401(k) / 457
ADVISORY COMMITTEE

ADMINISTRATION BUILDING
LARGE TRAINING ROOM

WEDNESDAY
SEPTEMBER 2, 2015
9:00 A.M.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 2, 2015

MEMO TO: EBMUD 401(k)/457Advisory Committee

FROM: Lisa Sorani, Manager of Employee Services L.S

SUBJECT: Agenda for the September 2, 2015 Advisory Committee Meeting

The next EBMUD 401(k)/457 Advisory Committee Meeting is on Wednesday, September 2, 2015 at 9:00 a.m. in the Large Training Room of the Administration Building.

Attached is the Agenda for the meeting. As required by the Brown Act, the Agenda has been posted at least 72 hours prior to the meeting. Interested members of the public may attend the meeting.

If you have any questions, please contact me at (510) 287-0713.

LS/dd

Attachment

AGENDA

EBMUD 401(k)/457 ADVISORY COMMITTEE
ADMINISTRATION BUILDING – LARGE TRAINING ROOM
WEDNESDAY, SEPTEMBER 2, 2015 – 9:00A.M.

ROLL CALL:

PUBLIC COMMENT: The 401(k)/457 Advisory Committee is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

CONSENT CALENDAR:

1. Approval of Minutes – 401(k)/457 Advisory Committee Meeting of June 3, 2015

DISCUSSION:

2. Introduction of new Committee Chairperson (Human Resources Manager, Laura Brunson), Management Representative (Interim Director of Finance, Scott Klein), and new Local 2019 Representative, Ken Minn (replacing Cynthia Adkisson) – Lisa Sorani (Staff)
3. Fidelity Investments Quarterly Service Report – Tony Frankovich (Fidelity Investments)
4. Vanguard Target Date Funds Presentation – Keith Mekenney and Mark Landay (Vanguard Group)
5. Staff Report – Lisa Sorani (Staff)
    a. Plan Administration Fees and Revenue Share Credit
    b. Online Beneficiary – Lisa Sorani (Staff)
    c. NAGDCA Conference
6. NetBenefits® Presentation – Dave Schacht (Fidelity Investments)
7. Regulatory Update – Greg Settle (Hyas Group)
8. Financial Markets and Economic Report – Greg Settle (Hyas Group)
9. Investment Performance – Greg Settle (Hyas Group)

ACTION:

10. Accept Updated Investment Policy Statement – Greg Settle (Hyas Group)
11. Adopt Fund Replacement for the Morgan Stanley Institutional Mid Cap Growth Fund – Greg Settle (Hyas Group)
12. Determine Fund Source for Plan Administration Expenses – Lisa Sorani (Staff)
13. Authorize 401(k) Roth In-Plan Conversion Project – Lisa Sorani (Staff)
14. Authorize Account Suspension Tracking – Lisa Sorani (Staff)

ITEMS TO BE CALENDARED:

MEETING ADJOURNMENT: The next regular meeting of the 401(k)/457 Advisory Committee will be held at 9:00 a.m. on Wednesday, December 2, 2015.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 24, 2015

MEMO TO: Alexander R. Coate, General Manager

THROUGH: Laura Brunson, Manager of Human Resources

FROM: Lisa Sorani, Manager of Employee Services

SUBJECT: Appointment of Local 2019 Representative, Ken Minn, to the 401(k)/457/401(a) Advisory Committees

Local 2019 President, Mark Foley, has informed Human Resources that Ken Minn will be the Local 2019 union representative on the 401(k)/457/401(a) Advisory Committees, replacing Cynthia Adkisson.

Please initial this memorandum to officially appoint Ken Minn as the Local 2019 representative on the 401(k)/457/401(a) Advisory Committees replacing Cynthia Adkisson effective August 24, 2015, which is the date we received the notice from Mark Foley.

Thank you.

Attachment

LS:dd

EBMUD 401(k)/457 Advisory Committee Members
August 2015

NAME	REPRESENTATION	TELEPHONE	MAIL SLOT	E-MAIL
Laura Brunson	Chairperson	287-0383	MS# 601	lbrunson@ebmud.com
David Beyer	Local 21	287-1144	MS# 205	dbeyer@ebmud.com
David Correa	Local 444	287-0426	MS# 80	dcorrea@ebmud.com
Dean DiGiovanni	Local 21	287-1656	MS# 505	ddigiova@ebmud.com
Gerald Hunter	Local 444	287-2041	MS # 76	ghunter@ebmud.com
Ken Minn	Local 2019	287-0668	MS# 407	kminn@ebmud.com
Scott Klein (acting)	Management	287-0271	MS# 402	sklein@ebmud.com
Sophia Skoda	Management	287-1542	MS #801	sskoda@ebmud.com
David Valenzuela	Local 2019	287-0588	MS# 302	dvalenzu@ebmud.com
Curtis Woodring	Local 39	925-284-1649	MS# 71	dwoodrin@ebmud.com

Advisory Committee Staff

NAME	JOB TITLE	TELEPHONE	MAIL SLOT	E-MAIL
Lisa Sorani	Employee Services Mgr	287-0713	MS# 601	lsorani@ebmud.com
Elizabeth Grassetti	Sr. HR Analyst	287-0760	MS# 601	egrasset@ebmud.com
Dhanyale Dunbar	HR Technician	287-0714	MS# 601	ddunbar@ebmud.com

MEETING MINUTES
EBMUD 401(K)/457 ADVISORY COMMITTEE
Wednesday, June 3, 2015

A regular meeting of the 401(k)/457 Advisory Committee convened on Wednesday, June 3, 2015 at 9:12am in the Boardroom Annex of the Administration Building. The meeting was called to order by Committee Chairperson Delores Turner.

ROLL CALL

The following 401(k)/457 Advisory Committee Members were present: Cynthia Adkisson, Dave Beyer, Dean DiGiovanni, Gerald Hunter, Sophia Skoda, Delores Turner, and David Valenzuela (absent Committee Members were David Correa and Curtis Woodring). The following Staff members were present: Lisa Sorani, Elizabeth Grassetti and Dhanyale Dunbar.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. **Approval of Minutes** – A motion was made by Dean DiGiovanni and seconded by Sophia Skoda to approve the March 4, 2015 minutes. The motion carried (7-0) by the following voice votes: AYES (Adkisson, Beyer, DiGiovanni, Hunter, Skoda, Turner, Valenzuela), NOES (none), ABSTAIN (none), ABSENT (Correa and Woodring).

DISCUSSION

2. **Portfolio Advisory Service** – Thomas Obara of Fidelity Investments presented information on managed account services. The service is voluntary with a participant fee. Only core investments are used (except the Vanguard Target Date funds). Lisa Sorani informed the Committee that staff had also been contacted by Financial Engines, a company that offers similar service. Greg Settle informed the Committee that only one out of 18 Hyas' clients elected managed account services because they had regular visits from their TPAs and they were adverse to the high cost of the service.

3. **Staff Report** – Lisa Sorani informed the Committee of the following:
    a. The Roth 457 and Roth In-Plan Conversions were put on hold pending HRIS and Remini Street ability to add to the PeopleSoft limit table. There have been no project fees paid.
    b. The 1Q2015 and 2Q2015 Hyas invoice was paid from the $105,500 DC administration budget.
    c. Receipt of Fidelity's invoice was anticipated in June 2015 pending their audit and approval process.
    d. September 30th revenue share account balances would have to be used if the pro rata allocation option is up for determination in the first quarter of the following year.

4. **Service Report** – Tony Frankovich provided 1Q2015 Plan information. Total Plan assets were $354,974,097 with a total of 3,069 participants. Average account balance was $115,664 compared to $68,589 for industry peers, and $74,966 for same-size peers. Contributions to the Plans were $4,773,569. Loan withdrawals were $2,440,002 compared to $2,431,759 in 1Q2014. The top four investments by total assets were Vanguard Institutional Index, Fidelity Blue Chip Growth, BrokerageLink®, and MIP II.

5. **Financial Markets and Economic Report** – Greg Settle provided a brief information to the Committee:
   - Advance estimate for first quarter GDP growth was .2% with an expected rebound in the second quarter.
   - Low wage growth and inflation have kept short term interest rates from rising, but the first tightening is expected late in the third quarter.
   - Large cap stocks returned 12.7% and mid cap stocks returned 13.7%. Foreign stocks generally fared better that last quarter, but still had not reached 2007 price level. The S&P was 32% above its 2007 level, making foreign equities a more attractive opportunity.
   - Oil prices climbed back above $60/barrel, but other key commodities remain relatively low.

6. **Regulatory Update & Market Overview** – Greg Settle provided a regulatory update for 1Q2015:
   - The SEC issued an action letter to permit non-ERISA retirement plans to issue participant fee disclosures without violating securities laws.
   - Fees and Revenue Sharing have become a plan sponsor fiduciary issue.
   - NAGDCA released its 2015 survey of public sector defined contribution plans.

ACTION

7. **Investment Performance** – Greg Settle of Hyas Group presented the quarterly performance report. Each Plan portfolio performed well against benchmarks and provided good returns to participants. T. Rowe Price Equity Income lagged its benchmark over the 5-year period and performed below median peer ranking. The fund's manager would retire in October. Hyas recommended the fund be placed on "watch". Cynthia Adkisson moved the Committee place T. Rowe Price Equity Income on "watch". The motion was seconded by Gerald Hunter and carried (7-0) by the following voice votes: AYES (Adkisson, Beyer, DiGiovanni, Hunter, Skoda, Turner, Valenzuela), NOES (none), ABSTAIN (none), ABSENT (Correa and Woodring).

   Morgan Stanley lagged its benchmark over the 5-year period and performed below median peer ranking. The fund ranked in the 92 percentile and has been on "watch" for the past two quarters. Delores Turner moved the Committee request Hyas perform a manager search for possible replacement of the Morgan Stanley Fund. The motion was seconded by Dean DiGiovanni and carried (7-0) by the following voice votes: AYES (Adkisson, Beyer, DiGiovanni, Hunter, Skoda, Turner, Valenzuela), NOES (none), ABSTAIN (none), ABSENT (Correa and Woodring).

ITEMS CALENDARED FOR FUTURE MEETINGS

- NetBenefits® presentation
- Vanguard presentation
- Development of participant education on fees and investments

ADJOURNMENT

It was noted that Chairperson Delores Turner was retiring and Eric Sandler, Committee Member who represented Management, had separated from the District. A motion was made by Gerald Hunter and seconded by Dave Beyer to adjourn. The motion carried (7-0) by the following voice votes: AYES (Adkisson, Beyer, DiGiovanni, Hunter, Skoda, Turner, Valenzuela), NOES (none), ABSTAIN (none), ABSENT (Correa and Woodring). The meeting adjourned at 11:33am.

East Bay Municipal Utility District

Q2 2015 Retirement Service Review

Presented by
Tony Frankovich
September 2, 2015

This document was originally prepared for plan sponsor use only

EAST BAY MUNICIPAL UTILITY DISTRICT Q2 2015 Review

East Bay Municipal Utility District and Fidelity have worked together successfully to build your workplace savings plan as a competitive benefit that helps you to attract and retain key personnel within your organization. Fidelity values and appreciates the trust you have placed in us and we look forward to working with you in the year ahead as you maximize the value of this important benefit.

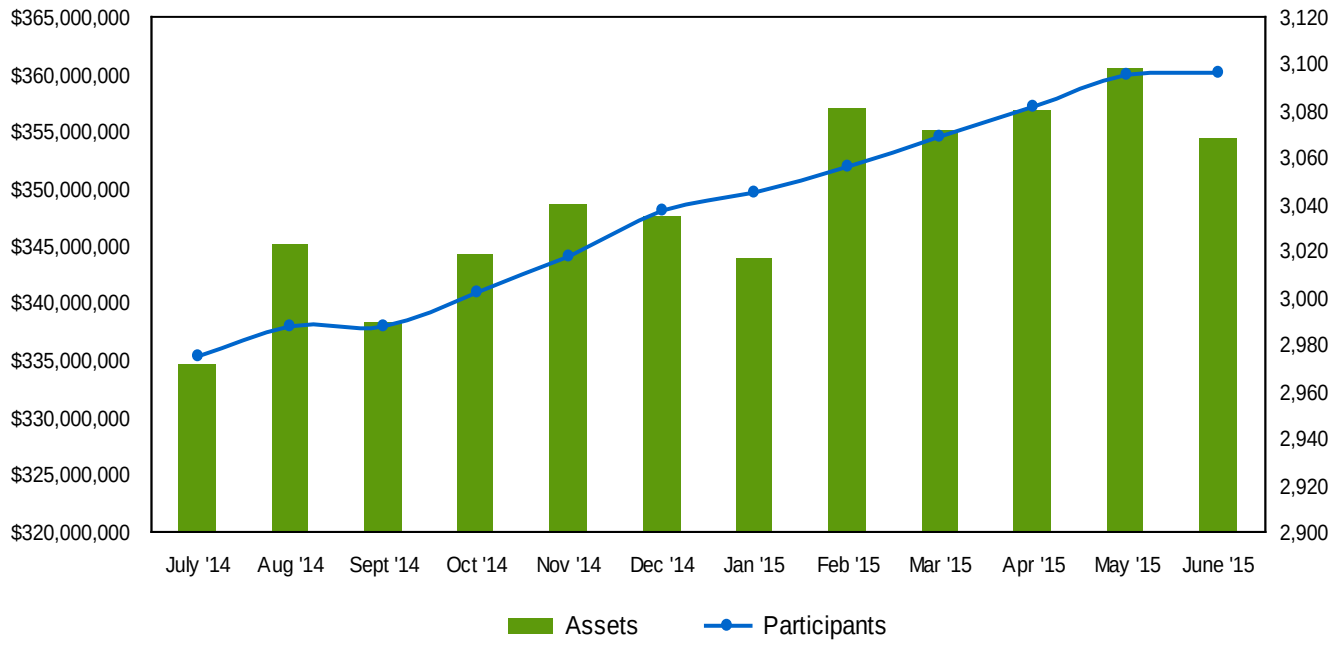
Plan Statistics	06/2015	12/2014	12/2013	Industry Peers*	Same-size Peers*
Total assets	$354,276,769	$347,609,149	$322,181,569	$108,914,062	$117,146,585
Total participants	3,096	3,037	2,930	1,592	1,584
YTD Employee contributions	$8,921,490	$16,215,158	$15,178,387	$5,088,130	$5,386,341
YTD Rollover contributions**	$1,490,900	$1,988,662	$805,040	$1,884,174	$4,280,613
YTD Withdrawals	$10,524,844	$14,001,702	$16,811,101	$9,903,553	$9,693,482
YTD Net cash flow	($129,417)	$4,147,557	($1,075,037)	($2,401,122)	$2,201,959
Average balance	$114,430	$114,458	$109,960	$68,399	$72,990
# single fund holders (excl. Lifecycle Fund)	422	424	452	311	158

* Please see "Important Additional Information" for information regarding plan peer size and industry comparisons. Peer size and industry comparisons are based on 12 month period ending 6/30/2015.

** YTD Employer contributions include rollover into the plan

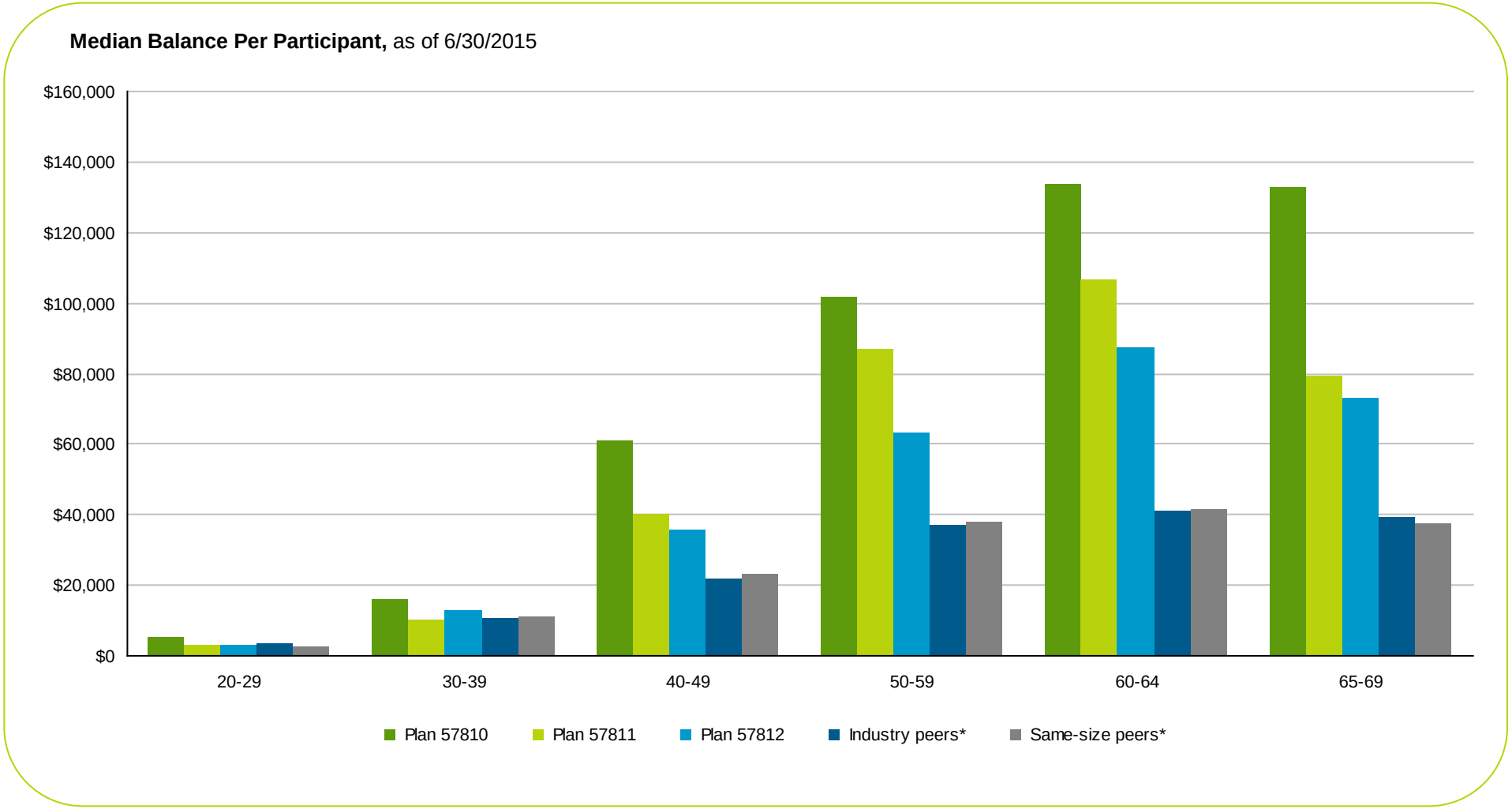
Fidelity INVESTMENTS

Asset and Participant Count Trends



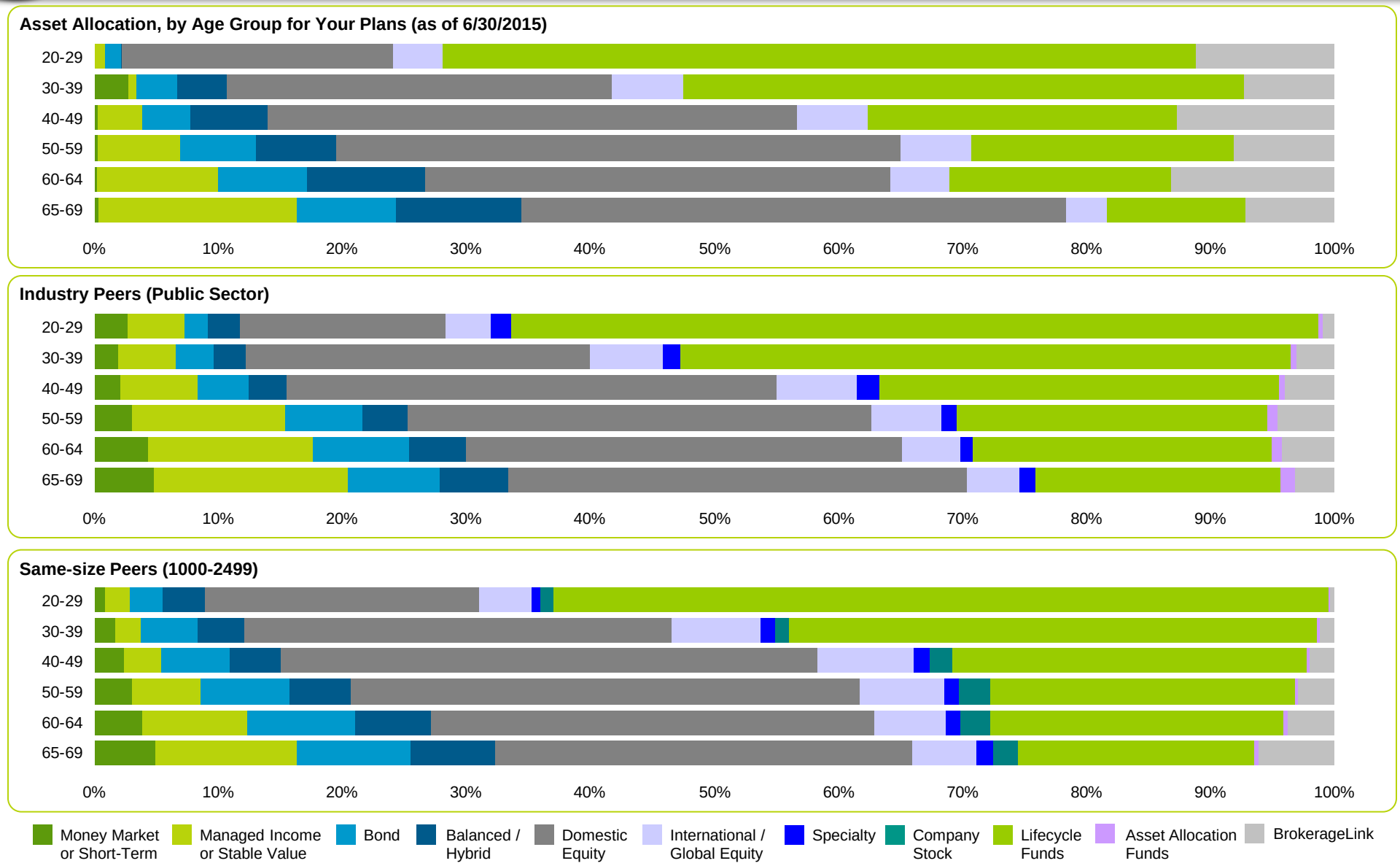
As of 6/30/2015	Plan 401(k)	Plan 401(a)	Plan 457(b)
Total Participants	1,717	457	922
Active Participants	1,316	348	672
Participants Terminated with Balances	401	109	250
Total Plan Assets	$233,499,976	$38,376,869	$82,399,924

Participant Balances



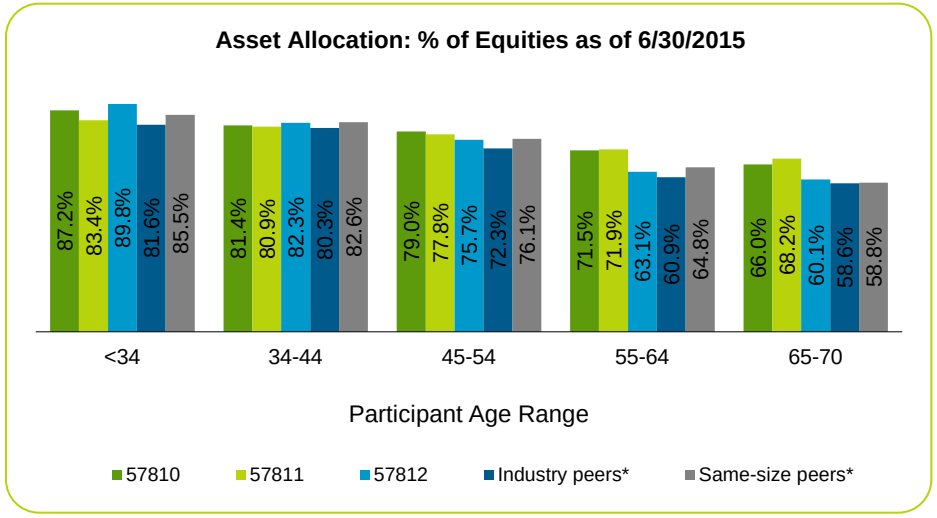
* Please see "Important Additional Information" for information regarding plan peer size and industry comparisons.

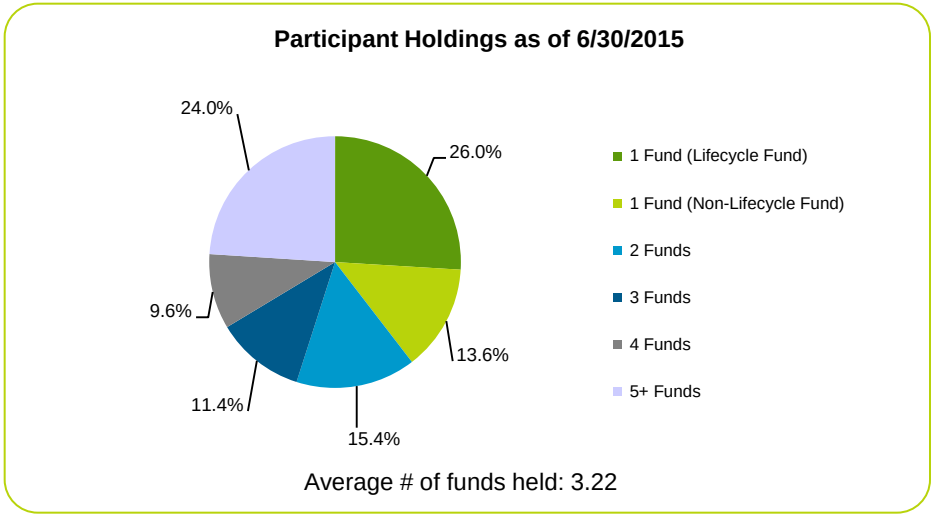
Plan Asset Allocation Analysis



* Please see "Important Additional Information" for information regarding plan peer size and industry comparisons.

Help Drive Your Employees' Retirement Readiness

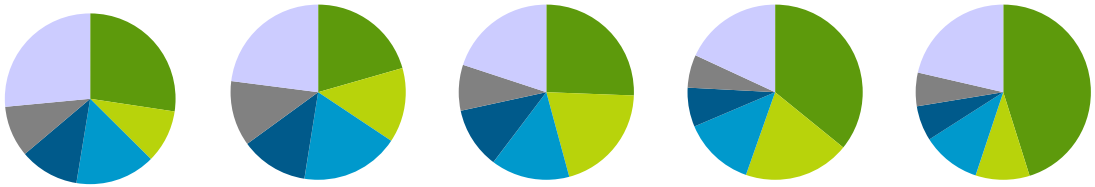




* Please see "Important Additional Information" for information regarding plan peer size and industry comparisons.

Single-Investment Option Holders

Information as of 6/30/2015



How many participants hold:	Plan 401(k)	Plan 401(a)	Plan 457(b)	Industry peers*	Same-size peers*
1 Fund (Lifecycle Fund)	27.4%	20.6%	25.6%	35.9%	45.1%
1 Fund (Non-Lifecycle Fund)	10.1%	13.8%	20.2%	19.5%	10.0%
2 Funds	15.1%	18.2%	14.5%	13.2%	10.8%
3 Funds	11.2%	12.5%	11.3%	7.2%	6.5%
4 Funds	9.7%	12.0%	8.5%	6.1%	6.2%
5 or more Funds	26.5%	23.0%	20.0%	18.1%	21.4%
Average # of Funds Held	3.4 funds	3.3 funds	2.9 funds	2.9 funds	2.9 funds

		Participants holding this fund			
Funds held as a single investment	**Asset class**	**401(k)**	**401(a)**	**457(b)**	**Total**
TRP STABLE VALUE A	Managed Income or Stable Value	0	0	72	72
TRP STABLE VALUE A	Managed Income or Stable Value	65	0	0	65
VANGUARD INST INDEX	Domestic Equity	23	9	22	54
FID BLUE CHIP GR K	Domestic Equity	9	7	9	25
SCOUT CORE PLUS I	Bond	5	6	10	21
Plus 13 other funds	-	44	31	41	116
Lifecycle Funds	-	470	94	236	800
BrokerageLink	-	27	10	32	69

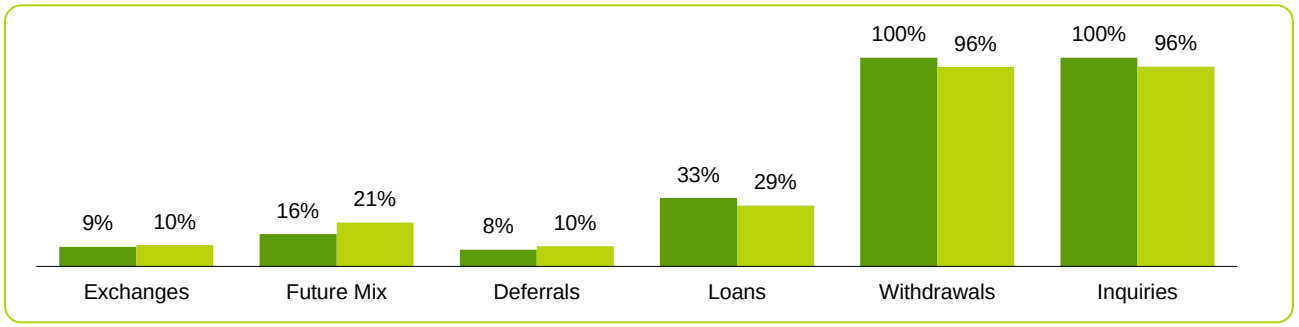
For plans that offer Fidelity BrokerageLink, it will appear as a fund (rather than a product offering) for purposes of providing plan data.
* Please see "Important Additional Information" for information regarding plan peer size and industry comparisons.

Customer Transactions by Channel

For the 12-month period ending 6/30/2015

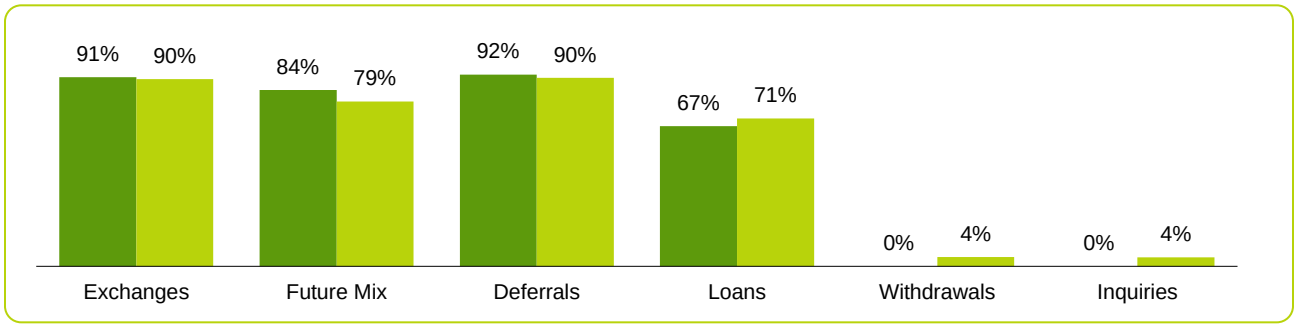
Phone Representatives

Plan	Total Unique SSNs
401(k)	571 (33% of participants)
401(a)	94 (21% of participants)
457(b)	229 (25% of participants)
Total contacts	11,547



NetBenefits® (Web)

Plan	Total Unique SSNs
401(k)	954 (56% of participants)
401(a)	287 (63% of participants)
457(b)	558 (61% of participants)
Total contacts***	158,847



Your Plan* Industry Peers** (Public Sector)

* Percentages based on (Plan 401(k): 1,717 participants), (Plan 401(a): 457 participants), (Plan 457(b): 922 participants)

** Please see "Important Additional Information" for information regarding plan peer size and industry comparisons.
*** Total contact counts for the web channel, NetBenefits®, are calculated at the plan level. It is the total number of times participants accessed this channel. For any participants that have more than one plan with Fidelity, the count will be overstated. The measure of Total Unique SSN, expressed as a percentage, is not impacted by this issue.

Plan Assets by Fund

As of 6/30/2015

Fund	# of Participants Holding Fund	% of Participants Holding Fund	Total Assets	% of Plan Assets
VANGUARD INST INDEX	982	31.72%	$47,503,304	13.41%
FID BLUE CHIP GR K	972	31.40%	$35,705,738	10.08%
BROKERAGELINK	319	10.30%	$34,939,357	9.86%
VANG TARGET RET 2020	346	11.18%	$23,788,100	6.71%
DODGE & COX STOCK	652	21.06%	$21,090,403	5.95%
SCOUT CORE PLUS I	593	19.15%	$19,330,516	5.46%
TRP STABLE VALUE A	375	12.11%	$18,149,043	5.12%
FID BALANCED K	511	16.51%	$17,977,900	5.07%
AF EUROPAC GROWTH R6	736	23.77%	$16,964,460	4.79%
HUBER SM CAP VAL IS	621	20.06%	$13,278,925	3.75%
H & W MID CAP VAL I	467	15.08%	$13,091,794	3.70%
VANG TARGET RET 2015	153	4.94%	$9,724,811	2.74%
VANG WELLESLEY ADM	284	9.17%	$9,318,014	2.63%
VANG TARGET RET 2025	194	6.27%	$9,228,071	2.60%
TRP STABLE VALUE A	236	7.62%	$9,001,304	2.54%
MSIF MID CAP GRTH I	401	12.95%	$8,378,921	2.37%

Fidelity INVESTMENTS

Plan Assets by Fund

As of 6/30/2015

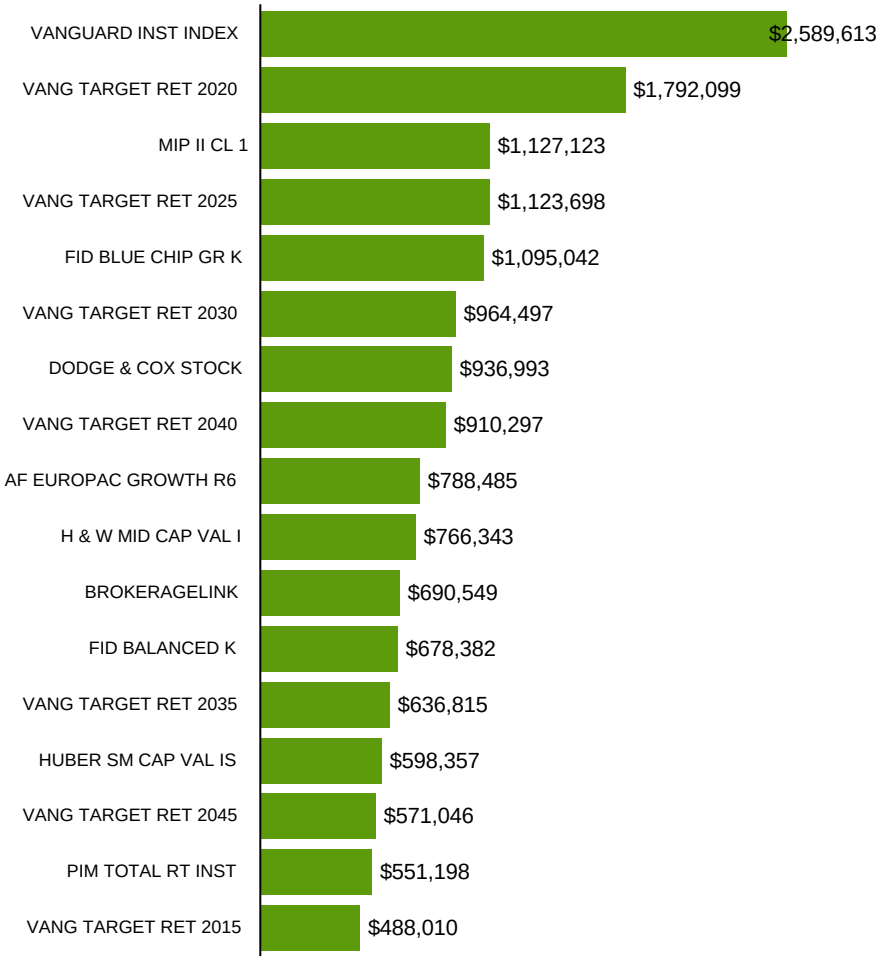
Fund	# of Participants Holding Fund	% of Participants Holding Fund	Total Assets	% of Plan Assets
VANG TARGET RET 2030	236	7.62%	$8,025,058	2.27%
VANG TARGET RET 2010	115	3.71%	$6,682,003	1.89%
TRP EQUITY INCOME	303	9.79%	$6,665,799	1.88%
VANG TARGET RET 2040	210	6.78%	$5,964,426	1.68%
ARTISAN SMALL CAP IS	350	11.30%	$3,612,138	1.02%
VANG TARGET RET 2035	161	5.20%	$3,173,241	0.90%
VANG TOT BD MKT ADM	165	5.33%	$2,740,106	0.77%
TRP STABLE VALUE A	79	2.55%	$2,053,150	0.58%
VANG TARGET RET 2045	118	3.81%	$1,945,518	0.55%
VANG TARGET RET 2050	87	2.81%	$1,575,758	0.44%
VANG TARGET RET INC	83	2.68%	$1,522,303	0.43%
FID RETIRE MMKT	72	2.33%	$1,421,641	0.40%
VANG TOT INTL STK AD	105	3.39%	$1,189,274	0.34%
VANG TARGET RET 2055	35	1.13%	$180,538	0.05%
VANG TARGET RET 2060	19	0.61%	$55,156	0.02%
Total Market Value			$354,276,769	100.00%

Fidelity INVESTMENTS

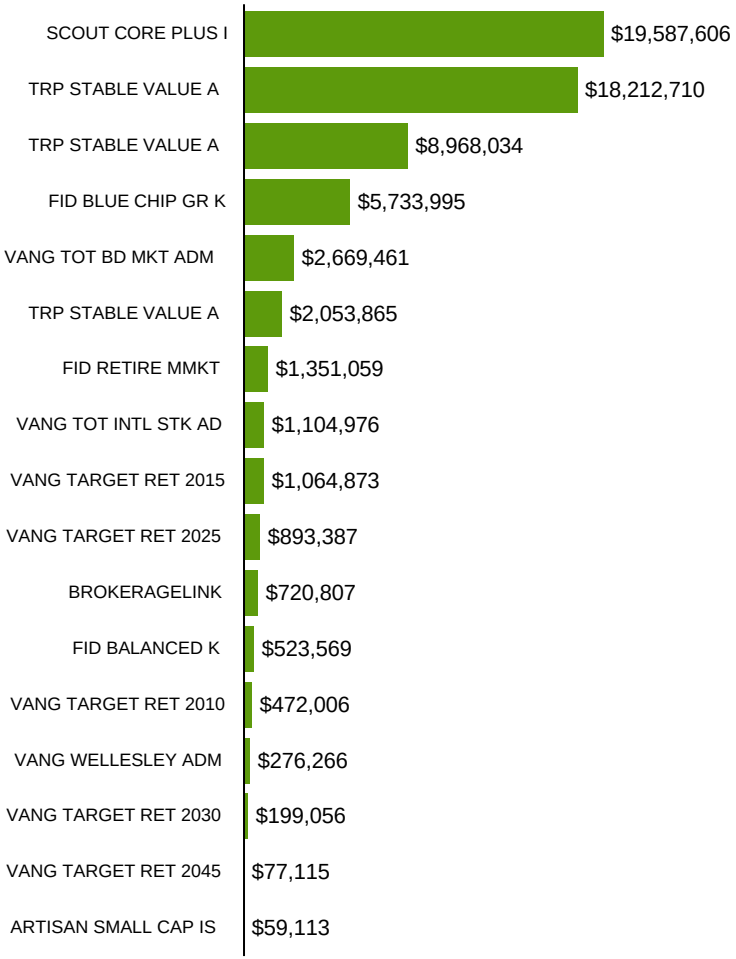
Contributions and Net Exchanges

For the 12-month period ending 6/30/2015

Contributions by Fund



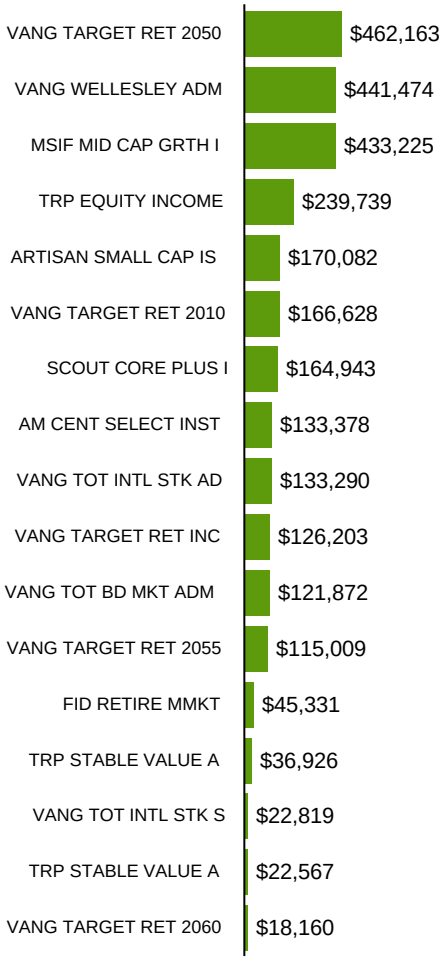
Net Exchanges by Fund



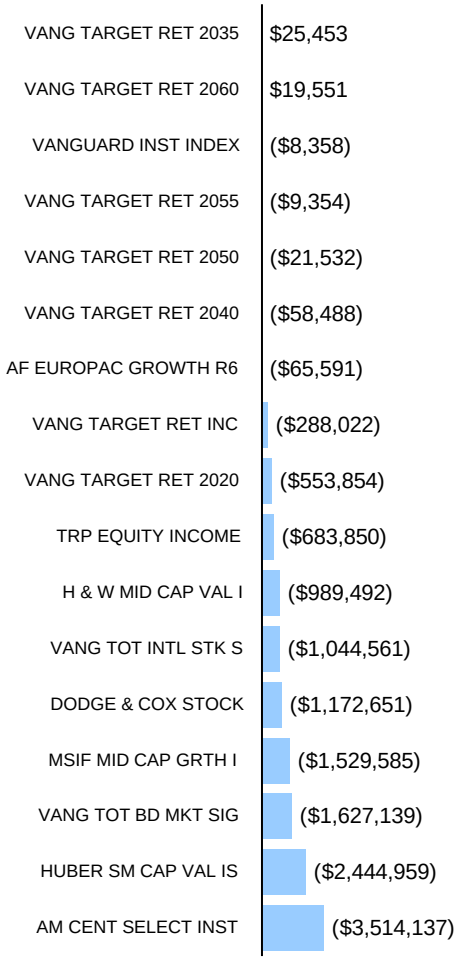
Contributions and Net Exchanges

For the 12-month period ending 6/30/2015

Contributions by Fund



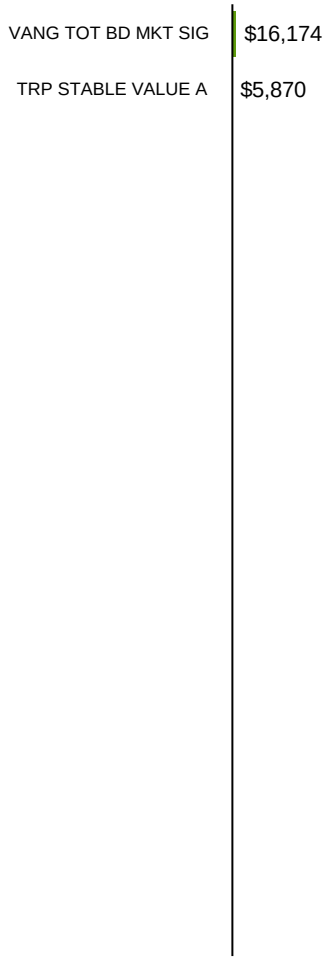
Net Exchanges by Fund



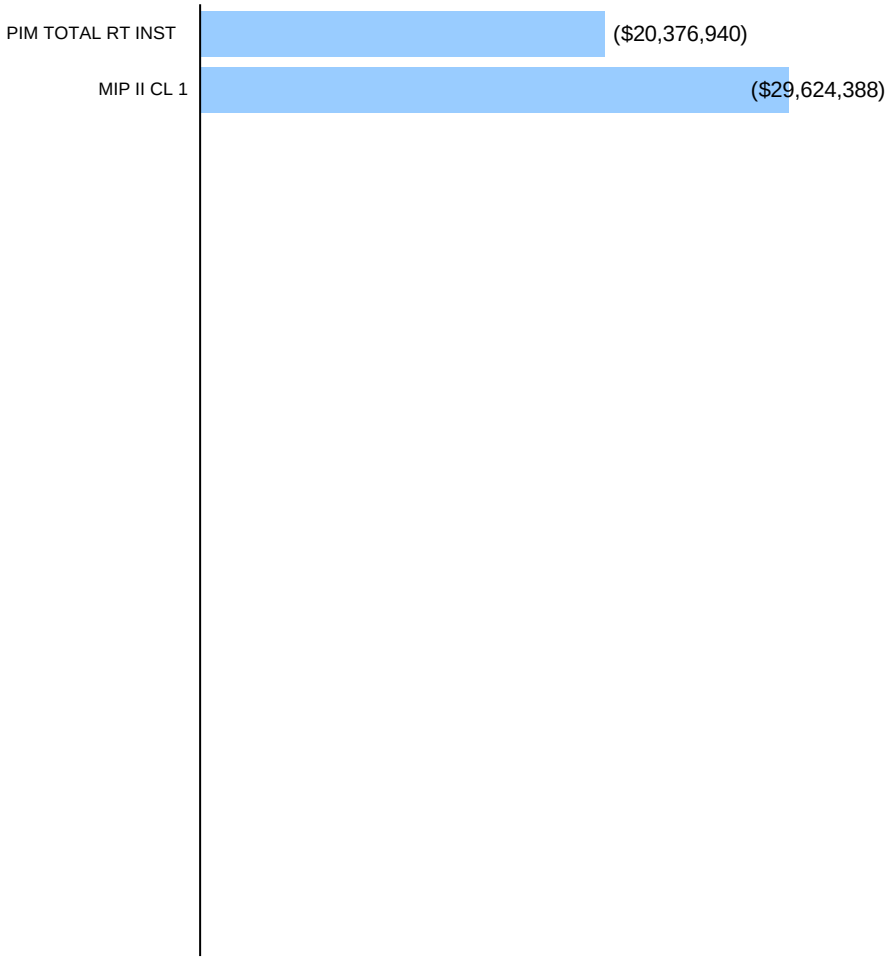
Contributions and Net Exchanges

For the 12-month period ending 6/30/2015

Contributions by Fund



Net Exchanges by Fund



Cash Flow Summary

Cash Inflow	Year ending: 6/2015	Year ending: 6/2014
Contributions*	$19,184,400	$17,029,872
Loan Repayments	$2,142,918	$1,859,273
Interest on Loans	$233,817	$224,784
Total Cash Inflow	**$21,561,134**	**$19,113,929**

Cash Outflow	Year ending: 6/2015	Year ending: 6/2014
Loan Withdrawals	$2,706,854	$2,433,145
Withdrawals	$17,125,664	$17,434,093
Transaction-based Fees *(Please see your plan recordkeeping agreement for details)*	($151,033)	($90,862)
Total Cash Outflow	**$19,681,486**	**$19,776,376**

Net Cash Flow	**$1,879,649**	**($662,447)**

* Contributions are comprised of all employee and employer sources, including rollovers into the plan.

Important Performance and Risk Disclosure

Investment Risk

LifeCycle Funds: Lifecycle funds are designed for investors expecting to retire around the year indicated in each fund's name. The funds are managed to gradually become more conservative over time as they approach their target date and beyond. The investment risks of each fund change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap, commodity-linked and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates. Unless specifically indicated in an investment option's detailed description, principal invested is not guaranteed at any time, including near or after retirement.

Money Markets Funds: *An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.*

Bond Funds: In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.
Fixed income investments risks include interest rate risk (as interest rates rise bond prices usually fall), the risk of issuer default and inflation risk. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Mid-Cap Funds: Investments in mid-sized companies may involve greater risks than those in larger, more well known companies, but may be less volatile than investments in smaller companies.

Small-Cap Funds Investments in smaller companies may involve greater risk than those in larger, more well known companies.

Foreign Funds: Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Sector funds: Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Company Stock Funds: Company stock investment options are neither mutual funds nor diversified or managed investment options.

REITs (Real Estate Investment Trusts): Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect the fund.

Fidelity INVESTMENTS

Important Additional Information

Information on Industry and Same Size Peers is based on plans currently record kept by Fidelity. Industry assignments are based on industry classification from multiple sources.

The information contained herein is summarized plan data based upon a maximum of four retirement plans. The plans presented are selected by Fidelity.

Plan size ranges are broken out as follows:

Under 150 participants	150 – 249 participants	250 – 499 participants
500 – 999 participants	1,000 – 2,499 participants	2,500 – 4,999 participants
5,000 – 9,999 participants	10,000 – 24,999 participants	25,000+ participants

For plans that offer Fidelity BrokerageLink ®, it will appear listed as a fund (rather than a product offering) for purposes of providing plan data. A self-directed brokerage account may entail greater risk and is not appropriate for everyone. Additional fees apply to a BrokerageLink ® account.

"Time-Weighted Cumulative Total Participant Return" is calculated using a Time Weighted Daily Valuation Method by geometrically linking the return of each of the sub-periods making up the entire return period. A new sub-period is considered to begin each time there is cash flow. For each sub-period, the beginning market value of the sub-period (which includes the cash flow) is subtracted from the ending market value of the sub-period and the difference is divided by the beginning market value. For purposes of this methodology, cash flow includes contributions, withdrawals, and plan fees. Exchanges, dividends and interest are not considered cash flows.

Retirement Income Planner, Portfolio Review, and Fidelity Income Strategy Evaluator are educational tools.

myPlan Snapshot is an educational calculator.

Portfolio Advisory Service at Work is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. This service provides discretionary money management for a fee.

Guidance provided by Fidelity is educational in nature, is not individualized and is not intended to serve as the primary or sole basis for your investment or tax-planning decisions.

Financial Engines is not affiliated with Fidelity Investments or its affiliates.

Asset Allocation does not ensure a profit or guarantee against loss.

© 2014 Morningstar, Inc. All rights reserved. The Morningstar information contained herein (1) is proprietary to Morningstar or its affiliates; (2) may not be copied or redistributed; and 3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Fidelity does not review the Morningstar data and, for mutual fund performance information, you should check the fund's current prospectus for the most up-to-date information concerning applicable loads, fees, and expenses.

Recordkeeping and plan administrative services provided by Fidelity Investments Institutional Operations Company, Inc.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917
© 2014 FMR LLC. All Rights Reserved

715306.2.0

0615

East Bay Municipal Utility District

September 2, 2015

For institutional use only. Not for distribution to retail investors.
Client-specific data is considered CONFIDENTIAL.

Vanguard®

Agenda

I. Introductions and overview
II. Portfolio oversight and monitoring
III. Glide path construction
IV. Investment strategies
V. Risk-based performance and fees
VI. Education and client service support for East Bay Municipal Utility District

Appendix
- Oversight committee
- Glide path construction
- Investment strategies

Presented by:

Mark N. Landay
Principal
Institutional Investor Group

Keith D. Mekenney, CFP®, CIMA®
Relationship Manager
Institutional Investor Group

For institutional use only. Not for distribution to retail investors.

Introductions and overview

For institutional use only. Not for distribution to retail investors.

Introductions

Mark N. Landay
Principal – Institutional Investor Group

Mark Landay is a principal in Vanguard Institutional Investor Group, where he directs sales activity for large defined contribution plan opportunities from Alaska to Nebraska and the Dakotas from our Scottsdale, Arizona campus. Before joining Vanguard in 1991, he served in sales executive positions with Mellon Bank, N.A.; R.M. Leary & Company, Inc.; and Rauscher Pierce Refsnes, Inc. (now RBC Capital Markets).

Mr. Landay is an active member of the Western Pension & Benefits Conference San Francisco, Seattle, Salt Lake City, and Portland Chapters, and the National Association of Government Defined Contribution Administrators. He earned an A.B. in economics and history from Brown University.

Keith Mekenney
Relationship Manager – Institutional Investor Group

Keith D. Mekenney, CFP®, CIMA®, is a relationship manager in Vanguard Institutional Investor Group, where he's primarily responsible for serving Vanguard's pension and defined contribution clients in the Western United States.

Mr. Mekenney joined Vanguard in 1992 as a communication associate in the Valley Forge office and then moved to Phoenix, Arizona, in 1994 to help start Vanguard's first satellite office. His experience includes several years working in Human Resources, Process Improvement, and Financial Planning. He recently spent more than four years as a manager in Vanguard Advice Services Group, where he worked primarily with high-net-worth clients. Before joining Vanguard, Mr. Mekenney spent two years with Murdoch Magazines (TV Guide) working in their Single Copy Sales Division.

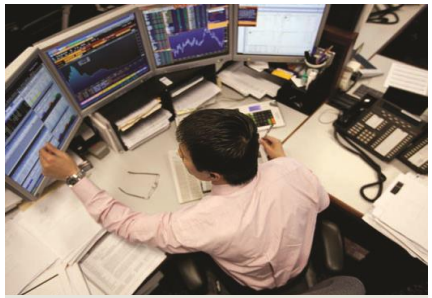
Mr. Mekenney earned a B.S. in management from The Pennsylvania State University. He holds FINRA Series 7, 24, and 63 licenses.

Vanguard overview: Client-owned* market leader

Vanguard profile

- No outside owners: Serving only our clients' interests provides a distinct client advantage
- Investments' low costs often provide a distinct investor advantage
- 13,218 crew based at headquarters in Pennsylvania, as well as in Arizona and North Carolina
- Growing international operations

Market leadership



- $3.1 trillion in assets under management, 61% of which is institutional and intermediary assets
- $1.3 trillion of that in retirement assets ($880 billion in Institutional retirement plans, as well as plans through advisors and retail IRAs)**
- Broad lineup of 164 funds (with many ETF offerings) as well as commingled trusts

Retirement leader

- First to offer plan design features such as auto-escalation and online Roth in-plan conversions
- Comprehensive mobile app for participants and first to offer app transactions
- Recognized for sponsor analytics: kasina website study 2014
- #1 on Google+, YouTube, Twitter, and Facebook†

Investment management

- 40 years of investment experience; roots extend back to the founding of Wellington™ Fund in 1929
- Unusual combination of in-house expertise and external managers
- Active equity: featuring leading institutional subadvisors
- Index equity: internal management provides state-of-the-art execution
- Fixed income: offering deep expertise and risk management

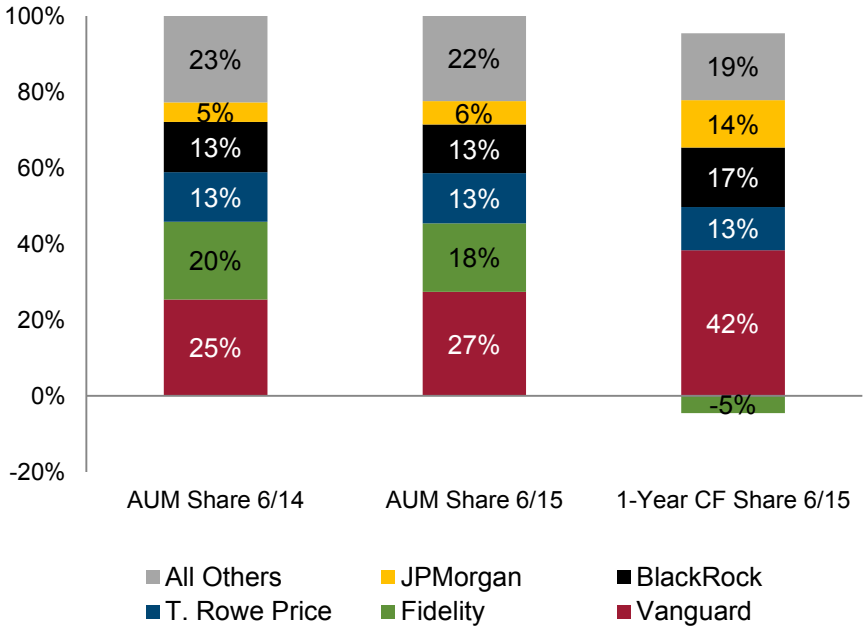
Data as of June 30, 2015.
* Vanguard is client-owned. As a client owner, you own the funds that own Vanguard.
** Assets under administration.
† Sources: kasina and Corporate Insight.

For institutional use only. Not for distribution to retail investors.

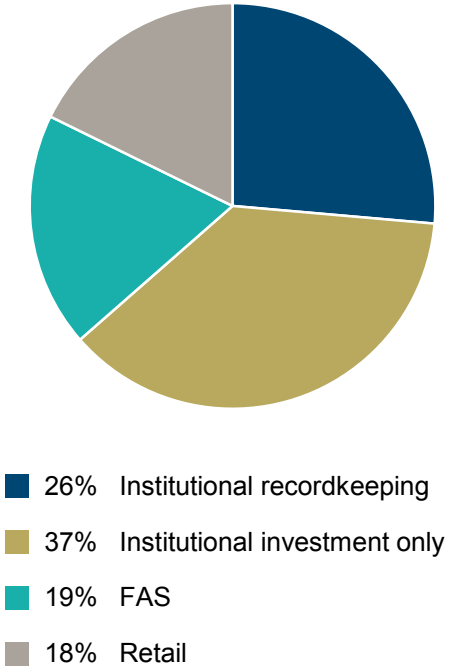
Vanguard Target Retirement assets

Asset growth

- Vanguard's Target Retirement Fund & Trust (TRF/T) cash flow market share over the last 12 months was 42%
- TRF/T assets totaled approximately $343B as of June 2015



Diverse client base with 82% representing institutional client assets



Sources: Vanguard and Morningstar, as of June 30, 2015.
Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

For institutional use only. Not for distribution to retail investors.

Portfolio construction and oversight process

Oversight and monitoring: Portfolio Review Department
Manager oversight—product management —client engagement

Research
Holistic approach

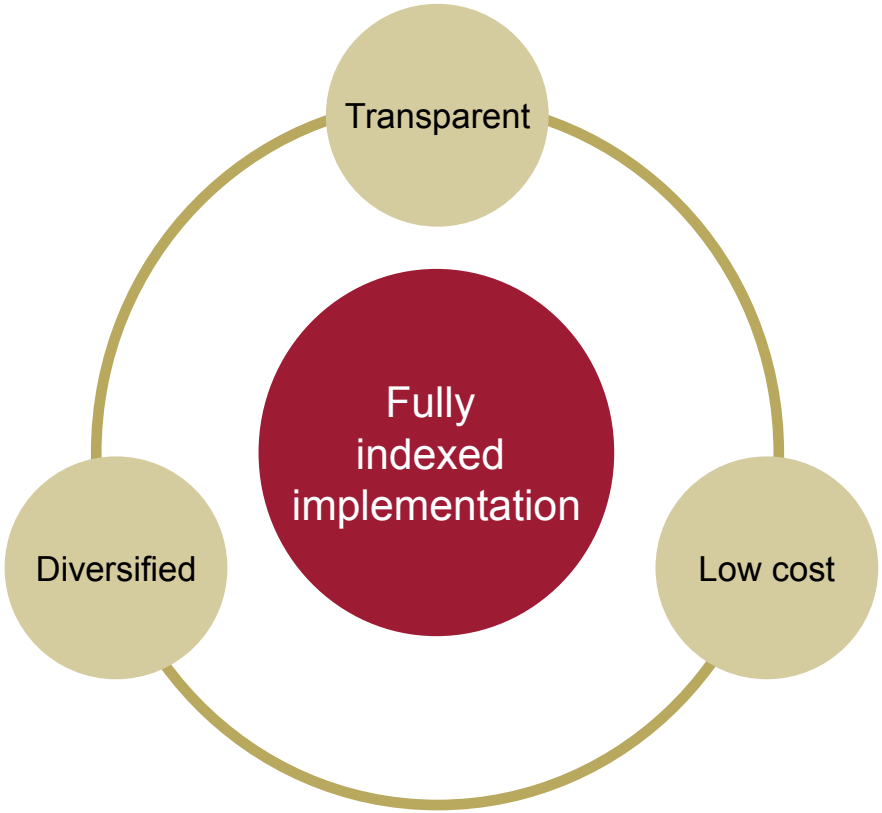
Investment Strategy Group
Portfolio construction

Center for Retirement Research
Participant behavior

Strategic Retirement Consulting
Plan design

For institutional use only. Not for distribution to retail investors.

Benefits to plan sponsors and participants

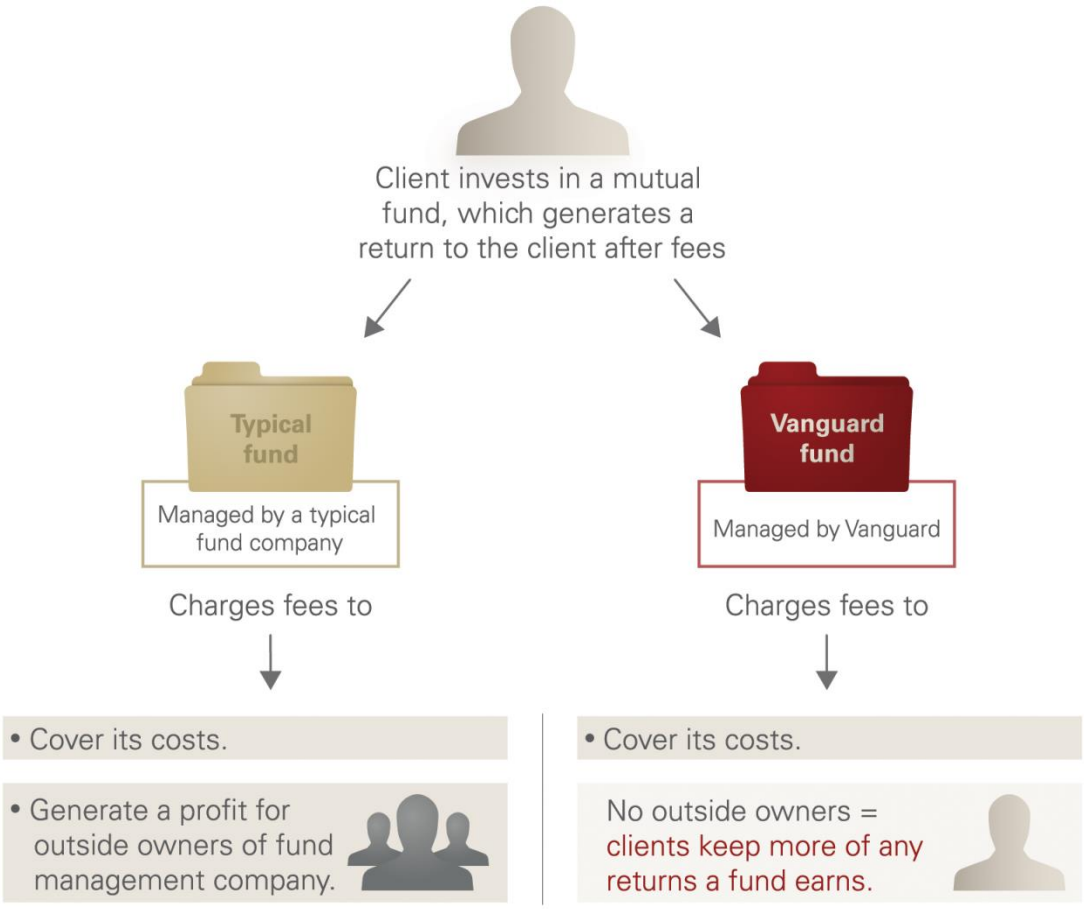


=

- **Enduring investment solution**
- **Holistic approach** to reaching goals
- **Defensible performance** amid growing scrutiny

For institutional use only. Not for distribution to retail investors.

Vanguard is different from the rest–and here's how your participants benefit



The typical fund management company is owned by third parties, either public or private stockholders, not by the funds it serves. The fund management companies have to charge fund investors fees that are high enough to generate profits of the companies' owners. In contrast, the Vanguard funds own the management company known as Vanguard—a unique arrangement that eliminates conflicting loyalties. Under its agreement with the funds, Vanguard must operate "at –cost"—it can charge the funds only enough to cover its cost of operations. No wonder Vanguard's average fund expense ratio in 2014 was 0.18%, less than one-fifth that of the 1.02% industry average. That means Vanguard fund investors keep more of any return their funds earn.

For institutional use only. Not for distribution to retail investors.

Portfolio oversight and monitoring

For institutional use only. Not for distribution to retail investors.

Portfolio construction and oversight process

Oversight and monitoring: Portfolio Review Department
Manager oversight—product management —client engagement

Research
Holistic approach

Investment Strategy Group
Portfolio construction

Center for Retirement Research
Participant behavior

Strategic Retirement Consulting
Plan design

Governance
Stability

Board of Directors
Recommendations reviewed/approved

↑

Global Investment Committee
Evaluate fund performance and approve portfolio construction recommendations

Chaired by CEO and includes key divisional leaders

↑

Strategic Asset Allocation Committee
Recommend portfolio construction research with support from research groups

Chaired by Head of Investment Strategy Group and includes key investment leaders

Execution
Disciplined process

Equity Investment Group

Daily portfolio management

Fixed Income Group

For institutional use only. Not for distribution to retail investors.

Constant debate . . .

Periodically revisit				Current and recent research		
Glide path	**Overweight REITs**	**Commodity futures**	**High-yield bonds**	**International allocations**	**Interest risk for retirees**	**Annuities in TDFs**
• **Decision:** Reaffirmed current approach • **Research results:** Stress tested the robustness of the glide path on several dimensions, including wealth accumulation, drawdown scenarios, utility of loss aversion, and stochastic retention of wealth across glide path alternatives.	• **Decision:** Reaffirmed current approach • **Research results:** REITs represent a relatively small portion of global equity markets and, because REITs are publicly traded securities, they are highly correlated with broad equity exposure.	• **Decision:** Reaffirmed current approach • **Research results:** Correlations between commodities futures and equities have risen, particularly over the past decade. Due to higher correlations, the historical risk premium does not compensate investors for additional volatility.	• **Decision:** Reaffirmed current approach • **Research results:** High correlations with equities provides little diversification benefit, particularly during times of equity market stress. Additionally, high-yield represents a relatively small part of global financial markets.	**Decision:** 10% increase to ex-U.S. exposure in equities and fixed income **Description:** The difference between U.S. and ex-U.S. investing has dropped substantially over the past few years. In our view, worldwide market capitalization reflects the forward-looking efficient frontier. As investor preferences and barriers like cost change, Vanguard has gradually moved its Target Retirement Funds closer to worldwide market cap. Additional factors considered include liquidity, concentration, and tax/regulatory issues.	**Description:** Analyze the various risks that retirees face in retirement, along with the impact of a potential rising rate environment. Our findings suggest that investors around retirement who begin to draw down their portfolio have a reasonable probability of maintaining consumption needs over both the short and long-term. On a net basis, our findings suggest that a TDF investor with a time horizon longer than the duration of the portfolio may actually benefit from a rising interest rate environment.	**Description:** The Treasury, IRS, and DOL recently released guidance that allows the use of deferred income annuities within target-date investments. As with all new guidance, Vanguard will leverage our holistic research process to understand the potential implications.
2014 analysis concluded	**2014 analysis concluded**	**2014 analysis concluded**	**2014 analysis concluded**	**2014 analysis concluded**	**Research under way**	**Research under way**

For institutional use only. Not for distribution to retail investors.

. . . Not constant change

June 2006

- Vanguard increases equity allocation across the glide path by approximately 10 percentage points.
- Adds exposure to Vanguard Emerging Markets Index Fund.
- Launches five new Target Retirement Funds.

December 2010

- Vanguard increases international equity allocation in the funds from 20% to 30% of total equity.
- Replaces the three underlying international equity index funds (Europe, Pacific, and Emerging Markets) with Vanguard Total International Stock Index Fund.

May 2013

- Vanguard completes three changes to the fixed income portion of the Target Retirement Funds:
  - Adds a 20% fixed income allocation to Vanguard Total International Bond Index Fund.
  - Replaces Inflation-Protected Securities Fund with Short-Term Inflation-Protected Securities Fund.
  - Eliminates Prime Money Market Fund and reallocates to other fixed income components.

February 2015

- Vanguard lowers costs by 13% for the overall weighted average pricing in the portfolios, including the creation of a 10 bps Institutional Target Retirement Fund.
- Increases global diversification in Target Retirement Funds and Trusts by increasing international allocations by 10 percentage points each in stocks and bonds to 60%/40% (U.S./ex-U.S.) for stocks and 70%/30% (U.S./ex-U.S.) for bonds.

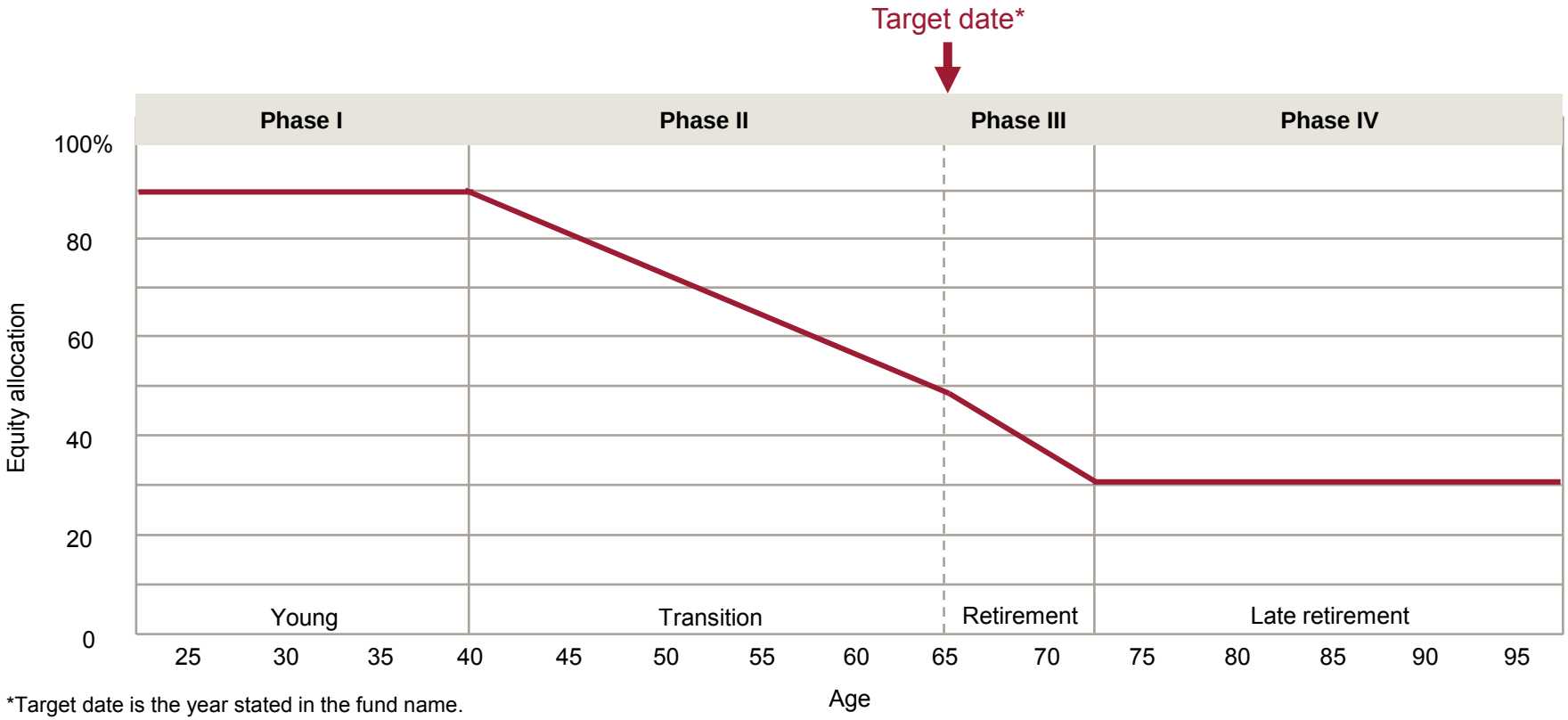
For institutional use only. Not for distribution to retail investors.

Glide path construction

For institutional use only. Not for distribution to retail investors.

Investment methodology: Four distinct phases

Phase I	Phase II	Phase III	Phase IV
Younger investors (younger than 40) Up to age 40 will have a high equity allocation (90%)	Transitional investors (ages 41–65) Gradually moves to a 50% stocks/50% bonds allocation at age 65	Retiring investors (ages 66–72) Shift inflation hedge mix away from stocks and toward TIPS	Retired investors (ages 72+) Modest (30%) continued exposure to stocks

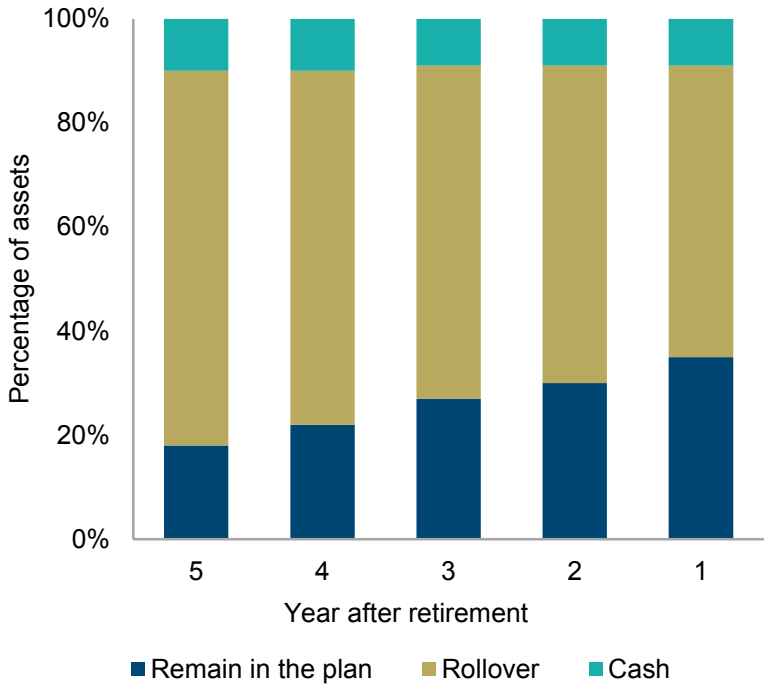


*Target date is the year stated in the fund name.

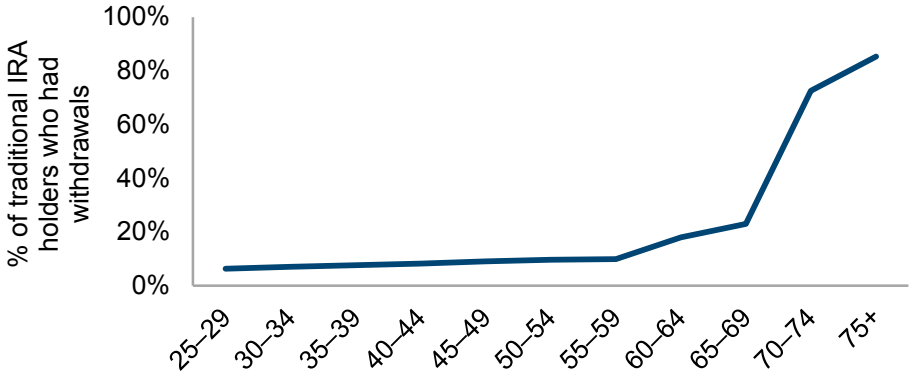
For institutional use only. Not for distribution to retail investors.

Investor behavior research drives glide path construction

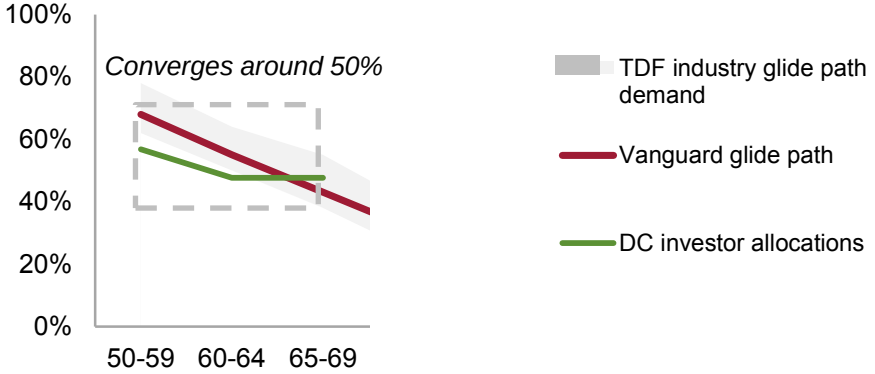
1 Within 3–5 years of retirement, 75% of assets are rolled over . . .



2 . . . but investors do not withdraw money after rolling over until around age 72 . . .



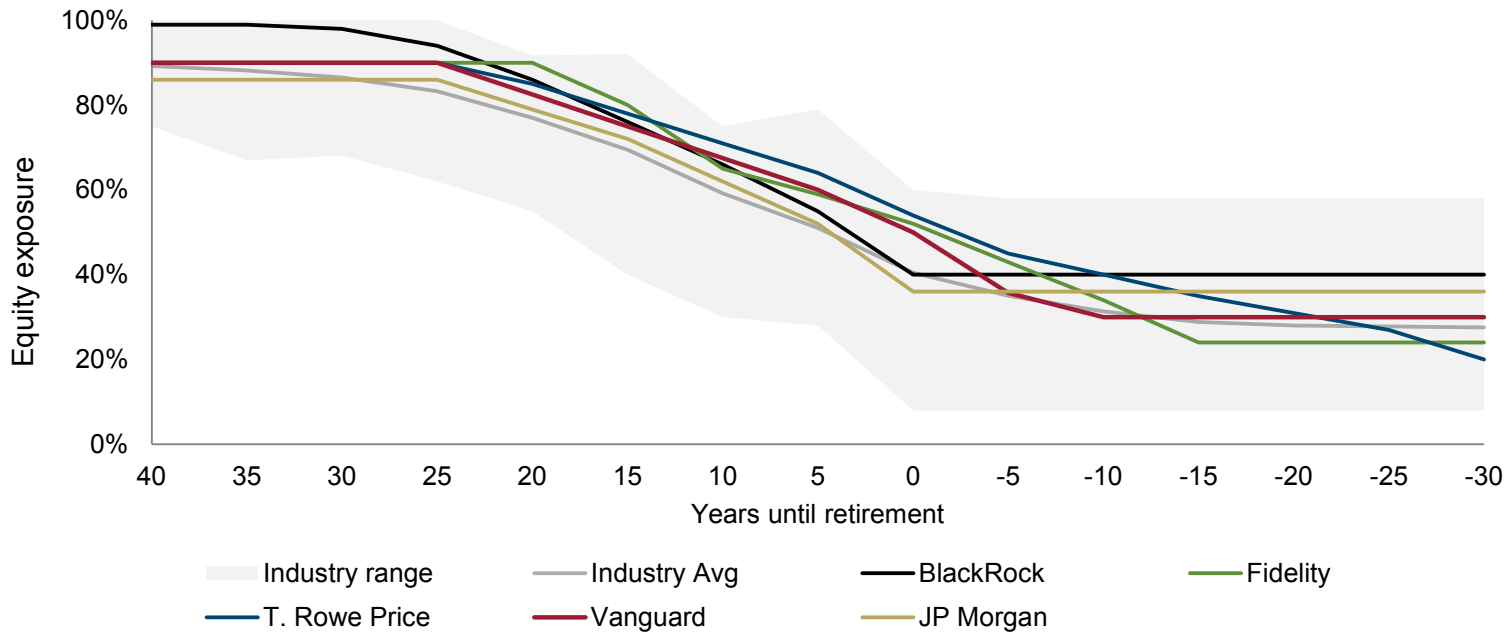
3 . . . and allocations among non-TDF users converge around 50% at retirement



Sources: Vanguard-Greenwich survey, 2014, *Retirement distribution decisions among DC participants*, Vanguard, December 2013; Investment Company Institute: IRA Investor Database, 2012; Investment Company Institute: 401k Plan Asset Allocation, Account Balances and Loan Activity in 2012.

For institutional use only. Not for distribution to retail investors.

Industry equity range and competitor glide paths



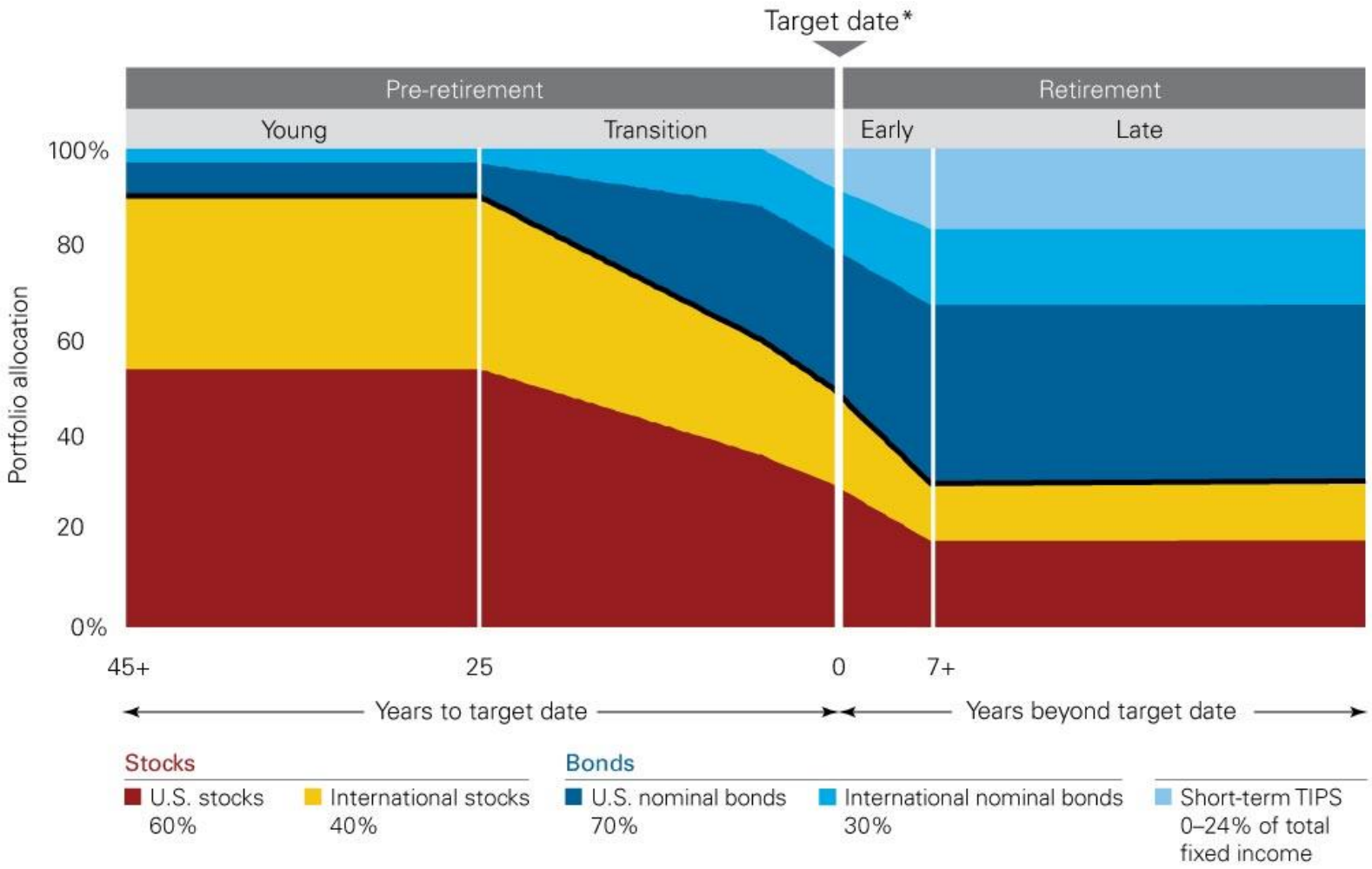
Source: Morningstar strategic equity allocations, Vanguard analysis.
As of June 30, 2015.

For institutional use only. Not for distribution to retail investors.

Investment strategies

For institutional use only. Not for distribution to retail investors.

Transparent, straightforward asset-class exposure



Source: Vanguard.

* Target date is the year stated in the fund name. Target Retirement Fund allocations are based on a projected retirement age of 65.

For institutional use only. Not for distribution to retail investors.

Investment methodology: Indexing within target-date portfolios

Benefits inherent to indexing

Market like performance, predictability relative to target benchmark

Minimized risk

Broad diversification

Lower management and transaction costs

Minimal manager risk and capacity risk

Greater fiduciary comfort for plan sponsors

Prudent fiduciary choice

Predictable performance relative to asset category, potentially fewer "surprises"

Minimal manager risk

Easier participant education and communications

Participant benefits

Simplifies enrollment

Helps simplify the investment process

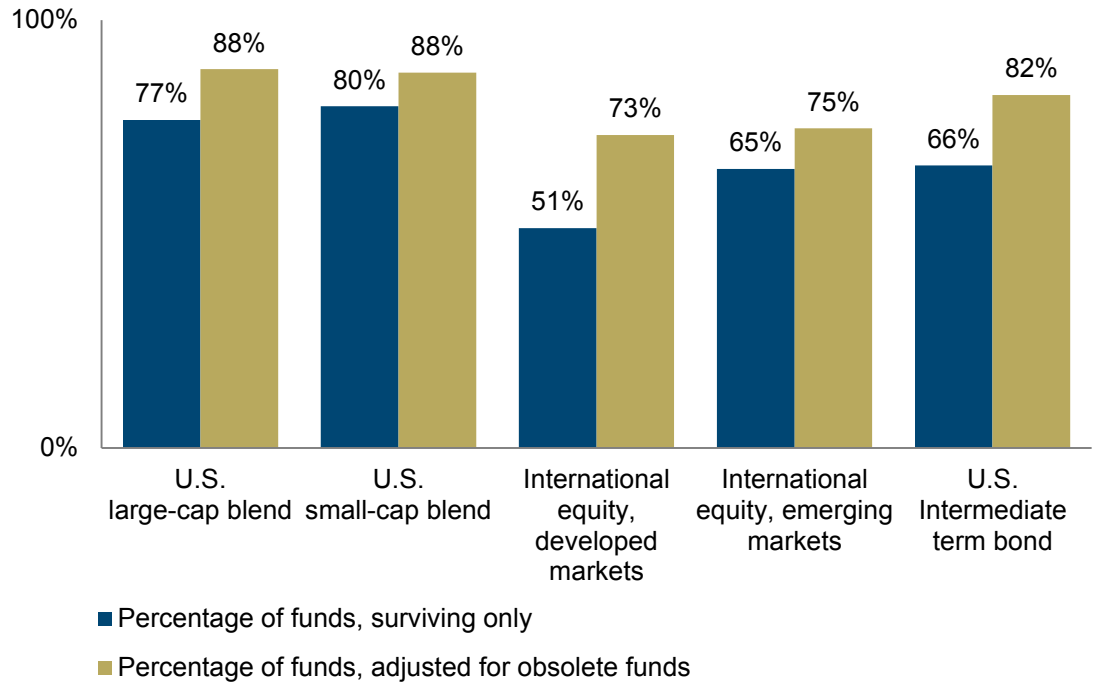
Strategies are straightforward

For institutional use only. Not for distribution to retail investors.

Why indexing in target-date funds

- Active managers historically have had a difficult time outperforming their indexed peers.
- An indexed approach helps minimize investment capacity constraints and asset manager risk, making it particularly appropriate as a qualified default investment alternative (QDIA).
- The transparent nature of indexing makes it easier for participants and plan sponsors to determine portfolio holdings, risk exposures, and performance.

Percentage of funds underperforming average of low-cost index funds



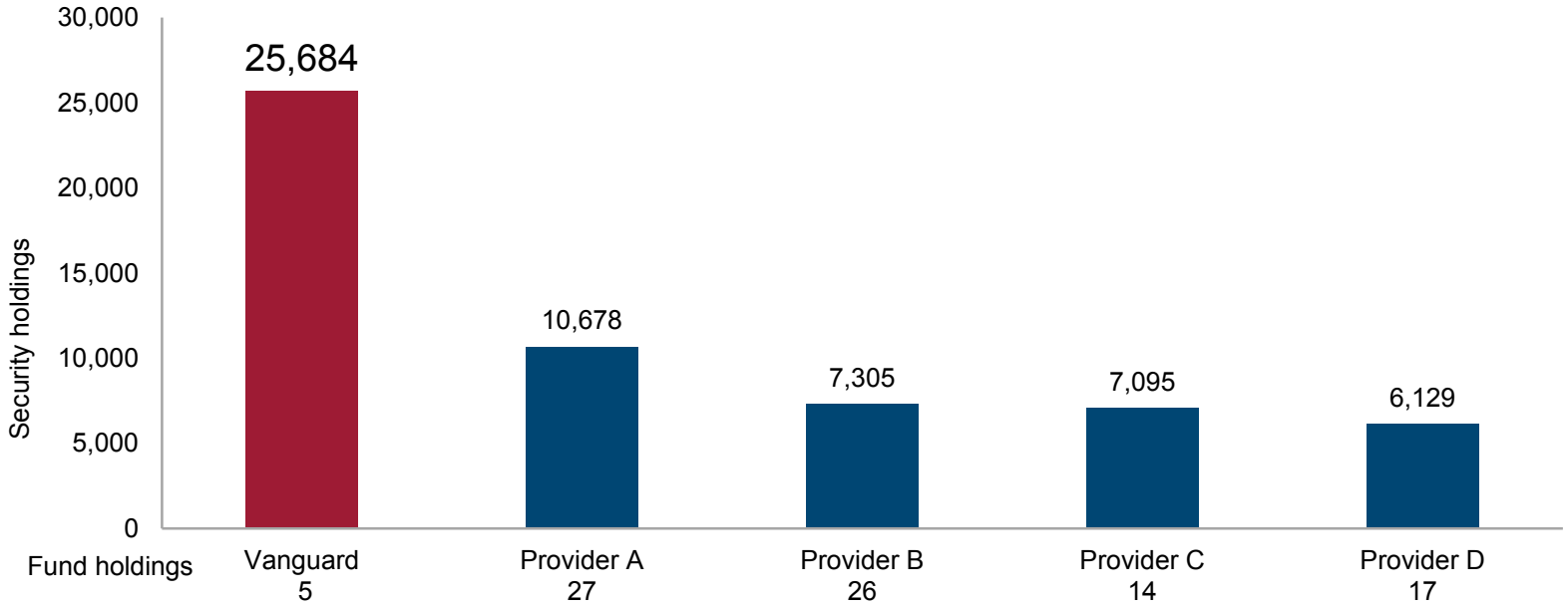
Past performance is not a guarantee of future results.

Sources: Vanguard and Morningstar.
Notes: The actively managed funds are those listed in the respective Morningstar categories. Index funds are represented by funds with expense ratios of 20 basis points or less as of December 31, 2014. All returns used were for the investor share class. Data reflect 10-year periods ended December 31, 2014.

For institutional use only. Not for distribution to retail investors.

Efficient diversification

Number of security holdings versus fund holdings in select TDFs

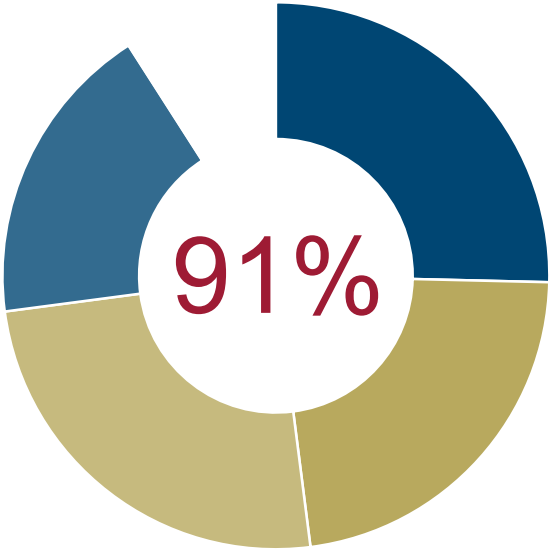


Sources: Morningstar, data as of June 30, 2015.

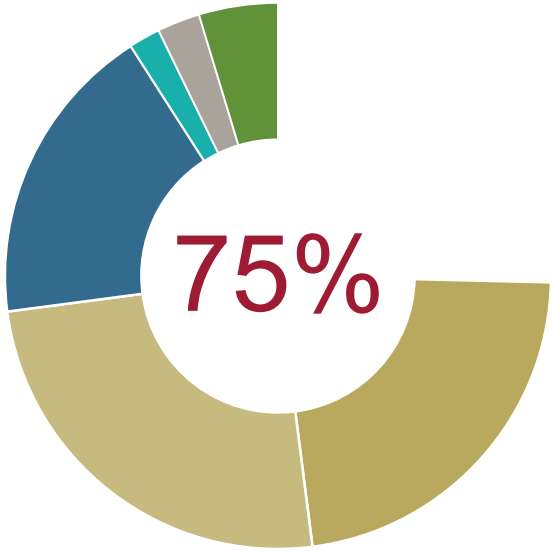
For institutional use only. Not for distribution to retail investors.

Broadest worldwide market-cap coverage

Vanguard Target Retirement Fund



Average industry TDF



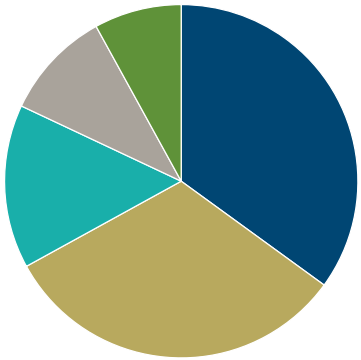
- 25% Global ex-U.S. bonds
- 23% Global ex-U.S. stocks
- 25% U.S. stocks
- 18% U.S. bonds
- 2% EM debt
- 2% Global high-yield corporate bonds
- 5% Commodities

Note: Global REITs are included in U.S. stocks and ex-U.S. stocks. They make up 2.8% of the worldwide stock market. Commodities are measured by the total dollar weight of the S&P GSCI Index, which is an investible index comprised of commodity futures contracts that are weighted in accordance with world production values of physical commodities.
Sources: Bloomberg, Barclays, S&P Dow Jones, stock market measured by Bloomberg Data (MSCI USA Broad Market Free Float, MSCI ACWI ex USA IMI Free Float), bond market measured by Barclays data (Barclays Global Aggregate Float Adjusted, U.S. Aggregate Float Adjusted, Global High Yield, EM Hard Currency Aggregate), commodities market measured by S&P Dow Jones data (S&P GSCI Index). Data as of 6/30/2015.

For institutional use only. Not for distribution to retail investors.

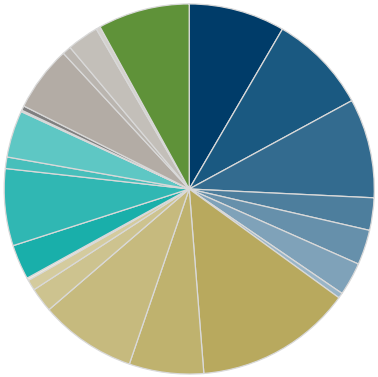
Outwardly Simple. Inwardly Sophisticated.™

Outwardly simple—5 index funds



- 35.0% Total Stock Market Index
- 32.0% Total Bond Market II Index
- 15.0% Total International Stock Market Index
- 10.0% Total International Bond Index
- 8.0% Short-Term Inflation-Protected Securities Index

Inwardly sophisticated—25+ sub-asset classes



U.S. stocks

- 8.4% Large growth
- 8.7% Large value
- 8.7% Large blend
- 2.8% Mid/Small growth
- 3.1% Mid/Small value
- 2.9% Mid/Small blend
- 0.5% U.S. REITs

U.S. nominal bonds

- 13.7% Treasury/Agency
- 6.5% Government mortgage-backed
- 8.4% Corporate
- 2.1% Foreign
- 0.9% Commercial mortgage/Asset-backed
- 0.2% Other

International stocks

- 3.0% Emerging
- 6.7% Europe
- 1.0% North America
- 4.1% Pacific
- 0.1% Middle East/Other
- 0.1% Non-U.S. REITs

International nominal bonds

- 0.4% Emerging
- 5.7% Europe
- 0.8% North America
- 2.8% Pacific
- 0.4% Middle East/Other

- 8.0% Short-term TIPS

Vanguard Target Retirement Funds offer the simplicity of an index-oriented, well-diversified portfolio that is strategic and straightforward in its approach. The funds are composed of up to five underlying funds and follow an easy-to-understand asset allocation glide path. Underlying this simplicity is Vanguard's deep investment expertise, knowledge of the capital markets, and insights into participant behavior.

Sources: Hypothetical target asset allocations per the glide path of the Target Retirement 2015 Fund as of June 30, 2015. Sub-asset allocations determined using data from Vanguard as of June 30, 2015, and Morningstar as of June 30, 2015.

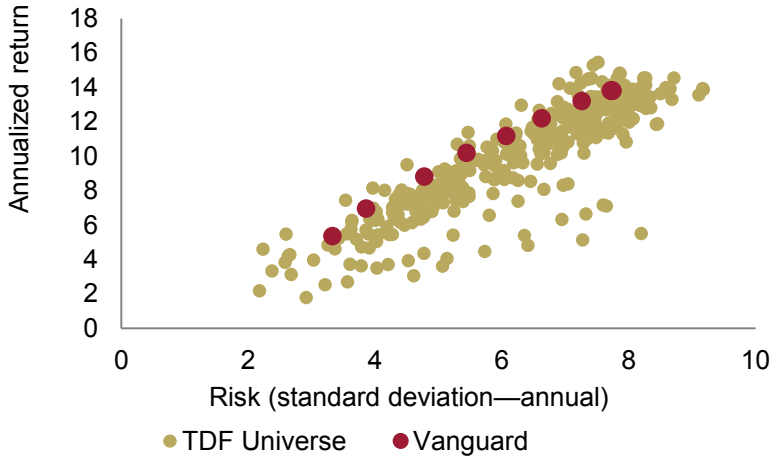
For institutional use only. Not for distribution to retail investors.

Risk-based performance and fees

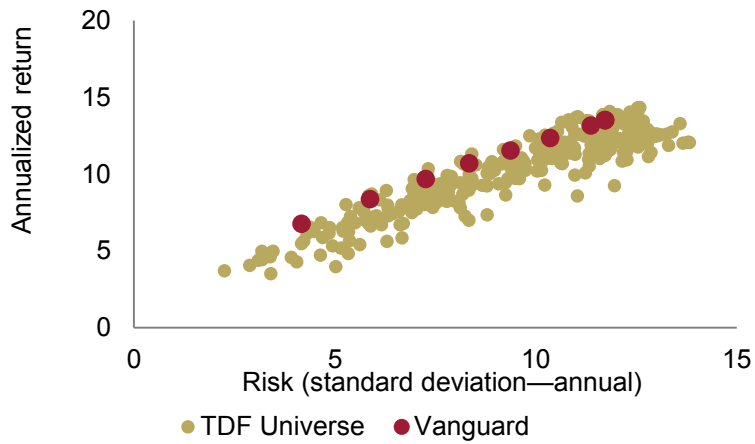
For institutional use only. Not for distribution to retail investors.

Target-date fund industry wide return and risk

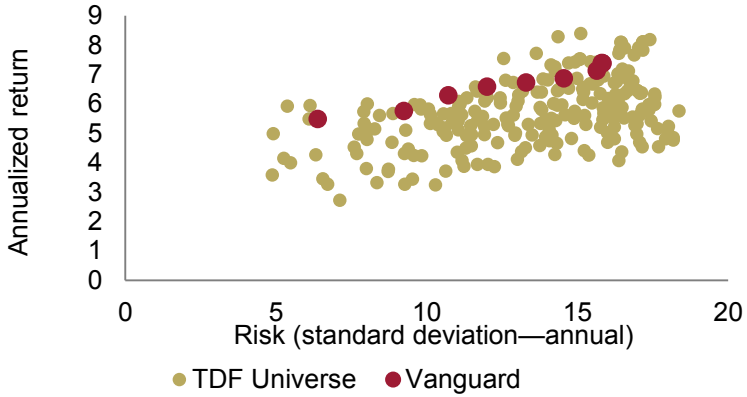
Three-year



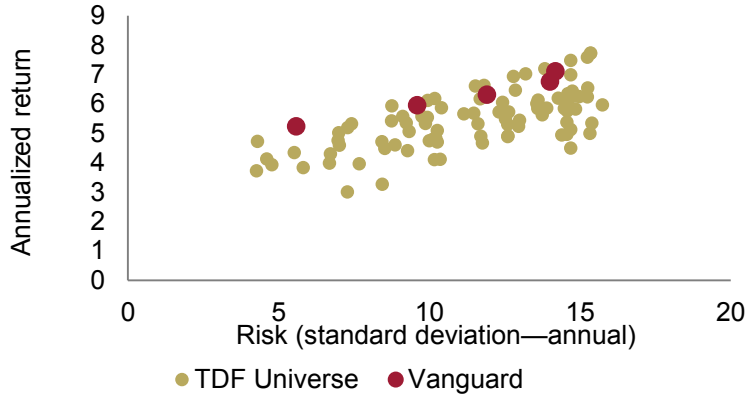
Five-year



Seven-year



Ten-year

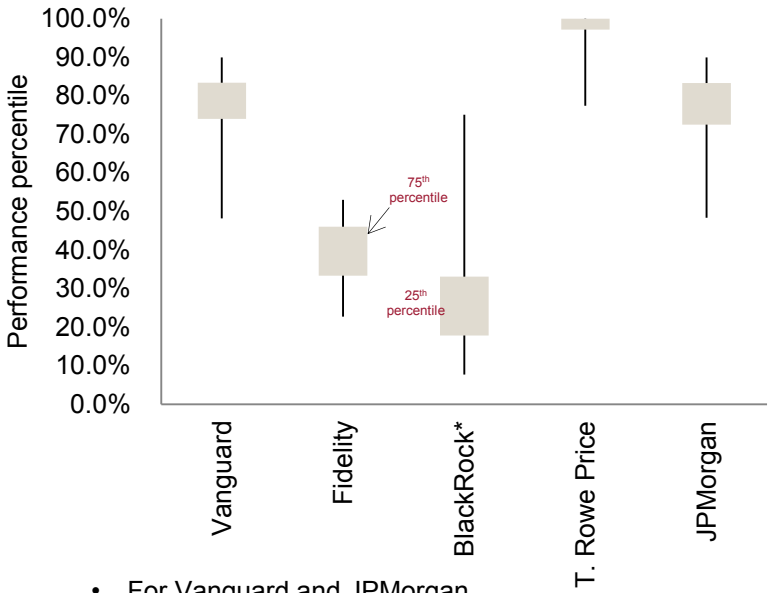


Source: Morningstar, data as of June 30, 2015.
Past performance is not a guarantee of future results.

For institutional use only. Not for distribution to retail investors.

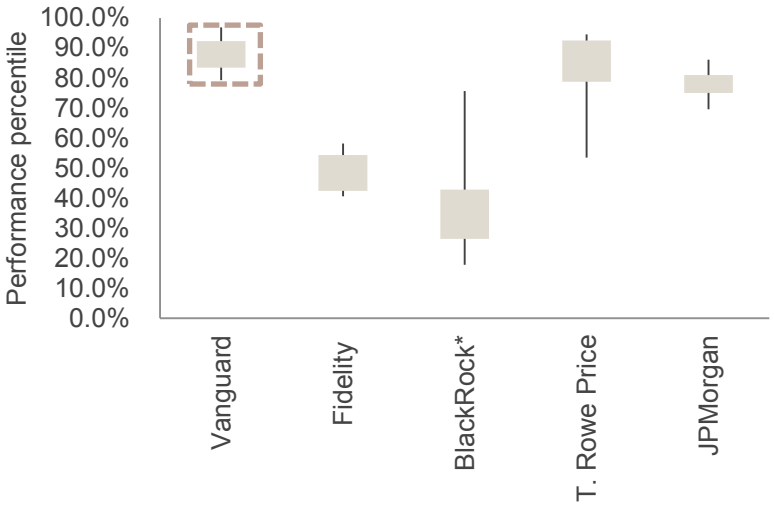
3-year performance distribution among top competitors

3 year absolute returns



- For Vanguard and JPMorgan, performance remained high; however, dispersions widened slightly.
- T. Rowe Price performance dispersions have been narrow and high, which means that the 2050 Funds through Income Funds have been among the top performers within their respective categories.

3 year risk adjusted returns



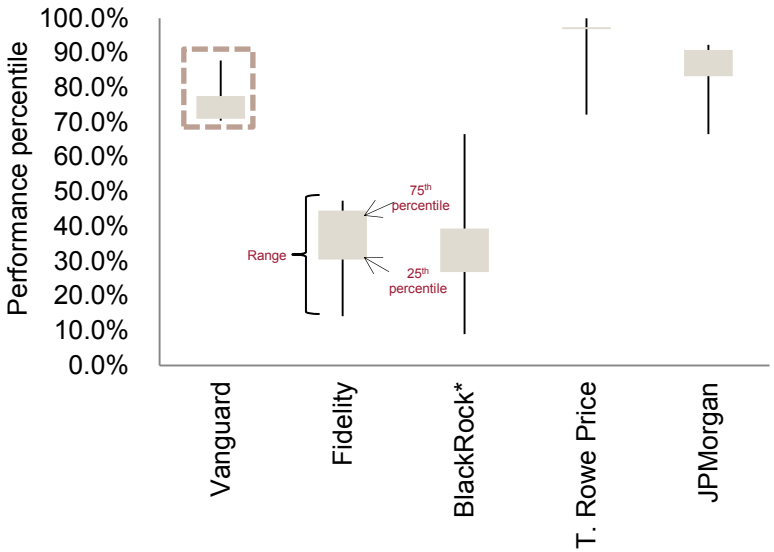
- For Vanguard, risk-adjusted dispersions improved compared to absolute dispersions.

Source: Morningstar, data as of June 30, 2015.
Past performance is not a guarantee of future results.
* BlackRock performance only includes mutual funds. Most of BlackRock's target-date assets are in collective trusts where performance transparency is limited.

For institutional use only. Not for distribution to retail investors.

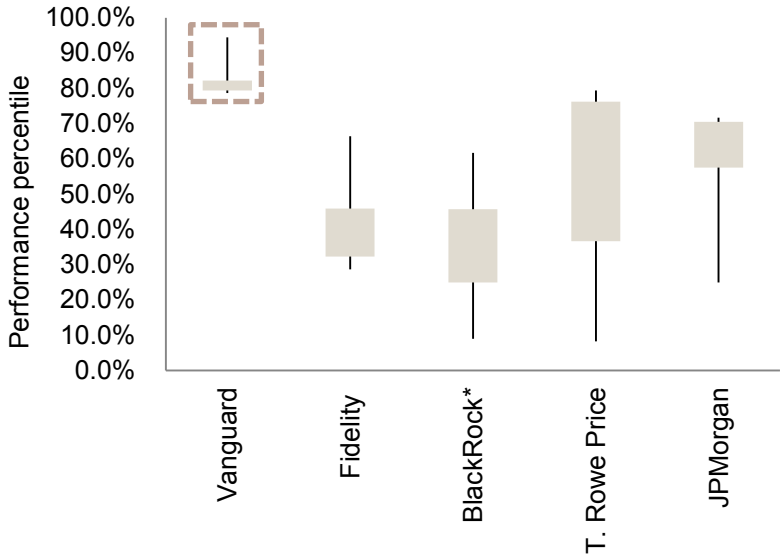
5-year performance distribution among top competitors

5 year absolute returns



- For Vanguard, T. Rowe Price, and JPMorgan, performance dispersions have been narrow and high, which means that the 2050 Funds through Income Funds have been among the top performers within their respective categories.

5 year risk adjusted returns



- For Vanguard, risk-adjusted dispersions slightly improved compared to absolute dispersions.

Source: Morningstar, data as of June 30, 2015.
Past performance is not a guarantee of future results.
* BlackRock performance only includes mutual funds. Most of BlackRock's target-date assets are in collective trusts where performance transparency is limited.

For institutional use only. Not for distribution to retail investors.

Investment performance returns

Annualized (as of 06/30/2015)

Fund/Index/Average	Expense ratio* (%)	Three months (%)	Year-to-date (%)	One year (%)	Three years (%)	Five years (%)	Ten years (%)	Since inception (%)
Vanguard Target Retirement 2060 Fund (01/19/2012)	**0.18**	**0.07**	**2.45**	**3.19**	**13.81**	**—**	**—**	**12.73**
Target Retirement 2060 Composite Ix [1]		*0.18*	*2.55*	*3.59*	*14.14*	*—*	*—*	*—*
Spl Mixed-Asset Target 2055+Fds Avg [2]		*0.08*	*2.84*	*2.75*	*12.92*	*12.46*	*6.21*	*—*
Vanguard Target Retirement 2055 Fund (08/18/2010)	**0.18**	**0.06**	**2.44**	**3.21**	**13.79**	**—**	**—**	**12.50**
Target Retirement 2055 Composite Ix [1]		*0.18*	*2.55*	*3.59*	*14.14*	*13.76*	*—*	*—*
Spl Mixed-Asset Target 2055+Fds Avg [2]		*0.08*	*2.84*	*2.75*	*12.92*	*12.46*	*6.21*	*—*
Vanguard Target Retirement 2050 Fund (06/07/2006)	**0.18**	**0.13**	**2.50**	**3.29**	**13.81**	**13.51**	**—**	**6.82**
Target Retirement 2050 Composite Ix [1]		*0.18*	*2.55*	*3.59*	*14.14*	*13.76*	*—*	*—*
Mixed-Asset Target 2050 Funds Avg		*-0.18*	*2.61*	*2.38*	*12.50*	*12.21*	*6.09*	*—*
Vanguard Target Retirement 2045 Fund (10/27/2003)	**0.18**	**0.10**	**2.52**	**3.29**	**13.80**	**13.51**	**7.10**	**7.84**
Target Retirement 2045 Composite Ix [1]		*0.18*	*2.55*	*3.59*	*14.14*	*13.76*	*7.22*	*—*
Mixed-Asset Target 2045 Funds Avg		*-0.02*	*2.70*	*2.39*	*12.58*	*12.44*	*6.33*	*—*
Vanguard Target Retirement 2040 Fund (06/07/2006)	**0.18**	**0.13**	**2.52**	**3.28**	**13.82**	**13.50**	**—**	**6.77**
Target Retirement 2040 Composite Ix [1]		*0.18*	*2.55*	*3.59*	*14.14*	*13.76*	*—*	*—*
Mixed-Asset Target 2040 Funds Avg		*-0.23*	*2.41*	*2.14*	*11.71*	*11.69*	*5.83*	*—*

The performance data shown represent past performance. Past performance is no guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance. Some funds assess purchase, redemption, and/or account maintenance fees. The performance data shown do not reflect deduction of these fees. If they did, performance would be lower. Details on these fees and adjusted performance figures can be found in the fund detail section.

Source: Data derived from Lipper, a Thomson Reuters Company.
For some funds, fees are levied on purchases or redemptions to offset the costs of buying and selling portfolio securities. For others, fees are assessed on redemptions made within certain time periods after a purchase to discourage short-term trading. All purchase or redemption fees are paid directly to the fund to compensate long-term shareholders for the costs of trading activity. *Note that one-year performance figures are not fee-adjusted for fees incurred on shares held less than one year.*

* Expense ratio data reflect the fund's fiscal year-end. These data match the fund's prospectus, which is typically released 120 days after the fiscal period-end.

Investment performance returns

Fund/Index/Average	Expense ratio* (%)	Three months (%)	Year-to-date (%)	One year (%)	Three years (%)	Five years (%)	Ten years (%)	Since inception (%)
					Annualized (as of 06/30/2015)			
Vanguard Target Retirement 2035 Fund (10/27/2003)	**0.18**	**-0.05**	**2.30**	**3.26**	**13.21**	**13.16**	**6.76**	**7.42**
Target Retirement 2035 Composite Ix [1]		*0.01*	*2.34*	*3.50*	*13.50*	*13.39*	*6.89*	—
Mixed-Asset Target 2035 Funds Avg		*-0.13*	*2.41*	*2.12*	*11.68*	*11.78*	*6.03*	—
Vanguard Target Retirement 2030 Fund (06/07/2006)	**0.17**	**-0.24**	**2.07**	**3.19**	**12.20**	**12.35**	**—**	**6.48**
Target Retirement 2030 Composite Ix [1]		*-0.16*	*2.12*	*3.41*	*12.49*	*12.58*	—	—
Mixed-Asset Target 2030 Funds Avg		*-0.41*	*1.93*	*1.68*	*10.30*	*10.67*	*5.47*	—
Vanguard Target Retirement 2025 Fund (10/27/2003)	**0.17**	**-0.41**	**1.81**	**3.09**	**11.18**	**11.52**	**6.31**	**6.83**
Target Retirement 2025 Composite Ix [1]		*-0.34*	*1.90*	*3.32*	*11.48*	*11.77*	*6.44*	—
Mixed-Asset Target 2025 Funds Avg		*-0.50*	*1.63*	*1.48*	*9.54*	*10.14*	*5.54*	—
Vanguard Target Retirement 2020 Fund (06/07/2006)	**0.16**	**-0.58**	**1.58**	**3.03**	**10.19**	**10.70**	**—**	**6.32**
Target Retirement 2020 Composite Ix [1]		*-0.52*	*1.67*	*3.23*	*10.46*	*10.94*	—	—
Mixed-Asset Target 2020 Funds Avg		*-0.69*	*1.28*	*1.15*	*7.70*	*8.71*	*4.98*	—
Vanguard Target Retirement 2015 Fund (10/27/2003)	**0.16**	**-0.64**	**1.37**	**2.61**	**8.81**	**9.68**	**5.95**	**6.39**
Target Retirement 2015 Composite Ix [1]		*-0.57*	*1.46*	*2.82*	*9.02*	*9.80*	*5.97*	—
Mixed-Asset Target 2015 Funds Avg		*-0.65*	*1.08*	*0.82*	*6.72*	*7.73*	*4.51*	—
Vanguard Target Retirement 2010 Fund (06/07/2006)	**0.16**	**-0.82**	**1.03**	**2.19**	**6.96**	**8.37**	**—**	**5.77**
Target Retirement 2010 Composite Ix [1]		*-0.77*	*1.09*	*2.33*	*7.14*	*8.47*	—	—
Mixed-Asset Target 2010 Funds Avg		*-0.58*	*1.06*	*0.65*	*6.16*	*7.01*	*4.52*	—
Vanguard Target Retirement Income Fund (10/27/2003)	**0.16**	**-0.93**	**0.81**	**1.94**	**5.35**	**6.76**	**5.23**	**5.46**
Target Retirement Income Compos. Ix [1]		*-0.85*	*0.92*	*2.13*	*5.57*	*6.91*	*5.27*	—
Spl Mixed-Asset Target Today FdsAvg [3]		*-1.01*	*0.54*	*0.21*	*4.60*	*5.86*	*4.08*	—

1 A blended composite that weights the returns of market indexes for each asset class in proportion with the target weighting of the fund. Detail for each composite index is available upon request.

2 Mixed-Asset Target 2050 Funds Avg through August 31, 2013; Mixed-Asset Target 2055+ Funds Avg thereafter.

3 Mixed-Asset Target Consrv Funds Avg through 6/30/2012; Mixed-Asset Target Today Funds Avg thereafter.

Source: Data derived from Lipper, a Thomson Reuters Company.

* Expense ratio data reflect the fund's fiscal year-end. These data match the fund's prospectus, which is typically released 120 days after the fiscal period-end.

For institutional use only. Not for distribution to retail investors.

Fund and trust expense ratios

Expense ratios as of June 30, 2015

Vehicle	Minimum investment	Average weighted expense ratio											
		2060	2055	2050	2045	2040	2035	2030	2025	2020	2015	2010	Income
Investor Fund	No minimum	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%
Institutional Fund	$100M	0.10% for each fund											

Education and client service support for East Bay Municipal Utility District

For institutional use only. Not for distribution to retail investors.

Extending our reach to meet participant needs

Helping participants invest wisely for retirement

Vanguard Target Retirement Funds and Trusts are a straightforward way to bring balance and diversification to your participants' retirement portfolios. But ensuring your participants understand the benefits of this investment strategy and the role it can play in building their savings is important—and Vanguard is here to help.

Your participants can have access to a wide array of resources that explain what the Target Retirement Funds and Trusts are and how they work. From online to print, there are a number of different formats to accommodate individual learning styles. Vanguard can work with you and your current recordkeeper to deliver a communication strategy that meets your participants' needs.

Online

One way to make retirement planning easier is to enable participants to access information on-demand and on-the-go. Through emails, recorded meetings, and a customized website, your participants can learn about the Target Retirement Funds and Trusts anytime, anywhere.

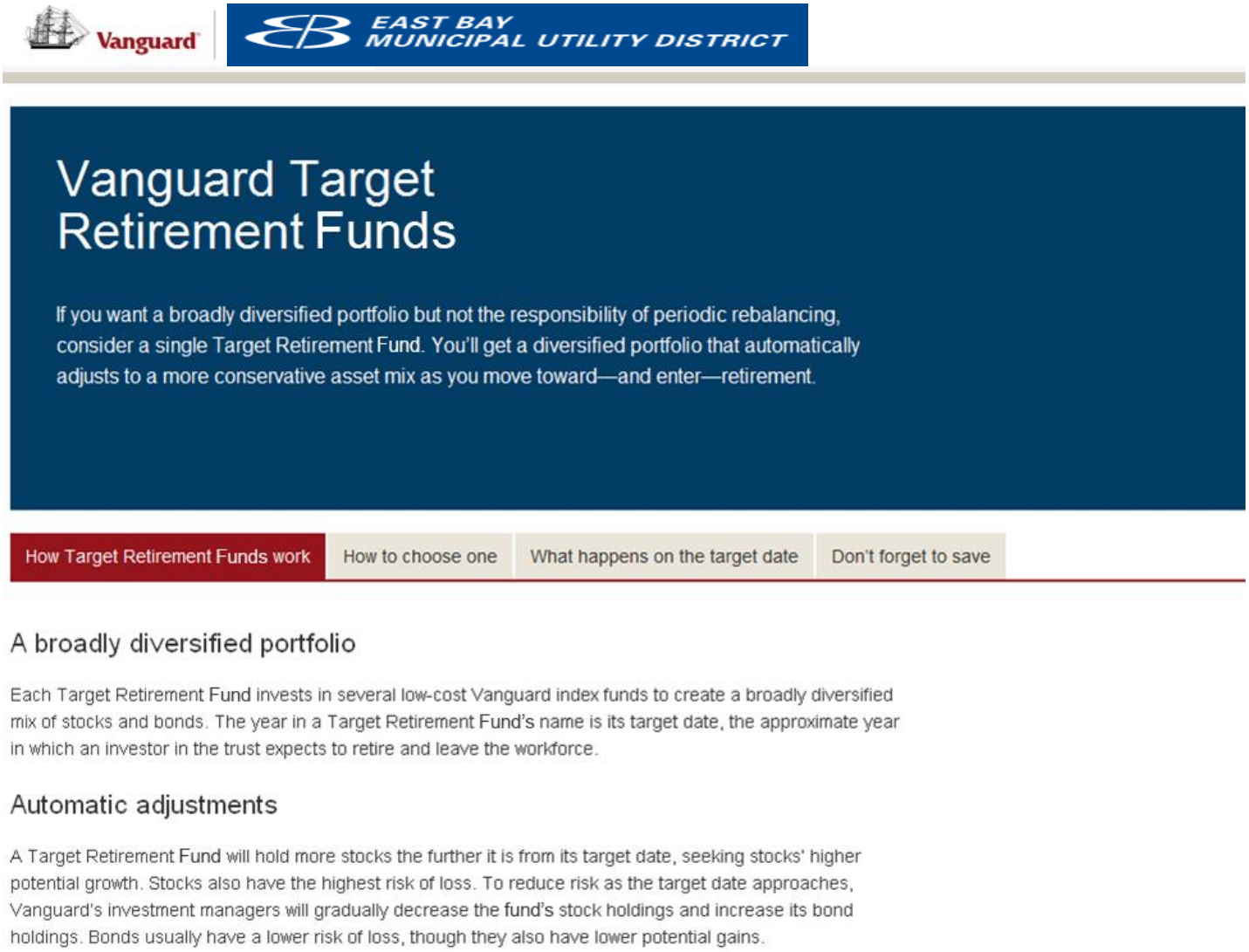
Print

To keep retirement planning top-of-mind, we offer several print options that can be distributed to targeted segments of your workforce. Investment summaries and enrollment information are available for new hires and new participants. A newsletter that offers details about the funds and trusts and includes simple asset allocation education is available for all employees.

Meetings

Live educational sessions are available online or in person. These facilitated meetings provide detailed information about the Target Retirement Funds and Trusts while affording participants the opportunity to ask questions about these investments.

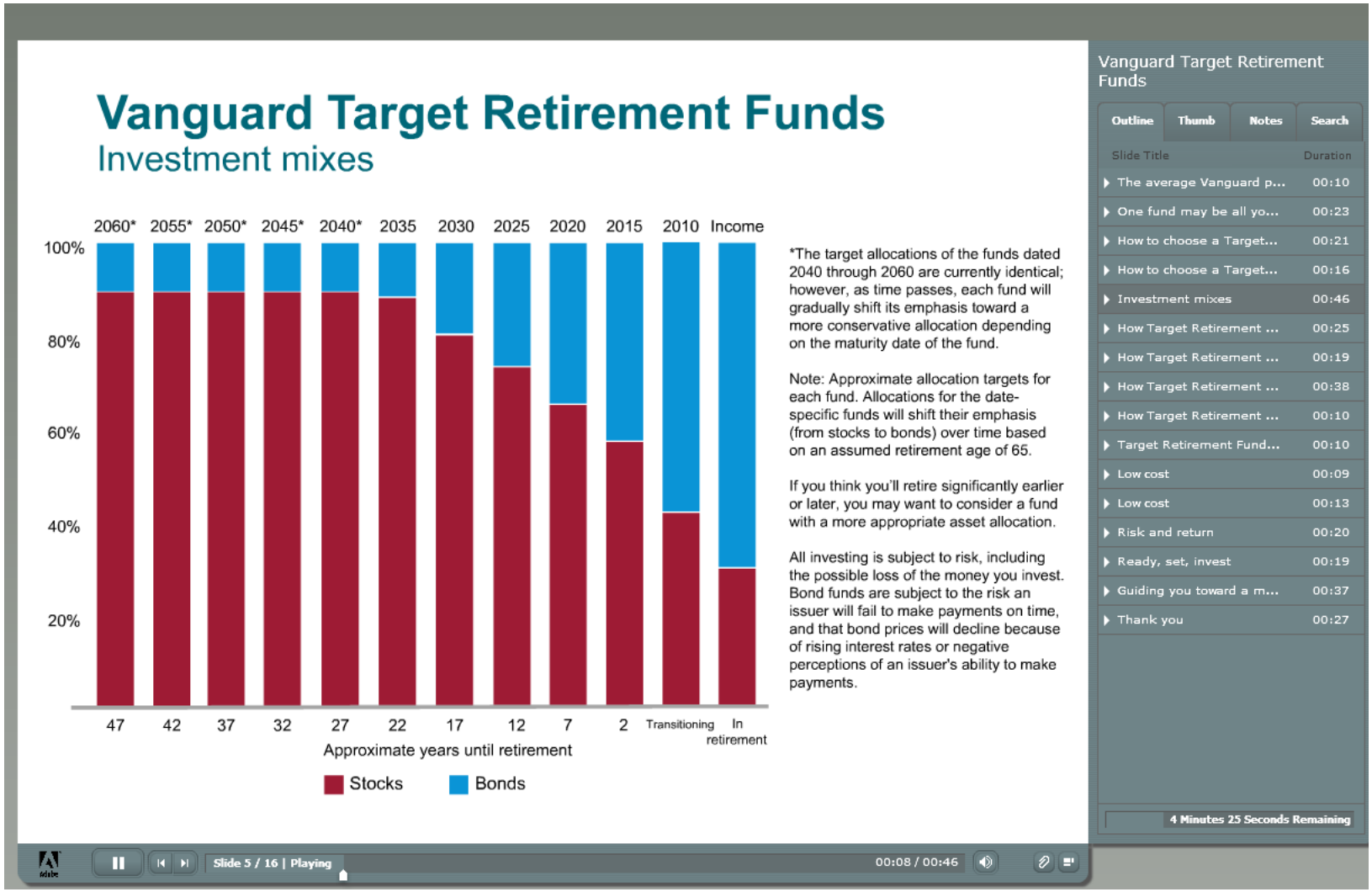
Custom website for East Bay Municipal Utility District



- Co branding with both the East Bay Municipal Utility District and Vanguard logo
- Accessible via home, tablet, or corporate intranet site.
- Educates participants on how to chose a TDF
- Directs employees to current record keeper so that there is no confusion about how to make investment choices
- Includes videos about how TDFs work
- Includes fund fact sheets

For institutional use only. Not for distribution to retail investors.

Effective on-demand webinars for East Bay Municipal Utility District participants



Appendix

– Oversight committee

– Glide path construction

– Investment strategies

For institutional use only. Not for distribution to retail investors.

Oversight committee

For institutional use only. Not for distribution to retail investors.

TRF portfolio construction and oversight: Key people

Oversight Groups

Board of Directors
Recommendations reviewed/approved

Global Investment Committee
Evaluate fund performance and approve portfolio construction recommendations

William F. McNabb, CEO [Chair]
Mortimer Buckley, Global CIO
Martha King, Managing Director, FAS
Chris McIsaac, Managing Director, IIG
Mike Miller, Managing Director, Planning & Development
Jim Norris, Managing Director, International
Glenn Reed, Managing Director, Strategy & Finance
Joe Davis, Chief Economist
Sean Hagerty, Head of Portfolio Review Department

Strategic Asset Allocation Committee
Recommend portfolio construction research with support from key research groups

Joe Davis, PhD, Chief Economist [Chair]
Mortimer Buckley {ex-officio}, Global CIO
John Ameriks, PhD, Head of Active Equity Group
Steve Utkus, Head of Center for Retirement Research
Gregory Davis, Head of Fixed Income
Kevin Jestice, CFA, CIPM, Head of Institutional Advice
Karin Risi, Head of Retail Advice
Sean Hagerty, Head of Portfolio Review Department
Joel Dickson, PhD, Principal, Investment Strategy Group
Fran Kinniry, CFA, Principal, Investment Strategy Group
Ken Volpert, CFA, Head of Investments-Europe and Global Head of FI Indexing
Rodney Comegys, Principal, Investment Management Group
Matt Brancato, CFA, CPA, Target Date Fund Product Manager

Research Groups and Key TRF Strategists

Investment Strategy Group
Portfolio construction

Fran Kinniry, CFA
Scott Donaldson, CFA, CFP®
Brian Scott, CFA

Center for Retirement Research
Participant behavior

Steve Utkus
Jean Young, CPA

Portfolio Review Department
Product management

Matt Brancato, CFA, CPA
Lee Norton, CFA
Frank Chism, CAIA
Hugh Watters
Joe Blythe
Pat Moore, CFA
Ted Dinucci, CFA

TRF Strategist Key Functions

- Develop and execute research on glide path construction, portfolio allocation and participant behavior
- Monitor product and industry evolution
- Engage with clients and represent Vanguard's voice at industry events

TRF Strategist Experience

- Investment experience: average of 18 years
- Expertise: Portfolio allocation, portfolio construction, behavioral finance, strategy, manager oversight
- Key TDF research:
  - Vanguard's approach to target-date funds
  - Bond Diversification in TDFs
  - TDFs and managed accounts
  - Target-date funds and the dispersion of participant portfolios
  - Mixed target-date investors in defined contribution plans
  - Target date fund adoption in 2013
  - Perspectives on custom TDFs

As of March 31, 2015.

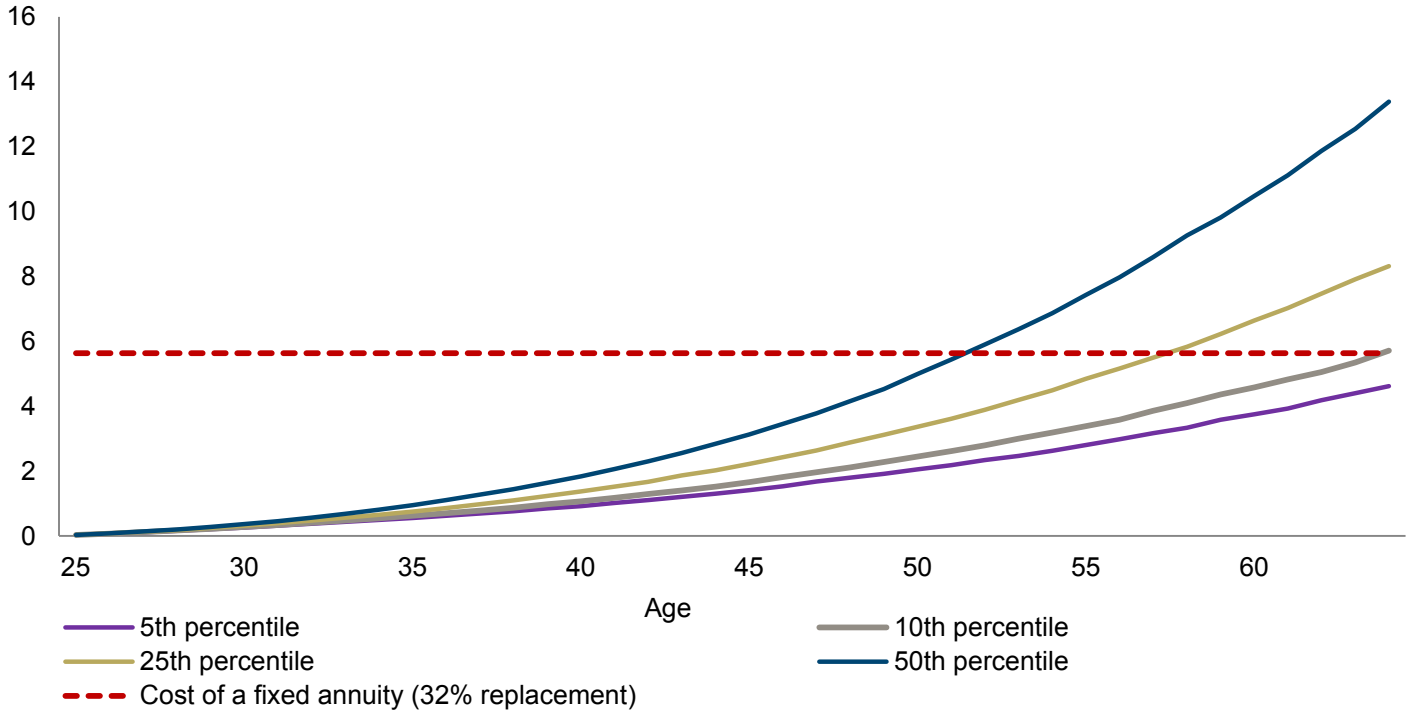
For institutional use only. Not for distribution to retail investors.

Glide path construction

For institutional use only. Not for distribution to retail investors.

Wealth accumulations and cost of annuity

A simulated Vanguard glide path would accumulate sufficient assets about 90% of the time to purchase an immediate annuity to meet base case retirement income need

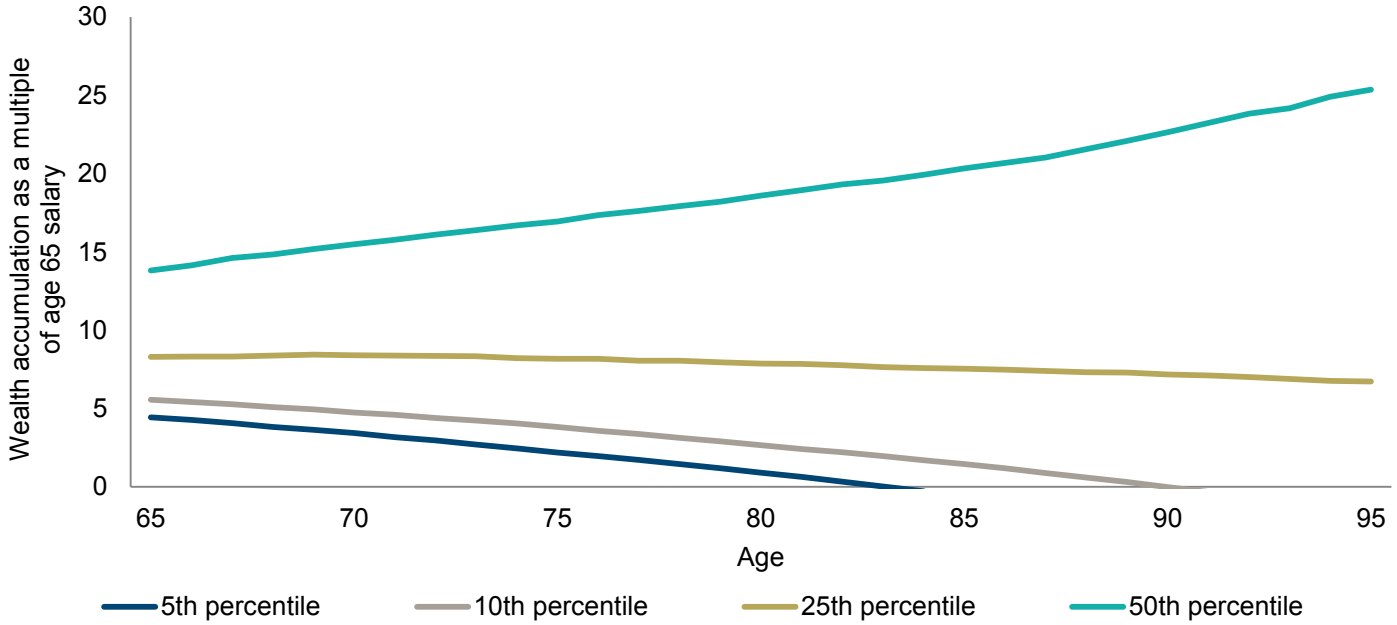


Notes: Salary projections are derived from the Social Security Administration's Wage Index, an index that accounts for factors like career advancement. The index is grown by 1.1% annually, on a real basis, which is representative of the U.S. economy's historical productivity growth. Contribution rates are representative of Vanguard participant averages from 2003-2010, using data drawn from more than 2,200 DC plans and nearly 3.2 million participant accounts record kept by Vanguard. Contributions are assumed to start at an average rate of 4.88% at age 25, increasing to an average rate of 9.98% by age 64. Over the employees career, the average contribution rate is 7.2%. We assume a company match of $0.50 on the dollar up to 3%, which is consistent with industry averages. All annuity figures are for an immediate joint annuity for a 65-year old male and female with an annual payout equal to the required replacement ratio and a 50% benefit to the survivor. These prices were estimated by Vanguard using a 3% discount rate and the Annuity 2000 (as published by the Society of Actuaries) male/female mortality tables projected generationally with 100% of Scale G (as published by the Society of Actuaries) for males and 50% of Scale G for females. To estimate future annuity prices, these prices were then adjusted upward by 10% to account for longer life expectancies 40 years in the future, estimated from the same mortality tables previously. Replacement ratios are drawn from Aon Consulting's "2008 Replacement Ratio Study: A Measurement Tool for Retirement Planning".

For institutional use only. Not for distribution to retail investors.

Drawdown scenarios – Baseline replacement rate

A simulated Vanguard glide path would accumulate sufficient assets for investors to systematically draw down portfolio to meet base case retirement income need 87% of the time (through age 95)



Notes: Salary projections are derived from the Social Security Administration's Wage Index, an index that accounts for factors like career advancement. The index is grown by 1.1% annually, on a real basis, which is representative of the U.S. economy's historical productivity growth. Contribution rates are representative of Vanguard participant averages from 2003-2010, using data drawn from more than 2,200 DC plans and nearly 3.2 million participant accounts record kept by Vanguard. Contributions are assumed to start at an average rate of 4.88% at age 25, increasing to an average rate of 9.98% by age 64. Over the employees career, the average contribution rate is 7.2%. We assume a company match of $0.50 on the dollar up to 3%, which is consistent with industry averages. All annuity figures are for an immediate joint annuity for a 65-year old male and female with an annual payout equal to the required replacement ratio and a 50% benefit to the survivor. These prices were estimated by Vanguard using a 3% discount rate and the Annuity 2000 (as published by the Society of Actuaries) male/female mortality tables projected generationally with 100% of Scale G (as published by the Society of Actuaries) for males and 50% of Scale G for females. To estimate future annuity prices, these prices were then adjusted upward by 10% to account for longer life expectancies 40 years in the future, estimated from the same mortality tables previously. Replacement ratios are drawn from Aon Consulting's "2008 Replacement Ratio Study: A Measurement Tool for Retirement Planning".

For institutional use only. Not for distribution to retail investors.

Investment strategies

For institutional use only. Not for distribution to retail investors.

Investment methodology: Rebalancing management

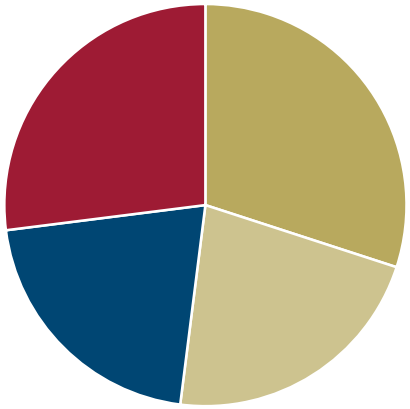
Daily cash flows	The individual portfolios are rebalanced with daily cash flows to bring the allocations to the underlying portfolio back to the static target mix for the current period.
Trigger levels	Whenever a portfolio or asset class falls outside of each portfolio's internal "trigger level" for that particular period and the daily cash flow is not sufficient to rebalance, the portfolio's manager, Vanguard Equity Investment Group, will engage in active rebalancing, where it will sell the portfolios that are overweighted and allocate to the portfolios that are underweighted.
Timing	Target allocations for portfolios move along glide path quarterly.
Merging into income portfolio	The allocation of maturing portfolios is expected to closely resemble that of the Target Retirement Income portfolio within seven years. Once a portfolio's asset allocation is similar to that of the Target Retirement Income portfolio, the portfolio is expected to be combined with the Target Retirement Income portfolio.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target-date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Why international fixed income?

- Market breadth is an important component of diversification
- International bonds currently make up the largest segment of the securities market
- Factors that drive international bond prices are relatively uncorrelated to the same U.S. factors
- An allocation to hedged international bonds can lead to lower average portfolio volatility over time

Global capital markets



30% International bonds

22% International equities

21% U.S. bonds

27% U.S. equities

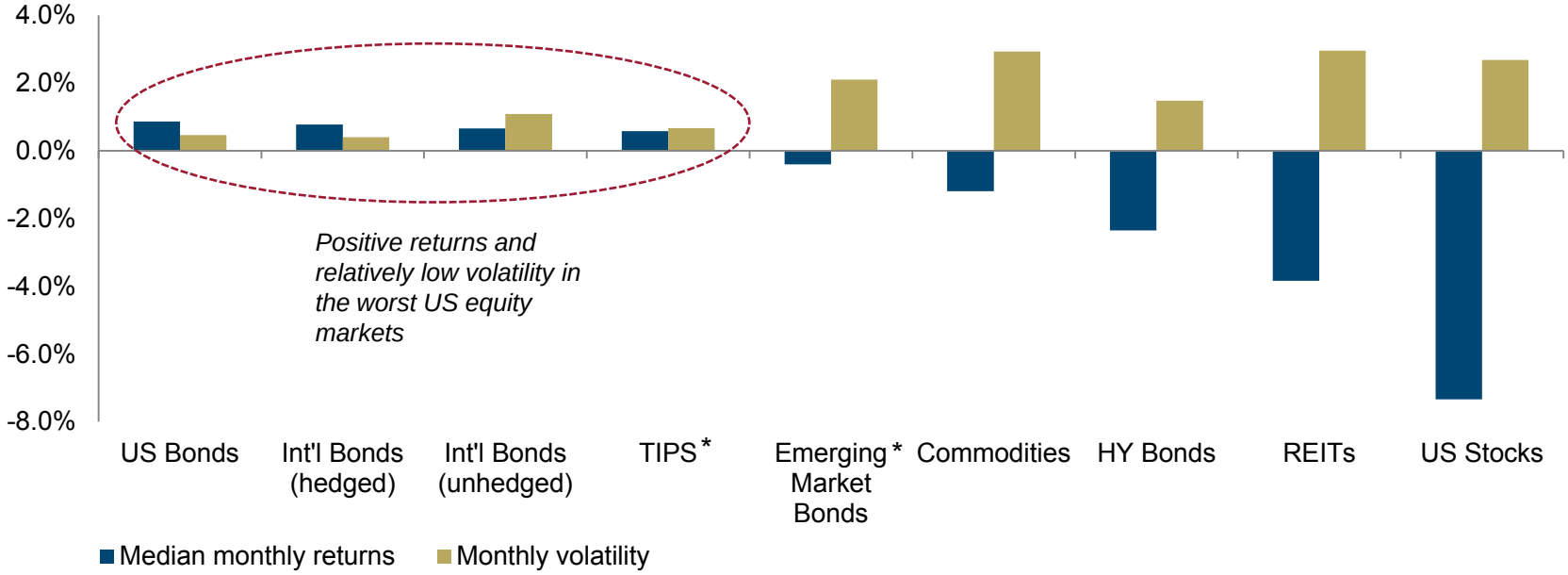
Sources: MSCI, Barclays, and Vanguard, as of December 31, 2014.
U.S. equities are represented by the MSCI US Broad Market Index. International equities are represented by the MSCI AC World Ex USA IMI. U.S. bonds are represented by the Barclays US Aggregate Bond Index. International bonds are represented by the Barclays Global Aggregate ex-USD Index.

For institutional use only. Not for distribution to retail investors.

Why diversify with hedged international bonds rather than other asset classes?

- Hedged international bonds have provided valuable diversification with relatively low volatility in the worst market environments, similar to US bonds.
- Other more volatile 'diversifiers' (REITs, high yield bonds, emerging market bonds and commodities) have failed to deliver positive average returns in such environments.

Median monthly returns and monthly volatility during bottom decile US equity periods (1985-2014)*



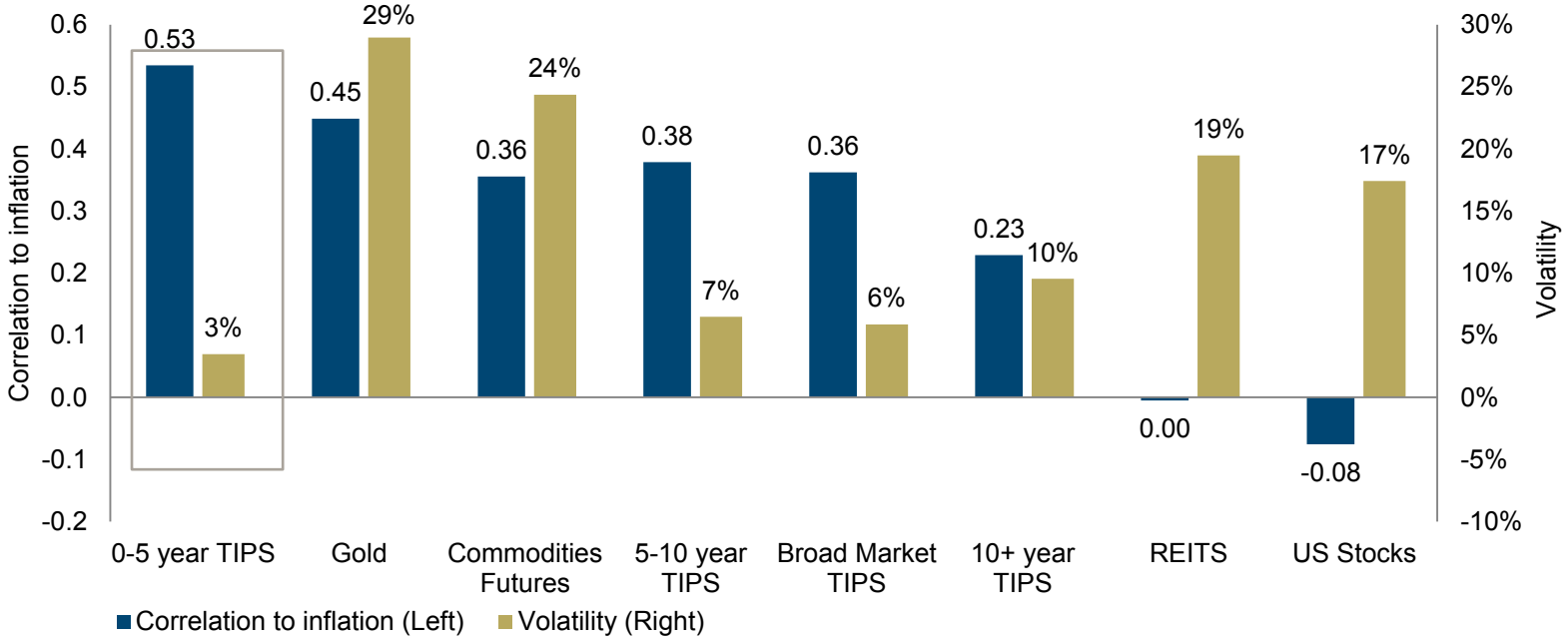
*TIPS data is from March 1997-December 2014 and Emerging Market Bond data is from January 1994-December 2014 due to data availability.
Sources: US Bonds: Barclays U.S. Aggregate Bond Index, Hedged Int'l Bonds: 1985-1989 - Citigroup WGBI Ex USD (hedged); since 1989 - Barclays Global Aggregate Ex USD (hedged), Unhedged Int'l Bonds: 1985-1989 - Citigroup WGBI Ex USD (unhedged); since 1989 - Barclays Global Aggregate Ex USD (unhedged), Emerging Market Bonds: 1993-7/2001 - JP Morgan EMBI; Since 7/2001 Barclays Global Emerging Markets Index, High Yield Bonds: Barclays US Corp High Yield Index, TIPS: Barclays US Trsry Inflat Prtcd Idx, US Stocks: 1971-4/2005 - DJ Wilshire 5000; Since 5/2005 - MSCI Broad Market Index, REITs: FTSE NAREIT Equity REIT Index, Commodities: S&P GSCI.

For institutional use only. Not for distribution to retail investors.

Short-term TIPS provide the highest correlation to inflation with the lowest volatility of all the asset classes

- Short-term TIPS offer the same inflation accruals as the broader TIPS index, with the following additional benefits:
  - Higher correlation to actual inflation
  - Lower duration and lower volatility
  - A more immediate response to short-term CPI volatility
  - A higher historical risk-adjusted return

Relationship between short-term inflation and nominal asset volatility



Notes: Correlations and volatility calculated from rolling 12-month returns for each asset class from 01/1970 (or as soon as data became available) ending 07/2012. TIPS returns are represented by Barclays U.S. TIPS indexes (0–5 Year, 5–10 Year, and 10+ Year) data dating back to 09/2002, 01/2002, and 06/2000 respectively; REITs returns represented by FTSE NAREIT All Equity REITs Index data dating back to 02/1972; U.S. stock returns represented by Dow Jones U.S. Total Stock Market Index data dating back to 01/1970; commodity futures returns represented by S&P GSCI Index data dating back to 01/1970; gold represented by the change in average price for each month from Moody's Analytics Data Buffet data dating back to 01/1970. Inflation represented by CPI-U. Sources: Vanguard calculations based on data from Barclays, FTSE, Dow Jones, Standard & Poor's, and U.S. Bureau of Labor Statistics.

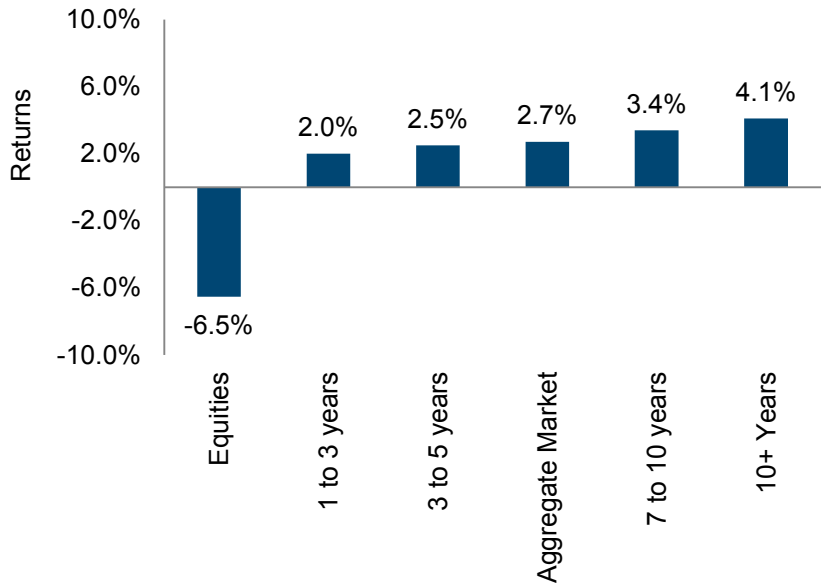
For institutional use only. Not for distribution to retail investors.

Shortening duration and reaching for yield may have an unintended portfolio impact

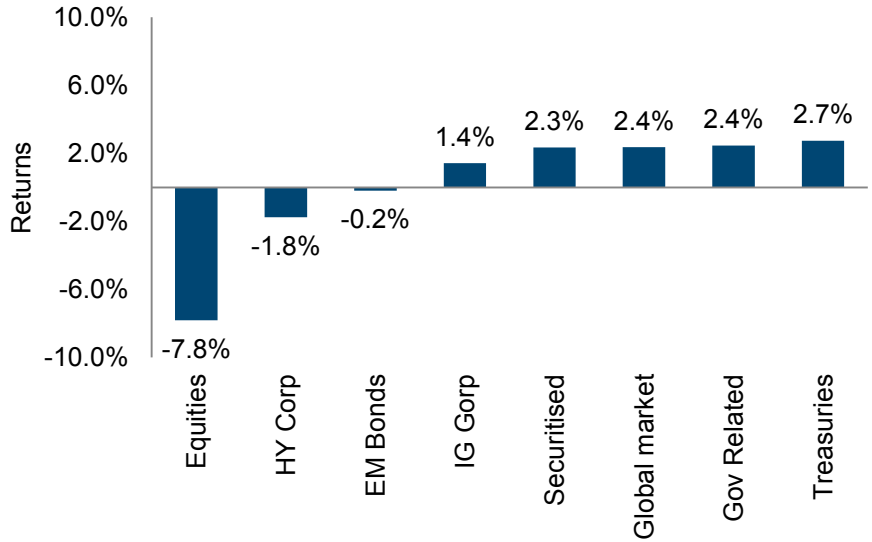
Shortening duration & moving towards lower credit quality segments reduces diversification benefits

Median quarterly return during quarters of worst (4th quartile) equity market performance, 2001–2013

By maturity



By segment

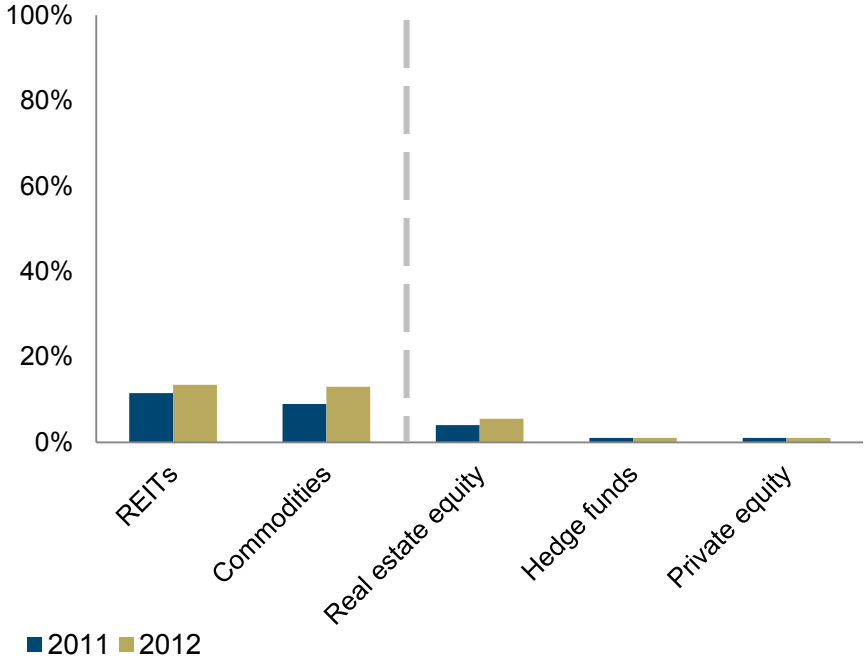


Source: Vanguard, based on data from FTSE and Barclays.
Note: Equities represented by the FTSE All World Index. Treasuries represented by the Barclays Global Treasures Index. Gov.-related represented by the Barclays Government Related Index. Securitized represented by the Barclays Global Securitised Index. Investment-grade corporates represented by the Barclays Global Investment Grade Credit Index. High-yield corporates represented by the Barclays Global High Yield Corporate Index. Emerging markets bonds represented by the Barclays Global Emerging Market Index. Global market represented by the Barclays Global Aggregate Index. Figures cover January 2001 through June 2013.

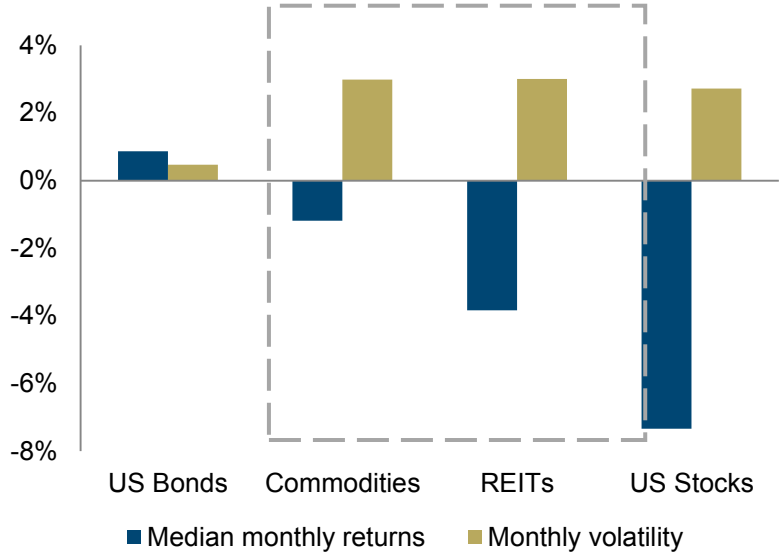
For institutional use only. Not for distribution to retail investors.

The few 'alternatives' that are gaining traction in TDFs provide less diversification benefits than traditional bonds

Percentage of DC funds using TDF strategies that include select alternatives (among the top 200 plans)



Median monthly returns and monthly volatility during bottom decile U.S. equity periods (1985-2014)*



Sources: CNBC, Pensions & Investments, McKinsey: The Mainstreaming of Alternative Investments: Fueling the Next Wave of Growth in Asset Management, 2012, Plansponsor.com.
U.S. bonds: Barclays U.S. Aggregate Bond Index; hedged international bonds: 1985-1989 - Citigroup WGBI Ex USD (hedged); since 1989 - Barclays Global Aggregate Ex USD (hedged); unhedged international bonds: 1985-1989 - Citigroup WGBI Ex USD (unhedged); since 1989 - Barclays Global Aggregate Ex USD (unhedged); emerging market bonds: 1993-7/2001 - JP Morgan EMBI; Since 7/2001 Barclays Global Emerging Markets Index; high-yield bonds: Barclays US Corp High Yield Index; TIPS: Barclays US Treasury Inflation Protected Index; U.S. stocks: 1971-4/2005 - DJ Wilshire 5000; Since 5/2005 - MSCI Broad Market Index; REITs: FTSE NAREIT Equity REIT Index; commodities: S&P GSCI.
* TIPS data begins in March 1997 and Emerging Market Bond data begins in January 1994 due to data availability.

For institutional use only. Not for distribution to retail investors.

Important information

For more information, visit vanguard.com, or call 800-662-7447 for Vanguard funds and 800-992-8327 for non-Vanguard funds offered through Vanguard Brokerage Services®, to obtain a prospectus. Visit our website, call 866-499-8473, or contact your broker to obtain a prospectus for Vanguard ETF Shares. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in such a fund.

Vanguard ETF® Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Funds that concentrate on a relatively narrow sector face the risk of higher share-price volatility. It is possible that tax-managed funds will not meet their objective of being tax-efficient. Because company stock funds concentrate on a single stock they are considered riskier than diversified stock funds.

Investments in bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings. Although the income from a municipal bond fund is exempt from federal tax, you may owe taxes on any capital gains realized through the fund's trading or through your own redemption of shares. For some investors, a portion of the fund's income may be subject to state and local taxes, as well as to the federal Alternative Minimum Tax. Diversification does not ensure a profit or protect against a loss.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Vanguard Asset Management Services are provided by Vanguard National Trust Company, which is a federally chartered, limited-purpose trust company operated under the supervision of the Office of the Comptroller of the Currency. Advice services offered through Vanguard Institutional Advisory Services are provided by either Vanguard Advisers, Inc., a registered investment advisor, or Vanguard Fiduciary Trust Company, a Pennsylvania registered bank. Vanguard Financial Planning Services are provided by Vanguard Advisers, Inc., a registered investment advisor. Vanguard Brokerage Services is a division of Vanguard Marketing Corporation, Member FINRA and SIPC.

Vanguard Marketing Corporation, Distributor of the Vanguard Funds. U.S. Patent Nos. 6,879,964; 7,337,138; 7,720,749; 7,925,573; 8,090,646; and 8,417,623.

Important information

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute. Financial Engines is a registered trademark and Financial Engines Investment Advisor service is a registered service mark of Financial Engines, Inc. Financial Engines Advisors LLC, a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc., provides all advisory services. The Vanguard Group has partnered with Financial Engines to provide the Vanguard Managed Account Program and Personal Online Advisor, powered by Financial Engines.

The Vanguard ETFs® are not sponsored, endorsed, sold or promoted by Barclays. Barclays does not make any representation regarding the advisability of Vanguard ETFs or the advisability of investing in securities generally. Barclays' only relationship with Vanguard is the licensing of the Index which is determined, composed and calculated by Barclays without regard to Vanguard or the Vanguard ETFs. Barclays has no obligation to take the needs of Vanguard or the owners of the Vanguard ETFs into consideration in determining, composing or calculating the Index. Barclays has no obligation or liability in connection with administration, marketing or trading of the Vanguard ETFs.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under license. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Indexes or the fitness or suitability of the Indexes for any particular purpose to which they might be put.

The index is a product of S&P Dow Jones Indices LLC (“SPDJI”), and has been licensed for use by Vanguard. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index.

Morningstar data ©2015 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Russell Indexes and Russell® are registered trademarks of Russell Investments and have been licensed for use by The Vanguard Group. The products are not sponsored, endorsed, sold or promoted by Russell Investments and Russell Investments makes no representation regarding the advisability of investing in the products.

“Dividend Achievers” is a trademark of The NASDAQ OMX Group, Inc. (collectively, with its affiliates, “NASDAQ OMX”) and has been licensed for use by The Vanguard Group, Inc. Vanguard mutual funds are not sponsored, endorsed, sold, or promoted by NASDAQ OMX and NASDAQ OMX makes no representation regarding the advisability of investing in the funds. NASDAQ OMX MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE VANGUARD MUTUAL FUNDS.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

Apple®, iPhone®, and iPad® are trademarks of Apple Inc., registered in the United States and other countries. App Store is a service mark of Apple Inc. Android™ is a trademark of Google Inc.

Advisory services are provided by Vanguard Advisers, Inc. (VAI), a registered investment advisor.

© 2015 The Vanguard Group, Inc. All rights reserved.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 2, 2015

MEMO TO: 401(k)/457 Advisory Committee

FROM: Lisa Sorani, Manager of Employee Services

SUBJECT: Staff Report

Plan Administration Fees and Revenue Share Credit

In July 2015 a payment was made to Fidelity Investments, deferred compensation recordkeeper, for $39,504.04 for 1Q2015. Another Fidelity invoice has been received in the amount of $43,414.39 for 2Q2015. This invoice includes $3,762.50 for work done toward the Roth 457 and Roth In-Plan Conversion Projects. The invoice was adjusted down by ($798.66) for performance guarantees. The Plans combined received Revenue Share Credit in the amount of $57,579.79. The attached cash flow reports detail the above mentioned accounting activity.

Online Beneficiary Service

Staff has been maintaining deferred compensation beneficiary information in-house. We are able to house the information electronically only for active employees. Paper hardcopies are received for retirees, QDRO alternate payees, surviving spouses and other beneficiaries of deceased employees/retirees who maintain accounts in EBMUD 401(k) and 457 Plans. The current method of maintaining some electronic and some paper beneficiary forms creates likelihood of errors. Also employees who separate from the District forget about their beneficiary election, resulting in lack of review and updates. Fidelity initially proposed an online beneficiary service at a cost of $6,353, based on an hourly rate of $165. Fortunately, Fidelity was recently able to waive the project costs to allow the District to proceed with the project within the next few months, saving the Plans a considerable amount of money. Staff will move forward with this change and Fidelity will send communication to all participants notifying them of the new stream-lined beneficiary service.

NAGDCA Conference

Staff members Elizabeth Grassetti and Dhanyale Dunbar will attend the conference in September 2015. Committee Members are eligible to attend the conferences in the future and will receive information. Per the Committee's agreed budget, these costs will be paid as part of Plan Administration. The estimated cost is $3,863.00

Attachments

LS/dd

2015 ANNUAL PLAN ADMINISTRATION AND RECORDKEEPING BUDGET
EBMUD 401(k), 457, and 401(a) Deferred Compensation Plans

Expenditures:

Third Party Administrator (TPA)	$	152,216.51	.045% of Plan assests - this is estimate based on 12/31/14 assetts ($338,253,904), but will varie as it is paid quarterly based on prior end-of-quarter assets.
Investment Consultant	$	46,000.00	annual (paid quarterly)
Training & Education	$	8,000.00	Staff and Committee Members (ex: NAGDCA, Pension & Investments, Western Pension & Benefits)
RFP - contribution to reserve	$	9,000.00	$45k every 5 years
Misc. - contribution to reserve	$	2,000.00	Special Communication Campaigns and other out of scope projects
Total Expenses:	**$**	**217,216.51**	

Plan fees are paid in a calendar year, not a Fiscal Year. Per MOUs the District will pay the first $105,500 of administratioe fees each year. When the $105,500 has been fully paid out, Plan fees will be paid from the $143,653 Special Liability Account or the Revenue Share Credit Account.

CASH FLOW $105,500

EBMUD 401(k), 457, and 401(a) Deferred Compensation Plans

Year Begins: **Jan-15**

Accounting for District Annual $105,500 toward Plan Administration Fees	**Calendar Year Start**	**Jan-15**	**Feb-15**	**Mar-15**	**Apr-15**	**May-15**	**Jun-15**	**Jul-15**	**Aug-15**	**Sep-15**	**Oct-15**	**Nov-15**	**Dec-15**	**Total Item EST**
Cash on Hand (beginning of month) $105,500 annual	105,500	105,500	105,500	105,500	105,500	82,500	82,500	82,500	42,996	-418	-418	-418	-418	-418
CASH RECEIPTS														
(put any cash receipts on this line)														
TOTAL CASH RECEIPTS (none expected)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Available (before cash out)	105,500	105,500	105,500	105,500	105,500	82,500	82,500	82,500	42,995.96	-418	-418	-418	-418	-418
CASH PAID OUT														
Services_TPA - Fidelity Investments								39,504.04	39,651.89					
Services_ Investment Consultant - Hyas Group					23,000									
Services_ Fidelity Special Project - Fund Actions														
Services_Fidelity Special Project - Communications														
Services_Fidelity Special Project - Other Admin									3,762.50					
Training_conference or course fees														
Training_Travel														
RFP														
Legal Fees_Plan Document Legal Reviews														
Other expenses (specify)														
Other (specify)														
Other (specify)														
Miscellaneous														
TOTAL CASH PAID OUT	0	0	0	0	23,000	0	0	39,504.04	43,414.39	0	0	0	0	0
Cash Position (end of month)	105,500	105,500	105,500	105,500	82,500	82,500	82,500	42,995.96	-418.43	-418.43	-418.43	-418.43	-418.43	-418.43
EXPECETED / BUDGETED EXPENSES 2015														
Third Party Administrator (TPA) - Fidelity Investments 4.5 basis pts est.	152,216.51													
Investment Consultant - Hyas Group	46,000													
Training & Education	8,000													
RFP - $45K every 5 years	9,000													
Miscellaneous	2,000													

CASH FLOW - Rev Share Credit

EBMUD 401(k), 457, and 401(a) Deferred Compensation Plans

Year Begins: **Jan-15**

Strawman Accounting of DC Plan Revenue Share Credit Accounts Cash Flow	Calendar Year Start	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total Item EST
Cash on Hand (beginning of month)	230,712	230,712	276,470	276,470	276,470	276,470	276,470	329,417	386,997	386,997	386,997	386,997	386,997	386,997
CASH RECEIPTS														
(put any cash receipts on this line)		45,758					52,947	57,579.79						
TOTAL CASH RECEIPTS (adj quarterly)	0	45,758	0	0	0	0	52,947	57,579.79	0	0	0	0	0	0
Total Cash Available (before cash out)	230,712	276,470	276,470	276,470	276,470	276,470	329,417	386,997	386,997	386,997	386,997	386,997	386,997	386,997
CASH PAID OUT														
Services_TPA - Fidelity Investments														
Services_ Investment Consultant - Hyas Group														
Services_ Fidelity Special Project - Fund Action														
Services_Fidelity Special Project - Communications														
Services_Fidelity Special Project - Other Admin														
Training_conference or course fees														
Training_Travel														
RFP														
Legal Fees _Plan Document Legal Reviews														
Other expenses (specify)														
Other (specify)														
Other (specify)														
Miscellaneous														
TOTAL CASH PAID OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Position (end of month)	230,712	276,470	276,470	276,470	276,470	276,470	329,417	386,997	386,997	386,997	386,997	386,997	386,997	386,997
EXPECETED/ BUDGETED EXPENSES 2015														
Third Party Administrator (TPA) - Fidelity Investments 4.5 basis pts est.	152,216.51													
Investment Consultant - Hyas Group	46,000													
Training & Education	8,000													
RFP - $45K every 5 years	9,000													
Miscellaneous	2,000													

CASH FLOW $143k Liability Acct

EBMUD 401(k), 457, and 401(a) Deferred Compensation Plans

Year Begins: **Jan-15**

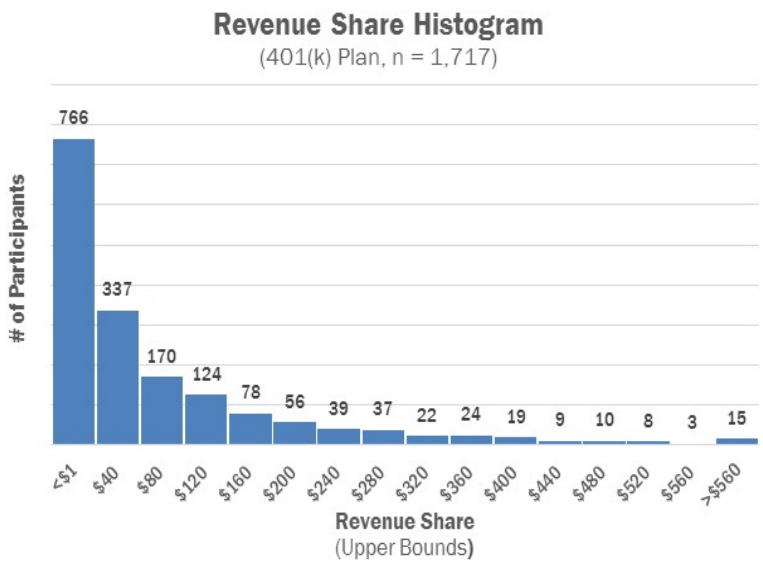
Accounting for Special Liability Account for DC Plan Administration - $143,653	Calendar Year Start	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total Item EST
Cash on Hand (beginning of month) $105,500 annual	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653
CASH RECEIPTS														
TOTAL CASH RECEIPTS (none expected)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Available (before cash out)	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653
CASH PAID OUT														
Services_TPA - Fidelity Investments														
Services_ Investment Consultant - Hyas Group														
Services_ Fidelity Special Project - Fund Action														
Services_Fidelity Special Project - Communications														
Services_Fidelity Special Project - Other Admin														
Training_conference or course fees														
Training_Travel														
RFP - $45K every 5 years														
Legal Fees _Plan Document Legal Reviews														
Other expenses (specify)														
Other (specify)														
Other (specify)														
Miscellaneous														
TOTAL CASH PAID OUT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Position (end of month)	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653	143,653

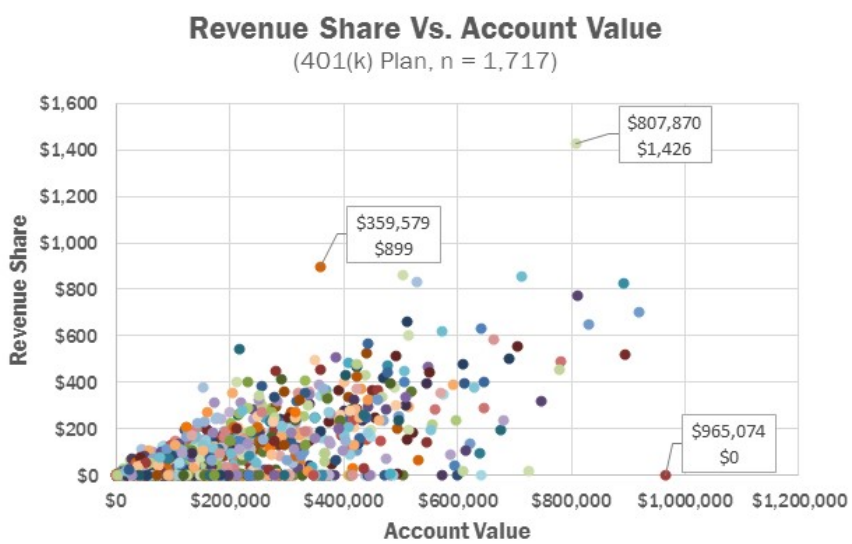
East Bay Municipal Utility District

401(k) Revenue Share Analysis – Second Quarter 2015

Summary

- 48.6% of participants hold funds that generate 99.5% of the Fidelity Revenue Share related to EBMUD Plan Assets (revenue).
  - The 25 accounts whose funds generate the most revenue account for 14.5% of the total revenue, despite only holding about 6.5% of the assets.
  - The 44.6% of participants whose funds pay less than $1 in annual revenue only generate a total of $15.50/year and have an aggregate account value of over $60 million.
- Many of the larger participant accounts whose funds are generating less than $1 are utilizing the self-directed brokerage.
- The largest amount of revenue generated by one participant's funds is $1,426 which is about 0.177% of the account value.
- 727 participants do not use any funds that share revenue
  - 39 participants generate less than $1 per year but use at least one fund that shares revenue.
- 268 participants use the Hotchkis & Wiley Mid-Cap Value fund which generates about $25,900/year.
  - This accounts for 18.9% of the total revenue despite having less than 4% of total assets.





All data is as of 6/30/2015

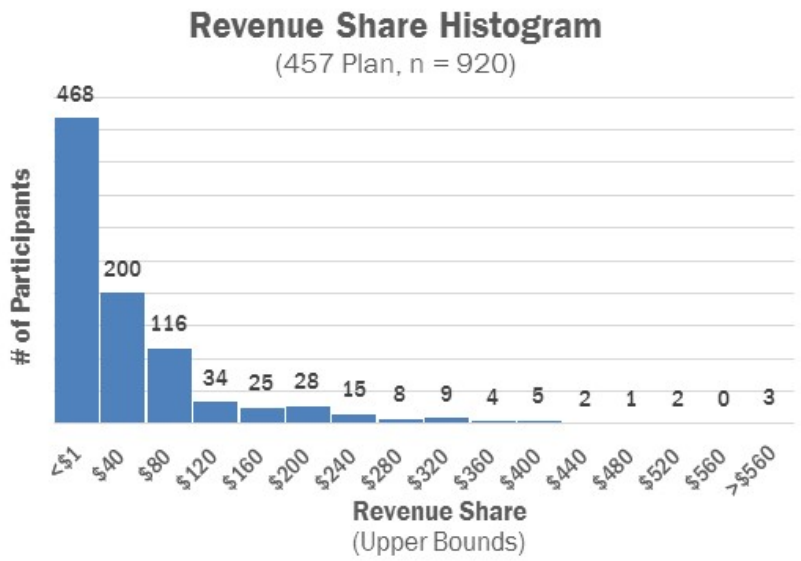
Plan participants pay an expense ratio for the funds they invest in. On the funds that generate revenue, the revenue share is included in these expense ratios rather than in addition to the expense ratios. For example, the Dodge & Cox Stock fund (DODGX) has an expense ratio of 0.52%, however 0.10% of that is revenue share paid to fidelity and is being used to pay for the plan's administrative expenses. In this case, 0.42% is the investment management fee, and the 0.10% is revenue share. The breakdown of these expense ratios are not explicitly stated to participants.

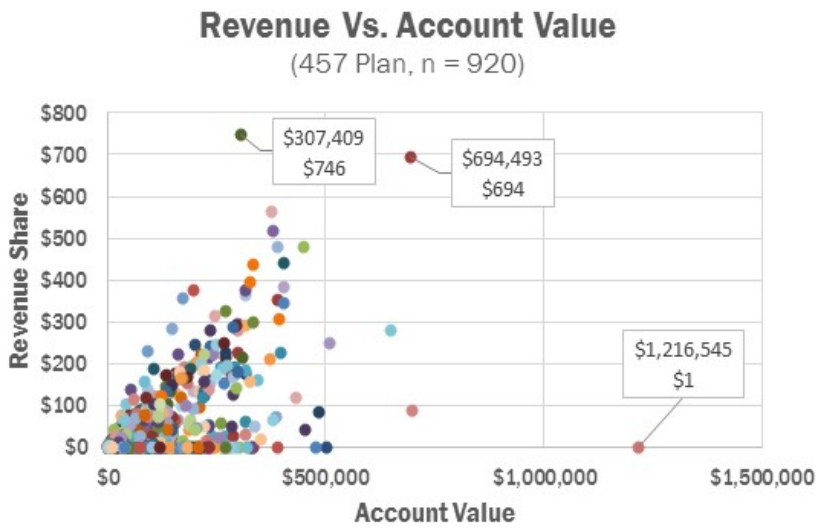
East Bay Municipal Utility District

457 Revenue Share Analysis – Second Quarter 2015

Summary

- 42% of participants hold funds that generate 99.2% of the Fidelity Revenue Share related to EBMUD Plan Assets (revenue).
  - The 25 accounts whose funds generate the most revenue account for 26.7% of the total revenue, despite only holding about 10.3% of the assets.
  - The 50.9% of participants whose funds pay less than $1 in annual revenue only generate a total of $7.69/year and have an aggregate account value of almost $28 million.
- Many of the larger participant accounts whose funds are generating less than $1 are utilizing the self-directed brokerage.
- The largest amount of revenue generated by one participant's funds is $746 which is about 0.24% of the account value.
- 444 participants do not use any funds that share revenue
  - 24 participants generate less than $1 per year but use at least one fund that shares revenue.
- 130 participants use the Hotchkis & Wiley Mid-Cap Value fund which generates about $7,500/year.
  - This accounts for 19.9% of the total revenue despite having less than 4% of total assets.





All data is as of 6/30/2015

Plan participants pay an expense ratio for the funds they invest in. On the funds that generate revenue, the revenue share is included in these expense ratios rather than in addition to the expense ratios. For example, the Dodge & Cox Stock fund (DODGX) has an expense ratio of 0.52%, however 0.10% of that is revenue share paid to fidelity and is being used to pay for the plan's administrative expenses. In this case, 0.42% is the investment management fee, and the 0.10% is revenue share. The breakdown of these expense ratios are not explicitly stated to participants.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 2, 2015

MEMO TO: 401(k)/457 Advisory Committee

FROM: Lisa Sorani, Manager of Employee Services L.S.

SUBJECT: Determine Fund Source for Plan Administration Expenses

Payment of the Fidelity second quarter 2015 invoice will exhaust the District funding of $105,500 for calendar year 2015 and leave a remaining balance due of $418.43. Staff requests direction from the Committee as to which funding source(s) to use for the remaining $418.43 balance due to Fidelity and for remaining 2015 Plan expenses.

LS/dd

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 2, 2015

MEMO TO: 401(k)/457 Advisory Committee

FROM: Lisa Sorani, Manager of Employee Services L.S.

SUBJECT: Authorization for 401(k) Roth In-Plan Conversion Project

The implementation of Roth 457 and Roth In-Plan Conversion for the 457 and 401(k) Plans was put on hold due technological issues with the District's PeopleSoft system. HRIS is unable to set up new deduction and new limit tables for the Roth 457 because all the limit tables in PeopleSoft have been exhausted. Also, Rimini Street (PeopleSoft programming consultant) was not able to make programing changes to setup the new limit tables for 457 Roth.

Below is the pricing originally proposed for the full project is all completed at once, and then if completed separately. The 38 hour estimate for the Roth In-Plan Conversion for the 401(k) Plan is still appropriate if started from scratch.

Requirements ORIGINAL ESTIMATE- complete all	Estimated Hours	Fees
Add Roth-in plan conversion to 2 plans: 401(K) & 457(B)	61.3 Hours	$ 10,728
Add Roth to 457(B)	33.0 Hours	$ 3,500
Total	**94.3 Hours**	**$ 14,228**

Requirements REVISED complete separately	Estimated Hours	Fees
Roth in Plan Conversion for 401(K)	38 Hours	$ 6,650
Roth 457(B)	33 Hours	$ 3,500
Roth in Plan Conversion for 457(B)	38 Hours	$ 6,650
Total	**109 Hours**	**$ 16,800**

Committee authorization needed to direct staff to proceed with the 401(k) Roth In-Plan Conversion project at a cost of $6,650.

LS/dd

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: September 2, 2015

MEMO TO: 401(k)/457 Advisory Committee

FROM: Lisa Sorani, Manager of Employee Services L.S.

SUBJECT: Authorization for Account Suspension Tracking Project

Account Suspension Project

Per IRS regulations, participant deferrals must be stopped for six months in both the 401k and 457 accounts after hardship withdrawals from either Plan. Currently staff has to manually stop deferrals but is not easily able to prevent participants from restarting deferrals within the six-month window, which potentially puts the Plans out of compliance. Staff recommends the District have Fidelity implement a cross plan suspension tracking system that will:

- Stop participant deferrals in both Plans after 401(k) or 457 hardship withdrawals
- Change participants' status codes in Fidelity's Plan Sponsor Website to "O", which will prevent any restart of deferrals during the six-month window
- Send communications to affected participants
- Automatically restart participation at the end of the six-month window at the same deferral percentage in effect prior to the suspension

Committee authorization is needed for the project at a cost of $4,025, based on and hourly rate of $175.

Attachment

LS/dd

HYAS GROUP

THE 457 PLAN FIDUCIARY *Advisor*

Second Quarter 2015

Regulatory and Legislative News

Supreme Court Rules on Fiduciary Monitoring of Investments in Tibble vs. Edison Case- "Fiduciaries should be prepared for the plaintiffs' bar to assert -- and the courts to possibly recognize -- 'continuing violations' under a theory based upon a fiduciary's failure to monitor the appropriateness of plan investments, thereby allowing claims to reach back well beyond the 6-year statute of limitations period for an alleged fiduciary breach or violation. To mitigate risk associated with plan investment decisions, plan fiduciaries should establish procedures for periodic review of plan investment choices. These periodic reviews should document the empirical reasons why plan investment options have been retained or removed from a plan's fund lineup." *(Groom Law Group)* Read more at: **Supreme Court Rules That Fiduciaries Have Ongoing Duty to Monitor Plan Investments (PDF)**

Department of Labor Issues Clarification on Fiduciary Duties in Selecting Annuity Providers for DC Plans and "Safe Harbor" Qualification- "Similar to selecting plan investments, choosing an annuity provider for this purpose is a fiduciary function, subject to ERISA's standards of prudence and loyalty. The Safe Harbor Rule requirements are satisfied if the plan's fiduciary: [1] Engages in an objective, thorough and analytical search for the purpose of identifying and selecting providers from which to purchase annuities.... [2] Appropriately considers information sufficient to assess the ability of the annuity provider to make all future payments under the annuity contract; [3] Appropriately considers the cost (including fees and commissions) of the annuity contract in relation to the benefits and administrative services to be provided under such contract; [4] Appropriately concludes that, at the time of the selection, the annuity provider is financially able to make all future payments under the annuity contract and the cost of the annuity contract is reasonable in relation to the benefits and services to be provided under the contract; and [5] If necessary, consults with an appropriate expert or experts for purposes of compliance with these provisions." **Text of DOL FAB 2015-02: Selection and Monitoring under the Annuity Selection Safe Harbor Regulation for Defined Contribution Plans** *(Employee Benefits Security Administration [EBSA], U.S. Department of Labor [DOL])*

Implementation of Money Market Fund Reforms Approaching, Will Impact DC Plans- 457 and 401 Plan fiduciaries may have to choose between a slightly lower yielding money market fund and one that does not offer the prospect of redemption fees, possible restrictions on liquidations, or the possibility of negative returns. The attached article and table developed by Goldman Sachs Asset Management show what DC Plans may invest in and what these choices look like. (see attached article)

DOL's Proposed New Fiduciary Regulations May Not Apply to Governmental Plans- It appears that the only way that the new fiduciary regulations will impact a governmental plan is when a person or firm associated with the Plan is involved with a rollover of Plan assets into an IRA account. "[A] 403(b) plan maintained by a public school, community college or state university is exempt from these regulations since they are governmental plans. Governmental 457(b) plans and most church

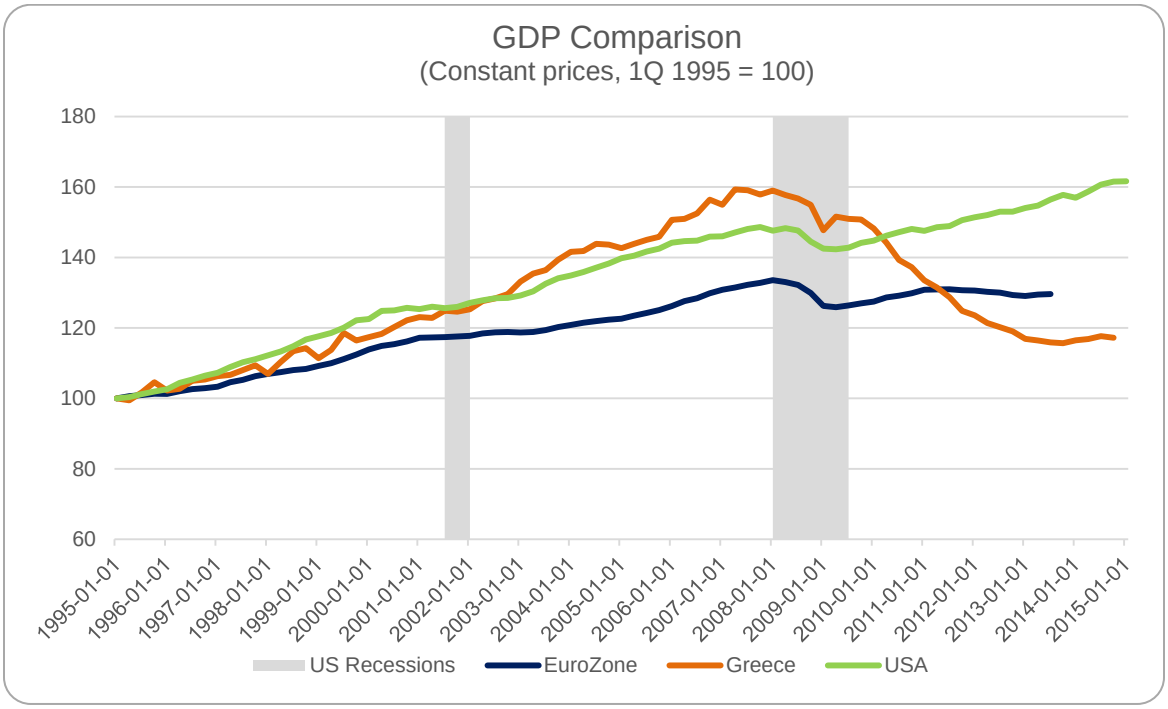
plans are exempt. (Keep in mind, however, that a recommendation to roll over into an IRA will make you a fiduciary regarding the IRA under these proposed rules.)" *(National Tax-Deferred Savings Association [NTSA])* The full article is here: **DOL Proposed Fiduciary Regs: Which 'Plans' Are Covered?**

Markets and Investing

The Greek Situation: How Will It Impact US Investors and Savers? Concern over the possibility of Greece leaving the Euro has dominated news in the world of finance and investment recently. The attached article from the LA Times provides a perspective of the likely impacts: **How does the Greek debt crisis impact the United States ...**

Hyas Group Chart of the Quarter

To further the above discussion of the Greek situation, 2015's second quarter chart frames the GDP growth, and subsequent prolonged decline, of Greece against the USA and European Union's GDPs. The three regions were able to enjoy strong GDP growth from the mid-'90s through late 2007 or early 2008. From that point forward, Greece experienced a declining GDP nearly *every quarter* for six years while the stronger economies of the USA and the Eurozone as whole were able to begin their recovery after only 4 and 5 quarters of declining GDP, respectively.



Over the course of these six years, Greece saw its GDP fall by over 27% - effectively erasing a decade and a half of growth. Early in the third quarter Greece accepted the European Union's austerity measures in return for its third bailout since 2010 and despite this, the story is not yet finished. As such, the Hyas Group will continue to monitor the situation going forward.

Contact:
Greg Settle
gsettle@hyasgroup.com
(360)866-9327

Jayson Davidson, CFA
jdavidson@hyasgroup.com
(971) 634-1501

Scott Faris, CFA
sfaris@hyasgroup.com
(971) 634-1507

Vincent Galindo
vgalindo@hyasgroup.com
(971) 634-1510

This report is being provided for informational purposed only. The information and opinions presented in this report do not constitute investment advice and have been obtained from sources believed by Hyas Group to be reliable. Hyas Group makes no representation as to their accuracy or completeness. All opinions expressed herein are subject to change.

©Hyas Group, 2015

Financial Markets and Economic Commentary
September 2015

- Real GDP growth for the second quarter of 2015 was revised upward from 2.3% to a surprisingly strong 3.7%; this followed a revision for the first quarter from .2% to .6%, both indicating a very healthy economy. A strong bounce back in housing has contributed to recent growth while lower energy prices have had a mixed impact on the investment component of GDP.

- A wild week in global markets ended on August 28th with major indexes in the US having regained much of the losses sustained in the prior six days of trading. The S&P 500 has risen about 6% from its early-week bottom, and YTD returns have come back into positive territory. While the Chinese stock market remains jumpy, other foreign markets have behaved much like the US market.

- To help track labor markets, Hyas Group has updated our performance report's economic overview page to include some key labor market statistics. The unemployment rate at 5.3% and the median length of time for unemployment at 9.4 weeks are at 5-year lows. Seattle area unemployment was recently reported at an "above full employment" rate of just 3.7%. Labor markets and expected inflation have been the key metrics considered by the Federal Reserve Bank in determining when it will raise rates.

- The Ten Year Treasury Note has risen back to 2.19% as of August 28th after dropping below 2% during the sell-off early in the week. Expectations for a .25% rate hike by the Fed in the fall remain strong in many quarters, as the indications are that the US economy is strong and financial institutions remain stable and well-capitalized. There is some pressure to hold off on a rate increase, but a delay into the fourth quarter would seem to be the worst case scenario.

- Elsewhere in the bond markets, the Barclays Capital Aggregate Bond Index fell 1.7% in Q2 compared to an increase of 1.6% in the first quarter. High yield bonds returned zero for the quarter but are up 2.5% YTD, while foreign bonds lost 1.2% for the quarter and were down 3.1% YTD.

- Commodity prices have rebounded somewhat after falling sharply with developments in China. Oil in particular has seen a violent ride dropping from the $60 range to as low as $38 on August 24th, but had rebounded to $45 by August 28th.

- The annual reconstitution of the Russell indices took place in the second quarter. Apple continues to have the largest market value in the Russell 3000, which represents the largest 3000 publicly traded US stocks, at a value of $751 billion which is 3.2% of the index. Within the Russell 1000 Growth Index, Apple represents a large 7% of the index and has an outsized impact on the performance of the index and managers who attempt to out-perform it.

Goldman Sachs Asset Management

RETIREMENT

Implications of Money Market Reform for Retirement Plans

After years of anticipation and as part of a global push to safeguard money market funds (MMFs), in July 2014, the U.S. Securities and Exchange Commission (SEC) approved changes to the rules governing US MMFs. Though the changes are significant, implementation is not required for some time, so there is no immediate impact on MMFs. It will still be another two years until the compliance date for the imposition of the majority of the requirements.

The goal of the extensive timeline is to provide investors, fund sponsors, and other market participants adequate time to understand and prepare for the regulation changes. We believe that the phased implementation will provide ample time for fund sponsors and investors to effect any necessary changes to make a transition as smooth and efficient as possible.

Background on Rule Requirements

The new rules represent a substantial change for the industry, and vary based on the type of fund and type of investor.

Type of Fund

Funds are divided into three categories:

- **Government funds,** which are now required to invest at least 99.5% of total assets (previously 80%) in government securities and government repurchase agreements;
- **Prime funds,** which invest primarily in credit instruments; and
- **Municipal/Tax-Exempt funds,** which invest in municipal and tax-exempt securities.

Type of Investor

The approved rules introduce a new concept to mutual funds: defining the type of fund based on the permitted investor. The rule provides a distinction between Retail and Institutional funds, where the terms of Retail funds are aimed at limiting ownership to individuals.

- **Retail funds[1]:** Defined as a money market fund that has policies and procedures reasonably designed to limit all beneficial owners of the money market fund to natural persons (including defined contribution plans, individual retirement accounts).
- **Institutional funds[2]:** Defined as accounts that are not beneficially owned by natural persons and will not qualify for retail money market funds (including defined benefit plans, small businesses).

[1] The SEC's rule release specifies various tax-advantaged accounts and trusts that will qualify as retail, including: Participant-directed defined contribution plans (section 3(34) of ERISA); Individual retirement accounts (section 408 or 408A of the Internal Revenue Code); Simplified employee pension arrangements (section 408(k) of the IRC); Simple retirement accounts (section 408(p) of the IRC); Custodial accounts (section 403(b)(7) of the IRC); Deferred compensation plans for government or tax-exempt organization employees (section 457 of the IRC); Keogh plans (section 401(a) of the IRC); Archer medical savings accounts (section 220(d) of the IRC); College savings plans (section 529 of the IRC); Health savings account plans (section 223 of the IRC); and Ordinary trusts (section 7701 of the IRC).

[2] Accounts that are not beneficially owned by natural persons will not qualify for retail money market funds and would need to be invested in institutional money market funds. These types of investors include (but are not limited to): Businesses, including small businesses; Defined benefit plans; and Endowments.

The new requirements will have different implications based on the type of investor (Institutional or Retail) and type of fund (Government, Prime or Municipal / Tax-Exempt). For your reference, we have summarized the primary new requirements for Money Market Funds and the implications for retirement plans in the tables below.

Primary Reform Requirements:		Implications for Retirement Plans	
Requirement	**Description**	**Defined Contribution Plans**	**Defined Benefit Plans**
1. Use of Stable $1.00 NAV vs. "Floating" NAV	Certain funds will be permitted to keep the stable $1.00 NAV, while other funds will be required to use market-based value ■ Floating NAV funds will use market-based value rather than amortized cost accounting methodology for daily share prices of the money market funds, resulting in a floating NAV out to the fourth decimal point (e.g., $1,000)	Qualifying as a retail investor, DC plans will be eligible for Retail Prime/Tax-Exempt funds, which will maintain a stable NAV No changes for Government funds or Stable Value funds	Qualifying as an institutional investor, DB plans will be eligible for institutional Prime/Tax-Exempt funds, which are required to have a floating NAV No changes for Government funds or Stable Value funds
2. Liquid Fees and Redemption Gates	Certain funds will be required to adopt policies to allow for implementation of liquidity fees and redemption gates. For funds that are required to have fees and gates, if a fund's "weekly liquid assets"[3] fall below 30% of a money market fund's total assets then the board *would be permitted to:* ■ Impose up to 2% liquidity fee on redemptions ■ Suspend redemptions for up to 10 business days (but not more than 10 business days in any 90 day period) If "weekly liquid assets" fall below 10% of a money market fund's total assets then the fund is required to impose up to 1% liquidity fee on redemptions. Exception: If Board determines in fund interest, may charge a different fee (greater than or less than 1% with a max of 2%); or not impose a fee at all	Qualifying as a retail investor, DC plans will be eligible for Retail Prime/ Tax-Exempt funds, which are subject to new liquidity fees and redemption gate policies Government MMFs have the option to voluntary adopt the liquidity fee and redemption gate provisions, if previously disclosed to investors	Qualifying as a institutional investor, DB plans will be eligible for Institutional Prime/Tax-Exempt funds, which are subject to new liquidity fees and redemption gate policies Government MMFs have the option to voluntary adopt the liquidity fee and redemption gate provisions, if previously disclosed to investors
3. Portfolio Diversification, Disclosure and Stress Testing	All funds will be required to have enhanced diversification, disclosure and stress testing requirements for all MMFs as well as updated reporting requirements for MMFs and private funds that operate like MMFs	All funds will be required to have enhanced diversification, disclosure and stress testing requirements for all MMFs as well as updating reporting requirements for MMFs and private funds that operate like MMFs	All funds will be required to have enhanced diversification, disclosure and stress testing requirements for all MMFs as well as updating reporting requirements for MMFs and private funds that operate like MMFs

[3] Weekly liquid assets generally include cash, U.S. Treasury securities, certain other government securities with remaining maturities of 60 days or less, and securities that convert into cash within one week.

Summary of Reform Requirements on Retirement Plans

		Type of Investor	Type of Fund	Stable NAV	Floating NAV	Redemption Gates	Liquidity Fees
DC Plans	Pre-Reform	Institutional	Prime/ Government/ Tax-Exempt Funds	X		None	None
	Post-Reform	Retail	Government	X		(optional)	(optional)
			Prime	X		X	X
			Municipal/ Tax-Exempt	X		X	X
DB Plans	Pre-Reform	Institutional	Prime/ Government/ Tax-Exempt Funds	X		None	None
	Post-Reform	Retail	Government	X		(optional)	(optional)
			Prime		X	X	X
			Municipal/ Tax-Exempt		X	X	X

Looking Ahead: GSAM's Commitment to Partnering with Clients to Provide Insights & Solutions

After many years, we finally have clarity regarding the new requirements for money market funds and a specific implementation timeline. In some respects, this event is momentous in that it follows a long period of anticipation and debate. In other respects, it is just another step in the evolution of liquidity markets that have been changing over the past several years.

With increased regulation of the short-term markets, we believe that liquidity investors looking for stability, liquidity, and yield will have to identify the relative priority of those goals and assess their liquidity needs in light of an expanding set of investment solutions. While the investments and risk profile of money market funds are not changing with these new requirements, we recognize that the new structural features could require significant additional analysis and logistical collaboration within organizations affecting legal, accounting, and other business partners.

To that end, GSAM's Global Liquidity Management team has more than 30 years of liquidity management experience and remains a core capability within GSAM serving many of the world's most discerning liquidity managers. For more information, please contact your dedicated GSAM regional director with any questions on regulatory reform. Our continued commitment is to partner with clients to adapt in these changing times and to find solutions for the new future state, no matter what the market environment or constraints.

An investment in a money market portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market portfolio seeks to preserve the value of an investment at $1.00 per share, it is possible to lose money by investing in a money market portfolio.

As of September 2014

Additional Information

Securities and Exchange Commission:
http://www.sec.gov/rules/final/2014/33-9616.pdf
http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370542347679

Department of Treasury and Internal Revenue Service:
http://www.treasury.gov/press-center/press-releases/pages/jl2579.aspx

Federal Register:
http://www.gpo.gov/fdsys/pkg/FR-2014-08-14/pdf/2014-17747.pdf
http://www.gpo.gov/fdsys/pkg/FR-2014-08-14/pdf/2014-17746.pdf

The website links provided are for your convenience only and are not an endorsement or recommendation by GSAM of any of these websites or the products or services offered. GSAM is not responsible for the accuracy and validity of the content of these websites.

All information in this release is as of the date listed unless otherwise noted and are subject to change.

Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and GSAM has no obligation to provide any updates or changes.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by GSAM to buy, sell, or hold any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

THESE MATERIALS ARE PROVIDED SOLELY ON THE BASIS THAT THEY WILL NOT CONSTITUTE INVESTMENT ADVICE AND WILL NOT FORM A PRIMARY BASIS FOR ANY PERSON'S OR PLAN'S INVESTMENT DECISIONS, AND GOLDMAN SACHS IS NOT A FIDUCIARY WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN. PLAN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL INVESTMENT COURSE OF ACTION.

Confidentiality:

No part of this material may, without GSAM's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material has been prepared by GSAM and is not financial research nor a product of Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Goldman Sachs Global Investment Research or other departments or divisions of Goldman Sachs and its affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and GSAM has no obligation to provide any updates or changes.

IRS Circular 230 Disclosure: Goldman Sachs does not provide legal, tax or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties imposed on the relevant taxpayer. Clients of Goldman Sachs should obtain their own independent tax advice based on their particular circumstances.

Goldman, Sachs & Co., distributor of the Fund(s), is not a bank, and Fund shares distributed by Goldman, Sachs & Co. are neither deposits nor obligations of, nor endorsed, nor guaranteed by any bank or other insured depository institution, nor are they insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency. Investment in the Funds involves risks, including possible loss of the principal amount invested.

Mutual funds are sold by prospectus and summary prospectus, if available, only. Encourage your client to consider the investment objectives, risks, charges and expenses of the mutual fund carefully before investing. The summary prospectus, if available, and the prospectus contains this and other information about the fund. The summary prospectus, if available, and the prospectus must be read carefully before investing.

© 2014 Goldman Sachs. All Rights Reserved.

CODE: 140333.MF.OTU

Date of first use: 10/1/14

INVESTMENT OPTIONS LOG

EBMUD 401(a), 401(k) and 457 Plans

Meeting Date	Effective Date	Fund Action	Fund Mapping	Other Significant Action
6/3/15	6/3/15	**WATCH:** T. Rowe Price Equity Income Fund **WATCH CONTINUED:** Morgan Stanley		
3/4/15	3/4/15	**WATCH CONTINUED:** Morgan Stanley		
	6/2/15	**ADD:** T. Rowe Price Stable Value Common Trust Class A		
	6/2/15	**CLOSE:** Fidelity Managed Income Portfolio II Class I	**MAP TO:** T. Rowe Price Stable Value Common Trust	
N/A	2/24/15	**LIQUIDATION OPTION:** Extended one-year "put" clock to June 2, 2015 allow possible liquidation of the Fidelity Managed Income Portfolio II Class I stable value fund.		
2/3/15 **Special Meeting**	2/3/15	**CONTRACT RENEWAL:** Hyas Group consultant contract was renewed.		
12/3/14	12/3/14	**WATCH:** Morgan Stanley		Add Roth 457 and Roth In-Plan Conversion for both 457 and 401(k) Plans.
	3/27/15	**ADD:** Scout Core Plus Bond Institutional Class		
	3/27/15	**CLOSE:** American Century Select Institutional Class PIMCO Total Return Institutional Class	**MAP TO:** Fidelity Blue Chip Growth Class K Scout Core Plus Bond Institutional Class	Rescind previous motion to combine the Committees. Instead, add 2019, 21, 39 Committee Members to the 401(a) Committee and conduct the Committee meetings simultaneously.
9/3/14	9/3/14	**WATCH:** American Century Select Instl Class **WATCH CONTINUED:** PIMCO Total Return Institutional Class		Combine the 401(a) Committee with the 401(k)/457 Committee with exception of Local 444 Committee Representative unable to vote on 401(a) items.
6/14/14	6/14/14	**WATCH CONTINUED:** PIMCO Total Return Institutional Class		
3/5/14	3/2/14	**LIQUIDATION OPTION:** Invoked one-year "put" clock to allow possible liquidation of the Fidelity Managed Income Portfolio II Class I stable value fund.		
	3/5/14	**WATCH:** PIMCO Total Return Institutional Class		

INVESTMENT OPTIONS LOG
EBMUD 401(a), 401(k) and 457 Plans

11/20/13	1/7/14	**ADD:** Money Market Asset Class to Core Options - Fidelity Retirement Money Market (make active)		
8/28/13	1/7/14	**ADD:** Artisan Small Cap Institutional Vanguard Target Date Fund suite **CLOSE:** Heartland Value Fund Institutional Neuberger Berman Genesis Institutional Fidelity Freedom K Funds	**MAP TO:** Huber Capital Small Cap Value Instl Class Huber Capital Small Cap Value Instl (50%) Artisan Small Cap Instl (50%) Vanguard Target Date Fund suite	
6/5/13	 POSTPONED POSTPONED	**WATCH:** Neuberger Berman Genesis Instl **ADD:** Huber Small Cap Value **CLOSE:** Heartland Value Fund Institutional	 **MAP TO:** Huber Small Cap Value	Fund action postponed to allow for all potential fund changes to be made at the same time.
N/A	3/18/13	**LIQUIDATION OPTION:** Invoked one-year "put" clock to allow possible liquidation of the Fidelity Managed Income Portfolio II Class I stable value fund		
3/6/13	3/6/13	**KEEP:** Fidelity Managed Income Portfolio II Class I **ADD:** Fidelity Retirement Money Market (restricted transactions) Monies moved from BrokerageLink back to a participant's EBMUD core investment options were defaulted to the Fidelity Managed Income Portfolio II Fund (MIP II). The MIP II implemented a 90-day equity wash. Fidelity Retirement Money Market (FRTXX) was added solely for the purpose of holding assets moving out of BrokerageLink accounts. All other transactions restricted.		
12/5/12	12/5/12	**POSTPONE:** Addition of the ICMA-RC Vantage Trust PLUS Fund and closure of the Fidelity Managed Income Portfolio II Class I		**STABLE VALUE FUND:** Table discussion of the stable value fund for the 3/6/13 meeting.
11/1/12	3/9/13	**ADD:** ICMA-RC Vantage Trust PLUS Fund **CLOSE:** Fidelity Managed Income Portfolio II	**MAP TO:** ICMA-RC Vantage Trust PLUS	
8/23/12	 11/26/12	**WATCH CONTINUED:** Heartland Value Fund Institutional **ADD:** T. Rowe Price Equity Income Fund **CLOSE:** Mutual Beacon Fund Class Z	**MAP TO:** T. Rowe Price Equity Income	**RECORDKEEPER CONTRACT:** Accepted Sub-Committee's recommendation to negotiate new contract with Fidelity Investments effective January 1, 2013

EBMUD Deferred Compensation Investment Options Activity - 2nd Quarter of 2015

401(k)	Expense Ratio	Participants	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
American Century Select Fund Institutional	N/A	0	1,218,443	1,291,764	1,300,707	1,442,072	-	-
American Funds EuroPacific Growth Fund Class R-6	0.49%	447	10,560,346	11,049,071	10,463,889	10,122,163	10,668,208	11,141,295
Artisan Small Cap Institutional	1.00%	205	2,213,859	1,922,072	1,703,737	1,755,685	1,816,001	2,327,472
Dodge & Cox Stock Fund	0.52%	362	13,117,255	13,832,154	14,106,085	14,323,409	13,633,586	13,035,211
Fidelity Balanced Fund - Class K	0.46%	296	11,029,081	11,463,452	11,518,134	11,759,385	12,097,125	12,308,845
Fidelity Blue Chip Growth Fund - Class K	0.68%	599	20,098,430	20,723,685	21,181,259	22,530,567	25,675,770	25,913,062
Fidelity Retirement Money Market	0.42%	47	591,691	644,503	510,065	592,313	606,400	785,677
Hotchkis & Wiley Mid-Cap Value Fund Class I	1.01%	268	8,158,966	9,166,923	8,879,582	9,363,696	9,421,700	8,666,058
Huber Small Cap Value Institutional	1.35%	386	11,763,986	11,975,070	10,599,515	10,154,270	9,397,101	9,242,353
Managed Income Portfolio II - Class 1	N/A	0	18,676,298	18,684,484	18,851,014	18,996,986	18,106,392	-
Morgan Stanley Institutional Mid-Cap Growth - Class I	0.75%	221	5,899,004	5,818,477	5,440,726	5,267,620	5,201,814	5,067,063
PIMCO Total Return Fund Institutional Class	N/A	0	12,920,511	13,280,926	13,112,867	12,697,876	-	-
Scout Core Plus Bond	0.40%	333	-	-	-	-	12,178,264	12,107,634
T Rowe Price Equity Income Fund	0.66%	189	4,997,372	5,252,642	5,150,008	5,283,307	5,098,643	4,984,312
T Rowe Price Stable Value Common Trust - Class A	0.31%	376	-	-	-	-	-	18,149,043
Vanguard Target Retirement 2010	0.16%	63	3,332,729	3,225,671	3,580,912	3,668,555	3,628,391	3,530,609
Vanguard Target Retirement 2015	0.16%	87	6,043,089	6,374,983	6,564,144	6,548,244	7,026,395	6,307,084
Vanguard Target Retirement 2020	0.16%	212	14,482,752	15,230,533	15,280,631	15,989,622	16,686,803	16,713,370
Vanguard Target Retirement 2025	0.17%	108	3,579,270	3,852,115	4,312,102	4,546,530	5,074,976	5,326,151
Vanguard Target Retirement 2030	0.17%	143	4,597,446	4,846,583	4,924,074	5,221,302	5,616,318	5,670,612
Vanguard Target Retirement 2035	0.18%	83	1,231,768	1,509,503	1,536,592	1,599,192	1,823,025	1,931,977
Vanguard Target Retirement 2040	0.18%	119	3,034,273	3,251,984	3,166,574	3,336,084	3,747,113	3,838,653
Vanguard Target Retirement 2045	0.18%	55	758,212	816,245	822,283	910,724	1,111,326	1,204,651
Vanguard Target Retirement 2050	0.18%	48	680,058	741,353	824,869	873,513	1,050,691	1,121,411
Vanguard Target Retirement 2055	0.18%	24	48,024	61,699	72,923	82,335	122,370	134,179
Vanguard Target Retirement 2060	0.18%	11	5,926	14,878	17,060	24,756	28,776	32,584
Vanguard Target Retirement Income	0.16%	40	1,098,550	1,177,314	1,040,685	1,070,424	925,547	864,497
ALL VANGUARD TARGET RET FUNDS *		**993**	**38,892,097**	**41,102,860**	**42,142,848**	**43,871,283**	**46,841,731**	**46,675,778**
Vanguard Institutional Index I	0.04%	619	28,892,952	30,258,860	30,526,256	32,504,607	33,668,640	33,786,879
Vanguard Total Bond Market Index Admiral	0.07%	80	870,846	1,010,131	1,074,312	1,321,415	1,417,967	1,536,830
Vanguard Total International Stock Index Admiral	0.14%	48	523,871	5,111,721	636,148	536,785	578,181	709,124
Vanguard Wellesley Income Fund Admiral	0.18%	153	4,980,975	667,000	5,016,324	5,382,838	5,625,994	5,412,711
BrokerageLink® Accounts	various	193	21,199,585	21,205,569	20,474,859	21,036,471	21,430,952	21,650,628
Total		**5815**	**216,605,570**	**224,461,364**	**222,688,335**	**228,942,750**	**233,464,470**	**233,499,976**
Dollar Change			4,354,908	7,855,794	(1,773,029)	6,254,415	4,521,720	35,506
Percentage Change			2.05%	3.63%	-0.79%	2.81%	1.98%	0.02%
Total Participants			1,651	1,664	1,666	1,690	1,705	1,717
Roth 401(k)		256	4,662,492	4,999,810	5,117,691	5,446,374	5,801,706	5,965,605
401(k) Loans		469	4,713,100	4,775,246	4,774,193	4,968,511	4,873,354	5,016,438
401(k) Hardship / Safe Harbor Withdrawals		1	44,982	55,794	5,213	73,750	37,118	11,562
Revenue Share Funds								

EBMUD Deferred Compensation Investment Options Activity - 2nd Quarter of 2015

457 Plan	Expense Ratio	Participants	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
American Century Select Fund Institutional	N/A	0	1,308,310	1,345,025	1,425,825	1,526,976	-	-
American Funds EuroPacific Growth Fund Class R-6	0.49%	173	3,111,372	3,206,035	3,063,001	3,031,860	3,348,975	3,483,564
Artisan Small Cap Institutional	1.00%	101	953,337	863,241	801,579	798,477	758,907	922,490
Dodge & Cox Stock Fund	0.52%	186	5,738,569	6,188,958	6,081,904	6,209,384	5,936,867	5,762,823
Fidelity Balanced Fund - Class K	0.46%	139	3,660,103	3,779,316	3,868,090	4,043,864	4,103,109	4,156,089
Fidelity Blue Chip Growth Fund - Class K	0.68%	218	3,671,850	3,641,688	3,671,806	4,026,199	6,154,262	5,960,209
Fidelity Retirement Money Market	0.42%	19	71,152	76,359	115,635	124,236	184,413	516,000
Hotchkis & Wiley Mid-Cap Growth - Class I	1.01%	130	3,074,633	3,450,838	3,175,259	3,342,239	3,545,963	2,983,652
Huber Small Cap Value Institutional	1.35%	154	3,549,390	3,635,702	3,234,859	3,153,828	2,695,623	2,678,595
Managed Income Portfolio II - Class 1	N/A	0	8,874,316	8,809,675	9,149,086	9,293,261	9,110,454	-
Morgan Stanley Institutional Mid-Cap Growth - Class I	0.75%	117	2,107,270	2,288,350	2,254,748	2,191,382	2,248,382	2,141,220
PIMCO Total Return Fund Institutional Class	N/A	0	4,694,346	4,711,536	4,490,460	4,626,035	-	-
Scout Core Plus Bond	0.40%	154	-	-	-	-	4,720,576	4,539,946
T Rowe Price Equity Income Fund	0.66%	71	1,562,469	1,659,442	1,566,654	1,317,225	1,266,173	1,260,614
T Towe Price Stable Value Common Trust - Class A	0.31%	237	-	-	-	-	-	9,001,304
Vanguard Target Retirement 2010	0.16%	43	2,608,678	2,713,881	2,812,534	2,778,844	2,790,328	2,626,051
Vanguard Target Retirement 2015	0.16%	47	2,490,174	2,659,951	2,835,854	2,832,720	3,050,124	2,728,057
Vanguard Target Retirement 2020	0.16%	103	4,830,973	4,911,381	4,878,544	5,045,322	5,330,870	5,570,060
Vanguard Target Retirement 2025	0.17%	59	1,534,082	1,834,672	2,030,466	2,109,456	2,225,728	2,277,991
Vanguard Target Retirement 2030	0.17%	59	1,099,744	1,308,362	1,355,875	1,435,047	1,569,361	1,626,551
Vanguard Target Retirement 2035	0.18%	48	396,949	408,855	425,417	485,422	527,350	570,252
Vanguard Target Retirement 2040	0.18%	50	900,896	981,249	996,066	1,121,696	1,202,162	1,171,435
Vanguard Target Retirement 2045	0.18%	36	249,518	281,495	428,755	428,205	474,195	523,682
Vanguard Target Retirement 2050	0.18%	24	238,734	255,991	233,849	244,298	257,069	308,495
Vanguard Target Retirement 2055	0.18%	8	6,880	8,408	10,894	22,425	29,867	38,409
Vanguard Target Retirement 2060	0.18%	7	6	95	1,055	15,332	17,259	21,564
Vanguard Target Retirement Income	0.16%	27	438,148	441,011	488,238	501,249	463,329	467,464
ALL VANGUARD TARGET RET FUNDS *		511	14,794,781	15,805,351	16,497,548	17,020,017	17,937,641	17,930,011
Vanguard Institutional Index I	0.04%	214	6,992,798	7,490,275	7,595,146	7,949,118	7,951,705	7,876,993
Vanguard Total Bond Market Index Admiral	0.07%	48	350,683	398,042	480,403	553,489	531,779	575,978
Vanguard Total International Stock Index Admiral	0.14%	34	217,206	273,430	212,612	210,985	256,499	354,604
Vanguard Wellesley Income Fund Admiral	0.18%	75	2,576,716	2,724,793	2,721,048	2,810,895	3,005,554	3,023,517
BrokerageLink® Accounts	various	96	9,272,323	8,855,802	8,651,516	8,801,626	9,315,282	9,226,317
Total		**2677**	**76,581,624**	**79,203,858**	**79,057,178**	**81,031,096**	**83,072,164**	**82,393,924**
Dollar Change			1,272,682	2,622,234	(146,680)	1,973,918	2,041,068	(678,240)
Percentage Change			1.69%	3.42%	-0.19%	2.50%	2.52%	-0.82%
Total Participants			879	887	886	901	910	922
457 Hardship Withdrawals		0	26,025.00	24,265.00	-	-	56,000.00	-
Revenue Share Funds								

EBMUD Deferred Compensation Investment Options Activity - 2nd Quarter of 2015

401(a) Plan	Expense Ratio	Participants	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
American Century Select Fund Institutional	N/A	0	479,646	509,017	524,233	598,224	-	-
American Funds EuroPacific Growth Fund Class R-6	0.49%	116	2,154,368	2,242,460	2,094,881	2,088,522	2,075,698	2,339,602
Artisan Small Cap Institutional	1.00%	44	484,009	460,414	317,118	293,599	295,261	362,176
Dodge & Cox Stock Fund	0.52%	104	2,077,449	2,212,343	2,315,190	2,386,445	2,356,142	2,292,369
Fidelity Balanced Fund - Class K	0.46%	76	1,234,290	1,227,383	1,283,178	1,365,363	1,556,683	1,512,967
Fidelity Blue Chip Growth Fund - Class K	0.68%	155	2,213,693	2,344,911	2,456,889	2,506,168	3,687,009	3,832,468
Fidelity Retirement Money Market	0.42%	13	22,361	27,096	27,168	31,819	64,491	119,964
Hotchkis & Wiley Mid-Cap Value Fund Class I	1.01%	69	1,726,450	1,873,352	1,803,561	1,886,690	1,869,479	1,442,084
Huber Small Cap Value Institutional	1.35%	81	1,821,115	1,901,481	1,630,219	1,514,710	1,367,270	1,357,977
Managed Income Portfolio II - Class 1	N/A	0	1,933,479	1,872,586	1,882,620	2,055,355	2,081,596	-
Morgan Stanley Institutional Mid-Cap Growth - Class I	0.75%	63	1,482,804	1,419,658	1,351,780	1,378,698	1,167,848	1,170,638
PIMCO Total Return Fund Institutional Class	N/A	0	2,439,832	2,511,293	2,492,554	2,552,388	-	-
Scout Core Plus Bond	0.40%	106	-	-	-	-	2,911,528	2,682,936
T Rowe Price Equity Income Fund	0.66%	43	561,334	605,042	593,192	593,690	419,269	420,873
T Rowe Price Stable Value Common Trust - Class A	0.31%	79	-	-	-	-	-	2,053,150
Vanguard Target Retirement 2010	0.16%	9	309,618	333,456	522,295	532,351	533,214	522,343
Vanguard Target Retirement 2015	0.16%	19	769,810	860,268	919,990	927,034	922,912	689,669
Vanguard Target Retirement 2020	0.16%	31	1,861,708	1,845,706	1,587,146	1,642,822	1,643,748	1,504,670
Vanguard Target Retirement 2025	0.17%	27	1,315,881	1,551,586	1,536,530	1,603,812	1,400,697	1,623,928
Vanguard Target Retirement 2030	0.17%	34	618,408	662,117	715,609	755,069	799,818	724,895
Vanguard Target Retirement 2035	0.18%	30	552,208	594,163	604,670	614,574	646,007	671,012
Vanguard Target Retirement 2040	0.18%	41	734,962	783,550	783,321	835,379	890,819	954,339
Vanguard Target Retirement 2045	0.18%	27	151,383	169,433	178,064	193,680	207,618	217,185
Vanguard Target Retirement 2050	0.18%	15	108,214	116,199	120,342	128,465	139,801	145,851
Vanguard Target Retirement 2055	0.18%	3	1,267	1,129	1,655	3,371	5,716	7,950
Vanguard Target Retirement 2060	0.18%	1	-	-	-	-	-	1,009
Vanguard Target Retirement Income	0.16%	16	205,559	245,280	173,886	183,738	186,478	190,342
ALL VANGUARD TARGET RET FUNDS *		253	6,629,019	7,162,886	7,143,508	7,420,296	7,376,827	7,253,193
Vanguard Institutional Index I	0.04%	149	5,294,507	5,613,474	5,707,964	5,874,722	5,862,842	5,839,432
Vanguard Total Bond Market Index Admiral	0.07%	37	172,000	189,443	195,740	267,246	368,905	627,299
Vanguard Total International Stock Index Admiral	0.14%	23	67,956	96,226	95,695	51,994	80,120	125,547
Vanguard Wellesley Income Fund Admiral	0.18%	56	784,306	870,651	779,341	860,990	887,021	881,785
BrokerageLink® Accounts	various	39	3,722,341	3,835,132	3,813,525	3,908,385	4,009,475	4,062,413
Total		**1,506**	**35,300,960**	**36,974,847**	**36,508,356**	**37,635,304**	**38,437,463**	**38,376,869**
Dollar Change			788,078	1,673,887	(466,491)	1,126,948	802,159	(60,594)
Percentage Change			2.28%	4.74%	-1.26%	3.09%	2.13%	-0.16%
Total Participants			429	434	436	446	454	457
401(a) Loans		59	550,228	518,005	535,558	539,884	518,422	525,613
Revenue Share Funds								

EBMUD Deferred Compensation Investment Options Activity - 2nd Quarter of 2015

All Plans	Expense Ratio	Participants	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
American Century Select Fund Institutional	N/A	0	3,006,400	3,145,806	3,250,765	3,567,272	-	-
American EuroPacific Growth Fund Class R-6	0.49%	736	15,826,086	16,497,565	15,621,771	15,242,545	16,092,881	16,964,460
Artisan Small Cap Institutional	1.00%	350	3,651,205	3,245,727	2,822,434	2,847,761	2,870,169	3,612,138
Dodge & Cox Stock Fund	0.52%	652	20,933,272	22,233,455	22,503,178	22,919,238	21,926,595	21,090,403
Fidelity Balanced Fund - Class K	0.46%	511	15,923,474	16,470,151	16,669,402	17,168,611	17,756,918	17,977,900
Fidelity Blue Chip Growth Fund - Class K	0.68%	972	25,983,973	26,710,283	27,309,954	29,062,935	35,517,041	35,705,738
Fidelity Retirement Money Market	0.42%	79	685,204	747,958	652,867	748,368	855,305	1,421,641
Hotchkis & Wiley Mid-Cap Value Fund Class I	1.01%	467	12,960,049	14,491,112	13,858,402	14,592,625	14,837,142	13,091,794
Huber Small Cap Value Institutional	1.35%	621	17,134,491	17,512,253	15,464,594	14,822,808	13,459,994	13,278,925
Managed Income Portfolio II - Class 1	N/A	0	29,484,094	29,366,745	29,882,720	30,345,602	29,298,442	-
Morgan Stanley Institutional Mid-Cap Growth - Class I	0.75%	401	9,489,078	9,526,485	9,047,254	8,837,699	8,618,044	8,378,921
PIMCO Total Return Fund Institutional Class	N/A	0	20,054,689	20,503,755	20,095,881	19,876,299	-	-
Scout Core Plus Bond	0.40%	593	-	-	-	-	19,810,367	19,330,516
T Rowe Price Equity Income Fund	0.66%	303	7,121,175	7,517,126	7,309,854	7,194,223	6,784,084	6,665,799
T Rowe Price Stable Value Common Trust - Class A	0.31%	692	-	-	-	-	-	29,203,497
Vanguard Target Retirement 2010	0.16%	115	6,251,025	6,273,008	6,915,742	6,979,750	6,951,934	6,679,003
Vanguard Target Retirement 2015	0.16%	153	9,303,073	9,895,202	10,319,988	10,307,998	10,999,430	9,724,811
Vanguard Target Retirement 2020	0.16%	346	21,175,433	21,987,619	21,746,321	22,677,766	23,661,420	23,788,100
Vanguard Target Retirement 2025	0.17%	194	6,429,233	7,238,372	7,879,098	8,259,799	8,701,401	9,228,071
Vanguard Target Retirement 2030	0.17%	236	6,315,597	6,817,061	6,995,558	7,411,419	7,985,497	8,022,058
Vanguard Target Retirement 2035	0.18%	161	2,180,925	2,512,520	2,566,680	2,699,189	2,996,383	3,173,241
Vanguard Target Retirement 2040	0.18%	210	4,670,131	5,016,782	4,945,961	5,293,159	5,840,094	5,964,426
Vanguard Target Retirement 2045	0.18%	118	1,159,114	1,267,174	1,429,102	1,532,610	1,793,139	1,945,518
Vanguard Target Retirement 2050	0.18%	87	1,027,007	1,113,543	1,179,059	1,246,277	1,447,561	1,575,758
Vanguard Target Retirement 2055	0.18%	35	56,170	71,236	85,472	108,130	157,953	180,538
Vanguard Target Retirement 2060	0.18%	19	5,932	14,973	18,115	40,088	46,035	55,156
Vanguard Target Retirement Income	0.16%	83	1,742,258	1,863,605	1,702,808	1,755,411	1,575,354	1,522,303
ALL VANGUARD TARGET FUNDS *		1757	60,315,898	64,071,097	65,783,905	68,311,597	72,156,199	71,858,983
Vanguard Institutional Index I	0.04%	982	41,180,257	43,362,610	43,829,366	46,328,446	47,483,187	47,503,304
Vanguard Total Bond Market Index Admiral	0.07%	165	1,393,528	1,597,616	1,750,455	2,142,150	2,318,652	2,740,106
Vanguard Total International Stock Index Admiral	0.14%	105	809,034	5,481,378	944,455	799,765	914,800	1,189,274
Vanguard Wellesley Income Fund Admiral	0.18%	284	8,341,997	4,262,444	8,516,713	9,054,723	9,518,569	9,318,014
BrokerageLink® Accounts	various	328	34,194,249	33,896,503	32,939,900	33,746,482	34,755,708	34,939,357
Grand Total		**9,998**	**328,488,153**	**340,640,068**	**338,253,869**	**347,609,149**	**354,974,097**	**354,270,769**
Dollar Change			6,415,668	12,151,915	(2,386,200)	9,355,281	7,364,948	(703,327)
Percentage Change			1.99%	3.70%	-0.70%	2.77%	2.12%	-0.20%
Total Participants			2,959	2,985	2,988	3,037	3,069	3,096
Revenue Share Funds								

East Bay MUD

457, 401(a), and 401(k) Retirement Plans

Second Quarter 2015 Performance Report

HYAS GROUP

TABLE OF CONTENTS

Section 1 Market Overview

Section 2 457 Plan Review

Section 3 401(a) Plan Review

Section 4 401(k) Plan Review

Section 5 Investment Performance Review

Section 6 457 Cost & Revenue Analysis

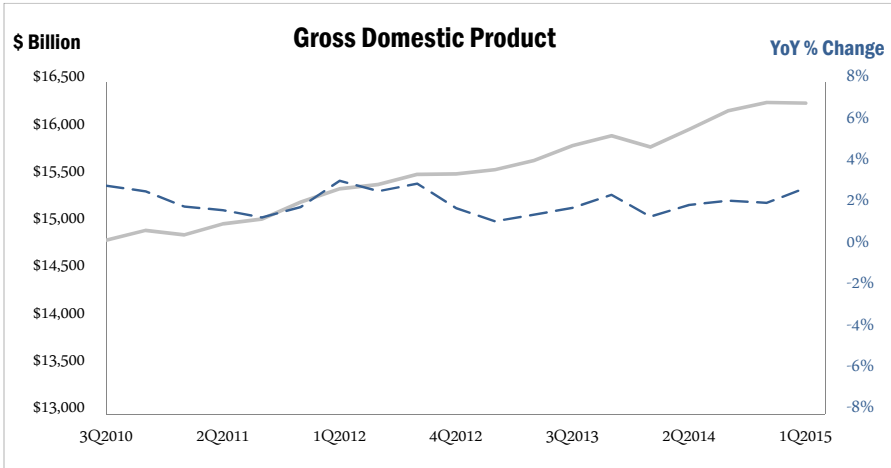
Section 7 401(a) Cost & Revenue Analysis

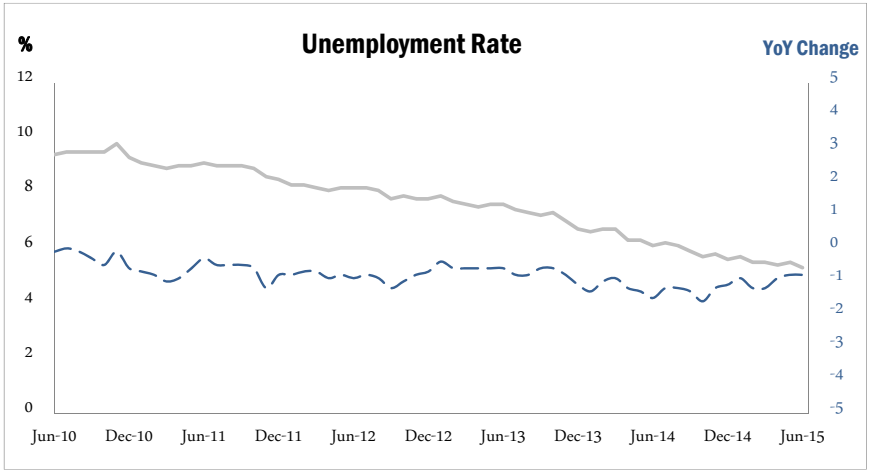
Section 8 401(k) Cost & Revenue Analysis

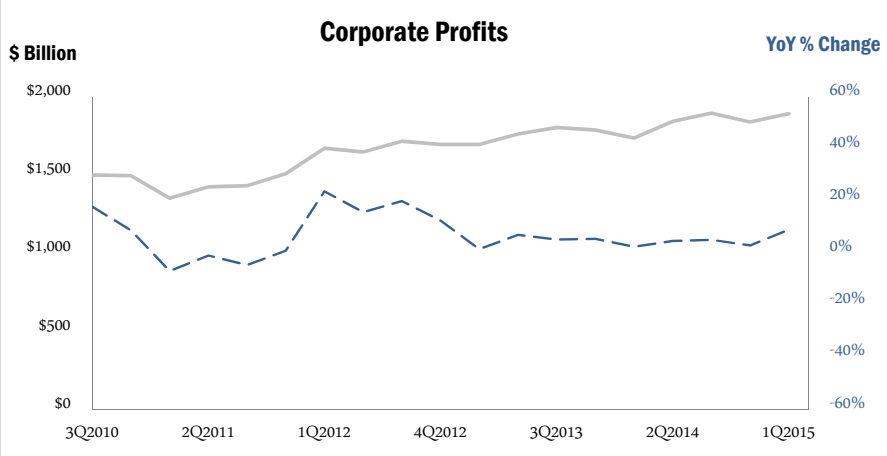
Section 9 Fund Attributions

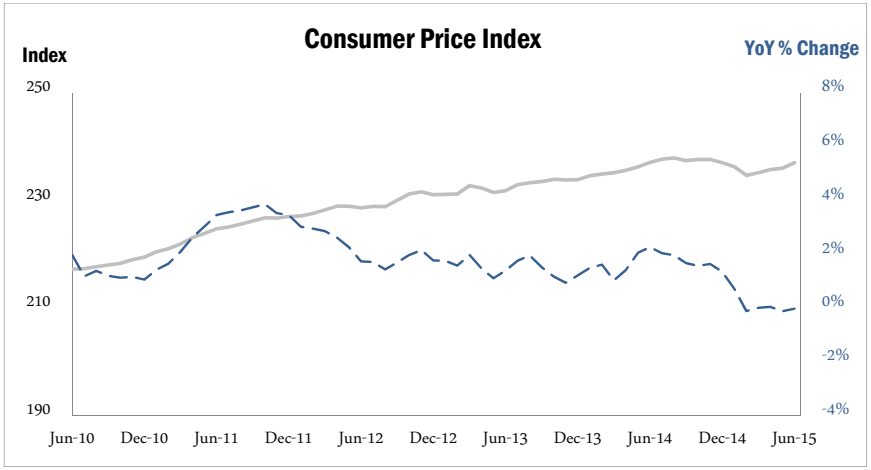
Section 1

2Q2015 Economic Data









Labor Market Statistics (Monthly)

Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	223,000	423,000	-64,000	189,950	Jun-15
Unemployment Rate	5.3%	9.8%	5.3%	7.6%	Jun-15
Median Unemployment Length (Weeks)	9.4	24.3	9.4	17.7	Jun-15
Average Hourly Earnings	$24.95	$24.95	$22.60	$23.75	Jun-15

Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

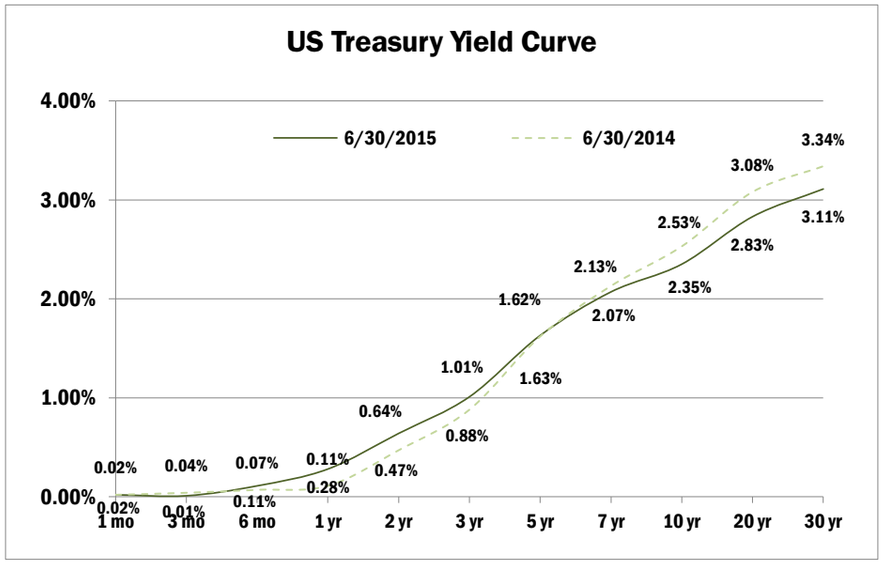
Other Prices and Indexes (Monthly)

Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	$2.78	$3.90	$2.14	-28.6%	Jun-15
Spot Oil	$59.27	$109.53	$47.22	-45.9%	May-15
Case-Shiller Home Price Index	179.9	179.9	136.9	31.4%*	Apr-15
Medical Care CPI	446.8	446.8	388.1	15.1%*	May-15

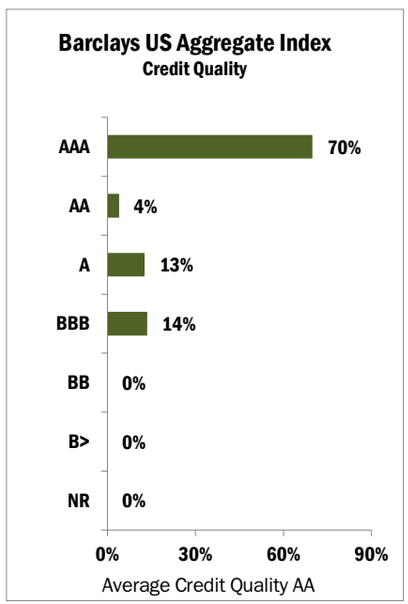
**% Off Low*

2Q2015 Bond Market Data

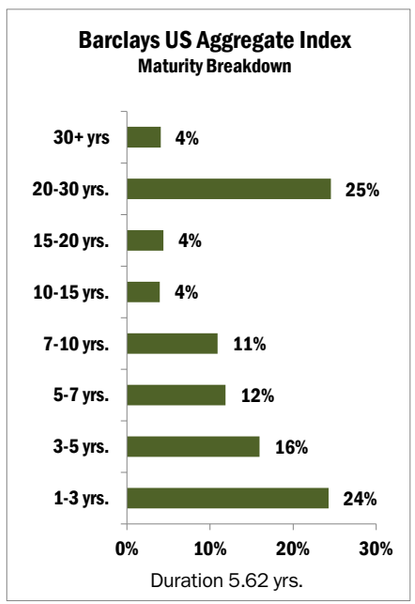
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.01%	0.02%	0.03%	0.07%	0.08%	1.37%
Barclays US Aggregate	-1.68%	-0.10%	1.86%	1.83%	3.35%	4.44%
Barclays Short US Treasury	0.05%	0.09%	0.12%	0.14%	0.17%	1.57%
Barclays Int. US Treasury	-0.47%	0.81%	1.81%	0.88%	2.14%	3.71%
Barclays Long US Treasury	-8.30%	-4.67%	6.33%	1.17%	6.24%	6.18%
Barclays US TIPS	-1.06%	0.34%	-1.73%	-0.76%	3.29%	4.13%
Barclays US Credit	-2.88%	-0.78%	0.93%	3.03%	4.93%	5.12%
Barclays US Mortgage-Backed	-0.74%	0.31%	2.28%	1.92%	2.89%	4.56%
Barclays US Asset-Backed	0.17%	1.08%	1.64%	1.38%	2.48%	3.32%
Barclays US High Yield	0.00%	2.53%	-0.40%	6.81%	8.61%	7.89%
Barclays Global	-1.18%	-3.08%	-7.09%	-0.81%	2.07%	3.54%
Barclays International	-0.83%	-5.43%	-13.19%	-2.83%	1.08%	2.83%
Barclays Emerging Market	0.45%	2.76%	0.20%	4.41%	6.82%	7.58%



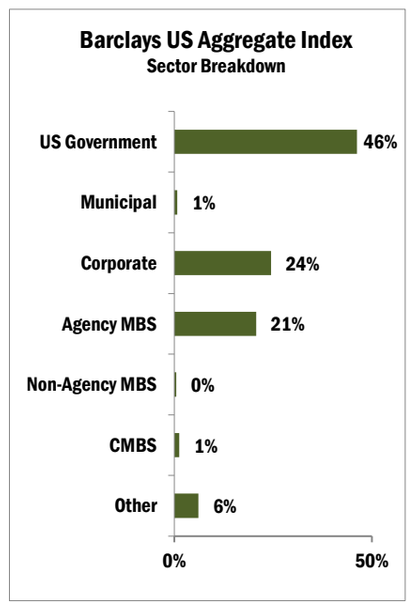
Source: Department of US Treasury



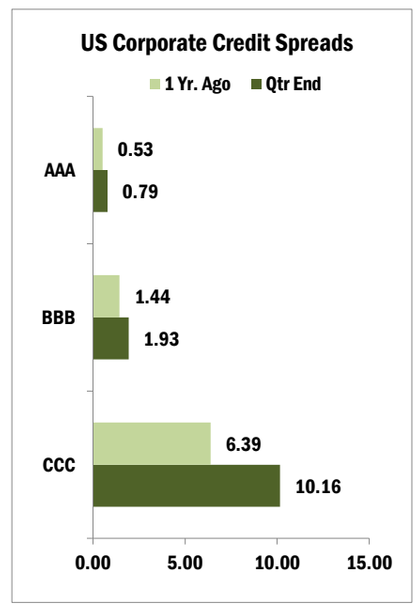
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

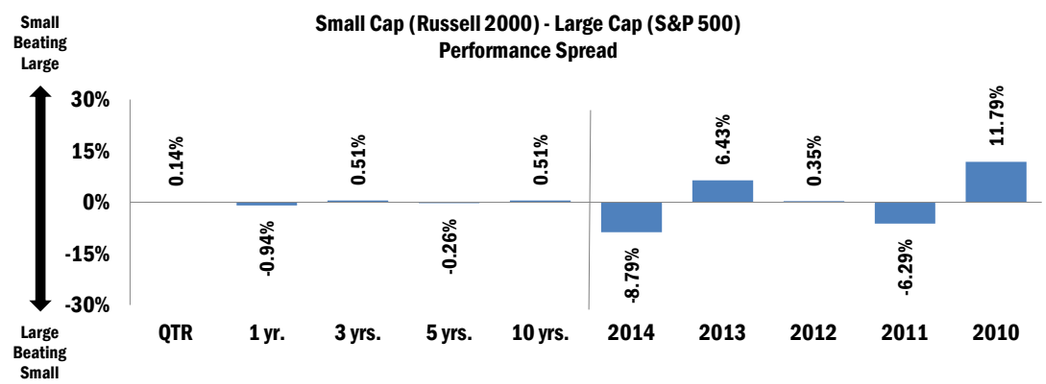
2Q2015 US Equity Market Data

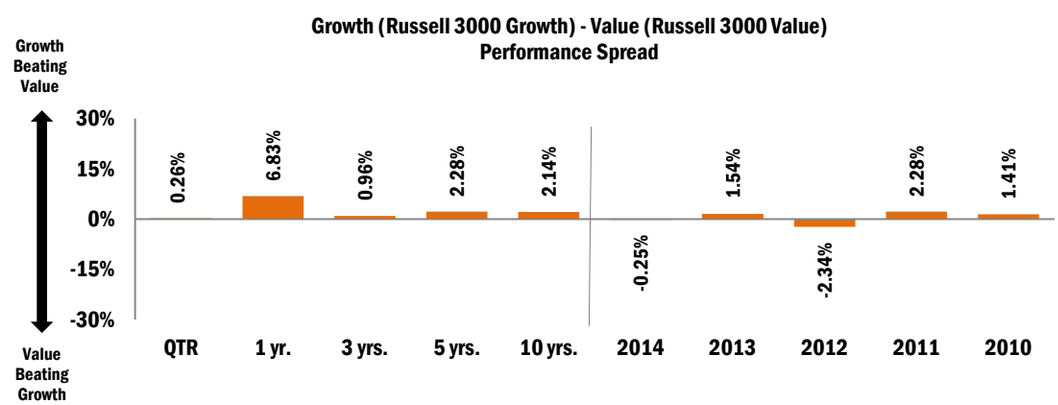
Sectors Weights/Returns (ranked by quarter performance)

	Wgt.	Sector	QTR	1 Yr.
S&P 500 Index	15%	Health Care	2.84%	24.17%
	13%	Consumer Discretionary	1.92%	16.45%
	17%	Financials	1.72%	9.34%
	2%	Telecom Services	1.59%	1.89%
	20%	Information Technology	0.19%	11.10%
	3%	Materials	-0.48%	-1.08%
	9%	Consumer Staples	-1.74%	9.41%
	8%	Energy	-1.88%	-22.20%
	10%	Industrials	-2.23%	2.37%
	3%	Utilities	-5.80%	-2.90%
	Wgt.	**Sector**	**QTR**	**1 Yr.**
S&P Midcap 400 Index	9%	Health Care	2.93%	33.04%
	0%	Telecom Services	0.74%	2.15%
	17%	Information Technology	0.60%	11.16%
	14%	Consumer Discretionary	0.60%	13.57%
	24%	Financials	-0.94%	10.56%
	16%	Industrials	-2.57%	-0.93%
	4%	Energy	-2.76%	-34.79%
	4%	Consumer Staples	-3.60%	13.64%
	7%	Materials	-3.86%	-4.19%
	4%	Utilities	-6.75%	-9.72%
	Wgt.	**Sector**	**QTR**	**1 Yr.**
S&P Smallcap 600 Index	3%	Consumer Staples	4.34%	11.62%
	14%	Health Care	3.59%	29.55%
	1%	Telecom Services	1.76%	3.07%
	23%	Financials	1.15%	9.00%
	16%	Consumer Discretionary	0.97%	15.58%
	16%	Information Technology	-0.40%	11.95%
	16%	Industrials	-0.60%	4.88%
	5%	Materials	-4.12%	-14.11%
	3%	Energy	-5.08%	-51.14%
	3%	Utilities	-7.64%	0.79%

Index Performance Data

				Annualized		
Index	**QTR**	**YTD**	**1 yr.**	**3 yrs.**	**5 yrs.**	**10 yrs.**
S&P 500	0.28%	1.23%	7.42%	17.31%	17.34%	7.89%
Russell 1000 Value	0.11%	-0.61%	4.13%	17.34%	16.50%	7.05%
Russell 1000 Growth	0.12%	3.96%	10.56%	17.99%	18.59%	9.10%
Russell Mid Cap	-1.54%	2.35%	6.63%	19.26%	18.23%	9.40%
Russell Mid Cap Value	-1.97%	0.41%	3.67%	19.13%	17.73%	8.89%
Russell Mid Cap Growth	-1.14%	4.18%	9.45%	19.24%	18.69%	9.69%
Russell 2000	0.42%	4.75%	6.49%	17.81%	17.08%	8.40%
Russell 2000 Value	-1.20%	0.76%	0.78%	15.50%	14.81%	6.87%
Russell 2000 Growth	1.98%	8.74%	12.34%	20.11%	19.33%	9.86%
Russell 3000	0.14%	1.94%	7.29%	17.73%	17.54%	8.15%
DJ US Select REIT	-10.00%	-5.75%	5.22%	8.67%	14.43%	6.78%



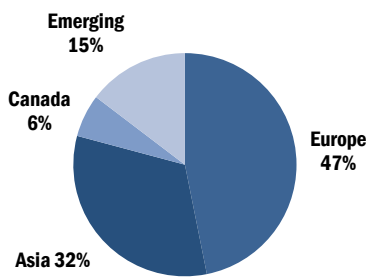


2Q2015 International Market Data

Index Performance Data (net)

Index (US$)	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	**0.53%**	**4.03%**	**-5.26%**	**9.44%**	**7.76%**	**5.54%**
MSCI EAFE	**0.62%**	**5.52%**	**-4.22%**	**11.97%**	**9.54%**	**5.12%**
Europe	**0.36%**	**3.82%**	**-7.65%**	**12.37%**	**10.02%**	**5.03%**
United Kingdom	2.99%	2.00%	-8.24%	9.10%	10.68%	4.71%
Germany	-5.59%	2.23%	-9.54%	14.17%	10.52%	7.17%
France	0.31%	5.02%	-9.61%	12.39%	8.18%	3.71%
Pacific	**1.14%**	**8.84%**	**2.70%**	**11.22%**	**8.80%**	**5.39%**
Japan	3.09%	13.62%	8.31%	13.30%	8.80%	4.23%
Hong Kong	5.56%	11.90%	12.39%	15.81%	12.44%	10.07%
Australia	-6.19%	-3.28%	-14.19%	4.72%	7.50%	6.88%
Canada	**-0.92%**	**-6.91%**	**-15.32%**	**3.52%**	**3.83%**	**6.04%**
MSCI EM	**0.69%**	**2.95%**	**-5.12%**	**3.71%**	**3.68%**	**8.11%**
MSCI EM Latin America	**3.51%**	**-6.38%**	**-23.41%**	**-8.08%**	**-4.39%**	**7.45%**
MSCI EM Asia	**-0.15%**	**5.07%**	**3.14%**	**8.96%**	**6.79%**	**9.29%**
MSCI EM Eur/Mid East	**4.40%**	**5.30%**	**-23.31%**	**-5.84%**	**-2.41%**	**1.66%**
MSCI ACWI Value ex-US	**0.47%**	**2.62%**	**-8.44%**	**8.68%**	**6.99%**	**5.02%**
MSCI ACWI Growth ex-US	**0.59%**	**5.40%**	**-2.06%**	**10.16%**	**8.48%**	**6.02%**
MSCI AC World Sm Cap ex-US	**4.22%**	**8.32%**	**-3.07%**	**12.32%**	**9.72%**	**7.39%**

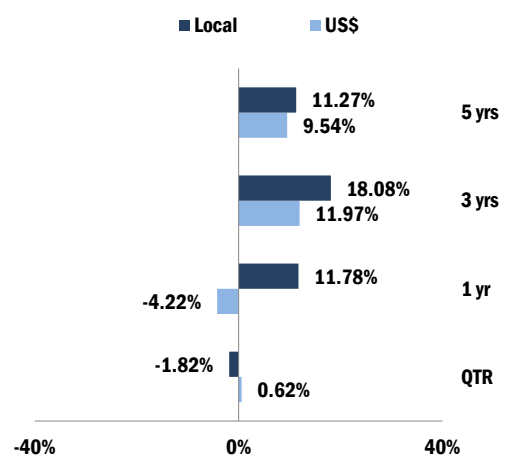
Regional Exposure
MSCI ACWI ex-USA



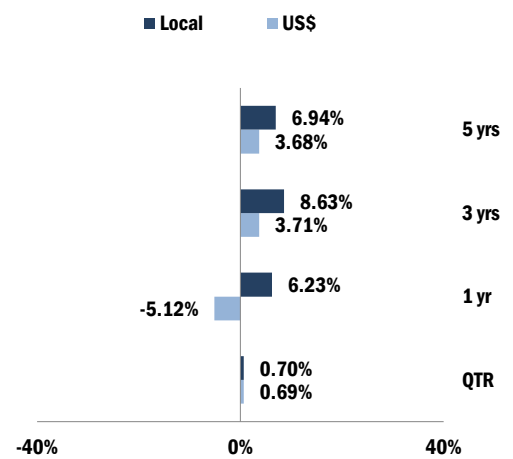
Top 10 Countries (MSCI AC World ex-USA)

Japan	17%
UK	13%
France	7%
Canada	7%
Germany	7%
Switzerland	6%
China	5%
Australia	5%
South Korea	3%
Hong Kong	3%

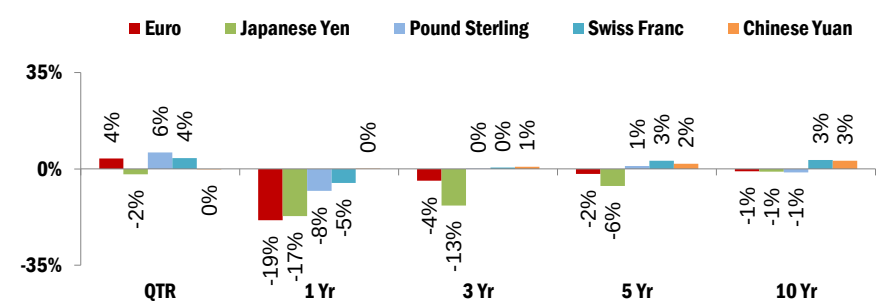
MSCI EAFE Index Return



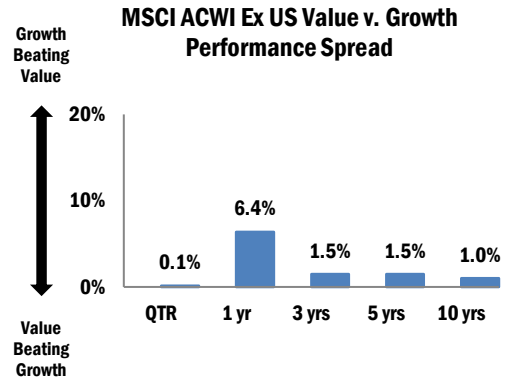
MSCI Emerging Index Return



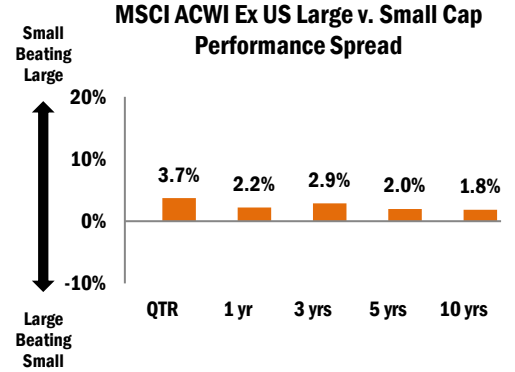
Foreign Currency v. US$ Returns



MSCI ACWI Ex US Value v. Growth Performance Spread



MSCI ACWI Ex US Large v. Small Cap Performance Spread



Exchange Rates	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Japanese Yen	122.10	119.96	119.85	109.66	101.28	102.98
Euro	0.90	0.93	0.83	0.79	0.73	0.73
British Pound	0.64	0.67	0.64	0.62	0.58	0.60
Swiss Franc	0.93	0.97	0.99	0.96	0.89	0.88
Chinese Yuan	6.20	6.20	6.20	6.14	6.20	6.22

Historical Market Returns

Ranked by Performance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD	2Q15
US Bonds 8.44%	Commod. 25.91%	Emerging Markets 55.82%	Emerging Markets 25.55%	Emerging Markets 34.00%	Emerging Markets 32.14%	Emerging Markets 39.42%	US Bonds 5.24%	Emerging Markets 78.51%	Small Cap 26.85%	Core Real Estate 14.96%	Emerging Markets 18.22%	Small Cap 38.82%	Large Cap 13.68%	Core Real Estate 6.84%	Commod. 4.66%
TIPS 7.90%	TIPS 16.57%	Small Cap 47.25%	Intl 20.91%	Commod. 21.36%	Intl 26.65%	Intl 16.65%	Global Bonds 4.79%	High Yield 58.21%	Mid Cap 25.48%	TIPS 13.56%	Mid Cap 17.28%	Mid Cap 34.76%	Mid Cap 13.21%	Small Cap 4.75%	Core Real Estate 3.58%
High Yield 5.28%	Global Bonds 16.52%	Intl 40.83%	Mid Cap 20.22%	Core Real Estate 20.15%	Small Cap 18.37%	Commod. 16.23%	Cash 1.39%	Intl 41.45%	Emerging Markets 18.88%	US Bonds 7.84%	Intl 16.83%	Large Cap 32.39%	Core Real Estate 11.44%	Intl 4.03%	Emerging Markets 0.69%
Core Real Estate 4.61%	US Bonds 10.26%	Mid Cap 40.06%	Small Cap 18.33%	Intl 16.62%	Large Cap 15.79%	Core Real Estate 14.84%	TIPS -2.35%	Mid Cap 40.48%	Commod. 16.83%	Global Bonds 5.64%	Small Cap 16.35%	Intl 15.29%	US Bonds 5.97%	Emerging Markets 2.95%	Intl 0.53%
Cash 3.34%	Core Real Estate 4.58%	High Yield 28.97%	Global Balanced 12.18%	Mid Cap 12.65%	Core Real Estate 15.27%	TIPS 11.64%	Core Real Estate -10.70%	Small Cap 27.17%	Core Real Estate 15.26%	High Yield 4.98%	Large Cap 16.00%	Global Balanced 14.46%	Small Cap 4.89%	High Yield 2.53%	Small Cap 0.42%
Small Cap 2.49%	Cash 1.63%	Large Cap 28.68%	Core Real Estate 12.00%	Large Cap 4.91%	Mid Cap 15.26%	Global Bonds 9.48%	Global Balanced -24.51%	Large Cap 26.46%	High Yield 15.12%	Large Cap 2.11%	High Yield 15.81%	Core Real Estate 12.95%	TIPS 3.64%	Mid Cap 2.35%	Large Cap 0.28%
Global Bonds 1.57%	High Yield -1.41%	Global Balanced 24.27%	High Yield 11.13%	Small Cap 4.55%	Global Balanced 14.53%	Global Balanced 9.07%	High Yield -26.16%	Global Balanced 20.49%	Large Cap 15.06%	Cash 0.06%	Global Balanced 11.06%	High Yield 7.44%	Global Balanced 3.17%	Large Cap 1.23%	Cash 0.01%
Emerging Markets -2.62%	Emerging Markets -6.17%	Commod. 23.93%	Large Cap 10.88%	Global Balanced 4.16%	High Yield 11.85%	US Bonds 6.97%	Small Cap -33.79%	Commod. 18.91%	Intl 11.15%	Global Balanced -0.97%	Core Real Estate 9.76%	Cash 0.07%	High Yield 2.45%	Global Balanced 0.49%	High Yield 0.00%
Mid Cap -5.62%	Global Balanced -6.58%	Global Bonds 12.51%	Global Bonds 9.27%	Cash 3.25%	Global Bonds 6.64%	Mid Cap 5.60%	Commod. -35.65%	TIPS 11.41%	Global Balanced 9.40%	Mid Cap -1.55%	TIPS 6.98%	US Bonds -2.02%	Global Bonds 0.59%	TIPS 0.34%	Global Balanced -0.22%
Global Balanced -9.04%	Intl -14.95%	TIPS 8.40%	Commod. 9.15%	TIPS 2.84%	Cash 4.85%	Large Cap 5.49%	Large Cap -37.00%	Global Bonds 6.93%	US Bonds 6.54%	Small Cap -4.18%	Global Bonds 4.32%	Global Bonds -2.60%	Cash 0.04%	Cash 0.02%	TIPS -1.06%
Large Cap -11.89%	Mid Cap -16.19%	Core Real Estate 8.28%	TIPS 8.46%	High Yield 2.74%	US Bonds 4.33%	Cash 4.44%	Mid Cap -41.46%	US Bonds 5.93%	TIPS 6.31%	Commod. -13.32%	US Bonds 4.21%	Emerging Markets -2.60%	Emerging Markets -2.18%	US Bonds -0.10%	Global Bonds -1.17%
Commod. -19.51%	Small Cap -20.48%	US Bonds 4.10%	US Bonds 4.34%	US Bonds 2.43%	Commod. 2.07%	High Yield 1.87%	Intl -45.53%	Cash 0.16%	Global Bonds 5.54%	Intl -13.71%	Cash 0.08%	TIPS -8.61%	Intl -3.86%	Commod. -1.56%	Mid Cap -1.53%
Intl -19.73%	Large Cap -22.10%	Cash 1.03%	Cash 1.44%	Global Bonds -4.49%	TIPS 0.41%	Small Cap -1.57%	Emerging Markets -53.33%	Core Real Estate -30.40%	Cash 0.15%	Emerging Markets -18.42%	Commod. -1.06%	Commod. -9.52%	Commod. -17.00%	Global Bonds -3.07%	US Bonds -1.68%

Global Balanced is composed of 60% MSCI World Stock Index, 35% Barclays Global Aggregate Bond Index, and 5% US 90-Day T-Bills.

Section 2

East Bay MUD
457 Retirement Plan

PLAN ASSET ALLOCATION
Second Quarter 2015

Fixed Income	Ticker	Assets	%
T. Rowe Price Stable Value	-	$9,001,304	10.9%
Scout Core Plus Bond	SCPZX	$4,539,946	5.5%
Vanguard Total Bond Market Index Adm	VBTLX	$575,978	0.7%
Total		**$14,117,228**	**17.1%**

Large Cap	Ticker	Assets	%
Dodge & Cox Stock	DODGX	$5,762,823	7.0%
T. Rowe Price Equity Income	PRFDX	$1,260,614	1.5%
Vanguard Institutional Index I	VINIX	$7,876,993	9.6%
Fidelity Blue Chip Growth K	FBGKX	$5,960,209	7.2%
Total		**$20,860,638**	**25.3%**

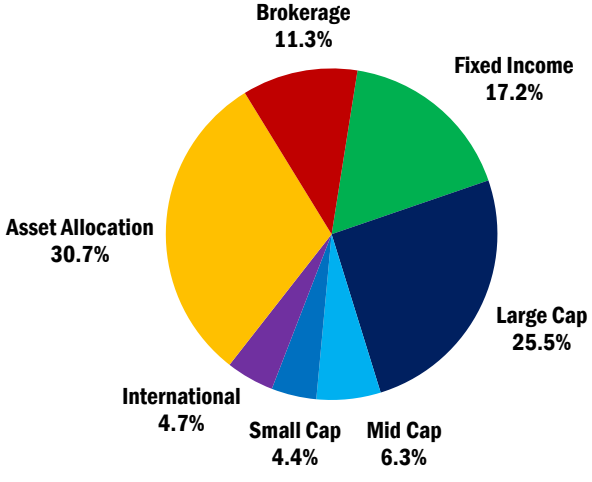
Mid Cap	Ticker	Assets	%
Hotchkis & Wiley Mid-Cap Value I	HWMIX	$2,983,652	3.6%
Morgan Stanley Inst Mid-Cap Growth I	MPEGX	$2,141,220	2.6%
Total		**$5,124,872**	**6.2%**

Small Cap	Ticker	Assets	%
Artisan Small Cap IS	APHSX	$922,490	1.1%
Huber Small Cap Value IS	HUSEX	$2,678,595	3.3%
Total		**$3,601,085**	**4.4%**

International	Ticker	Assets	%
American Funds EuroPacific Gr R6	RERGX	$3,483,564	4.2%
Vanguard Total Intl Stock Index Adm	VTIAX	$354,604	0.4%
Total		**$3,838,168**	**4.7%**

Asset Allocation	Ticker	Assets	%
Fidelity Balanced K	FBAKX	$4,156,089	5.0%
Vanguard Wellesley Income Adm	VWIAX	$3,023,517	3.7%
Vanguard Target Retirement Income	VTINX	$467,464	0.6%
Vanguard Target Retirement 2010	VTENX	$2,629,051	3.2%
Vanguard Target Retirement 2015	VTXVX	$2,728,057	3.3%
Vanguard Target Retirement 2020	VTWNX	$5,570,060	6.8%
Vanguard Target Retirement 2025	VTTVX	$2,277,991	2.8%
Vanguard Target Retirement 2030	VTHRX	$1,629,551	2.0%
Vanguard Target Retirement 2035	VTTHX	$570,252	0.7%
Vanguard Target Retirement 2040	VFORX	$1,171,435	1.4%
Vanguard Target Retirement 2045	VTIVX	$523,682	0.6%
Vanguard Target Retirement 2050	VFIFX	$308,495	0.4%
Vanguard Target Retirement 2055	VFFVX	$38,409	0.0%
Vanguard Target Retirement 2060	VTTSX	$21,564	0.0%
Total		**$25,115,617**	**30.5%**
Brokerage Assets		**$9,226,317**	**11.2%**
Fidelity Retiree Money Market		**$516,000**	**0.6%**
Total		**$82,399,924**	**100.0%**

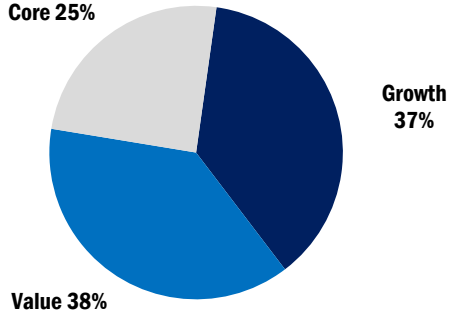
PLAN COMPOSITION



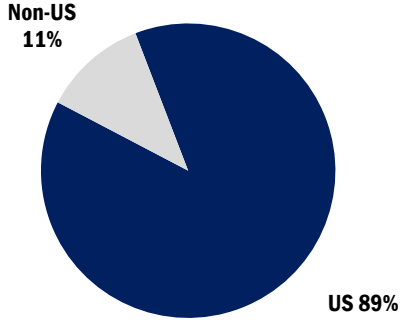
HISTORICAL PLAN ALLOCATION

Asset Class	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Fixed Income	17.2%	17.3%	17.9%	17.9%	17.6%	18.2%	18.8%	20.7%
Large Cap	25.5%	25.7%	26.0%	25.8%	25.7%	25.2%	25.4%	24.4%
Mid Cap	6.3%	7.0%	6.8%	6.9%	7.3%	6.8%	6.4%	5.9%
Small Cap	4.4%	4.2%	4.9%	5.1%	5.7%	5.9%	6.1%	5.9%
International	4.7%	4.3%	4.0%	4.1%	4.4%	4.4%	4.2%	4.2%
Asset Allocation	30.7%	30.2%	29.5%	29.2%	28.2%	27.5%	27.3%	27.5%
Brokerage	11.3%	11.2%	10.9%	11.0%	11.2%	12.1%	11.9%	11.3%
Total	100%	100%	100%	100%	100%	100%	100%	100.0%

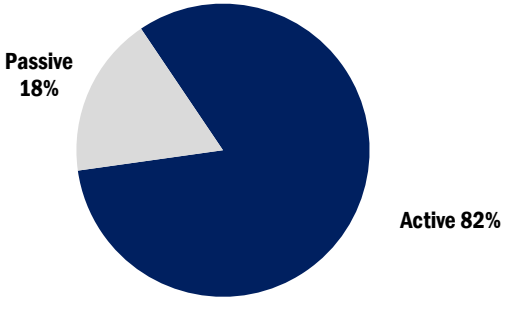
By Equity Style*



By Equity Region*

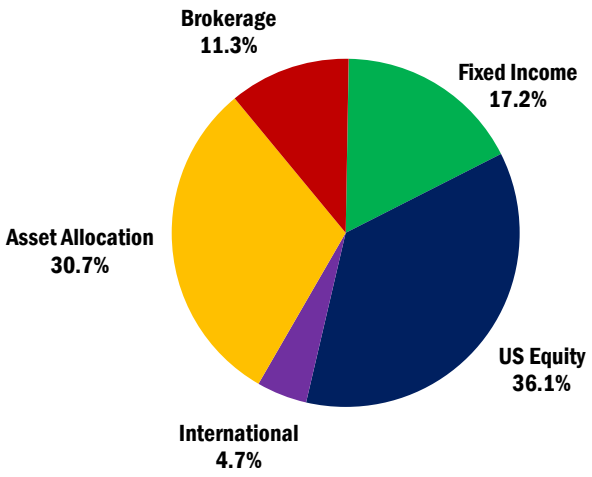


By Investment Type **



*Excludes Fixed Income, Asset Allocation, and Brokerage assets
**Excludes Asset Allocation and Brokerage assets

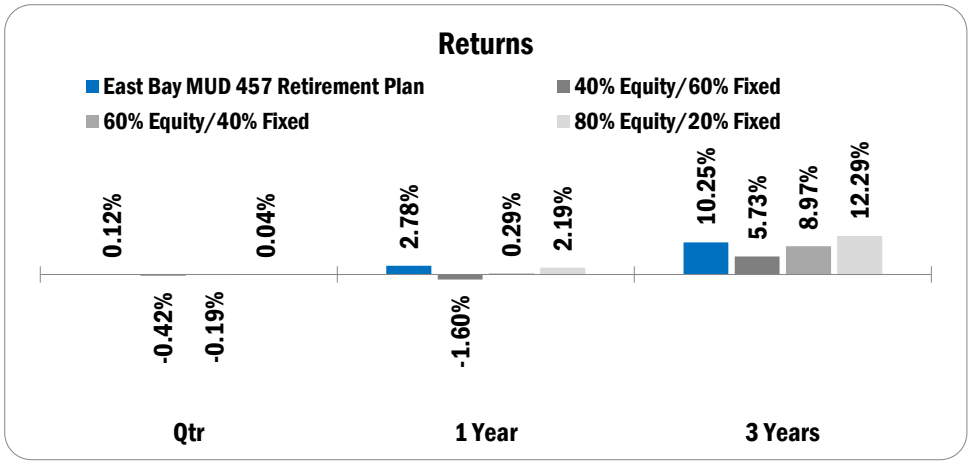
BROAD PLAN ALLOCATION



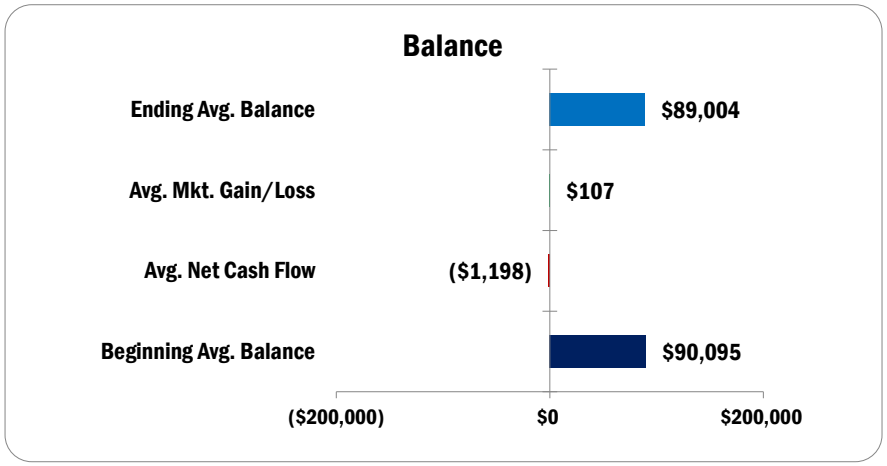
PLAN LEVEL CASH-FLOW

Asset Class	Beginning Market Value	Net Cash Flow	Market Gain/(Loss)	Ending Market Value	Estimated Qtr Return
Fixed Income	$14,362,809	($263,738)	$18,157	$14,117,228	0.13%
Large Cap	$21,309,007	($647,675)	$199,306	$20,860,638	0.95%
Mid Cap	$5,794,346	($615,737)	($53,736)	$5,124,872	-0.98%
Small Cap	$3,454,530	$38,696	$107,858	$3,601,085	3.10%
International	$3,605,474	$194,638	$38,055	$3,838,168	1.03%
Asset Allocation	$25,046,304	$213,043	($143,730)	$25,115,617	-0.57%
Brokerage	$9,315,282	($21,340)	($67,625)	$9,226,317	-0.73%
Total	$82,887,751	($1,102,113)	$98,286	$81,883,924	0.12%

PLAN LEVEL RETURN



AVERAGE PARTICIPANT BALANCE



Equity Indices: Russell 3000, MSCI ACWI ex USA; Fixed Indices: US Treasury 90 Day T-Bill, Barclays Global Aggregate Bond (rebalanced quarterly)

Section 3

East Bay MUD
401(a) Retirement Plan

PLAN ASSET ALLOCATION
Second Quarter 2015

Fixed Income	Ticker	Assets	%
T. Rowe Price Stable Value	-	$2,053,150	5.3%
Scout Core Plus Bond	SCPZX	$2,682,936	7.0%
Vanguard Total Bond Market Index Adm	VBTLX	$627,299	1.6%
Total		**$5,363,384**	**14.0%**

Large Cap	Ticker	Assets	%
Dodge & Cox Stock	DODGX	$2,292,369	6.0%
T. Rowe Price Equity Income	PRFDX	$420,873	1.1%
Vanguard Institutional Index I	VINIX	$5,839,432	15.2%
Fidelity Blue Chip Growth K	FBGKX	$3,832,468	10.0%
Total		**$12,385,141**	**32.3%**

Mid Cap	Ticker	Assets	%
Hotchkis & Wiley Mid-Cap Value I	HWMIX	$1,442,084	3.8%
Morgan Stanley Inst Mid-Cap Growth I	MPEGX	$1,170,638	3.1%
Total		**$2,612,721**	**6.8%**

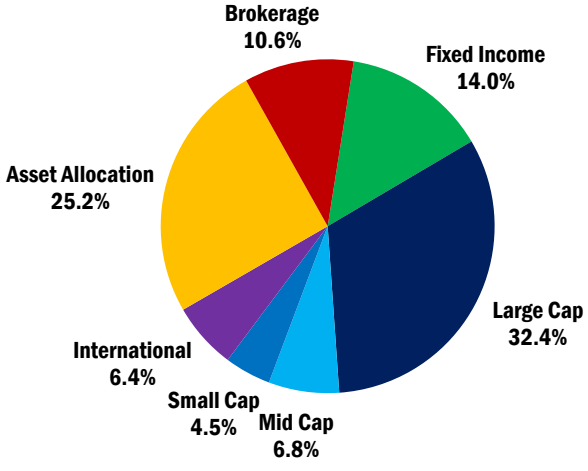
Small Cap	Ticker	Assets	%
Artisan Small Cap IS	APHSX	$362,176	0.9%
Huber Small Cap Value IS	HUSEX	$1,357,977	3.5%
Total		**$1,720,153**	**4.5%**

International	Ticker	Assets	%
American Funds EuroPacific Gr R6	RERGX	$2,339,602	6.1%
Vanguard Total Intl Stock Index Adm	VTIAX	$125,547	0.3%
Total		**$2,465,148**	**6.4%**

Asset Allocation	Ticker	Assets	%
Fidelity Balanced K	FBAKX	$1,512,967	3.9%
Vanguard Wellesley Income Adm	VWIAX	$881,785	2.3%
Vanguard Target Retirement Income	VTINX	$190,342	0.5%
Vanguard Target Retirement 2010	VTENX	$522,343	1.4%
Vanguard Target Retirement 2015	VTXVX	$689,669	1.8%
Vanguard Target Retirement 2020	VTWNX	$1,504,670	3.9%
Vanguard Target Retirement 2025	VTTVX	$1,623,928	4.2%
Vanguard Target Retirement 2030	VTHRX	$724,895	1.9%
Vanguard Target Retirement 2035	VTTHX	$671,012	1.7%
Vanguard Target Retirement 2040	VFORX	$954,339	2.5%
Vanguard Target Retirement 2045	VTIVX	$217,185	0.6%
Vanguard Target Retirement 2050	VFIFX	$145,851	0.4%
Vanguard Target Retirement 2055	VFFVX	$7,950	0.0%
Vanguard Target Retirement 2060	VTTSX	$1,009	0.0%
Total		**$9,647,945**	**25.1%**

Brokerage Assets	**$4,062,413**	**10.6%**
Fidelity Retiree Money Market	**$119,964**	**0.3%**
Total	**$38,376,869**	**100.0%**

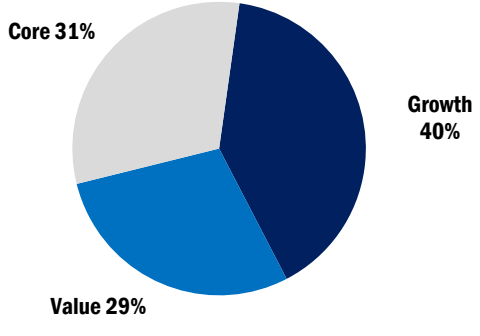
PLAN COMPOSITION



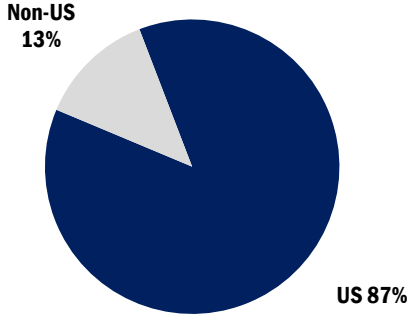
HISTORICAL PLAN ALLOCATION

Asset Class	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Fixed Income	14.0%	14.0%	13.0%	12.5%	12.4%	12.9%	13.8%	15.8%
Large Cap	32.4%	32.1%	31.8%	31.8%	30.5%	30.1%	29.5%	28.2%
Mid Cap	6.8%	7.9%	8.7%	8.6%	8.9%	9.1%	8.7%	8.1%
Small Cap	4.5%	4.3%	4.8%	5.3%	6.4%	6.5%	6.5%	6.2%
International	6.4%	5.6%	5.7%	6.0%	6.3%	6.3%	6.1%	6.1%
Asset Allocation	25.2%	25.6%	25.7%	25.2%	25.1%	24.5%	24.8%	25.6%
Brokerage	10.6%	10.4%	10.4%	10.5%	10.4%	10.6%	10.6%	9.9%
Total	100%	100%	100%	100%	100%	100%	100%	100.0%

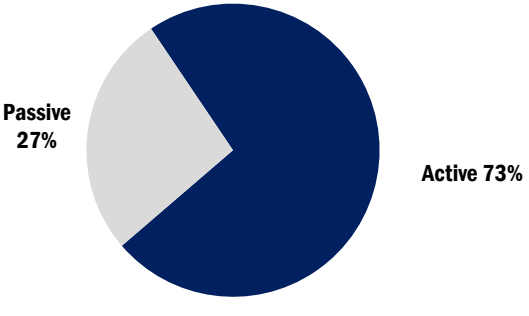
By Equity Style*



By Equity Region*

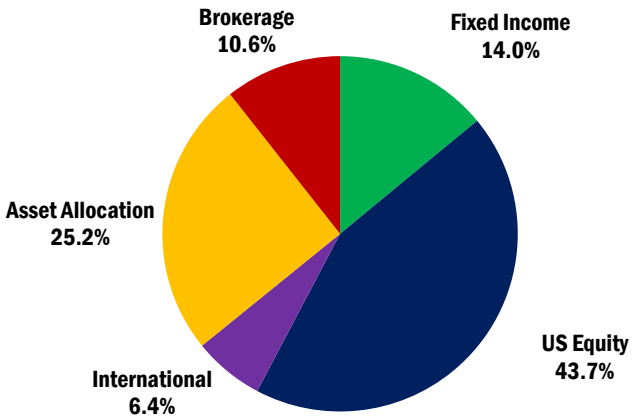


By Investment Type **



*Excludes Fixed Income, Asset Allocation and Brokerage assets
**Excludes Asset Allocation and Brokerage assets

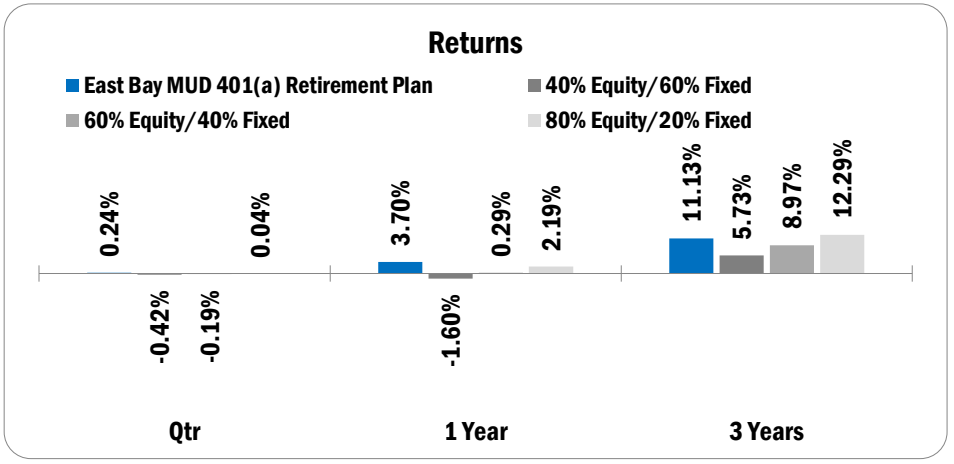
BROAD PLAN ALLOCATION



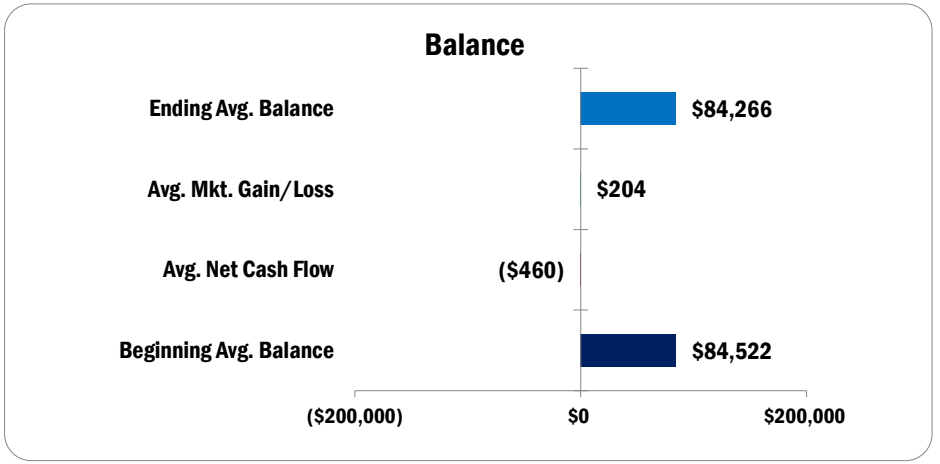
PLAN LEVEL CASH-FLOW

Asset Class	Beginning Market Value	Net Cash Flow	Market Gain/(Loss)	Ending Market Value	Estimated Qtr Return
Fixed Income	$5,362,029	$7,598	($6,244)	$5,363,384	-0.12%
Large Cap	$12,325,262	($32,829)	$92,708	$12,385,141	0.75%
Mid Cap	$3,037,326	($401,260)	($23,345)	$2,612,721	-0.83%
Small Cap	$1,662,531	$8,928	$48,694	$1,720,153	2.92%
International	$2,155,818	$289,472	$19,859	$2,465,148	0.87%
Asset Allocation	$9,820,531	($129,534)	($43,053)	$9,647,945	-0.44%
Brokerage	$4,009,475	$48,715	$4,223	$4,062,413	0.10%
Total	$38,372,972	($208,908)	$92,842	$38,256,905	0.24%

PLAN LEVEL RETURN



AVERAGE PARTICIPANT BALANCE



Equity Indices: Russell 3000, MSCI ACWI ex USA; Fixed Indices: US Treasury 90 Day T-Bill, Barclays Global Aggregate Bond (rebalanced quarterly)

Section 4

Fixed Income	Ticker	Assets	%
T. Rowe Price Stable Value	-	$18,149,043	7.8%
Scout Core Plus Bond	SCPZX	$12,107,634	5.2%
Vanguard Total Bond Market Index Adm	VBTLX	$1,536,830	0.7%
Total		**$31,793,507**	**13.6%**

Large Cap	Ticker	Assets	%
Dodge & Cox Stock	DODGX	$13,035,211	5.6%
T. Rowe Price Equity Income	PRFDX	$4,984,312	2.1%
Vanguard Institutional Index I	VINIX	$33,786,879	14.5%
Fidelity Blue Chip Growth K	FBGKX	$25,913,062	11.1%
Total		**$77,719,464**	**33.3%**

Mid Cap	Ticker	Assets	%
Hotchkis & Wiley Mid-Cap Value I	HWMIX	$8,666,058	3.7%
Morgan Stanley Inst Mid-Cap Growth I	MPEGX	$5,067,063	2.2%
Total		**$13,733,121**	**5.9%**

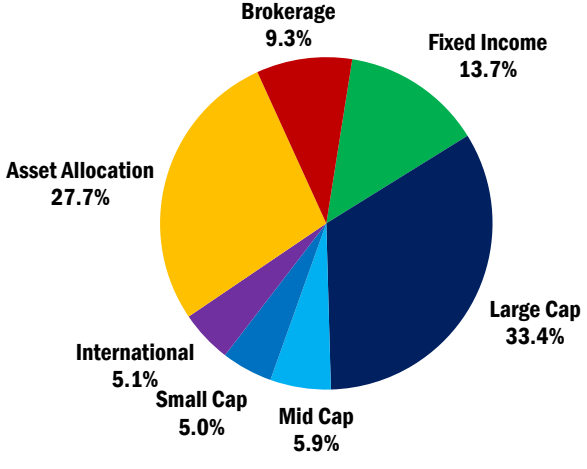
Small Cap	Ticker	Assets	%
Artisan Small Cap IS	APHSX	$2,327,472	1.0%
Huber Small Cap Value IS	HUSEX	$9,242,353	4.0%
Total		**$11,569,825**	**5.0%**

International	Ticker	Assets	%
American Funds EuroPacific Gr R6	RERGX	$11,141,295	4.8%
Vanguard Total Intl Stock Index Adm	VTIAX	$709,124	0.3%
Total		**$11,850,419**	**5.1%**

Asset Allocation	Ticker	Assets	%
Fidelity Balanced K	FBAKX	$12,308,845	5.3%
Vanguard Wellesley Income Adm	VWIAX	$5,412,711	2.3%
Vanguard Target Retirement Income	VTINX	$864,497	0.4%
Vanguard Target Retirement 2010	VTENX	$3,530,609	1.5%
Vanguard Target Retirement 2015	VTXVX	$6,307,084	2.7%
Vanguard Target Retirement 2020	VTWNX	$16,713,370	7.2%
Vanguard Target Retirement 2025	VTTVX	$5,326,151	2.3%
Vanguard Target Retirement 2030	VTHRX	$5,670,612	2.4%
Vanguard Target Retirement 2035	VTTHX	$1,931,977	0.8%
Vanguard Target Retirement 2040	VFORX	$3,838,653	1.6%
Vanguard Target Retirement 2045	VTIVX	$1,204,651	0.5%
Vanguard Target Retirement 2050	VFIFX	$1,121,411	0.5%
Vanguard Target Retirement 2055	VFFVX	$134,179	0.1%
Vanguard Target Retirement 2060	VTTSX	$32,584	0.0%
Total		**$64,397,334**	**27.6%**

Brokerage Assets	**$21,650,628**	**9.3%**
Fidelity Retiree Money Market	**$785,677**	**0.3%**
Total	**$233,499,976**	**100.0%**

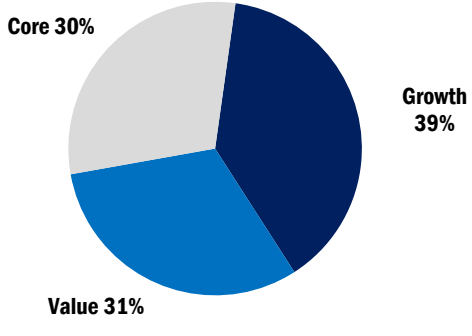
PLAN COMPOSITION



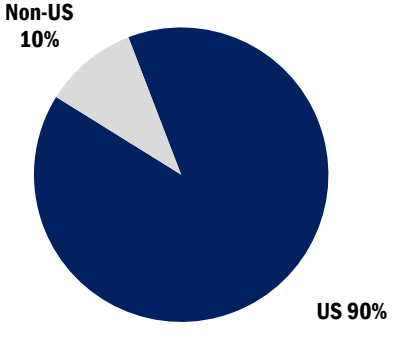
HISTORICAL PLAN ALLOCATION

Asset Class	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Fixed Income	13.7%	13.6%	14.5%	14.9%	14.7%	15.0%	15.5%	16.9%
Large Cap	33.4%	33.5%	33.3%	32.5%	31.9%	31.6%	31.4%	30.4%
Mid Cap	5.9%	6.3%	6.4%	6.4%	6.7%	6.5%	6.3%	5.9%
Small Cap	5.0%	4.8%	5.2%	5.5%	6.2%	6.5%	6.7%	6.6%
International	5.1%	4.8%	4.7%	5.0%	5.2%	5.1%	4.9%	4.8%
Asset Allocation	27.7%	27.7%	26.7%	26.4%	25.8%	25.4%	25.3%	25.5%
Brokerage	9.3%	9.2%	9.2%	9.2%	9.5%	9.8%	10.0%	10.0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

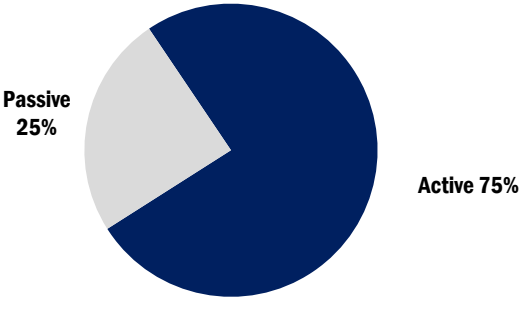
By Equity Style*



By Equity Region*

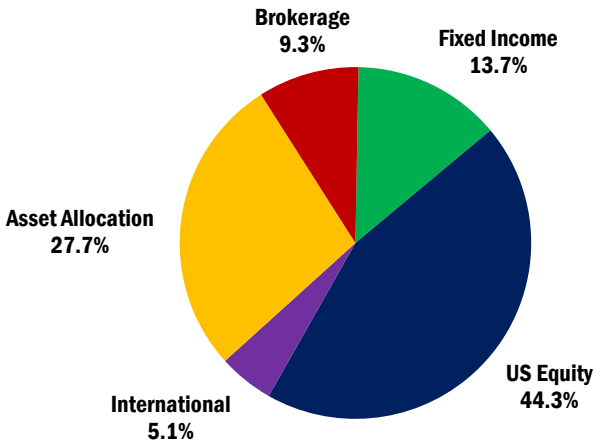


By Investment Type **



*Excludes Fixed Income, Asset Allocation and Brokerage assets
**Excludes Asset Allocation and Brokerage assets

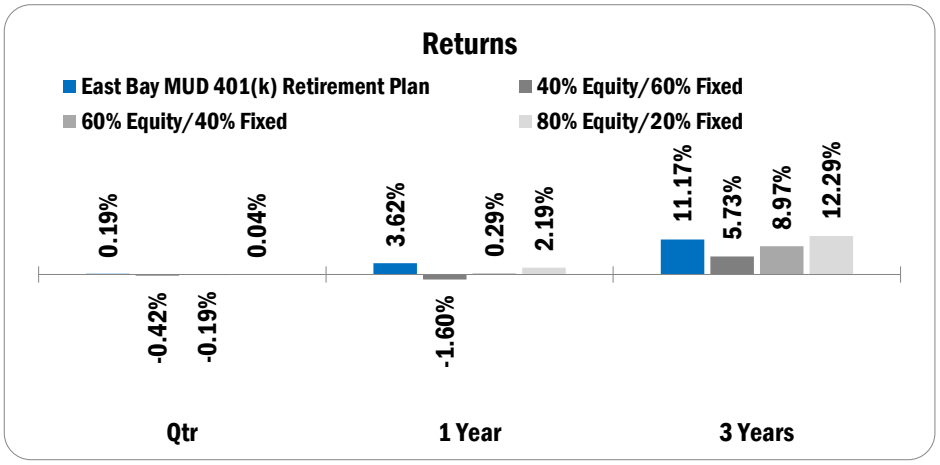
BROAD PLAN ALLOCATION



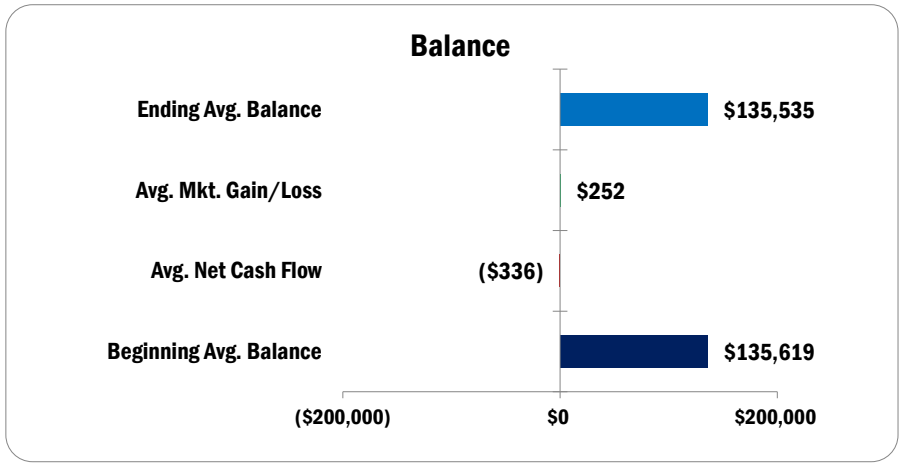
PLAN LEVEL CASH-FLOW

Asset Class	Beginning Market Value	Net Cash Flow	Market Gain/(Loss)	Ending Market Value	Estimated Qtr Return
Fixed Income	$31,702,623	$67,021	$23,863	$31,793,507	0.08%
Large Cap	$78,076,639	($887,721)	$530,546	$77,719,464	0.68%
Mid Cap	$14,623,514	($715,478)	($174,915)	$13,733,121	-1.23%
Small Cap	$11,213,102	$47,765	$308,958	$11,569,825	2.75%
International	$11,246,389	$485,531	$118,499	$11,850,419	1.03%
Asset Allocation	$64,564,850	$132,850	($300,366)	$64,397,334	-0.46%
Brokerage	$21,430,952	$293,856	($74,180)	$21,650,628	-0.34%
Total	$232,858,069	($576,176)	$432,406	$232,714,299	0.19%

PLAN LEVEL RETURN



AVERAGE PARTICIPANT BALANCE



Equity Indices: Russell 3000, MSCI ACWI ex USA; Fixed Indices: US Treasury 90 Day T-Bill, Barclays Global Aggregate Bond (rebalanced quarterly)

Section 5

Investment Policy Status

Key: Ⓟ Pass / • Fail	Performance Factors	Qualitative Factors	On-Watch Date Initiated	Notes
T.Rowe Price Stable Value Fund	Ⓟ	Ⓟ	-	
Scout Core Plus Bond	Ⓟ	Ⓟ	-	
Vanguard Total Bond Market Index Signal	Ⓟ	Ⓟ	-	
Dodge & Cox Stock	Ⓟ	Ⓟ	-	
T. Rowe Price Equity Income	•	Ⓟ	1Q2015	Currently lagging benchmark over the 5-year period and below median peer ranking
Vanguard Institutional Index I	Ⓟ	Ⓟ	-	
Fidelity Blue Chip Growth K	Ⓟ	Ⓟ	-	
Hotchkis and Wiley Mid-Cap Value I	Ⓟ	Ⓟ	-	
Morgan Stanley Inst Mid Cap Growth I	•	Ⓟ	3Q2014	Currently lagging benchmark over the 5-year period and below median peer ranking
Artisan Small Cap IS	Ⓟ	Ⓟ	-	
Huber Small Cap Value IS	Ⓟ	Ⓟ	-	
American Funds EuroPacific Gr R6	Ⓟ	Ⓟ	-	
Vanguard Total Intl Stock Index Signal	Ⓟ	Ⓟ	-	

Investment Policy Status

Key: Ⓟ Pass / • Fail	Performance Factors	Qualitative Factors	On-Watch Date Initiated	Notes
Fidelity Balanced K	Ⓟ	Ⓟ	-	
Vanguard Wellesley Income Adm	Ⓟ	Ⓟ	-	
Vanguard Target Retirement Income	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2010	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2015	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2020	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2025	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2030	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2035	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2040	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2045	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2050	Ⓟ	Ⓟ	-	
Vanguard Target Retirement 2055	Ⓟ	Ⓟ	-	Does not have 5-year track record
Vanguard Target Retirement 2060	Ⓟ	Ⓟ	-	Does not have 5-year track record

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
T. Rowe Price Stable Value	**0.57**	**1.15**	**2.33**	**2.45**	**2.90**	**3.71**	**2.30**	**2.48**	**2.81**	**3.60**	**4.31**	**4.33**
5 Yr Constant Maturity US Treasury Yield	0.38	0.74	1.57	1.30	1.32	2.39	1.64	0.43	0.76	1.52	1.93	2.19
90 day US Treasury	0.01	0.01	0.02	0.05	0.06	1.29	0.03	0.06	0.08	0.06	0.15	0.16
+/- Index	0.19	0.40	0.76	1.15	1.58	1.33	0.66	2.05	2.05	2.08	2.38	2.14
US SA Stable Value	16	21	20	23	16	22	10	22	33	33	19	18

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Scout Core Plus Bond	**-0.15**	**0.59**	**1.19**	**2.26**	**4.58**	**6.63**	**2.32**	**-0.36**	**9.85**	**8.28**	**10.06**	**35.19**
Barclays Capital US Aggregate Bond Index	-1.68	-0.10	1.86	1.83	3.35	4.44	5.97	-2.02	4.21	7.84	6.54	5.93
+/- Index	1.53	0.69	(0.67)	0.43	1.24	2.19	(3.65)	1.66	5.64	0.44	3.52	29.26
US OE Intermediate-Term Bond	2	12	51	48	17	1	95	18	15	6	13	3

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Total Bond Market Index Admiral	**-1.79**	**-0.17**	**1.73**	**1.70**	**3.24**	**4.40**	**5.89**	**-2.15**	**4.15**	**7.69**	**6.54**	**6.04**
Barclays Capital US Aggregate Bond Index	-1.68	-0.10	1.86	1.83	3.35	4.44	5.97	-2.02	4.21	7.84	6.54	5.93
+/- Index	(0.10)	(0.06)	(0.13)	(0.13)	(0.11)	(0.04)	(0.07)	(0.13)	(0.06)	(0.15)	0.00	0.11
US OE Intermediate-Term Bond	66	64	22	71	70	46	30	67	83	12	71	89

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Dodge & Cox Stock	**2.56**	**1.33**	**4.54**	**20.44**	**17.79**	**7.20**	**10.40**	**40.55**	**22.01**	**-4.08**	**13.49**	**31.27**
Russell 1000 Value Index	0.11	-0.61	4.13	17.34	16.50	7.05	13.45	32.53	17.51	0.39	15.51	19.69
+/- Style Index	2.45	1.95	0.41	3.10	1.29	0.15	(3.05)	8.02	4.50	(4.47)	(2.02)	11.58
US OE Large Value	2	20	35	4	4	32	54	2	2	74	47	14

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
T. Rowe Price Equity Income	**-0.57**	**-1.59**	**-0.34**	**14.14**	**14.30**	**6.69**	**7.49**	**29.75**	**17.25**	**-0.72**	**15.15**	**25.62**
Russell 1000 Value Index	0.11	-0.61	4.13	17.34	16.50	7.05	13.45	32.53	17.51	0.39	15.51	19.69
+/- Style Index	(0.68)	(0.98)	(4.47)	(3.20)	(2.20)	(0.36)	(5.97)	(2.78)	(0.26)	(1.11)	(0.36)	5.93
US OE Large Value	63	87	88	75	70	48	86	69	20	48	26	35

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Institutional Index I	**0.28**	**1.22**	**7.41**	**17.28**	**17.31**	**7.90**	**13.65**	**32.35**	**15.98**	**2.09**	**15.05**	**26.63**
S&P 500 Index	0.28	1.23	7.42	17.31	17.34	7.89	13.69	32.39	16.00	2.11	15.06	26.46
+/- Index	(0.00)	(0.01)	(0.02)	(0.03)	(0.03)	0.00	(0.04)	(0.04)	(0.02)	(0.02)	(0.01)	0.17
US OE Large Blend	**36**	**46**	**24**	**37**	**20**	**25**	**18**	**42**	**35**	**17**	**29**	**52**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Fidelity Blue Chip Growth K	**0.42**	**5.94**	**13.37**	**21.96**	**20.36**	**10.14**	**14.74**	**40.03**	**17.95**	**-2.56**	**19.80**	**45.31**
Russell 1000 Growth Index	0.12	3.96	10.56	17.99	18.59	9.10	13.05	33.48	15.26	2.64	16.71	37.21
+/- Style Index	0.30	1.98	2.82	3.97	1.77	1.03	1.69	6.55	2.69	(5.20)	3.09	8.10
US OE Large Growth	**54**	**21**	**14**	**3**	**4**	**11**	**6**	**10**	**21**	**55**	**15**	**13**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Hotchkis and Wiley Mid-Cap Value I	**-1.87**	**-1.58**	**-0.70**	**20.20**	**20.12**	**8.76**	**12.18**	**42.55**	**31.09**	**-8.60**	**34.41**	**56.49**
Russell Mid Cap Value Index	-1.97	0.41	3.67	19.13	17.73	8.89	14.75	33.46	18.51	-1.38	24.75	34.21
+/- Style Index	0.10	(1.99)	(4.37)	1.06	2.39	(0.13)	(2.57)	9.09	12.58	(7.22)	9.66	22.28
US OE Mid-Cap Value	**72**	**90**	**86**	**15**	**1**	**27**	**24**	**7**	**2**	**91**	**1**	**3**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Morgan Stanley Inst Mid Cap Growth I	**-0.49**	**2.47**	**3.62**	**13.81**	**13.94**	**9.83**	**1.33**	**38.35**	**9.49**	**-6.89**	**32.94**	**60.19**
Russell Mid Cap Growth Index	-1.14	4.18	9.45	19.24	18.69	9.69	11.90	35.74	15.81	-1.65	26.38	46.29
+/- Index	0.65	(1.71)	(5.84)	(5.42)	(4.76)	0.14	(10.58)	2.61	(6.32)	(5.24)	6.56	13.90
US OE Mid-Cap Growth	**66**	**90**	**92**	**93**	**90**	**30**	**89**	**21**	**88**	**72**	**6**	**2**

	Qtr	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Artisan Small Cap IS	**7.61**	**10.20**	**13.99**	**18.26**	**20.25**	**8.49**	**-0.57**	**43.11**	**17.90**	**6.99**	**20.51**	**44.14**
Russell 2000 Growth Index	1.98	8.74	12.34	20.11	19.33	9.86	5.60	43.30	14.59	-2.91	29.09	34.47
+/- Style Index	5.63	1.46	1.65	(1.85)	0.93	(1.37)	(6.18)	(0.19)	3.31	9.90	(8.58)	9.67
US OE Small Growth	**1**	**18**	**16**	**45**	**13**	**66**	**77**	**38**	**11**	**2**	**95**	**21**

	Qtr	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Huber Small Cap Value IS	**1.78**	**0.79**	**-10.56**	**12.30**	**16.61**	**-**	**-8.91**	**34.82**	**28.85**	**-2.52**	**37.92**	**85.80**
Russell 2000 Value Index	-1.20	0.76	0.78	15.50	14.81	6.87	4.22	34.52	18.05	-5.50	24.50	20.58
+/- Style Index	2.97	0.03	(11.33)	(3.20)	1.80	-	(13.13)	0.30	10.80	2.98	13.42	65.22
US OE Small Value	**6**	**68**	**96**	**95**	**21**	**-**	**97**	**63**	**2**	**27**	**2**	**3**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
American Funds EuroPacific Gr R6	**1.12**	**7.16**	**0.97**	**12.71**	**10.12**	**7.57**	**-2.29**	**20.58**	**19.64**	**-13.31**	**9.76**	**39.35**
MSCI AC World ex USA (Net)	0.53	4.03	-5.26	9.44	7.76	5.54	-3.87	15.29	16.83	-13.71	11.15	41.45
+/- Index	0.60	3.12	6.23	3.27	2.36	2.03	1.57	5.29	2.81	0.40	(1.39)	(2.10)
US OE Foreign Large Blend	**43**	**34**	**27**	**24**	**41**	**13**	**27**	**40**	**26**	**40**	**54**	**16**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Total Intl Stock Index Admiral	**1.28**	**5.42**	**-4.60**	**9.89**	**8.20**	**5.45**	**-4.17**	**15.14**	**18.21**	**-14.52**	**11.06**	**36.73**
Vanguard Total International Stock Index	1.11	4.83	-4.49	10.06	8.03	5.50	-3.39	15.29	16.83	-13.71	11.15	41.45
+/- Index	0.17	0.59	(0.11)	(0.17)	0.18	(0.05)	(0.79)	(0.15)	1.38	(0.81)	(0.09)	(4.72)
US OE Foreign Large Blend	**38**	**64**	**71**	**69**	**74**	**39**	**33**	**83**	**49**	**60**	**41**	**26**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Fidelity Balanced K	**0.14**	**2.38**	**6.48**	**12.88**	**12.71**	**7.59**	**10.52**	**20.64**	**13.04**	**1.76**	**13.92**	**28.29**
US Balanced Index	-0.51	0.70	5.18	10.98	11.84	6.89	10.56	17.73	11.37	4.98	12.19	18.46
+/- Index	0.64	1.68	1.30	1.90	0.87	0.70	(0.04)	2.91	1.67	(3.22)	1.73	9.83
US OE Moderate Allocation	**12**	**15**	**3**	**5**	**6**	**7**	**5**	**14**	**28**	**24**	**16**	**21**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Wellesley Income Adm	**-1.64**	**-0.40**	**1.65**	**7.19**	**9.13**	**6.96**	**8.15**	**9.27**	**10.10**	**9.74**	**10.71**	**16.14**
US Conservative Index	-0.90	0.43	4.07	7.89	9.03	6.20	9.02	10.85	9.01	6.12	10.47	14.34
+/- Index	(0.74)	(0.83)	(2.42)	(0.70)	0.09	0.77	(0.87)	(1.58)	1.09	3.62	0.24	1.80
US OE Conservative Allocation	**87**	**85**	**22**	**28**	**10**	**1**	**6**	**31**	**43**	**1**	**39**	**78**

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement Income	-0.93	0.81	1.94	5.35	6.76	5.23	5.54	5.87	8.23	5.25	9.39	14.28
Vanguard Target Income Composite Index	-0.85	0.92	2.13	5.57	6.91	5.27	5.76	6.01	8.42	5.30	9.42	14.32
+/- Index	(0.08)	(0.11)	(0.19)	(0.22)	(0.15)	(0.04)	(0.23)	(0.14)	(0.19)	(0.05)	(0.03)	(0.04)
US OE Retirement Income	59	37	10	28	15	7	19	56	67	9	42	80

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2010	-0.82	1.03	2.19	6.96	8.37	-	5.93	9.10	10.12	3.37	11.43	19.32
Vanguard Target 2010 Composite Index	-0.77	1.09	2.33	7.14	8.47	-	6.13	9.54	10.28	3.20	11.62	19.44
+/- Index	(0.05)	(0.06)	(0.15)	(0.18)	(0.10)	-	(0.20)	(0.45)	(0.16)	0.18	(0.19)	(0.12)
US OE Target Date 2000-2010	83	67	9	49	30	-	7	48	45	8	33	82

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2015	-0.64	1.37	2.61	8.81	9.68	5.95	6.56	13.00	11.37	1.71	12.47	21.30
Vanguard Target 2015 Composite Index	-0.57	1.46	2.82	9.02	9.80	5.97	6.77	13.43	11.50	1.48	12.60	21.38
+/- Index	(0.07)	(0.09)	(0.21)	(0.22)	(0.11)	(0.02)	(0.21)	(0.43)	(0.14)	0.23	(0.13)	(0.08)
US OE Target Date 2000-2010	49	42	4	16	11	4	3	21	34	19	34	76

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2020	-0.58	1.58	3.03	10.19	10.70	-	7.11	15.85	12.35	0.60	13.12	23.10
Vanguard Target 2020 Composite Index	-0.52	1.67	3.23	10.46	10.94	-	7.37	16.33	12.51	0.94	13.28	23.41
+/- Index	(0.07)	(0.09)	(0.20)	(0.28)	(0.24)	-	(0.26)	(0.48)	(0.16)	(0.34)	(0.16)	(0.32)
US OE Target Date 2000-2010	47	40	9	9	9	-	1	18	36	32	35	66

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2025	-0.41	1.81	3.09	11.18	11.52	6.31	7.17	18.14	13.29	-0.37	13.84	24.81
Vanguard Target 2025 Composite Index	-0.34	1.90	3.32	11.48	11.77	6.44	7.45	18.64	13.44	0.02	13.96	25.26
+/- Index	(0.07)	(0.08)	(0.23)	(0.30)	(0.25)	(0.13)	(0.28)	(0.50)	(0.14)	(0.39)	(0.12)	(0.45)
US OE Target Date 2021-2025	49	47	12	18	21	12	4	24	43	16	37	78

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2030	-0.24	2.07	3.19	12.20	12.35	-	7.17	20.49	14.24	-1.27	14.43	26.72
Vanguard Target 2030 Composite Index	-0.16	2.12	3.41	12.49	12.58	-	7.51	21.01	14.36	-0.94	14.61	27.13
+/- Index	(0.07)	(0.05)	(0.23)	(0.29)	(0.23)	-	(0.34)	(0.52)	(0.12)	(0.33)	(0.17)	(0.41)
US OE Target Date 2026-2030	41	51	21	16	16	-	5	25	38	22	33	74

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2035	-0.05	2.30	3.26	13.21	13.16	6.76	7.24	22.82	15.16	-2.24	15.14	28.17
Vanguard Target 2035 Composite Index	0.01	2.34	3.50	13.50	13.39	6.89	7.57	23.38	15.28	-1.91	15.27	28.62
+/- Index	(0.07)	(0.04)	(0.24)	(0.30)	(0.23)	(0.13)	(0.33)	(0.56)	(0.12)	(0.33)	(0.14)	(0.45)
US OE Target Date 2031-2035	41	55	25	19	14	12	10	23	40	19	26	64

	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2040	0.13	2.52	3.28	13.82	13.50	-	7.15	24.37	15.56	-2.55	15.17	28.32
Vanguard Target 2040 Composite Index	0.18	2.55	3.59	14.14	13.76	-	7.61	24.78	15.57	-2.11	15.33	28.62
+/- Index	(0.05)	(0.03)	(0.31)	(0.32)	(0.26)	-	(0.46)	(0.40)	(0.01)	(0.44)	(0.15)	(0.30)
US OE Target Date 2036-2040	36	50	27	14	12	-	12	15	31	19	35	77

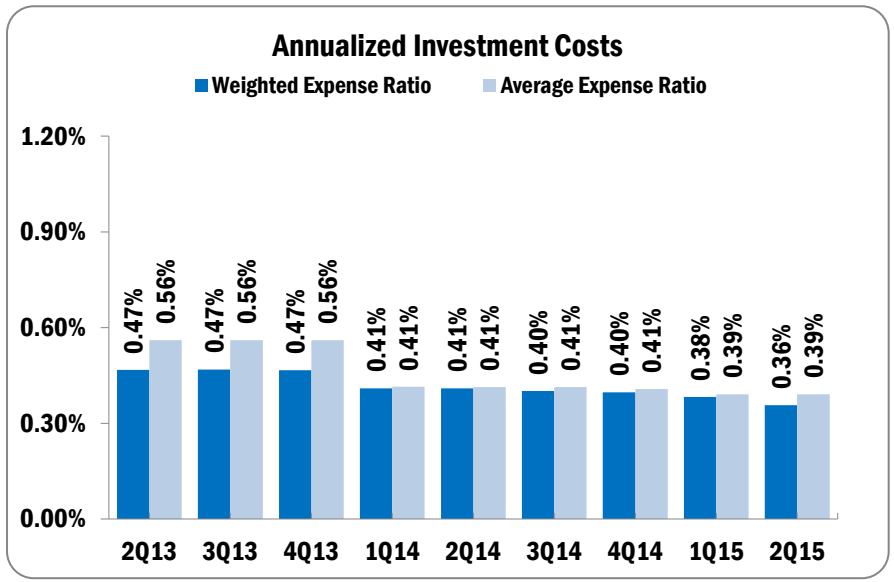
	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2045	0.10	2.52	3.29	13.80	13.51	7.10	7.16	24.37	15.58	-2.51	15.19	28.15
Vanguard Target 2045 Composite Index	0.18	2.55	3.59	14.14	13.76	7.22	7.61	24.78	15.57	-2.11	15.33	28.62
+/- Index	(0.08)	(0.03)	(0.30)	(0.34)	(0.25)	(0.12)	(0.45)	(0.41)	0.01	(0.41)	(0.13)	(0.47)
US OE Target Date 2041-2045	39	58	28	21	14	19	12	26	43	14	40	83

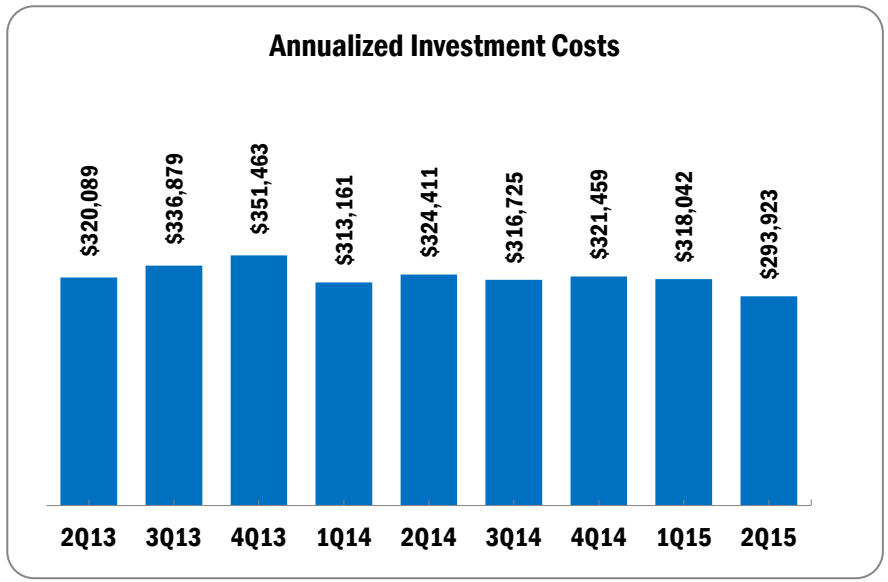
	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2050	0.13	2.50	3.29	13.81	13.51	-	7.18	24.34	15.58	-2.54	15.20	28.31
Vanguard Target 2050 Composite Index	0.18	2.55	3.59	14.14	13.76	-	7.61	24.78	15.57	-2.11	15.33	28.62
+/- Index	(0.05)	(0.05)	(0.30)	(0.33)	(0.26)	-	(0.43)	(0.44)	0.01	(0.43)	(0.13)	(0.31)
US OE Target Date 2046-2050	37	58	30	22	17	-	16	30	44	14	37	89

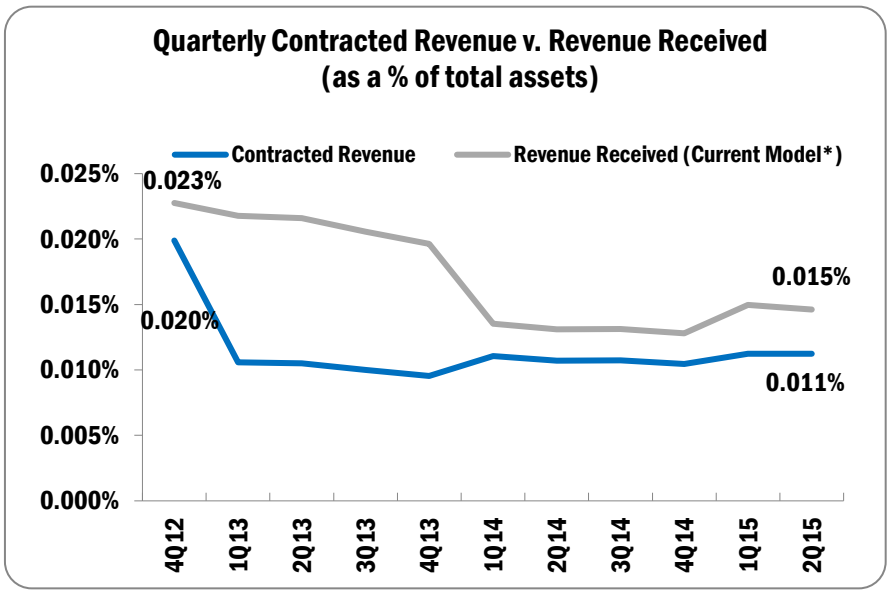
	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2055	**0.06**	**2.44**	**3.21**	**13.79**	**-**	**-**	**7.19**	**24.33**	**15.58**	**-2.27**	**-**	**-**
Vanguard Target 2055 Composite Index	0.18	2.55	3.59	14.14	13.76	-	7.61	24.78	15.57	-2.11	-	-
+/- Index	(0.12)	(0.11)	(0.38)	(0.35)	-	-	(0.42)	(0.45)	0.01	(0.16)	-	-
US OE Target Date 2051+	**53**	**68**	**34**	**30**	**-**	**-**	**16**	**36**	**48**	**9**	**-**	**-**

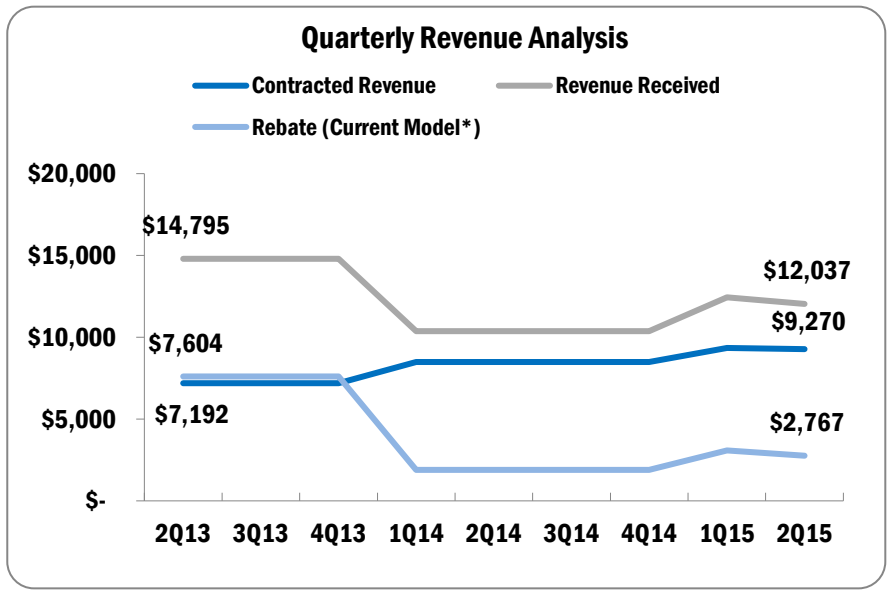
	QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs	2014	2013	2012	2011	2010	2009
Vanguard Target Retirement 2060	**0.07**	**2.45**	**3.19**	**13.81**	**-**	**-**	**7.16**	**24.35**	**-**	**-**	**-**	**-**
Vanguard Target 2060 Composite Index	0.18	2.55	3.59	14.14	-	-	7.61	24.78	-	-	-	-
+/- Index	(0.11)	(0.10)	(0.41)	(0.33)	-	-	(0.45)	(0.43)	-	-	-	-
US OE Target Date 2051+	**53**	**67**	**35**	**29**	**-**	**-**	**16**	**34**	**-**	**-**	**-**	**-**

Section 6

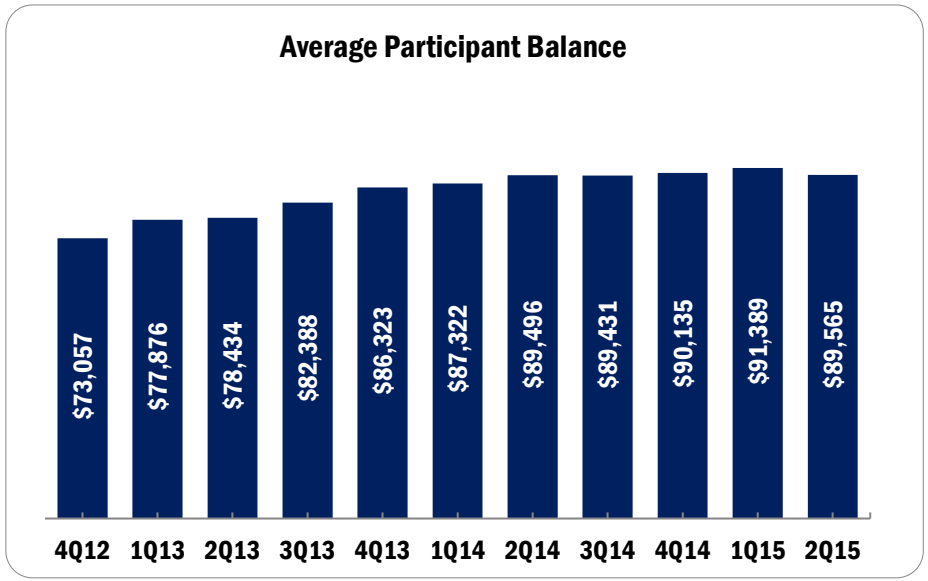


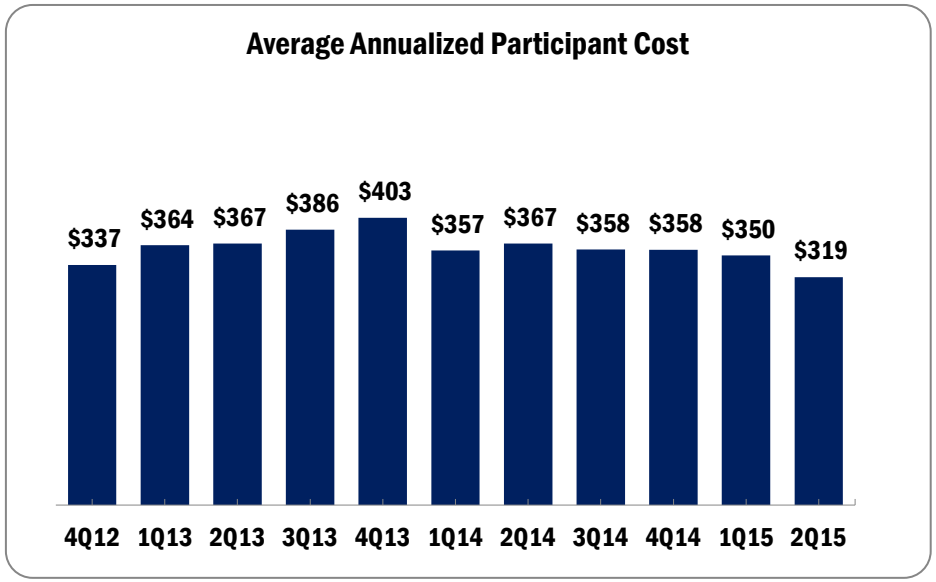


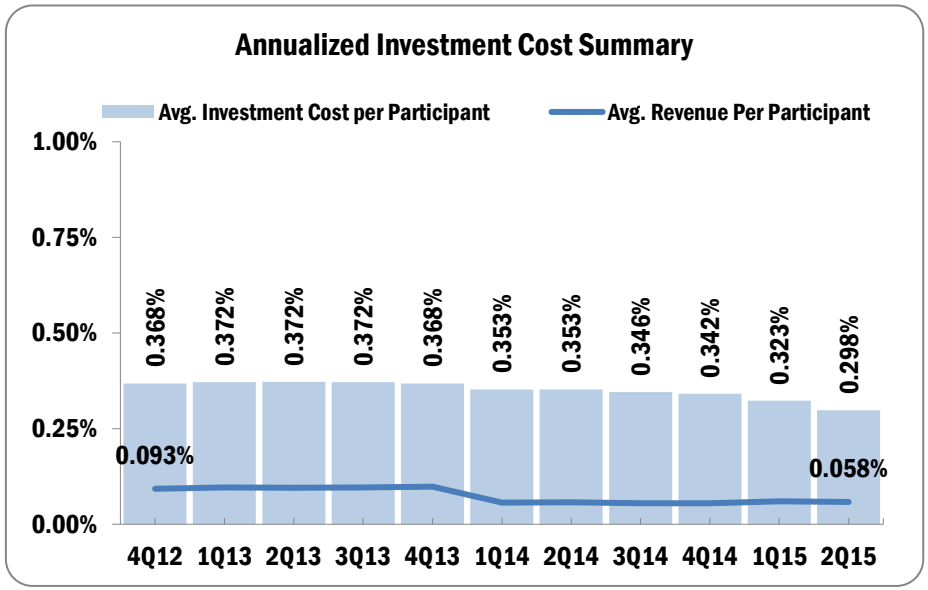


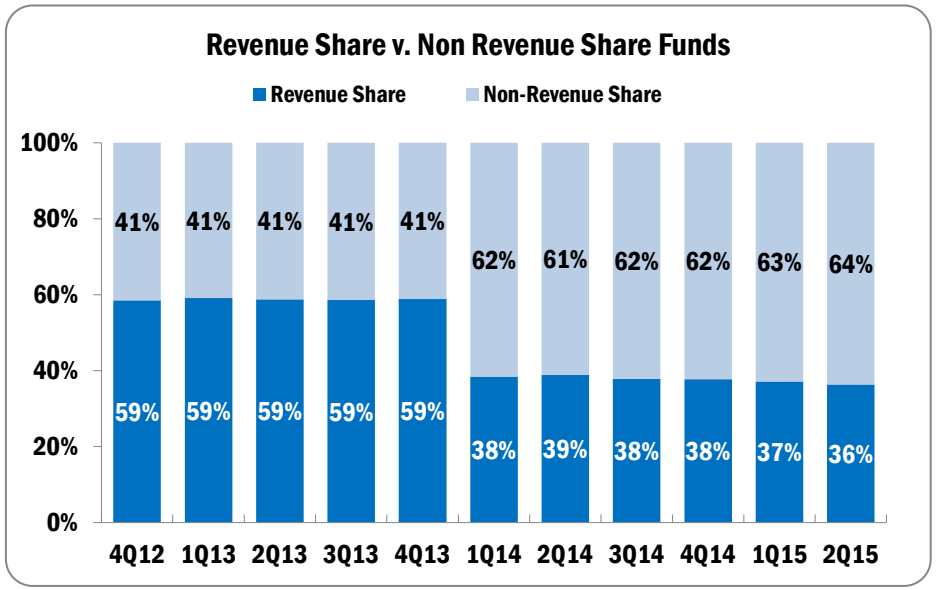


* - As of 1Q15 East Bay Mud changed to the quarterly model.


Average Participant Balance
$73,057
$77,876
$78,434
$82,388
$86,323
$87,322
$89,496
$89,431
$90,135
$91,389
$89,565
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Average Annualized Participant Cost
$337
$364
$367
$386
$403
$357
$367
$358
$358
$350
$319
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Annualized Investment Cost Summary
Avg. Investment Cost per Participant
Avg. Revenue Per Participant
1.00%
0.75%
0.50%
0.25%
0.00%
0.368%
0.372%
0.372%
0.372%
0.368%
0.353%
0.353%
0.346%
0.342%
0.323%
0.298%
0.093%
0.058%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Revenue Share v. Non Revenue Share Funds
Revenue Share
Non-Revenue Share
100%
80%
60%
40%
20%
0%
41% 41% 41% 41% 41% 62% 61% 62% 62% 63% 64%
59% 59% 59% 59% 59% 38% 39% 38% 38% 37% 36%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15

East Bay Municipal Utility District 457 Retirement Plan

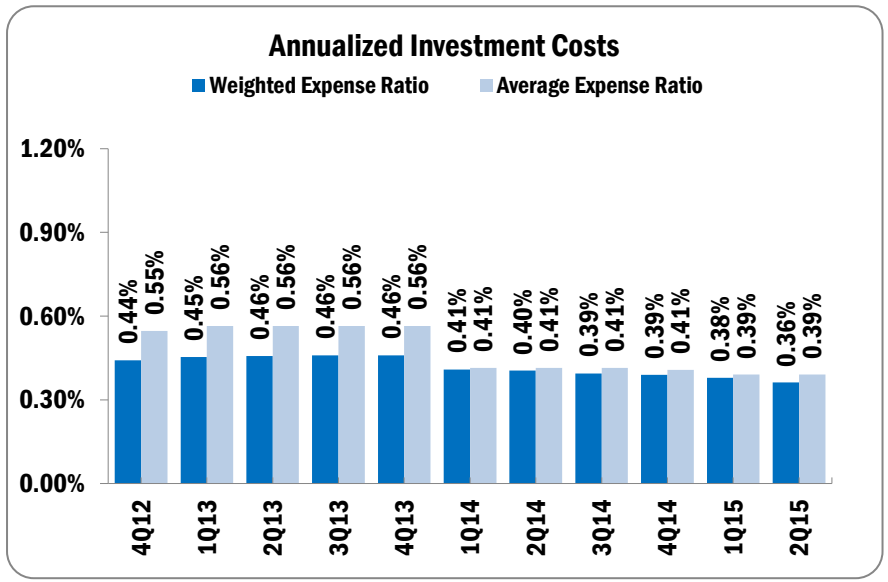
Estimated 2Q2015 Revenue Reconciliation Report

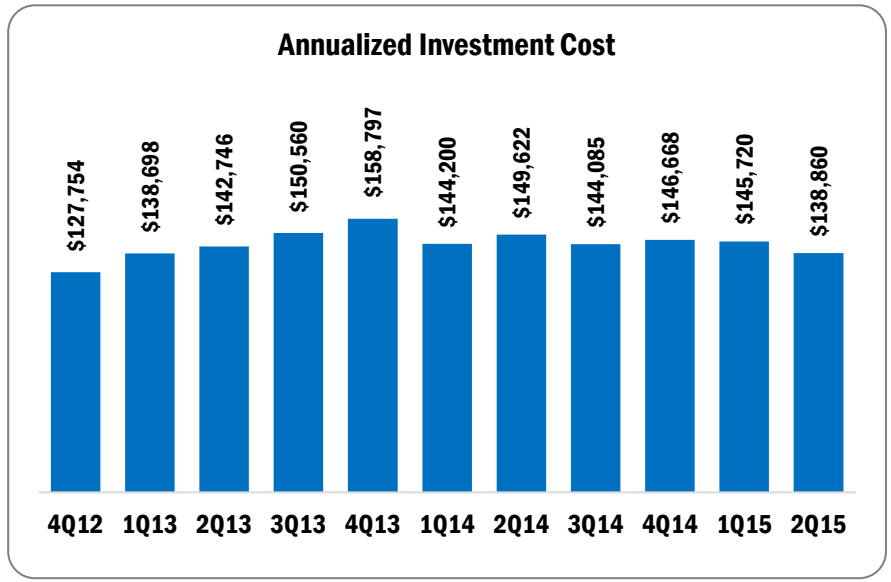
Name	Annual Expense Ratio	Annual Revenue Share	End-of-Quarter Assets	Revenue Share	Total Investment Expenses
T. Rowe Price Stable Value	0.31%	0.00%	$9,001,304	$0	$27,904
Scout Core Plus Bond	0.40%	0.10%	$4,539,946	$4,540	$18,160
Vanguard Total Bond Market Index Adm	0.07%	0.00%	$575,978	$0	$403
Dodge & Cox Stock	0.52%	0.10%	$5,762,823	$5,763	$29,967
T. Rowe Price Equity Income	0.66%	0.15%	$1,260,614	$1,891	$8,320
Vanguard Institutional Index I	0.04%	0.00%	$7,876,993	$0	$3,151
Fidelity Blue Chip Growth K	0.68%	0.20%	$5,960,209	$11,920	$40,529
Hotchkis & Wiley Mid-Cap Value I	1.01%	0.25%	$2,983,652	$7,459	$30,135
Morgan Stanley Inst Mid-Cap Growth I	0.75%	0.15%	$2,141,220	$3,212	$16,059
Artisan Small Cap IS	1.00%	0.00%	$922,490	$0	$9,225
Huber Small Cap Value IS	1.35%	0.15%	$2,678,595	$4,018	$36,161
American Funds EuroPacific Gr R6	0.49%	0.00%	$3,483,564	$0	$17,069
Vanguard Total Intl Stock Index Adm	0.14%	0.00%	$354,604	$0	$496
Fidelity Balanced K	0.46%	0.20%	$4,156,089	$8,312	$19,118
Vanguard Wellesley Income Adm	0.18%	0.00%	$3,023,517	$0	$5,442
Vanguard Target Retirement Income	0.16%	0.00%	$467,464	$0	$748
Vanguard Target Retirement 2010	0.16%	0.00%	$2,629,051	$0	$4,206
Vanguard Target Retirement 2015	0.16%	0.00%	$2,728,057	$0	$4,365
Vanguard Target Retirement 2020	0.16%	0.00%	$5,570,060	$0	$8,912
Vanguard Target Retirement 2025	0.17%	0.00%	$2,277,991	$0	$3,873
Vanguard Target Retirement 2030	0.17%	0.00%	$1,629,551	$0	$2,770
Vanguard Target Retirement 2035	0.18%	0.00%	$570,252	$0	$1,026
Vanguard Target Retirement 2040	0.18%	0.00%	$1,171,435	$0	$2,109
Vanguard Target Retirement 2045	0.18%	0.00%	$523,682	$0	$943
Vanguard Target Retirement 2050	0.18%	0.00%	$308,495	$0	$555
Vanguard Target Retirement 2055	0.18%	0.00%	$38,409	$0	$69
Vanguard Target Retirement 2060	0.18%	0.00%	$21,564	$0	$39
Brokerage Assets	-	-	$9,226,317	-	-
Fidelity Retiree Money Market	0.42%	0.20%	$516,000	$1,032	$2,167
Total			**$82,399,924**	**$48,147**	**$293,923**

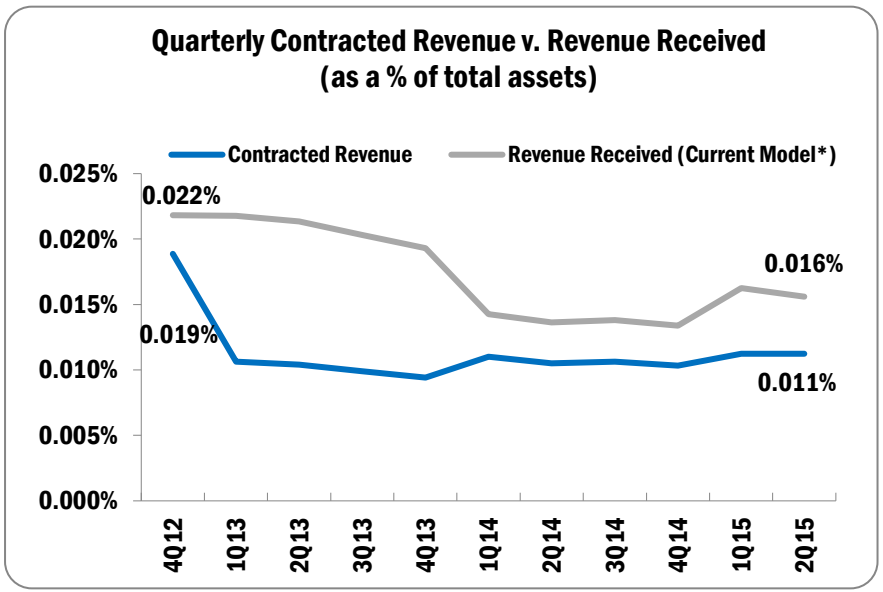
	Qtr	Annualized
Weighted Plan Revenue	0.015%	0.058%
Weighted Expense Ratio	0.089%	0.357%
# of Participants	**920**	

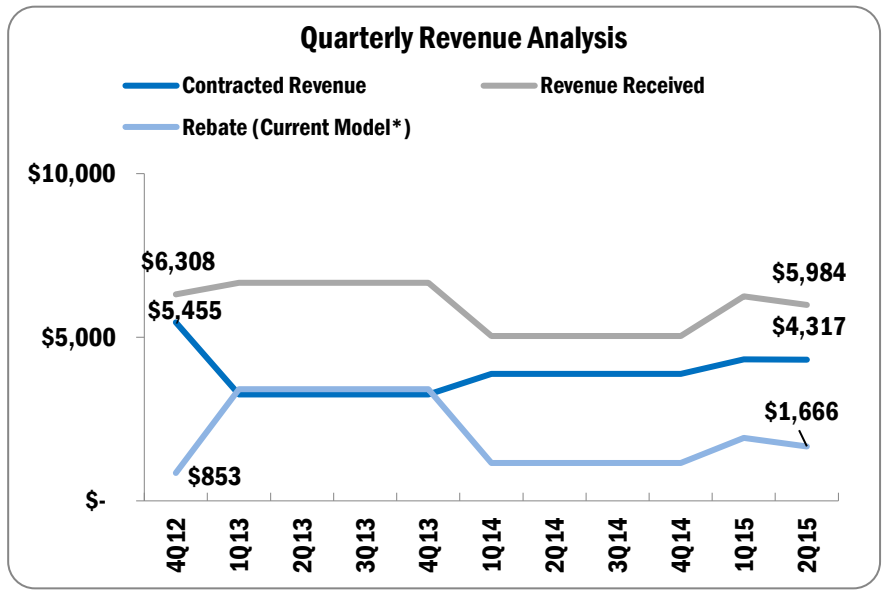
	%	$
Annual Required Revenue	0.045%	$37,080
Annual Revenue Received	0.058%	$48,147
Net Excess / Deficit	0.013%	$11,067

Section 7

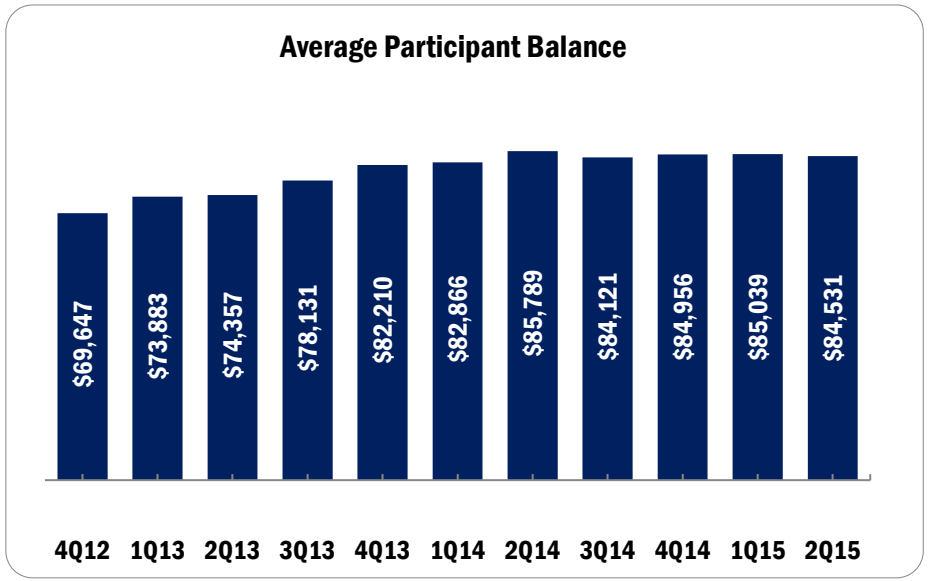


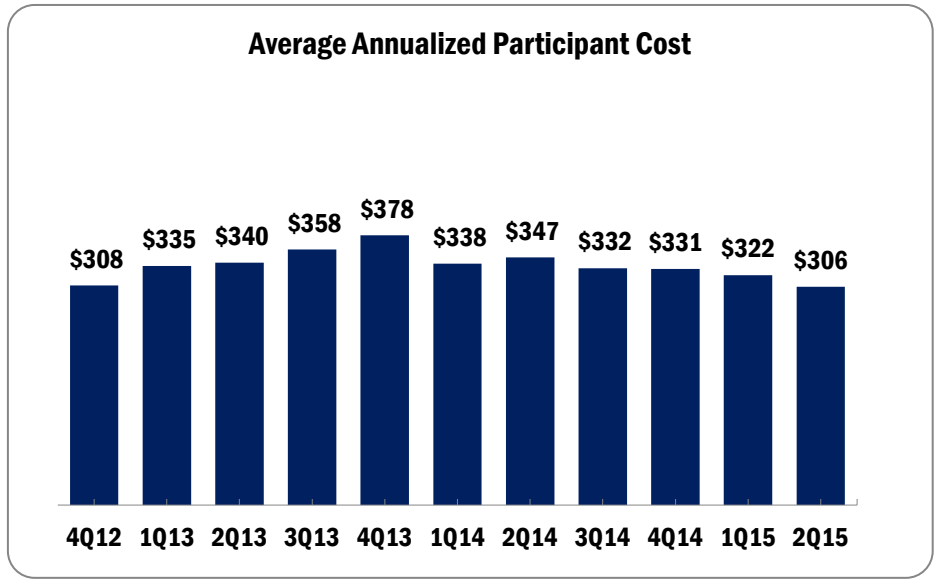


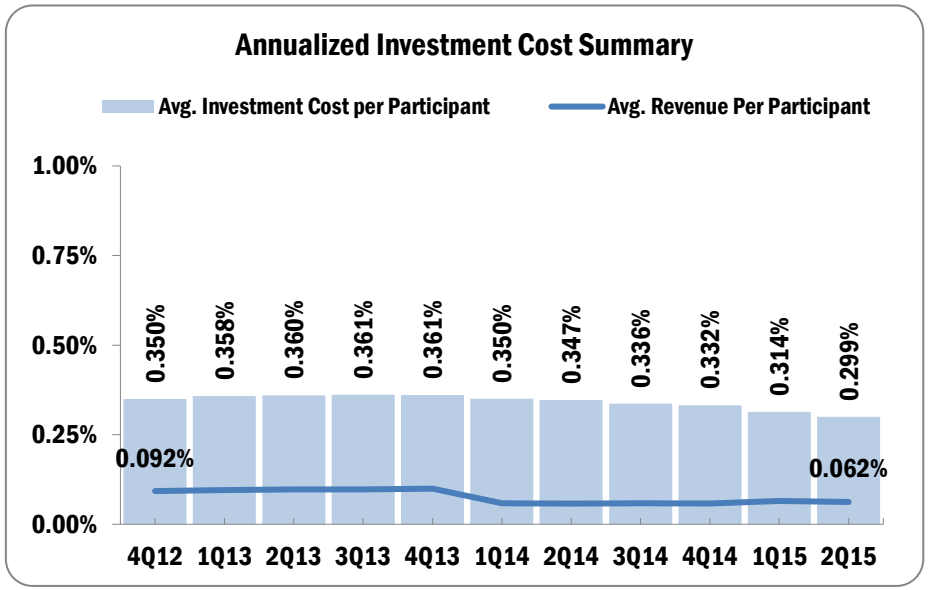


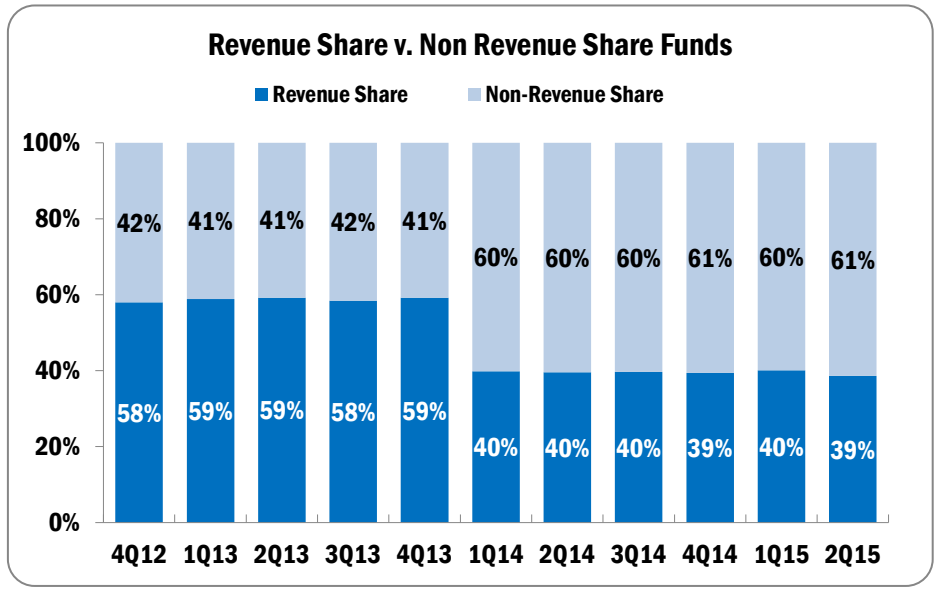


* - As of 1Q15 East Bay Mud changed to the quarterly model.


Average Participant Balance
$69,647
$73,883
$74,357
$78,131
$82,210
$82,866
$85,789
$84,121
$84,956
$85,039
$84,531
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Average Annualized Participant Cost
$308
$335
$340
$358
$378
$338
$347
$332
$331
$322
$306
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Annualized Investment Cost Summary
Avg. Investment Cost per Participant
Avg. Revenue Per Participant
1.00%
0.75%
0.50%
0.25%
0.00%
0.350%
0.358%
0.360%
0.361%
0.361%
0.350%
0.347%
0.336%
0.332%
0.314%
0.299%
0.092%
0.062%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Revenue Share v. Non Revenue Share Funds
Revenue Share
Non-Revenue Share
100%
80%
60%
40%
20%
0%
42% 41% 41% 42% 41% 60% 60% 60% 61% 60% 61%
58% 59% 59% 58% 59% 40% 40% 40% 39% 40% 39%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15

East Bay Municipal Utility District 401(a) Retirement Plan

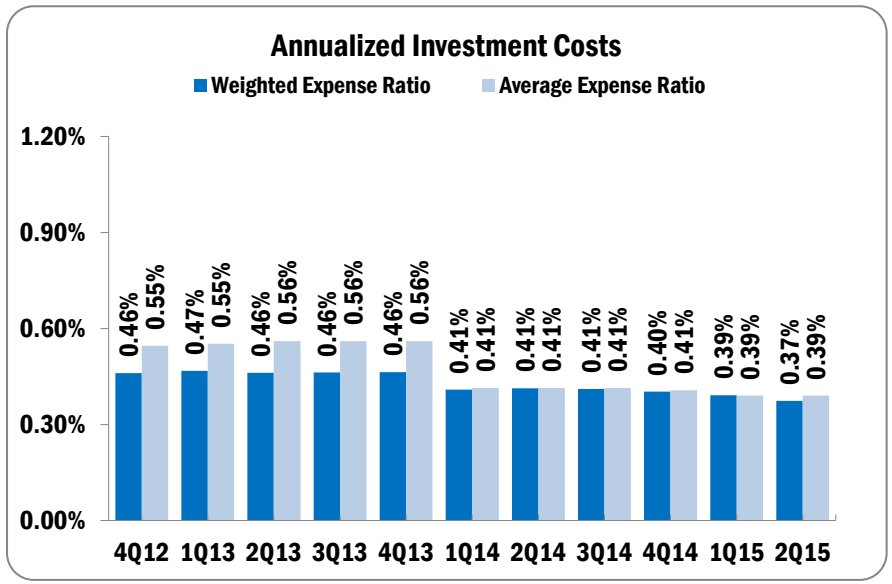
Estimated 2Q2015 Revenue Reconciliation Report

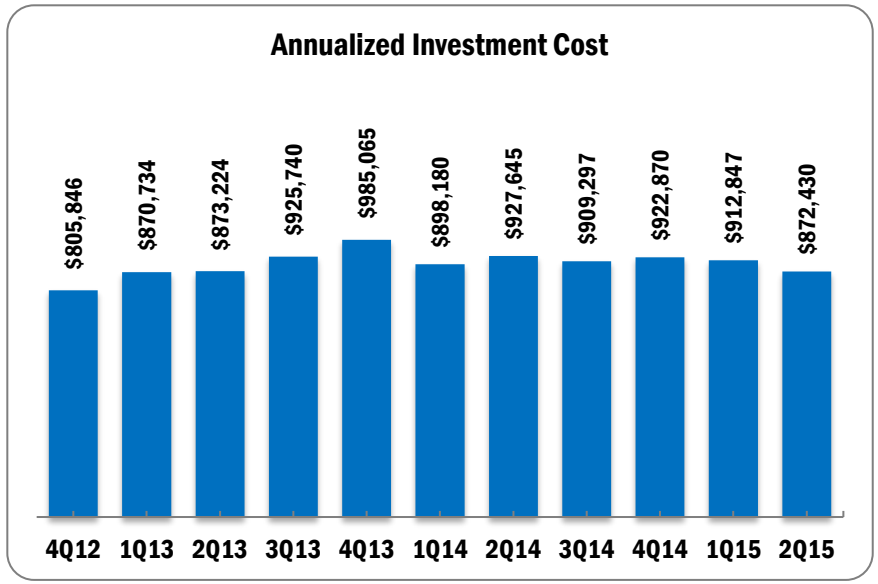
Name	Annual Expense Ratio	Annual Revenue Share	End-of-Quarter Assets	Revenue Share	Total Investment Expenses
T. Rowe Price Stable Value	0.31%	0.00%	$2,053,150	$0	$6,365
Scout Core Plus Bond	0.40%	0.10%	$2,682,936	$2,683	$10,732
Vanguard Total Bond Market Index Adm	0.07%	0.00%	$627,299	$0	$439
Dodge & Cox Stock	0.52%	0.10%	$2,292,369	$2,292	$11,920
T. Rowe Price Equity Income	0.66%	0.15%	$420,873	$631	$2,778
Vanguard Institutional Index I	0.04%	0.00%	$5,839,432	$0	$2,336
Fidelity Blue Chip Growth K	0.68%	0.20%	$3,832,468	$7,665	$26,061
Hotchkis & Wiley Mid-Cap Value I	1.01%	0.25%	$1,442,084	$3,605	$14,565
Morgan Stanley Inst Mid-Cap Growth I	0.75%	0.15%	$1,170,638	$1,756	$8,780
Artisan Small Cap IS	1.00%	0.00%	$362,176	$0	$3,622
Huber Small Cap Value IS	1.35%	0.15%	$1,357,977	$2,037	$18,333
American Funds EuroPacific Gr R6	0.49%	0.00%	$2,339,602	$0	$11,464
Vanguard Total Intl Stock Index Adm	0.14%	0.00%	$125,547	$0	$176
Fidelity Balanced K	0.46%	0.20%	$1,512,967	$3,026	$6,960
Vanguard Wellesley Income Adm	0.18%	0.00%	$881,785	$0	$1,587
Vanguard Target Retirement Income	0.16%	0.00%	$190,342	$0	$305
Vanguard Target Retirement 2010	0.16%	0.00%	$522,343	$0	$836
Vanguard Target Retirement 2015	0.16%	0.00%	$689,669	$0	$1,103
Vanguard Target Retirement 2020	0.16%	0.00%	$1,504,670	$0	$2,407
Vanguard Target Retirement 2025	0.17%	0.00%	$1,623,928	$0	$2,761
Vanguard Target Retirement 2030	0.17%	0.00%	$724,895	$0	$1,232
Vanguard Target Retirement 2035	0.18%	0.00%	$671,012	$0	$1,208
Vanguard Target Retirement 2040	0.18%	0.00%	$954,339	$0	$1,718
Vanguard Target Retirement 2045	0.18%	0.00%	$217,185	$0	$391
Vanguard Target Retirement 2050	0.18%	0.00%	$145,851	$0	$263
Vanguard Target Retirement 2055	0.18%	0.00%	$7,950	$0	$14
Vanguard Target Retirement 2060	0.18%	0.00%	$1,009	$0	$2
Brokerage Assets	-	-	$4,062,413	-	-
Fidelity Retiree Money Market	0.42%	0.20%	$119,964	$240	$504
Total			**$38,376,869**	**$23,936**	**$138,860**

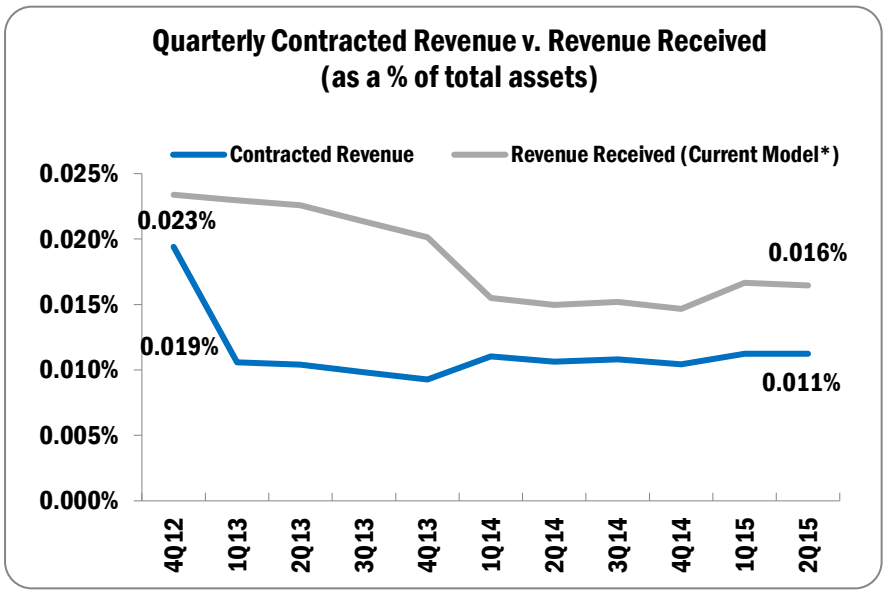
	Qtr	Annualized
Weighted Plan Revenue	0.016%	0.062%
Weighted Expense Ratio	0.090%	0.362%
# of Participants	**454**	

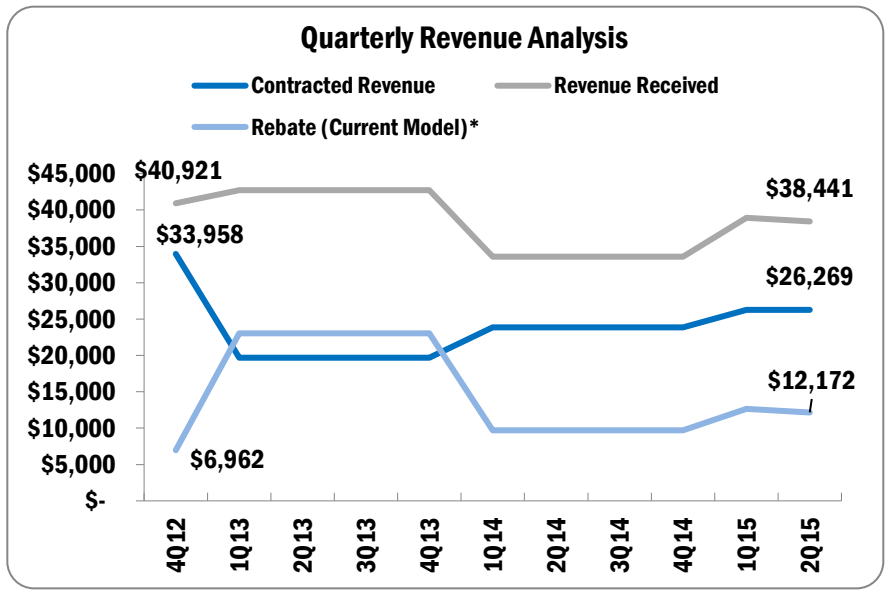
	%	$
Annual Required Revenue	0.045%	$17,270
Annual Revenue Received	0.062%	$23,936
Net Excess / Deficit	0.017%	$6,666

Section 8

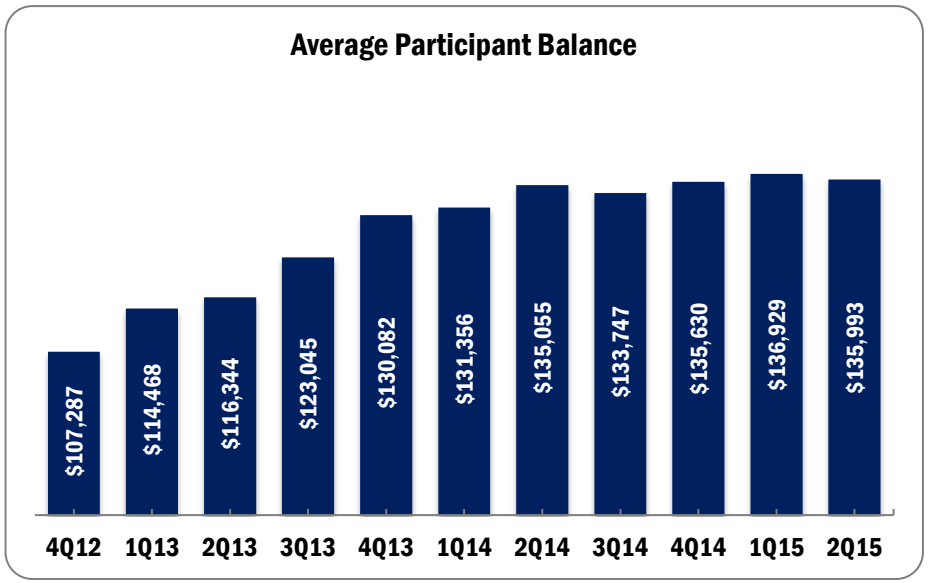


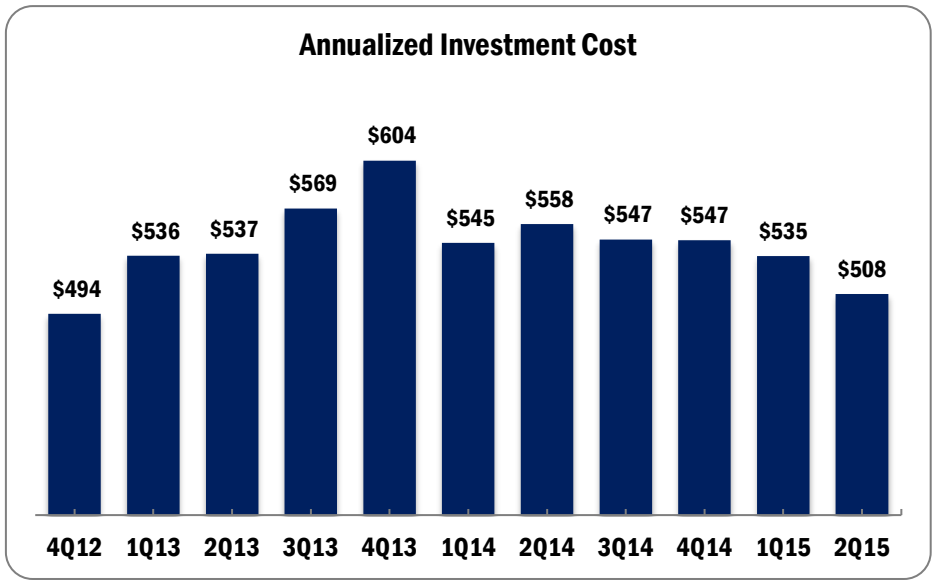


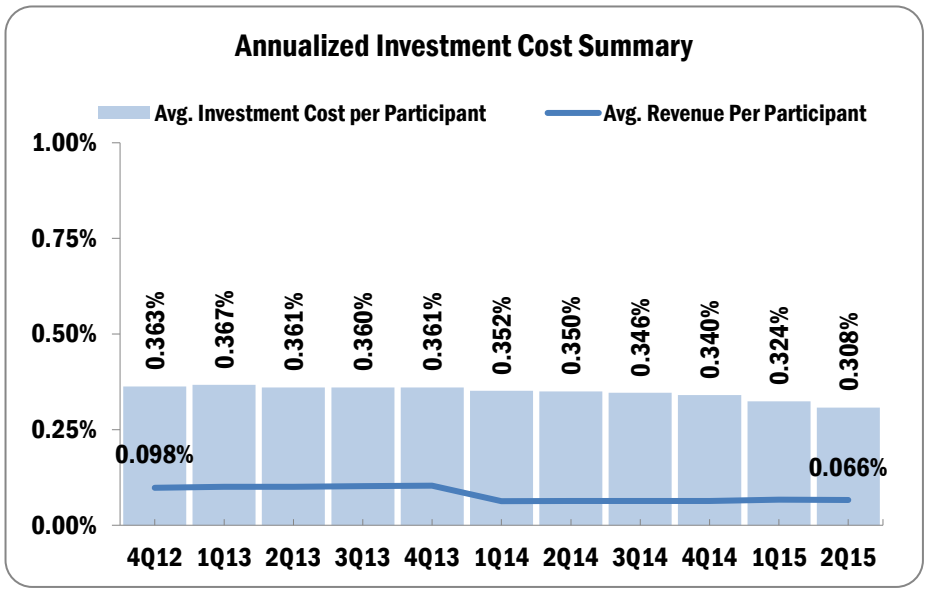


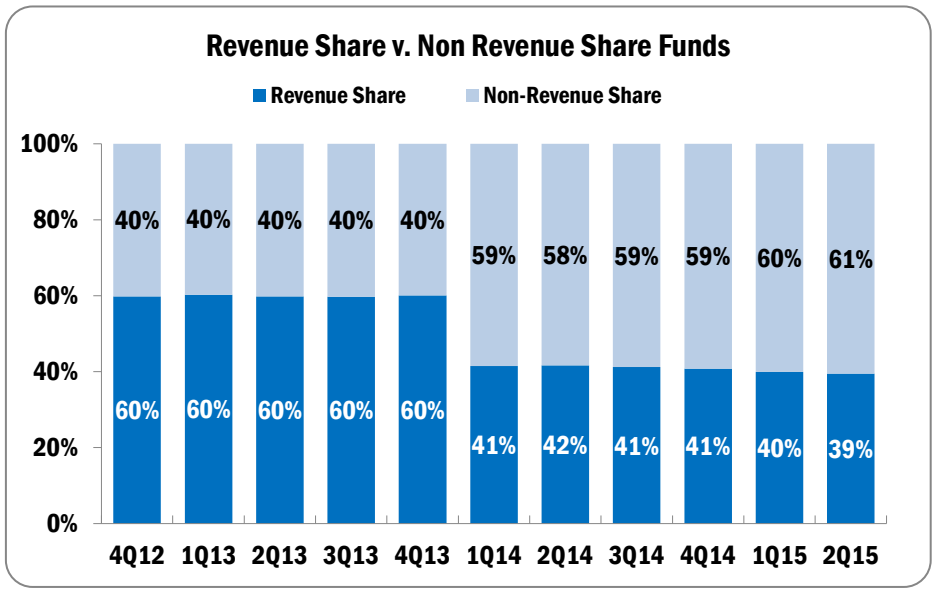


* - As of 1Q15 East Bay Mud changed to the quarterly model.


Average Participant Balance
$107,287
$114,468
$116,344
$123,045
$130,082
$131,356
$135,055
$133,747
$135,630
$136,929
$135,993
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Annualized Investment Cost
$494
$536
$537
$569
$604
$545
$558
$547
$547
$535
$508
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Annualized Investment Cost Summary
Avg. Investment Cost per Participant
Avg. Revenue Per Participant
1.00%
0.75%
0.50%
0.25%
0.00%
0.363%
0.367%
0.361%
0.360%
0.361%
0.352%
0.350%
0.346%
0.340%
0.324%
0.308%
0.098%
0.066%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15


Revenue Share v. Non Revenue Share Funds
Revenue Share
Non-Revenue Share
100%
80%
60%
40%
20%
0%
40% 40% 40% 40% 40% 59% 58% 59% 59% 60% 61%
60% 60% 60% 60% 60% 41% 42% 41% 41% 40% 39%
4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15

East Bay Municipal Utility District 401(k) Retirement Plan

Estimated 2Q2015 Revenue Reconciliation Report

Name	Annual Expense Ratio	Annual Revenue Share	End-of-Quarter Assets	Revenue Share	Total Investment Expenses
T. Rowe Price Stable Value	0.31%	0.00%	$18,149,043	$0	$56,262
Scout Core Plus Bond	0.40%	0.10%	$12,107,634	$12,108	$48,431
Vanguard Total Bond Market Index Adm	0.07%	0.00%	$1,536,830	$0	$1,076
Dodge & Cox Stock	0.52%	0.10%	$13,035,211	$13,035	$67,783
T. Rowe Price Equity Income	0.66%	0.15%	$4,984,312	$7,476	$32,896
Vanguard Institutional Index I	0.04%	0.00%	$33,786,879	$0	$13,515
Fidelity Blue Chip Growth K	0.68%	0.20%	$25,913,062	$51,826	$176,209
Hotchkis & Wiley Mid-Cap Value I	1.01%	0.25%	$8,666,058	$21,665	$87,527
Morgan Stanley Inst Mid-Cap Growth I	0.75%	0.15%	$5,067,063	$7,601	$38,003
Artisan Small Cap IS	1.00%	0.00%	$2,327,472	$0	$23,275
Huber Small Cap Value IS	1.35%	0.15%	$9,242,353	$13,864	$124,772
American Funds EuroPacific Gr R6	0.49%	0.00%	$11,141,295	$0	$54,592
Vanguard Total Intl Stock Index Adm	0.14%	0.00%	$709,124	$0	$993
Fidelity Balanced K	0.46%	0.20%	$12,308,845	$24,618	$56,621
Vanguard Wellesley Income Adm	0.18%	0.00%	$5,412,711	$0	$9,743
Vanguard Target Retirement Income	0.16%	0.00%	$864,497	$0	$1,383
Vanguard Target Retirement 2010	0.16%	0.00%	$3,530,609	$0	$5,649
Vanguard Target Retirement 2015	0.16%	0.00%	$6,307,084	$0	$10,091
Vanguard Target Retirement 2020	0.16%	0.00%	$16,713,370	$0	$26,741
Vanguard Target Retirement 2025	0.17%	0.00%	$5,326,151	$0	$9,054
Vanguard Target Retirement 2030	0.17%	0.00%	$5,670,612	$0	$9,640
Vanguard Target Retirement 2035	0.18%	0.00%	$1,931,977	$0	$3,478
Vanguard Target Retirement 2040	0.18%	0.00%	$3,838,653	$0	$6,910
Vanguard Target Retirement 2045	0.18%	0.00%	$1,204,651	$0	$2,168
Vanguard Target Retirement 2050	0.18%	0.00%	$1,121,411	$0	$2,019
Vanguard Target Retirement 2055	0.18%	0.00%	$134,179	$0	$242
Vanguard Target Retirement 2060	0.18%	0.00%	$32,584	$0	$59
Brokerage Assets	-	-	$21,650,628	-	-
Fidelity Retiree Money Market	0.42%	0.20%	$785,677	$1,571	$3,300
Total			**$233,499,976**	**$153,764**	**$872,430**

	Qtr	Annualized
Weighted Plan Revenue	0.016%	0.066%
Weighted Expense Ratio	0.093%	0.374%
# of Participants	**1,717**	

	%	$
Annual Required Revenue	0.045%	$105,075
Annual Revenue Received	0.066%	$153,764
Net Excess / Deficit	0.021%	$48,689

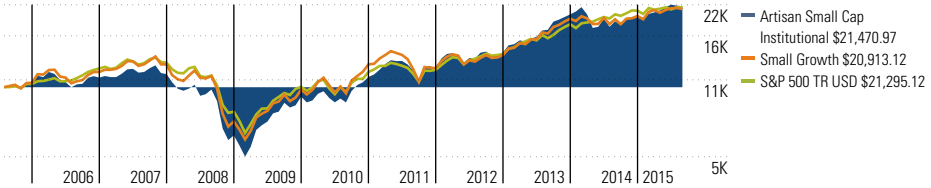
Section 9

Artisan Small Cap Institutional APHSX

Morningstar Analyst Rating
Silver

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
32.03	↑0.32 | 1.01	0.00	1.4	Limited	$1 mil	None	1.00%	★★★	Small Growth	Mid Growth

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures

Risk vs. Category (664)	Avg	
Return vs. Category (664)	Avg	

Low Avg High

Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Neutral
Rating	Silver

Investment Strategy

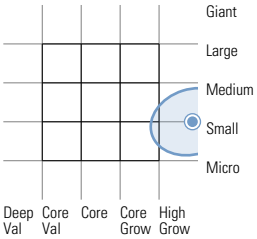
The investment seeks maximum long-term capital growth. The fund invests no less than 80% of its net assets plus any borrowings for investment purposes at market value at the time of purchase in the common stocks of small companies. It defines a small company as one with a market capitalization less than three times the weighted average market capitalization of companies in the Russell 2000® Index. It may invest in the securities of non-U.S. companies, but only if the securities are purchased or sold in the U.S.

Performance

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann

* Currency is displayed in BASE

Style Map

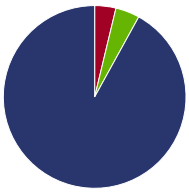


Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
DexCom Inc	6.19	96.66 BASE	-1.48 ↓	38.77 - 98.85
Acuity Brands Inc	5.04	209.54 BASE	-0.30 ↓	117.19 - 211.82
Taser International Inc	3.56	23.91 BASE	-1.56 ↓	13.40 - 35.95
CoStar Group Inc	3.28	193.68 BASE	-1.26 ↓	134.38 - 223.49
Cognex Corp	3.21	37.10 BASE	0.27 ↑	32.35 - 52.48
% Assets in Top 5 Holdings	21.27			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

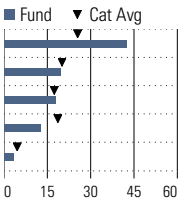
Asset Allocation



Asset Class	% Net
Cash	4.26
US Stock	91.98
Non US Stock	3.75
Bond	0.00
Other	0.00

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	42.37	42.37	40.70	24.11
Healthcare	19.52	21.80	16.53	18.69
Consumer Cyclical	17.91	18.67	17.65	16.02
Industrials	12.60	12.60	9.38	17.27
Real Estate	3.43	3.49	2.92	3.18



Management

	Start Date
Craigh A. Cepukenas	09-27-2004
James D. Hamel	10-01-2009
Matthew H. Kamm	01-13-2010
Jason L. White	01-28-2011

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

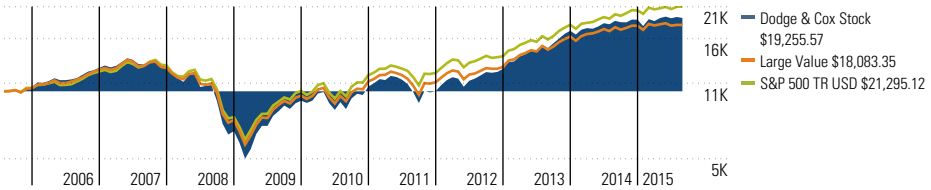
MORNINGSTAR®

Dodge & Cox Stock DODGX

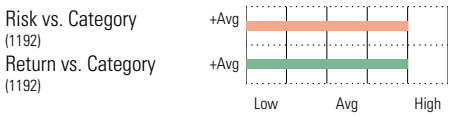
Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
180.96	↑1.03 | 0.57	1.25	60.6	Open	$2,500	None	0.52%	★★★★	Large Value	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



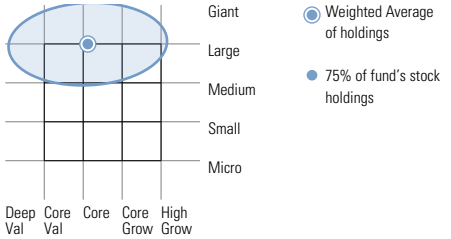
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks long-term growth of principal and income; a secondary objective is to achieve a reasonable current income. The fund invests primarily in a diversified portfolio of equity securities. It will invest at least 80% of its total assets in equity securities, including common stocks, depositary receipts evidencing ownership of common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks. The fund may invest up to 20% of its total assets in U.S. dollar-denominated securities of non-U.S. issuers traded in the United States that are not in the S&P 500.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,161	9,785	10,552	16,473	21,582	19,196
Fund	1.61	-2.15	5.52	18.10	16.63	6.74
+/- S&P 500 TR USD	-1.83	-1.20	-4.25	1.65	0.21	-1.10
+/- Category	0.93	-1.02	0.71	3.62	2.78	0.33
% Rank in Cat	32	88	48	6	5	41
# of Funds in Cat	1,400	1,458	1,368	1,171	1,036	728

* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Capital One Financial Corp	4.17	81.29 BASE	-0.44 ↓	72.77 - 92.10
⊖ Wells Fargo & Co	4.04	57.46 BASE	0.19 ↑	46.44 - 58.76
⊕ Hewlett-Packard Co	3.65	28.35 BASE	-0.87 ↓	28.20 - 41.10
⊖ Microsoft Corp	3.61	47.09 BASE	-0.51 ↓	40.12 - 50.04
⊖ Time Warner Cable Inc	3.43	191.02 BASE	0.38 ↑	128.78 - 194.22
% Assets in Top 5 Holdings	18.90			

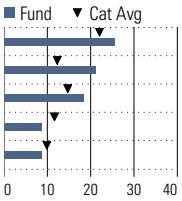
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	0.93	0.00	0.93	0.00	1.78
US Stock	89.18	0.00	89.18	98.62	91.01
Non US Stock	10.12	0.00	10.12	1.38	6.06
Bond	0.00	0.00	0.00	0.00	0.18
Other	-0.23	0.23	0.00	0.00	0.97

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	25.46	25.46	22.19	21.12
Technology	21.08	23.52	21.08	11.36
Healthcare	18.32	19.18	17.09	13.80
Energy	8.70	8.77	7.80	10.73
Consumer Cyclical	8.57	8.57	7.68	8.97



Management

	Start Date
John A. Gunn	01-01-1977
C. Bryan Cameron	01-01-1992
Charles F. Pohl	01-01-1992
Gregory R. Serrurier	01-01-1996
Wendell W. Birkhofer	01-01-2002
David C. Hoeft	01-01-2002
Diana S. Strandberg	01-01-2005
Steven C. Voorhis	05-01-2006
Philippe Barret, Jr.	02-01-2013

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-25-2015	183.96	0.0000	0.0000	0.0000	0.6100	0.6100
03-26-2015	175.66	1.3700	0.0000	0.0000	0.8500	2.2200
12-19-2014	181.48	2.5600	0.0000	0.0000	0.3800	2.9400
09-25-2014	179.52	0.0000	0.0000	0.0000	0.5000	0.5000
06-25-2014	177.99	0.0000	0.0000	0.0000	0.7800	0.7800

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

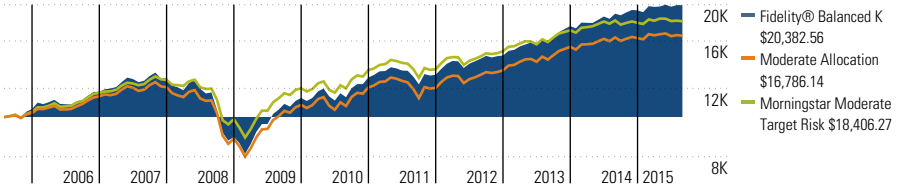
MORNINGSTAR®

Fidelity® Balanced K FBAKX

Morningstar Analyst Rating
Bronze

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
23.34	↑0.10 | 0.43	1.48	29.2	Open	—	None	0.46%	★★★★★	Moderate Allocation	Large Growth

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,333	9,907	10,768	14,063	17,567	20,404
Fund	3.33	-0.93	7.68	12.04	11.93	7.39
+/- Morningstar Moderate Target Risk	2.31	-0.04	6.85	4.30	3.39	1.08
+/- Category	1.79	0.10	4.67	2.89	2.49	1.55
% Rank in Cat	7	45	4	5	5	—
# of Funds in Cat	928	945	910	813	712	469

* Currency is displayed in BASE

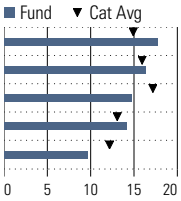
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
High Yield Debt Securities Directly Held	3.14	—	—	—
⊕ Apple Inc	2.74	116.59 BASE	-0.49 ↓	95.18 - 134.54
⊕ Fidelity Cent Invt Portfolios	2.48	—	—	—
✲ US Treasury Note 0.625%	1.76	—	—	—
⊕ Danaher Corp	1.31	91.40 BASE	-0.26 ↓	70.12 - 92.92
% Assets in Top 5 Holdings	11.45			

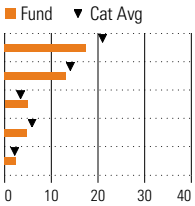
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	17.67	19.47	17.67	14.45
Healthcare	16.30	16.30	13.19	15.47
Financial Services	14.69	15.71	14.69	16.72
Consumer Cyclical	14.08	14.08	9.83	12.60
Industrials	9.69	9.86	8.94	11.72



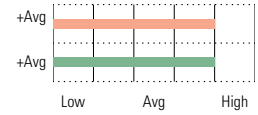
	Fund	BMark	Cat Avg
Government	17.47	68.59	20.12
Agency Mortgage-Backed	13.18	0.04	13.21
Commercial MBS	4.90	0.07	2.55
Government-Related	4.82	1.54	5.01
Non-Agency Residential MBS	2.39	0.06	1.30



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
07-01-2015	23.20	0.0000	0.0000	0.0000	0.0800	0.0800
04-01-2015	23.16	0.0000	0.0000	0.0000	0.1000	0.1000
12-12-2014	22.33	0.3600	0.0900	0.0000	0.0900	0.5300
10-10-2014	22.02	0.9500	0.4700	0.0000	0.1000	1.5200
07-03-2014	24.14	0.0000	0.0000	0.0000	0.0900	0.0900

3 Year Average Morningstar Risk Measures



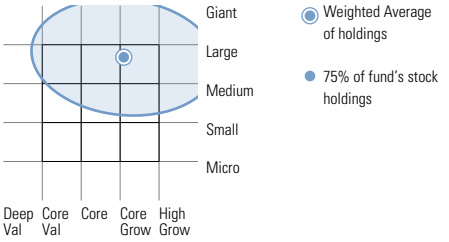
Pillars

Process	Neutral
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Bronze

Investment Strategy

The investment seeks income and capital growth consistent with reasonable risk. The fund invests approximately 60% of assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when its outlook is neutral. It invests at least 25% of total assets in fixed-income senior securities (including debt securities and preferred stock). The fund invests in domestic and foreign issuers.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	1.24	2.05	3.29	1.02	4.75
US Stock	62.48	0.00	62.48	50.09	45.45
Non US Stock	4.63	0.00	4.63	26.76	13.60
Bond	29.15	0.00	29.15	19.29	32.78
Other	2.50	0.00	2.50	2.83	3.42

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

MORNINGSTAR®

Fidelity® Balanced K FBAKX

Morningstar Analyst Rating
Bronze

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
23.34	↑0.10 | 0.43	1.48	29.2	Open	—	None	0.46%	★★★★★	Moderate Allocation	Large Growth

Management

	Start Date
Pramod Atluri	03-01-2012
Steven Kaye	09-30-2008
Robert A. Lee	09-30-2008
Douglas Simmons	09-30-2008
Pierre Sorel	09-30-2008
Robert E. Stansky	09-30-2008
Peter Saperstone	03-25-2011
Tobias W. Welo	11-14-2011
Brian Lempel	04-25-2013
Jonathan Kasen	07-16-2013
Monty Kori	07-16-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

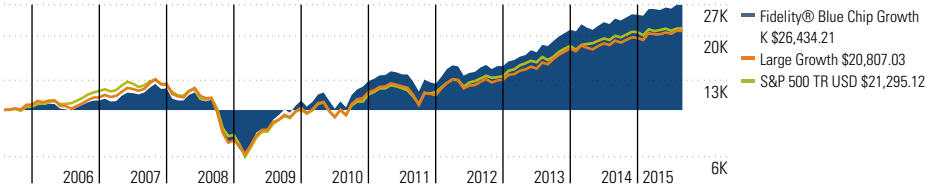
MORNINGSTAR®

Fidelity® Blue Chip Growth K FBGKX

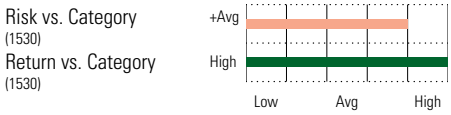
Morningstar Analyst Rating
Bronze

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
74.95	↑0.59 | 0.79	0.21	21.2	Open	—	None	0.67%	★★★★★	Large Growth	Large Growth

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



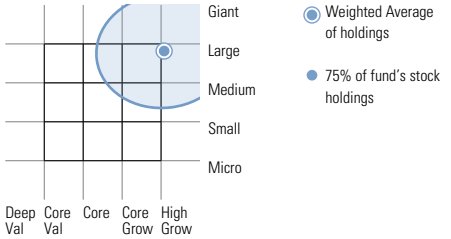
Pillars

Process	Neutral
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Bronze

Investment Strategy

The investment seeks growth of capital over the long term. The fund invests primarily in common stocks of well-known and established companies. It normally invests at least 80% of assets in blue chip companies. The fund invests in companies that Fidelity Management & Research Company believes have above-average growth potential. It invests in securities of domestic and foreign issuers. The fund uses fundamental analysis of factors such as each issuer's financial condition and industry position, as well as market and economic conditions, to select investments.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,945	9,870	11,669	17,742	24,610	26,390
Fund	9.45	-1.30	16.69	21.06	19.74	10.19
+/- S&P 500 TR USD	6.01	-0.36	6.93	4.61	3.32	2.35
+/- Category	2.70	-0.18	4.59	4.23	3.51	2.02
% Rank in Cat	20	57	12	4	3	—
# of Funds in Cat	1,691	1,735	1,672	1,507	1,310	910

* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Apple Inc	6.89	116.50 BASE	-0.56 ↓	95.18 - 134.54
⊕ Google Inc Class A	3.48	688.73 BASE	-0.78 ↓	490.91 - 713.33
⊖ Amazon.com Inc	3.37	535.02 BASE	-0.04 ↓	284.00 - 580.57
⊕ Facebook Inc Class A	2.71	95.17 BASE	1.32 ↑	70.32 - 99.24
⊖ Gilead Sciences Inc	2.32	117.06 BASE	0.55 ↑	85.95 - 123.37
% Assets in Top 5 Holdings	18.78			

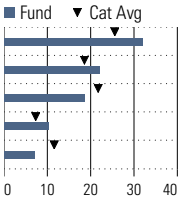
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	0.10	0.01	0.11	0.00	1.91
US Stock	87.87	0.00	87.87	98.84	89.47
Non US Stock	11.08	0.00	11.08	1.16	8.39
Bond	0.00	0.00	0.00	0.00	0.09
Other	0.95	0.00	0.95	0.00	0.14

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	31.90	31.90	27.73	24.65
Consumer Cyclical	22.01	22.01	20.13	17.64
Healthcare	18.53	18.53	13.89	20.81
Consumer Defensive	10.16	12.30	10.16	6.39
Financial Services	7.15	7.60	7.15	10.66



Management

	Start Date
Sonu Kalra	07-01-2009

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-12-2014	67.02	0.5700	0.0000	0.0000	0.0600	0.6300
09-05-2014	66.87	3.1700	0.2500	0.0000	0.1100	3.5300
12-13-2013	60.79	1.2900	0.0000	0.0000	0.1300	1.4200
09-06-2013	57.00	2.9500	0.2200	0.0000	0.2000	3.3700
12-27-2012	48.57	0.0000	0.0000	0.0000	0.0100	0.0100

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

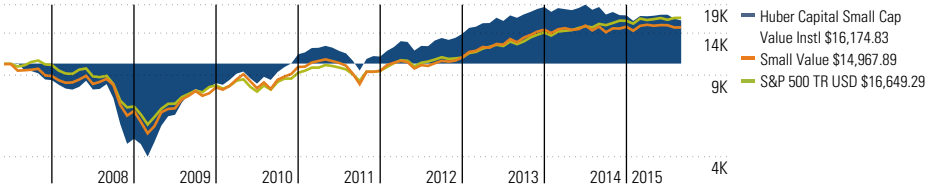
MORNINGSTAR®

Huber Capital Small Cap Value Instl HUSEX

Morningstar Analyst Rating
—

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
15.57	↑0.04 | 0.26	0.14	236.8	Open	$1 mil	None	1.35%	★	Small Value	Small Value

Growth of 10,000 06-29-2007 - 08-17-2015



3 Year Average Morningstar Risk Measures

Risk vs. Category (366)	None		
Return vs. Category (366)	None		
	Low	Avg	High

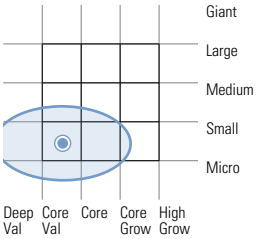
Pillars

Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—
Rating	—	

Investment Strategy

The investment seeks capital appreciation. The fund invests at least 80% of its net assets (plus borrowings for investment purposes) in common stocks of small capitalization U.S. companies whose stocks are considered by the Adviser to be undervalued. The Adviser currently considers small cap companies to be those with market capitalizations of $3.0 billion or less and/or those with market capitalizations in the range of those found in the Russell 2000® Value Index. It will invest primarily in domestic U.S. securities but reserves the right to invest up to 20% of its net assets in ADRs, dollar-denominated foreign securities, or directly in foreign securities.

Style Map



Performance

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann

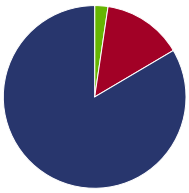
* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ CNO Financial Group Inc	8.31	18.34 BASE	-0.43 ↓	14.89 - 19.49
⊖ KBR Inc	5.68	18.38 BASE	-0.92 ↓	14.00 - 22.60
Nordic American Tankers Ltd	5.30	14.77 BASE	-3.08 ↓	6.95 - 17.45
Innospec Inc	4.88	46.74 BASE	0.19 ↑	35.00 - 46.97
Granite Real Estate Inc Shs of Granite Real Estate Inc + 1 TU Granite REIT	4.50	40.58 BASE	0.97 ↑	37.02 - 45.93
% Assets in Top 5 Holdings	28.67			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

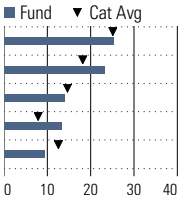
Asset Allocation



Asset Class	% Net
Cash	2.35
US Stock	83.49
Non US Stock	14.16
Bond	0.00
Other	0.00

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	25.25	26.77	23.01	24.20
Industrials	23.12	23.12	13.95	17.25
Consumer Cyclical	13.86	21.32	11.88	13.72
Basic Materials	13.24	13.57	11.52	6.95
Technology	9.42	9.42	6.17	11.62



Management

	Start Date
Joseph R. Huber	06-29-2007

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-16-2014	15.52	0.0000	0.0100	0.0000	0.0200	0.0300
12-17-2012	13.15	0.0000	0.0000	0.0000	0.0400	0.0400

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

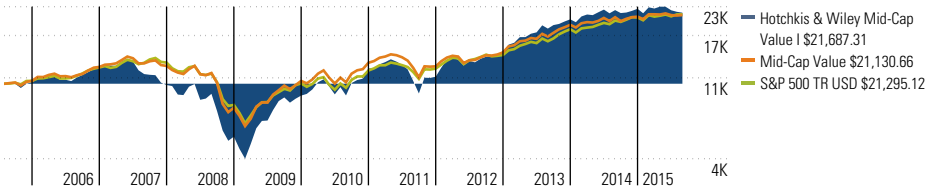
MORNINGSTAR®

Hotchkis & Wiley Mid-Cap Value I HWMIX

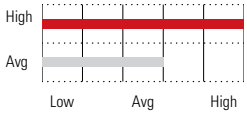
Morningstar Analyst Rating
—

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
39.37	↓-0.01 | -0.03	0.61	3.1	Limited	$1 mil	None	1.01%	★★★	Mid-Cap Value	Mid Value

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



Investment Strategy

The investment seeks capital appreciation. The fund normally invests at least 80% of its net assets plus borrowings for investment purposes in equity securities of mid-capitalization companies. Hotchkis & Wiley Capital Management, LLC (the "Advisor") currently considers mid-cap companies to be those with market capitalizations like those found in the Russell Midcap® Index.

Pillars

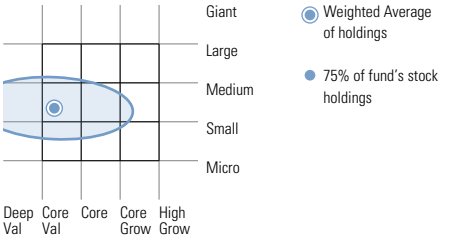
Process	—	—
Performance	—	—
People	—	—
Parent	—	—
Price	—	—
Rating		—

Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	9,584	9,843	10,016	16,350	23,399	21,702
Fund	-4.16	-1.57	0.16	17.81	18.53	8.06
+/- S&P 500 TR USD	-7.60	-0.63	-9.61	1.36	2.11	0.22
+/- Category	-5.82	-1.33	-4.87	1.55	3.66	0.34
% Rank in Cat	94	84	89	24	2	40
# of Funds in Cat	506	513	488	424	367	251

* Currency is displayed in BASE

Style Map



Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Great Plains Energy Inc	3.56	27.15 BASE	-0.73 ↓	23.91 - 30.25
ARRIS Group Inc	3.52	27.54 BASE	-1.50 ↓	23.71 - 37.50
White Mountains Insurance Group Ltd	3.41	734.86 BASE	-0.14 ↓	610.00 - 749.66
⊖ Cobalt International Energy Inc	3.39	8.07 BASE	0.00 ↓	7.36 - 15.69
⊖ Willis Group Holdings PLC	3.36	46.41 BASE	-0.11 ↓	39.11 - 49.96
% Assets in Top 5 Holdings	17.24			

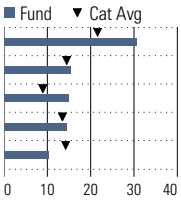
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	-0.51	0.51	0.00	0.00	2.75
US Stock	86.37	0.00	86.37	99.25	93.00
Non US Stock	14.13	0.00	14.13	0.75	4.09
Bond	0.00	0.00	0.00	0.00	0.04
Other	0.00	0.00	0.00	0.00	0.11

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	30.62	30.87	27.11	20.68
Consumer Cyclical	15.30	19.80	15.30	13.54
Energy	14.93	14.93	7.88	8.04
Technology	14.48	15.96	14.48	12.56
Industrials	10.31	10.31	6.21	13.30



Management

	Start Date
Stanley Majcher	12-31-1997
James B. Miles	01-02-1997
George H. Davis, Jr.	12-31-1997

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-12-2014	38.90	3.6000	0.3700	0.0000	0.2700	4.2400
12-13-2013	38.99	0.0000	0.0000	0.0000	0.1300	0.1300
12-14-2012	28.12	0.0000	0.0000	0.0000	0.1300	0.1300
12-16-2011	20.87	0.0000	0.0000	0.0000	0.0200	0.0200
12-17-2010	23.12	0.0000	0.0000	0.0000	0.0800	0.0800

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

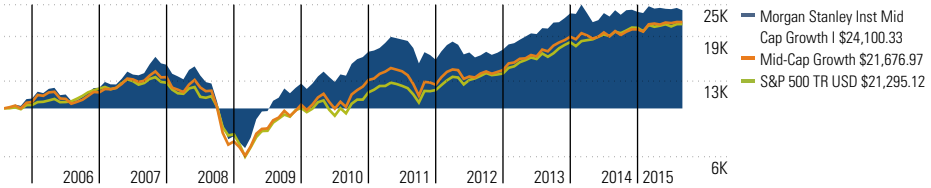
MORNINGSTAR®

Morgan Stanley Inst Mid Cap Growth I MPEGX

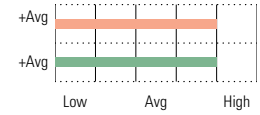
Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
39.92	↑0.44 | 1.11	0.20	5.2	Limited	$5 mil	None	0.75%	★★★	Mid-Cap Growth	Mid Growth

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



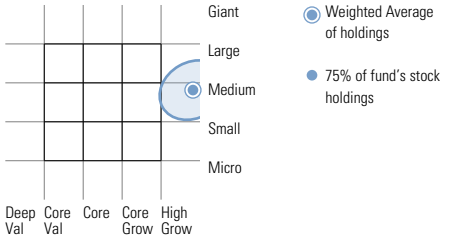
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks long-term capital growth. The fund normally invests at least 80% of the Portfolio's assets in common stocks of mid cap companies. The Adviser seeks to invest in high quality companies it believes have sustainable competitive advantages and the ability to redeploy capital at high rates of return. It may invest up to 25% of its net assets in securities of foreign issuers, including issuers located in emerging market or developing countries. The fund may invest in privately placed securities. In addition, it may invest in convertible securities. The fund may utilize foreign currency forward exchange contracts.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,147	9,699	10,271	14,738	17,564	24,132
Fund	1.47	-3.01	2.71	13.80	11.92	9.21
+/- S&P 500 TR USD	-1.97	-2.07	-7.06	-2.65	-4.50	1.37
+/- Category	-5.42	-2.51	-9.17	-2.87	-3.96	0.58
% Rank in Cat	92	94	94	88	93	39
# of Funds in Cat	759	768	752	647	578	444

* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Illumina Inc	5.67	207.00 BASE	-0.44 ↓	145.12 - 242.37
⊖ Tesla Motors Inc	4.56	260.72 BASE	2.25 ↑	181.40 - 291.42
⊖ LinkedIn Corp Class A	4.09	186.88 BASE	-1.98 ↓	184.20 - 276.18
⊖ Intuitive Surgical Inc	3.88	529.70 BASE	-0.63 ↓	449.34 - 564.86
⊖ Twitter Inc	3.68	28.30 BASE	-2.62 ↓	26.87 - 55.99
% Assets in Top 5 Holdings	21.88			

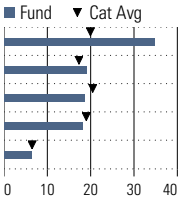
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	2.74	0.04	2.78	0.00	2.19
US Stock	87.92	0.00	87.92	98.91	93.32
Non US Stock	4.99	0.00	4.99	1.09	4.27
Bond	0.00	0.00	0.00	0.00	0.07
Other	4.35	0.00	4.35	0.00	0.15

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	34.83	38.04	34.70	19.02
Healthcare	18.94	18.94	12.49	16.38
Consumer Cyclical	18.61	18.61	12.91	19.55
Industrials	18.06	18.93	18.06	18.06
Consumer Defensive	6.33	9.86	6.33	5.55



Management

	Start Date
Dennis P. Lynch	01-18-2002
David S. Cohen	01-18-2002
Sandeep (Sam) G. Chainani	06-30-2004
Alexander T. Norton	07-29-2005
Jason C. Yeung	09-30-2007
Armistead B. Nash	09-30-2008

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-16-2014	37.63	5.6800	0.5100	0.0000	0.0900	6.2800
12-16-2013	43.51	2.2200	0.4300	0.0000	0.0000	2.6400
12-17-2012	34.46	1.1800	0.0000	0.0000	0.1200	1.2900
12-16-2011	32.45	1.7400	0.0900	0.0000	0.0000	1.8300
12-17-2010	37.28	0.0000	0.0000	0.0000	0.1000	0.1000

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

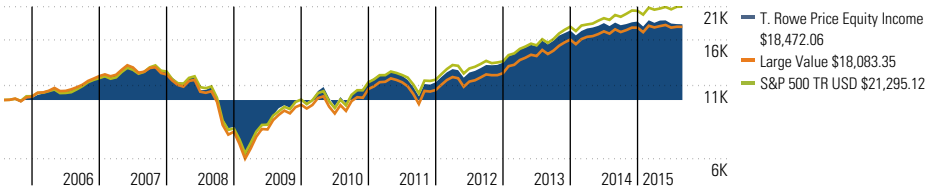
MORNINGSTAR®

T. Rowe Price Equity Income PRFDX

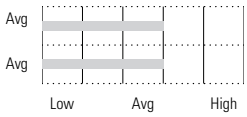
Morningstar Analyst Rating
Bronze

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
31.82	↑0.12 | 0.38	1.75	26.6	Open	$2,500	None	0.66%	★★★	Large Value	Large Value

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



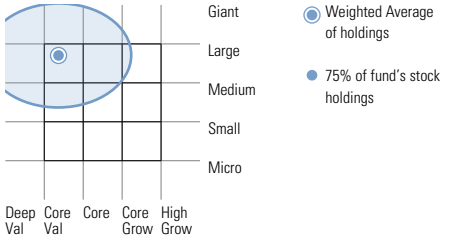
Pillars

Process	Neutral
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Bronze

Investment Strategy

The investment seeks a high level of dividend income and long-term capital growth primarily through investments in stocks. The fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in common stocks, with an emphasis on large-capitalization stocks that have a strong track record of paying dividends or that are believed to be undervalued. It generally seeks investments in large-capitalization companies and the fund's yield, which reflects the level of dividends paid by the fund, is expected to normally exceed the yield of the S&P 500 Stock Index.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	9,785	9,857	10,095	14,141	18,234	18,445
Fund	-2.15	-1.43	0.95	12.24	12.77	6.31
+/- S&P 500 TR USD	-5.59	-0.48	-8.82	-4.21	-3.65	-1.53
+/- Category	-2.83	-0.30	-3.87	-2.24	-1.08	-0.09
% Rank in Cat	91	69	87	82	77	53
# of Funds in Cat	1,400	1,458	1,368	1,171	1,036	728

* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ JPMorgan Chase & Co	3.14	68.21 BASE	0.21 ↑	54.26 - 70.61
General Electric Co	3.10	26.07 BASE	-0.53 ↓	23.41 - 28.68
⊖ Wells Fargo & Co	2.40	57.54 BASE	0.33 ↑	46.44 - 58.76
U.S. Bancorp	1.92	45.75 BASE	0.22 ↑	38.10 - 46.26
Bank of America Corporation	1.87	17.69 BASE	-0.45 ↓	14.97 - 18.48
% Assets in Top 5 Holdings	12.42			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

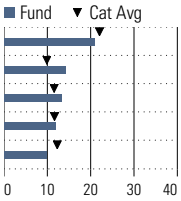
	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	2.87	0.00	2.87	0.00	1.78
US Stock	91.53	0.00	91.53	98.62	91.01
Non US Stock	4.05	0.00	4.05	1.38	6.06
Bond	0.64	0.00	0.64	0.00	0.18
Other	0.91	0.00	0.91	0.00	0.97

Management

	Start Date
Brian C. Rogers	10-31-1985

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	21.00	21.00	19.58	21.12
Consumer Cyclical	14.14	14.14	12.12	8.97
Industrials	13.18	15.90	13.07	10.65
Energy	11.88	14.91	11.88	10.73
Technology	9.72	10.83	9.02	11.36



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-26-2015	32.64	0.0000	0.0000	0.0000	0.1700	0.1700
03-27-2015	32.10	0.0000	0.0000	0.0000	0.1100	0.1100
12-11-2014	32.17	1.7800	0.0000	0.0000	0.1700	1.9500
09-26-2014	33.97	0.0000	0.0000	0.0000	0.1400	0.1400
06-26-2014	34.40	0.0000	0.0000	0.0000	0.1500	0.1500

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

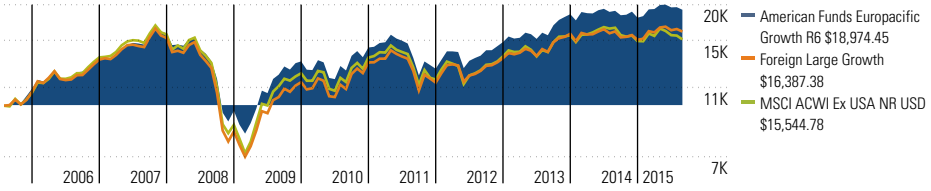
MORNINGSTAR®

American Funds Europacific Growth R6 RERGX

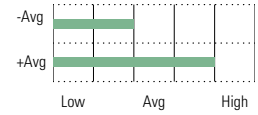
Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
49.66	↓-0.02 | -0.04	1.63	130.1	Open	$250	None	0.49%	★★★	Foreign Large Growth	Large Growth

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



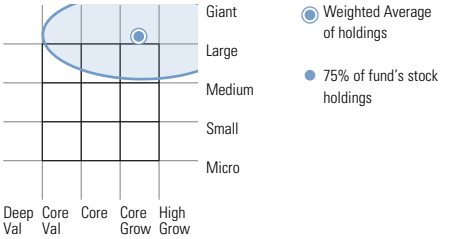
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation. It normally invests at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,546	9,661	10,202	13,489	14,617	18,994
Fund	5.46	-3.39	2.02	10.49	7.89	6.63
+/- MSCI ACWI Ex USA NR USD	4.38	0.45	8.20	3.77	2.58	2.07
+/- Category	-0.20	-0.48	0.88	1.04	0.00	1.41
% Rank in Cat	53	64	38	32	46	—
# of Funds in Cat	344	360	340	296	273	173

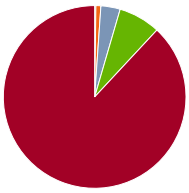
* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Novo Nordisk A/S B	4.37	398.00 BASE	1.56 ↑	244.50 - 415.00
⊕ SoftBank Group Corp	2.49	— BASE	-0.89 ↓	6,600.00 - 8,760.00
Novartis AG	2.36	101.00 BASE	0.20 ↑	78.60 - 103.20
⊖ Bayer AG	2.23	129.25 BASE	0.39 ↑	96.81 - 146.45
⊕ Barclays PLC	2.05	274.05 BASE	0.04 ↑	204.05 - 289.90
% Assets in Top 5 Holdings	13.50			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

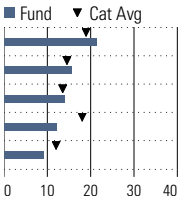
Asset Allocation



Asset Class	% Net
Cash	7.42
US Stock	0.22
Non US Stock	88.07
Bond	0.88
Other	3.42

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	21.26	21.40	21.26	18.02
Technology	15.68	15.68	15.07	13.62
Healthcare	13.95	15.30	13.61	12.63
Consumer Cyclical	12.01	13.22	11.23	17.12
Industrials	9.01	10.02	9.01	11.10



Management

	Start Date
Mark E. Denning	12-31-1991
Carl M. Kawaja	06-01-2001
Nicholas J. Grace	06-01-2002
Sung Lee	06-01-2002
Jesper Lyckeus	06-01-2004
Jonathan Knowles	06-01-2006
Andrew B. Suzman	06-01-2007
Christopher M. Thomsen	06-01-2008
Lawrence Kymisis	06-01-2014

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-26-2014	47.56	0.0000	0.0000	0.0000	0.8200	0.8200
12-26-2013	48.37	0.0000	0.0000	0.0000	0.6100	0.6100
12-26-2012	40.90	0.0000	0.0000	0.0000	0.8400	0.8400
12-27-2011	35.13	0.0000	0.0000	0.0000	0.7400	0.7400
12-27-2010	40.96	0.0000	0.0000	0.0000	0.7100	0.7100

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

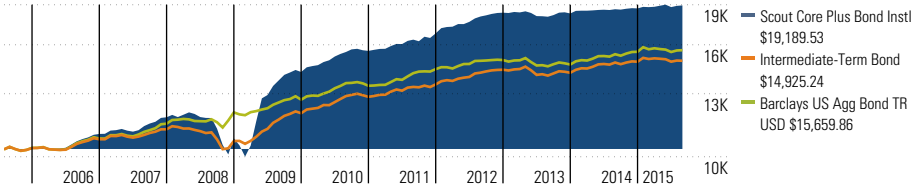
MORNINGSTAR®

Scout Core Plus Bond Instl SCPZX

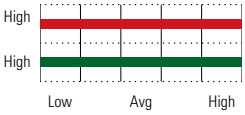
Morningstar Analyst Rating
Silver

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
32.45	↑0.06 | 0.18	1.23	699.6	Open	$100,000	None	0.40%	★★★★	Intermediate-Term Bond	

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Positive
Rating	Silver

Investment Strategy

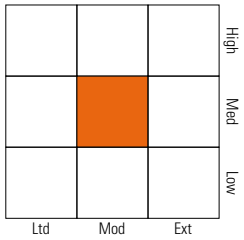
The investment seeks a high level of total return consistent with the preservation of capital. Under normal circumstances, the fund invests at least 80% of its net assets in bonds of varying maturities, including mortgage- and asset-backed securities. The bonds in which the fund may invest also include other fixed income instruments such as debt securities, to-be-announced securities and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities.

Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,137	10,082	10,171	10,625	12,393	19,220
Fund	1.37	0.82	1.71	2.04	4.39	6.75
+/- Barclays US Agg Bond TR USD	0.64	0.09	-0.26	0.06	1.24	2.14
+/- Category	0.94	0.50	0.74	-0.13	0.99	2.42
% Rank in Cat	5	4	24	53	13	1
# of Funds in Cat	1,044	1,090	1,021	913	806	578

* Currency is displayed in BASE

Style Map 06-30-2015



Top Holdings 06-30-2015

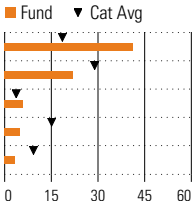
	Weight %	Maturity Date	Amount Mil	Value Mil
⊖ US Treasury Note 1.375%	11.33	02-29-2020	79.45	78.76
⊖ US Treasury Note 0.5%	10.60	11-30-2016	73.67	73.72
⊖ US Treasury Bond 2.5%	8.35	02-15-2045	65.94	58.04
⊖ US Treasury Note 2%	7.33	02-15-2025	52.48	50.99
US Treasury Note 0.089%	2.90	04-30-2022	20.55	20.16
% Assets in Top 5 Holdings	40.51			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

Bond Statistics	Value
Average Effective Duration (Years)	4.50
Average Effective Maturity (Years)	5.70
Average Credit Quality	A
Average Weighted Coupon	2.14
Average Weighted Price	98.27

Top Sectors 06-30-2015

	Fund	BMark	Cat Avg
U.S. Treasury	41.23	—	17.26
Corporate Bond	21.89	—	27.65
Agency MBS CMO	5.96	—	2.42
Agency MBS Pass-Through	4.88	—	13.81
Commercial MBS	3.42	—	7.98



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	19.14	0.00	19.14	—	12.38
US Stock	0.00	0.00	0.00	—	0.01
Non US Stock	0.00	0.00	0.00	—	-0.01
Bond	79.09	0.00	79.09	—	86.42
Other	1.77	0.00	1.77	—	1.19

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
07-31-2015	32.41	0.0000	0.0000	0.0000	0.0500	0.0500
06-30-2015	32.27	0.0000	0.0000	0.0000	0.0500	0.0500
05-29-2015	32.68	0.0000	0.0000	0.0000	0.0300	0.0300
02-27-2015	32.34	0.0000	0.0000	0.0000	0.0300	0.0300
01-30-2015	32.41	0.0000	0.0000	0.0000	0.0300	0.0300

Management

	Start Date
Mark M. Egan	11-25-1996
Thomas M. Fink	12-31-2000
Todd C. Thompson	07-01-2001
Stephen T. Vincent	10-30-2009
Clark W. Holland	10-31-2014

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

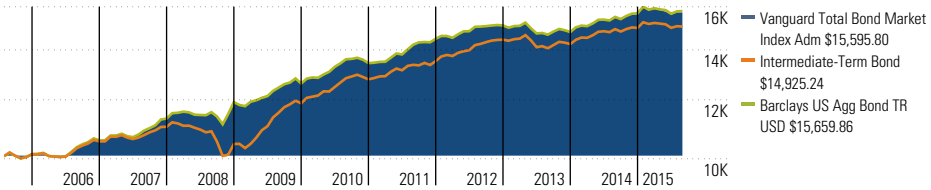
MORNINGSTAR®

Vanguard Total Bond Market Index Adm VBTLX

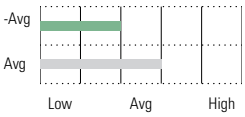
Morningstar Analyst Rating
Silver

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
10.77	↑0.01 | 0.09	2.46	145.0	Open	$10,000	None	0.07%	★★★	Intermediate-Term Bond	

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



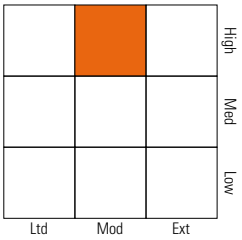
Pillars

Process	Positive
Performance	Neutral
People	Positive
Parent	Positive
Price	Positive
Rating	Silver

Investment Strategy

The investment seeks the performance of a broad, market-weighted bond index. The fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds held in the index.

Style Map 06-30-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,060	10,065	10,180	10,572	11,605	15,625
Fund	0.60	0.65	1.80	1.87	3.02	4.56
+/- Barclays US Agg Bond TR USD	-0.12	-0.08	-0.18	-0.11	-0.12	-0.04
+/- Category	0.18	0.33	0.83	-0.30	-0.37	0.24
% Rank in Cat	39	15	20	62	67	46
# of Funds in Cat	1,044	1,090	1,021	913	806	578

* Currency is displayed in BASE

Bond Statistics	Value
Average Effective Duration (Years)	5.70
Average Effective Maturity (Years)	7.90
Average Credit Quality	AA
Average Weighted Coupon	3.33
Average Weighted Price	104.91

Top Holdings 06-30-2015

	Weight %	Maturity Date	Amount Mil	Value Mil
⊕ Ginnie Mae Jumbos TBA 3.5% 2045-07-01	0.73	07-01-2045	1,067.43	1,107.79
✲ FNMA	0.66	—	965.33	994.29
⊕ US Treasury Note 3.625%	0.53	08-15-2019	735.17	799.72
⊕ US Treasury Note 4.75%	0.49	08-15-2017	691.06	750.01
⊕ US Treasury Note 2.125%	0.49	05-15-2025	751.30	736.28
% Assets in Top 5 Holdings	2.90			

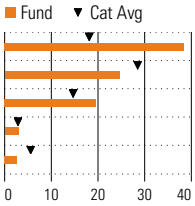
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	5.33	0.00	5.33	—	12.38
US Stock	0.00	0.00	0.00	—	0.01
Non US Stock	0.00	0.00	0.00	—	-0.01
Bond	94.65	0.00	94.65	—	86.42
Other	0.02	0.00	0.02	—	1.19

Top Sectors 06-30-2015

	Fund	BMark	Cat Avg
U.S. Treasury	38.39	—	17.26
Corporate Bond	24.61	—	27.65
Agency MBS Pass-Through	19.62	—	13.81
U.S. Agency	2.97	—	2.00
Other Government Related	2.65	—	4.72



Management

	Start Date
Joshua C. Barrickman	02-22-2013

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
07-31-2015	10.78	0.0000	0.0000	0.0000	0.0200	0.0200
06-30-2015	10.72	0.0000	0.0000	0.0000	0.0200	0.0200
05-29-2015	10.85	0.0000	0.0000	0.0000	0.0200	0.0200
04-30-2015	10.92	0.0000	0.0000	0.0000	0.0200	0.0200
03-31-2015	10.98	0.0000	0.0000	0.0000	0.0200	0.0300

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

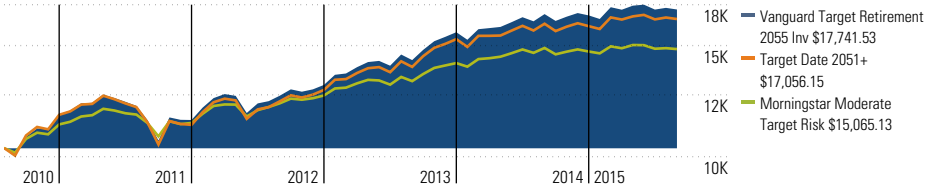
MORNINGSTAR®

Vanguard Target Retirement 2055 Inv VFFVX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
32.77	↑0.09 | 0.28	1.68	2.5	Open	$1,000	None	0.18%	★★★★	Target Date 2051+	Large Blend

Growth of 10,000 08-18-2010 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,247	9,823	10,398	14,182	—	—
Fund	2.47	-1.77	3.98	12.35	—	—
+/- Morningstar Moderate Target Risk	1.46	-0.88	3.16	4.62	—	—
+/- Category	-0.43	-0.07	0.08	0.66	—	—
% Rank in Cat	68	70	56	36	—	—
# of Funds in Cat	238	283	191	114	49	0

* Currency is displayed in BASE

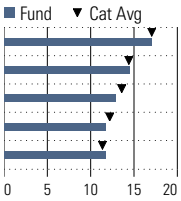
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Vanguard Total Stock Mkt Idx Inv	54.12	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	35.77	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Bond Market II Idx Inv	6.98	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	2.99	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.86			

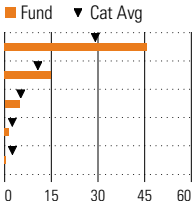
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	17.03	17.03	16.84	16.59
Technology	14.45	15.00	13.97	13.95
Healthcare	12.90	12.90	11.07	13.12
Consumer Cyclical	11.77	11.79	11.30	11.74
Industrials	11.65	12.11	11.65	10.90



	Fund	BMark	Cat Avg
Government	45.64	61.22	27.84
Agency Mortgage-Backed	14.80	0.12	9.40
Government-Related	4.73	0.80	3.88
Commercial MBS	1.37	0.10	1.16
Asset-Backed	0.51	0.00	1.20



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	32.35	0.0000	0.0100	0.0000	0.5500	0.5600
12-26-2013	30.18	0.0000	0.0000	0.0000	0.4800	0.4800
12-28-2012	24.48	0.0100	0.0100	0.0000	0.4500	0.4600
12-29-2011	21.89	0.0000	0.0100	0.0000	0.3900	0.4000
12-30-2010	22.76	0.0000	0.0400	0.0000	0.1800	0.2200

3 Year Average Morningstar Risk Measures

Risk vs. Category (114)	None		
Return vs. Category (114)	None		
	Low	Avg	High

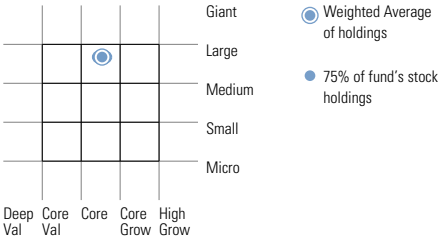
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

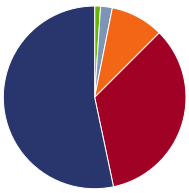
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2055 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	1.04
US Stock	53.31
Non US Stock	34.18
Bond	9.40
Other	2.07

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

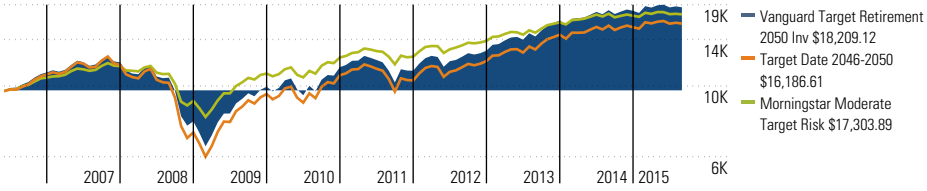
MORNINGSTAR®

Vanguard Target Retirement 2050 Inv VFIFX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
30.39	↑0.08 | 0.26	1.95	9.0	Open	$1,000	None	0.18%	★★★★	Target Date 2046-2050	Large Blend

Growth of 10,000 06-07-2006 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,260	9,825	10,413	14,197	17,734	—
Fund	2.60	-1.75	4.13	12.39	12.14	—
+/- Morningstar Moderate Target Risk	1.58	-0.85	3.30	4.66	3.60	—
+/- Category	-0.05	-0.04	0.75	1.66	1.60	—
% Rank in Cat	59	61	45	24	19	—
# of Funds in Cat	240	247	219	176	132	16

* Currency is displayed in BASE

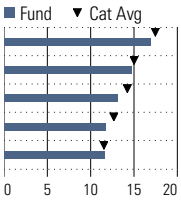
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	56.46	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	33.51	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊖ Vanguard Total Bond Market II Idx Inv	6.97	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	2.99	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.94			

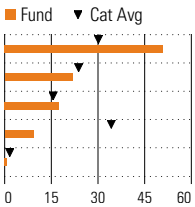
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.86	17.04	16.84	17.00
Technology	14.67	14.99	13.97	14.55
Healthcare	13.04	13.04	11.03	13.77
Consumer Cyclical	11.76	11.84	11.30	12.21
Industrials	11.65	12.13	11.65	11.07



	Fund	BMark	Cat Avg
Government	50.87	62.60	28.84
Corporate	21.75	37.10	22.49
Securitized	17.48	0.24	14.28
Cash & Equivalents	9.24	0.05	32.97
Municipal	0.66	0.00	0.36



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	29.97	0.0000	0.0000	0.0000	0.6000	0.6000
12-26-2013	28.03	0.0000	0.0000	0.0000	0.5200	0.5200
12-28-2012	22.79	0.0000	0.0100	0.0000	0.4900	0.4900
12-29-2011	20.44	0.0000	0.0100	0.0000	0.4400	0.4500
12-30-2010	21.38	0.1200	0.1200	0.0000	0.3700	0.6100

3 Year Average Morningstar Risk Measures

Risk vs. Category (177)	None	
Return vs. Category (177)	None	

Low Avg High

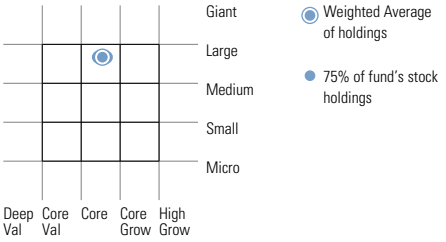
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

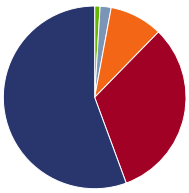
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2050 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	0.95
US Stock	55.61
Non US Stock	32.09
Bond	9.40
Other	1.95

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

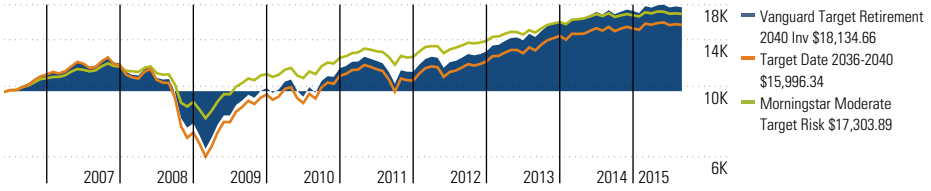
MORNINGSTAR®

Vanguard Target Retirement 2040 Inv VFORX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
30.55	↑0.09 | 0.29	1.87	18.4	Open	$1,000	None	0.18%	★★★★	Target Date 2036-2040	Large Blend

Growth of 10,000 06-07-2006 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,265	9,829	10,414	14,201	17,734	—
Fund	2.65	-1.71	4.14	12.40	12.14	—
+/- Morningstar Moderate Target Risk	1.64	-0.81	3.32	4.67	3.60	—
+/- Category	0.14	-0.09	0.99	2.13	1.86	—
% Rank in Cat	52	68	39	14	12	—
# of Funds in Cat	255	262	234	196	169	53

* Currency is displayed in BASE

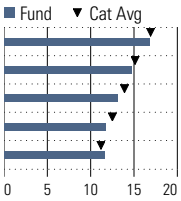
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	57.14	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	32.47	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊖ Vanguard Total Bond Market II Idx Inv	7.24	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	3.10	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.94			

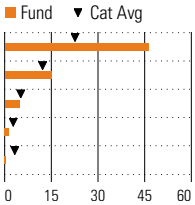
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.80	17.04	16.80	16.46
Technology	14.75	15.00	13.96	14.66
Healthcare	13.10	13.10	11.03	13.44
Consumer Cyclical	11.76	11.84	11.30	12.04
Industrials	11.65	12.12	11.65	10.73



	Fund	BMark	Cat Avg
Government	46.27	63.39	21.33
Agency Mortgage-Backed	15.00	0.10	10.91
Government-Related	4.79	0.90	3.88
Commercial MBS	1.39	0.09	1.46
Asset-Backed	0.51	0.00	1.97



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	30.11	0.0000	0.0200	0.0000	0.5700	0.5900
12-26-2013	28.15	0.0100	0.0000	0.0000	0.5000	0.5100
12-28-2012	22.88	0.0000	0.0100	0.0000	0.5000	0.5000
12-29-2011	20.53	0.0000	0.0100	0.0000	0.4400	0.4500
12-30-2010	21.48	0.0000	0.0700	0.0000	0.3700	0.4400

3 Year Average Morningstar Risk Measures

		Low	Avg	High
Risk vs. Category (197)	None			
Return vs. Category (197)	None			

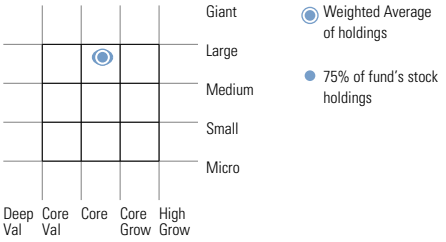
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

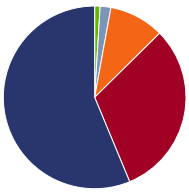
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2040 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	0.96
US Stock	56.27
Non US Stock	31.13
Bond	9.75
Other	1.89

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

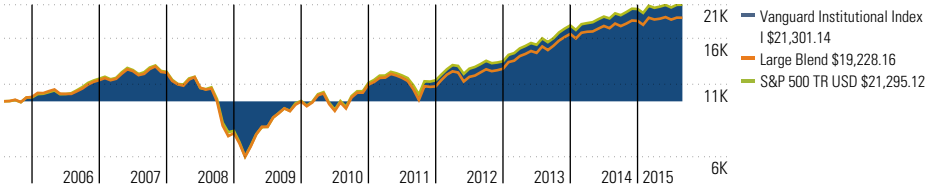
MORNINGSTAR®

Vanguard Institutional Index I VINIX

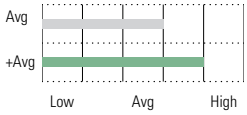
Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
192.61	↑1.03 | 0.54	2.30	199.5	Open	$5 mil	None	0.04%	★★★★	Large Blend	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



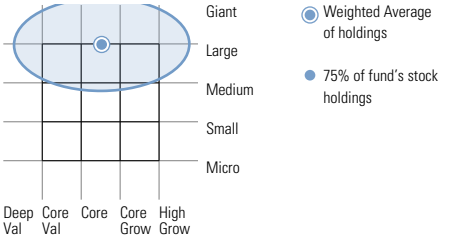
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,343	9,906	10,975	15,780	21,361	21,280
Fund	3.43	-0.94	9.75	16.42	16.39	7.84
+/- S&P 500 TR USD	-0.01	0.00	-0.02	-0.03	-0.03	0.00
+/- Category	0.84	0.14	2.19	1.02	1.54	0.73
% Rank in Cat	34	39	24	33	19	23
# of Funds in Cat	1,638	1,677	1,602	1,385	1,225	859

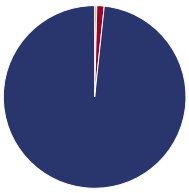
* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Apple Inc	3.95	116.50 BASE	-0.56 ↓	95.18 - 134.54
⊖ Microsoft Corp	1.95	47.27 BASE	-0.11 ↓	40.12 - 50.04
⊕ Exxon Mobil Corporation	1.90	77.90 BASE	-1.10 ↓	76.33 - 100.31
⊕ Johnson & Johnson	1.48	99.37 BASE	-0.50 ↓	95.10 - 109.49
⊕ General Electric Co	1.46	26.07 BASE	-0.53 ↓	23.41 - 28.68
% Assets in Top 5 Holdings	10.74			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

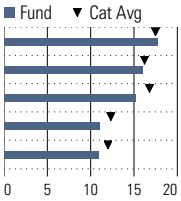
Asset Allocation



Asset Class	% Net
Cash	0.33
US Stock	98.33
Non US Stock	1.30
Bond	0.00
Other	0.04

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Technology	17.76	17.88	16.77	17.02
Healthcare	15.97	15.97	12.80	15.76
Financial Services	15.15	15.33	15.15	16.33
Consumer Cyclical	11.00	11.23	10.58	11.87
Industrials	10.91	11.68	10.91	11.54



Management

	Start Date
Donald M. Butler	12-31-2000

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-19-2015	192.67	0.0000	0.0000	0.0000	0.8800	0.8800
03-26-2015	187.70	0.0000	0.0000	0.0000	1.6000	1.6000
12-19-2014	189.65	0.0000	0.0000	0.0000	1.0500	1.0500
09-19-2014	184.21	0.0000	0.0000	0.0000	0.8900	0.8900
06-20-2014	179.83	0.0000	0.0000	0.0000	0.8000	0.8000

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

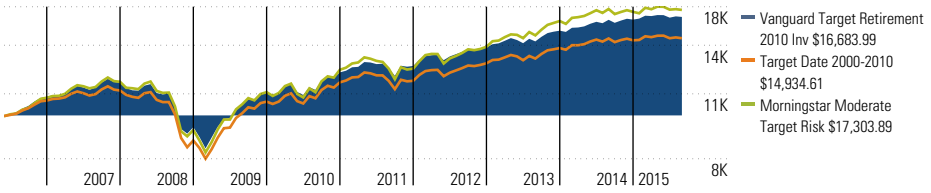
MORNINGSTAR®

Vanguard Target Retirement 2010 Inv VTENX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
26.69	↑0.04 | 0.15	1.71	6.7	Open	$1,000	None	0.16%	★★★★	Target Date 2000-2010	Large Blend

Growth of 10,000 06-07-2006 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,141	9,959	10,249	12,046	14,395	—
Fund	1.41	-0.41	2.49	6.40	7.56	—
+/- Morningstar Moderate Target Risk	0.39	0.48	1.67	-1.33	-0.98	—
+/- Category	0.34	0.40	1.49	0.78	1.05	—
% Rank in Cat	30	10	11	35	26	—
# of Funds in Cat	158	162	148	117	110	41

* Currency is displayed in BASE

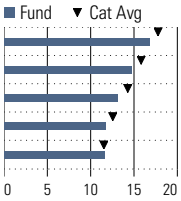
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Bond Market II Idx Inv	35.69	10.74 BASE	0.09 ↑	10.63 - 11.07
⊖ Vanguard Total Stock Mkt Idx Inv	22.30	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Bd Idx Investor	14.71	10.59 BASE	0.09 ↑	10.35 - 10.84
⊖ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	14.66	24.20 BASE	0.00 ↓	24.09 - 25.02
⊕ Vanguard Total Intl Stock Index Inv	12.64	15.74 BASE	-0.19 ↓	15.16 - 17.45
% Assets in Top 5 Holdings	100.00			

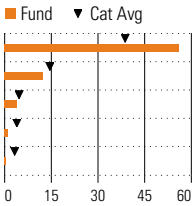
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.80	17.06	16.80	17.31
Technology	14.76	15.03	13.94	15.36
Healthcare	13.11	13.11	11.01	13.82
Consumer Cyclical	11.76	11.84	11.30	12.09
Industrials	11.65	12.12	11.65	11.06



	Fund	BMark	Cat Avg
Government	55.94	70.20	37.43
Agency Mortgage-Backed	12.40	0.05	13.25
Government-Related	3.93	1.06	3.34
Commercial MBS	1.15	0.06	2.63
Asset-Backed	0.42	0.00	1.93



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	26.42	0.3000	0.0400	0.0000	0.4600	0.8000
12-26-2013	25.54	0.3000	0.0000	0.0000	0.4200	0.7200
12-28-2012	24.02	0.0000	0.0400	0.0000	0.5300	0.5700
12-29-2011	22.44	0.0000	0.0400	0.0000	0.6000	0.6300
12-30-2010	22.26	0.0000	0.0400	0.0000	0.5100	0.5500

3 Year Average Morningstar Risk Measures

Risk vs. Category (117)	None		
Return vs. Category (117)	None		
	Low	Avg	High

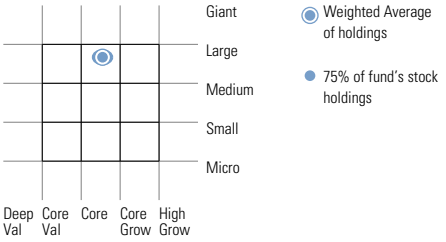
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2010 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	5.62	0.00	5.62	4.81	9.23
US Stock	21.96	0.00	21.96	27.22	26.22
Non US Stock	12.12	0.00	12.12	10.63	11.47
Bond	59.10	0.00	59.10	53.60	51.65
Other	1.20	0.00	1.20	3.74	1.42

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

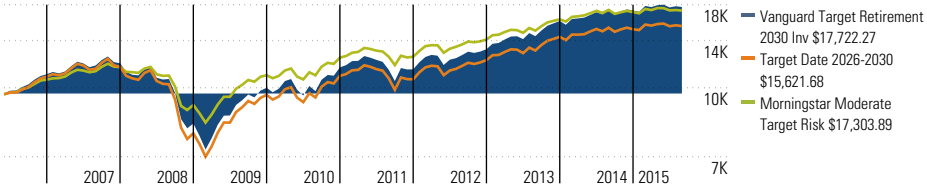
MORNINGSTAR®

Vanguard Target Retirement 2030 Inv VTHRX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
29.73	↑0.08 | 0.27	1.87	26.2	Open	$1,000	None	0.17%	★★★★	Target Date 2026-2030	Large Blend

Growth of 10,000 06-07-2006 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,238	9,871	10,396	13,683	16,939	—
Fund	2.38	-1.29	3.96	11.02	11.12	—
+/- Morningstar Moderate Target Risk	1.36	-0.40	3.13	3.28	2.58	—
+/- Category	0.27	0.05	1.35	2.04	1.79	—
% Rank in Cat	49	54	32	15	16	—
# of Funds in Cat	256	263	235	197	170	58

* Currency is displayed in BASE

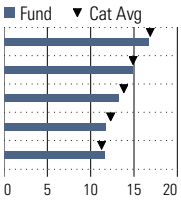
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	48.41	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	25.88	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Bond Market II Idx Inv	18.18	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	7.50	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.97			

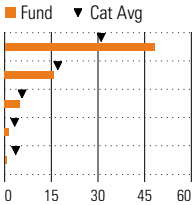
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.71	17.05	16.71	16.41
Technology	14.87	15.03	13.96	14.43
Healthcare	13.18	13.18	11.02	13.37
Consumer Cyclical	11.75	11.84	11.30	11.85
Industrials	11.65	12.12	11.65	10.80



	Fund	BMark	Cat Avg
Government	48.17	65.60	29.73
Agency Mortgage-Backed	15.86	0.08	15.81
Government-Related	5.03	0.95	4.30
Commercial MBS	1.47	0.08	1.95
Asset-Backed	0.54	0.00	2.26



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	29.32	0.0000	0.0300	0.0000	0.5600	0.5900
12-26-2013	27.51	0.0000	0.0300	0.0000	0.4900	0.5300
12-28-2012	23.13	0.0000	0.0100	0.0000	0.5000	0.5100
12-29-2011	20.94	0.0000	0.0200	0.0000	0.4700	0.4900
12-30-2010	21.66	0.0000	0.0200	0.0000	0.4000	0.4200

3 Year Average Morningstar Risk Measures

Risk vs. Category (198)	None	
Return vs. Category (198)	None	

Low Avg High

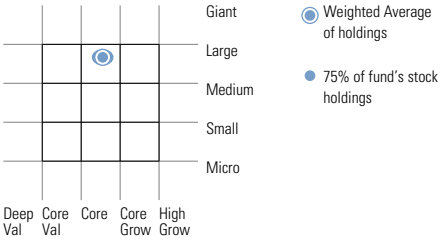
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

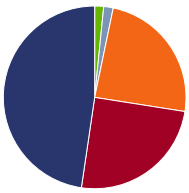
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2030 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	1.59
US Stock	47.67
Non US Stock	24.85
Bond	24.21
Other	1.68

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

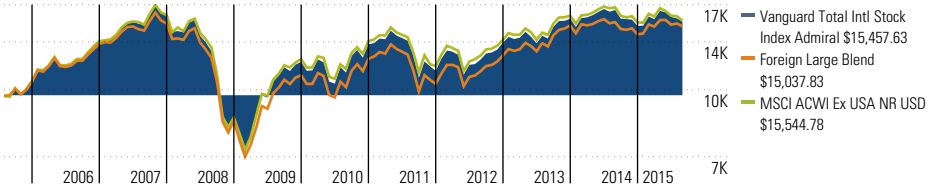
MORNINGSTAR®

Vanguard Total Intl Stock Index Admiral VTIAX

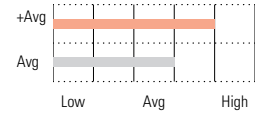
Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
26.32	↓-0.06 | -0.23	2.76	180.8	Open	$10,000	None	0.14%	★★	Foreign Large Blend	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



3 Year Average Morningstar Risk Measures



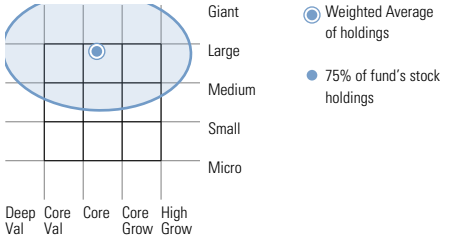
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes approximately 5,550 stocks of companies located in 46 countries.

Style Map



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,261	9,652	9,452	12,359	13,084	15,469
Fund	2.61	-3.48	-5.48	7.32	5.52	4.46
+/- MSCI ACWI Ex USA NR USD	1.54	0.35	0.69	0.60	0.21	-0.10
+/- Category	-2.41	-0.79	-4.44	-1.60	-1.26	0.03
% Rank in Cat	82	75	86	80	—	—
# of Funds in Cat	801	861	774	670	580	330

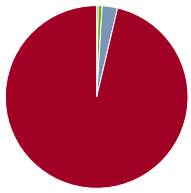
* Currency is displayed in BASE

Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Nestle SA	1.09	74.95 BASE	-0.07 ↓	64.15 - 77.00
⊖ Novartis AG	0.99	101.00 BASE	0.20 ↑	78.60 - 103.20
⊕ Roche Holding AG Dividend Right Cert.	0.93	276.90 BASE	-0.29 ↓	238.80 - 295.80
⊕ Toyota Motor Corp	0.83	— BASE	0.44 ↑	5,710.00 - 8,783.00
⊕ HSBC Holdings PLC	0.82	556.00 BASE	-0.29 ↓	544.30 - 674.57
% Assets in Top 5 Holdings	4.66			

⊕ Increase ⊖ Decrease ✲ New to Portfolio

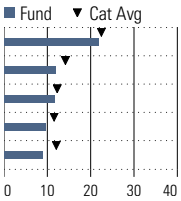
Asset Allocation



Asset Class	% Net
Cash	0.70
US Stock	0.27
Non US Stock	96.32
Bond	0.00
Other	2.71

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	21.91	22.42	21.91	21.54
Consumer Cyclical	12.00	12.00	11.43	13.25
Industrials	11.58	11.58	10.74	11.35
Consumer Defensive	9.66	9.66	9.21	10.64
Healthcare	8.85	8.85	7.74	11.14



Management

	Start Date
Michael Perre	08-05-2008

Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-25-2015	27.80	0.0000	0.0000	0.0000	0.2900	0.2900
03-24-2015	27.54	0.0000	0.0000	0.0000	0.0800	0.0800
12-19-2014	26.11	0.0000	0.0000	0.0000	0.2100	0.2100
09-23-2014	27.84	0.0000	0.0000	0.0000	0.1500	0.1500
06-23-2014	29.10	0.0000	0.0000	0.0000	0.3300	0.3300

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

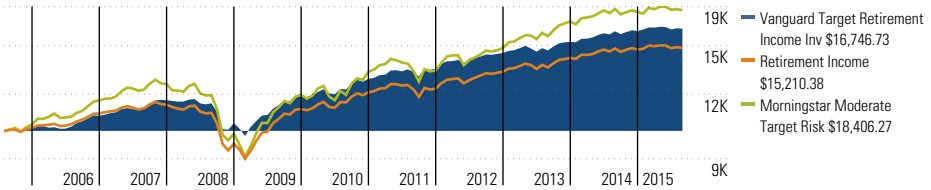
MORNINGSTAR®

Vanguard Target Retirement Income Inv VTINX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
12.96	↑0.02 | 0.15	1.83	11.4	Open	$1,000	None	0.16%	★★★★★	Retirement Income	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,120	9,969	10,210	11,582	13,502	16,779
Fund	1.20	-0.31	2.10	5.02	6.19	5.31
+/- Morningstar Moderate Target Risk	0.18	0.58	1.27	-2.72	-2.35	-1.00
+/- Category	0.44	0.22	1.31	0.92	1.18	1.38
% Rank in Cat	27	25	23	25	14	4
# of Funds in Cat	184	193	166	153	143	60

* Currency is displayed in BASE

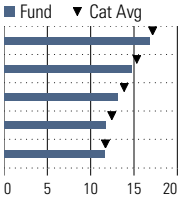
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Bond Market II Idx Inv	37.67	10.74 BASE	0.09 ↑	10.63 - 11.07
⊖ Vanguard Total Stock Mkt Idx Inv	18.82	52.96 BASE	0.63 ↑	46.63 - 53.86
⊖ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	16.79	24.20 BASE	0.00 ↓	24.09 - 25.02
⊕ Vanguard Total Intl Bd Idx Investor	15.77	10.59 BASE	0.09 ↑	10.35 - 10.84
⊕ Vanguard Total Intl Stock Index Inv	10.93	15.74 BASE	-0.19 ↓	15.16 - 17.45
% Assets in Top 5 Holdings	99.97			

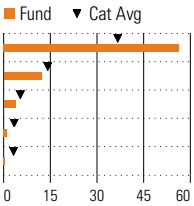
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.83	17.02	16.78	16.69
Technology	14.71	15.07	13.99	14.87
Healthcare	13.07	13.07	11.04	13.40
Consumer Cyclical	11.76	11.84	11.30	11.98
Industrials	11.65	12.13	11.65	11.25



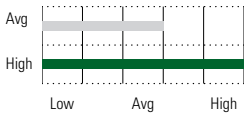
	Fund	BMark	Cat Avg
Government	56.46	72.66	35.38
Agency Mortgage-Backed	12.12	0.03	12.87
Government-Related	3.85	1.12	4.08
Commercial MBS	1.12	0.04	2.11
Asset-Backed	0.41	0.00	1.90



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-25-2015	12.97	0.0000	0.0000	0.0000	0.0600	0.0600
03-26-2015	13.06	0.0000	0.0000	0.0000	0.0500	0.0500
12-29-2014	12.95	0.0300	0.0200	0.0000	0.0800	0.1300
09-23-2014	12.87	0.0000	0.0000	0.0000	0.0500	0.0500
06-23-2014	12.91	0.0000	0.0000	0.0000	0.0600	0.0600

3 Year Average Morningstar Risk Measures



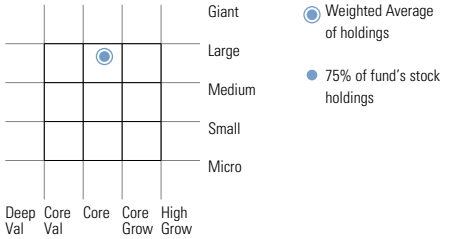
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

Investment Strategy

The investment seeks to provide current income and some capital appreciation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade U.S. corporate bonds; inflation-protected public obligations issued by the U.S. Treasury; mortgage-backed and asset-backed securities; and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	6.22	0.00	6.22	7.01	12.25
US Stock	18.53	0.00	18.53	23.36	21.75
Non US Stock	10.48	0.00	10.48	8.06	9.28
Bond	63.63	0.00	63.63	57.84	54.42
Other	1.14	0.00	1.14	3.73	2.30

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

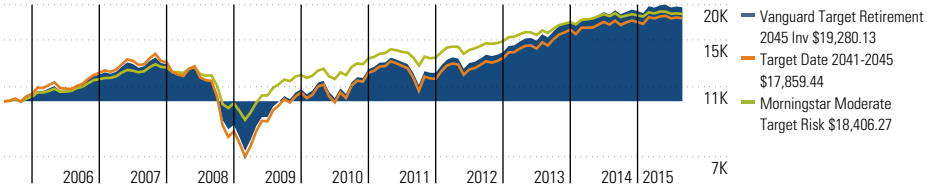
MORNINGSTAR®

Vanguard Target Retirement 2045 Inv VTIVX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
19.14	↑0.05 | 0.26	1.99	16.5	Open	$1,000	None	0.18%	★★★★	Target Date 2041-2045	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,263	9,825	10,411	14,198	17,738	19,296
Fund	2.63	-1.75	4.11	12.39	12.14	6.79
+/- Morningstar Moderate Target Risk	1.61	-0.85	3.28	4.66	3.60	0.49
+/- Category	-0.16	-0.05	0.49	1.28	0.83	0.68
% Rank in Cat	60	64	47	21	18	19
# of Funds in Cat	213	222	194	150	122	17

* Currency is displayed in BASE

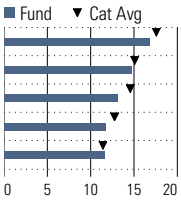
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	57.13	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	32.85	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊖ Vanguard Total Bond Market II Idx Inv	6.98	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	2.99	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.95			

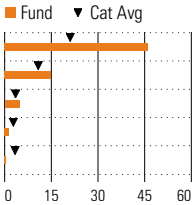
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.82	17.04	16.82	17.11
Technology	14.73	15.02	13.97	14.63
Healthcare	13.09	13.09	11.03	14.11
Consumer Cyclical	11.76	11.84	11.30	12.30
Industrials	11.65	12.13	11.65	10.96



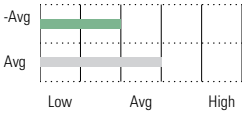
	Fund	BMark	Cat Avg
Government	46.17	62.33	19.77
Agency Mortgage-Backed	14.96	0.10	9.49
Government-Related	4.78	0.87	2.21
Commercial MBS	1.39	0.10	1.50
Asset-Backed	0.51	0.00	2.05



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	18.87	0.0000	0.0000	0.0000	0.3800	0.3900
12-26-2013	17.66	0.0000	0.0000	0.0000	0.3300	0.3300
12-28-2012	14.37	0.0000	0.0100	0.0000	0.3200	0.3200
12-29-2011	12.89	0.0000	0.0100	0.0000	0.2900	0.2900
12-30-2010	13.49	0.0500	0.0500	0.0000	0.2400	0.3500

3 Year Average Morningstar Risk Measures



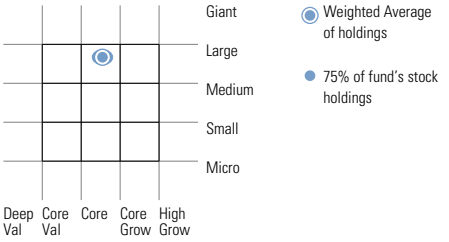
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

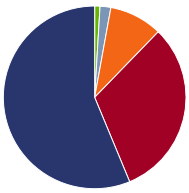
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2045 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	0.94
US Stock	56.26
Non US Stock	31.48
Bond	9.40
Other	1.91

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

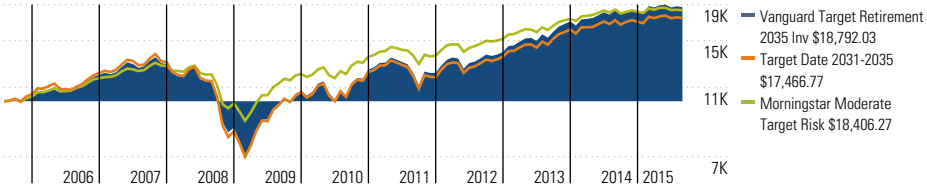
MORNINGSTAR®

Vanguard Target Retirement 2035 Inv VTTHX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
18.29	↑0.05 | 0.27	2.00	26.4	Open	$1,000	None	0.18%	★★★★	Target Date 2031-2035	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,252	9,849	10,412	14,006	17,489	18,792
Fund	2.52	-1.51	4.12	11.88	11.83	6.51
+/- Morningstar Moderate Target Risk	1.51	-0.62	3.29	4.15	3.29	0.20
+/- Category	0.01	0.03	0.85	1.56	1.11	0.83
% Rank in Cat	57	58	38	17	14	12
# of Funds in Cat	213	222	194	151	123	26

* Currency is displayed in BASE

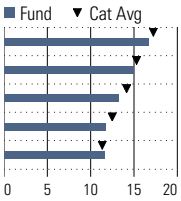
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	53.84	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	28.08	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Bond Market II Idx Inv	12.70	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	5.35	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.96			

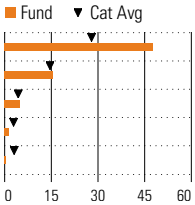
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.67	17.05	16.67	16.77
Technology	14.92	15.04	13.96	14.83
Healthcare	13.22	13.22	11.02	13.69
Consumer Cyclical	11.75	11.84	11.30	12.03
Industrials	11.65	12.12	11.65	10.87



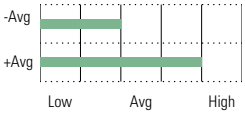
	Fund	BMark	Cat Avg
Government	47.73	64.49	26.64
Agency Mortgage-Backed	15.59	0.09	13.28
Government-Related	4.96	0.93	3.06
Commercial MBS	1.44	0.09	1.57
Asset-Backed	0.53	0.00	1.76



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	18.03	0.0000	0.0100	0.0000	0.3700	0.3700
12-26-2013	16.89	0.0000	0.0000	0.0000	0.3200	0.3200
12-28-2012	13.92	0.0000	0.0100	0.0000	0.3100	0.3100
12-29-2011	12.52	0.0000	0.0100	0.0000	0.2800	0.2900
12-30-2010	13.08	0.0400	0.0100	0.0000	0.2400	0.2900

3 Year Average Morningstar Risk Measures



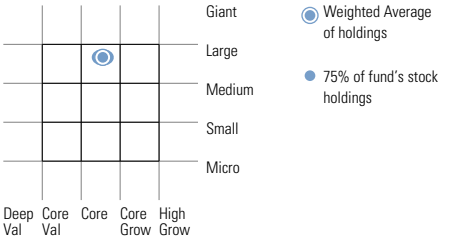
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

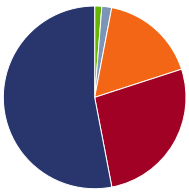
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2035 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	1.26
US Stock	53.02
Non US Stock	26.98
Bond	17.02
Other	1.73

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

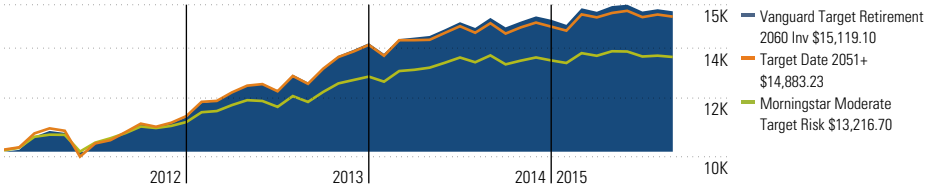
MORNINGSTAR®

Vanguard Target Retirement 2060 Inv VTTSX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Mil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
28.91	↑0.08 | 0.28	1.59	780.4	Open	$1,000	None	0.18%	★★★★	Target Date 2051+	Large Blend

Growth of 10,000 01-19-2012 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,252	9,827	10,399	14,183	—	—
Fund	2.52	-1.73	3.99	12.35	—	—
+/- Morningstar Moderate Target Risk	1.50	-0.84	3.16	4.62	—	—
+/- Category	-0.38	-0.04	0.08	0.66	—	—
% Rank in Cat	67	65	55	35	—	—
# of Funds in Cat	238	283	191	114	49	0

* Currency is displayed in BASE

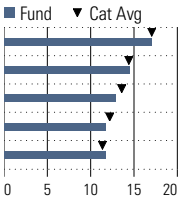
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊕ Vanguard Total Stock Mkt Idx Inv	53.85	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Intl Stock Index Inv	35.93	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Bond Market II Idx Inv	6.92	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Bd Idx Investor	3.05	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.76			

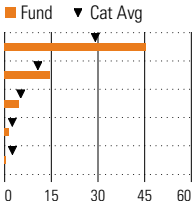
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	17.04	17.04	16.83	16.59
Technology	14.44	15.01	13.96	13.95
Healthcare	12.88	12.88	11.07	13.12
Consumer Cyclical	11.77	11.79	11.30	11.74
Industrials	11.65	12.10	11.65	10.90



	Fund	BMark	Cat Avg
Government	45.37	61.22	27.84
Agency Mortgage-Backed	14.53	0.12	9.40
Government-Related	4.67	0.80	3.88
Commercial MBS	1.35	0.10	1.16
Asset-Backed	0.50	0.00	1.20



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	28.53	0.0000	0.0100	0.0000	0.4600	0.4700
12-26-2013	26.59	0.0000	0.0000	0.0000	0.3700	0.3700
12-28-2012	21.53	0.0000	0.0100	0.0000	0.3200	0.3200

3 Year Average Morningstar Risk Measures

Risk vs. Category (114)	None		
Return vs. Category (114)	None		
	Low	Avg	High

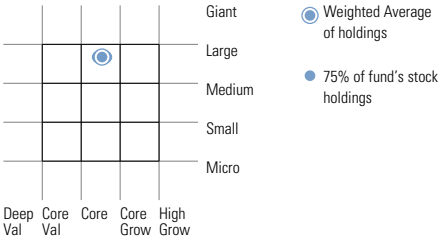
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

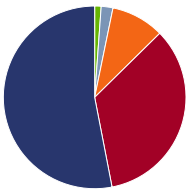
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2060 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	1.14
US Stock	53.05
Non US Stock	34.32
Bond	9.40
Other	2.08

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

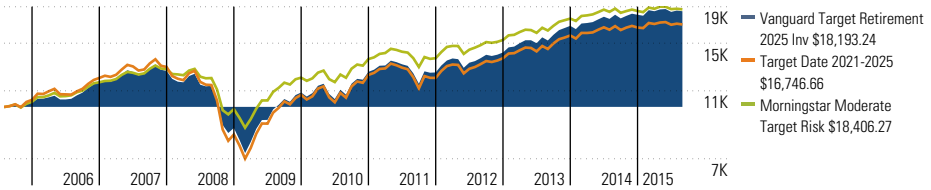
MORNINGSTAR®

Vanguard Target Retirement 2025 Inv VTTVX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
16.90	↑0.04 | 0.24	1.89	34.4	Open	$1,000	None	0.17%	★★★★	Target Date 2021-2025	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,224	9,895	10,389	13,368	16,416	18,193
Fund	2.24	-1.05	3.89	10.16	10.42	6.17
+/- Morningstar Moderate Target Risk	1.22	-0.16	3.07	2.43	1.88	-0.14
+/- Category	0.32	0.09	1.42	1.63	1.08	0.93
% Rank in Cat	37	50	19	18	17	12
# of Funds in Cat	213	222	194	151	123	26

* Currency is displayed in BASE

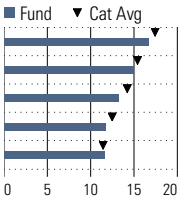
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	44.14	52.96 BASE	0.63 ↑	46.63 - 53.86
⊖ Vanguard Total Bond Market II Idx Inv	23.87	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Stock Index Inv	22.62	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Intl Bd Idx Investor	9.32	10.59 BASE	0.09 ↑	10.35 - 10.84
% Assets in Top 5 Holdings	99.95			

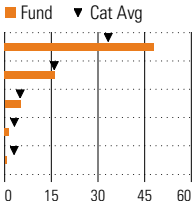
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.65	17.05	16.65	16.97
Technology	14.95	15.05	13.96	14.95
Healthcare	13.24	13.24	11.02	13.76
Consumer Cyclical	11.75	11.84	11.30	12.02
Industrials	11.64	12.12	11.64	10.97



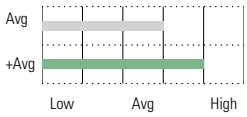
	Fund	BMark	Cat Avg
Government	48.10	66.72	31.99
Agency Mortgage-Backed	16.19	0.07	14.64
Government-Related	5.08	0.98	3.67
Commercial MBS	1.49	0.08	1.85
Asset-Backed	0.55	0.00	1.74



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	16.67	0.0100	0.0200	0.0000	0.3200	0.3500
12-26-2013	15.68	0.0000	0.0200	0.0000	0.2900	0.3000
12-28-2012	13.46	0.0000	0.0100	0.0000	0.3000	0.3100
12-29-2011	12.28	0.0000	0.0100	0.0000	0.2900	0.3000
12-30-2010	12.60	0.0000	0.0200	0.0000	0.2500	0.2700

3 Year Average Morningstar Risk Measures



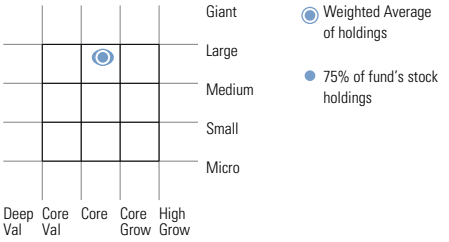
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

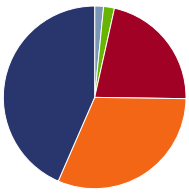
Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2025 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation



Asset Class	% Net
Cash	1.92
US Stock	43.47
Non US Stock	21.75
Bond	31.30
Other	1.56

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

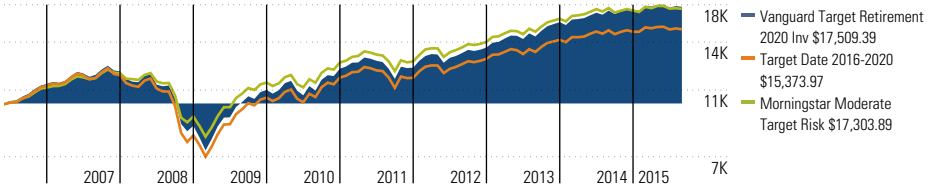
MORNINGSTAR®

Vanguard Target Retirement 2020 Inv VTWNX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
29.04	↑0.07 | 0.24	1.85	30.4	Open	$1,000	None	0.16%	★★★★	Target Date 2016-2020	Large Blend

Growth of 10,000 06-07-2006 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,204	9,911	10,367	13,057	15,871	—
Fund	2.04	-0.89	3.67	9.30	9.68	—
+/- Morningstar Moderate Target Risk	1.02	0.00	2.84	1.56	1.14	—
+/- Category	0.60	0.07	1.90	2.39	2.01	—
% Rank in Cat	27	48	12	7	8	—
# of Funds in Cat	256	263	235	197	170	58

* Currency is displayed in BASE

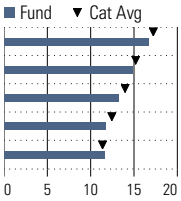
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	38.50	52.96 BASE	0.63 ↑	46.63 - 53.86
⊖ Vanguard Total Bond Market II Idx Inv	29.38	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Stock Index Inv	20.68	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Intl Bd Idx Investor	11.32	10.59 BASE	0.09 ↑	10.35 - 10.84
✲ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	0.08	24.20 BASE	0.00 ↓	24.09 - 25.02
% Assets in Top 5 Holdings	99.97			

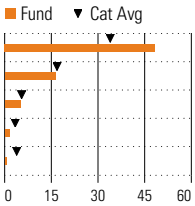
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.72	17.05	16.72	16.76
Technology	14.86	15.04	13.96	14.74
Healthcare	13.18	13.18	11.02	13.51
Consumer Cyclical	11.75	11.84	11.30	11.98
Industrials	11.65	12.12	11.65	10.91



	Fund	BMark	Cat Avg
Government	48.28	67.85	32.64
Agency Mortgage-Backed	16.29	0.07	15.54
Government-Related	5.10	1.01	4.17
Commercial MBS	1.50	0.07	2.10
Asset-Backed	0.55	0.00	2.58



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	28.67	0.0000	0.0400	0.0000	0.5400	0.5800
12-26-2013	27.00	0.0100	0.0000	0.0000	0.4800	0.4900
12-28-2012	23.63	0.0000	0.0300	0.0000	0.5100	0.5300
12-29-2011	21.71	0.0000	0.0300	0.0000	0.5100	0.5400
12-30-2010	22.07	0.0000	0.0400	0.0000	0.4400	0.4800

3 Year Average Morningstar Risk Measures

Risk vs. Category (198)	None	
Return vs. Category (198)	None	

Low Avg High

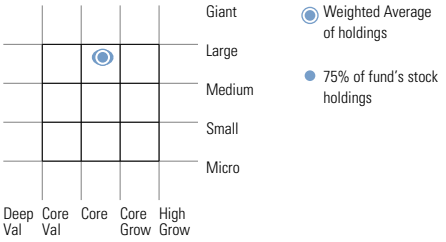
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2020 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	2.24	0.00	2.24	2.68	7.37
US Stock	37.92	0.00	37.92	34.57	34.71
Non US Stock	19.86	0.00	19.86	15.18	15.38
Bond	38.45	0.00	38.45	43.82	40.18
Other	1.53	0.00	1.53	3.75	2.37

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

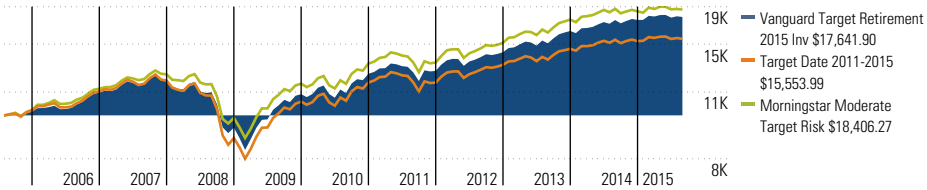
MORNINGSTAR®

Vanguard Target Retirement 2015 Inv VTXVX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
15.56	↑0.03 | 0.19	1.80	21.3	Open	$1,000	None	0.16%	★★★★	Target Date 2011-2015	Large Blend

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,177	9,923	10,314	12,621	15,208	17,657
Fund	1.77	-0.77	3.14	8.07	8.75	5.85
+/- Morningstar Moderate Target Risk	0.75	0.13	2.31	0.33	0.21	-0.46
+/- Category	0.47	0.06	1.69	1.57	1.50	1.75
% Rank in Cat	25	50	9	12	10	5
# of Funds in Cat	178	186	163	122	111	23

* Currency is displayed in BASE

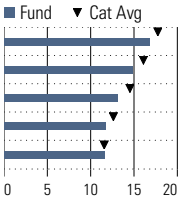
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
⊖ Vanguard Total Stock Mkt Idx Inv	31.52	52.96 BASE	0.63 ↑	46.63 - 53.86
⊕ Vanguard Total Bond Market II Idx Inv	30.23	10.74 BASE	0.09 ↑	10.63 - 11.07
⊕ Vanguard Total Intl Stock Index Inv	17.42	15.74 BASE	-0.19 ↓	15.16 - 17.45
⊕ Vanguard Total Intl Bd Idx Investor	12.52	10.59 BASE	0.09 ↑	10.35 - 10.84
⊕ Vanguard Shrt-Term Infl-Prot Sec Idx Inv	8.31	24.20 BASE	0.00 ↓	24.09 - 25.02
% Assets in Top 5 Holdings	100.00			

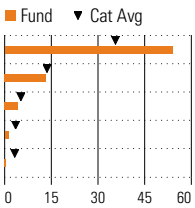
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Financial Services	16.76	17.05	16.76	17.29
Technology	14.81	15.06	13.95	15.63
Healthcare	13.14	13.14	11.02	14.07
Consumer Cyclical	11.75	11.84	11.30	12.16
Industrials	11.65	12.12	11.65	11.10



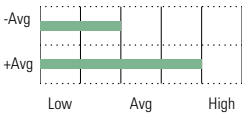
	Fund	BMark	Cat Avg
Government	53.90	69.01	34.33
Agency Mortgage-Backed	13.38	0.06	12.32
Government-Related	4.24	1.03	3.94
Commercial MBS	1.24	0.07	2.25
Asset-Backed	0.46	0.00	1.97



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
12-29-2014	15.38	0.1400	0.0300	0.0000	0.2800	0.4500
12-26-2013	14.73	0.0900	0.0000	0.0000	0.2600	0.3500
12-28-2012	13.29	0.0000	0.0200	0.0000	0.3000	0.3200
12-29-2011	12.31	0.0000	0.0200	0.0000	0.3100	0.3300
12-30-2010	12.40	0.0000	0.0200	0.0000	0.2800	0.3000

3 Year Average Morningstar Risk Measures



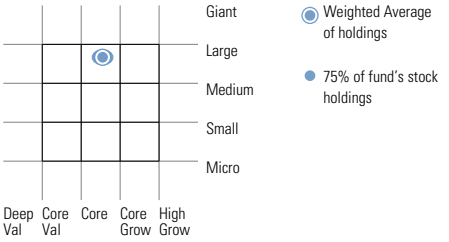
Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Positive
Price	Positive
Rating	Gold

Investment Strategy

The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of 2015 (the target year). The fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	3.99	0.00	3.99	3.73	6.44
US Stock	31.05	0.00	31.05	30.37	30.92
Non US Stock	16.72	0.00	16.72	12.59	14.37
Bond	46.86	0.00	46.86	49.58	45.27
Other	1.39	0.00	1.39	3.74	3.00

Management

	Start Date
Michael H. Buek	02-22-2013
William Coleman	02-22-2013
Walter Nejman	02-22-2013

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

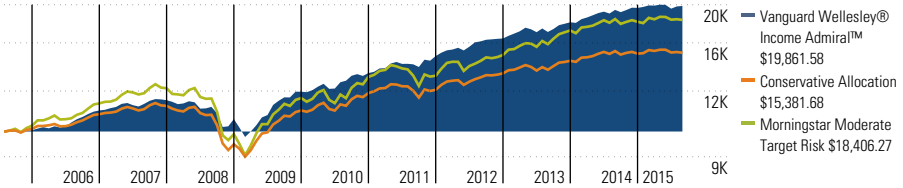
MORNINGSTAR®

Vanguard Wellesley® Income Admiral™ VWIAX

Morningstar Analyst Rating
Gold

NAV $	NAV Day Change %	Yield TTM %	Total Assets $ Bil	Status	Min. Inv.	Load	Expenses	Morningstar Rating™	Category	Investment Style
61.72	↑0.12 | 0.20	3.00	40.9	Open	$50,000	None	0.18%	★★★★★	Conservative Allocation	Large Value

Growth of 10,000 08-17-2005 - 08-17-2015



Performance 08-17-2015

	YTD	1 Mo	1 Yr	3Yr Ann	5Yr Ann	10Yr Ann
Growth of 10,000	10,106	10,042	10,324	12,207	14,989	19,922
Fund	1.06	0.42	3.24	6.87	8.43	7.14
+/- Morningstar Moderate Target Risk	0.05	1.31	2.41	-0.86	-0.11	0.83
+/- Category	0.58	1.26	3.13	1.76	2.21	2.45
% Rank in Cat	39	1	8	19	8	1
# of Funds in Cat	824	849	784	669	538	302

* Currency is displayed in BASE

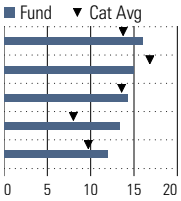
Top Holdings 06-30-2015

	Weight %	Last Price	Day Chg %	52 Week Range
✲ FNMA	1.81	—	—	—
Wells Fargo & Co	1.66	57.54 BASE	0.33 ↑	46.44 - 58.76
US Treasury Note 1.75%	1.62	—	—	—
⊖ Microsoft Corp	1.54	47.27 BASE	-0.11 ↓	40.12 - 50.04
US Treasury Note 1.375%	1.50	—	—	—
% Assets in Top 5 Holdings	8.13			

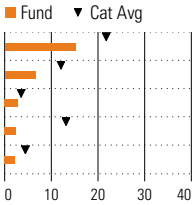
⊕ Increase ⊖ Decrease ✲ New to Portfolio

Top Sectors 06-30-2015

	Fund	3 Yr High	3 Yr Low	Cat Avg
Healthcare	15.94	16.69	15.94	13.28
Financial Services	14.95	15.46	14.09	16.37
Technology	14.31	14.31	12.29	13.11
Consumer Defensive	13.31	14.77	12.54	7.54
Energy	11.97	12.57	11.80	9.27



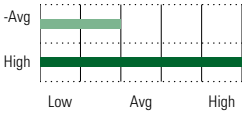
	Fund	BMark	Cat Avg
Government	15.17	68.65	20.90
Agency Mortgage-Backed	6.63	0.07	11.21
Commercial MBS	2.82	0.07	2.67
Government-Related	2.49	1.73	12.28
Asset-Backed	2.24	0.00	3.58



Dividend and Capital Gains Distributions

Distribution Date	Distribution NAV	Long-Term Capital Gain	Long-Term Short Gain	Return of Capital	Dividend Income	Distribution Total
06-19-2015	61.59	0.0000	0.0000	0.0000	0.4500	0.4500
03-26-2015	61.97	0.0000	0.0000	0.0000	0.4300	0.4300
12-17-2014	61.39	1.0400	0.0600	0.0000	0.5400	1.6400
09-19-2014	62.57	0.0000	0.0000	0.0000	0.4600	0.4600
06-20-2014	62.77	0.0000	0.0000	0.0000	0.4500	0.4500

3 Year Average Morningstar Risk Measures



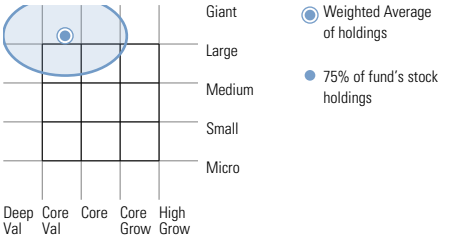
Pillars

Process	⊕ Positive
Performance	⊕ Positive
People	⊕ Positive
Parent	⊕ Positive
Price	⊕ Positive
Rating	Gold

Investment Strategy

The investment seeks to provide long-term growth of income and a high and sustainable level of current income, along with moderate long-term capital appreciation. The fund invests approximately 60% to 65% of its assets in investment-grade corporate, U.S. Treasury, and government agency bonds, as well as mortgage-backed securities. The remaining 35% to 40% of fund assets are invested in common stocks of companies that have a history of above-average dividends or expectations of increasing dividends.

Style Map



Asset Allocation

	% Net	% Short	% Long	Bench mark	Cat Avg
Cash	3.09	0.00	3.09	4.03	8.44
US Stock	30.59	0.00	30.59	27.58	25.92
Non US Stock	5.94	0.00	5.94	10.14	7.40
Bond	60.10	0.27	60.37	56.34	55.23
Other	0.27	0.00	0.27	1.92	3.00

Management

	Start Date
John C. Keogh	02-14-2008
W. Michael Reckmeyer	01-01-2007

©2015 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. Data as originally reported. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission. To order reprints, call +1 312-696-6100. To license the research, call +1 312-696-6869.

MORNINGSTAR®

*** NO Appendix ***

401(k) and 457 DEFERRED COMPENSATION PLANS

STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

East Bay Municipal Utility District

~~May 2014~~August 2015

East Bay Municipal Utility District
401(k) and 457 DEFERRED COMPENSATION PLANS
STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE……...3

SUMMARY OF RESPONSIBILITIES……...…....3

GENERAL COMPLIANCE…….…4

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS……...…….....5

INVESTMENTS…….……6

INVESTMENT OPTION SELECTION GUIDELINES…….……..8

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING…….……..8

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES……...…….…..10

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING……..……...…….…..12

GLOSSARY……...…….……...13

~~**APPENDIX A: INVESTMENT OPTIONS WITH BENCHMARK INDEXES AND PEER GROUPS…….……..15**~~

INTRODUCTION AND PURPOSE

This statement is set forth to provide a clear understanding of the investment policies, guidelines and objectives related to the administration of the East Bay Municipal Utility District (District) 401(k) and 457 Deferred Compensation Plans (the Plans). The Plans are voluntary, deferred compensation plans available to eligible employees who are interested in saving for retirement on a tax-advantaged basis, and provides the option of investing through either pre-tax payroll deduction or post-tax (Roth) payroll deduction. The Plans are also available to retired and separated employees to the extent that they wish to continue utilizing the Plans after leaving service. The purposes of the Plans are to provide a vehicle for and to encourage additional retirement savings to supplement the core retirement benefits provided to District employees.

This Investment Policy Statement is further intended to assist the Advisory Committee in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for selecting, monitoring and evaluating investment options and investment providers utilized by the Plans. This Investment Policy Statement will be reviewed at least annually and it can be revised at any time by the Advisory Committee to reflect changes in the capital markets, federal and state laws and policies affecting deferred compensation plans, plan participant objectives, or other factors relevant to the Plans.

SUMMARY OF RESPONSIBILITIES

Plan Sponsor – The District is the Sponsor of the Plans. The responsibilities of the Plan Sponsor include but are not limited to:

- Adopting and amending Plan Documents;
- Approving Plan services contracts; and
- Designating other fiduciaries of the Plans.

Plan Committee – The 401(k)/457 Advisory Committee selects, monitors and evaluates investment alternatives and investment providers utilized by the 401(k) and 457 Plans. It is the intent of the Advisory Committee to fulfill its responsibilities with respect to the Plans solely in the interest of the participants and beneficiaries. The Committee members, as fiduciaries, are required to perform their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Committee's responsibilities include the following**:**

- Selecting the investment design features of the Plans, including establishing the investment policy and objectives and the number and types of investment alternatives available to Plan participants;

- Appointing, monitoring and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Monitoring costs that are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and other fees paid to Plan service providers from Plan and/or participant assets.

EBMUD Staff – Human Resources Department staff members assist with the operation of the Plans and assist the Committee in several ways. Their responsibilities include:

- Review, approve, and process hardship/safe harbors, QDROs, and death transfers
- Conduct Request for Proposal processes for Investment Consultants and Service Providers
- Serve as the liaison to Service Providers, coordinating delivery of services, etc.
- Contribution and withdrawal reconciliation and processing

Investment Consultant - The Committee may engage an independent investment consultant (hereinafter "Consultant") to assist in carrying out the duties and responsibilities of this Investment Policy Statement. Such Consultant must be registered with either State or Federal securities regulators pursuant to the Investment Advisors Act of 1940**.** The Consultant's role is to provide information and advice to the Committee on various investment related issues. The Consultant has no discretionary control over the Plans and their assets. In providing advice to the Committees, the Consultant must assume a co-fiduciary role. The services of the Consultant will be set forth in a separate agreement, in which the Consultant's co-fiduciary role is described.

Investment Provider – An entity that offers investment option products and manages assets for the Plans. Examples of investment option products offered by an investment provider may include mutual funds, commingled trust funds, separate accounts and/or annuity contracts.

Investment Manager – The person(s) at the Investment Provider responsible for implementing an investment option product's investing strategy and managing the investment portfolio trading activities.

Service Provider – An entity engaged to assist the Plan Sponsor and the Committee in administration of the Plans. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plans and providing general investment information regarding each of the investment options offered under the Plans, distribution processing, record keeping and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Service Provider.

GENERAL COMPLIANCE

The Plans are designed to meet the Internal Revenue Code (the Code) requirements, as amended. The Plans' investment policies and guidelines

shall be reviewed by the Committee on an annual basis for modification, as needed, but may be modified by the Committee at any time as necessary.

At minimum, it is intended that Plan participants shall be provided with the following investment opportunities:

A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation.

B. Make and/or modify investment decisions at least annually.

C. Receive or have access to the following information, as updated:

- A description of the investment alternatives available under the Plans including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
- Identification of the designated investment managers and investment products;
- A description of any transaction fees or expenses charged to participant accounts, and information on costs and fees for an investment product that reduces the rate of return to Plan participants (expense ratios); and
- Prospectuses, annual reports, and semi-annual reports on investment products, if available.

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS

It is the policy of the Plans to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. The Plans will be structured in an attempt to provide Plan participants with an array of investment options with an objective of reducing fund fees, expenses, and administrative fees normally associated with these investments. Participants in the Plans are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. No representations, promises, or warranties are made by the District regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, no representations, promises or warranties are made by the District about the performance of the Plans or their investments.

The primary investment objective of the Plans is to present participants with a range of investment options that give participants an opportunity to increase the value of their investment assets in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plans cannot meet all participant investment preferences and attitudes, the Plans attempt to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.
Information that may be used to select which investment products to offer includes, but is not limited to, the following:

- Age, income and other demographic data on Plan participants

- Liquidity and administrative constraints imposed on the Plans by service providers
- Development of new investment products in the marketplace
- Level of participant usage of investment products

To enable participants to establish different investment strategies, the Plans will offer investment categories that have varying return and volatility characteristics. It is the responsibility of each participant to evaluate the investment alternatives and to select an appropriate mix.

A risk/reward structure is basic to investments. Generally, those investment options offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset classes. To provide participants the opportunity to select risk/reward strategies and to diversify the Plans' assets, the Plans will offer a number of investment alternatives.

In addition to providing a range of investment options, the Plans seek to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plans' investment options will be reviewed periodically by the Committee. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, investment options are expected to perform within the ranked upper half of a sample of same style peers, net of fees. In addition to investment performance (net of fees), the funds' risk characteristics will also be reviewed by the Committee. The risk associated with an investment option should generally be similar to the risk associated with a same-style peer group.

INVESTMENTS

Investment options offered by the Plans will be categorized or grouped by similarities in investment objectives, style and risk. The Plans' service provider(s) may be utilized to assist in determining the categories of investment options. The Plans are intended to assist participants in meeting their long-term investment objectives by providing investment options within the following permitted investment categories (these categories are further explained later in this document):

A. Tier 1: Balanced, Risk-Based, or Target Date Funds

B. Tier 2: Asset Class Funds
   - Stable Value/Money Market
   - Bond/Fixed Income Funds
   - Equity Funds

- International Funds

C. Tier 3: Self-Directed Brokerage Account

Investment options and categories may be added or deleted as deemed necessary by the Committee. At least one investment option shall be available within each listed investment category. The following table outlines the objectives and performance benchmarks for each of the Plans' investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer funds, where definable.

Investment Category	Description
Stable Value/Money Market Funds	Investment options offered under this Plan category are invested in money market instruments with an average maturity of less than 90 days or stable value instruments with maturities appropriate to the investment option product.
Bond/Fixed Income Funds	Investment options offered under this Plan category are invested primarily in investment grade debt securities with varying maturities.
Balanced, Risk Based or Target Date Funds	Investment options offered under this Plan category may be invested among domestic and international stocks, bonds, and cash, and are to be designed to realize the benefits of strategic asset allocation among these asset classes.
Equity Funds	Investment options offered under this Plan category may include an array of domestic equity alternatives that will provide participants with the ability to invest in funds that differ in investment style (growth vs. value) and capitalization bias (large cap, mid cap, small cap).
International Funds	Investment options offered under this Plan category are invested in securities of countries outside the U.S. Some diversify their investments across a broad range of markets and securities, while others target a particular country or region.

Investment Category	Description
Self-Directed Brokerage Accounts	Under this Plan investment category, employees are permitted to open a self-directed brokerage account in addition to the core menu. There is no oversight by the Committee as to the quality or viability of the investment option products selected by the participant.

INVESTMENT OPTION SELECTION GUIDELINES

The Plans are defined contribution plans provided by the District for its employees and retirees. The Committee acknowledges that a defined contribution program may provide a primary method for retirement savings and that individual participants will have differing circumstances and investment objectives. The Plans offer a variety of investment options intended to provide a sound and flexible means for participants to affect both the potential return and the degree of risk of their accounts.

Investment options offered to participants will be provided through investment provider(s) accessible on the services provider's platform. Before introducing a new investment option, the Committee, in consultation with the Consultant and services provider will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years.
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees.
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds.
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers.
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents will be taken into consideration.

The investment performance for each option in the Plans will be assessed in comparison with ~~the benchmarks detailed on Appendix A – Index and Peer Group Benchmarks~~an appropriate benchmark and peer group, as shown in the Plans' on-going performance reports and other evaluation materials.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the Committee takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges and/or market value adjustments will not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable state laws.

Investment option performance, risk and style consistency is intended to be evaluated on a semi-annual basis. Performance and risk results will be evaluated using comparisons with this policy, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The Committee will periodically review the investment options' progress in meeting the Plans' investment objectives. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. The Committee will review the performance of investment options quarterly to determine if they are achieving the established objectives**.** Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process and philosophy;
- Investment management personnel;
- Index tracking error; and
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups; as well as the monitoring risk measures. The following will be evaluated:

Quantitative Measures

Active Investment Strategies

Investment options employing active management are expected to outperform their stated asset class or style benchmark net of all

management fees over a trailing five year time period; and to rank above the 50th percentile of the appropriate peer group for the same trailing five year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be commensurate with the prescribed strategy relative to the appropriate market index and/or peer group.

Passive Investment Strategies

Passive investment options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.

– It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to that of the United States. In these instances, some fund managers may engage in a method of "Fair Value Pricing," whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to "Fair Value Pricing" will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

Qualitative Measures

The investment providers and managers will also be monitored on an ongoing basis for other material changes which the Committee may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

Time Periods

The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time-periods. Recognizing that short-term fluctuations may cause variations in an option's performance, the Committee intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the Committee will also review the investment options' risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation
- Downside risk or semi-variance
- Risk/return ratios such as Sharpe or Treynor Ratios
- Other statistical measures such as Beta, Alpha and Variance

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

Generally, all investment options are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate the termination of an option; however, any underperformance will result in consideration by the Committee of the factors causing underperformance and possible courses of action that the Committee may take.

The Committee may, at any time, place any investment option that it views as having a pattern of under-performance on a watch-status. Reasons the Committee might place an option on a watch status, include but are not limited to, the following:

Quantitative Measures

Actively Managed Investment Options

- Performance below the prescribed benchmark index over a trailing five year period, combined with
- Performance below the median of its peer group over a trailing five year period

Passively Managed Investment Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points

Qualitative Measures

- Management team or other significant personnel turnover;
- Changes in the product's investment philosophy, process, style or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership;
- Significant increase in management fees or expense ratio.

An investment option may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option(s) by Committee direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, the Committee may decide to leave an option on watch for as long as they feel it is prudent to do so.

The Committee reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plans and their participants and beneficiaries. Once the decision to terminate an option and remove it from the Plans is made, asset transfer and liquidation should be handled to the best advantage of the Plans, with due consideration given to the anticipated effect on affected participants and beneficiaries.

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING

Using this Investment Policy Statement, the Committee shall have overall responsibility for the selection, monitoring and termination of investment providers and investment option products. Additionally, the Committees shall be responsible for reviewing and maintaining these investment policies and guidelines.

Proxy voting rights shall be exercised in the best interest of the participants and beneficiaries of the Plans. The Committee may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long term interest and objectives of the Plans. The Committee shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the East Bay Municipal Utility District Deferred Compensation Plans this Investment Policy Statement is adopted by the Committee and is effective as of the later of the two dates entered below:

For the 401(k)/457 Advisory Committee:

Date: _____ By:_____

GLOSSARY

Annualized Return
Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return in projected as though the same performance continues to occur for a twelve-month period.

Benchmarks
A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

Duration
The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Growth Style Investing
Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Investment Objectives
The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

Investment Options
Investment products (such as mutual funds, separate account funds, comingled investment trust funds, annuity products, etc.) that have been selected by the Committee to be offered within the Plan for investment by participants..

Large Cap
Large Capitalization – refers to those companies with a market capitalization of greater than $10 billion.

Liquidity
The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

GLOSSARY - CONTINUED

Market Capitalization
The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Mid Cap
Mid-Capitalization – refers to those companies with a market capitalization between $2 and $10 billion.

Net of Fees
After subtraction of management fees.

Participants
Current and former employees of East Bay MUD that have opened and are maintaining accounts in the East Bay MUD 401(k) or 457(b) Plans.

Peer Group
Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

Portfolio
Refers to the complete list of securities held in an investment product.

Small Cap
Small Capitalization – refers to those companies with a market capitalization between $500 million and $1.99 billion.

Standard Deviation
Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Value Style Investing
Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

~~APPENDIX A~~

~~Investment Option Index and Peer Group Benchmarks~~

~~Investment Option~~	~~Performance Benchmark~~	~~Peer Group~~
~~Fidelity MIP II~~	~~Five Year Constant Maturity Treasury~~	~~Custom Stable Value Universe~~
~~Vanguard Total Bond Market Index~~	~~Barclays Capital US Aggregate Bond Index~~	~~US OE Intermediate Term Bond~~
~~PIMCO Total Return Fund~~	~~Barclays Capital US Aggregate Bond Index~~	~~US OE Intermediate Term Bond~~
~~Dodge & Cox Stock~~	~~Russell 1000 Value Index~~	~~US OE Large Value~~
~~T. Rowe Price Equity Income~~	~~Russell 1000 Value Index~~	~~US OE Large Value~~
~~Vanguard 500 Index~~	~~S&P 500 Index~~	~~US OE Large Blend~~
~~American Century Select~~	~~Russell 1000 Growth Index~~	~~US OE Large Growth~~
~~Fidelity Blue Chip Growth~~	~~Russell 1000 Growth Index~~	~~US OE Large Growth~~
~~Hotchkis & Wiley Mid Cap Value~~	~~Russell Mid Cap Value Index~~	~~US OE Mid Cap Value~~
~~Morgan Stanley Mid Cap Growth~~	~~Russell Mid Cap Growth Index~~	~~US OE Mid Cap Growth~~

~~Huber Small Cap Value~~	~~Russell 2000 Value Index~~	~~US OE Small Value~~
~~Artisan Small Cap~~	~~Russell 2000 Growth Index~~	~~US OE Small Growth~~
~~Vanguard Total Intl Stock Index~~	~~Spliced Performance Index~~	~~US OE Foreign Large Blend~~
~~American Funds EuroPacific Growth~~	~~MSCI AC World ex-USA Index~~	~~US OE Foreign Large Blend~~
~~Fidelity Balanced~~	~~US Balanced Index~~	~~US OE Moderate Allocation~~
~~Vanguard Wellesley Income~~	~~US Conservative Index~~	~~US OE Conservative Allocation~~
~~Vanguard Target Retirement Income~~	~~Custom Index~~	~~US OE Retirement Income~~
~~Vanguard Target Retirement 2010~~	~~Custom Index~~	~~US OE Target Date 2000-2010~~
~~Vanguard Target Retirement 2015~~	~~Custom Index~~	~~US OE Target Date 2011-2015~~
~~Vanguard Target Retirement 2020~~	~~Custom Index~~	~~US OE Target Date 2016-2020~~
~~Vanguard Target Retirement 2025~~	~~Custom Index~~	~~US OE Target Date 2021-2025~~
~~Vanguard Target Retirement 2030~~	~~Custom Index~~	~~US OE Target Date 2026-2030~~
~~Vanguard Target Retirement 2035~~	~~Custom Index~~	~~US OE Target Date 2031-2035~~

~~Vanguard Target Retirement 2040~~	~~Custom Index~~	~~US OE Target Date 2036-2040~~
~~Vanguard Target Retirement 2045~~	~~Custom Index~~	~~US OE Target Date 2041-2045~~
~~Vanguard Target Retirement 2050~~	~~Custom Index~~	~~US OE Target Date 2046-2050~~
~~Vanguard Target Retirement 2055~~	~~Custom Index~~	~~US OE Target Date 2051+~~

*** WITH Appendix ***

401(k) and 457 DEFERRED COMPENSATION PLANS

STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

East Bay Municipal Utility District

~~May 2014~~August 2015

East Bay Municipal Utility District
401(k) and 457 DEFERRED COMPENSATION PLANS
STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE……...3

SUMMARY OF RESPONSIBILITIES……...…....3

GENERAL COMPLIANCE……..…45

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS……...…….....5

INVESTMENTS…….……6

INVESTMENT OPTION SELECTION GUIDELINES…….……..8

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING…….……..8

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES……...…….…..10

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING……..……...…….…..12

GLOSSARY……...…….……...13

APPENDIX A: INVESTMENT OPTIONS WITH BENCHMARK INDEXES AND PEER GROUPS….……..…..15

INTRODUCTION AND PURPOSE

This statement is set forth to provide a clear understanding of the investment policies, guidelines and objectives related to the administration of the East Bay Municipal Utility District (District) 401(k) and 457 Deferred Compensation Plans (the Plans). The Plans are voluntary, deferred compensation plans available to eligible employees who are interested in saving for retirement on a tax-advantaged basis, and provides the option of investing through either pre-tax payroll deduction or post-tax (Roth) payroll deduction. The Plans are also available to retired and separated employees to the extent that they wish to continue utilizing the Plans after leaving service. The purposes of the Plans are to provide a vehicle for and to encourage additional retirement savings to supplement the core retirement benefits provided to District employees.

This Investment Policy Statement is further intended to assist the Advisory Committee in making investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for selecting, monitoring and evaluating investment options and investment providers utilized by the Plans. This Investment Policy Statement will be reviewed at least annually and it can be revised at any time by the Advisory Committee to reflect changes in the capital markets, federal and state laws and policies affecting deferred compensation plans, plan participant objectives, or other factors relevant to the Plans.

SUMMARY OF RESPONSIBILITIES

Plan Sponsor – The District is the Sponsor of the Plans. The responsibilities of the Plan Sponsor include but are not limited to:

- Adopting and amending Plan Documents;
- Approving Plan services contracts; and
- Designating other fiduciaries of the Plans.

Plan Committee – The 401(k)/457 Advisory Committee selects, monitors and evaluates investment alternatives and investment providers utilized by the 401(k) and 457 Plans. It is the intent of the Advisory Committee to fulfill its responsibilities with respect to the Plans solely in the interest of the participants and beneficiaries. The Committee members, as fiduciaries, are required to perform their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Committee's responsibilities include the following**:**

- Selecting the investment design features of the Plans, including establishing the investment policy and objectives and the number and types of investment alternatives available to Plan participants;

- Appointing, monitoring and evaluating all investment providers and managers in accordance with guidelines and benchmarks established within this document and consistent with applicable laws;
- Monitoring costs that are charged to Plan assets and/or paid by Plan participants, including but not limited to investment management fees, custodial fees and other fees paid to Plan service providers from Plan and/or participant assets.

EBMUD Staff – Human Resources Department staff members assist with the operation of the Plans and assist the Committee in several ways. Their responsibilities include:

- Review, approve, and process hardship/safe harbors, QDROs, and death transfers
- Conduct Request for Proposal processes for Investment Consultants and Service Providers
- Serve as the liaison to Service Providers, coordinating delivery of services, etc.
- Contribution and withdrawal reconciliation and processing

Investment Consultant - The Committee may engage an independent investment consultant (hereinafter "Consultant") to assist in carrying out the duties and responsibilities of this Investment Policy Statement. Such Consultant must be registered with either State or Federal securities regulators pursuant to the Investment Advisors Act of 1940**.** The Consultant's role is to provide information and advice to the Committee on various investment related issues. The Consultant has no discretionary control over the Plans and their assets. In providing advice to the Committees, the Consultant must assume a co-fiduciary role. The services of the Consultant will be set forth in a separate agreement, in which the Consultant's co-fiduciary role is described.

Investment Provider – An entity that offers investment option products and manages assets for the Plans. Examples of investment option products offered by an investment provider may include mutual funds, commingled trust funds, separate accounts and/or annuity contracts.

Investment Manager – The person(s) at the Investment Provider responsible for implementing an investment option product's investing strategy and managing the investment portfolio trading activities.

Service Provider – An entity engaged to assist the Plan Sponsor and the Committee in administration of the Plans. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plans and providing general investment information regarding each of the investment options offered under the Plans, distribution processing, record keeping and other administrative functions as prescribed in an agreement entered into between the Plan Sponsor and the Service Provider.

GENERAL COMPLIANCE

The Plans are designed to meet the Internal Revenue Code (the Code) requirements, as amended. The Plans' investment policies and guidelines

shall be reviewed by the Committee on an annual basis for modification, as needed, but may be modified by the Committee at any time as necessary.

At minimum, it is intended that Plan participants shall be provided with the following investment opportunities:

A. Choose from a minimum of three diverse investment categories, each with materially different risk and return characteristics. At least one of the categories will provide for a high degree of safety and capital preservation.

B. Make and/or modify investment decisions at least annually.

C. Receive or have access to the following information, as updated:

- A description of the investment alternatives available under the Plans including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
- Identification of the designated investment managers and investment products;
- A description of any transaction fees or expenses charged to participant accounts, and information on costs and fees for an investment product that reduces the rate of return to Plan participants (expense ratios); and
- Prospectuses, annual reports, and semi-annual reports on investment products, if available.

GENERAL INVESTMENT POLICY, OBJECTIVES AND STANDARDS

It is the policy of the Plans to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. The Plans will be structured in an attempt to provide Plan participants with an array of investment options with an objective of reducing fund fees, expenses, and administrative fees normally associated with these investments. Participants in the Plans are solely responsible for their own investment decisions and bear the risks and assume responsibility for the results of the investment options that they select. No representations, promises, or warranties are made by the District regarding the suitability of Plan participation for any participant's individual investment or retirement needs. Additionally, no representations, promises or warranties are made by the District about the performance of the Plans or their investments.

The primary investment objective of the Plans is to present participants with a range of investment options that give participants an opportunity to increase the value of their investment assets in a manner consistent with varying levels of participant risk/reward tolerances and investment decision making skills. While the Plans cannot meet all participant investment preferences and attitudes, the Plans attempt to provide investment options for participants at various levels of investment sophistication and with varying requirements for risk and return.
Information that may be used to select which investment products to offer includes, but is not limited to, the following:

- Age, income and other demographic data on Plan participants

- Liquidity and administrative constraints imposed on the Plans by service providers
- Development of new investment products in the marketplace
- Level of participant usage of investment products

To enable participants to establish different investment strategies, the Plans will offer investment categories that have varying return and volatility characteristics. It is the responsibility of each participant to evaluate the investment alternatives and to select an appropriate mix.

A risk/reward structure is basic to investments. Generally, those investment options offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range asset accumulation can be lessened through diversification among asset classes. To provide participants the opportunity to select risk/reward strategies and to diversify the Plans' assets, the Plans will offer a number of investment alternatives.

In addition to providing a range of investment options, the Plans seek to provide investment options that are competitive in terms of performance relative to appropriate investment performance and risk benchmarks. The performance and risk relationships of the Plans' investment options will be reviewed periodically by the Committee. Investment options should generally be given a full market cycle to achieve stated objectives (market cycles normally occur over 3-5 year time periods). Investment options are expected to meet or exceed their pre-determined benchmark index net of fees. Where peer groups are definable, investment options are expected to perform within the ranked upper half of a sample of same style peers, net of fees. In addition to investment performance (net of fees), the funds' risk characteristics will also be reviewed by the Committee. The risk associated with an investment option should generally be similar to the risk associated with a same-style peer group.

INVESTMENTS

Investment options offered by the Plans will be categorized or grouped by similarities in investment objectives, style and risk. The Plans' service provider(s) may be utilized to assist in determining the categories of investment options. The Plans are intended to assist participants in meeting their long-term investment objectives by providing investment options within the following permitted investment categories (these categories are further explained later in this document):

A. Tier 1: Balanced, Risk-Based, or Target Date Funds

B. Tier 2: Asset Class Funds
   - Stable Value/Money Market
   - Bond/Fixed Income Funds
   - Equity Funds

- International Funds

C. Tier 3: Self-Directed Brokerage Account

Investment options and categories may be added or deleted as deemed necessary by the Committee. At least one investment option shall be available within each listed investment category. The following table outlines the objectives and performance benchmarks for each of the Plans' investment options. The risk associated with an investment option will be compared to appropriate risk benchmarks or measures for a same-style group of peer funds, where definable.

Investment Category	Description
Stable Value/Money Market Funds	Investment options offered under this Plan category are invested in money market instruments with an average maturity of less than 90 days or stable value instruments with maturities appropriate to the investment option product.
Bond/Fixed Income Funds	Investment options offered under this Plan category are invested primarily in investment grade debt securities with varying maturities.
Balanced, Risk Based or Target Date Funds	Investment options offered under this Plan category may be invested among domestic and international stocks, bonds, and cash, and are to be designed to realize the benefits of strategic asset allocation among these asset classes.
Equity Funds	Investment options offered under this Plan category may include an array of domestic equity alternatives that will provide participants with the ability to invest in funds that differ in investment style (growth vs. value) and capitalization bias (large cap, mid cap, small cap).
International Funds	Investment options offered under this Plan category are invested in securities of countries outside the U.S. Some diversify their investments across a broad range of markets and securities, while others target a particular country or region.

Investment Category	Description
Self-Directed Brokerage Accounts	Under this Plan investment category, employees are permitted to open a self-directed brokerage account in addition to the core menu. There is no oversight by the Committee as to the quality or viability of the investment option products selected by the participant.

INVESTMENT OPTION SELECTION GUIDELINES

The Plans are defined contribution plans provided by the District for its employees and retirees. The Committee acknowledges that a defined contribution program may provide a primary method for retirement savings and that individual participants will have differing circumstances and investment objectives. The Plans offer a variety of investment options intended to provide a sound and flexible means for participants to affect both the potential return and the degree of risk of their accounts.

Investment options offered to participants will be provided through investment provider(s) accessible on the services provider's platform. Before introducing a new investment option, the Committee, in consultation with the Consultant and services provider will define the niche to be filled and assess any prospective investment option's performance, quality, and risk characteristics. At a minimum, investment options under consideration should satisfy performance and risk considerations under actual, not modeled, conditions and over an appropriate time period. Investment option selection considerations may include, but are not limited to the following:

- The investment option should generally, but not necessarily, have a history that spans a full market cycle, normally three to five (3-5) years.
- The investment option should generally meet or exceed its predetermined benchmark index, net of fees.
- The investment option should generally perform at median or within the upper half of a recognized and defined sample of same-style peer funds.
- The investment option should be able to demonstrate a consistent performance track record attributable to a specific investment manager or team of managers.
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents will be taken into consideration.

The investment performance for each option in the Plans will be assessed in comparison with the benchmarks detailed on Appendix A – Index and Peer Group Benchmarks.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

Investment providers and investment managers are required to comply with all applicable laws, rules, and regulations. However, the

Committee takes no responsibility for the failure of such option and/or investment manager to comply with any and all applicable laws, rules or regulations.

All options must have readily ascertainable market values and be easily marketable. It is recognized that Stable Value/GIC funds often have liquidity restrictions. Investment options with sales loads, redemption fees, or other non-investment management related expenses will be avoided to the extent possible. Options with deferred sales charges and/or market value adjustments will not be permitted.

Each investment option portfolio shall be diversified adequately to reduce risk and comply with current regulations and applicable state laws.

Investment option performance, risk and style consistency is intended to be evaluated on a semi-annual basis. Performance and risk results will be evaluated using comparisons with this policy, pertinent market indices and against other same-style peers, where definable. When necessary, investment option performance and risk may be reviewed more frequently.

The Committee will periodically review the investment options' progress in meeting the Plans' investment objectives. Investment options will be expected to comply with all stated investment objectives, guidelines and applicable rules contained in the prospectus or fund fact sheet. The Committee will review the performance of investment options quarterly to determine if they are achieving the established objectives**.** Investment performance reviews may include, but are not limited to, a review of:

- Investment portfolios;
- Fees and expenses;
- Investment style, process and philosophy;
- Investment management personnel;
- Index tracking error; and
- The current and prospective composition of the Target Date funds (based on their glide path), and the corresponding risk and return implications relative to the benchmark and peer group constituents.

The performance review will also include measuring the options' investment performance relative to stated benchmarks or respective indexes and peer groups; as well as the monitoring risk measures. The following will be evaluated:

Quantitative Measures

Active Investment Strategies

Investment options employing active management are expected to outperform their stated asset class or style benchmark net of all management fees over a trailing five year time period; and to rank above the 50th percentile of the appropriate peer group for the same trailing five year time period. It is also expected that the risk of each option, as defined by standard deviation of returns, be

commensurate with the prescribed strategy relative to the appropriate market index and/or peer group.

Passive Investment Strategies
Passive investment options are expected to track the performance of the index strategy that the option is designed to replicate, less management fees, with marginal tracking error. It is also expected that the risk of each passive option, as defined by standard deviation of returns, be commensurate with the appropriate market index.
– It should also be noted that certain passive investment options operate in a marketplace that includes foreign markets whose exchanges close prior to that of the United States. In these instances, some fund managers may engage in a method of "Fair Value Pricing," whereby the managers adjust the pricing of securities in the Fund to reflect any information that has become available after the close of the applicable foreign exchange market. Discrepancies in performance between the applicable investment option and its performance benchmark that are due to "Fair Value Pricing" will be taken into consideration in evaluating performance of the affected investment options and generally will not be counted as underperformance.

Qualitative Measures
The investment providers and managers will also be monitored on an ongoing basis for other material changes which the Committee may determine are of importance to the decision of whether or not to retain an investment option, such as personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines.

Time Periods
The Committee acknowledges that fluctuating rates of return characterize the securities markets, particularly during short-term time-periods. Recognizing that short-term fluctuations may cause variations in an option's performance, the Committee intends to employ investment options with long-term investment strategies and will evaluate option performance from a long-term perspective. Performance over market cycles of three to five years will be weighted more heavily than performance over shorter time periods, such as one year or less.

In addition to the qualitative and quantitative measures referenced above, the Committee will also review the investment options' risk characteristics in relation to that performance. Risk will be measured in various ways including, but not limited to:

- Standard deviation
- Downside risk or semi-variance
- Risk/return ratios such as Sharpe or Treynor Ratios
- Other statistical measures such as Beta, Alpha and Variance

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

Generally, all investment options are expected to remain true to their stated investment objectives and to perform as well as or better than their prescribed performance benchmarks, net of fees. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Periodic underperformance in any of the criteria outlined in this Investment Policy will not necessitate the termination of an option; however, any underperformance will result in consideration by the Committee of the factors causing underperformance and possible courses of action that the Committee may take.

The Committee may, at any time, place any investment option that it views as having a pattern of under-performance on a watch-status. Reasons the Committee might place an option on a watch status, include but are not limited to, the following:

Quantitative Measures

Actively Managed Investment Options

- Performance below the prescribed benchmark index over a trailing five year period, combined with
- Performance below the median of its peer group over a trailing five year period

Passively Managed Investment Options

- Net of fee performance tracking error relative to the respective index that is greater than 15 basis points

Qualitative Measures

- Management team or other significant personnel turnover;
- Changes in the product's investment philosophy, process, style or risk profile;
- Excessive or rapid asset growth or decline;
- Pending regulatory investigations or material legal proceedings;
- Changes to firm ownership;
- Significant increase in management fees or expense ratio.

An investment option may remain on watch status until the Committee decides to take further action. Committee actions include, but are not limited to, the following:

- Removing the investment option from watch status; and
- Terminating the investment option and reallocating the assets to an alternate or replacement investment option(s) by Committee direction.

To be removed from quantitative, performance related watch status, generally, performance for the preceding five year trailing periods should be above the benchmark index or median for at least two consecutive quarters. However, the Committee may decide to leave an option on watch for as long as they feel it is prudent to do so.

The Committee reserves the right to terminate investment option relationships at any time, for any reason when it determines such termination is in the best interests of the Plans and their participants and beneficiaries. Once the decision to terminate an option and remove it from the Plans is made, asset transfer and liquidation should be handled to the best advantage of the Plans, with due consideration given to the anticipated effect on affected participants and beneficiaries.

INVESTMENT OVERSIGHT RESPONSIBILITY AND PROXY VOTING

Using this Investment Policy Statement, the Committee shall have overall responsibility for the selection, monitoring and termination of investment providers and investment option products. Additionally, the Committees shall be responsible for reviewing and maintaining these investment policies and guidelines.

Proxy voting rights shall be exercised in the best interest of the participants and beneficiaries of the Plans. The Committee may delegate the responsibility for promptly voting all proxies and related actions in a manner consistent with the long term interest and objectives of the Plans. The Committee shall keep records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

On behalf of the East Bay Municipal Utility District Deferred Compensation Plans this Investment Policy Statement is adopted by the Committee and is effective as of the later of the two dates entered below:

For the 401(k)/457 Advisory Committee:

Date: _____ By:_____

GLOSSARY

Annualized Return
Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return in projected as though the same performance continues to occur for a twelve-month period.

Benchmarks
A standard against which the performance of the portfolio can be measured, typically against a standard index, although a client manager may also set the benchmark.

Duration
The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price (a bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Growth Style Investing
Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Investment Objectives
The overall financial objectives of an investor. For example, whether the investor requires income or capital appreciation. The investor's objectives govern the investment strategy.

Investment Options
Investment products (such as mutual funds, separate account funds, comingled investment trust funds, annuity products, etc.) that have been selected by the Committee to be offered within the Plan for investment by participants..

Large Cap
Large Capitalization – refers to those companies with a market capitalization of greater than $10 billion.

Liquidity
The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

GLOSSARY - CONTINUED

Market Capitalization
The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Mid Cap
Mid-Capitalization – refers to those companies with a market capitalization between $2 and $10 billion.

Net of Fees
After subtraction of management fees.

Participants
Current and former employees of East Bay MUD that have opened and are maintaining accounts in the East Bay MUD 401(k) or 457(b) Plans.

Peer Group
Contemporaries of the same asset class that can be compared against one another to achieve a larger sense of how the particular portfolio is performing.

Portfolio
Refers to the complete list of securities held in an investment product.

Small Cap
Small Capitalization – refers to those companies with a market capitalization between $500 million and $1.99 billion.

Standard Deviation
Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Value Style Investing
Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

APPENDIX A

Investment Option Index and Peer Group Benchmarks

Investment Option	Performance Benchmark	Peer Group
~~Fidelity MIP II~~T. Rowe Price Stable Value	Five Year Constant Maturity Treasury	Custom Stable Value Universe
Vanguard Total Bond Market Index	Barclays Capital US Aggregate Bond Index	US OE Intermediate-Term Bond
~~PIMCO Total Return Fund~~Scout Core Plus	Barclays Capital US Aggregate Bond Index	US OE Intermediate-Term Bond
Dodge & Cox Stock	Russell 1000 Value Index	US OE Large Value
T. Rowe Price Equity Income	Russell 1000 Value Index	US OE Large Value
Vanguard 500 Index	S&P 500 Index	US OE Large Blend
~~American Century Select~~	~~Russell 1000 Growth Index~~	~~US OE Large Growth~~
Fidelity Blue Chip Growth	Russell 1000 Growth Index	US OE Large Growth
Hotchkis & Wiley Mid Cap Value	Russell Mid Cap Value Index	US OE Mid Cap Value
Morgan Stanley Mid Cap Growth	Russell Mid Cap Growth Index	US OE Mid Cap Growth

Huber Small Cap Value	Russell 2000 Value Index	US OE Small Value
Artisan Small Cap	Russell 2000 Growth Index	US OE Small Growth
Vanguard Total Intl Stock Index	Spliced Performance Index	US OE Foreign Large Blend
American Funds EuroPacific Growth	MSCI AC World ex-USA Index	US OE Foreign Large Blend
Fidelity Balanced	US Balanced Index	US OE Moderate Allocation
Vanguard Wellesley Income	US Conservative Index	US OE Conservative Allocation
Vanguard Target Retirement Income	Custom Index	US OE Retirement Income
Vanguard Target Retirement 2010	Custom Index	US OE Target Date 2000-2010
Vanguard Target Retirement 2015	Custom Index	US OE Target Date 2011-2015
Vanguard Target Retirement 2020	Custom Index	US OE Target Date 2016-2020
Vanguard Target Retirement 2025	Custom Index	US OE Target Date 2021-2025
Vanguard Target Retirement 2030	Custom Index	US OE Target Date 2026-2030
Vanguard Target Retirement 2035	Custom Index	US OE Target Date 2031-2035

Vanguard Target Retirement 2040	Custom Index	US OE Target Date 2036-2040
Vanguard Target Retirement 2045	Custom Index	US OE Target Date 2041-2045
Vanguard Target Retirement 2050	Custom Index	US OE Target Date 2046-2050
Vanguard Target Retirement 2055	Custom Index	US OE Target Date 2051+
Vanguard Target Retirement 2060	Custom Index	US OE Target Date 2051+

East Bay MUD
457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report
September 2015

Greg Settle
Senior Consultant
gsettle@hyasgroup.com

For Institutional Use Only – Not for Public Distribution

TABLE OF CONTENTS

Section 1 Background and Search Criteria

Section 2 Description of Funds

Section 3 Performance, Risk, and Style Summary

Section 4 Expense Summary

Section 5 Composition

Section 6 Fund Fact Sheets and Performance Analysis

Section 7 Glossary

Section 1

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Section 1: Background and Search Criteria

This document has been prepared to provide analysis of several potential replacement fund candidates in the Mid Cap Growth asset class. The current option, Morgan Stanley Inst Mid Cap Growth, has underperformed versus an appropriate set of policy performance criteria over its applicable performance period. As such, a manager search has been assembled to review alternative options.

The Hyas Group seeks to evaluate managers over a full market cycle, during which time a manager is expected to have adequate opportunities to add value through their specific investment approach. In the case of the current option, we believe the trailing five-year period incorporates a broad enough range of market environments to be considered representative of a market cycle over which to evaluate the current fund and replacement candidates.

The replacement candidates presented generally include management teams that have satisfied the following Investment Policy criteria:

1) Investment track record of no less than five years
2) Five-year returns above peer group median
3) Reasonable portfolio diversification and risk (volatility) characteristics
4) Investment style consistency over evaluation period

We have provided four alternative candidates in the Mid Cap Growth asset class category along with the incumbent investment option for review. We have also provided a summary of current expense ratios for the current option and each of the replacement candidates.

All performance-related information is as of 2Q15 unless stated otherwise.

Section 2

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Section 2: Description of Funds

Current Option

Fund Name: **Morgan Stanley Inst Mid Cap Growth**

Prospectus Objective: Growth of Capital

Strategy: Mid High Growth

Commentary: The Morgan Stanley Mid Cap Growth Fund's approach to adding value is to seek out attractive companies earning high returns on capital while generating significant cash flows. The fund's manager, Dennis Lynch, prefers companies with defensible business models, or companies with a large "moat" that sets them apart from competitors. Additionally, the fund tends to be further out on the growth spectrum than its peers and deviates from the Russell Mid Cap Growth index significantly. The philosophy of essentially ignoring benchmark sector weights can lead to more volatile returns and it is not uncommon for the fund to rank very well vs. its peers one year, and rank very poorly the next - or viceversa.

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Replacement Candidates

Fund Name: **Vanguard Mid-Cap Growth**

Prospectus Objective: Growth of Capital

Strategy: Mid Core Growth

Commentary: Vanguard Mid Cap Growth seeks long-term capital appreciation using a multimanager approach that provides exposure to a broad universe of mid-cap growth stocks. The strategy's investment advisors use fundamental, bottom-up stock selection to analyze and identify companies that they believe have outstanding management and catalysts for growth, such as new products, market-share gains, and improving cost structure. Sub-advisors look for strong earnings-per-share growth and proven and sustainable competitive advantages. Each advisor independently manages its portion of fund assets, using its own research and investment methods. At present, the two sub-advisors include Chartwell Investment Partners (since 2006) and William Blair & Company (since 2006).

Fund Name: **MFS Mid Growth**

Prospectus Objective: Growth of Capital

Strategy: Mid High Growth

Commentary: MFS Mid Cap Growth takes a balanced, diversified approach to adding value through stock selection while keeping factor bets (such as tilts towards sectors, investment styles, or asset classes) to a minimum. The fund is supported by the MFS global research platform, wherein analysts are divided into sector groups, allowing them to specialize and know the dynamics of an industry. This strategy's approach is to identify companies with strong, cash-flow centric fundamentals that are likely to sustain robust growth for longer than the investment community is anticipating. As such the fund exhibits a fairly low amount of turnover relative to most of its peers that place greater emphasis on the next quarter's earnings. Additionally, management's tendency to take a buy-and-hold focus on companies with solid long-term prospects has generally caused the fund to have lower performance volatility than most of its peers. Overall the fund has consistently provided competitive exposure to the mid cap growth asset class with relatively low volatility and tracking error.

Replacement Candidates (continued)

Fund Name: **Victory Munder Mid Growth**

Prospectus Objective: Growth of Capital

Strategy: Mid Core Growth

Commentary: Munder Mid Cap Core Growth focuses on adding value through selecting stocks with attractive earnings growth potential, low debt, industry leadership, and attractive valuations relative to the company's expected growth rate. Typically, management focuses on adding value primarily through stock selection, as opposed to sector allocations or macro views. As such the portfolio is monitored to keep tracking error relative to the fund's internal benchmark (the Russell Mid Cap Index) low, and avoid making substantial sector, industry, or regional bets; all of which effectively keep the fund's asset composition largely in line with the index. This combination of avoiding large overweights toward more growth-oriented sectors, and emphasizing attractive relative valuations gives the fund a more "core growth" style. The fund has tended to lag its more aggressive growth peers in cases when a growth style has been strongly in favor, but has tended to outperform in down-markets and in periods when relative valuations matter.

Fund Name: **Hartford Mid Cap**

Prospectus Objective: Growth of Capital

Strategy: Mid Valuation-Sensitive Growth

Commentary: Hartford Mid Cap Stock is managed by Wellington as a more conservative mid-growth option, tending to tilt toward the larger end of the market capitalization spectrum and in favor of established, market leaders with attractive valuations. Management applies a three-part decision-making process in order to help identify attractive companies: business fundamentals and economic viability of the company in question, valuations relative to the company's industry and historical valuation range, and growth expectations relative to what Wall Street analysts are estimating. Over longer time periods, this fund's approach has resulted in a bias toward more steady growth companies. This approach has helped the fund to fare well to the downside though it has caused it to lag in more growth-centric markets where higher-beta names have tended to lead. Over the long-term it has successfully delivered attractive risk-adjusted returns within a mid cap growth framework.

Section 3

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Section 3: Performance, Risk, and Style Summary

Peer Group Rankings

	2Q15	YTD	1YR	3YR	5YR	10YR	2014	2013	2012	2011	2010	2009
Morgan Stanley Inst Mid Cap Growth	66	90	93	93	90	34	89	23	88	74	5	3
Vanguard Mid-Cap Growth	80	62	28	26	21	-	5	69	33	50	21	38
MFS Mid Growth	38	37	13	17	29	92	32	32	26	66	23	41
Victory Munder Mid Growth	73	56	38	35	31	49	24	63	32	29	53	72
Hartford Mid Cap	62	53	83	12	35	27	18	16	10	81	65	84

*Fund rankings in **red** lag the 50th percentile of the peer group*

Returns

	2Q15	YTD	1YR	3YR	5YR	10YR	2014	2013	2012	2011	2010	2009
Morgan Stanley Inst Mid Cap Growth	-0.49	2.47	3.62	13.81	13.94	9.83	1.33	38.35	9.49	-6.89	32.94	60.19
Vanguard Mid-Cap Growth	-1.10	4.89	11.44	19.08	18.56	-	13.48	32.22	15.96	-3.69	29.09	42.83
MFS Mid Growth	0.87	6.60	13.48	19.77	17.88	6.54	8.90	37.15	16.46	-5.85	28.91	42.06
Victory Munder Mid Growth	-0.73	5.28	10.29	18.26	17.76	9.19	10.17	33.71	16.01	-0.77	25.48	32.80
Hartford Mid Cap	-0.33	5.50	5.60	20.48	17.43	10.08	11.04	39.39	19.23	-7.86	23.46	30.16
Russell Mid Cap Growth	**-1.14**	**4.18**	**9.45**	**19.24**	**18.69**	**9.69**	**11.90**	**35.74**	**15.81**	**-1.65**	**26.38**	**46.29**
Avg. Mid Growth	**0.44**	**5.81**	**8.71**	**17.29**	**16.57**	**8.30**	**6.86**	**34.80**	**13.97**	**-4.15**	**24.75**	**38.92**

Returns longer than one year is annualized.

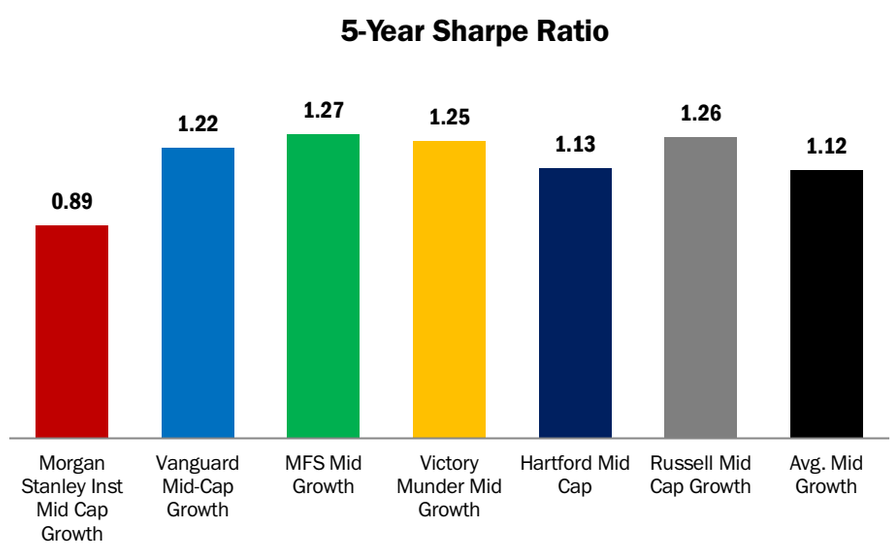
Returns +/- Index

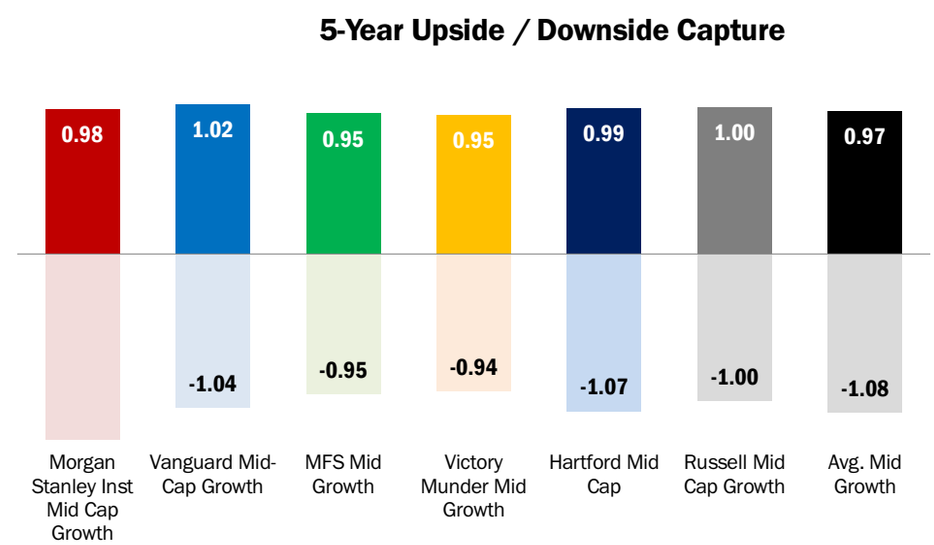
	2Q15	YTD	1YR	3YR	5YR	10YR	2014	2013	2012	2011	2010	2009
Morgan Stanley Inst Mid Cap Growth	0.65	(1.71)	(5.84)	(5.42)	(4.76)	0.14	(10.58)	2.60	(6.31)	(5.24)	6.56	13.89
Vanguard Mid-Cap Growth	0.04	0.71	1.98	(0.16)	(0.13)	-	1.58	(3.52)	0.15	(2.04)	2.71	(3.46)
MFS Mid Growth	2.01	2.42	4.02	0.53	(0.82)	(3.15)	(3.00)	1.41	0.65	(4.20)	2.53	(4.23)
Victory Munder Mid Growth	0.41	1.11	0.84	(0.97)	(0.94)	(0.50)	(1.74)	(2.03)	0.21	0.88	(0.91)	(13.49)
Hartford Mid Cap	0.81	1.33	(3.86)	1.24	(1.26)	0.40	(0.86)	3.65	3.42	(6.21)	(2.92)	(16.13)

*Fund returns in **red** lag the Index*

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015





East Bay MUD 457, 401(a), and 401(k) Retirement Plans

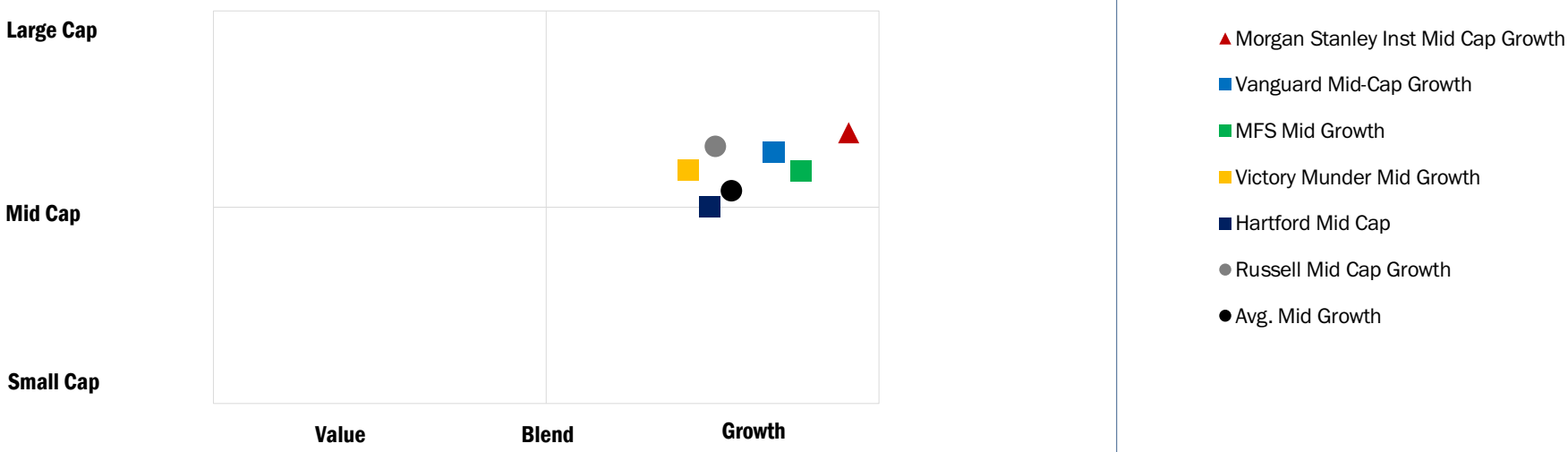
Mid Cap Growth Manager Search Report September 2015

Volatility and Investment Style

			Tracking Error		*Batting Averages*				
	Beta	R^2	vs. Idx	vs. Avg.	% > 0	vs. Idx	vs. Avg.	vs. Idx or Avg.	vs. Idx and Avg.
Morgan Stanley Inst Mid Cap Growth	1.01	0.82	6.85	6.52	60%	48%	53%	55%	47%
Vanguard Mid-Cap Growth	1.03	0.99	1.65	2.05	62%	57%	67%	77%	47%
MFS Mid Growth	0.93	0.96	2.83	2.50	60%	52%	55%	65%	42%
Victory Munder Mid Growth	0.94	0.96	2.89	2.89	67%	43%	48%	53%	38%
Hartford Mid Cap	1.03	0.95	3.44	3.24	65%	48%	48%	55%	42%
Russell Mid Cap Growth	**1.00**	**1.00**	**-**	**1.72**	**62%**	**-**	**65%**	**65%**	**-**
Avg. Mid Growth	**1.00**	**0.99**	**1.72**	**-**	**62%**	**35%**	**-**	**35%**	**-**

Based on the trailing 5-year period ending 2Q15.

Investment Style



Based on the most recently available holdings data

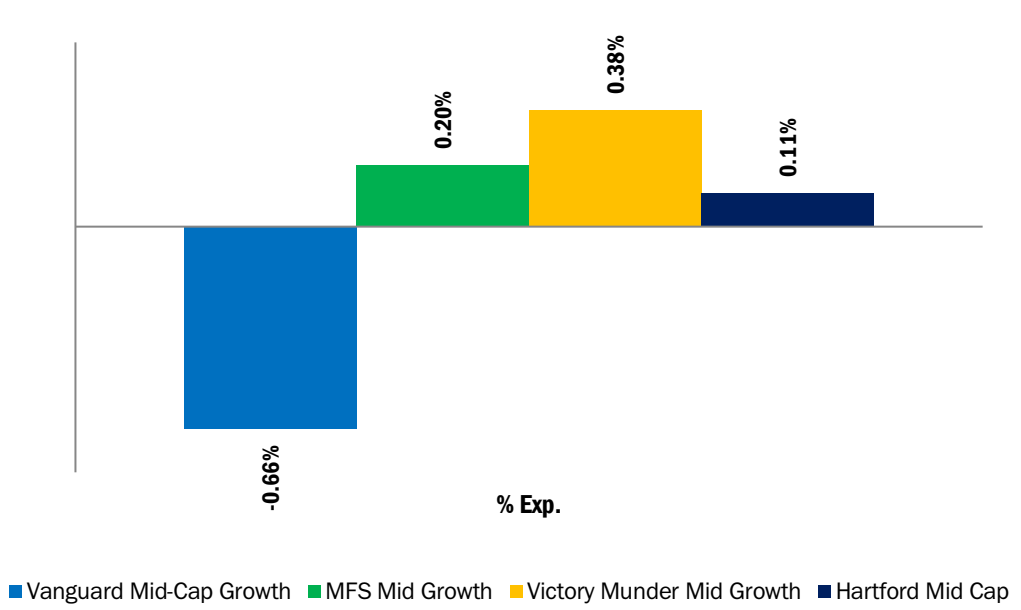
Section 4

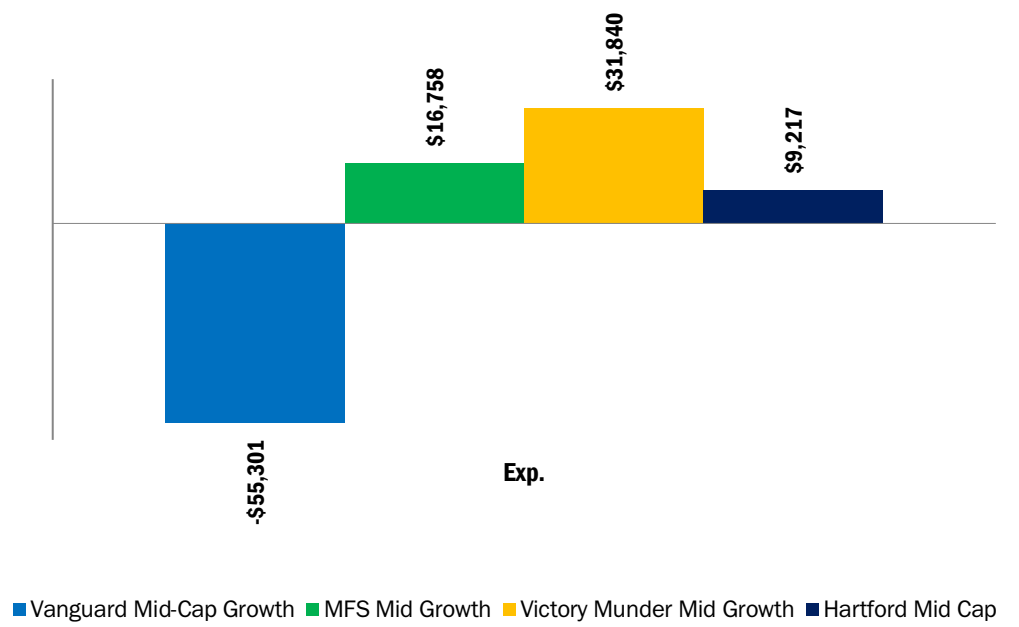
East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Section 4: Revenue, Expenses, and Operations

	Ticker	Share Class	Estimated Annual Expenses			Total Plan Assets	Revenue Share
			% Exp.	as % of Plan	$	$354,276,769	
Morgan Stanley Inst Mid Cap Growth	MPEGX	Inst	0.75%	0.018%	$62,842	Fund Assets	0.15%
Vanguard Mid-Cap Growth	VMGMX	Other	0.09%	0.002%	$7,541	$8,378,921	0.00%
MFS Mid Growth	OTCJX	Retirement	0.95%	0.022%	$79,600	*as of 2Q15*	0.15%
Victory Munder Mid Growth	MGOYX	Inst	1.13%	0.027%	$94,682		0.25%
Hartford Mid Cap	HFMTX	Retirement	0.86%	0.020%	$72,059		0.20%
Avg. Mid Growth	**-**	**-**	**1.33%**	**0.031%**	**$111,440**		



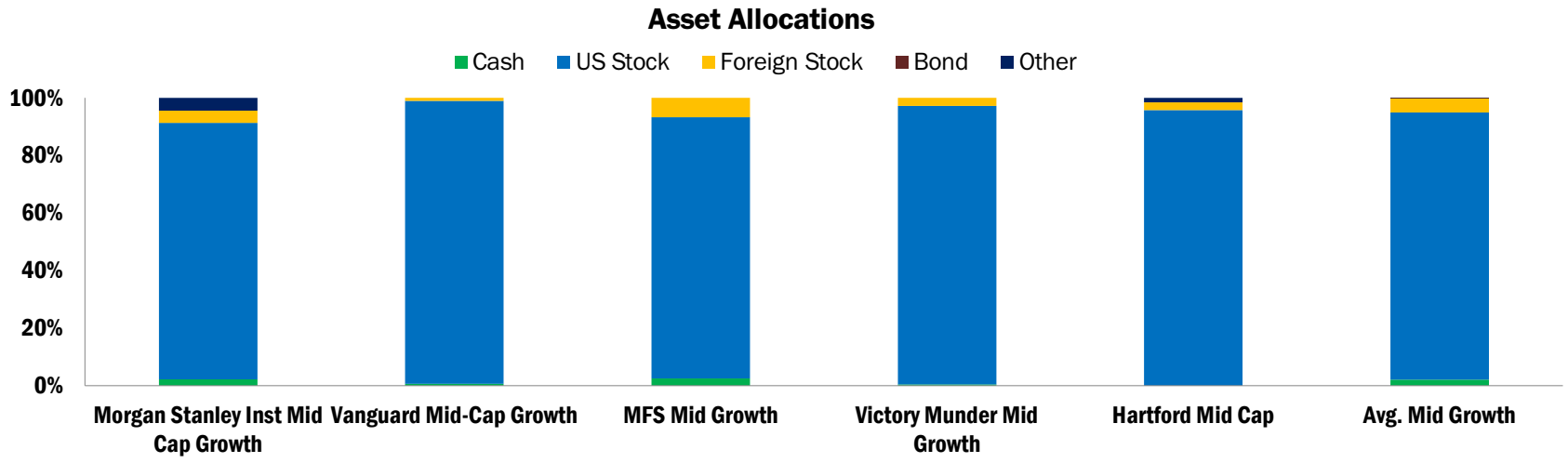


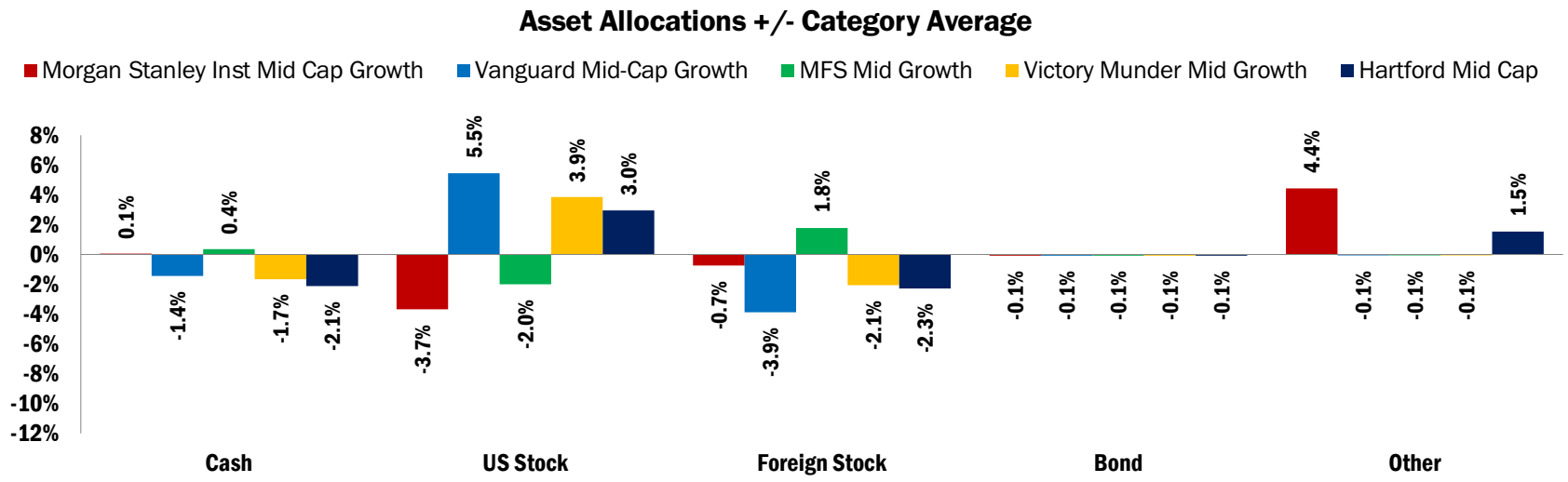
Section 5

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Section 5: Composition and Performance Analysis





East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Sector Weights

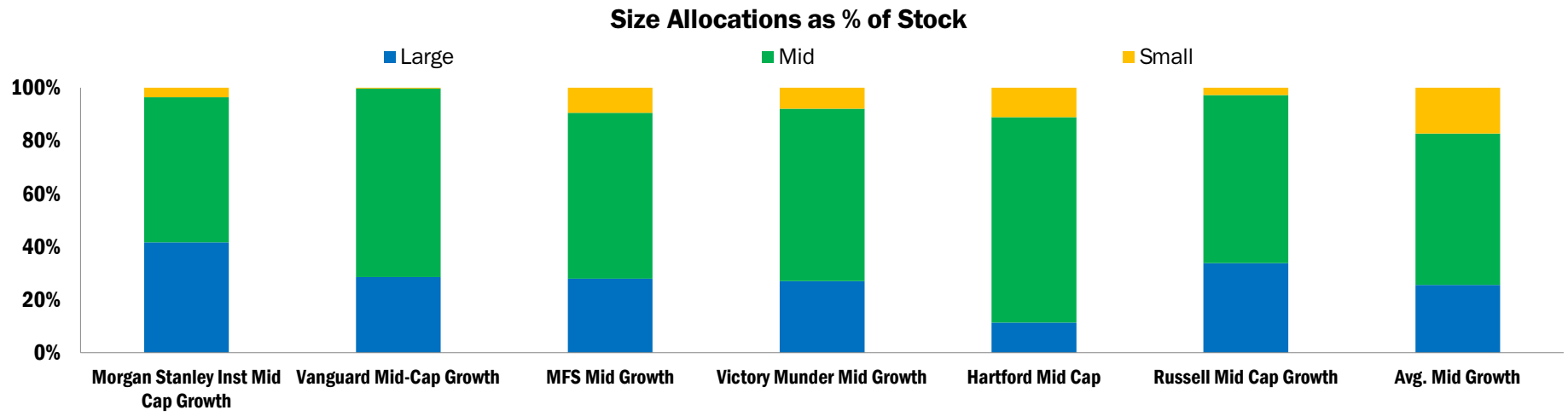
	Utilities	Telecom	Info. Tech.	Financials	Healthcare	Cons. Stpls.	Cons. Disc.	Industrials	Materials	Energy
Morgan Stanley Inst Mid Cap Growth	0.0%	0.0%	37.8%	6.5%	22.4%	7.5%	17.0%	8.7%	0.0%	0.0%
Vanguard Mid-Cap Growth	0.5%	1.8%	20.2%	11.2%	13.3%	4.4%	23.5%	15.0%	3.8%	6.4%
MFS Mid Growth	0.0%	1.7%	17.1%	8.7%	17.2%	3.9%	28.1%	16.9%	3.5%	3.0%
Victory Munder Mid Growth	3.8%	2.0%	14.4%	19.2%	12.7%	4.7%	17.3%	14.3%	6.6%	5.0%
Hartford Mid Cap	2.0%	0.0%	22.3%	12.8%	19.9%	2.3%	9.8%	21.6%	3.0%	6.4%
Russell Mid Cap Growth	0.1%	0.4%	20.0%	11.1%	14.4%	7.4%	24.5%	15.6%	5.3%	1.2%
Avg. Mid Growth	0.9%	0.9%	22.0%	13.1%	15.9%	4.7%	21.2%	14.6%	2.8%	3.8%

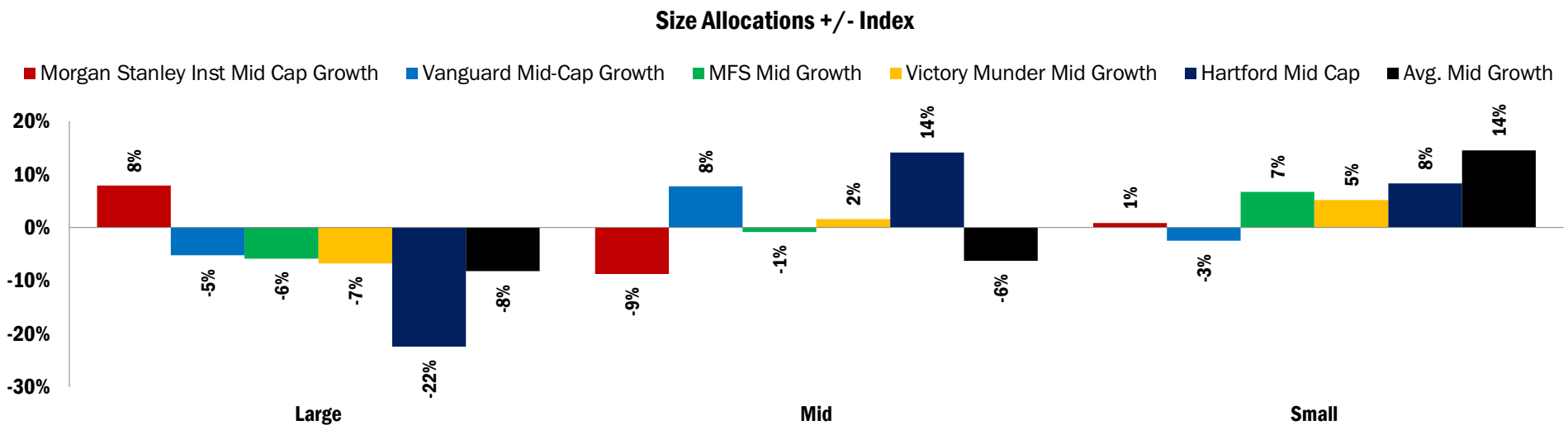
+/- Sector Weights

	Utilities	Telecom	Info. Tech.	Financials	Healthcare	Cons. Stpls.	Cons. Disc.	Industrials	Materials	Energy
Morgan Stanley Inst Mid Cap Growth	-0.1%	-0.4%	17.7%	-4.6%	8.0%	0.1%	-7.5%	-6.8%	-5.3%	-1.2%
Vanguard Mid-Cap Growth	0.4%	1.4%	0.2%	0.1%	-1.1%	-3.0%	-1.0%	-0.6%	-1.5%	5.1%
MFS Mid Growth	-0.1%	1.3%	-3.0%	-2.5%	2.8%	-3.5%	3.6%	1.3%	-1.8%	1.7%
Victory Munder Mid Growth	3.8%	1.6%	-5.6%	8.1%	-1.7%	-2.7%	-7.2%	-1.3%	1.3%	3.8%
Hartford Mid Cap	1.9%	-0.4%	2.3%	1.7%	5.5%	-5.1%	-14.7%	6.1%	-2.3%	5.1%
Russell Mid Cap Growth	-	-	-	-	-	-	-	-	-	-
Avg. Mid Growth	0.8%	0.5%	2.0%	2.0%	1.5%	-2.7%	-3.3%	-1.0%	-2.5%	2.6%

East Bay MUD 457 , 401(a), and 401(k) Retirement Plans

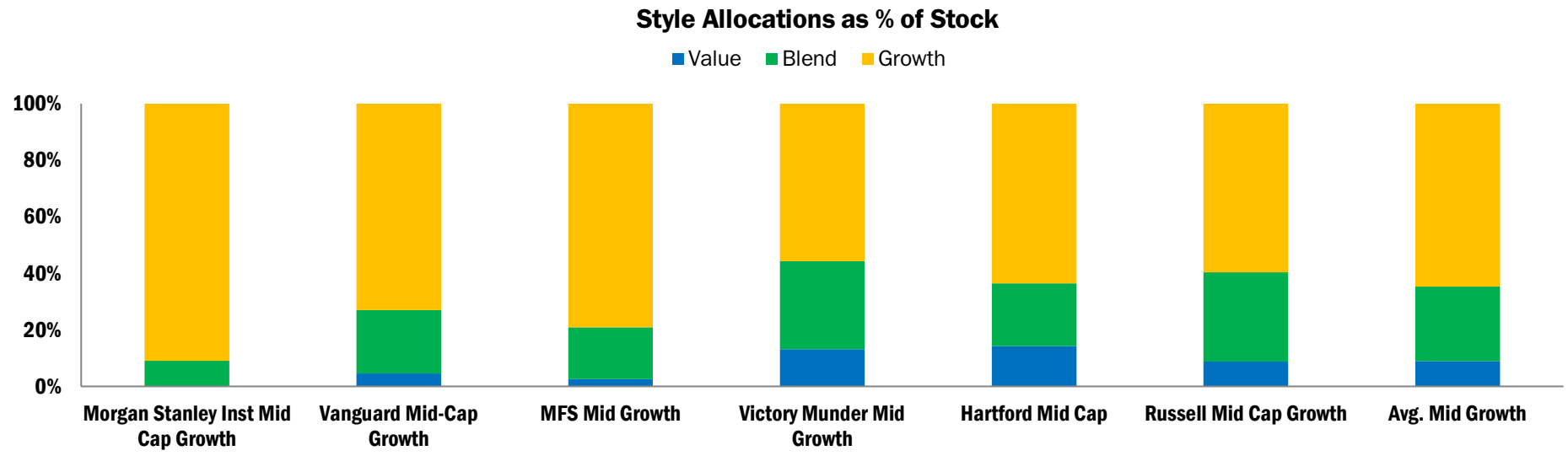
Mid Cap Growth Manager Search Report September 2015

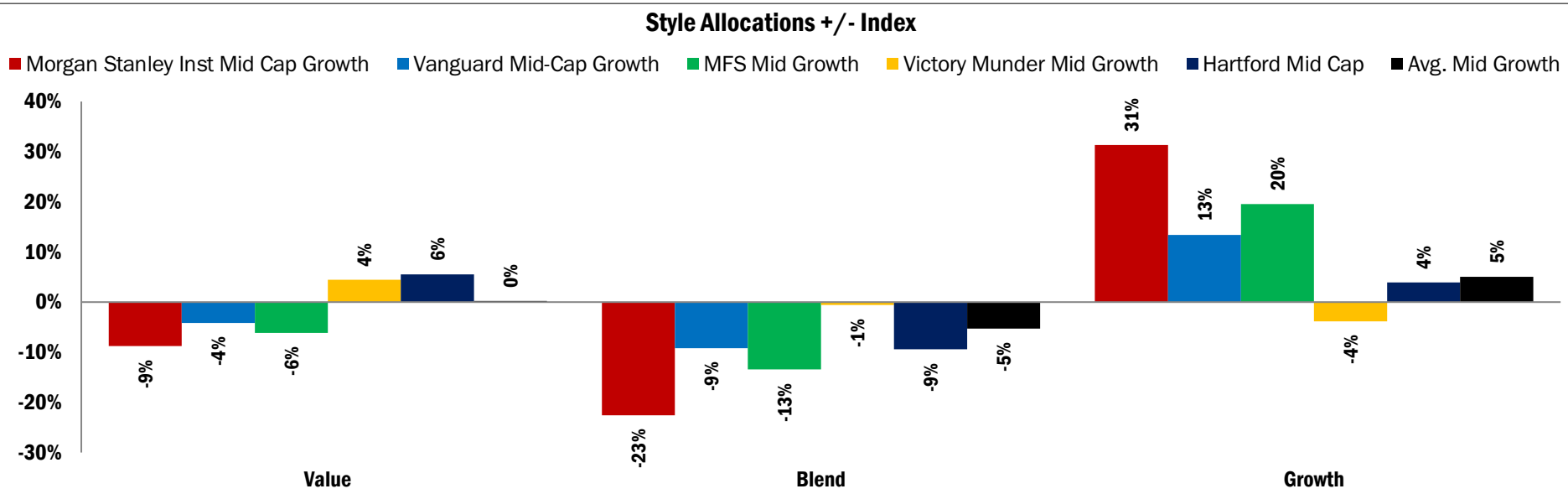




East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015





Section 6

Morgan Stanley Inst Mid Cap Growth

Fund Fact Sheet - June 30, 2015

Operations

Ticker:	MPEGX
CUSIP:	617440508
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Open-End Fund

Management

Advisor:	Morgan Stanley Investment Management Inc
Sub-Advisor:	None
Senior Manager:	Dennis P. Lynch;David S. Cohen;
Year Started:	2002

Expenses

Prospectus Net Exp. Ratio:	0.75%
Annual Report Exp. Ratio:	0.75%
Management Fee:	0.50%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows ($m)

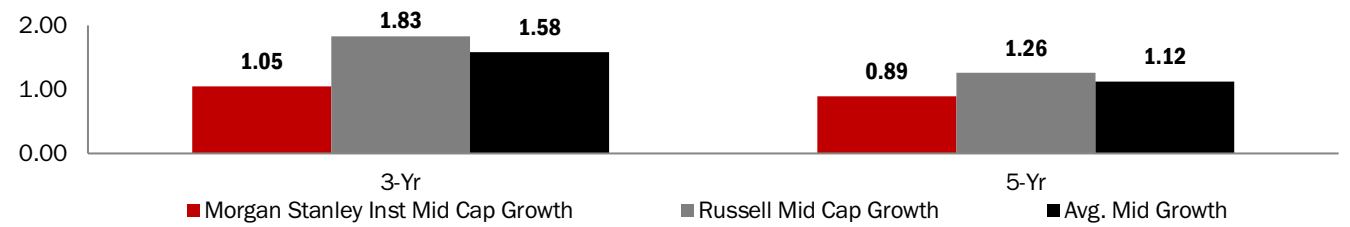
Fund Size:	$5,850
Est. 1-Year Flows:	($1,914)
as % of Current Size:	*-33%*
x Management Fee:	*($10)*
Est. 3-Year Flows:	($3,163)
as % of Current Size:	*-54%*
x Management Fee:	*($16)*
# of Holdings:	69
% in Top 10 Holdings:	38%
# of Stocks:	55
Est. $m per Stock:	$106
< 5% of Company	*$2,127*

Performance

	Qtr	YTD	1Yr	3Yr	5Yr	10Yr
Morgan Stanley Inst Mid Cap Growth	-0.49	2.47	3.62	13.81	13.94	9.83
Russell Mid Cap Growth	-1.14	4.18	9.45	19.24	18.69	9.69
+/- Index	0.65	(1.71)	(5.84)	(5.42)	(4.76)	0.14
Ranking	66	90	93	93	90	34

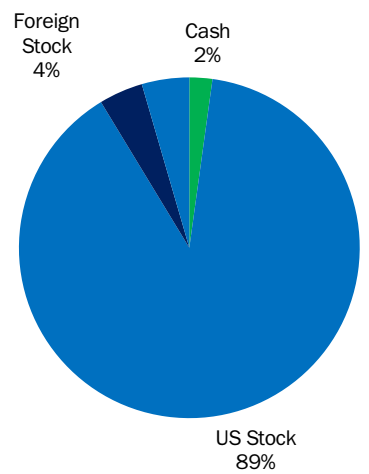
	2014	2013	2012	2011	2010	2009
Morgan Stanley Inst Mid Cap Growth	1.33	38.35	9.49	-6.89	32.94	60.19
Russell Mid Cap Growth	11.90	35.74	15.81	-1.65	26.38	46.29
+/- Index	(10.58)	2.60	(6.31)	(5.24)	6.56	13.89
Ranking	89	23	88	74	5	3

Risk-Adjusted Performance (Sharpe Ratio)



Composition

Asset Allocation



	Sector	+/- Idx.
Energy	0%	-1%
Materials	0%	-5%
Industrials	9%	-7%
Cons. Disc.	17%	-7%
Cons. Stpls.	8%	0%
Healthcare	22%	8%
Financials	7%	-5%
Info. Tech.	38%	18%
Telecom	0%	0%
Utilities	0%	0%
Total:	100%	0%

	Size/Style	+/- Idx.
Large Value	0%	-2%
Large Blend	5%	-3%
Large Growth	37%	12%
Mid Value	0%	-7%
Mid Blend	4%	-19%
Mid Growth	51%	17%
Small Value	0%	-1%
Small Blend	0%	-1%
Small Growth	3%	2%
Total Mid	55%	-9%
Total Growth	91%	31%

Vanguard Mid-Cap Growth

Fund Fact Sheet - June 30, 2015

Operations

Ticker:	VMGMX
CUSIP:	921937728
Share Class:	Other
Legal Structure:	Open Ended Investment Company
Investment Type:	Open-End Fund

Management

Advisor:	Vanguard Group, Inc.
Sub-Advisor:	None
Senior Manager:	Donald M. Butler
Year Started:	2013

Expenses

Prospectus Net Exp. Ratio:	0.09%
Annual Report Exp. Ratio:	0.09%
Management Fee:	0.07%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows ($m)

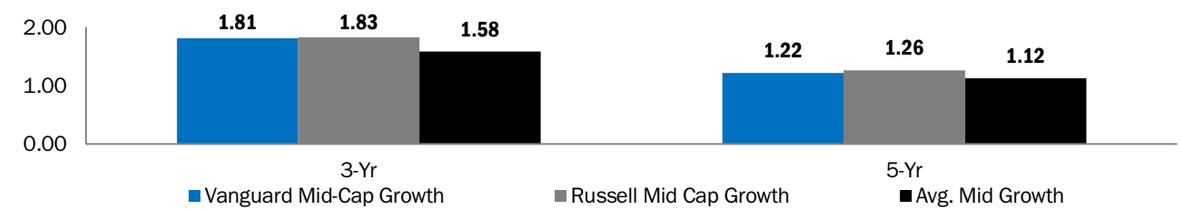
Fund Size:	$7,233
Est. 1-Year Flows:	$1,794
as % of Current Size:	***25%***
x Management Fee:	***$1***
Est. 3-Year Flows:	$2,691
as % of Current Size:	***37%***
x Management Fee:	***$2***
# of Holdings:	177
% in Top 10 Holdings:	12%
# of Stocks:	175
Est. $m per Stock:	$41
< 5% of Company	***$827***

Performance

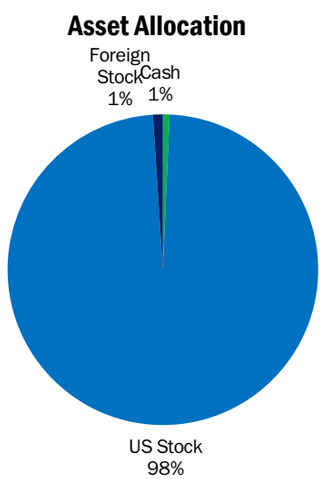
	Qtr	YTD	1Yr	3Yr	5Yr	10Yr
Vanguard Mid-Cap Growth	-1.10	4.89	11.44	19.08	18.56	-
Russell Mid Cap Growth	-1.14	4.18	9.45	19.24	18.69	9.69
+/- Index	0.04	0.71	1.98	(0.16)	(0.13)	-
Ranking	80	62	28	26	21	-

	2014	2013	2012	2011	2010	2009
Vanguard Mid-Cap Growth	13.48	32.22	15.96	-3.69	29.09	42.83
Russell Mid Cap Growth	11.90	35.74	15.81	-1.65	26.38	46.29
+/- Index	1.58	(3.52)	0.15	(2.04)	2.71	(3.46)
Ranking	5	69	33	50	21	38

Risk-Adjusted Performance (Sharpe Ratio)



Composition



	Sector	+/- Idx.
Energy	6%	5%
Materials	4%	-2%
Industrials	15%	-1%
Cons. Disc.	23%	-1%
Cons. Stpls.	4%	-3%
Healthcare	13%	-1%
Financials	11%	0%
Info. Tech.	20%	0%
Telecom	2%	1%
Utilities	0%	0%
Total:	**100%**	**0%**

	Size/Style	+/- Idx.
Large Value	0%	-2%
Large Blend	2%	-6%
Large Growth	27%	2%
Mid Value	5%	-2%
Mid Blend	21%	-2%
Mid Growth	46%	12%
Small Value	0%	-1%
Small Blend	0%	-1%
Small Growth	0%	-1%
Total Mid	**71%**	**8%**
Total Growth	**73%**	**13%**

MFS Mid Growth

Fund Fact Sheet - June 30, 2015

Operations

Ticker:	OTCJX
CUSIP:	552987786
Share Class:	Retirement
Legal Structure:	Open Ended Investment Company
Investment Type:	Open-End Fund

Management

Advisor:	Massachusetts Financial Services Co
Sub-Advisor:	None
Senior Manager:	Eric B. Fischman
Year Started:	2008

Expenses

Prospectus Net Exp. Ratio:	0.95%
Annual Report Exp. Ratio:	0.95%
Management Fee:	0.75%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows ($m)

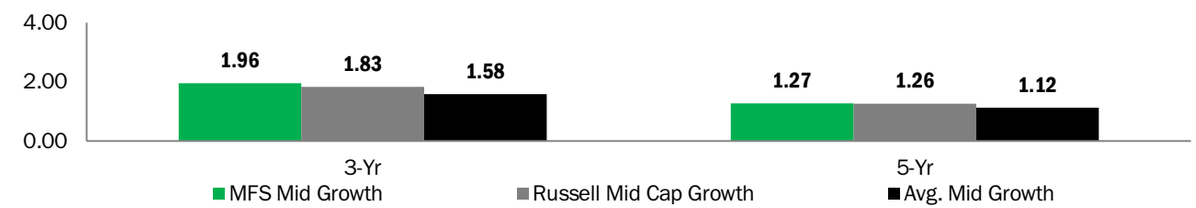
Fund Size:	$1,800
Est. 1-Year Flows:	($44)
as % of Current Size:	*-2%*
x Management Fee:	*($0)*
Est. 3-Year Flows:	$95
as % of Current Size:	*5%*
x Management Fee:	*$1*
# of Holdings:	121
% in Top 10 Holdings:	21%
# of Stocks:	119
Est. $m per Stock:	$15
< 5% of Company	*$302*

Performance

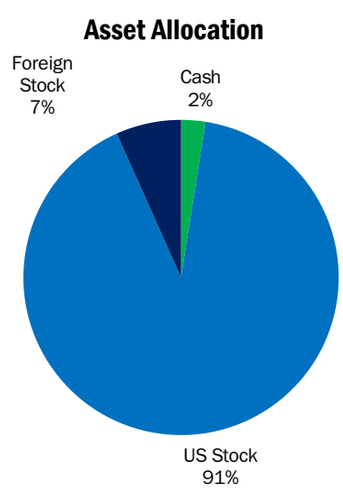
	Qtr	YTD	1Yr	3Yr	5Yr	10Yr
MFS Mid Growth	0.87	6.60	13.48	19.77	17.88	6.54
Russell Mid Cap Growth	-1.14	4.18	9.45	19.24	18.69	9.69
+/- Index	2.01	2.42	4.02	0.53	(0.82)	(3.15)
Ranking	38	37	13	17	29	92

	2014	2013	2012	2011	2010	2009
MFS Mid Growth	8.90	37.15	16.46	-5.85	28.91	42.06
Russell Mid Cap Growth	11.90	35.74	15.81	-1.65	26.38	46.29
+/- Index	(3.00)	1.41	0.65	(4.20)	2.53	(4.23)
Ranking	32	32	26	66	23	41

Risk-Adjusted Performance (Sharpe Ratio)



Composition



	Sector	+/- Idx.
Energy	3%	2%
Materials	3%	-2%
Industrials	17%	1%
Cons. Disc.	28%	4%
Cons. Stpls.	4%	-3%
Healthcare	17%	3%
Financials	9%	-2%
Info. Tech.	17%	-3%
Telecom	2%	1%
Utilities	0%	0%
Total:	**100%**	**0%**

	Size/Style	+/- Idx.
Large Value	0%	-2%
Large Blend	2%	-6%
Large Growth	26%	2%
Mid Value	3%	-4%
Mid Blend	16%	-7%
Mid Growth	44%	10%
Small Value	0%	-1%
Small Blend	0%	-1%
Small Growth	9%	8%
Total Mid	63%	-1%
Total Growth	3%	20%

Victory Munder Mid Growth

Fund Fact Sheet - June 30, 2015

Operations

Ticker:	MGOYX
CUSIP:	92647K838
Share Class:	Inst
Legal Structure:	Open Ended Investment Company
Investment Type:	Open-End Fund

Management

Advisor:	Victory Capital Management Inc.
Sub-Advisor:	None
Senior Manager:	Tony Y. Dong
Year Started:	2001

Expenses

Prospectus Net Exp. Ratio:	1.13%
Annual Report Exp. Ratio:	1.07%
Management Fee:	0.75%
12b-1:	0.00%
Redemption Fee %:	0.00%

Size & Flows ($m)

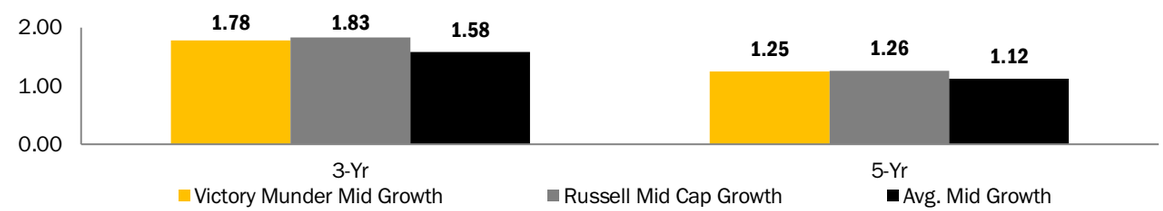
Fund Size:	$6,372
Est. 1-Year Flows:	($452)
as % of Current Size:	*-7%*
x Management Fee:	*($3)*
Est. 3-Year Flows:	($805)
as % of Current Size:	*-13%*
x Management Fee:	*($6)*
# of Holdings:	86
% in Top 10 Holdings:	20%
# of Stocks:	84
Est. $m per Stock:	$76
< 5% of Company	*$1,517*

Performance

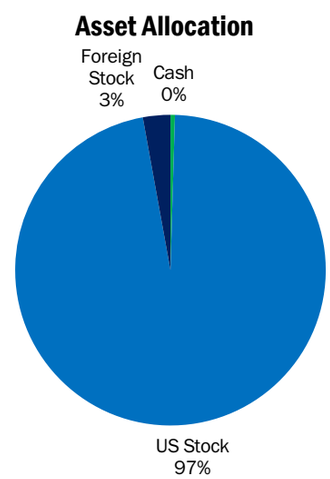
	Qtr	YTD	1Yr	3Yr	5Yr	10Yr
Victory Munder Mid Growth	-0.73	5.28	10.29	18.26	17.76	9.19
Russell Mid Cap Growth	-1.14	4.18	9.45	19.24	18.69	9.69
+/- Index	0.41	1.11	0.84	(0.97)	(0.94)	(0.50)
Ranking	73	56	38	35	31	49

	2014	2013	2012	2011	2010	2009
Victory Munder Mid Growth	10.17	33.71	16.01	-0.77	25.48	32.80
Russell Mid Cap Growth	11.90	35.74	15.81	-1.65	26.38	46.29
+/- Index	(1.74)	(2.03)	0.21	0.88	(0.91)	(13.49)
Ranking	24	63	32	29	53	72

Risk-Adjusted Performance (Sharpe Ratio)



Composition



	Sector	+/- Idx.
Energy	5%	4%
Materials	7%	1%
Industrials	14%	-1%
Cons. Disc.	17%	-7%
Cons. Stpls.	5%	-3%
Healthcare	13%	-2%
Financials	19%	8%
Info. Tech.	14%	-6%
Telecom	2%	2%
Utilities	4%	4%
Total:	**100%**	**0%**

	Size/Style	+/- Idx.
Large Value	2%	0%
Large Blend	5%	-3%
Large Growth	20%	-4%
Mid Value	9%	2%
Mid Blend	21%	-1%
Mid Growth	35%	0%
Small Value	2%	2%
Small Blend	5%	3%
Small Growth	1%	0%
Total Mid	65%	2%
Total Growth	56%	-4%

Hartford Mid Cap

Fund Fact Sheet - June 30, 2015

Operations

Ticker:	**HFMTX**
CUSIP:	**41664M847**
Share Class:	**Retirement**
Legal Structure:	**Open Ended Investment Company**
Investment Type:	**Open-End Fund**

Management

Advisor:	**Hartford Funds Management Company, LLC**
Sub-Advisor:	**Wellington Management Company LLP**
Senior Manager:	**Philip W. Ruedi**
Year Started:	**2004**

Expenses

Prospectus Net Exp. Ratio:	**0.86%**
Annual Report Exp. Ratio:	**0.86%**
Management Fee:	**0.72%**
12b-1:	**0.00%**
Redemption Fee %:	**0.00%**

Size & Flows ($m)

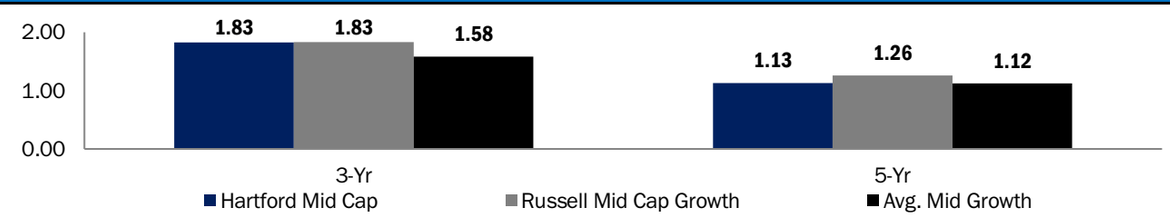
Fund Size:	**$4,859**
Est. 1-Year Flows:	**$253**
as % of Current Size:	***5%***
x Management Fee:	***$2***
Est. 3-Year Flows:	**($119)**
as % of Current Size:	***-2%***
x Management Fee:	***($1)***
# of Holdings:	**99**
% in Top 10 Holdings:	**22%**
# of Stocks:	**97**
Est. $m per Stock:	**$50**
< 5% of Company	***$1,002***

Performance

	Qtr	YTD	1Yr	3Yr	5Yr	10Yr
Hartford Mid Cap	**-0.33**	**5.50**	**5.60**	**20.48**	**17.43**	**10.08**
Russell Mid Cap Growth	**-1.14**	**4.18**	**9.45**	**19.24**	**18.69**	**9.69**
+/- Index	**0.81**	**1.33**	**(3.86)**	**1.24**	**(1.26)**	**0.40**
Ranking	**62**	**53**	**83**	**12**	**35**	**27**

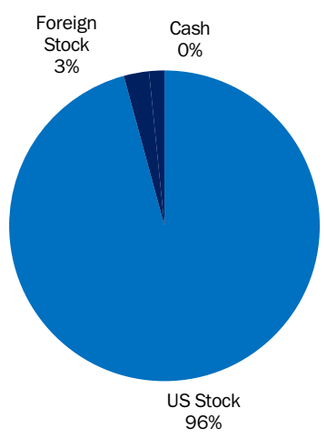
	2014	2013	2012	2011	2010	2009
Hartford Mid Cap	**11.04**	**39.39**	**19.23**	**-7.86**	**23.46**	**30.16**
Russell Mid Cap Growth	**11.90**	**35.74**	**15.81**	**-1.65**	**26.38**	**46.29**
+/- Index	**(0.86)**	**3.65**	**3.42**	**(6.21)**	**(2.92)**	**(16.13)**
Ranking	**18**	**16**	**10**	**81**	**65**	**84**

Risk-Adjusted Performance (Sharpe Ratio)



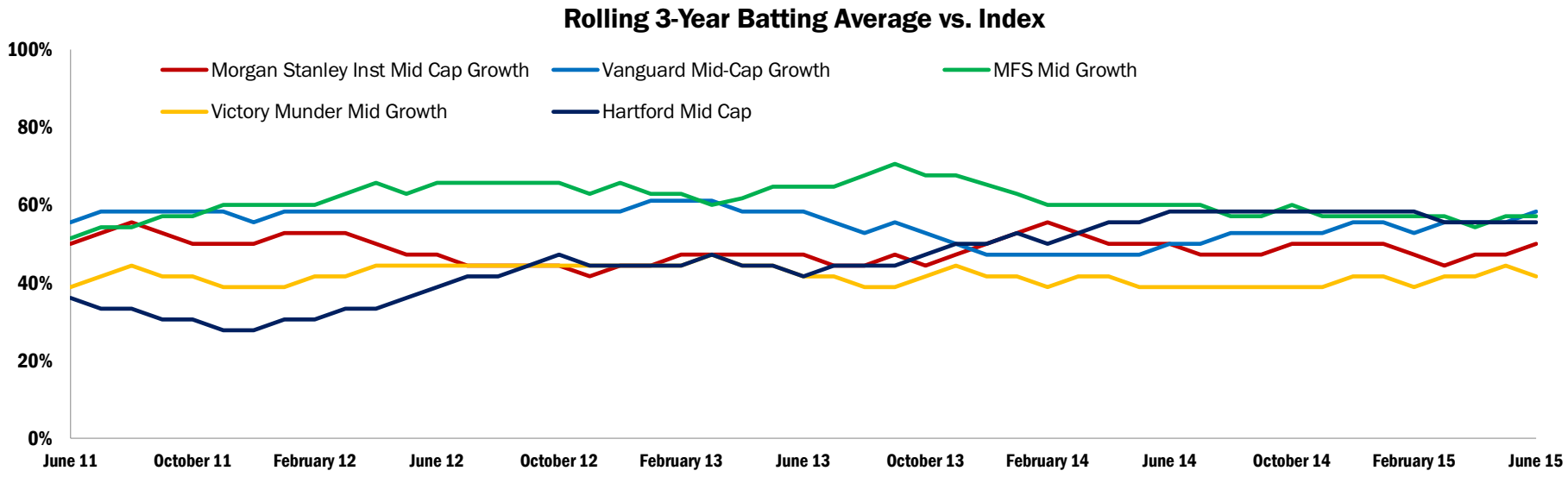
Composition

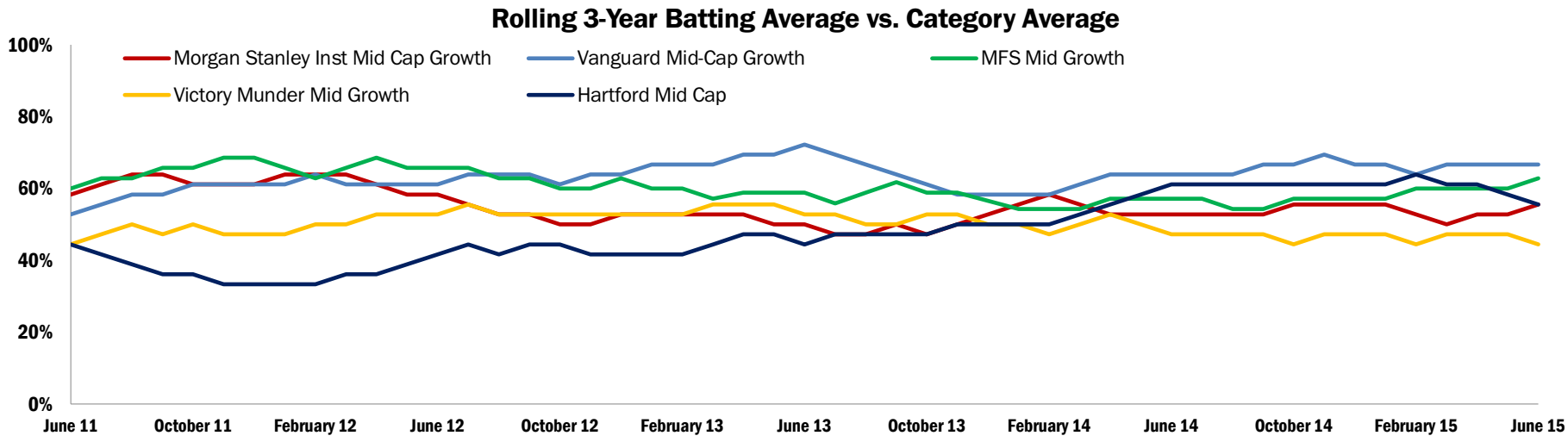
Asset Allocation



	Sector	+/- Idx.
Energy	**6%**	**5%**
Materials	**3%**	**-2%**
Industrials	**22%**	**6%**
Cons. Disc.	**10%**	**-15%**
Cons. Stpls.	**2%**	**-5%**
Healthcare	**20%**	**5%**
Financials	**13%**	**2%**
Info. Tech.	**22%**	**2%**
Telecom	**0%**	**0%**
Utilities	**2%**	**2%**
Total:	**100%**	**0%**

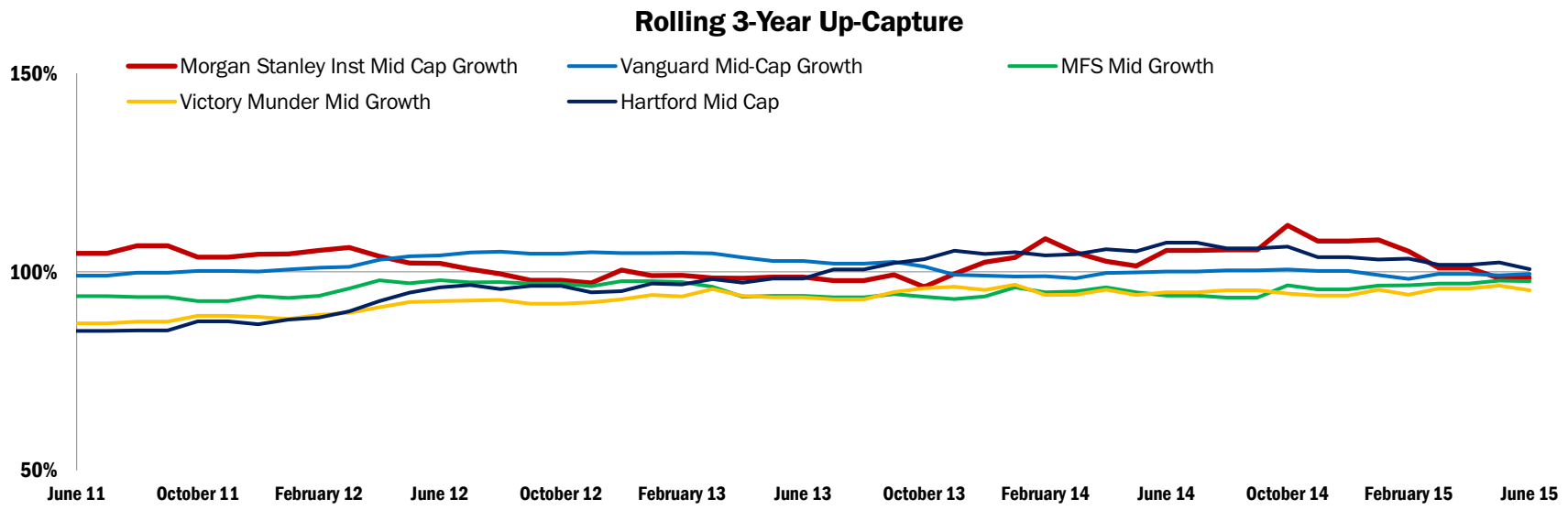
	Size/Style	+/- Idx.
Large Value	**0%**	**-2%**
Large Blend	**4%**	**-4%**
Large Growth	**7%**	**-17%**
Mid Value	**12%**	**6%**
Mid Blend	**16%**	**-7%**
Mid Growth	**49%**	**15%**
Small Value	**2%**	**1%**
Small Blend	**2%**	**1%**
Small Growth	**7%**	**6%**
Total Mid	**78%**	**14%**
Total Growth	**64%**	**4%**

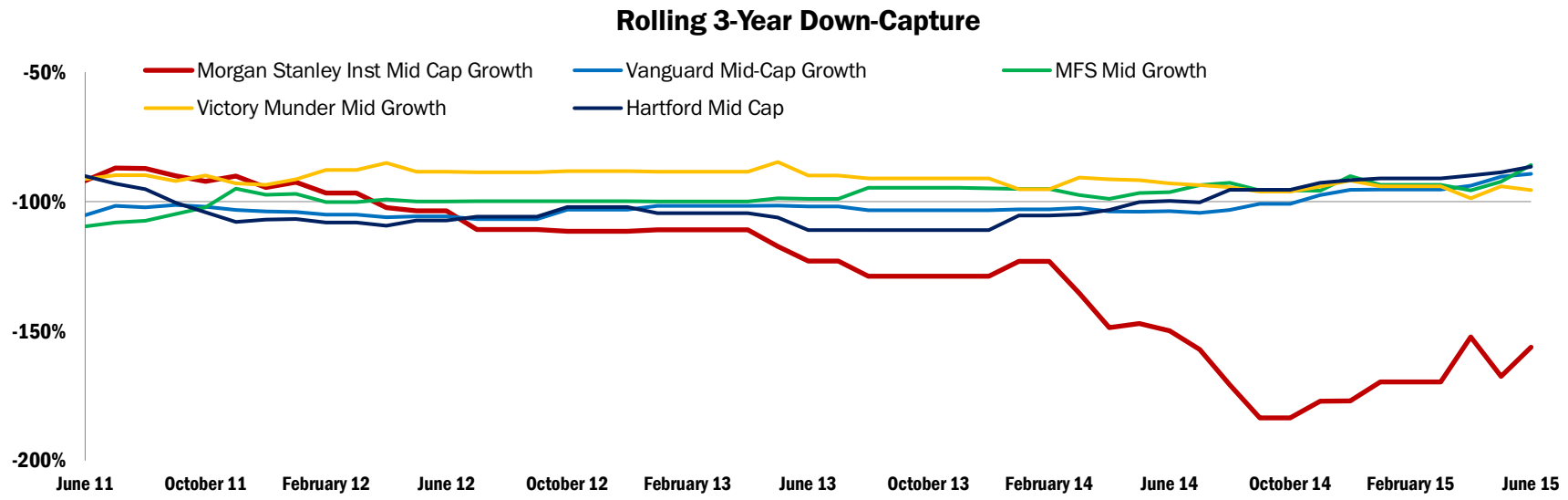

Rolling 3-Year Batting Average vs. Index
Morgan Stanley Inst Mid Cap Growth
Vanguard Mid-Cap Growth
MFS Mid Growth
Victory Munder Mid Growth
Hartford Mid Cap
100%
80%
60%
40%
20%
0%
June 11
October 11
February 12
June 12
October 12
February 13
June 13
October 13
February 14
June 14
October 14
February 15
June 15


Rolling 3-Year Batting Average vs. Category Average
Morgan Stanley Inst Mid Cap Growth
Vanguard Mid-Cap Growth
MFS Mid Growth
Victory Munder Mid Growth
Hartford Mid Cap
100%
80%
60%
40%
20%
0%
June 11
October 11
February 12
June 12
October 12
February 13
June 13
October 13
February 14
June 14
October 14
February 15
June 15

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

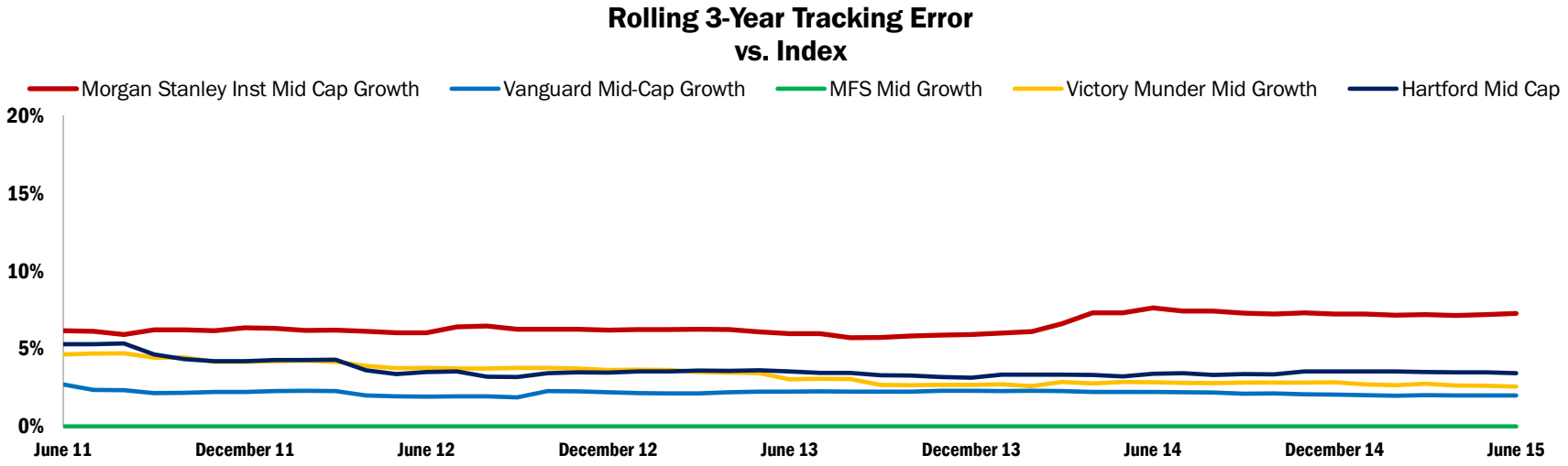
Mid Cap Growth Manager Search Report September 2015

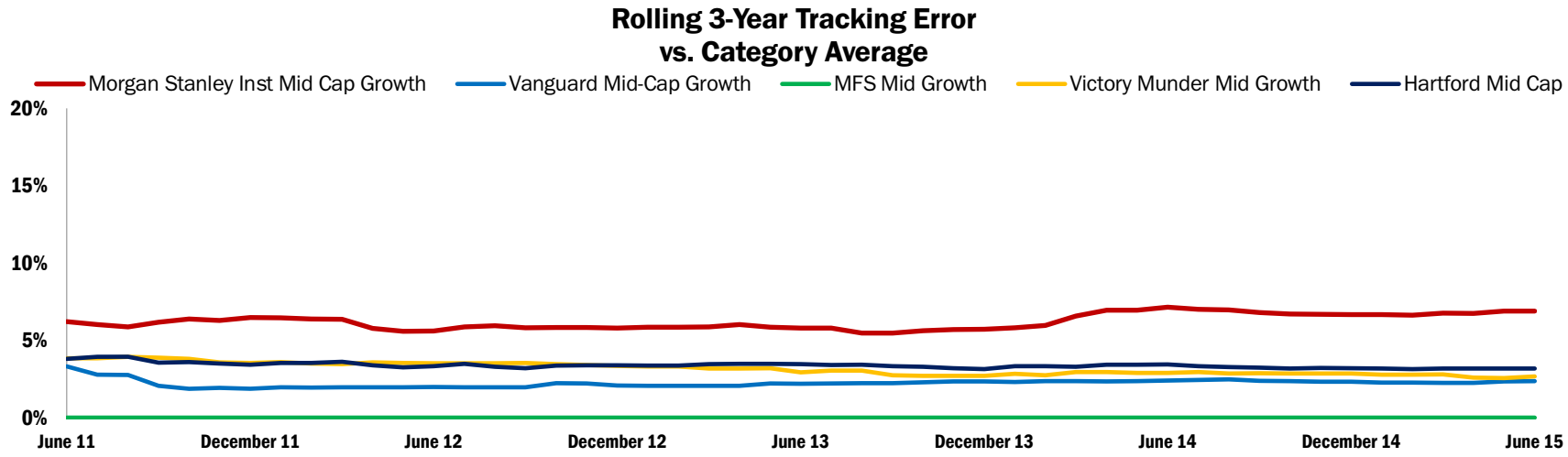




East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

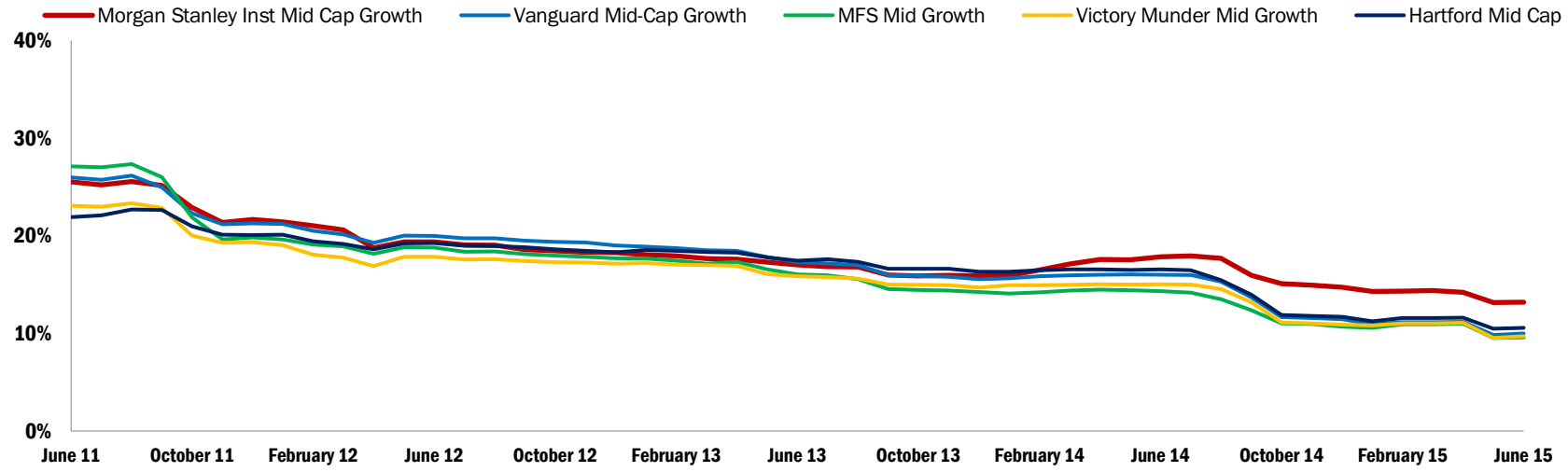




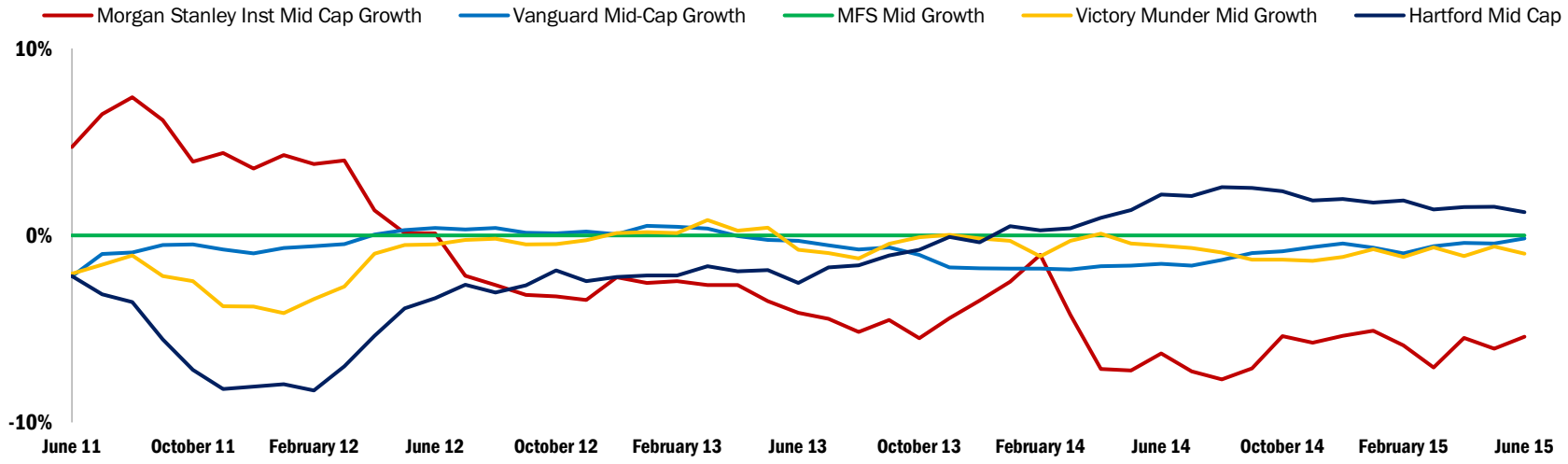
East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Mid Cap Growth Manager Search Report September 2015

Rolling 3-Year Standard Deviation



Rolling 3-Year Excess Return



Section 7

Section 7: Glossary

Investment Terms

Fixed Income:
A fund that invests primarily in bonds and other fixed-income securities, often to provide shareholders with current income. Peer groups within this asset class may include, but are not limited to, Intermediate-Term, Money Market, Stable Value, Inflation-Protected, High Yield, Global, and others.

Large Cap:
A fund that invests in stocks of companies with large market capitalizations, typically starting at $10 billion. Large Caps tend to be well-established companies, so their stocks typically entail less volatility and more current income than Small Caps, but also offer less potential for dramatic growth. A Large Cap fund may pursue an investment style such as growth, value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Mid Cap:
A fund that invests in stocks of companies with medium market capitalizations, typically ranging between $2 billion and $10 billion. Mid Caps are often considered to offer more growth potential than Large Caps (but less than Small Caps) and less risk than Small Caps (but more than Large Caps). A Mid Cap fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

Small Cap:
A fund that invests in stocks of companies with small market capitalizations, typically no higher than $2 billion. Small Caps are often considered to offer more growth potential, but less current income than Large Caps and Mid Caps, and with more risk. A Small Cap fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group.

International Stock:
A fund that invests primarily in the stocks of companies located, or with revenues derived from, outside of the United States. An International fund may pursue an investment style such as Growth, Value, or a combination of the two (often referred to as Core or Blend) and be placed within a corresponding peer group. Additional peer groups may include, but are not limited to, Global, Emerging Markets, and others.

Asset Allocation:
A fund that pursues a method of investing by which the manager include a range of different investment classes such as bonds, stocks, cash, alternative investments, and others in their portfolios. Peer groups within this asset class may include, but are not limited to Conservative Allocation, Moderate Allocation, Aggressive Allocation, Target Date, Life Cycle and others.

Growth (investment style):
A fund that invests primarily in the stocks of companies appearing to have relatively high growth prospects relative to their asset class. These companies often pay relatively low current income as most earnings are reinvested in the pursuit of higher future growth. These companies may also trade at relatively high valuations (such as price-to-earnings or price-to-sales) as investors may be willing to pay a “premium” to benefit from the company’s expected future growth.

Value (investment style):
A fund that invests primarily in the stocks of companies appearing be attractively priced by assorted metrics (such as price-to-earnings, price-to-sales, dividend yield, and others). These companies typically distribute a greater portion of their cash flows to shareholders than growth companies and as such will typically pay higher current income.

Blend/Core (investment style):
A fund that incorporates a comparable amount of Growth and Value investment styles into its investment management.

East Bay MUD 457, 401(a), and 401(k) Retirement Plans

Operational Terms

CUSIP:
A nine character code that represents most securities, including the type of security. A CUSIP can be used to expedite settlement of securities transactions.

Expense Ratio:
A measure of what it costs to operate an investment, expressed as a percentage of its assets or in basis points. These are costs the investor pays through a reduction in the investment's value.

Mutual Fund:
An investment company that gathers money from individual investors for the purchase of securities, such as stocks, bonds, or cash equivalents. Investors own shares of the mutual funds but do not own the underlying securities. Shares of mutual funds can typically be redeemed on an end-of-day basis for the net asset value of the underlying securities, minus any applicable fees.

Redemption Fee:
A fee collected by an investment company for selling out of a fund within a specified time period, typically 30 days. The fee is established to discourage short-term trading and is redistributed to any remaining fund investors.

Revenue Share:
A portion of a fund's expense ratio that may be used to pay plan expenses for certain retirement plans.

Share Class:
Some investment funds and companies offer more than one type or group of shares, each of which is considered a class (e.g., “Class A,” “Advisor” or “Institutional” shares). For most investment funds each class has different fees and expenses but all of the classes invest in the same pool of securities and share the same investment objectives.

Ticker:
A five-letter code, often used for trading purposes, that represents a particular mutual fund.

Statistical Terms

Batting Average:
How frequently a fund outperformed its benchmark given a certain time period and periodicity of returns.

Beta:
A statistical measure of an investment's volatility and degree of co-movement relative to its benchmark. A beta of 1.0 implies that an investment has, or has exhibited the same degree of volatility as its benchmark and has tended to closely track the performance of its benchmark. A beta that is above (below) 1 implies that an investment has exhibited higher (lower) overall volatility than its benchmark. Beta is often viewed as indicative of an investment's sensitivity to "systematic" or market risk.

R-Squared (R^2):
A statistical measurement of how much of an investment's returns are explained by another set of returns, typically that of a benchmark. An R^2 of 1.0 (0.0) implies that 100% (0%) of an investment's returns are explained by its benchmark and provides an indication as to what degree the investment might be expected to move in step with its benchmark.

Sharpe Ratio:
A measure of risk-adjusted returns. The Sharpe Ratio is the ratio of an investment's excess return (typically versus its index or a "risk-free" investment such as Treasury Bills) relative to its standard deviation for the corresponding period. A high (low) Sharpe Ratio indicates that an investment has provided a high (low) amount of excess return relative to the amount of risk it has incurred in doing so.

Standard Deviation:
A statistical measurement of how an investment's returns have tended to fluctuate around their average. A higher standard deviation implies a broader range of returns relative to an average and thereby a higher degree of investment risk. Assuming a normal distribution, approximately 95% of an investment's returns should fall within two standard deviations of its average for the corresponding time period and periodicity.

Tracking Error:
Tracking error is a measurement of the volatility of the difference between an investment's returns versus those of its benchmark. Given a certain periodicity of returns (such as monthly or quarterly), tracking error measures the volatility of the difference of the investment's and the benchmark's periodic returns within a specified time period. Annualized tracking error above 6% is generally viewed as high.

Up (Down) Capture Ratio:
Up (down) capture compares an investment's upside (downside) performance relative to that of its benchmark when the benchmark was returning positive (negative). Up (down) capture is expressed in percentage terms. For example, an investment with 120% Up Capture has, in relative terms, provided 20% more returns than the benchmark in periods of rising markets.

Some of the data in this report has been provided by Morningstar.