

## EAST BAY MUNICIPAL UTILITY DISTRICT

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DATE: March 1, 2012

MEMO TO: 401(k)/457 Advisory Committee

FROM: Tamara Wickland, Manager of Employee Services

SUBJECT: Investment History – 4<sup>th</sup> Quarter 2011

### **401(k) Plan**

All 28 investment options showed higher values than the previous quarter. Brokerage accounts increased by \$1,062,640 or approximately 7.41%. The total number of participants in the Plan decreased by (1) for a total of 1,635. Total assets in the Plan are \$150,901,298, an increase of 7.31%.

The total number of participants in ROTH 401(k) increased by 1 to a total of 159. Assets in the ROTH 401(k) increased by \$217,551.94 or 10.26% to a total of \$2,336,903.

The number of participants with active loans increased by 7 to a total of 488. The principal balance owed decreased by (\$146,845) to a total of \$4,558,440. The number of 401(k) hardship withdrawals for the 4<sup>th</sup> quarter of 2011 was 2 for a total of \$12,727.

### **457 Plan**

Twenty-five of the 28 investment options showed higher values than the previous quarter. Brokerage accounts decreased by (\$64,579) or approximately (1.02%). The total number of participants in the Plan decreased by (1) to a total of 872. Total assets in the Plan are \$56,529,145 or an increase of 5.31%.

There were no 457 hardship withdrawals for the 4<sup>th</sup> quarter of 2011.

### **401(a) Plan**

Twenty-seven of the 28 investment options showed higher values than the previous quarter. The Brokerage accounts increased by \$78,488 or approximately 3.59%. The total number of participants in the Plan decreased by (1) for a total of 409. Total assets in the Plan are \$24,232,255 or an increase of 7.65%.

The number of participants with active loans increased by 3 to a total of 64. The principal balance owed increased by \$47,085 to a total of \$474,297.

### **Total Plan**

Total assets in the Plans increased 6.85% to \$231,662,697. BrokerageLink® assets increased by \$1,076,551 or approximately 4.71%.

## **Communications Update**

Fidelity has implemented a number of communication programs designed to help employees make the most of their workplace savings plan. Listed below are the 4<sup>th</sup> quarter workshops, number of appointments, and targeted campaigns sent to EBMUD participants:

### **WORKSHOPS & APPOINTMENTS**

- Fidelity representative conducted one “Investing & Saving for Retirement” workshop
- Fidelity representative met privately with 48 participants

### **COMMUNICATIONS**

- A notification of statement availability was e-mailed to participants
- A “Guidance” notice was issued to participants age 69 ½ and older to provide assistance and information about Minimum Required Distributions.
- Communication was sent to participants between age 40 and 69 encouraging them to contact a Fidelity Workplace Planning and Guidance Consultant to receive additional resources and help answer questions related to their retirement planning needs.
- A “Lifestage” Communication was issued to assist participants with tax efficient investing.
- Fidelity issued an annual “Checkup” communication for terminated and retired participants.
- Fidelity’s quarterly “STAGES” newsletter was e-mailed to participants
- Enrollment guides were sent to newly eligible employees
- “Fidelity VIEWPOINTS” was e-mailed directing participants to educational links for assistance with investing – “Six strategies for volatile markets”, “Find the right mix of insurance”, and “What to do with an old 401(k)/403(b)”

Other communication focus areas will continue, such as:

- Quarterly Statement Messages
- Required Participant disclosures
- Educational Workshops and quarterly market updates
- Promotion of interactive tools and use of Fidelity Investment Centers

Attachments

**East Bay Municipal Utility District**  
**CORE Investment Options Performance Activity**  
**4th Quarter of 2011**

401(k)	Participants	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
Amer 20th Cent Select Inv	93	884,831	977,853	904,005	894,832	820,271	969,736
Amer EuroPacific Growth	508	8,442,270	8,856,708	9,223,268	9,309,637	7,323,142	7,417,127
Dodge & Cox Stock	359	6,847,212	7,648,420	8,141,350	8,020,101	6,420,735	7,108,739
Fidelity Freedom K 2000	15	331,549	341,376	335,019	334,728	324,701	338,019
Fidelity Freedom K 2005	8	50,373	53,199	55,056	56,067	55,604	59,293
Fidelity Freedom K 2010	71	3,096,077	3,504,041	3,839,484	3,535,142	3,052,070	3,157,042
Fidelity Freedom K 2015	93	3,583,279	3,793,388	3,771,229	3,939,707	3,594,484	3,842,527
Fidelity Freedom K 2020	191	8,131,063	9,020,764	9,851,712	10,208,928	9,367,426	10,025,649
Fidelity Freedom K 2025	72	1,250,045	1,656,471	1,819,686	1,919,828	1,759,186	1,921,231
Fidelity Freedom K 2030	115	2,119,318	2,387,589	2,511,220	2,524,756	2,309,287	2,601,372
Fidelity Freedom K 2035	41	352,865	407,984	457,796	481,277	433,676	480,082
Fidelity Freedom K 2040	85	1,936,768	2,107,309	2,158,988	2,203,771	1,884,896	2,089,913
Fidelity Freedom K 2045	21	197,513	231,251	252,946	262,612	218,226	246,161
Fidelity Freedom K 2050	24	354,732	352,148	382,001	406,799	340,167	382,243
Fidelity Freedom K Income	30	802,576	820,222	833,031	843,506	766,372	834,516
<b>ALL FREEDOM K FUNDS *</b>	<b>766</b>	<b>22,206,157</b>	<b>24,675,742</b>	<b>26,268,168</b>	<b>26,717,120</b>	<b>24,106,094</b>	<b>25,978,048</b>
Fidelity Balanced	313	7,803,285	8,332,542	8,568,898	8,642,525	7,927,211	8,186,240
Fidelity Blue Chip Growth	561	11,145,756	12,806,339	13,519,772	13,735,601	11,647,709	12,292,782
Fidelity MIP II	466	15,782,459	15,804,698	15,766,800	16,667,287	17,113,032	17,706,692
Heartland Value Inv	378	7,081,764	8,250,810	9,014,506	8,940,224	7,085,608	7,867,107
Hotchkis & Wiley	184	2,697,511	3,281,900	3,526,260	3,364,246	2,491,714	2,830,129
Morgan Stanley	256	3,481,984	4,011,731	4,554,044	4,862,197	4,009,647	4,200,883
Mutual Beacon	219	3,711,949	3,823,851	4,100,364	4,174,074	3,478,617	3,770,167
Neuberger Genesis	225	1,856,287	2,163,418	2,456,825	2,651,504	2,330,508	2,633,166
Pimco Total Return Fund Instl	416	14,007,313	13,452,289	13,295,699	13,462,213	13,464,960	13,660,455
Vanguard Inst. Index	611	14,274,490	16,367,152	17,146,252	17,199,595	15,012,597	16,937,932
Vanguard Total Bond Mrkt Index	58	466,699	377,780	326,649	344,099	474,073	983,026
Vanguard Wellesley Adm	151	2,373,793	2,423,750	2,576,236	2,590,875	2,576,213	2,960,873
Brokerage Accounts	193	13,671,812	15,031,634	15,934,209	15,939,052	14,335,555	15,398,195
<b>Total</b>	<b>5757</b>	<b>136,735,571</b>	<b>148,286,619</b>	<b>155,323,304</b>	<b>157,515,180</b>	<b>140,617,689</b>	<b>150,901,298</b>
Dollar Change		11,055,230	11,551,048	7,036,685	2,191,877	(16,897,492)	10,283,609
Percentage Change		8.80%	8.45%	4.75%	1.41%	-10.73%	7.31%
Total Participants		1,659	1,660	1,651	1,651	1,636	1,635
Roth 401(k)	159	1,600,026	1,860,008	2,105,804	2,235,726	2,119,351	2,336,903
401(k) Loans	488	4,143,941	4,115,153	4,233,365	4,571,089	4,705,285	4,558,440
401(k) Hardship / Safe Harbor Withdrawals	2	4,143,941	4,115,153	4,233,365	4,571,089	29,306	12,727

**East Bay Municipal Utility District**  
**CORE Investment Options Performance Activity**  
**4th Quarter of 2011**

<b>457 Plan</b>	<b>Participants</b>	<b>9/30/2010</b>	<b>12/31/2010</b>	<b>3/31/2011</b>	<b>6/30/2011</b>	<b>9/30/2011</b>	<b>12/31/2011</b>
Amer 20th Cent Select Inv	58	1,147,751	1,127,740	1,254,043	1,240,536	1,064,924	1,216,623
Amer EuroPacific Growth	208	2,723,701	2,851,078	2,980,940	3,036,780	2,395,893	2,509,257
Dodge & Cox Stock	195	3,114,873	3,445,028	3,698,468	3,671,858	2,933,313	3,278,381
Fidelity Freedom K 2000	10	173,788	182,933	169,116	174,551	173,968	182,787
Fidelity Freedom K 2005	1	19,054	20,023	20,635	20,728	19,310	13,322
Fidelity Freedom K 2010	58	2,958,960	2,800,707	2,876,791	2,827,928	2,431,987	2,443,245
Fidelity Freedom K 2015	41	1,449,135	1,456,556	1,566,740	1,666,937	1,532,634	1,640,367
Fidelity Freedom K 2020	98	2,781,644	3,066,064	3,337,948	3,361,192	3,107,681	3,303,793
Fidelity Freedom K 2025	38	687,412	772,385	839,082	868,613	790,763	856,785
Fidelity Freedom K 2030	44	565,508	652,799	653,699	671,206	613,748	612,589
Fidelity Freedom K 2035	21	100,106	122,614	129,265	144,127	125,168	143,210
Fidelity Freedom K 2040	38	509,649	578,776	607,132	602,670	513,016	564,694
Fidelity Freedom K 2045	14	27,064	29,895	32,799	34,319	43,917	49,596
Fidelity Freedom K 2050	14	218,957	252,003	200,364	202,490	176,861	197,703
Fidelity Freedom K Income	21	284,300	286,698	296,583	299,568	228,853	264,896
<b>ALL FREEDOM K FUNDS *</b>	<b>398</b>	<b>9,775,576</b>	<b>10,221,453</b>	<b>10,730,152</b>	<b>10,874,328</b>	<b>9,757,904</b>	<b>10,272,986</b>
Fidelity Balanced	150	2,906,226	3,013,757	3,053,759	3,059,721	2,817,422	2,922,826
Fidelity Blue Chip Growth	173	1,883,251	2,253,755	2,489,192	2,497,995	2,040,791	2,198,861
Fidelity MIP II	302	8,772,512	8,606,967	8,324,174	8,598,613	9,099,448	9,183,469
Heartland Value Inv	161	2,138,398	2,504,500	2,799,833	2,650,137	2,080,928	2,311,611
Hotchkis & Wiley	96	1,353,306	1,628,591	1,792,892	1,662,450	1,172,562	1,400,533
Morgan Stanley	129	1,475,195	1,748,938	1,836,674	1,943,572	1,593,014	1,647,830
Mutual Beacon	83	1,220,702	1,321,589	1,284,867	1,249,869	1,034,419	1,104,416
Neuberger Genesis	99	747,538	914,425	1,014,203	1,057,736	849,428	974,924
Pimco Total Return Fund Instl	200	5,645,976	5,531,623	5,268,817	5,528,525	5,163,638	5,268,840
Vanguard Inst. Index	189	3,386,669	4,039,154	4,330,623	4,313,093	3,800,594	4,066,739
Vanguard Total Bond Mkt Index	28	56,735	74,431	51,446	203,918	234,099	428,298
Vanguard Wellesley Adm	63	931,653	1,111,499	1,292,515	1,385,911	1,301,387	1,470,941
Brokerage	94	6,329,782	6,827,491	7,211,569	7,194,391	6,337,189	6,272,610
<b>Total</b>	<b>2626</b>	<b>53,609,845</b>	<b>57,222,017</b>	<b>59,414,167</b>	<b>60,169,433</b>	<b>53,676,953</b>	<b>56,529,145</b>
Dollar Change		4,011,956	3,612,172	2,192,150	755,266	(6,492,479)	2,852,191
Percentage Change		8.09%	6.74%	3.83%	1.27%	-10.79%	5.31%
Total Participants		897	888	885	884	873	872
457 Hardship Withdrawals	0					-	-

**East Bay Municipal Utility District**  
**CORE Investment Options Performance Activity**  
**4th Quarter of 2011**

<b>401(a) Plan</b>	<b>Participants</b>	<b>9/30/2010</b>	<b>12/31/2010</b>	<b>3/31/2011</b>	<b>6/30/2011</b>	<b>9/30/2011</b>	<b>12/31/2011</b>
Amer 20th Cent Select Inv	32	129,430	161,342	244,939	254,339	220,345	252,288
Amer EuroPacific Growth	126	1,668,807	1,705,613	1,827,881	1,894,565	1,517,530	1,499,813
Dodge & Cox Stock	93	1,071,796	1,224,908	1,311,972	1,334,139	1,111,306	1,211,945
Fidelity Freedom K 2000	4	18,884	19,547	20,473	21,617	17,025	18,289
Fidelity Freedom K 2005	0	21,456	22,548	11,618	-	-	-
Fidelity Freedom K 2010	13	504,979	547,045	563,261	573,199	467,554	495,738
Fidelity Freedom K 2015	27	610,556	698,200	709,191	738,667	688,168	715,202
Fidelity Freedom K 2020	38	1,316,875	1,447,008	1,491,214	1,535,119	1,422,118	1,538,071
Fidelity Freedom K 2025	17	464,663	521,090	559,960	562,322	515,117	559,267
Fidelity Freedom K 2030	24	219,453	237,871	262,139	281,220	261,414	291,665
Fidelity Freedom K 2035	18	92,700	109,611	120,725	127,928	106,072	125,757
Fidelity Freedom K 2040	24	361,278	411,343	396,469	367,176	296,205	333,138
Fidelity Freedom K 2045	10	17,464	22,542	26,633	50,744	47,591	56,013
Fidelity Freedom K 2050	8	35,917	43,388	49,104	73,877	64,712	72,647
Fidelity Freedom K Income	11	111,777	116,329	121,752	127,758	129,151	145,395
<b>ALL FREEDOM K FUNDS *</b>	<b>82</b>	<b>3,776,003</b>	<b>4,196,523</b>	<b>4,332,538</b>	<b>4,459,626</b>	<b>4,015,127</b>	<b>4,351,182</b>
Fidelity Balanced	84	1,051,295	1,142,385	1,118,508	1,148,994	1,077,597	1,152,299
Fidelity Blue Chip Growth	120	1,075,427	1,246,430	1,305,491	1,343,497	1,155,179	1,234,592
Fidelity MIP II	90	1,808,379	1,774,086	1,775,456	1,790,564	1,920,198	2,105,236
Heartland Value Inv	82	1,059,050	1,276,375	1,364,153	1,325,120	1,068,559	1,195,079
Hotchkis & Wiley	49	475,504	561,754	608,768	504,510	379,560	452,156
Morgan Stanley	70	939,171	1,083,484	1,176,742	1,229,135	1,026,737	1,062,892
Mutual Beacon	51	457,190	478,177	517,137	510,480	434,117	478,404
Neuberger Genesis	55	324,497	462,204	549,428	577,125	500,379	557,502
Pimco Total Return Fund Instl	114	2,112,829	2,034,913	1,883,537	2,193,024	2,133,308	2,150,195
Vanguard Inst. Index	135	2,796,512	3,217,365	3,518,521	3,573,667	3,152,945	3,466,519
Vanguard Total Bond Mrkt Index	16	74,239	57,362	64,221	66,274	73,687	233,327
Vanguard Wellesley Adm	42	456,224	465,713	517,354	539,066	539,849	565,931
Brokerage Accounts	39	1,784,291	1,960,710	2,282,973	2,310,893	2,184,406	2,262,894
<b>Total</b>	<b>1,392</b>	<b>21,060,643</b>	<b>23,049,345</b>	<b>24,399,616</b>	<b>25,055,018</b>	<b>22,510,829</b>	<b>24,232,255</b>
Dollar Change		1,888,000	1,988,701	1,350,271	655,402	(2,544,189)	1,721,426
Percentage Change		9.85%	9.44%	5.86%	2.69%	-10.15%	7.65%
Total Participants		407	409	407	406	410	409
401(a) Loans	64	355,955	391,460	415,615	431,024	427,211	474,297

**East Bay Municipal Utility District**  
**CORE Investment Options Performance Activity**  
**4th Quarter of 2011**

<b>All Plans</b>	<b>Participants</b>	<b>9/30/2010</b>	<b>12/31/2010</b>	<b>3/31/2011</b>	<b>6/30/2011</b>	<b>9/30/2011</b>	<b>12/31/2011</b>
Amer 20th Cent Select Inv	183	2,162,011	2,266,935	2,402,986	2,389,707	2,105,541	2,438,648
Amer EuroPacific Growth	842	12,834,778	13,413,399	14,032,089	14,240,981	11,236,566	11,426,197
Dodge & Cox Stock	647	11,033,881	12,318,355	13,151,790	13,026,097	10,465,354	11,599,065
Fidelity Freedom K 2000	29	524,221	543,857	524,608	530,896	515,694	539,095
Fidelity Freedom K 2005	9	90,883	95,770	87,309	76,796	74,914	72,614
Fidelity Freedom K 2010	142	6,560,016	6,851,793	7,279,535	6,936,269	5,951,611	6,096,025
Fidelity Freedom K 2015	161	5,642,970	5,948,144	6,047,159	6,345,310	5,815,286	6,198,095
Fidelity Freedom K 2020	327	12,229,582	13,533,836	14,680,873	15,105,239	13,897,225	14,867,513
Fidelity Freedom K 2025	127	2,402,120	2,949,946	3,218,728	3,350,763	3,065,066	3,337,284
Fidelity Freedom K 2030	183	2,904,280	3,278,258	3,427,059	3,477,182	3,184,448	3,505,625
Fidelity Freedom K 2035	80	545,670	640,210	707,786	753,332	664,916	749,049
Fidelity Freedom K 2040	147	2,807,695	3,097,428	3,162,589	3,173,616	2,694,117	2,987,745
Fidelity Freedom K 2045	45	242,041	283,689	312,378	347,675	309,734	351,770
Fidelity Freedom K 2050	46	609,606	647,539	631,469	683,166	581,740	652,593
Fidelity Freedom K Income	62	1,198,653	1,223,249	1,251,365	1,270,831	1,124,375	1,244,807
<b>ALL FREEDOM K FUNDS *</b>	<b>1358</b>	<b>35,757,736</b>	<b>39,093,718</b>	<b>41,330,858</b>	<b>42,051,075</b>	<b>37,879,125</b>	<b>40,602,217</b>
Fidelity Balanced	547	11,760,806	12,488,685	12,741,165	12,851,239	11,822,231	12,261,365
Fidelity Blue Chip Growth	854	14,104,435	16,306,524	17,314,456	17,577,092	14,843,678	15,726,235
Fidelity MIP II	858	26,363,350	26,185,751	25,866,430	27,056,465	28,132,678	28,995,397
Heartland Value Inv	621	10,279,212	12,031,685	13,178,493	12,915,481	10,235,095	11,373,797
Hotchkis & Wiley	329	4,526,322	5,472,245	5,927,919	5,531,205	4,043,836	4,682,817
Morgan Stanley	455	5,896,350	6,844,152	7,567,460	8,034,904	6,629,399	6,911,605
Mutual Beacon	353	5,389,840	5,623,617	5,902,367	5,934,423	4,947,154	5,352,987
Neuberger Genesis	379	2,928,322	3,540,048	4,020,455	4,286,365	3,680,315	4,165,591
Pimco Total Return Fund Instl	730	21,766,117	21,018,825	20,448,053	21,183,762	20,761,905	21,079,490
Vanguard Inst. Index	935	20,457,671	23,623,671	24,995,396	25,086,355	21,966,136	24,471,191
Vanguard Total Bond Mkt Index	102	597,673	509,573	442,316	614,291	781,860	1,644,651
Vanguard Wellesley Adm	256	3,761,670	4,000,962	4,386,104	4,515,852	4,417,449	4,997,746
Brokerage Accounts	326	21,785,884	23,819,835	25,428,751	25,444,336	22,857,149	23,933,700
<b>Grand Total</b>	<b>9,775</b>	<b>211,406,059</b>	<b>228,557,981</b>	<b>239,137,087</b>	<b>242,739,631</b>	<b>216,805,471</b>	<b>231,662,697</b>
Dollar Change		16,955,186	17,151,922	10,579,106	3,602,544	(25,934,160)	14,857,226
Percentage Change		8.72%	8.11%	4.63%	1.51%	-10.68%	6.85%
Total Participants		2,963	2,957	2,943	2,941	2,919	2,916

**EBMUD Deferred Compensation Fund Changes**  
**to 457, 401(k) and 401(a) Plans**

Meeting Date	Action Date	Fund Action Taken	Fund Mapping	Other Significant Committee Action
11/30/11		<b>WATCH CONTINUED:</b> Mutual Beacon		
	12/7/2011	<b>ADD:</b> Fidelity Balanced Fund Class K Fidelity Blue Chip Growth Fund Class K Morgan Stanley Institutional Mid Cap Growth Fund Class I Neuberger Berman Genesis Fund Institutional Class American Funds EuroPacific Growth Fund Class R6  <b>CLOSE:</b> Fidelity Balanced Fund Fidelity Blue Chip Growth Fund Morgan Stanley Institutional Mid Cap Growth Fund Class P Neuberger Berman Genesis Fund Investor Class American Funds EuroPacific Growth Fund Class R4	<b>MAP TO:</b> Fidelity Balanced Fund Class K Fidelity Blue Chip Growth Fd Class K Morgan Stanley Institutional Mid Cap Growth Fund Class I Neuberger Berman Genesis Fund Institutional Class American Funds EuroPacific Growth Fund Class R6	
8/18/11		<b>WATCH CONTINUED:</b> Mutual Beacon		

**EBMUD Deferred Compensation Fund Changes**  
**to 457, 401(k) and 401(a) Plans**

5/18/2011		<b>WATCH:</b> Mutual Beacon  <b>WATCH REMOVAL:</b> Dodge & Cox		
12/21/2010	2/25/2011	<b>ADD:</b> Vanguard Total Bond Market Index Fund Signal Shares  <b>CLOSE:</b> Vanguard Total Bond Market Index Fund Investor Shares	<b>MAP TO:</b> Vanguard Total Bond Market Index Fund Signal Shares	
9/22/2010	2/25/2011	<b>WATCH:</b> Dodge and Cox  <b>WATCH REMOVAL:</b> Hotchkis and Wiley  <b>ADD:</b> PIMCO Total Return Fund Institutional Share Class  <b>CLOSE:</b> PIMCO Total Return Fund Class Administrative	<b>MAP TO:</b> PIMCO Total Return Fund Institutional Share Class	