



# VantageTrust Retirement IncomeAdvantage Fund

## PARTICIPANT Q&A

### GENERAL FUND INFORMATION

#### 1. What is the VantageTrust Retirement IncomeAdvantage Fund?

The VantageTrust Retirement IncomeAdvantage Fund (the Fund) is a professionally managed investment option that includes a guaranteed<sup>1</sup> lifetime income feature. The Fund invests in a separate account under a group variable annuity issued by Prudential Retirement Insurance and Annuity Company (Prudential), Hartford, CT. Guarantees are provided by Prudential and are based on its claims-paying ability. The Fund's underlying investment allocation of approximately 60% equities and 40% fixed income enables investors to participate in the market, while the guaranteed income benefit protects retirement income against market downturns. Like other investments available in your plan, you are eligible to transfer any portion of your current balance and/or allocate future contributions to the Fund.

In exchange for a Guarantee Fee, the Fund provides:

- **Guaranteed Lifetime Income** – Regardless of market conditions, investors can withdraw a specified amount of income from the Fund for as long as they live.
- **Downside Income Protection** – Investors can contribute to the Fund without the threat that a significant market drop will impact the amount of guaranteed income they can withdraw in retirement.

#### 2. If I invest in the Fund, how much guaranteed income will I receive?

The amount of guaranteed income that you are eligible to receive is calculated by multiplying your Income Base by your Guaranteed Withdrawal Percentage when you Lock-In (see Questions 7-10). This amount is referred to as your Lifetime Annual Withdrawal Amount (LAWA).

- **Guaranteed Withdrawal Percentage** – This percentage is based on your age at Lock-In and the benefit option selected (Single Benefit or Spousal Benefit), as shown in Table 1 of the *VantageTrust Retirement Income Advantage Fund Important Considerations* document.
- **Income Base** – Your Income Base is initially equal to your first contribution to the Fund, and increases dollar-for-dollar with every contribution you make into the Fund. The Income Base is proportionately reduced if you withdraw or transfer money out of the Fund.

Though your Income Base and Market Value (see Question 3) in the Fund will be the same following your initial investment in the Fund, market fluctuation will cause your Market Value to be higher or lower than your Income Base. Every year on your birthday, these two values will be compared and the higher value will be used as your Income Base from that point forward (sometimes referred to as your “Highest Birthday Value”). Additionally, on the day you Lock-In, your Market Value (as of the close of the previous business day) will be compared to your Income Base, and the *higher* value will be used to calculate your LAWA.

#### 3. What is my Market Value in the Fund?

Your Market Value is the monetary value of your investment in the Fund, and starts on the date you make your initial investment into the Fund. The Market Value will increase or decrease daily due to market performance, contributions, withdrawals and transfers. **The Market Value is not guaranteed and may lose value at any time.**

Note that the Market Value of the Fund is always available for withdrawals or transfers out of the Fund, but the Income Base is used solely for calculating your LAWA and is not available as a lump sum.

#### 4. Who should consider investing in the Fund?

The Fund may be appropriate for participants who are within 10 to 15 years of retirement or already retired, and:

- wish to reduce the complexity of converting assets into a reliable income stream;
- do not have pension income or who want to supplement their pension income with a predictable income stream;
- have a family history of long life expectancy and think they may outlive their assets; or
- seek exposure to some market risk but also want downside income protection.

#### 5. Is the Fund an annuity?

The Fund invests in a group variable annuity offered through Prudential Retirement Insurance and Annuity Company (Prudential). The guarantees provided by the Fund are part of a guaranteed lifetime income feature, which provides for penalty-free access to the assets

<sup>1</sup> Guarantees are based on Prudential's claims-paying ability and are subject to certain limitations, terms and conditions. Withdrawals or transfers proportionately reduce guaranteed values prior to Lock-In. After Lock-In, Excess Withdrawals will proportionately reduce and potentially terminate future payment guarantees.

invested in the Fund, withdrawal flexibility, and the ability to leave the Market Value to beneficiaries.

## 6. Why Prudential?

ICMA-RC evaluated available guaranteed income products that could be offered through our employer-sponsored retirement plans, and ultimately selected Prudential based on a number of factors, including:

- **Financial Strength:** With all of the Fund's guarantees being dependent upon the claims-paying ability of the insurance company backing the guarantees, ICMA-RC sought a partner that we believe is financially sound, and Prudential meets this requirement in our opinion.
- **Product Features:** Unlike some competing products, the Fund provides protection from market downturns without requiring investors to annuitize their payments or lose access to the Fund's Market Value.
- **Simplicity:** The Fund guarantees are easy to understand.
- **Fee Structure:** Fund fees are very competitive relative to the benefits provided, and are clearly stated for investors.

## THE LOCK-IN PROCESS

### 7. What is "Lock-In"?

To begin receiving the guaranteed lifetime income benefits described in the previous section, you must first Lock-In. The Lifetime Annual Withdrawal Amount (LAWA) you are entitled to withdraw from the Fund each year will be determined at Lock-In.

### 8. When can I Lock-In?

You can Lock-In anytime on or after your 55th birthday, provided that your Lifetime Annual Withdrawal Amount (LAWA) is \$250 or more. If you choose the Spousal Benefit, both you and your spouse must be at least 55.

### 9. How do I Lock-In?

You can Lock-In by contacting ICMA-RC's Investor Services. We will transfer the call to Prudential to complete the Lock-In process. Prudential will confirm your desired benefit option (Single or Spousal) and verify certain basic information (e.g., date of birth, primary beneficiary, spouse's age) needed to determine the benefits you are eligible to receive.

### 10. What decisions do I need to make when I Lock-In?

You will need to decide whether to Lock-In with the Single Benefit or Spousal Benefit option. The LAWA will be lower if the Spousal Benefit option is selected because the guarantees cover the longer of two lifetimes rather than just one.

## Single Benefit

The Single Benefit option entitles you to withdraw guaranteed payments from the Fund each Withdrawal Period (the 12-month period from your birthday to the day before your next birthday) for the rest of your life. Following your death, guaranteed withdrawals from the Fund will be stopped, and the remaining Market Value (if any) in the Fund will be distributed to your designated beneficiary(ies).

## Spousal Benefit

The Spousal Benefit option entitles you to withdraw guaranteed payments from the Fund each Withdrawal Period for the rest of your life, *and* following your death, the withdrawals can continue to your surviving spouse for the rest of his/her life. Upon the death of your surviving spouse, or upon your death in the event your spouse predeceases you, the remaining Market Value (if any) in the Fund will be distributed to your designated beneficiary(ies).

In order to select the Spousal Benefit:

- Both you and your spouse must be age 55 or older at the time of Lock-In; the younger of your or your spouse's age will be used to determine the Guaranteed Withdrawal Percentage.
- Your spouse must be the sole primary beneficiary for 100% of your retirement plan account, both at the time you Lock-In and upon your death.

**Note that your benefit election (either Single or Spousal) is irrevocable and cannot be changed after Lock-In. After Lock-In, the Spousal Benefit may not be transferred to a new spouse following a divorce or spouse's death. There are special considerations if your beneficiary is a same-gender spouse or civil union partner. Please review the *Vantage Trust Retirement Income Advantage Fund Important Considerations* document for complete information.**

## WITHDRAWALS FROM THE FUND

### 11. Can I withdraw (or transfer) assets out of the Fund at any time?

Yes. Like other funds in your plan, you always (before and after Lock-In) have the ability to transfer your Market Value from the Fund to other investment options available in your plan. Prior to Lock-In, withdrawals or transfers from the Fund will proportionately reduce the guaranteed values, and Excess Withdrawals after Lock-In will proportionately reduce and potentially terminate available guarantees. Following a transfer or withdrawal from the Fund, you are generally restricted from transferring back into the Fund for a period of 90 days.

If you have Locked-In, and are eligible to withdraw funds from the plan, you can begin receiving distributions from the Fund at any time.

## 12. How do I begin receiving guaranteed lifetime income from the Fund?

After Lock-In, you are entitled to withdraw your Lifetime Annual Withdrawal Amount (LAWA) each Withdrawal Period. You can withdraw your LAWA by transferring this amount out of the Fund through fund transfers, or by establishing an installment payment schedule with ICMA-RC (subject to eligibility requirements for withdrawals from your plan).

### 1) Fund Transfers

Transfers out of the Fund can be executed using ICMA-RC's Account Access Web site, or by contacting Investor Services at 800-669-7400.

### 2) Installment Payments

You will need to complete the *VantageTrust Retirement Income Advantage Fund Installment Payment Form*, available by contacting ICMA-RC, to initiate systematic installment payments from the Fund.

**Retirement Plan Withdrawal Eligibility**—The rules governing your retirement plan determine when you are eligible to withdraw assets from the plan. If you Lock-In prior to becoming eligible to withdraw funds from the plan, you will not be able to establish systematic installment payments from the VantageTrust Retirement Income Advantage Fund until such time that you become eligible to withdraw funds from the plan. However, you will be able to leave the LAWA in the Fund or transfer it to another fund.

## 13. What are Excess Withdrawals?

After Lock-In, if the combination of transfers and withdrawals from the Fund exceed your LAWA for the Withdrawal Period, the amount above the LAWA is considered an Excess Withdrawal, and will proportionately reduce and potentially terminate future payment guarantees. If your Market Value in the Fund declines to zero (\$0) as the result of an Excess Withdrawal, the Fund guarantees will expire and the LAWA will no longer be provided.

Investors over the age of 70½ should review the Required Minimum Distributions section of the *VantageTrust Retirement Income Advantage Fund Important Considerations* document for an exception to the Excess Withdrawals rule.

## 14. Can my LAWA increase/decrease after Lock-In?

Yes. Certain actions can cause your LAWA to increase or decrease after Lock-In.

### Increases

Your LAWA can **increase** after Lock-In as a result of 1) positive investment performance (**Step-Up**), or 2) additional contributions to the Fund. **Note that in both cases, you will need to initiate a change to your payment schedule to include the additional LAWA in your installments.**

#### 1) Positive investment performance (Step-Up)

Your LAWA can increase as a result of positive Fund performance. Every year on the business day prior to your birthday, Prudential will multiply your Market Value in the Fund by your Guaranteed Withdrawal Percentage established at Lock-In. If the result is greater than your current LAWA, you will be eligible to increase or “Step-Up” your LAWA to the higher amount. If the result is lower, your LAWA will not change.

#### 2) Additional Contributions

After Lock-In, your LAWA will increase when you make additional contributions into the Fund. The increase is based upon the amount of the additional contributions and your Guaranteed Withdrawal Percentage established at Lock-In. A contribution will immediately increase your LAWA, unless you have already taken an Excess Withdrawal during the Withdrawal Period. In that case, the increase will not be available as part of the LAWA until the next Withdrawal Period.

### Decreases

Your LAWA can **decrease** after Lock-In as a result of you taking an Excess Withdrawal. The reduction is calculated by determining the ratio of the amount of the Excess Withdrawal to the Market Value in the Fund (prior to the Excess Withdrawal) and reducing the LAWA by an equivalent percentage. (See Example 6 in the *VantageTrust Retirement Income Advantage Fund Important Considerations* document.)

## FEES

## 15. What are the fees for the Fund?

You pay a Guarantee Fee for the Fund's underlying guarantees. The Guarantee Fee is an annual fee of 1% (up to a maximum of 1.5%) of the Fund's Market Value and is assessed by Prudential for the guarantees it provides. This fee reduces the investment returns of the Fund and this reduction is reflected in your Market Value.

The Guarantee Fee is in addition to the other fees and expenses charged to the Fund. Please refer to *Making Sound Investment Decisions: A Retirement Investment*

Guide – VantageTrust Retirement Income Advantage Fund for additional fee and expense information.

## 16. Does the Fund impose any transaction fees?

No. You can transfer in or out of the Fund at any time without being subject to any transaction fees.

## RISKS

### 17. What are some of the risks of investing in the Fund?

- Guarantees are based on Prudential's claims-paying ability. Though ICMA-RC sought out a partner that we believe to be financially sound, and we feel Prudential meets this requirement, risk still exists that circumstances may change and Prudential will be unable to honor the Fund's guarantees. It is important to note that the products, investments, reserves, operations and financial condition of Prudential are highly regulated and closely supervised by state insurance regulators.
- Your guarantees may not be portable under certain circumstances, such as: 1) if you transfer your assets out of your retirement plan, 2) if the plan sponsor changes retirement plan providers, 3) if the plan sponsor elects to remove the Fund as an investment option, or 4) if the Fund is terminated for any reason. You may be able to transfer all or part of your guarantees to an individual retirement account (IRA) made available by Prudential or a new group annuity contract if your plan converts to a contract issued directly by Prudential. However, the availability and terms of the IRA and/or new group annuity contract are subject to regulatory filings and approvals and, if available, may vary by jurisdiction. Additionally, the IRA may have substantially different fees, investments, and provisions

affecting the guarantee, including minimum account balance requirements, while the terms of the successor contract may differ significantly from those applicable to the Fund. Please review Section V.E. of the VantageTrust Retirement Income Advantage Important Considerations document for additional information.

- The income you receive from the Fund may not keep pace with inflation. Due to rising prices over time, \$1,000 will not be worth as much in 20 years as it is today.
- Investing in the Fund comes with other investment-related risks. You should review all of the investment risks described in *Making Sound Investment Decisions: A Retirement Investment Guide – VantageTrust Retirement Income Advantage Fund*.

## ADDITIONAL INFORMATION

### 18. Where can I find more information on the Fund?

Please review *Making Sound Investment Decisions: A Retirement Investment Guide – VantageTrust Retirement Income Advantage Fund* and the *VantageTrust Retirement Income Advantage Important Considerations* document for additional information. These documents are available online or by contacting ICMA-RC.

### 19. What information will I receive if I elect to invest in the Fund?

Upon your initial investment in the Fund, you will receive the *VantageTrust Retirement Income Advantage Fund Important Considerations* document. Your quarterly statements from ICMA-RC will also include a new section dedicated to the Fund, and will provide information on your guarantees, including the Market Value, Income Base, and Lifetime Annual Withdrawal Amount. This information will also be available to you within Account Access, and/or by contacting ICMA-RC.

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The VantageTrust Retirement Income Advantage Fund (the Fund) is offered through VantageTrust, a group trust sponsored by the VantageTrust Company, a New Hampshire institution. The Fund invests in a separate account under a group variable annuity issued by **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 its separate account. You should carefully consider the objectives, risks, charges, expenses and underlying guarantee features before purchasing this product. 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 is a Delaware non-profit organization and registered investment adviser. 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. Before electing the Spousal Benefit (if available) on behalf of any beneficiary not recognized as your spouse under federal law, be aware that provisions of your plan or the Internal Revenue Code might prevent, limit or otherwise affect the ability of the beneficiary to receive the Spousal Benefit. **For additional information, please review *Making Sound Investment Decisions: A Retirement Investment Guide – VantageTrust Retirement Income Advantage Fund* and the *VantageTrust Retirement Income Advantage Important Considerations* document, available online or by contacting ICMA-RC. To contact ICMA-RC, call 800-669-7400 (TDD: 800-669-7471) or write to 777 North Capitol Street, NE, Washington, DC 20002-4240. You may also visit us on the Web at [www.icmarc.org](http://www.icmarc.org). Para asistencia en Español llame al 800-669-8216.** Prudential and the Rock logo are registered service marks of The Prudential Insurance Company of America, Newark, NJ and its affiliates.