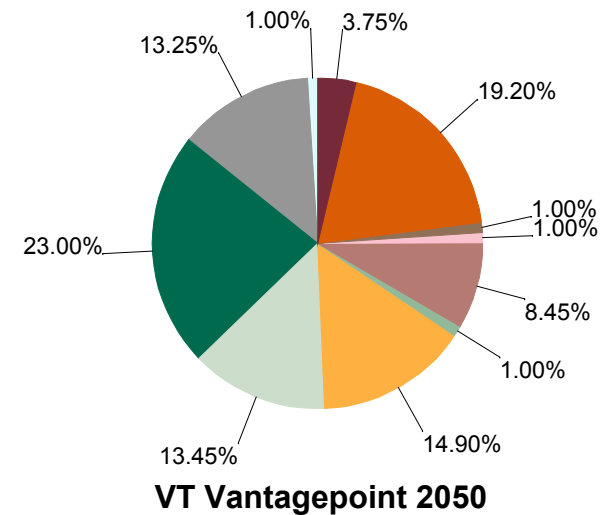
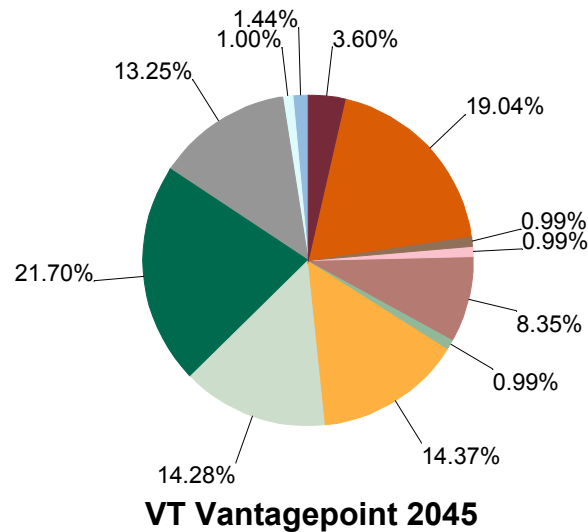
MULTI-STRATEGY

- Diversifying Strategies

FIXED INCOME

- High Yield Bond
- Inflation Focused
- Core Bond Index
- Low Duration Bond

See disclosure at end of chapter.



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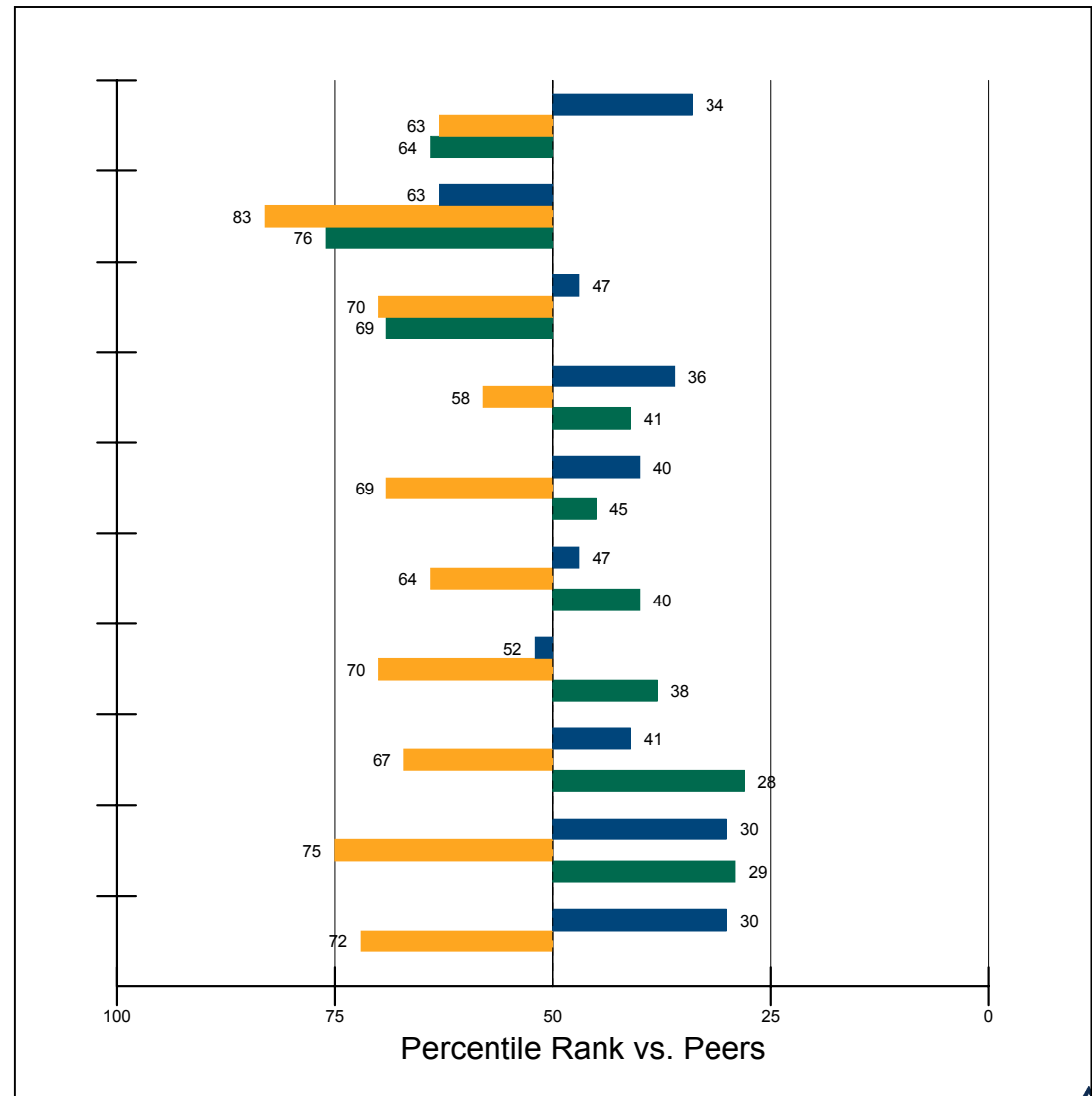
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Morningstar Ratings vs. Peers^{1,2}

2nd Quarter 2017

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Fund	Overall Morningstar Rating ²	Asset Allocation (All Plans)	Participant Usage (All Plans)
VT II VP Milestone Ret Income	☆☆	10.85%	12.76%
VT II VP Milestone 2010	☆☆☆	10.98%	10.61%
VT II VP Milestone 2015	☆☆☆	16.35%	15.83%
VT II VP Milestone 2020	☆☆☆	22.60%	19.95%
VT II VP Milestone 2025	☆☆☆	18.31%	17.93%
VT II VP Milestone 2030	☆☆☆	11.60%	11.71%
VT II VP Milestone 2035	☆☆☆	6.12%	6.69%
VT II VP Milestone 2040	☆☆☆	2.45%	3.27%
VT II VP Milestone 2045	☆☆☆	0.73%	1.22%
VT II VP Milestone 2050	☆☆	0.01%	0.02%



■ 1 Year ■ 3 Year ■ 5 Year

All data on page is as of June 30, 2017

Page includes Morningstar® data for actively managed registered funds in plans with more than five participants. See disclosure at end of chapter.

Fund Focus List^{1,2}

June 30, 2017

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Criteria	Criterion Benchmark	VT II VP Milestone Ret Income	VT II VP Milestone 2010	VT II VP Milestone 2015	VT II VP Milestone 2020	VT II VP Milestone 2025
% of Assets	--	10.85%	10.98%	16.35%	22.60%	18.31%
% of Participants	--	12.76%	10.61%	15.83%	19.95%	17.93%
Overall Morningstar Star Rating ²	3 or higher	2	3	3	3	3
3-Year Morningstar Star Rating ²	3 or higher	2	2	2	2	2
3-Year Performance Pct. Rank in Category ²	75 th percentile or better	63%	83%	70%	58%	69%
1-Year Performance Pct. Rank in Category ²	75 th percentile or better	34%	63%	47%	36%	40%
3-Month Performance Pct. Rank in Category ²	75 th percentile or better for 5 of last 8 quarters	NA	NA	NA	NA	NA
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	4 of 6	4 of 6	5 of 6	5 of 6	5 of 6

Data above are some metrics a plan sponsor may consider in reviewing funds in their retirement plans. Additional data as deemed appropriate by the plan sponsor should be considered when conducting a comprehensive review of funds. Page includes Morningstar® data for actively managed registered funds in plans with more than five participants. If your plan makes available VT Funds, note that VT Funds invest either in collective investment funds or underlying third party mutual funds.

Fund Focus List^{1,2}

June 30, 2017

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Criteria	Criterion Benchmark	VT II VP Milestone 2030	VT II VP Milestone 2035	VT II VP Milestone 2040	VT II VP Milestone 2045	VT II VP Milestone 2050
% of Assets	--	11.60%	6.12%	2.45%	0.73%	0.01%
% of Participants	--	11.71%	6.69%	3.27%	1.22%	0.02%
Overall Morningstar Star Rating ²	3 or higher	3	3	3	3	2
3-Year Morningstar Star Rating ²	3 or higher	2	2	2	2	2
3-Year Performance Pct. Rank in Category ²	75 th percentile or better	64%	70%	67%	75%	72%
1-Year Performance Pct. Rank in Category ²	75 th percentile or better	47%	52%	41%	30%	30%
3-Month Performance Pct. Rank in Category ²	75 th percentile or better for 5 of last 8 quarters	NA	NA	NA	NA	NA
Manager Change	None in last 12 months	No	No	No	No	No
Morningstar Category Change	None in last 12 months	No	No	No	No	No
Metrics Met	--	5 of 6	5 of 6	5 of 6	5 of 6	4 of 6

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Fund Data

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Fund past performance, as shown, is no guarantee of how the fund will perform in the future. The performance shown has been annualized for periods greater than one year. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. For current performance, contact ICMA-RC by calling 800-669-7400 or by visiting www.icmarc.org.

Fund Performance^{1,2}

Target-Risk/Target-Date Fund Returns

2nd Quarter 2017

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Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
VT II VP Milestone Ret Income^{5,12}	2	2	3	2	6.52	2.49	4.13	3.52	--	4/22/2016
Bloomberg Barclays U.S. Int Agg Bond Index					-0.16	2.01	1.87	4.04		
Custom Benchmark					6.30	3.72	5.55	4.83		
Morningstar Target-Date Retirement					5.70	2.65	4.36	3.66		
VT II VP Milestone 2010^{5,12}	3	2	2	3	7.22	2.71	5.51	3.98	--	4/22/2016
Bloomberg Barclays U.S. Int Agg Bond Index					-0.16	2.01	1.87	4.04		
Custom Benchmark					6.91	4.06	7.04	5.42		
Morningstar Target-Date 2000-2010					7.24	3.26	5.88	3.84		
VT II VP Milestone 2015^{5,12}	3	2	3	3	8.65	3.01	6.33	3.98	--	4/22/2016
Bloomberg Barclays U.S. Int Agg Bond Index					-0.16	2.01	1.87	4.04		
Custom Benchmark					8.34	4.48	7.90	5.42		
Morningstar Target-Date 2015					8.24	3.38	6.61	4.07		
VT II VP Milestone 2020^{5,12}	3	2	3	3	9.82	3.33	7.26	4.09	--	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					9.85	4.98	8.90	5.57		
Morningstar Target-Date 2020					8.77	3.50	6.57	3.80		

All data on page is as of June 30, 2017

See disclosure at end of chapter.

Fund Performance^{1,2}

Target-Risk/Target-Date Fund Returns

2nd Quarter 2017

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
VT II VP Milestone 2025^{5,12}	3	2	3	3	11.55	3.71	8.17	4.29	--	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					11.50	5.50	9.84	5.73		
Morningstar Target-Date 2025					11.04	4.07	7.89	4.17		
VT II VP Milestone 2030^{5,12}	3	2	3	3	13.02	4.03	9.02	4.46	--	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					13.17	5.93	10.68	5.92		
Morningstar Target-Date 2030					12.45	4.36	8.39	4.04		
VT II VP Milestone 2035^{5,12}	3	2	3	3	14.57	4.35	9.86	4.70	--	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					14.92	6.36	11.48	6.18		
Morningstar Target-Date 2035					14.62	4.81	9.41	4.47		
VT II VP Milestone 2040^{5,12}	3	2	3	3	15.99	4.56	10.50	4.97	--	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					16.62	6.75	12.07	6.39		
Morningstar Target-Date 2040					15.09	4.88	9.50	4.26		

All data on page is as of June 30, 2017

See disclosure at end of chapter.

Fund Performance^{1,2}

Target-Risk/Target-Date Fund Returns

2nd Quarter 2017

Platinum Services Plan Service Report

Fund Name	Morningstar® Star Rating				1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return	Rtrn Since Inception	Inception Date
	Overall	3 Year	5 Year	10 Year						
VT II VP Milestone 2045^{5,12}	3	2	3	--	17.07	4.66	10.73	--	9.51	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					17.83	7.01	12.33	--		
Morningstar Target-Date 2045					16.30	5.15	10.11	4.61		
VT II VP Milestone 2050^{5,12}	2	2	--	--	17.28	4.66	--	--	9.99	4/22/2016
S&P 500 Index					17.90	9.61	14.63	7.18		
Custom Benchmark					18.01	7.06	--	--		
Morningstar Target-Date 2050					15.93	5.10	9.94	4.33		

All data on page is as of June 30, 2017

See disclosure at end of chapter.

Fund Summary^{1,2}

2nd Quarter 2017

Platinum Services Plan Service Report

Summary Table

Plan Option	Morningstar® Category	Peer Ranking over last 3 years (Percentile)	Peer Ranking over last 5 years (Percentile)	Peer Ranking over last 10 years (Percentile)	Comparative Risk Relative to Funds in Category over last 3 years
VT II VP Milestone Ret Income ^{5,12}	Target-Date Retirement	86/137 (63%)	72/114 (64%)	40/66 (61%)	Average
VT II VP Milestone 2010 ^{5,12}	Target-Date 2000-2010	73/89 (83%)	52/69 (76%)	23/50 (47%)	Below Average
VT II VP Milestone 2015 ^{5,12}	Target-Date 2015	63/91 (70%)	47/69 (69%)	18/31 (60%)	Average
VT II VP Milestone 2020 ^{5,12}	Target-Date 2020	106/184 (58%)	60/148 (41%)	32/84 (39%)	Average
VT II VP Milestone 2025 ^{5,12}	Target-Date 2025	109/158 (69%)	53/118 (45%)	24/48 (51%)	Average
VT II VP Milestone 2030 ^{5,12}	Target-Date 2030	117/184 (64%)	59/148 (40%)	27/84 (33%)	Average
VT II VP Milestone 2035 ^{5,12}	Target-Date 2035	110/158 (70%)	44/118 (38%)	18/48 (38%)	Average
VT II VP Milestone 2040 ^{5,12}	Target-Date 2040	123/184 (67%)	41/148 (28%)	19/84 (23%)	Above Average
VT II VP Milestone 2045 ^{5,12}	Target-Date 2045	118/158 (75%)	33/117 (29%)	--	High
VT II VP Milestone 2050 ^{5,12}	Target-Date 2050	126/176 (72%)	--	--	Above Average

All data on page is as of June 30, 2017

See disclosure at end of chapter.

- ¹ Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A fund's investment strategy and portfolio holdings are governed by its prospectus, guidelines or other governing documents, not its Morningstar category.

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ICMA-RC's identified fund line-up is a commitment to administer these funds for the plan, not advice to the plan sponsor on the composition of the plan's fund line-up. ICMA-RC provides plan sponsors fund information to assist them in meeting their fiduciary responsibility in managing the plan. The plan sponsor retains the obligation to prudently select and monitor the investment funds it offers to plan participants. ICMA-RC may adjust fees commensurate with changes in revenue from alternative funds selected by the plan sponsor from ICMA-RC's mutual fund platform.

- ² The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The percentile ranking is based on Total Return relative to all funds in the same Morningstar category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Past performance is no indicator or guarantee of future results.

Disclosures

2nd Quarter 2017

Platinum Services Plan Service Report

² Cont. The number of funds in Morningstar® categories as of June 30, 2017 is provided below:

Morningstar® Category	3-Year	5-Year	10-Year	Morningstar® Category	3-Year	5-Year	10-Year
Allocation--30% to 50% Equity	400	348	240	Mid-Cap Value	356	310	217
Allocation--50% to 70% Equity	727	653	429	Multisector Bond	233	190	103
Allocation--70% to 85% Equity	334	291	210	Natural Resources	129	115	68
Communications	33	32	23	Real Estate	230	201	141
Diversified Emerging Markets	634	436	178	Retirement Income	137	114	66
Equity Precious Metals	70	66	45	Short Government	105	95	73
Financial	102	96	73	Short-Term Bond	450	376	261
Foreign Large Blend	595	533	342	Small Blend	646	545	389
Foreign Large Growth	324	275	193	Small Growth	599	533	398
Foreign Large Value	268	218	133	Small Value	337	294	198
Foreign Small/Mid Blend	75	62	28	Target-Date 2000-2010	89	69	50
Foreign Small/Mid Growth	114	105	63	Target-Date 2015	91	69	31
Foreign Small/Mid Value	54	43	20	Target-Date 2020	184	148	84
Global Real Estate	181	148	85	Target-Date 2025	158	118	48
Health	127	120	98	Target-Date 2030	184	148	84
High Yield Bond	590	474	317	Target-Date 2035	158	118	48
Inflation-Protected Bond	202	172	113	Target-Date 2040	184	148	84
Intermediate Government	244	232	173	Target-Date 2045	158	117	46
Intermediate-Term Bond	856	767	540	Target-Date 2050	176	137	41
Large Blend	1,223	1,080	802	Target-Date 2055	145	89	N/A
Large Growth	1,277	1,152	803	Technology	188	179	146
Large Value	1,091	936	681	Utilities	59	56	50
Long Government	28	27	18	World Allocation	395	337	160
Long-Term Bond	18	18	9	World Bond	298	253	126
Mid-Cap Blend	368	328	220	World Large Stock	714	590	329
Mid-Cap Growth	576	502	370	World Small/Mid Stock	117	98	54

³ American Century® is a registered trademark of American Century Services Corporation.

⁴ T. Rowe Price® is a registered trademark of T. Rowe Price Group, Inc. - all rights reserved.

⁵ The Fund is not a complete solution for all of your retirement savings needs. An investment in the Fund includes the risk of loss, including near, at or after the target date of the Fund. There is no guarantee that the Fund will provide adequate income at and through an investor's retirement.

- ⁶ Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.
- ⁷ VT PLUS Fund return is annualized for all periods.
- ⁸ Not applicable.
- ⁹ *The Fund is invested in a single registered mutual fund, the Fidelity Money Market Government Portfolio. Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money by investing in the fund.*
- ¹⁰ A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.
- ¹¹ Funds that invest in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets.
- ¹² Not applicable.
- ¹³ Not applicable.
- ¹⁴ *You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

- ¹⁵ The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents the performance returns of actual stable value pooled funds, and its Index is the stable value industry benchmark used by many institutional investors, consultants, advisers and plan sponsors for monitoring stable value pooled funds. Rankings are derived by ICMA-RC from data provided by Hueler Analytics, Inc., which is a technology and research firm covering stable value products and is not affiliated with ICMA-RC. ICMA-RC does not independently verify Hueler Analytics, Inc. data. Gross returns used in the Universe and in the Rankings do not include plan administration fees, adviser expenses, or other stable value fund costs - actual performance experienced by participants would be commensurately lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. As of June 30, 2017, the universe contained 16 funds with 1-year returns, 16 funds with 3-year returns, 15 funds with 5-year returns, and 14 funds with 10-year returns. Past performance is no guarantee of future results.
- ¹⁶ 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. ©2017 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.
- ¹⁷ Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.
- ¹⁸ Funds that invest primarily in high yield bonds (bonds that are rated below investment grade and also known as "junk bonds") are subject to additional risk as these high yield bonds are considered speculative and involve a greater risk of default than "investment grade" securities. The values of these securities are particularly sensitive to changes in interest rates, issuer creditworthiness, and economic and political conditions. The market prices of these securities may decline significantly in periods of general economic difficulty, may be harder to value, and may be less liquid than higher rated securities.
- ¹⁹ Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery.

II. Plan Activity

2nd Quarter 2017

Platinum Services Plan Service Report

Plan Snapshot

2nd Quarter 2017

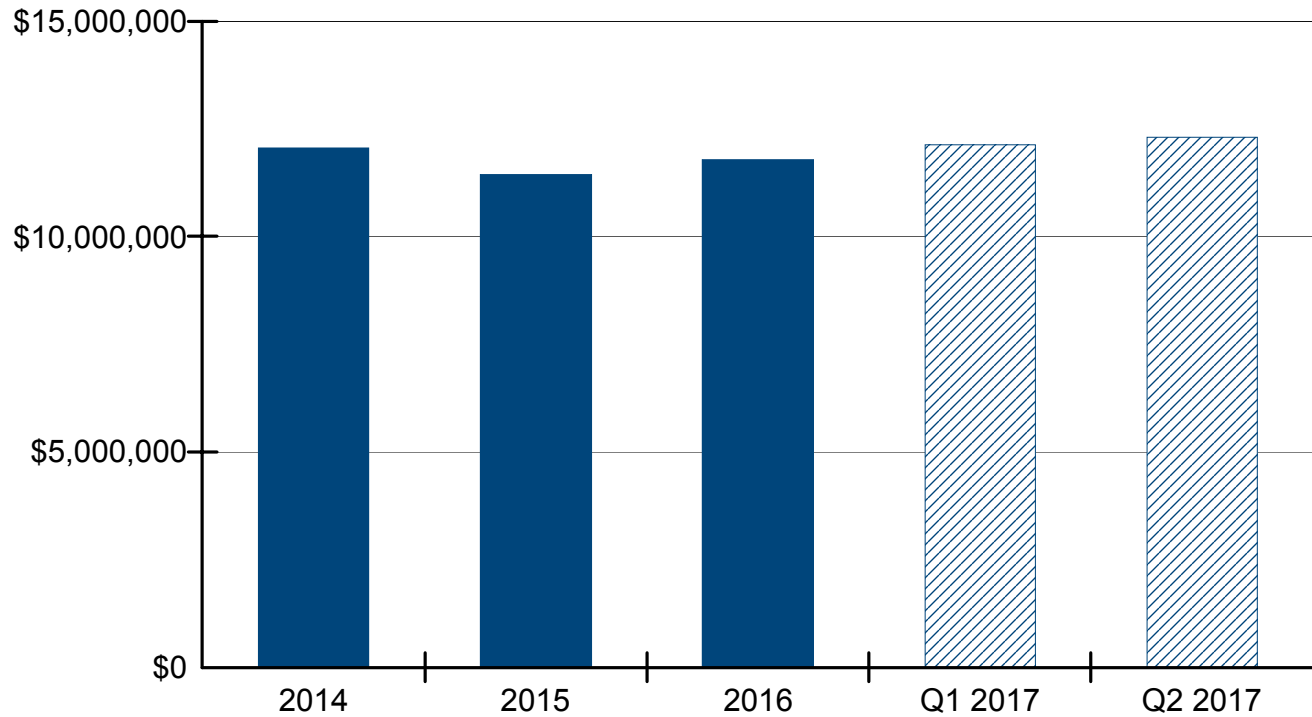
Platinum Services Plan Service Report

Plan Type	Plan Number	Plan Name	Assets	Participants
RHS	801712	VMERS	\$12,314,567	4004
Total			\$12,314,567	4004

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

For Plan Sponsor Use Only

RHS Plan Asset Trends *(as of June 30, 2017)*



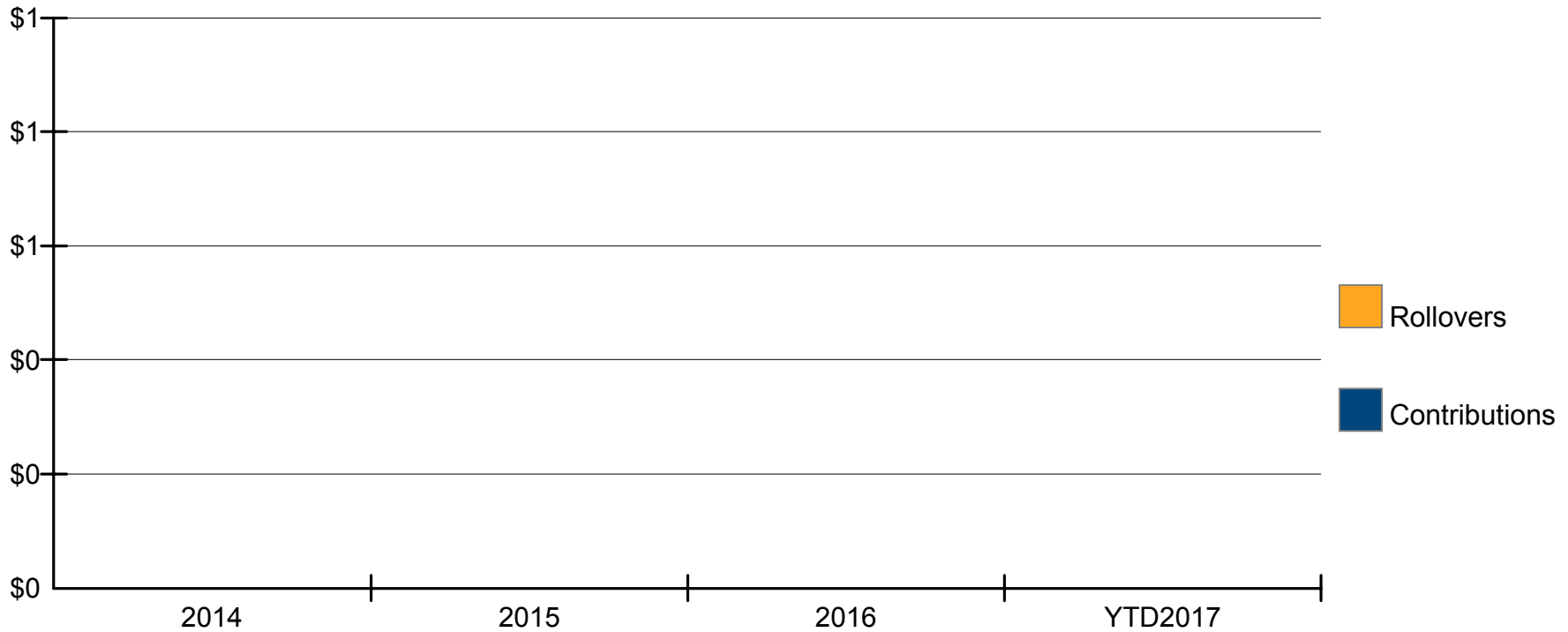
Assets	\$12,055,221	\$11,445,105	\$11,792,690	\$12,122,717	\$12,314,567
--------	--------------	--------------	--------------	--------------	--------------

Since March 2017, the overall value of VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan saw an increase of 1.6% to \$12,314,567 from \$12,122,717. Assets have grown 2.2% when compared with December 31, 2014.

RHS Plan Contributions *(as of June 30, 2017)*

2nd Quarter 2017

Platinum Services Plan Service Report



Contributions	\$0	\$0	\$0	\$0
Rollovers	\$0	\$0	\$0	\$0
Loan Repayments	\$0	\$0	\$0	\$0
Total*	\$0	\$0	\$0	\$0
Active Participants	0	NA	NA	NA
Average Contribution*	NA	NA	NA	NA

*Please note that Rollovers are excluded from this calculation.

RHS Plan Asset Allocation (as of June 30, 2017)

2nd Quarter 2017

Platinum Services Plan Service Report

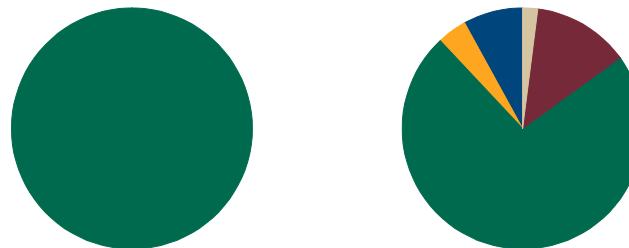
Your RHS Plan Total ICMA-RC RHS Clients

June 30, 2016



Stable Value/Cash Management	0.00%	9.00%
Bond	0.00%	4.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	100.00%	73.00%
U.S. Stock	0.00%	12.00%
International/Global Stock	0.00%	2.00%
Specialty	0.00%	0.00%

June 30, 2017



Stable Value/Cash Management	0.00%	8.00%
Bond	0.00%	4.00%
Guaranteed Lifetime Income	0.00%	0.00%
Balanced/Asset Allocation	100.00%	73.00%
U.S. Stock	0.00%	13.00%
International/Global Stock	0.00%	2.00%
Specialty	0.00%	0.00%

Note: Asset allocation for all clients except Washington State.

For Plan Sponsor Use Only

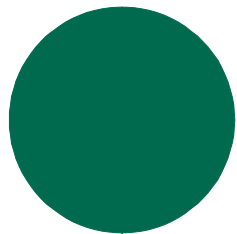
RHS Plan Asset Allocation by Age (as of June 30, 2017)

2nd Quarter 2017

Platinum Services Plan Service Report

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

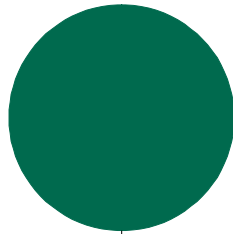
35 & Under



100.0%

4 Inactive
4 Participants
\$4,813 Total Assets
\$1,203 Average Balance

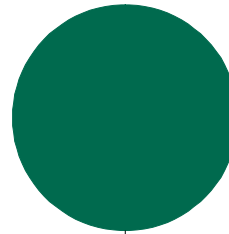
36 - 45



100.0%

206 Inactive
206 Participants
\$452,751 Total Assets
\$2,198 Average Balance

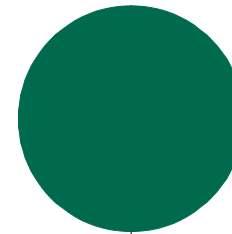
46 - 55



100.0%

812 Inactive
812 Participants
\$2,413,080 Total Assets
\$2,972 Average Balance

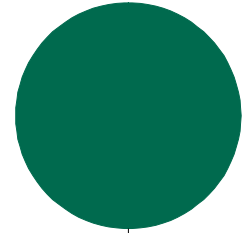
56 - 65



100.0%

1544 Inactive
1544 Participants
\$5,218,140 Total Assets
\$3,380 Average Balance

Over 65



100.0%

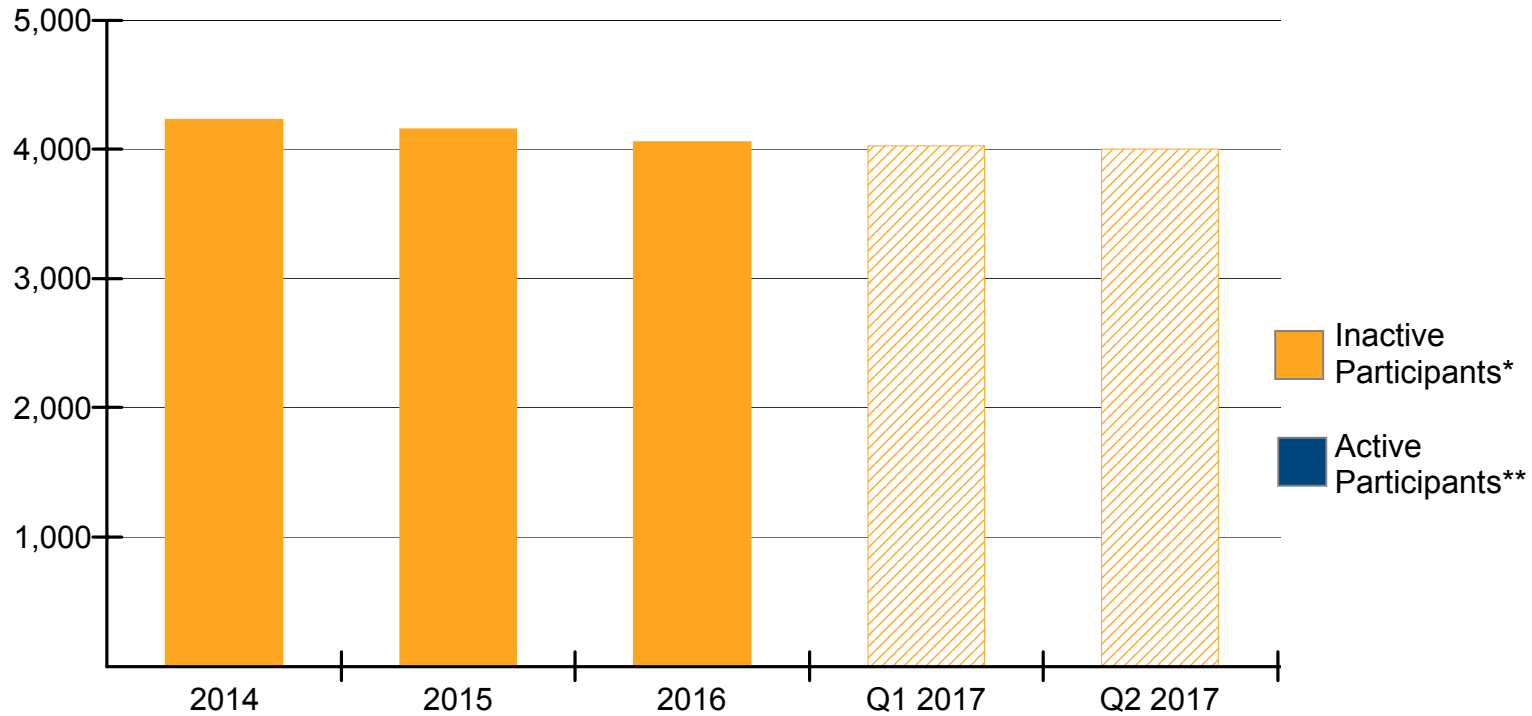
1437 Inactive
1437 Participants
\$4,210,716 Total Assets
\$2,930 Average Balance

Data for participants invested in one fund excludes funds in the Target Risk and Target Date category.

RHS Plan Participation Trends *(as of June 30, 2017)*

2nd Quarter 2017

Platinum Services Plan Service Report



Inactive	4236	4160	4063	4027	4004
Active	0	0	0	0	0
Total	4236	4160	4063	4027	4004

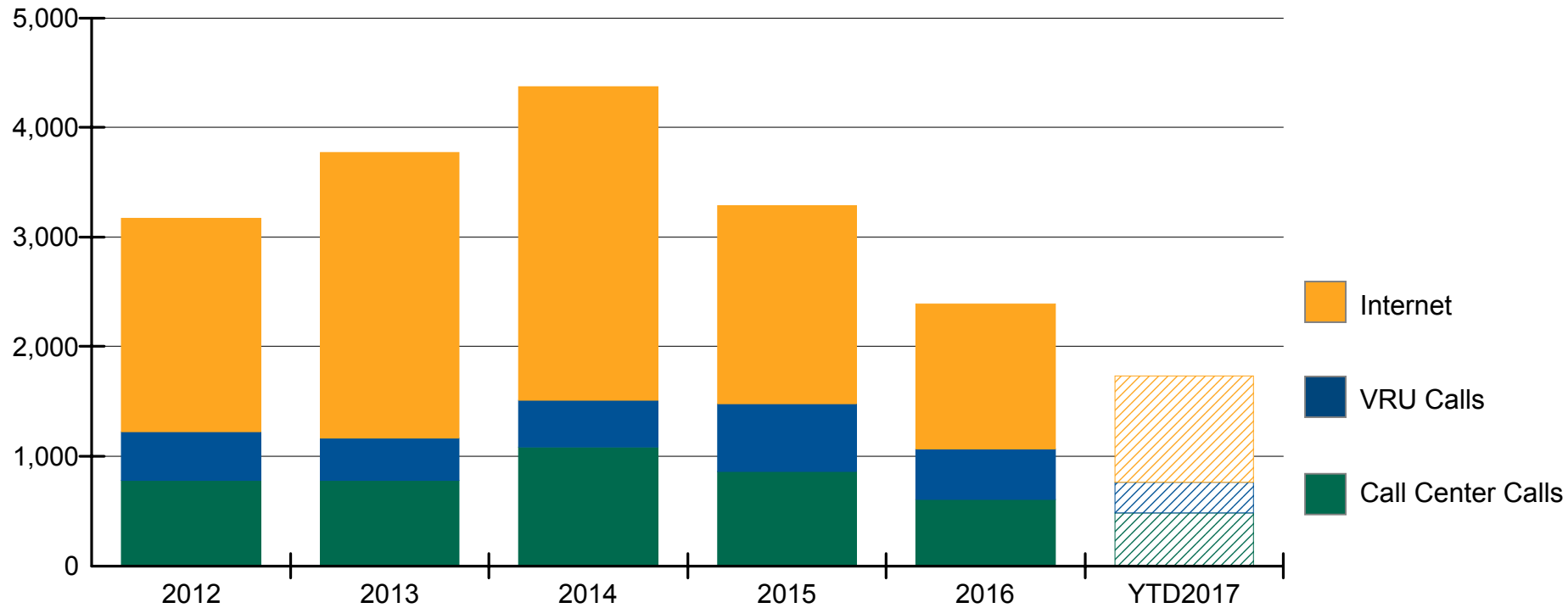
*Inactive Participants--participants who have a balance and did not make a contribution to the plan within the last 12 months.

**Active Participants--participants who have a balance and made a contribution to the plan within the last 12 months.

RHS Plan Service Usage *(as of June 30, 2017)*

2nd Quarter 2017

Platinum Services Plan Service Report



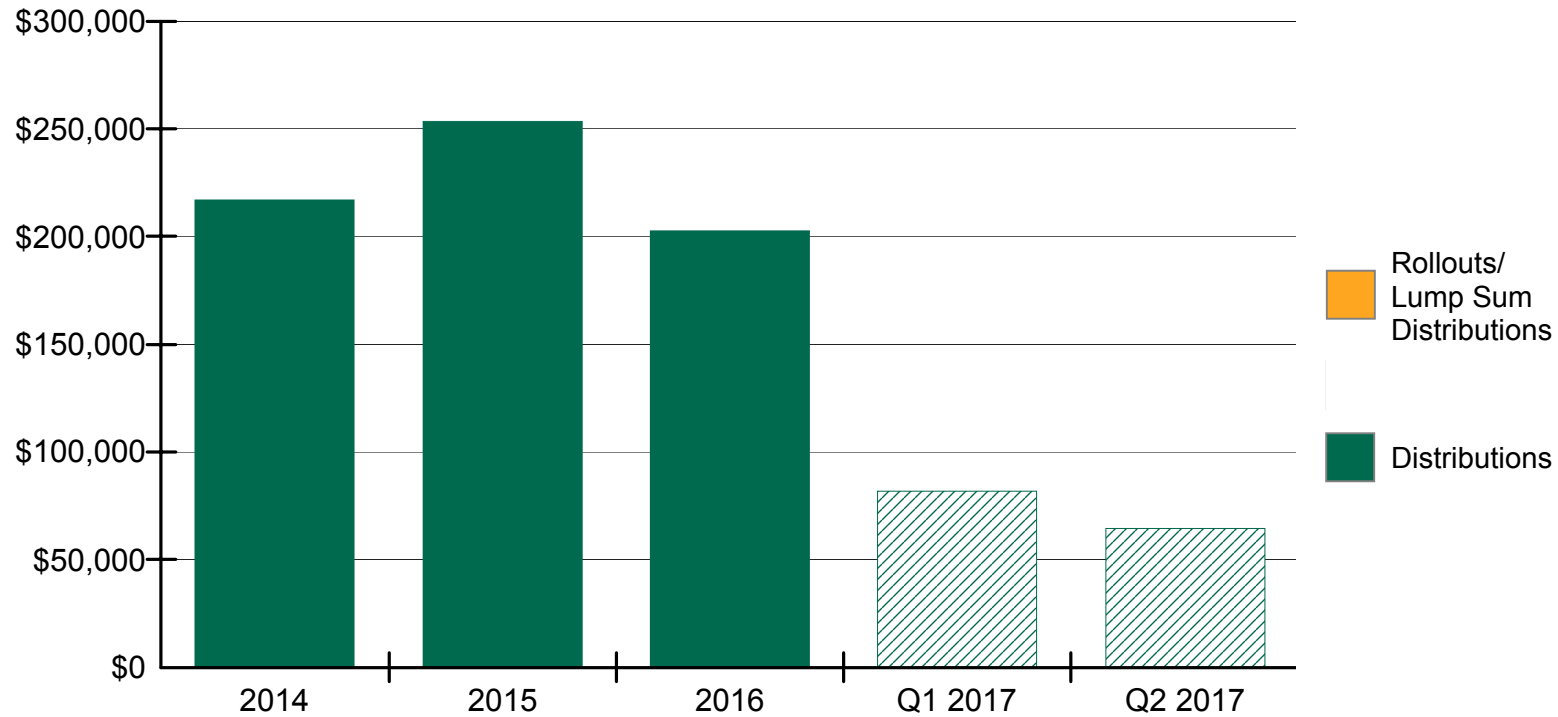
Internet	1954	2608	2860	1814	1322	968
VRU	440	383	430	614	461	286
Call Center	780	781	1079	860	606	479
Total	3174	3772	4369	3288	2389	1733

The chart above provides the number of contacts made by your RHS plan participants to ICMA-RC using several media — online using our Account Access participant Web site, ICMA-RC's Self-Service Phone line, or call center representatives.

RHS Plan Withdrawal Trends *(as of June 30, 2017)*

2nd Quarter 2017

Platinum Services Plan Service Report



Rollouts	\$0	\$0	\$0	\$0	\$0
Loans	\$0	\$0	\$0	\$0	\$0
Distributions/ Lump Sum	\$216,846	\$253,370	\$202,467	\$81,883	\$64,584
Total	\$216,846	\$253,370	\$202,467	\$81,883	\$64,584
# of Rollouts	0	0	0	0	0
# of Distributions	624	757	548	192	164
Total	624	757	548	192	164

RHS Plan Activity

2nd Quarter 2017

Platinum Services Plan Service Report

Plan Summary

VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan has ten balanced funds for investment options. Over the last quarter, the plan's 4,004 participants contributed a total of \$14,945 with the largest amount, \$14,945 to its balanced funds. Overall, the plan has 100% in its balanced funds.

Over the last quarter with regard to market value, balanced funds increased in market value by \$297,771. On a net cash flow basis (contribution, plus net transfers less withdrawals), balanced funds dropped \$99,303. With an increase of 1.6% since March 2017, the VERMONT MUNICIPAL EMPLOYEES RET SYSTEM's RHS plan saw its overall value grow from \$12,122,717 to \$12,314,567.

	Quarter Start Assets	Quarter Contributions	Quarter Withdrawals	Quarter Net Fund Transfers	Quarter Earnings	Quarter End Assets	Quarter End % of Assets	Quarter End Participants w/ Balance In Fund
VT II VP Milestone Ret Income	\$1,342,685	\$14,945	-\$60,904	\$19,896	\$22,611	\$1,336,092	10.85%	511
VT II VP Milestone 2010	1,353,141	0	-12,684	-13,122	26,047	1,351,848	10.98%	425
VT II VP Milestone 2015	1,986,212	0	-14,734	-723	43,625	2,013,069	16.35%	634
VT II VP Milestone 2020	2,739,577	0	-21,077	0	65,475	2,783,449	22.60%	799
VT II VP Milestone 2025	2,205,335	0	-4,849	-6,052	59,887	2,254,231	18.31%	718
VT II VP Milestone 2030	1,387,355	0	0	0	41,699	1,429,039	11.60%	469
VT II VP Milestone 2035	728,458	0	0	0	24,846	753,304	6.12%	268
VT II VP Milestone 2040	291,494	0	0	0	10,406	301,900	2.45%	131
VT II VP Milestone 2045	87,232	0	0	0	3,128	90,360	0.73%	49
VT II VP Milestone 2050	1,229	0	0	0	46	1,275	0.01%	1
Total	\$12,122,717	\$14,945	-\$114,248	\$0	\$297,771	\$12,314,567	100.00%	4005

III. Fee Disclosure

2nd Quarter 2017

Platinum Services Plan Service Report

Overview of Services Provided by ICMA-RC

ICMA-RC provides your xServicePlanTypes the following administration, record keeping and education services:

- Participant enrollment services
- Establishment/maintenance of participant accounts reflecting amounts contributed, income, gains/losses credited and amounts disbursed
- Maintenance of Website, electronic data transfer (from employers) media, as well as toll-free Call Center and VRU for the receipt of participant and employer instructions
- Allocation of plan contributions received in good order by 4:00pm ET according to participant instructions or to the default option selected by the employer for the plan
- Implementation of participant fund transfer instructions received in good order by 4:00 p.m. ET at the price as of the close of business
- Distribution of assets to participants and beneficiaries in accordance with Internal Revenue Code and plan document
- Implementation of daily net transactions with underlying and outside fund companies on an omnibus basis
- Maintenance of fund holdings and transaction activity on our system on an allocated basis
- Delivery of quarterly plan sponsor and participant statements by mail or online at the recipient's direction
- Online access to an extensive range of reports as well as transaction capabilities for plan sponsors and participants
- Provision of extensive online and hard copy educational materials
- Access to educational seminars and individual consultations by professional and knowledgeable representatives
- Administration of a fund lineup selected by the plan sponsor from the fund platform made available by ICMA-RC

Statement Regarding Fiduciary/Investment Advisory Services

ICMA-RC generally acts in a non-fiduciary capacity as record keeper and administrator for the plans. The following are the only circumstances in which we act as a fiduciary:

ICMA-RC Advisory Services under Guided Pathways Program

ICMA-RC acts as investment adviser under the Guided Pathways®² program, a platform for the delivery of a suite of advisory services available to Participants in retirement plans administered by ICMA-RC. These services include:

Managed Accounts – discretionary, on-going allocation of assets among mutual funds and other pooled investment vehicles available within a Participant's Retirement Plan;

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

Asset Class Guidance – nondiscretionary, point-in-time, individualized asset allocation recommendations for Participants looking for assistance in selecting Retirement Plan investments at the asset category level.

ICMA-RC is the Registered Investment Adviser for the Guided Pathways®² program offered to participants. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc.

For Participants who select Managed Accounts discretionary management, ICMA-RC, based on the recommendation of Morningstar Investment Management LLC, determines which fund-specific asset allocation model is most appropriate given the Participant's financial situation, investment time horizon, and other relevant factors. For those opting for nondiscretionary Fund Advice, the service recommends the appropriate fund-specific asset allocation model, and Participants choose whether to implement the recommendation. For Asset Class Guidance, the service suggests the appropriate asset-class level allocation model, and Participants choose: (1) whether to implement the recommended asset-class level allocation; and (2) the specific funds to use to populate the recommended asset classes.

Retirement Readiness Reports

At the request of a Plan Sponsor, ICMA-RC may provide Retirement Readiness Reports ("Reports") to all full-time employees of the plan sponsor (both existing plan participants and non-participants). These Reports include: 1) a forecast of an employee's income at retirement in relation to a retirement income objective provided by the plan sponsor; 2) a set of recommendations (including potential changes in savings rate) to help the employee reach this retirement income objective; and 3) an asset allocation recommendation based on certain employee specific data. For existing plan participants, the Report will also include a fund specific investment recommendation based on the available investment options in the plan. The investment recommendations in the Report are generated by Morningstar Investment Management LLC² using the same investment methodologies and software that it uses for the Guided Pathways® program, described above.

ICMA-RC Advisory Services to Vantage Trust Company, LLC

ICMA-RC, in its capacity as an investment adviser registered with the SEC, provides investment advisory, management, and administrative services to Vantage Trust Company, LLC ("VTC") in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. VTC is a New Hampshire non-depository trust company and a wholly-owned subsidiary of ICMA-RC. VTC is the sole trustee of VantageTrust, a trust established and maintained for the purpose of commingling assets of state and local government qualified retirement and deferred compensation plans.

Group Annuity Contract Separate Account

ICMA-RC provides investment advisory and management services with respect to the insurance company separate account that is the underlying investment of the group annuity contract issued to VantageTrust Company, LLC in connection with the VantageTrust Retirement IncomeAdvantage Fund. ICMA-RC is responsible, among other things, for investing and reinvesting assets of the separate account in accordance with the investment guidelines; maintaining the separate account asset allocation within the specified target percentages and tolerances; voting all proxies and taking all other investor actions with respect to the securities in the separate account; and meeting with the independent insurance company to review the performance of the separate account and the underlying investments.

Compensation Received by ICMA-RC

ICMA-RC receives compensation for the services it provides in the following manner:

Fees Deducted from Participant Accounts: ICMA-RC may be compensated for record keeping services with the following explicit fees deducted from participant accounts:

- **Per Participant fees** – A flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.
- **Administration fees** – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.
- **Ancillary service fees** – Fees deducted from plan participant accounts to pay for services chosen by participants, including financial plans, loans, online investment advice, Managed Accounts² and self-directed brokerage accounts made available by ICMA-RC and the plan.

Compensation Received from Funds Made Available by the Plan: ICMA-RC and its affiliates are compensated for record keeping and/or investment advisory services from the funds it administers:

- **Record keeping fees** – Deducted from the assets of mutual funds or collective investment funds, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid to ICMA-RC for services rendered by ICMA-RC to the fund and to the plans and participants that invest in the fund directly or indirectly through the VantageTrust Funds. The amounts listed include all non-advisory, recordkeeping compensation paid to ICMA-RC and/or its affiliates.
- **Investment advisory fees** – Consists of compensation paid to ICMA-RC and its affiliates for investment advisory and other services provided to VTC on behalf of the VantageTrust Funds. These fees are deducted from fund assets and reflected in the net asset values of the funds.

Fee and Revenue Summary (RHS Plan)

2nd Quarter 2017

Platinum Services Plan Service Report

Your RHS Plans incur costs for services they receive, including revenue retained by ICMA-RC for record keeping and investment advisory services. As of June 30, 2017, the estimated annual cost to your plan is \$144,637 consisting of \$124,628 from fund fees and expenses (1.01% of plan assets) and \$20,009 of participant account fees.

Out of total estimated plan costs, ICMA-RC received the following estimated annual revenue:

Revenue Source	Record Keeping*	Investment Advisory**	Total
Funds	\$55,416 (0.45%)	\$34,481 (0.28%)	\$89,896 (0.73%)
Participant Account Fees	\$20,009	\$0	\$20,009
Total	\$75,424	\$34,481	\$109,905

* Fees for record keeping, administration, and education services for participants and plan sponsors.

** Fees paid to ICMA-RC or its affiliates for investment advisory services and other fund services.

Methodology

ICMA-RC estimated its annual compensation as follows:

- Dollar values of record keeping and investment advisory revenue were estimated by multiplying the quarter-ending balance and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. Results of this calculation for each fund were aggregated by product type to derive the total estimated revenue in dollars for the past 12 months.
- Estimated annual revenue as a percent of plan assets was calculated by dividing the total estimated dollar value by the quarter-ending balance for the plan as of the date of the report.

Participant usage fees were actual fees charged to participant accounts for the current quarter-ending period.

All data on page is as of June 30, 2017

Fund Costs and ICMA-RC Revenue (RHS Plan)

2nd Quarter 2017

Platinum Services Plan Service Report

Fund ¹	Morningstar Category ¹⁶	Quarter-End Assets	Plan Expenses		Record Keeping ^{*.3}	ICMA-RC Gross Revenue		Estimated Annual Revenue
			Net Expense Ratio	Estimated Expense Cost		Estimated Annual Revenue	Investment Advisory ^{**}	
Target-Risk/Target-Date								
VT II VP Milestone Ret Income ^{9,12}	Target-Date Retirement	\$1,336,092	0.98%	\$13,094	0.45%	\$6,012	0.28%	\$3,741
VT II VP Milestone 2010 ^{9,12}	Target-Date 2000-2010	\$1,351,848	0.99%	\$13,383	0.45%	\$6,083	0.28%	\$3,785
VT II VP Milestone 2015 ^{9,12}	Target-Date 2015	\$2,013,069	0.99%	\$19,929	0.45%	\$9,059	0.28%	\$5,637
VT II VP Milestone 2020 ^{9,12}	Target-Date 2020	\$2,783,449	1.01%	\$28,113	0.45%	\$12,526	0.28%	\$7,794
VT II VP Milestone 2025 ^{9,12}	Target-Date 2025	\$2,254,231	1.02%	\$22,993	0.45%	\$10,144	0.28%	\$6,312
VT II VP Milestone 2030 ^{9,12}	Target-Date 2030	\$1,429,039	1.04%	\$14,862	0.45%	\$6,431	0.28%	\$4,001
VT II VP Milestone 2035 ^{9,12}	Target-Date 2035	\$753,304	1.06%	\$7,985	0.45%	\$3,390	0.28%	\$2,109
VT II VP Milestone 2040 ^{9,12}	Target-Date 2040	\$301,900	1.08%	\$3,261	0.45%	\$1,359	0.28%	\$845
VT II VP Milestone 2045 ^{9,12}	Target-Date 2045	\$90,360	1.10%	\$994	0.45%	\$407	0.28%	\$253
VT II VP Milestone 2050 ^{9,12}	Target-Date 2050	\$1,275	1.12%	\$14	0.45%	\$6	0.29%	\$4
VT II VP Milestone 2055 ⁹	NA	\$0	1.20%	\$0	0.45%	\$0	0.29%	\$0
Total Quarter-End Assets:		\$12,314,567						
Total Fees and Expenses to Plan:			1.01%	\$124,628				
Total Recordkeeping Revenue Retained by ICMA-RC:					0.45%	\$55,416		
Total Investment Advisory Revenue Retained by ICMA-RC:							0.28%	\$34,481

All data on page is as of June 30, 2017

* Fees for record keeping, administration and education services for participants and plan sponsors.

**Fees paid to ICMA-RC or its affiliates for investment advisory and other fund services.

Dollar values of fees and expenses by fund are estimates derived by multiplying the quarter-ending balance and the annualized percentage of assets each fund company has stated it intends to pay as compensation as of the date of the report. This calculation is based on the aggregate data for plans with more than five participants that have the lowest administration fee. Disclosure of gross expenses and net expenses for each fund immediately follows this table.

For Plan Sponsor Use Only

Fund Costs (RHS Plan)

2nd Quarter 2017

Platinum Services Plan Service Report

Fund ¹	Morningstar Category ¹⁶	Gross Expense Ratio	Net Expense Ratio	Redemption Fee ¹	Trade Restriction ¹
Target-Risk/Target-Date					
VT II VP Milestone Ret Income ^{9,12}	Target-Date Retirement	0.98%	0.98%	None	None
VT II VP Milestone 2010 ^{9,12}	Target-Date 2000-2010	0.99%	0.99%	None	None
VT II VP Milestone 2015 ^{9,12}	Target-Date 2015	0.99%	0.99%	None	None
VT II VP Milestone 2020 ^{9,12}	Target-Date 2020	1.01%	1.01%	None	None
VT II VP Milestone 2025 ^{9,12}	Target-Date 2025	1.02%	1.02%	None	None
VT II VP Milestone 2030 ^{9,12}	Target-Date 2030	1.04%	1.04%	None	None
VT II VP Milestone 2035 ^{9,12}	Target-Date 2035	1.06%	1.06%	None	None
VT II VP Milestone 2040 ^{9,12}	Target-Date 2040	1.08%	1.08%	None	None
VT II VP Milestone 2045 ^{9,12}	Target-Date 2045	1.10%	1.10%	None	None
VT II VP Milestone 2050 ^{9,12}	Target-Date 2050	1.12%	1.12%	None	None
VT II VP Milestone 2055 ⁹	NA	1.43%	1.20%	None	None

All data on page is as of June 30, 2017

Differences between the net expense ratio and gross expense ratio of a fund are typically due to fee waivers, expense reimbursements, expense limits, and/or the reimbursement of fees to the fund.

For Plan Sponsor Use Only

Ancillary Service Fee – Fees deducted from plan participant accounts to pay for services chosen by participants that are made available by ICMA-RC and the plan

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

Administration Fee – An asset-based fee for record keeping services that may be deducted directly from participant accounts in certain plans administered by ICMA-RC.

Contingent Deferred Sales Charges (CDSCs): Some mutual funds may charge investors for marketing costs of up to 8% of assets either at the time an investment is made or when assets are redeemed. In the public sector retirement plan community, these “contingent deferred sales charges” can be charged when participants move to another plan administrator or when the plan sponsor terminates the plan administrator.

Estimated Fund Expense Cost – This simulation is designed to provide an estimate of the cost of fund expenses to your plan, not a calculation of actual expenses incurred. Annualized costs to your plan from fund expenses have been estimated by multiplying the average month-end balance in each fund with the net fund expense ratio as of the date of this report. Actual experience of the plan will vary based on assets in each fund over an annual period and changes that may occur in expense ratios over that period.

Estimated Record Keeping Revenue – This simulation is designed to provide an estimate of revenue received by ICMA-RC for plan and participant services, not a calculation of such revenue received. Annualized record keeping revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized record keeping revenue anticipated to be received by ICMA-RC from fund companies based on current contracts with those companies as of the date of this report. Record keeping revenue is paid by fund companies based on calculation methodologies of each fund company. Actual fees and revenue of the plan will vary based on those differing methodologies.

Estimated Investment Advisory Revenue – This simulation is designed to provide an estimate of the investment advisory revenue received by ICMA-RC, not a calculation of actual revenue received. Annualized investment advisory revenue received by ICMA-RC has been estimated by multiplying the average month-end balance in each fund with the annualized investment advisory revenue anticipated to be received by ICMA-RC as of the date of this report. Actual experience of the plan will vary based on those differing methodologies, as well as on the assets in each fund over an annual period.

Gross Expense Ratio – The annualized amount, expressed as a percentage of their total investment that investors will pay annually for the mutual fund's operating expenses and management fees before any waivers, limitations and/or reimbursements.

Investment Advice Fee – Annual dollar-based fee for access to independent online investment advice. Some vendors charge the plan a fee for each eligible participant, while other vendors charge a fee only when a participant uses the service.

Investment Advisory Fees – Consists of compensation paid to ICMA-RC, an SEC-registered investment adviser, which serves as the investment adviser to The VantageTrust Funds, as well as compensation paid to Vantagepoint Transfer Agents, LLC (“VTA”) for other fund services. In addition, this includes compensation paid to ICMA-RC for investment advisory services provided to VantageTrust Company, LLC in respect to the collective investment funds and other investment options it makes available to participants through VantageTrust. Investment fees are deducted from fund assets and reflected in the Net Asset Values of the VantageTrust Funds.

Loan Fees – Fees assessed when a participant voluntarily takes a loan from his or her plan account. Vendors typically charge for establishing/re-amortizing loans and for maintaining loans. Fees are usually assessed on a flat dollar basis, with start-up fees assessed at the initiation or re-amortization of a loan and maintenance fees charged annually.

Managed Accounts Fee – An asset-based fee paid by participants who receive independent managed account services. Fee reductions may be provided when participant accounts reach certain asset levels. Fee is assessed on participant accounts and reported on participant statements.

Morningstar Category – Categories are from Morningstar® as of the date of this report for underlying funds where available. Category for the PLUS Fund was determined by ICMA-RC based on fund characteristics. Morningstar®, Inc. is a global investment research firm that is not affiliated with ICMA-RC. Morningstar® used as a source for some data.

Net Expense Ratio – The amount shown is the gross expense ratio less any expense waivers, expense reimbursements, expense limits and/or the reimbursement of fees to the fund.

Per Participant Fee – An explicit flat fee charged to each participant account with a balance in the plan for administration or record keeping services. Has a greater impact, as a fraction of account balance, on participants with smaller assets.

Recordkeeping Fees – Deducted from the assets of some mutual funds or collective investment trusts, these 12b-1, shareholder servicing, transfer agency and/or administration fees are paid by VantageTrust Company, LLC, the fund or fund company to ICMA-RC for services rendered by ICMA-RC to the Fund and to the plans and participants that invest in the fund directly or through the VantageTrust Funds. The amounts listed for VantageTrust Funds, including the VantageTrust PLUS Fund, include all non-advisory compensation paid by a fund to ICMA-RC and/or its affiliates.

Redemption Fee – To discourage frequent trading and reduce the cost of such activity to the fund and its investors, a fund may assess a redemption fee when fund shares, held for less than a minimum period of time, are sold or “redeemed.”

Self-Directed Brokerage Fee – Fee assessed when a participant voluntarily uses self-directed brokerage account services that provide access to a wide range of mutual funds and individual securities (if offered by plan). A fee for establishing the account or for maintaining the account may be assessed. The brokerage services vendor will assess additional fees.

Total ICMA-RC Revenue – Summation of all revenue received by ICMA-RC, including record keeping fees and investment advisory fees from proprietary funds managed by ICMA-RC.

Trade Restrictions – As an alternative to assessing redemption fees to discourage frequent trading, funds may require participants to wait a defined period after redeeming shares to transfer assets back into the fund.

¹ Please read *Making Sound Investment Decisions: A Retirement Investment Guide* and the accompanying *VantageTrust Fund Fees and Expenses* document ("Guide") carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or log into your account at www.icmarc.org.

Please read the fund's prospectus carefully for a complete summary of all fees, expenses, investment objectives and strategies, risks, financial highlights, and performance information. Investing involves risk, including possible loss of the amount invested. Investors should carefully consider the information contained in the prospectus before investing. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org

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Frequent trading rules are designed to detect and discourage trading activities that may increase costs to all investors. All funds or underlying funds are monitored for frequent trading. Certain funds or underlying funds may impose fees or restrictions to deter frequent trading. Current information about these fees or restrictions can be found in a fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org. You can obtain information about ICMA-RC's Frequent Trading Policy at www.icmarc.org/frequenttrading.

Certain funds or underlying funds may charge a redemption fee. Current information about redemption fee, if any, will be contained in the fund's or underlying fund's prospectus. You may contact us to obtain a prospectus or to answer questions by calling 800-669-7400, emailing investorservices@icmarc.org, or visiting www.icmarc.org.

² Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

³ ICMA-RC or its affiliates receive payments from third-party mutual funds that underlie certain VantageTrust Funds that may be available for investment through your plan. These payments are for services rendered by ICMA-RC or its affiliates to plans and participants, and are in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided by ICMA-RC or its affiliates.

The revenue amounts listed for VT Vantagepoint Funds and the VT PLUS Fund includes all compensation paid by the fund to ICMA-RC and/or its affiliates. This amount includes compensation for investment advisory, transfer agency, and plan/participant services that is included in the daily NAV calculation.

Revenue is subject to change at the discretion of the fund company and is received at various times throughout the course of a year based on the policies of the individual fund companies.

⁴ VT PLUS Fund return is annualized for all periods.

Direct transfers from a stable value fund to competing funds are restricted. Competing funds may include, but are not limited to money market mutual funds, certificates of deposit, stable value funds, investment options that offer guarantees of principal or income, certain short-term bond funds and self-directed brokerage accounts. Certain restrictions may apply when you want to transfer money from a stable value fund to a competing fund. These restrictions generally include waiting periods before transfers can be made back into a stable value fund. For additional information on the VT PLUS Fund restrictions on transfers to competing funds, please refer to Making Sound Investment Decisions – A Retirement Investment Guide.

⁵ *You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

⁶ *The Fund is invested in a single registered mutual fund, the Fidelity Money Market Government Portfolio. Investments in the fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. It is possible to lose money by investing in the fund.*

⁷ Not applicable.

⁸ A fixed income fund is subject to credit risk and interest rate risk. Credit risk is when an issuer of a fixed income security may be unable or unwilling to make payments of principal or interest to the holders of these securities or may declare bankruptcy. Fixed income securities fluctuate in value as interest rates change. When interest rates rise, the market prices of fixed income securities will usually decrease; when interest rates fall, the market prices of fixed income securities usually will increase.

- ⁹ VantageTrust Funds invest either in collective investment funds or underlying registered funds. Please refer to the underlying fund's disclosure documents for additional information on fund fees and expenses.
- ¹⁰ American Century® is a registered trademark of American Century Services Corporation.
- ¹¹ T. Rowe Price® is a registered trademark of T. Rowe Price Group, Inc. - all rights reserved.
- ¹² The Fund is not a complete solution for all of your retirement savings needs. An investment in the Fund includes the risk of loss, including near, at or after the target date of the Fund. There is no guarantee that the Fund will provide adequate income at and through an investor's retirement.
- ¹³ Funds that invest primarily in small-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of small-capitalization companies are generally subject to greater price volatility than those of larger companies due to less certain growth prospects, the lower degree of liquidity in the markets for their securities, and the greater sensitivity of smaller companies to changing economic conditions. Also, small-capitalization companies may have more limited product lines, fewer capital resources and less experienced management than larger companies.
- ¹⁴ Funds that invest in foreign securities are exposed to the risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency fluctuations; and higher transaction costs. Investments in foreign currencies or securities denominated in foreign currencies (including derivative instruments that provide exposure to foreign currencies) may experience gains or losses solely based on changes in the exchange rate between foreign currencies and the U.S. dollar. The risk of investing in foreign securities may be greater with respect to securities of companies located in emerging market countries. The value of developing or emerging market currencies may fluctuate more than the currencies of companies with more mature markets.
- ¹⁵ Sector funds tend to be riskier and more volatile than the broad market because they are generally less diversified and more volatile than other mutual funds.
- ¹⁶ Morningstar places funds in certain categories based on the fund's historical portfolio holdings. Placement of a fund in a particular Morningstar category does not mean that the fund will remain in that category or that it will invest primarily in securities consistent with its Morningstar category. A fund's investment strategy and portfolio holdings are governed by its prospectus, guidelines or other governing documents, not its Morningstar category.

- ¹⁷ 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. ©2017 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.
- ¹⁸ Participants can withdraw assets from a CD Account at any time, but withdrawals prior to the maturity date are subject to an early withdrawal penalty equal to 180 days of interest on the amount withdrawn, unless one of the exceptions identified below applies. The interest penalty is calculated as the gross rate of the CD Account (i.e., the net rate plus the Annual CD Administrative Fee).
- Transfers from the VT PLUS Fund to CD Accounts are prohibited. Assets must be invested outside of the VT PLUS Fund in a non-competing fund for a period of at least 90 days before being transferred to CD Accounts. ICMA-RC will limit each participant's aggregate investment in CD Accounts to an amount less than \$250,000. This limit includes principal, accrued interest, future interest, and any previously purchased VantageTrust CD Accounts issued by Countrywide Bank or MBNA. If an individual's total investment in CD Accounts exceeds the \$250,000 limit, ICMA-RC will transfer the excess amounts to the Plan's designated maturity fund. Note that ICMA-RC can only limit a participant's aggregate investment in CD Accounts through Plans administered by ICMA-RC.
- ¹⁹ Investment advice and analysis tools are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Expert, Morningstar Investment Management LLC. Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.
- ²⁰ Underlying mutual fund expenses and plan administration fees still apply. Please read the current applicable prospectus and the VantageTrust Fund Fees and Expenses document accompanying the Making Sound Investment Decisions: A Retirement Investment Guide for a description of these fees and expenses.
- ²¹ ICMA-RC and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are

- ²² Funds that invest primarily in mid-capitalization companies involve greater risk than is customarily associated with investments in larger, more established companies. Equity securities of mid-capitalization companies generally trade in lower volume and are generally subject to greater and less predictable price changes than the securities of larger companies.
- ²³ Funds that invest primarily in high yield bonds (bonds that are rated below investment grade and also known as "junk bonds") are subject to additional risk as these high yield bonds are considered speculative and involve a greater risk of default than "investment grade" securities. The values of these securities are particularly sensitive to changes in interest rates, issuer creditworthiness, and economic and political conditions. The market prices of these securities may decline significantly in periods of general economic difficulty, may be harder to value, and may be less liquid than higher rated securities.
- ²⁴ Certain funds may be subject to style risk, which is the possibility that the investment style of its investment adviser will trail the returns of the overall market. In the past, different types of securities have experienced cycles of outperformance and underperformance in comparison to the market in general. For example, growth stocks have performed best during the later stages of economic expansion and value stocks have performed best during periods of economic recovery. Both styles may go in and out of favor. When the investing style used by a fund is out of favor, that fund is likely to underperform other funds that use investing styles that are in favor.