

401(a)

ADVISORY COMMITTEE

**ADMINISTRATION BUILDING
LARGE TRAINING ROOM**

**WEDNESDAY
NOVEMBER 20, 2013**

**(Immediately following the scheduled 9:00am – 12:00pm
401(k)/457 Advisory Committee Meeting)**

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 20, 2013

MEMO TO: EBMUD 401(a) Advisory Committee

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

SUBJECT: Agenda for the November 20, 2013 EBMUD 401(a) Advisory Committee Meeting

The next EBMUD 401(a) Advisory Committee Meeting is on Wednesday, November 20, 2013 in the Small Training Room of the Administration Building. This meeting will occur immediately following the EBMUD 401(k)/457 Advisory Committee meeting.

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(a) ADVISORY COMMITTEE
ADMINISTRATION BUILDING
SMALL TRAINING ROOM
WEDNESDAY, NOVEMBER 20, 2013
(Immediately following the 401(k)/457 Advisory Committee Meeting)

ROLL CALL:

PUBLIC COMMENT: The 401(a) 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 – Regular Meeting of August 28, 2013

DISCUSSION:

2. Staff Report – Lisa Sorani (Staff)
3. Service and Fund Changes Update – Suzanne Rogers (Fidelity Investments)
4. Market Overview – Greg Settle (Hyas Group)
5. Investment Performance Summary – Greg Settle (Hyas Group)

ACTION:

6. Review and Adopt Investment Policy Statement – Greg Settle (Hyas Group)
7. Review and Adopt Revenue Sharing and Expense Payment Policy – Lisa Sorani (Staff)
8. Review and Adopt Deferred Compensation Plan Administration Budget- Lisa Sorani (Staff)
9. Consider and Select Addition of Money Market Fund - Greg Settle (Hyas Group)

ITEMS TO BE CALENDARED:

MEETING ADJOURNMENT: *The next regular meeting of the 401(a) Advisory Committee will be held immediately after the 9:00 a.m. 401(k)/457 Advisory Committee Meeting on Wednesday, March 5, 2014.*

MINUTES

401(A) ADVISORY COMMITTEE MEETING

East Bay Municipal Utility District

AUGUST 28, 2013

The quarterly meeting of the EBMUD 401(a) Advisory Committee convened at 12:08pm, Wednesday, August 28, 2013 in the Large Training Room of the Administration Building. Delores Turner called the meeting to order.

PRESENT: Wanda Hendrix, Eric Sandler, and Delores Turner

ABSENT: NONE

STAFF PRESENT: Dhanyale Dunbar, Elizabeth Grassetti, and Lisa Sorani

HYAS GROUP CONSULTANT PRESENT: Greg Settle

PUBLIC COMMENT: Public attendee, Dean DiGiovanni, informed the Committee that Local 21 members were surveyed about their desire to possibly opt out of the EBMUD 401(a) Plan. Staff will research regulations pertaining to that and provide information to Local 21.

APPROVAL OF JUNE 5, 2013 MINUTES: Wanda Hendrix requested the moved the Committee accept the June 5, 2013 minutes to include any pertinent amendments made by the 401(k)/457 Advisory Committee. The motion was seconded by Eric Sandler and passed with two ayes and one abstention.

STAFF REPORT: Lisa Sorani updated the Committee on the 2nd quarter assets, fund value, and distributions. She also provided industry peer comparisons on loans, average account balances across all three plans, and participant distributions after separation from the District. Of concern was that 60% of rollovers from EBMUD Plans were to Fidelity IRAs, which is unusually high.

INVESTMENT PERFORMANCE REPORT: Greg Settle from Hyas Group discussed the importance of the Investment Policy Statement (IPS), and how it can provide guidance and protect fiduciaries. Greg then presented a draft of an updated IPS for the EBMUD Plans. The drafted IPS was sent to Committee Members for feedback and review, and will be discussed at a future meeting.

PLAN ADMINISTRATION COSTS & PLAN REVENUE SHARE CREDITS: Greg Settle, from Hyas Group provided an overview of Revenue Sharing, Plan Expenses, and Expense Policy Guidelines for the Committee. He discussed how the industry had changed their fee structures as assets grew. In the past fees were typically \$15-30 per participant per year, but over time the Plan Administration Fees went to a percentage of assets and were “unitized” into the share price

of all Plan Assets. In addition to the fees that were charged by the Third Party Administrators (TPAs), firms received funds from Investment Providers for providing marketing and other administrative services. TPA firms gradually reduced and eliminated the Fees, with the result being that TPA firm's recordkeeping fees were less than the revenue sharing they were receiving from investment providers. This excess revenue is considered plan assets and can be returned to the plan. Greg further explained that public sector defined contribution plans can use Revenue Share Assets to pay for Plan expenses such as, investment consulting fees, Committee education/training, RFP costs, and other Plan services from the TPA.

Greg recommended that the Committee consider a Revenue Sharing and Expense Payment Policy. The policy would provide guidance as to how plan expenses are to be paid and how to treat any excess revenue that is generated.

Elizabeth Grassetti (staff) provided information on EBMUD Plans' actual fees. She said that when EBMUD first contracted with Fidelity Investments in January 2000, the District paid a recordkeeping fee of \$10 per participant per year. In May 2005, EBMUD negotiated a new bundled contract with Fidelity that reduced the fees to \$0 and Fidelity received payment through revenue sharing funds in the Plans. The Revenue Share agreements are determined between Fidelity and the Fund companies. Effective January 2012, Fidelity reduced the recordkeeping costs to 9 basis points of total plan assets (as of 12/31/11), which was earned through revenue sharing funds in the District Plans. Any excess Revenue Share above 9 basis points was credited to the EBMUD Plans. Effective January 2013, EBMUD negotiated a new contract with Fidelity that reduced the recordkeeping costs to 4.5 basis points of total Plan assets (as of 12/31/12), which was earned through revenue sharing funds in the District Plans. Any excess Revenue Share above 4.5 basis points is credited to the EBMUD Plans.

Lisa Sorani (staff) presented a Revenue Sharing and Expense Payment Policy draft for the Committee that would provide for Revenue Share Credits to be deposited in an account at Fidelity. Those funds may be used to pay for Plan expenses or distributed to participants on a pro-rata or per capita basis. The Committee will continue discussion on the drafted policy at the next meeting.

MARKET OVERVIEW: Greg Settle of Hyas Group provided an overview of the market for the second quarter of 2013. The economy continued to grow at a slow moderate pace. Treasury yields rose dramatically during the second quarter following the Fed's announcement that it would begin reducing bond purchases if the economy continued to strengthen. U.S. equity markets were up 2.9% for large caps and 3.01% for small caps. Foreign stock markets lost 3.11% in the second quarter, which virtually erased the first quarter's return of 3.17%. A globally balanced portfolio returned -0.59% for the quarter and 3.30% year-to-date.

INVESTMENT PERFORMANCE REPORT & ANALYST: Greg Settle of Hyas Group highlighted the poor performance of three funds in the second quarter; Fidelity MIP II Class 1's poor performance was due to a consistently low peer group ranking, Heartland Value Institutional lagged its benchmark and peer group for the trailing five years, and Neuberger Berman Genesis Institutional due to its blended strategy that includes small and mid-cap stocks.

REPLACEMENT OF NEUBERGER BERMAN GENESIS: Greg Settle reported that Hyas Group performed a small cap blend manager search at the Committee's request to replace the Neuberger Berman Genesis Fund. The Committee reviewed the outcome of the search and selected Artisan Small Cap. Eric Sandler moved that the Committee add Artisan Small Cap, close Neuberger Berman Genesis and Heartland Value and map the funds 50/50 to Artisan Small Cap / Huber Small Cap Value. The motion was seconded by Wanda Hendrix and passed unanimously.

REPLACEMENT OF FIDELITY FREEDOM K FUNDS: Greg Settle reminded the Committee that he presented target date funds to replace the current Fidelity Freedom K funds at the June meeting. Further discussion and action were tabled to this meeting. The proposed investment managers were JP Morgan SMARTRetirement, Pyramis Index, Pyramis Core, T. Rowe Price Retirement, and Vanguard Target Date. Hyas Group recommended the Vanguard Target Date Fund suite due to its low cost and successful short and long-term performance. Eric Sandler moved the Committee close the current Fidelity Freedom K funds and replace them with the Vanguard Target Date Fund suite. Wanda Hendrix seconded the motion. The motion passed unanimously.

ADDITION OF MONEY MARKET FUND: Greg Settle informed the Committee that the stable value fund was yielding less than 1.2% and would take a while to catch up with money market. He recommended the addition of the money market category back to the investment lineup. The Committee requested Hyas Group perform a money market search and present at the next meeting.

ITEMS CALENDARED FOR FUTURE MEETINGS: The following items were set for follow-up:

- The Investment Policy Statement
- Revenue Sharing and Expense Payment Policy
- The addition of a Money Market Fund

ADJOURNMENT: Eric Sandler moved the meeting be adjourned. Wanda Hendrix seconded the motion and the meeting adjourned at 12:18 p.m.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: November 20, 2013
MEMO TO: EBMUD 401(a) Advisory Committee
FROM: Lisa Sorani, Employee Services Manager *LS*
SUBJECT: Investment History – 3rd Quarter 2013

401(a) Plan

Twenty-four of the 31 investment options showed higher values than the previous quarter. Brokerage account assets increased by \$343,167 or approximately .19%. Total assets in the Plan were \$32,815,085, or an increase of 5.08%. The number of active loans decreased by (1) to a total of 59. The principal loan balance owed increased by \$34,664 to a total of \$508,925.

WORKSHOPS & APPOINTMENTS

We currently have two Fidelity representatives available for presentations and one-on-one meetings with employees. During the 3rd quarter of 2013, the Fidelity representative conducted three Retirement Savings presentations and approximately 50 one-on-one meetings across 7 days with participants at the South Area, Pardee, Mokelumne, Adeline Maintenance Center, and Administration Building locations.

**East Bay Municipal Utility District
CORE Investment Options Performance Activity
3rd Quarter of 2013**

401(k)	Participants	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
American Century Select Fund Institutional	96	1,565,718	1,304,974	1,299,872	1,197,206	1,258,823
American Funds EuroPacific Growth Fund Class R-6	457	8,097,713	8,519,945	8,709,407	8,574,657	9,319,915
Dodge & Cox Stock Fund	358	8,184,666	8,454,658	9,787,819	10,363,692	11,174,766
Fidelity Freedom K® 2000 Fund	13	167,793	168,966	123,134	122,452	118,117
Fidelity Freedom K® 2005 Fund	8	81,602	85,021	76,155	77,613	83,041
Fidelity Freedom K® 2010 Fund	68	3,463,779	3,478,253	3,462,697	3,249,341	3,127,940
Fidelity Freedom K® 2015 Fund	88	4,794,282	4,683,480	5,397,807	5,535,540	5,631,755
Fidelity Freedom K® 2020 Fund	198	11,053,328	11,455,141	12,212,868	12,198,382	13,468,139
Fidelity Freedom K® 2025 Fund	86	2,566,371	2,616,404	2,710,760	2,798,020	3,213,605
Fidelity Freedom K® 2030 Fund	132	3,133,716	3,272,292	3,496,020	3,596,715	4,049,805
Fidelity Freedom K® 2035 Fund	54	770,158	818,428	916,865	943,368	1,057,681
Fidelity Freedom K® 2040 Fund	99	2,358,600	2,224,596	2,386,655	2,426,698	2,681,066
Fidelity Freedom K® 2045 Fund	28	482,075	504,394	558,434	614,163	663,706
Fidelity Freedom K® 2050 Fund	27	514,542	498,161	529,203	560,510	564,587
Fidelity Freedom K® 2055 Fund	8	13,125	21,000	30,708	41,447	55,449
Fidelity Freedom K® Income Fund	33	981,726	1,069,854	1,103,307	1,065,848	870,898
ALL FREEDOM K® FUNDS *	842	30,381,096	30,895,988	33,004,612	33,230,096	35,585,788
Fidelity Balanced Fund - Class K	296	9,466,938	9,227,988	9,903,088	9,777,654	10,331,746
Fidelity Blue Chip Growth Fund - Class K	543	15,155,360	14,658,271	15,926,629	16,337,825	17,964,569
Fidelity Retirement Money Market	13			12,193	77,704	288,599
Heartland Value Fund Class Institutional	343	8,524,923	8,583,698	9,126,978	8,975,051	9,696,210
Hotchkiss & Wiley Mid-Cap Value Fund Class I	235	4,202,433	4,463,086	5,888,676	6,573,929	6,685,998
Managed Income Portfolio II - Class 1	431	17,341,225	18,022,103	17,961,003	18,641,615	19,128,844
Morgan Stanley Institutional Mid-Cap Growth - Class I	230	4,354,399	4,043,625	4,301,773	4,578,636	5,123,600
Mutual Beacon Fund Class Z	0	4,142,666	-	-	-	-
Neuberger Berman Genesis Fund Institutional Class	217	2,715,650	2,812,703	3,134,485	3,056,002	3,413,625
PIMCO Total Return Fund Institutional Class	394	15,545,518	16,142,198	15,449,409	14,402,083	13,591,212
T Rowe Price Equity Income Fund	206		4,136,169	4,384,009	4,595,060	4,725,990
Vanguard Institutional Index Fund Institutional Shares	610	20,593,583	20,649,402	22,820,420	24,457,663	25,576,382
Vanguard Total Bond Market Index Signal Shares	65	1,163,497	1,323,014	1,165,988	988,486	963,850
Vanguard Total International Stock Index Fund Signal Shares	22	45,188	81,205	101,842	165,177	243,007
Vanguard Wellesley Income Fund Admiral Shares	167	3,726,463	4,238,851	4,458,992	4,542,475	4,972,659
BrokerageLink® Accounts	191	17,436,306	17,465,067	18,700,466	18,640,430	20,025,001
Total	5620	172,643,342	175,022,943	186,137,662	189,175,441	200,070,587
Dollar Change		9,263,942	2,379,601	11,114,720	3,037,779	10,895,145
Percentage Change		5.67%	1.38%	6.35%	1.63%	5.76%
Total Participants		1,633	1,633	1,626	1,634	1,633
Roth 401(k)	115	3,011,075	3,157,079	3,465,197	179,550	3,996,513
401(k) Loans	467	4,143,941	4,456,176	4,395,517	4,322,333	4,385,530
401(k) Hardship / Safe Harbor Withdrawals	4	79,581	-	74,168	29,600	136,422

**East Bay Municipal Utility District
CORE Investment Options Performance Activity
3rd Quarter of 2013**

457 Plan	Participants	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
American Century Select Fund Institutional	58	1,579,850	1,296,957	1,390,085	1,410,066	1,573,826
American Funds EuroPacific Growth Fund Class R-6	181	2,769,174	2,733,116	2,823,509	2,765,623	2,859,637
Dodge & Cox Stock Fund	187	3,689,948	3,880,517	4,418,661	4,679,166	4,986,350
Fidelity Freedom K® 2000 Fund	7	130,012	135,469	142,781	143,112	153,036
Fidelity Freedom K® 2005 Fund	1	14,417	14,490	14,428	14,280	14,731
Fidelity Freedom K® 2010 Fund	50	2,637,572	2,672,715	2,757,257	2,730,620	2,674,981
Fidelity Freedom K® 2015 Fund	41	2,099,886	1,961,841	2,286,308	2,223,484	2,360,187
Fidelity Freedom K® 2020 Fund	103	3,728,246	3,821,797	4,066,301	4,105,911	4,454,506
Fidelity Freedom K® 2025 Fund	44	1,114,374	1,099,809	1,168,255	1,200,896	1,390,428
Fidelity Freedom K® 2030 Fund	49	839,169	881,322	953,269	921,174	1,019,985
Fidelity Freedom K® 2035 Fund	28	193,020	208,467	237,915	257,072	292,840
Fidelity Freedom K® 2040 Fund	43	743,739	770,151	738,193	762,285	823,122
Fidelity Freedom K® 2045 Fund	18	113,436	123,206	145,331	156,661	169,062
Fidelity Freedom K® 2050 Fund	15	243,608	256,477	199,877	203,071	217,644
Fidelity Freedom K® 2055 Fund	1	-	-	-	-	6,321
Fidelity Freedom K® Income Fund	25	259,062	406,714	438,184	437,715	451,781
ALL FREEDOM K® FUNDS *	425	12,116,542	12,352,456	13,148,099	13,156,281	14,028,623
Fidelity Balanced Fund - Class K	138	3,236,979	3,210,049	3,427,862	3,313,438	3,420,135
Fidelity Blue Chip Growth Fund - Class K	161	2,494,779	2,400,745	2,681,144	2,727,110	3,111,229
Fidelity Retirement Money Market	5	-	-	53,812	36,827	39,187
Heartland Value Fund Class Institutional	141	2,340,048	2,391,167	2,587,807	2,557,933	2,755,216
Hotchkis & Wiley Mid-Cap Growth - Class I	112	1,754,300	2,010,139	2,446,830	2,285,025	2,351,098
Managed Income Portfolio II - Class 1	273	9,023,142	9,184,176	8,924,762	9,296,641	9,666,296
Morgan Stanley Institutional Mid-Cap Growth - Class I	116	1,644,893	1,578,216	1,677,882	1,761,974	1,911,915
Mutual Beacon Fund Class Z	0	1,194,584	-	-	-	-
Neuberger Berman Genesis Fund Institutional Class	101	1,054,541	1,086,802	1,217,803	1,330,686	1,492,565
PIMCO Total Return Fund Institutional Class	182	5,944,286	6,045,788	5,798,846	5,428,180	4,928,526
T Rowe Price Equity Income Fund	85	1,173,851	1,173,851	1,328,962	1,535,743	1,576,972
Vanguard Institutional Index Fund Institutional Shares	199	5,026,307	5,063,269	5,772,517	6,122,901	6,320,545
Vanguard Total Bond Market Index Signal Shares	34	390,477	367,849	374,021	367,851	311,515
Vanguard Total International Stock Index Fund Signal Shares	15	1	221	38,141	37,953	129,302
Vanguard Wellesley Income Fund Admiral Shares	79	1,749,693	1,894,149	2,191,370	2,183,435	2,310,700
BrokerageLink® Accounts	96	7,259,055	7,292,085	7,624,754	7,476,289	8,151,192
Total	2530	63,268,601	63,961,551	67,926,865	68,473,122	71,924,829
Dollar Change		2,822,750	692,950	3,965,314	546,257	3,451,707
Percentage Change		4.67%	1.10%	6.20%	0.80%	5.04%
Total Participants		870	875	874	872	863
457 Hardship Withdrawals	1	-	-	-	10,000.00	10,000.00

**East Bay Municipal Utility District
CORE Investment Options Performance Activity
3rd Quarter of 2013**

401(a) Plan	Participants	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
American Century Select Fund Institutional	34	373,813	369,369	361,147	374,498	417,147
American Funds EuroPacific Growth Fund Class R-6	119	1,614,051	1,722,441	1,868,147	1,854,278	1,965,248
Dodge & Cox Stock Fund	93	1,251,460	1,255,570	1,430,722	1,545,300	1,617,984
Fidelity Freedom K® 2000 Fund	5	10,458	11,394	12,489	13,563	7,827
Fidelity Freedom K® 2005 Fund	1	-	32	33	32	33
Fidelity Freedom K® 2010 Fund	12	554,913	504,683	549,995	543,298	440,287
Fidelity Freedom K® 2015 Fund	23	870,248	692,996	740,416	734,078	778,629
Fidelity Freedom K® 2020 Fund	39	1,623,401	1,671,051	1,767,638	1,750,541	1,866,193
Fidelity Freedom K® 2025 Fund	21	971,105	1,003,692	915,496	933,939	1,013,362
Fidelity Freedom K® 2030 Fund	29	376,672	409,076	430,285	433,737	479,831
Fidelity Freedom K® 2035 Fund	23	241,754	255,526	268,730	435,764	477,870
Fidelity Freedom K® 2040 Fund	28	463,612	484,422	533,148	554,002	612,400
Fidelity Freedom K® 2045 Fund	14	71,467	76,553	89,225	98,550	115,406
Fidelity Freedom K® 2050 Fund	9	85,273	87,973	92,986	93,141	97,682
Fidelity Freedom K® 2055 Fund	0	-	-	-	-	-
Fidelity Freedom K® Income Fund	16	189,860	199,954	187,239	184,702	198,235
ALL FREEDOM K® FUNDS *	82	5,458,762	5,397,353	5,587,680	5,775,348	6,087,756
Fidelity Balanced Fund - Class K	81	1,399,635	1,388,563	1,482,061	1,460,854	1,457,694
Fidelity Blue Chip Growth Fund - Class K	115	1,487,440	1,515,239	1,592,264	1,672,380	1,832,614
Fidelity Retirement Money Market	2	-	-	-	6,846	10,258
Heartland Value Fund Class Institutional	73	1,176,491	1,211,531	1,288,103	1,156,187	1,285,317
Hotchkis & Wiley Mid-Cap Value Fund Class I	65	686,013	771,180	1,169,390	1,332,128	1,393,427
Managed Income Portfolio II - Class 1	85	2,092,926	2,217,166	2,204,095	2,189,283	2,534,981
Morgan Stanley Institutional Mid-Cap Growth - Class I	60	954,551	937,593	981,989	1,137,508	1,268,560
Mutual Beacon Fund Class Z	0	477,287	-	-	-	-
Neuberger Berman Genesis Fund Institutional Class	49	590,506	613,415	624,521	686,995	749,191
PIMCO Total Return Fund Institutional Class	113	2,754,229	2,837,055	2,918,529	2,727,953	2,512,178
T Rowe Price Equity Income Fund	49	-	467,557	561,961	631,167	551,673
Vanguard Institutional Index Fund Institutional Shares	136	4,088,118	4,103,673	4,478,355	4,645,268	4,836,121
Vanguard Total Bond Market Index Signal Shares	20	262,232	265,984	268,903	252,377	151,060
Vanguard Total International Stock Index Fund Signal Shares	5	23,786	25,868	32,382	32,047	37,653
Vanguard Wellesley Income Fund Admiral Shares	53	780,747	877,293	876,599	841,983	855,473
BrokerageLink® Accounts	38	2,922,456	2,901,287	2,877,755	2,907,582	3,250,749
Total	1,376	28,394,502	28,878,138	30,604,603	31,229,979	32,815,085
Dollar Change		1,792,788	483,636	1,726,465	625,376	1,585,106
Percentage Change		6.74%	1.70%	5.98%	2.04%	5.08%
Total Participants		418	415	416	415	412
401(a) Loans	60	484,528	462,650	432,369	474,261	508,925

**East Bay Municipal Utility District
CORE Investment Options Performance Activity
3rd Quarter of 2013**

All Plans	Participants	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
American Century Select Fund Institutional	188	3,519,380	2,971,300	3,051,103	2,981,770	3,249,796
American EuroPacific Growth Fund Class R-6	757	12,480,939	12,975,502	13,401,063	13,194,558	14,144,800
Dodge & Cox Stock Fund	638	13,126,074	13,590,744	15,637,201	16,588,159	17,779,100
Fidelity Freedom K® 2000 Fund	25	308,263	315,830	278,404	279,127	278,980
Fidelity Freedom K® 2005 Fund	10	96,018	99,543	90,616	91,926	97,806
Fidelity Freedom K® 2010 Fund	130	6,656,264	6,655,650	6,769,949	6,523,259	6,243,209
Fidelity Freedom K® 2015 Fund	152	7,764,415	7,338,316	8,424,531	8,493,102	8,770,571
Fidelity Freedom K® 2020 Fund	340	16,404,975	16,947,989	18,046,807	18,054,834	19,788,838
Fidelity Freedom K® 2025 Fund	151	4,651,851	4,719,905	4,794,512	4,932,856	5,617,395
Fidelity Freedom K® 2030 Fund	210	4,349,557	4,562,689	4,879,573	4,951,626	5,549,621
Fidelity Freedom K® 2035 Fund	105	1,204,932	1,282,420	1,423,510	1,636,204	1,828,390
Fidelity Freedom K® 2040 Fund	170	3,565,951	3,479,169	3,657,996	3,742,985	4,116,587
Fidelity Freedom K® 2045 Fund	60	666,979	704,153	792,991	869,374	948,173
Fidelity Freedom K® 2050 Fund	51	843,422	842,611	822,065	856,721	879,914
Fidelity Freedom K® 2055 Fund	9	13,125	21,000	30,708	41,447	61,770
Fidelity Freedom K® Income Fund	74	1,430,648	1,676,523	1,728,729	1,688,266	1,520,914
ALL FREEDOM K® FUNDS *	1487	47,956,400	48,645,798	51,740,391	52,161,726	55,702,168
Fidelity Balanced Fund - Class K	515	14,103,552	13,826,600	14,813,011	14,551,945	15,209,575
Fidelity Blue Chip Growth Fund - Class K	819	19,137,579	18,574,254	20,200,037	20,737,315	22,908,412
Fidelity Retirement Money Market		-	-	66,005	121,377	338,045
Heartland Value Fund Class Institutional	557	12,041,463	12,186,396	13,002,888	12,689,170	13,736,744
Hotchkis & Wiley Mid-Cap Value Fund Class I	412	6,642,746	7,244,405	9,504,896	10,191,082	10,430,523
Managed Income Portfolio II - Class 1	789	28,457,293	29,423,445	29,089,860	30,127,538	31,330,121
Morgan Stanley Institutional Mid-Cap Growth - Class I	406	6,953,843	6,559,434	6,961,644	7,478,117	8,304,075
Mutual Beacon Fund Class Z	0	5,814,536	-	-	-	-
Neuberger Berman Genesis Fund Institutional Class	367	4,360,697	4,512,919	4,976,810	5,073,683	5,655,381
PIMCO Total Return Fund Institutional Class	689	24,244,033	25,025,041	24,166,784	22,558,216	21,031,917
T Rowe Price Equity Income Fund	340	-	5,777,576	6,274,933	6,761,969	6,854,635
Vanguard Institutional Index Fund Institutional Shares	945	29,708,008	29,816,343	33,071,292	35,225,833	36,733,048
Vanguard Total Bond Market Index Signal Shares	119	1,816,206	1,956,847	1,808,912	1,608,715	1,426,425
Vanguard Total International Stock Index Fund Signal Shares	42	68,976	107,294	172,365	235,176	409,962
Vanguard Wellesley Income Fund Admiral Shares	299	6,256,903	7,010,293	7,526,961	7,567,893	8,138,832
BrokerageLink® Accounts	325	27,617,817	27,658,438	29,202,975	29,024,301	31,426,942
Grand Total	9,526	264,306,444	267,862,631	284,669,130	288,878,543	304,810,501
Dollar Change		13,879,480	3,556,187	16,806,499	4,209,413	15,931,958
Percentage Change		5.54%	1.35%	6.27%	1.48%	5.52%
Total Participants		2,921	2,923	2,916	2,921	2,908

401(k) / 457 / 401(a) ADVISORY COMMITTEES

**401(a) ADVISORY COMMITTEE meets immediately
following the 401(k)/457 Meetings**

2014 MEETING SCHEDULE

Wednesday March 5, 2014	9:00am	Administration Bldg Small Training Room
Wednesday June 4, 2014	9:00am	Administration Bldg Small Training Room
Wednesday September 3, 2014	9:00am	Administration Bldg Small Training Room
Wednesday December 3, 2014	9:00am	Administration Bldg Small Training Room

401(k)/457 Advisory Committee Members (10/1/2013)

NAME	REPRESENTATION	TELEPHONE	MAIL SLOT	E-MAIL
Delores Turner	Chairperson	287-0383	MS# 601	dturner@ebmud.com
Cynthia Adkisson	Local 2019	287-1627	MS# 704	cadkisso@ebmud.com
David Beyer	Local 21	287-1144	MS# 205	dbeyer@ebmud.com
David Correa	Local 444	287-0426	MS# 80	dcorrea@ebmud.com
Garth Hall	Local 21	287-2061	MS# 901	ghall@ebmud.com
	Management	287-0231	MS# 801	
Gerald Hunter	Local 444	287-2041	MS # 76	ghunter@ebmud.com
Eric Sandler	Management	287-0310	MS# 801	esandler@ebmud.com
Curtis Woodring	Local 39	925-284-1649	MS# 71	dwoodrin@ebmud.com
David Valenzuela	Local 2019	287-0588	MS# 302	dvalenzu@ebmud.com

401(a) Advisory Committee Members (10/1/2013)

NAME	REPRESENTATION	TELEPHONE	MAIL SLOT	E-MAIL
Delores Turner	Chairperson	287-0383	MS# 601	dturner@ebmud.com
	Management	287-0231	MS# 801	
Eric Sandler	Management	287-0310	MS# 801	esandler@ebmud.com

Advisory Committees Staff

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

East Bay Municipal Utility District

401(k) / 457 / 401(a)

Deferred Compensation Plan Comparison

2014

	457	401(k) & ROTH 401(k)	401(a)
Eligibility	Full-time regular, LT/TC, Intermittent, Job Share and Part-time employees		Full-time regular, LT/TC, Intermittent, Job Share and Part-time employees belonging to an eligible group: ▪ Senior management ▪ Locals 21, 2019 & 39 ▪ Non-represented management ▪ Confidential
Contributions	Percent of base salary deducted on pre-tax basis (i.e., before taxes are calculated and deducted), which reduces current tax withholding. Except ROTH 401(k) , which is deducted on an after-tax basis. 457 new enrollments and contribution increases are effective on the first payday of the following month. 457 contribution decreases are effective, as usual, on the next payday of the following pay period.		
Annual Maximum Contribution for Employees <u>under age 50</u>	Lesser of: 100% of salary or \$17,500	Lesser of: 100% of salary or \$17,500 Applies to <u>ALL</u> 401k pre-tax and after-tax contributions 401k + Roth 401k = \$17,500 max	Lesser of: \$34,500 or % of base salary as shown below: ▪ Senior Management 10% ▪ Non-represented Management 7% ▪ Confidential 3% ▪ Local 21 7% ▪ Local 2019 5% ▪ Local 39 2.5%
– 401(k) and 401(a) combined	NOT APPLICABLE	Combined 401(k) and 401(a) maximum contribution: Lesser of 100% of salary or \$52,000 (\$17,500 + \$34,500)	
– Total combined for all three plans	Combined maximum for all three plans (401k, 457, & 401a) = \$69,500 (\$17,500 + \$17,500 + \$34,500 = \$69,500)		
Annual Maximum Contribution for Employees <u>age 50+</u>	\$23,000 (This includes additional \$5,500 for 50+ catch-up contributions)	\$23,000 (This includes additional \$5,500 for 50+ catch-up contributions)	NOT APPLICABLE
– 401(k) and 401(a) combined	Combined 401(k) and 401(a) maximum contribution: Lesser of 100% of salary or \$57,500 (\$23,000 + \$34,500)		
– Total combined for all three plans	Combined maximum contributions for all three plans: \$80,500 (\$23,000 + \$23,000 + \$34,500)		
Special 457 Catch-Up Contribution (eligibility starts at age 51 or 3 years before year of retirement)	Up to \$17,500 per year for 3 years prior to year of retirement ** cannot have age 50+ catch-up contribution at the same time ** ** cannot contribute to Special 457 Catch-up in year of retirement **	NOT APPLICABLE	NOT APPLICABLE
Loans (fees apply) 1-800-343-0860	NOT AVAILABLE	Minimum of \$1,000 up to 50% or \$50,000 (whichever is less) of vested account balance * Applies to combined account balances if participant has both 401(k) & 401(a) *	
Rollovers 1-800-343-0860	AVAILABLE	AVAILABLE	AVAILABLE
Hardship Withdrawals (Unforeseen Emergency) & 401(k) Safe Harbor Withdrawals (College tuition / purchase of home) 510-287-0714	AVAILABLE	AVAILABLE	NOT AVAILABLE
Purchase of Prior Retirement Service Credit 510-287-0714	AVAILABLE	AVAILABLE	NOT AVAILABLE
Distribution Options Upon Separation 1-800-343-0860 plan.fidelity.com/ebmud	Leave funds in the EBMUD plan (no administrative fees), transfer to another employer plan, rollover to an IRA, purchase annuity; take full, partial, or periodic distributions upon separation from the District <u>at any age</u> .	Leave funds in the EBMUD plan (no administrative fees), transfer funds to another employer plan, rollover to an IRA, purchase annuity; take full, partial, or periodic distributions. Distributions before age 59 ½ are subject to a 10% tax penalty unless you are age 55+ <u>and</u> retired from EBMUD.	



401(k) / 457 / 401(a) JULY 2013

Appointments, Drop-Ins, & Presentation with your Fidelity Rep

Tuesday 7/9/2013	<p>ADELINE MAINTENANCE CENTER – Dining Room 1100 – 21st Street, Oakland DROP-IN “HELP DESK” (no appointment needed) 7:00am – 8:30am</p> <p>ADMINISTRATION BUILDING – Dining Room 375- 11th Street, Oakland (4th Floor) DROP-IN “HELP DESK” (no appointment needed) 9:00am – 11:00am</p> <p>ADMINISTRATION BUILDING - Op/Net Conf Rm 375- 11th Street, Oakland (right of Credit Union doors) ☎ APPOINTMENTS (call 1-800-642-7131) 1:00pm – 4:30pm</p>
Tuesday 7/16/2013	<p>ADMINISTRATION BUILDING - Boardroom Annex 375- 11th Street, Oakland (right of Boardroom doors) ☎ APPOINTMENTS (call 1-800-642-7131) 8:00am – 4:30pm</p>
Tuesday 7/30/2013	<p>ADELINE MAINTENANCE CENTER – TRC HR Office 1100 – 21st Street, Oakland (connected to Training Room) DROP-IN “HELP DESK” (no appointment needed) 7:00am – 10:00am</p> <p>ADMINISTRATION BUILDING – Small Training Room 375- 11th Street, Oakland (2nd floor, left of Boardroom doors) PRESENTATION: “Getting Ready for Retirement!” 12:00pm – 1:00pm ** Employees may attend on their own time with their supervisor’s approval. **</p> <p>☎ APPOINTMENTS (call 1-800-642-7131) 1:30pm – 4:00pm</p>

*Supervisors & Payroll Clerks — please share this information with staff members,
absent employees & field personnel.*

FINANCIAL
WELLNESS



401(k) / 457 / 401(a) AUGUST 2013



**Fidelity Investments
Appointments & Drop-Ins**



<p>Thursday 8/22/2013</p>	<p>SOUTH AREA 589 East Lewelling Blvd, San Lorenzo, CA 94580 PRESENTATION: "Getting Ready for Retirement!" 7:30am – 8:00am</p> <p>DROP-IN "HELP DESK" (no appointment needed) 8:00am – 10:00am</p> <p>ADELINE MAINTENANCE CENTER – Small Training Rm 1100 – 21st Street, Oakland DROP-IN "HELP DESK" (no appointment needed) 11:30am – 3:30pm</p>
<p>Thursday 8/29/2013</p>	<p>ADELINE MAINTENANCE CENTER – Small Training Rm 1100 – 21st Street, Oakland ☎ APPOINTMENTS (call 1-800-642-7131) 7:00am – 10:00am</p> <p>ADMINISTRATION BUILDING - Boardroom Annex 375- 11th Street, Oakland (right of Boardroom doors) ☎ APPOINTMENTS (call 1-800-642-7131) 11:00am – 4:00pm</p>

***** Employees may attend on their own time with their supervisor's approval. *****

*Supervisors & Payroll Clerks — please share this information with staff members,
absent employees & field personnel.*

**FINANCIAL
WELLNESS**



401(k) / 457 / 401(a) SEPTEMBER 2013

Fidelity Investments Appointments & Presentation



<p>Tuesday 9/17/2013</p>	<p>ADMINISTRATION BUILDING - Boardroom Annex 375- 11th Street, Oakland (to the right of Boardroom doors) ☎ APPOINTMENTS (call 1-800-642-7131) 8:00am – 2:00pm</p>
<p>Wednesday 9/18/2013</p>	<p>PARDEE – McLean Hall Sandretto Road, Valley Springs, CA 95252 💡💰 PRESENTATION ("It's NEVER Too Late to Save for Retirement!") 7:00am – 7:30am ☎ APPOINTMENTS (call 1-800-642-7131) 7:30am – 11:00am MOKELUMNE – MOK Conference Room 15083 Camanche Parkway South, Valley Springs, CA 95252 ☎ APPOINTMENTS (call 1-800-642-7131) 12:00pm – 3:00pm</p>

**** Employees may attend on their own time with their supervisor's approval. ****

*Supervisors & Payroll Clerks — please share this information with staff members,
absent employees & field personnel.*

**FINANCIAL
WELLNESS**

East Bay Municipal Utility District

3rd quarter 2013 Service Review



Prepared by,
Suzanne Rogers, Vice President, Managing Director
November 20, 2013

This document was originally prepared for plan sponsor use only.

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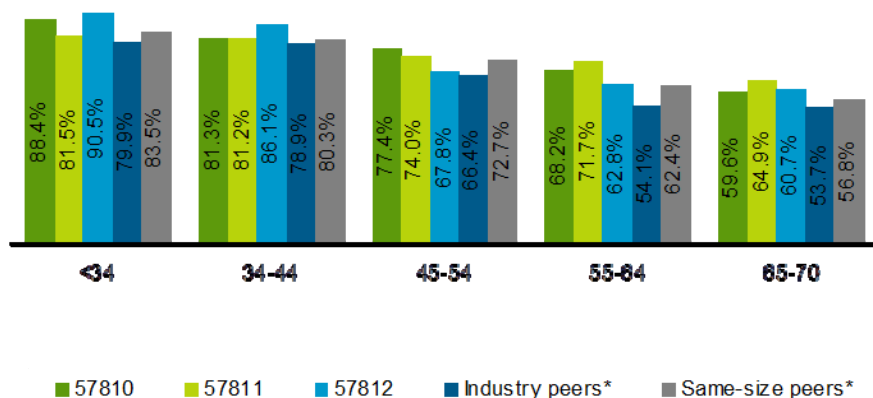


East Bay Municipal Utility District 3rd Quarter 2013 Review

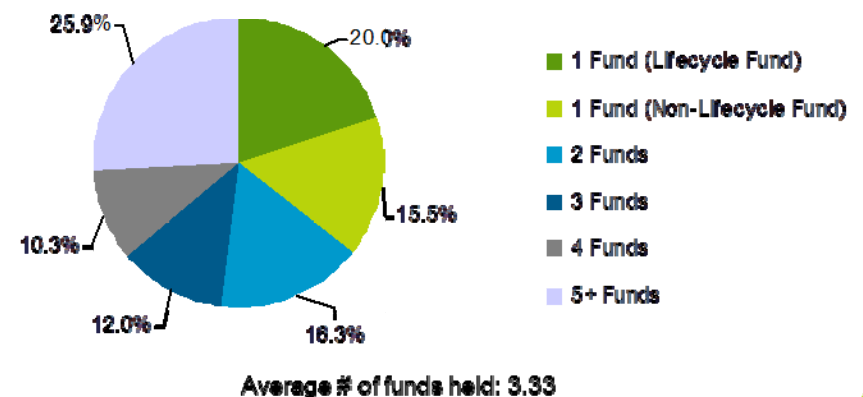


Combined Plan Statistics	09/2013	12/2012	12/2011	Industry Peers*	Same-size Peers*
Total assets	\$304,810,561	\$267,862,631	\$231,662,697	\$97,747,205	\$109,081,838
Total participants	2,914	2,924	2,912	1,593	1,577
YTD Employee contributions	\$12,100,687	\$15,085,317	\$15,389,817	\$4,591,794	\$5,018,496
YTD Rollover contributions	\$469,340	\$2,579,317	\$637,932	\$1,560,031	\$3,647,377
YTD Withdrawals	\$11,139,044	\$10,752,660	\$8,454,252	\$7,762,559	\$7,698,221
YTD Net cash flow	\$1,504,018	\$6,953,116	\$7,149,605	\$10,688,663	\$3,630,388
Average balance	\$104,602	\$91,608	\$79,555	\$60,390	\$70,185
# single fund holders (excl. Lifecycle Fund)	452	472	480	328	183

Asset Allocation: % of Equities as of 9/30/2013

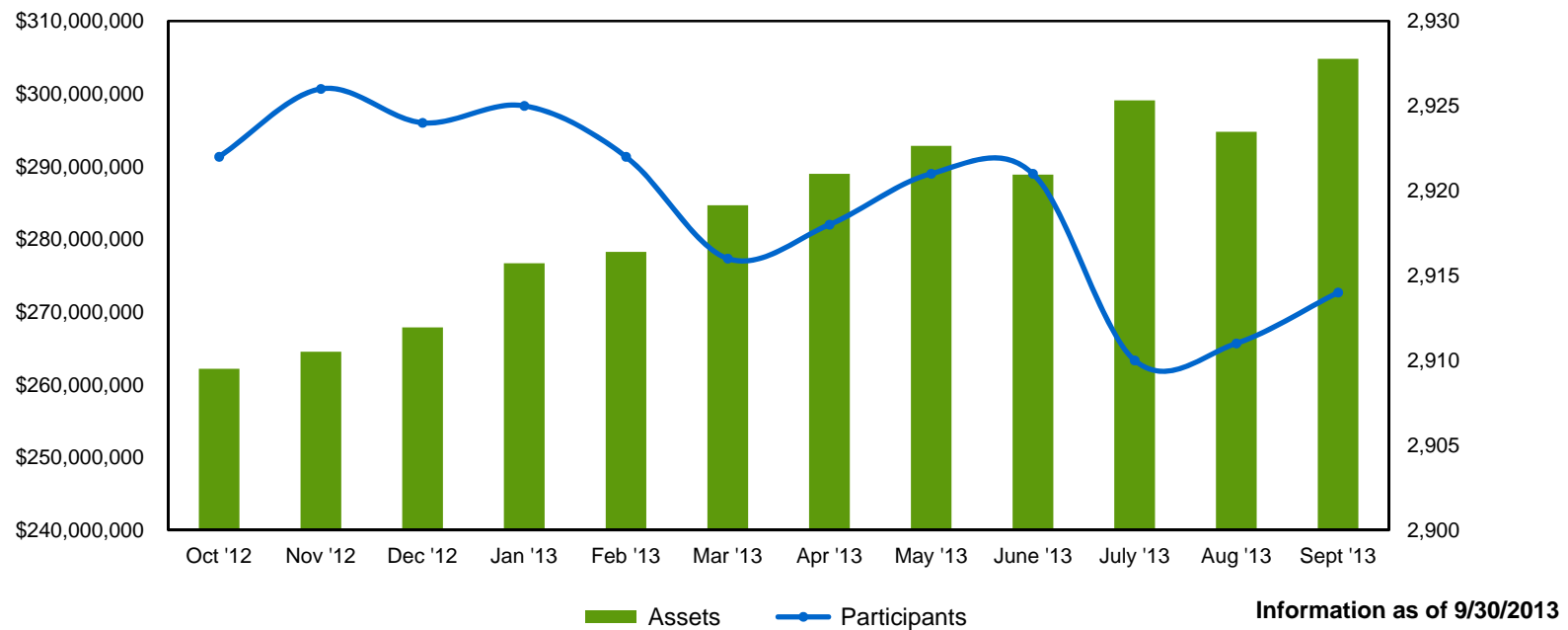


Participant Holdings as of 9/30/2013



* 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 9/30/2013.

Plan Assets Under Management at Fidelity

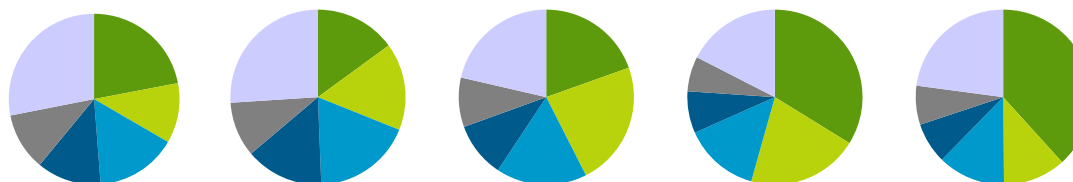


Information As of 9/30/2013	401(k) Plan	401(a) Plan	457(b) Plan
Total Participants	1,634	415	865
Active Participants	1,290	320	636
Participants Terminated with Balances	344	95	229
Total Plan Assets	\$200,070,647	\$32,815,085	\$71,924,829

Single-Investment Option Holders



Information as of 9/30/2013



How many participants hold:	401(k) Plan	401(a) Plan	457(b) Plan	Industry peers*	Same-size peers*
1 Fund (Lifecycle Fund)	22.0%	14.9%	19.5%	33.8%	38.3%
1 Fund (Non-Lifecycle Fund)	11.4%	16.1%	23.0%	20.6%	11.6%
2 Funds	15.4%	18.3%	16.8%	14.0%	12.5%
3 Funds	12.2%	14.5%	10.2%	7.7%	7.6%
4 Funds	10.9%	10.1%	9.1%	6.4%	7.2%
5 or more Funds	28.1%	26.0%	21.4%	17.5%	22.9%
Average # of Funds Held	3.5 funds	3.4 funds	3.0 funds	2.8 funds	3.0 funds

Funds held as a single investment	Asset class	Participants holding this fund			
		401(k) Plan	401(a)	457(b) Plan	Total
MIP II CL 1	Managed Income or Stable Value	73	15	85	173
VANGUARD INST INDEX	Domestic Equity	24	9	19	52
PIM TOTAL RT INST	Bond	10	7	15	32
FID BALANCED K	Balanced/Hybrid	9	5	11	25
FID BLUE CHIP GR K	Domestic Equity	11	6	4	21
Plus 11 other funds	-	30	14	32	76
Lifecycle Funds	-	359	62	169	590
BrokerageLink	-	29	11	33	73

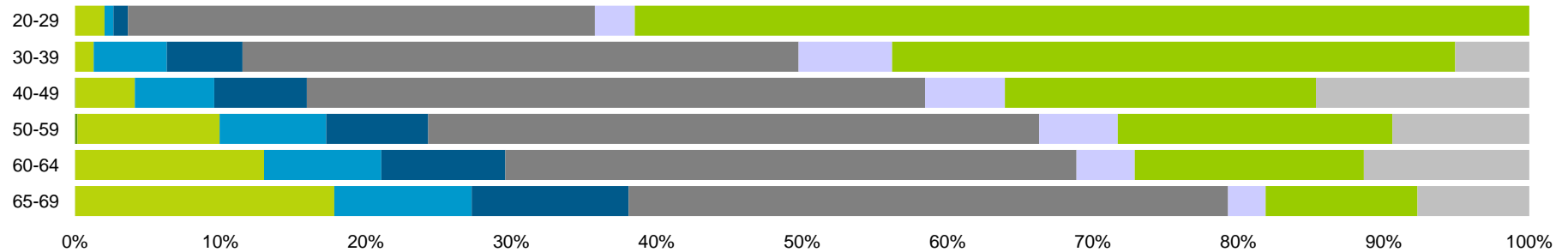
For plans that offer Fidelity BrokerageLink, it will appear as a fund (rather than a product offering) for purposes of providing plan data.

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

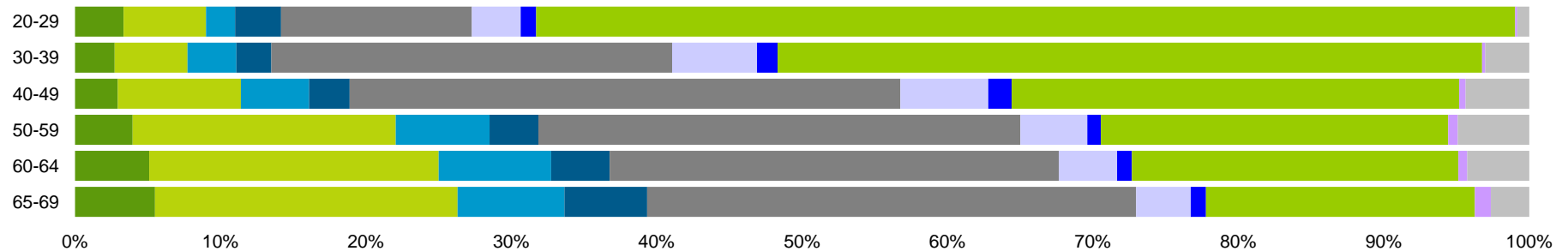
Combined Plans Asset Allocation Analysis



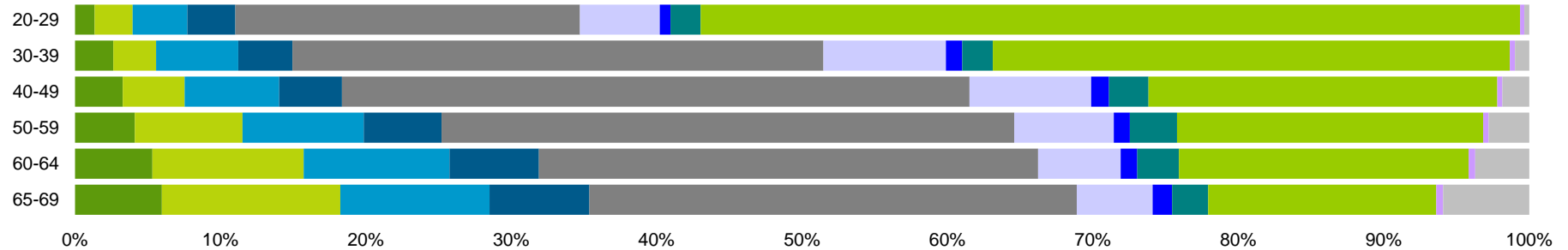
Asset Allocation, by Age Group for Your Plans (as of 9/30/2013)



Industry Peers (Public Sector)



Same-size Peers (1000-2499)



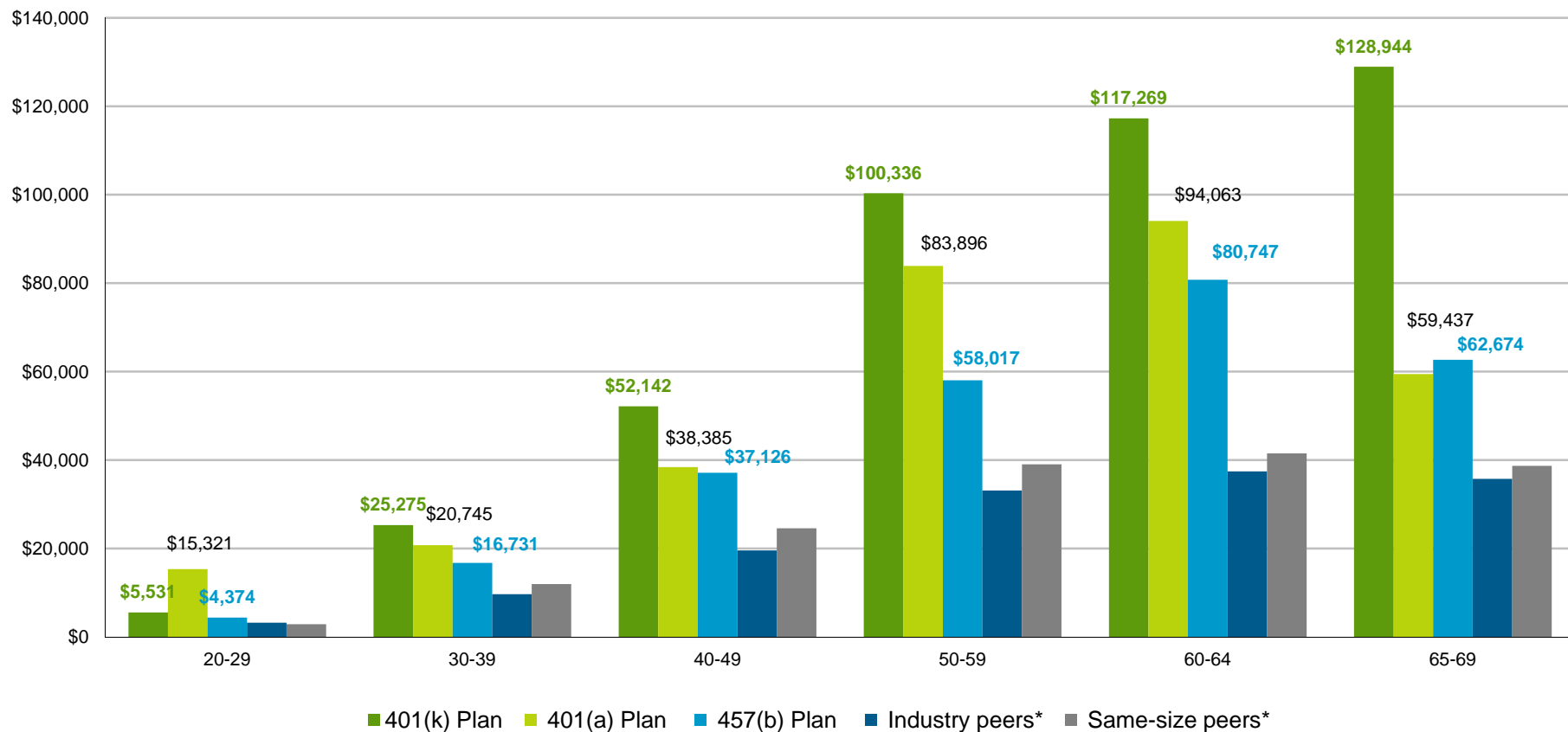
Money Market or Short-Term
 Managed Income or Stable Value
 Bond
 Balanced / Hybrid
 Domestic Equity
 International / Global Equity
 Specialty
 Company Stock
 Lifecycle Funds
 Asset Allocation
 BrokerageLink Funds

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

Participant Balances



Median Balance Per Participant, as of 9/30/2013



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

Combined Plan Assets by Fund



As of 9/30/2013

Fund	# of Participants Holding Fund	% of combined plan Participants Holding Fund	Total Assets	% of combined Plan Assets
VANGUARD INST INDEX	945	32.43%	\$36,733,048	12.05%
BROKERAGELINK	318	10.91%	\$31,426,942	10.31%
MIP II CL 1	785	26.94%	\$31,330,121	10.28%
FID BLUE CHIP GR K	819	28.11%	\$22,908,412	7.52%
PIM TOTAL RT INST	689	23.64%	\$21,031,917	6.90%
FID FREEDOM K 2020	340	11.67%	\$19,788,898	6.49%
DODGE & COX STOCK	638	21.89%	\$17,779,100	5.83%
FID BALANCED K	515	17.67%	\$15,209,575	4.99%
AF EUROPAC GROWTH R6	757	25.98%	\$14,144,800	4.64%
HEARTLAND VALUE INST	557	19.11%	\$13,736,744	4.51%
H & W MID CAP VAL I	412	14.14%	\$10,430,523	3.42%
FID FREEDOM K 2015	152	5.22%	\$8,770,571	2.88%
MSIF MID CAP GRTH I	406	13.93%	\$8,304,075	2.72%
VANG WELLESLEY ADM	299	10.26%	\$8,138,832	2.67%
TRP EQUITY INCOME	340	11.67%	\$6,854,635	2.25%
FID FREEDOM K 2010	130	4.46%	\$6,243,209	2.05%
NB GENESIS - INST CL	367	12.59%	\$5,655,381	1.86%
FID FREEDOM K 2025	151	5.18%	\$5,617,395	1.84%

Plan Assets by Fund



As of 9/30/2013

Fund	# of Participants Holding Fund	% of Participants Holding Fund	Total Assets	% of Plan Assets
FID FREEDOM K 2030	210	7.21%	\$5,549,621	1.82%
FID FREEDOM K 2040	170	5.83%	\$4,116,587	1.35%
AM CENT SELECT INST	188	6.45%	\$3,249,796	1.07%
FID FREEDOM K 2035	105	3.60%	\$1,828,390	0.60%
FID FREEDOM K INCOME	74	2.54%	\$1,520,914	0.50%
VANG TOT BD MKT SIG	119	4.08%	\$1,426,425	0.47%
FID FREEDOM K 2045	60	2.06%	\$948,173	0.31%
FID FREEDOM K 2050	51	1.75%	\$879,914	0.29%
VANG TOT INTL STK S	42	1.44%	\$409,962	0.13%
FID RETIRE MMTT	18	0.62%	\$338,045	0.11%
FID FREEDOM K 2000	25	0.86%	\$278,980	0.09%
FID FREEDOM K 2005	10	0.34%	\$97,806	0.03%
FID FREEDOM K 2055	9	0.31%	\$61,770	0.02%
Total Market Value			\$304,810,561	100.00%

Cash Flow Summary – Combined Plans



Cash Inflow	Year ending: 9/2013	Year ending: 9/2012
Contributions*	\$15,877,337	\$17,294,398
Loan Repayments	\$1,796,151	\$1,823,827
Interest on Loans	\$219,812	\$229,764
Total Cash Inflow	\$17,893,300	\$19,347,990
Cash Outflow	Year ending: 9/2013	Year ending: 9/2012
Loan Withdrawals	\$2,136,754	\$1,677,750
Withdrawals	\$13,012,198	\$10,867,372
Transaction-based Fees <i>(Please see your plan recordkeeping agreement for details)</i>	(\$15,618)	\$15,928
Total Cash Outflow	\$15,133,334	\$12,561,050
Net Cash Flow	\$2,759,966	\$6,786,939

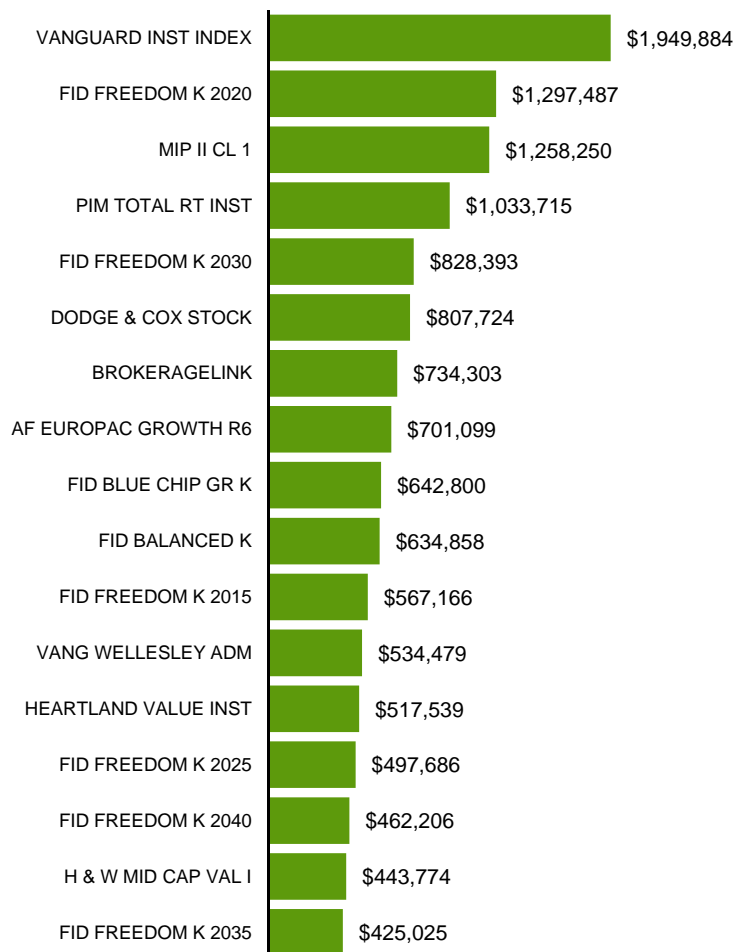
* Contributions are comprised of all employee and employer sources, including rollovers into the plan.

Contributions and Net Exchanges

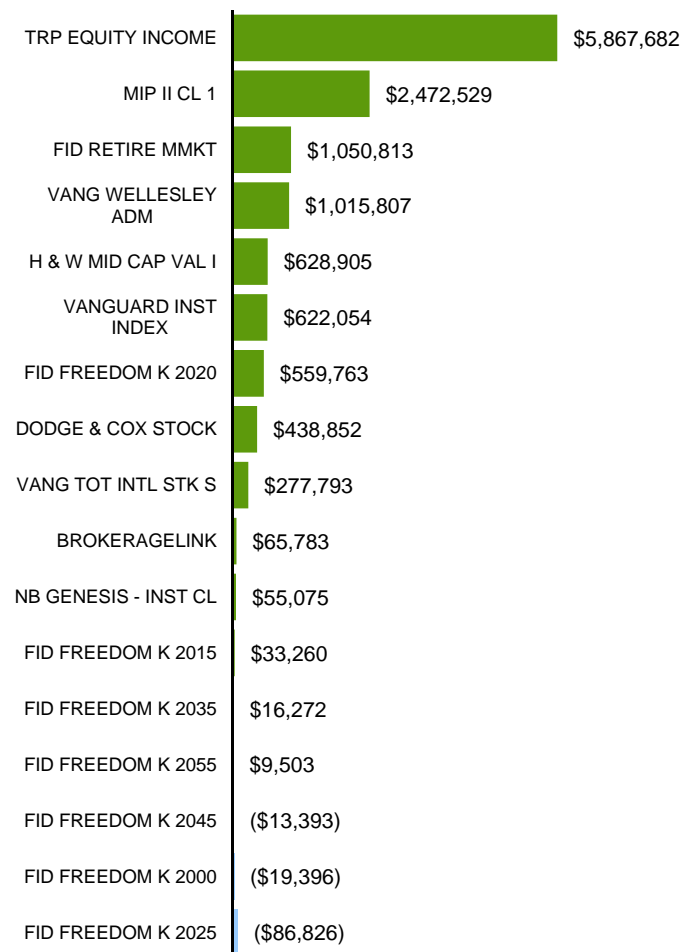


For the 12-month period ending 9/30/2013

Contributions by Fund



Net Exchanges by Fund

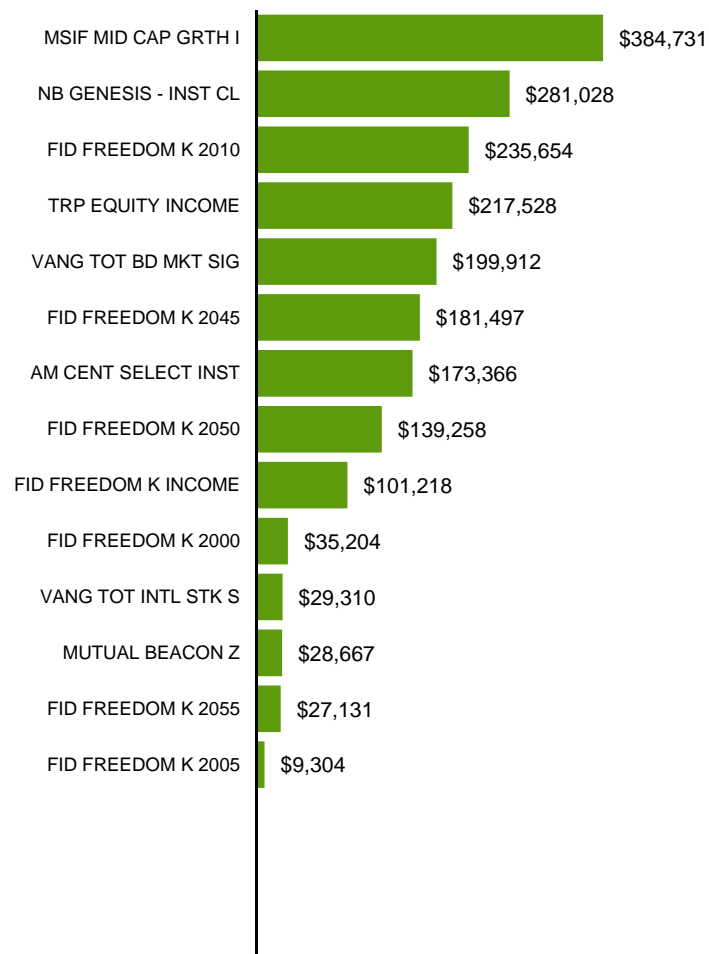


Contributions and Net Exchanges

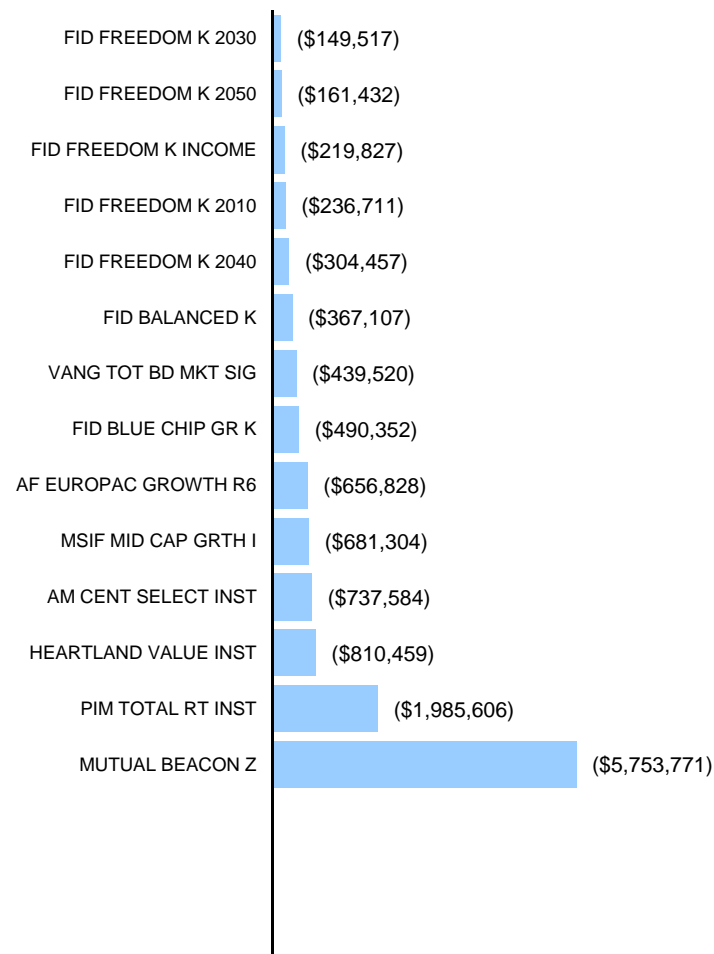


For the 12-month period ending 9/30/2013

Contributions by Fund



Net Exchanges by Fund



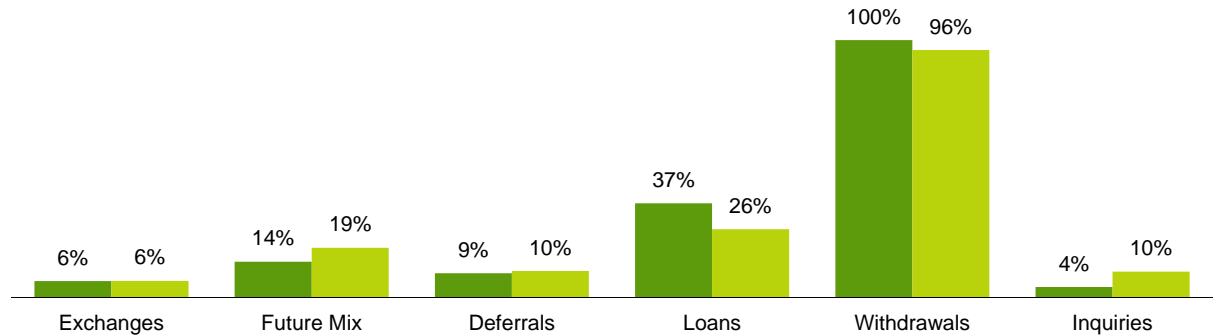
Customer Transactions by Channel



For the 12-month period ending 9/30/2013

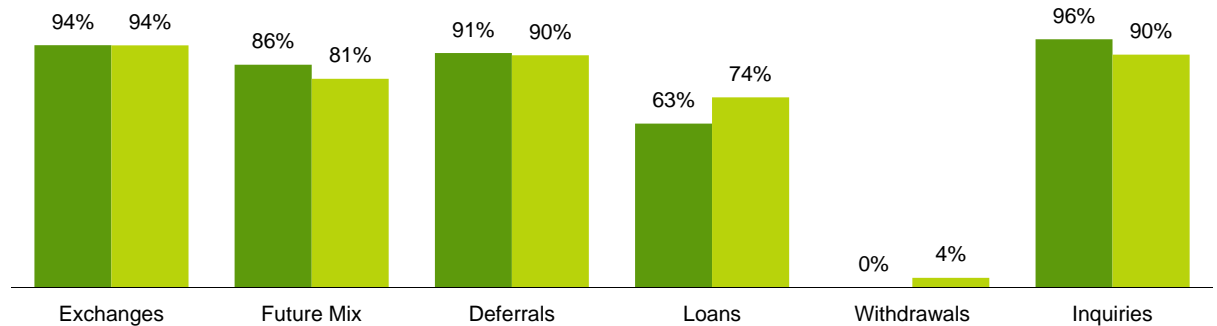
Phone Representatives

Plan	Total Unique SSNs
401(k) Plan	497 (30% of participants)
401(a) Plan	72 (17% of participants)
457(b) Plan	187 (22% of participants)
Total contacts	7,954



NetBenefits® (Web)

Plan	Total Unique SSNs
401(k) Plan	989 (61% of participants)
401(a) Plan	285 (69% of participants)
457(b) Plan	559 (65% of participants)
Total contacts***	147,138



■ Your Plan* ■ Industry Peers** (Public Sector)

* Percentages based on (401(k) Plan: 1,634 participants), (401(a) Plan: 415 participants), (457(b) Plan: 865 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.

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.

Important Information



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

Investment Risk

LifeCycle Funds: Target date 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 it approaches the target date. The investment risk of each target date fund changes over time as its asset allocation changes. The funds are subject to the volatility of the financial markets, including that of 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, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.

Money Markets Funds: *An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.*

Bond Funds: In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

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 The securities of smaller, less well-known companies can be more volatile than those of larger companies.

Foreign Funds: Foreign markets can be more volatile than U.S. markets due to increased risks of adverse issuer, political, market or economic developments, all of which may be magnified in emerging markets.

Sector funds: Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Sector funds can be more volatile because of their narrow concentration in a specific industry.

Company Stock Funds: Company stock investment options are neither a mutual fund nor a managed investment options.

REITs (Real Estate Investment Trusts): Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry.

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Financial Markets and Economic Report November, 2013

As of November 13, 2013

- US GDP growth for the first quarter was reported at 2.8% by the Bureau of Economic Analysis, outpacing consensus estimates of about 2%. Previously, the early estimate of 1.7% for the second quarter has been revised up to 2.5%.
- In September the Federal Reserve surprised many when it announced that it will not begin tapering of its bond-buying program after all, and interest rates promptly fell in response. Rates had jumped again in August, with the 10 year note climbing to as high as 2.95%, but following the Fed's announcement the 10 year note returned to the 2.5%-2.6% range it had seen in the second quarter. As of November 12th the rate has trended back up to 2.75%
- US stocks rallied remarkably from June 30 into early August, with the S&P 500 reaching a high point in excess of 19% YTD, before giving back much of that over the remainder of the month. However, the Fed's change of course added to a strong bounce-back in September, with record highs seen on several indexes. Goldman Sachs reported that the S&P 500 was up 26.4% YTD on November 8th.
- Foreign stocks performance has been a case of the haves and the have-nots, with the developed countries represented in the EAFE index reported up 18.02% YTD on November 8th. Emerging markets have continued to struggle, with the MSCI Emerging Markets and BRIC indexes showing losses of -3.46% and -4.73% YTD, respectively. (Information courtesy of Goldman Sachs)
- Commodity prices have fallen back since rebounding after the spring "crash", with oil having settled back into a \$93-\$98 price range, still higher than the \$80-\$90 range that was enjoyed by the world for a few years. Gold and silver have recently lost favor again, but both are still more than 10% above their June lows.
- The Bureau of Labor Statistics reports that the latest unemployment number nationally is 7.3%, and the labor force participation rate fell to 62.8%, the lowest level since 1977.

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

Meeting Date	Action Date	Fund Action Taken	Fund Mapping	Other Significant Committee Action
8/28/13	1/6/14	ADD: Huber Small Cap Value Artisan Small Cap CLOSE: Heartland Value Fund Institutional Neuberger Berman Genesis Institutional	MAP TO: BOTH ½ to Huber Small Cap Value & ½ to Artisan Small Cap	
6/5/13	POSTPONED	WATCH: Neuberger Berman Genesis Institutional 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.
	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		
	3/1/13	ADD: Fidelity Retirement Money Market 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 transaction 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 Class I	MAP TO: ICMA-RC Vantage Trust PLUS Fund	
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 Fund Changes
457, 401(k) and 401(a) Plans**

	6/1/12	<p>*Change SHARE CLASS – lower fees*</p> <p>ADD: Heartland Value Fund Institutional American Century Investments Select Fund Institutional</p> <p>CLOSE: Heartland Value Fund American Century Investments Select Fund Investor Class</p> <p>WATCH CONTINUED: Mutual Beacon WATCH: Heartland Value Fund</p> <p>ADD: Vanguard Total Intl Stock Index Fund Sig Shares</p> <p>LIQUIDATION OPTION: Invoked one-year “put” clock to allow possible liquidation of the Fidelity Managed Income Portfolio II Class I stable value fund</p> <p>WATCH CONTINUED: Mutual Beacon</p>	<p>MAP TO: Heartland Value Fund Institutional American Century Investments Select Fund Institutional</p>	
5/24/12	8/29/12			
	3/9/12			
3/1/12				
	12/7/2011	<p>*Change SHARE CLASS – lower fees*</p> <p>ADD: 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 American Funds EuroPacific Growth Fund CI R6</p> <p>CLOSE: 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 CI R4</p> <p>WATCH CONTINUED: Mutual Beacon WATCH CONTINUED: Mutual Beacon</p>	<p>MAP TO: 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 American Funds EuroPacific Growth Fund R6</p>	
11/30/11				
8/18/11				

East Bay MUD Retirement Plans

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Fidelity M&R MIP II: Class I	0.26	0.82	1.14	1.36	1.56	2.77	1.35	1.47	1.59	1.80	3.73
US Treasury CMT 5 Year	0.37	0.80	0.98	1.15	1.55	2.73	0.76	1.52	1.93	2.19	2.79
+/- Index	(0.11)	0.02	0.16	0.21	0.01	0.04	0.59	(0.05)	(0.34)	(0.39)	0.94
Category Rank	-	-	-	-	-	-	-	-	-	-	-
PIMCO Total Return Instl	1.17	-1.89	-0.74	3.77	7.96	6.12	10.36	4.16	8.83	13.83	4.82
Barclays US Aggregate Bond Index	0.57	-1.89	-1.68	2.86	5.41	4.59	4.21	7.84	6.54	5.93	5.24
+/- Index	0.60	0.00	0.94	0.91	2.55	1.52	6.15	(3.68)	2.29	7.90	(0.42)
Category Rank	6	52	35	34	18	5	12	88	29	49	12
Vanguard Total Bond Market Index Signal	0.54	-1.95	-1.83	2.76	5.34	4.54	4.15	7.69	6.54	6.04	5.15
Barclays US Aggregate Bond Index	0.57	-1.89	-1.68	2.86	5.41	4.59	4.21	7.84	6.54	5.93	5.24
+/- Index	(0.03)	(0.06)	(0.15)	(0.10)	(0.07)	(0.05)	(0.06)	(0.16)	(0.00)	0.11	(0.09)
Category Rank	58	55	72	71	76	47	84	12	73	90	10
Dodge & Cox Stock	6.93	25.69	29.28	17.82	10.93	8.15	22.01	-4.08	13.49	31.27	-43.31
Russell 1000 Value Index	3.94	20.47	22.30	16.25	8.86	7.99	17.51	0.39	15.51	19.69	-36.85
+/- Index	2.99	5.22	6.97	1.57	2.07	0.16	4.51	(4.47)	(2.02)	11.58	(6.46)
Category Rank	4	4	5	5	11	31	1	79	46	13	93
T. Rowe Price Equity Income	4.57	19.34	21.63	15.51	9.36	7.96	17.25	-0.72	15.15	25.62	-35.75
Russell 1000 Value Index	3.94	20.47	22.30	16.25	8.86	7.99	17.51	0.39	15.51	19.69	-36.85
+/- Index	0.63	(1.13)	(0.67)	(0.73)	0.50	(0.02)	(0.26)	(1.11)	(0.35)	5.93	1.10
Category Rank	43	61	46	35	37	36	20	54	27	36	47
Vanguard Institutional Index I	5.23	19.77	19.31	16.24	10.04	7.57	15.98	2.09	15.05	26.63	-36.95
S&P 500 Index	5.24	19.79	19.34	16.27	10.02	7.57	16.00	2.11	15.06	26.46	-37.00
+/- Index	(0.01)	(0.02)	(0.04)	(0.03)	0.02	0.01	(0.02)	(0.02)	(0.02)	0.17	0.04
Category Rank	64	47	57	24	27	36	36	19	31	52	39
American Century Select Instl	8.70	16.89	13.04	15.43	10.62	6.14	14.97	1.62	14.82	35.09	-39.55
Russell 1000 Growth Index	8.11	20.87	19.27	16.94	12.07	7.82	15.26	2.64	16.71	37.21	-38.44
+/- Index	0.59	(3.98)	(6.24)	(1.51)	(1.45)	(1.68)	(0.29)	(1.02)	(1.89)	(2.12)	(1.11)
Category Rank	55	91	95	47	45	86	52	18	58	48	47
Fidelity Blue Chip Growth K	11.06	26.15	24.87	18.19	13.71	8.30	17.95	-2.56	19.80	45.31	-38.52
Russell 1000 Growth Index	8.11	20.87	19.27	16.94	12.07	7.82	15.26	2.64	16.71	37.21	-38.44
+/- Index	2.95	5.28	5.59	1.25	1.63	0.47	2.69	(5.20)	3.09	8.10	(0.08)
Category Rank	22	11	17	7	13	32	21	57	18	14	39

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East Bay MUD Retirement Plans

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Hotchkiss and Wiley Mid-Cap Value I	8.20	33.87	41.09	23.43	20.59	11.86	31.09	-8.60	34.41	56.49	-43.05
Russell Mid Cap Value Index	5.89	22.94	27.77	17.27	11.86	10.91	18.51	-1.38	24.75	34.21	-38.44
+/- Index	2.31	10.93	13.32	6.16	8.73	0.95	12.59	(7.22)	9.66	22.28	(4.60)
Category Rank	15	2	2	2	1	5	2	92	1	4	84
Morgan Stanley Inst Mid Cap Growth I	10.82	27.35	29.92	13.13	15.18	12.28	9.49	-6.89	32.94	60.19	-47.22
Russell Mid Cap Growth Index	9.34	25.42	27.54	17.65	13.92	10.16	15.81	-1.65	26.38	46.29	-44.32
+/- Index	1.48	1.93	2.39	(4.52)	1.26	2.11	(6.31)	(5.24)	6.56	13.89	(2.90)
Category Rank	28	19	16	85	9	3	87	74	6	3	80
Heartland Value Inst	10.20	20.06	22.27	14.11	10.50	8.06	13.99	-6.73	21.50	44.86	-39.40
Russell 2000 Value Index	7.59	23.07	27.04	16.57	9.13	9.29	18.05	-5.50	24.50	20.58	-28.92
+/- Index	2.61	(3.02)	(4.77)	(2.46)	1.36	(1.23)	(4.07)	(1.23)	(3.00)	24.28	#####
Category Rank	6	90	92	81	63	97	65	70	82	19	83
Neuberger Berman Genesis Instl	11.19	25.66	28.54	18.32	10.44	11.98	10.10	4.88	21.72	26.54	-32.67
Russell 2000 Index	10.21	27.69	30.06	18.29	11.15	9.64	16.35	-4.18	26.85	27.17	-33.79
+/- Index	0.98	(2.03)	(1.51)	0.03	(0.71)	2.34	(6.25)	9.06	(5.14)	(0.63)	1.12
Category Rank	14	55	60	36	62	7	90	3	84	67	34
American Funds EuroPacific Gr R6	9.55	11.95	18.28	7.09	7.47	9.74	19.64	-13.31	9.76	39.35	-40.53
MSCI AC World Ex USA (Net)	10.09	10.04	16.48	5.95	6.26	8.77	16.83	-13.71	11.15	41.45	-45.53
+/- Index	(0.54)	1.90	1.80	1.14	1.21	0.97	2.81	0.40	(1.39)	(2.09)	5.00
Category Rank	62	61	65	56	18	11	26	40	54	16	13
Vanguard Total Intl Stock Index Signal	10.27	9.79	17.14	5.90	5.87	8.48	18.21	-14.52	11.06	36.73	-44.10
MSCI AC World Ex USA (Net)	10.09	10.04	16.48	5.95	6.26	8.77	16.83	-13.71	11.15	41.45	-45.53
+/- Index	0.18	(0.25)	0.66	(0.05)	(0.38)	(0.29)	1.38	(0.82)	(0.09)	(4.72)	1.42
Category Rank	46	82	75	79	47	30	51	61	44	26	54
Fidelity Balanced K	5.11	12.43	12.68	11.45	9.73	7.88	13.04	1.76	13.92	28.29	-31.22
US Balanced Index	3.37	10.80	10.64	11.13	8.83	6.78	11.37	4.98	12.19	18.46	-21.63
+/- Index	1.73	1.63	2.04	0.33	0.90	1.10	1.66	(3.22)	1.73	9.83	(9.59)
Category Rank	24	23	37	15	11	10	28	25	17	25	78
Vanguard Wellesley Income Adm	1.76	5.32	6.06	8.89	9.66	7.32	10.10	9.74	10.71	16.14	-9.79
US Conservative Index	2.44	6.46	6.44	8.44	7.89	6.18	9.01	6.12	10.47	14.34	-13.20
+/- Index	(0.68)	(1.14)	(0.38)	0.46	1.77	1.15	1.09	3.62	0.24	1.80	3.40
Category Rank	71	35	41	9	10	5	43	1	42	80	7

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East Bay MUD Retirement Plans

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Fidelity Freedom K Income	2.15	2.70	3.11	4.56	-	-	6.36	2.12	7.68	-	-
Freedom Income Composite Benchmark	1.76	3.04	3.54	4.17	4.53	4.27	5.05	2.82	6.16	10.02	-7.24
+/- Index	0.39	(0.34)	(0.43)	0.39			1.31	(0.70)	1.52		
Category Rank	73	70	75	76	-	-	86	43	80	-	-
Fidelity Freedom K 2000	2.13	2.67	3.16	4.65	-	-	6.44	2.07	7.91	-	-
Freedom 2000 Composite Benchmark	1.76	3.04	3.54	4.21	4.41	4.27	5.05	2.81	6.26	10.57	-9.39
+/- Index	0.37	(0.37)	(0.38)	0.44			1.39	(0.74)	1.65		
Category Rank	95	87	89	87	-	-	88	28	97	-	-
Fidelity Freedom K 2005	3.16	5.09	5.63	6.43	-	-	8.77	0.36	10.64	-	-
Freedom 2005 Composite Benchmark	2.73	5.90	6.69	6.59	6.15	-	7.77	2.13	9.46	17.74	-19.53
+/- Index	0.43	(0.81)	(1.06)	(0.16)			1.00	(1.77)	1.18		
Category Rank	67	53	66	54	-	-	68	61	58	-	-
Fidelity Freedom K 2010	4.16	7.16	7.77	7.78	-	-	10.53	-0.19	11.77	-	-
Freedom 2010 Composite Benchmark	3.83	8.44	9.51	8.37	7.44	6.18	9.87	2.16	10.71	19.04	-20.51
+/- Index	0.33	(1.28)	(1.74)	(0.59)			0.66	(2.35)	1.06		
Category Rank	10	10	34	27	-	-	32	75	29	-	-
Fidelity Freedom K 2015	4.35	7.40	8.07	7.98	-	-	10.81	-0.34	11.93	-	-
Freedom 2015 Composite Benchmark	4.02	8.85	9.97	8.64	7.49	-	10.14	2.14	10.87	19.94	-22.41
+/- Index	0.33	(1.45)	(1.90)	(0.66)			0.67	(2.48)	1.06		
Category Rank	20	35	46	39	-	-	48	56	44	-	-
Fidelity Freedom K 2020	4.71	8.32	9.07	8.68	-	-	11.86	-1.24	13.07	-	-
Freedom 2020 Composite Benchmark	4.32	9.78	11.01	9.49	7.88	6.95	11.14	1.71	12.07	23.94	-27.80
+/- Index	0.39	(1.46)	(1.94)	(0.81)			0.72	(2.95)	1.00		
Category Rank	30	39	54	41	-	-	42	66	42	-	-
Fidelity Freedom K 2025	5.60	10.56	11.39	9.74	-	-	13.26	-2.50	13.89	-	-
Freedom 2025 Composite Benchmark	5.23	12.36	13.86	10.94	8.74	-	12.79	0.91	13.08	25.53	-29.25
+/- Index	0.37	(1.80)	(2.47)	(1.20)			0.47	(3.41)	0.81		
Category Rank	30	45	58	40	-	-	43	64	36	-	-
Fidelity Freedom K 2030	5.89	11.28	12.08	10.03	-	-	13.65	-3.09	14.18	-	-
Freedom 2030 Composite Benchmark	5.50	13.15	14.71	11.40	8.59	7.43	13.20	0.57	13.35	27.50	-33.28
+/- Index	0.39	(1.87)	(2.63)	(1.37)			0.45	(3.66)	0.83		
Category Rank	29	47	61	48	-	-	49	66	40	-	-

Data supplied by Morningstar.

East Bay MUD Retirement Plans

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Fidelity Freedom K 2035	6.67	13.33	14.20	10.75	-	-	14.60	-4.53	14.72	-	-
Freedom 2035 Composite Benchmark	6.24	15.57	17.37	12.53	9.22	-	14.53	-0.57	14.10	28.46	-33.99
+/- Index	0.43	(2.24)	(3.17)	(1.78)			0.07	(3.96)	0.62		
Category Rank	35	48	67	54	-	-	52	76	43	-	-
Fidelity Freedom K 2040	6.71	13.59	14.46	10.87	-	-	14.61	-4.64	14.79	-	-
Freedom 2040 Composite Benchmark	6.37	15.92	17.75	12.69	9.25	7.89	14.63	-0.64	14.16	29.75	-35.33
+/- Index	0.34	(2.33)	(3.29)	(1.82)			(0.02)	(4.00)	0.63		
Category Rank	38	55	66	56	-	-	57	68	49	-	-
Fidelity Freedom K 2045	6.93	14.08	15.04	11.06	-	-	14.97	-4.95	14.97	-	-
Freedom 2045 Composite Benchmark	6.52	16.40	18.29	12.92	9.36	-	14.90	-0.85	14.29	30.14	-35.76
+/- Index	0.41	(2.32)	(3.25)	(1.86)			0.07	(4.10)	0.68		
Category Rank	43	64	76	71	-	-	65	73	54	-	-
Fidelity Freedom K 2050	6.98	14.26	15.15	11.15	-	-	15.23	-5.50	15.06	-	-
Freedom 2050 Composite Benchmark	6.57	16.64	18.55	13.11	9.35	-	15.17	-1.23	14.46	31.35	-37.26
+/- Index	0.41	(2.38)	(3.40)	(1.96)			0.06	(4.27)	0.60		
Category Rank	39	58	70	60	-	-	54	85	43	-	-
Fidelity Freedom K 2055	7.22	14.85	15.83	-	-	-	15.39	-	-	-	-
Freedom 2055 Composite Benchmark	6.86	17.52	19.52	-	-	-	15.48	-	-	-	-
+/- Index	0.36	(2.67)	(3.69)				(0.09)				
Category Rank	32	60	78	-	-	-	53	-	-	-	-

Data supplied by Morningstar.

East Bay MUD Retirement Plans (Recently Selected Funds)

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Huber Capital Small Cap Value Instl	7.54	24.18	30.05	23.87	20.55	-	28.85	-2.52	37.92	85.80	-47.95
Russell 2000 Value Index	7.59	23.07	27.04	16.57	9.13	9.29	18.05	-5.50	24.50	20.58	-28.92
+/- Index	(0.05)	1.11	3.01	7.30	11.42		10.80	2.98	13.42	65.22	(19.03)
Category Rank	66	56	49	1	1	-	2	28	3	2	98
Artisan Small Cap Institutional	15.37	33.56	32.60	24.39	16.16	10.36	17.90	6.99	20.51	44.14	-43.93
Russell 2000 Growth Index	12.80	32.47	33.07	19.96	13.17	9.85	14.59	-2.91	29.09	34.47	-38.54
+/- Index	2.57	1.08	(0.47)	4.43	2.99	0.50	3.32	9.90	(8.57)	9.67	(5.39)
Category Rank	14	26	30	2	17	36	11	2	95	21	78
Vanguard Target Retirement Income Inv	2.67	3.38	4.12	6.46	6.83	-	8.23	5.25	9.39	14.28	-10.93
Vanguard Target Retirement Income Index	2.66	3.42	4.25	6.54	6.84	-	8.42	5.30	9.42	14.32	-11.34
+/- Index	0.01	(0.04)	(0.13)	(0.08)	(0.01)		(0.19)	(0.05)	(0.03)	(0.04)	0.41
US OE Retirement Income	54	58	62	40	48	-	67	9	42	80	6
Vanguard Target Retirement 2010 Inv	3.36	5.68	6.76	7.94	7.41	-	10.12	3.37	11.43	19.32	-20.67
Vanguard Target Retirement 2010 Index	3.44	5.92	6.98	8.03	7.44	-	10.28	3.20	11.62	19.44	-21.05
+/- Index	(0.08)	(0.24)	(0.22)	(0.09)	(0.03)		(0.16)	0.17	(0.19)	(0.12)	0.38
US OE Target Date 2000-2010	58	47	49	22	23	-	45	8	33	82	37
Vanguard Target Retirement 2015 Inv	4.24	8.30	9.56	9.06	7.92	-	11.37	1.71	12.47	21.30	-24.06
Vanguard Target Retirement 2015 Index	4.30	8.55	9.80	9.11	7.91	-	11.50	1.48	12.60	21.38	-24.45
+/- Index	(0.06)	(0.25)	(0.24)	(0.05)	0.01		(0.13)	0.23	(0.13)	(0.08)	0.39
US OE Target Date 2011-2015	21	17	30	14	18	-	34	19	34	76	15
Vanguard Target Retirement 2020 Inv	4.87	10.20	11.70	9.93	8.20	-	12.35	0.60	13.12	23.10	-27.04
Vanguard Target Retirement 2020 Index	4.92	10.48	11.93	10.20	8.37	-	12.51	0.94	13.28	23.41	-27.52
+/- Index	(0.05)	(0.28)	(0.23)	(0.27)	(0.17)		(0.16)	(0.34)	(0.16)	(0.31)	0.48
US OE Target Date 2016-2020	20	13	21	11	16	-	36	32	35	66	22
Vanguard Target Retirement 2025 Inv	5.42	11.70	13.34	10.72	8.39	-	13.29	-0.37	13.84	24.81	-30.05
Vanguard Target Retirement 2025 Index	5.44	12.00	13.60	10.98	8.59	-	13.44	0.02	13.96	25.26	-30.52
+/- Index	(0.02)	(0.30)	(0.26)	(0.26)	(0.20)		(0.15)	(0.39)	(0.12)	(0.45)	0.47
US OE Target Date 2021-2025	35	27	35	20	25	-	43	16	37	78	15
Vanguard Target Retirement 2030 Inv	5.88	13.17	15.05	11.48	8.59	-	14.24	-1.27	14.43	26.72	-32.91
Vanguard Target Retirement 2030 Index	5.96	13.55	15.31	11.76	8.79	-	14.36	-0.94	14.61	27.13	-33.41
+/- Index	(0.08)	(0.38)	(0.26)	(0.28)	(0.20)		(0.12)	(0.33)	(0.18)	(0.41)	0.50
US OE Target Date 2026-2030	30	30	36	15	19	-	38	22	33	74	18

Data supplied by Morningstar.

East Bay MUD Retirement Plans (Recently Selected Funds)

Performance Flash Report Through:

9/30/2013

Fund	Annualized						2012	2011	2010	2009	2008
	3mo.	YTD	1YR	3YR	5YR	10YR					
Vanguard Target Retirement 2035 Inv	6.46	14.69	16.77	12.23	8.87	-	15.16	-2.24	15.14	28.17	-34.66
Vanguard Target Retirement 2035 Index	6.48	15.08	16.99	12.51	9.08	-	15.28	-1.91	15.27	28.62	-35.11
+/- Index	(0.02)	(0.39)	(0.22)	(0.28)	(0.21)		(0.12)	(0.33)	(0.13)	(0.45)	0.45
US OE Target Date 2031-2035	45	35	38	14	23	-	40	19	26	64	18
Vanguard Target Retirement 2040 Inv	6.77	15.62	17.75	12.56	9.11	-	15.56	-2.55	15.17	28.32	-34.53
Vanguard Target Retirement 2040 Index	6.79	15.93	17.92	12.82	9.26	-	15.57	-2.11	15.33	28.62	-35.11
+/- Index	(0.02)	(0.31)	(0.17)	(0.26)	(0.15)		(0.01)	(0.44)	(0.16)	(0.30)	0.58
US OE Target Date 2036-2040	33	23	33	11	16	-	31	19	35	77	4
Vanguard Target Retirement 2045 Inv	6.73	15.60	17.70	12.58	9.09	-	15.58	-2.51	15.19	28.15	-34.56
Vanguard Target Retirement 2045 Index	6.79	15.93	17.92	12.82	9.26	-	15.57	-2.11	15.33	28.62	-35.11
+/- Index	(0.06)	(0.33)	(0.22)	(0.24)	(0.17)		0.01	(0.40)	(0.14)	(0.47)	0.55
US OE Target Date 2041-2045	54	31	45	13	21	-	43	14	40	83	11
Vanguard Target Retirement 2050 Inv	6.76	15.59	17.74	12.56	9.10	-	15.58	-2.54	15.20	28.31	-34.62
Vanguard Target Retirement 2050 Index	6.79	15.93	17.92	12.82	9.26	-	15.57	-2.11	15.33	28.62	-35.11
+/- Index	(0.03)	(0.34)	(0.18)	(0.26)	(0.16)		0.01	(0.43)	(0.13)	(0.31)	0.49
US OE Target Date 2046-2050	57	34	44	14	18	-	44	11	35	91	5
Vanguard Target Retirement 2055 Inv	6.78	15.60	17.73	12.71	-	-	15.58	-2.27	-	-	-
Vanguard Target Retirement 2055 Index	6.79	15.93	17.92	12.82	-	-	15.57	-2.11	-	-	-
+/- Index	(0.01)	(0.33)	(0.19)	(0.11)			0.01	(0.16)			
US OE Target Date 2051+	66	40	55	11	-	-	48	9	-	-	-

Data supplied by Morningstar.

EBMUD 401(a) PLAN

INVESTMENT POLICY STATEMENT

East Bay Municipal Utility District

November 20, 2013

**East Bay Municipal Utility District
401(a) PLAN**

STATEMENT OF INVESTMENT POLICIES AND GUIDELINES

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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(a) Plan (the Plan). The Plan is a voluntary, deferred compensation Plan available to eligible employees who are interested in saving for retirement on a tax-advantaged basis. The Plan is also available to District retirees to the extent that they elect to sustain the investments they made in the Plan while employed by the District. The purposes of the Plan is to (1) provide a vehicle for and to encourage additional retirement savings to supplement the retirement benefits provided to District employees, and (2) provide an ongoing vehicle for District retirees.

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 Plan. 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 Plan, plan participant objectives, or other factors relevant to the Plan.

SUMMARY OF RESPONSIBILITIES

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

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

Plan Committee – The Plan 401(a) Advisory Committee selects, monitors and evaluates investment alternatives and investment providers utilized by the 401(a) Plan. It is the intent of the Advisory Committee to fulfill its responsibilities with respect to the Plan 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 Plan, 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.

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 Plan and their assets. In providing advice to the Committee, 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 Plan. 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 Plan. This assistance includes Plan enrollment, communication, education, including providing general investment information to Plan participants regarding the procedures for making investment choices under the Plan and providing general investment information regarding each of the investment options offered under the Plan, 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 Plan is designed to meet the Internal Revenue Code (the Code) requirements, as amended. The Plan 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 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 Plan 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 Plan to foster an investment environment that encourages and facilitates participant efforts to supplement other sources of retirement income. The Plan 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 Plan 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 Plan or their investments.

The primary investment objective of the Plan is to present participants with a range of investment alternative 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 Plan cannot meet all participant investment preferences and attitudes, the Plan attempt to provide investment option products 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 Plan 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 Plan will offer investment categories that have varying return and East Bay Municipal Utility District Deferred Compensation Plan
Statement of Investment Policies and Guidelines

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 Plan assets, the Plan will offer a number of investment alternatives.

In addition to providing a range of investment options, the Plan 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 Plan 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 Plan will be categorized or grouped by similarities in investment objectives, style and risk. The Service Provider(s) may be utilized to assist in determining the categories of investment options. The Plan 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

Plan

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 Plan 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 option products under this Plan option 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 option products under this Plan option are invested primarily in investment grade debt securities with varying maturities.
Balanced, Risk Based or Target Date Funds	Investment option products under this Plan option 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 option products under this Plan option 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 option products under this Plan option 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.
Self-Directed Brokerage Accounts	Under this Plan option, 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 Plan is a defined contribution Plan provided by the District for its employees and retirees. The Committee acknowledges that a defined contribution program can provide a primary method for retirement savings and that individual participants will have differing circumstances and investment objectives. The Plan offers 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 are selected that:

- cover a risk/return spectrum of appropriate investment classes;
- are distinguishable and have distinct risk/return characteristics;
- are well-diversified and professionally managed;
- charge fees that are reasonable for the asset class and investment style; and
- provide, in the aggregate, the participant with the opportunity to structure a portfolio with risk and return characteristics at any point within a normally appropriate range of investment strategies.

In general, the criteria used by the Committee to select investment options for the Plan are the same as the criteria used to evaluate the investment options.

INVESTMENT OPTION REVIEW GUIDELINES AND MONITORING

The Committee will track performance periodically and fully review the investment options at least annually. The annual review will include, but will not be limited to, evaluations of the following for each fund:

- performance vs. appropriate benchmarks (e.g. performance vs. Russell 1000 Growth Index)
- performance vs. appropriate peer groups (e.g. ranking vs. Large Cap Growth fund universe)
- level of volatility and risk
- Investment Manager experience
- consistency of investment strategy and philosophy
- style drift
- fees, including expense ratios, relative to the fund's respective category (e.g. Morningstar peer groups or other appropriate benchmarks)

In addition to the criteria outlined above, certain other extraordinary events may be considered by the Committee in determining whether termination and replacement of funds are warranted. These criteria include:

- changes in ownership, organizational structure, financial condition, and, especially, professional staff of the fund;
- the Investment Manager's involvement in material litigation or fraud;
- client-serving problems (e.g., involving the trustee/recordkeeper) are experienced by Plan participants or Plan Sponsor;
- any other extraordinary event deemed worthy of consideration in the opinion of the Committee.

Each investment option will be compared by the Committee to recognized, appropriate indices (benchmarks), and within universes of investment managers and investment options with similar styles (peer groups). A “benchmark” is defined as an unmanaged group of securities whose overall performance is used as a standard to measure investment performance (e.g. S&P 500 Index, Russell 1000 Index, etc.). A “peer group” is defined as a group of managed funds (indexed and actively managed), grouped together by an independent agent (such as Morningstar or Lipper). Performance will be considered over a full market cycle which is normally measured over a five year period.

INVESTMENT OPTION TERMINATION AND WATCH GUIDELINES

If an investment option under-performs appropriate market indices and peer groups over a full market cycle (generally a five-year period), the Committees will seek to determine to the extent possible why performance has lagged and what corrective actions have been or are being taken by the Investment Manager. The Committee’s review of underperforming funds may also include a review of the fund’s utilization by Plan participants. The Committee may decide to take any of the following courses of action:

Establish a probationary period during which any area of concern will be assessed and, if necessary, corrected. The probationary period will generally last 2-3 calendar quarters and may be extended or reduced at the discretion of the Committee. After the probationary period, the Committee may:

1. Remove the fund from the probationary period if fund performance warrants.
2. Supplement the fund with one or more alternative fund(s) in that category.
3. Replace the investment option with one or more alternative investment options for that category.
4. Map future contributions to one or more alternative funds if current fund has been closed to new investments (“frozen”).
5. Eliminate the fund from the Plan, transfer participant residual balances to alternative fund(s), and map future contributions to the **alternative fund(s)**

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 investmentoption 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 Plan. 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 Plan. 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 Plan this Investment Policy Statement is adopted by the Committee and is effective as of the later of the two dates entered below:

For 401(a) 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 is 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

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.

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.

GLOSSARY - CONTINUED

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

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
Heartland Value	Russell 2000 Value Index	US OE Small Value
Neuberger Berman Genesis	Russell 2000 Index	US OE Small Blend
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
Fidelity Freedom K Income	Custom Index	US OE Retirement Income
Fidelity Freedom K 2000	Custom Index	US OE Target Date 2000-2010
Fidelity Freedom K 2005	Custom Index	US OE Target Date 2000-2010
Fidelity Freedom K 2010	Custom Index	US OE Target Date 2000-2010
Fidelity Freedom K 2015	Custom Index	US OE Target Date 2011-2015

Fidelity Freedom K 2020	Custom Index	US OE Target Date 2016-2020
Fidelity Freedom K 2025	Custom Index	US OE Target Date 2021-2025
Fidelity Freedom K 2030	Custom Index	US OE Target Date 2026-2030
Fidelity Freedom K 2035	Custom Index	US OE Target Date 2031-2035
Fidelity Freedom K 2040	Custom Index	US OE Target Date 2036-2040
Fidelity Freedom K 2045	Custom Index	US OE Target Date 2041-2045
Fidelity Freedom K 2050	Custom Index	US OE Target Date 2046-2050
Fidelity Freedom K 2055	Custom Index	US OE Target Date 2051+

DRAFT

REVENUE SHARING AND EXPENSE PAYMENT POLICY FOR THE EAST BAY MUNICIPAL UTILITY DISTRICT 401(K) TAX DEFERRED SAVINGS PLAN, 457 DEFERRED COMPENSATION PLAN AND TRUST, AND 401(A) PLAN ("THE PLAN")

Revenue Sharing Compensation

The agreements entered into between the East Bay Municipal Utilities District (EBMUD) and Service Providers, may state that a portion of revenue sharing amounts paid to the provider (such as "12b-1 fees") that are attributable to assets held or services provided under the Plan will be remitted by the providers to the Plan. Any such revenue sharing remittances received by the Plan shall be held in ***unallocated trust asset accounts ("Revenue Share Credit Account")*** maintained under the Plan, and thereafter shall be used exclusively for the benefit of Participants and their Beneficiaries and to defray the reasonable expenses of administering and managing the Plan.

Payment of Expenses

All expenses incidental to the administration or protection of the Plan, and the management of the assets of the Plan, shall be paid from the assets of the Plan or by the Plan participants; unless the Plan Sponsor chooses to pay such expenses directly. To the extent permitted by law, the Plan Sponsor may be reimbursed from the Plan for any direct expenses properly and actually incurred in connection with the performance of services for the Plan.

Expenses may be paid or reimbursed from the Revenue Share Account within the guidelines set forth in this policy.

The expenses that may be paid from, or which may be reimbursed to the Plan Sponsor for its payment of, include, and are not limited to, the following:

- (a) Ongoing Plan administrative expenses, such as record keeping, legal, auditing, annual reporting, claims processing and similar administrative expenses;
- (b) Investment advisory, administrative investment or service fees and expenses;
- (c) Costs incurred in preparing, printing and distributing Plan-related documents and other Participant communication materials;
- (d) Costs associated with benefit distributions and transactions;
- (e) Expenses to provide investment assistance and education to Participants; and
- (f) Costs for providing on-going education, including the costs of attending seminars and conferences, for members of the Committee, fiduciaries, and staff with respect to the Plan as necessary or appropriate to assist in the discharge of their responsibilities to the Plan.
- (g) Request for Proposal process, to be done every 3-5 years.

Allocation of Excess Revenue Share Compensation

Excess revenue (amounts in excess of reasonable plan expenses reference above) remaining in the Revenue Share Credit Account may be distributed to Plan participants on a pro-rata or per capita basis, as recommended by majority vote of the Deferred Compensation Advisory Committee.

DRAFT

2013 ANNUAL PLAN ADMINISTRATION AND RECORDKEEPING BUDGET EBMUD 401(K), 457, and 401(a) Deferred Compensation plans

INCOME:	
Revenue Share 2013	\$ 256,742.00 (based on 2012 Yrend balances)
Expenditures:	
Third Party Administrator (TPA)	\$ 120,517.00 .045% of plan assets for 2013 contract
Investment Consultant	\$ 36,000.00 annual (paid quarterly)
Training & Education	\$ 8,000.00 Staff and Committee Members (ex: NAGDCA, P&I, Western Pension Benefits)
RFP - contribution to reserve	\$ 9,000.00 \$45k every 5 years
Misc. - contribution to reserve	\$ 2,000.00 Special Communication Campaigns other out of scope projects
Total Expenses:	\$ 175,517.00
Revenues Minus Expenditures:	\$ 81,225.00
Calculation of Revenue Share Deposits	
Revenue Share 2013	\$ 256,742.00
Third Party Administrator (TPA)	\$ (120,517.00)
Revenue Share Net TPA Fees	\$ 136,225.00

as of 11/13/2013

2012

2013

	Dep/With Date	Attributable Quarter	Dep/With Date	Attributable Quarter
Beginning Balance:	\$0.00		\$19,296.00	
Deposits:				
	\$9,648.00	Jun-12 Q1 12	\$9,648.00	Jan-13 Q3 12
	\$9,648.00	Sep-12 Q2 12	\$9,648.00	Feb-13 Q4 12
			\$34,055.00	May-13 Q1 13
			\$34,055.00	Jul-13 Q2 13
Total 2012 Deposits:	\$19,296.00		\$87,406.00	
Withdrawals:				
			-\$9,000.00	Apr-13 Hyas Q1 2013
			-\$9,000.00	Jul-13 Hyas Q2 2013
			-\$9,000.00	Aug-13 Hyas Q3 2013
Total Withdrawal:	\$0.00		-\$27,000.00	
Ending Balance:	\$19,296.00		\$79,702.00	



**East Bay Municipal Utility District
457, 401(a), and 401(k) Retirement Plans**

Money Market Manager Search

November 2013

Greg Settle
Senior Consultant
gsettle@hyasgroup.com

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Section 1	Summary and Discussion
Section 2	Performance Review of Current and Alternative Options
Section 3	Fact Sheets

Section 1

East Bay Municipal Utility District
457, 401(a), and 401(k) Retirement Plans
Money Market Manager Search – November 2013

DOCUMENT SUMMARY

East Bay Municipal Utility District ("District") currently offers a money market option as a default option for assets moving out of self-directed brokerage accounts in its 457, 401(a), and 401(k) Retirement Plans ("Plans"). The District added the Fidelity Retirement Money Market Portfolio in March of 2013 to serve as this option. This fund is used solely for the purpose of holding monies that are being moved out of the self-directed brokerage option and cannot be selected as a stand-alone investment option. As such is unlikely to constitute a significant portion of the Plans' assets. In follow-up of that decision, this manager search report has been prepared to serve as a formal due diligence document to either confirm the initial adoption of the Fidelity Retirement Money Market Portfolio or to select an alternative option.

East Bay Municipal Utility District

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

Money Market Manager Search – November 2013

Options:

Fidelity Government Money Market: The fund seeks a high level of current income consistent with liquidity and capital preservation. The fund primarily invests at least 80% of its assets in US Government securities and agreements to purchase these securities. Currently, the fund is primarily invested in securities issued by instrumentalities of the US Government and has a smaller allocation to US Treasury securities. Due to its focus on securities that are supported by US Government entities, some of which enjoy support of the US Treasury, the fund offers a relatively high degree of credit strength. However, an option such as this may provide slightly lower returns over a full market cycle as these securities typically entail a premium that is commensurate with their high level of credit quality.

Fidelity Retirement Money Market (current option): The fund seeks to obtain as high a level of current income as is consistent with the preservation of capital and liquidity by investing in U.S. dollar-denominated money market securities of domestic and foreign issuers and repurchase agreements. The fund may invest more than 25% of total assets in the financial services industries and will invest in compliance with industry-standard regulatory requirements for money market funds for the quality, maturity, and diversification of investments. The fund may potentially enter into reverse repurchase agreements.

Vanguard Prime Money Market: The fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities. The fund will maintain a dollar-weighted average maturity of 90 days or less.

East Bay Municipal Utility District
457, 401(a), and 401(k) Retirement Plans

Money Market Manager Search – November 2013

Peer Group Rankings (as of 9/30/2013):

(median or better noted in green, 1=best)

Fidelity Government Money Market

Fidelity Retirement Money Market

Vanguard Prime Money Market

1 Yr	3 Yr	5 Yr	7 Yr	2012	2011	2010	2009	2008	2007
42	44	31	32	58	47	49	22	33	34
42	42	9	9	58	47	38	3	4	19
20	17	9	11	18	14	18	6	12	14

FUND COST / SHARE CLASSES

Investment Option	Ticker	Expense Ratio	Revenue Share
Fidelity Government Money Market	FGMXX	0.17%	0.20%
Fidelity Retirement Money Market	FRTXX	0.31%	0.20%
Vanguard Prime Money Market	VMMXX	0.16%	0.00%

Section 2

East Bay Municipal Utility District
Money Market Fund Search
November 2013

Fund Operations

Ticker	Inception Date	Manager Name	Longest Tenured Manager Start Date	Management Fee	Net Expense Ratio	Fund Size
Fidelity Money: Retirement Govt MMkt FGMXX	12/16/1988	Management Team	10/30/2006	0.42	0.17	3,934,704,359
Fidelity Retirement Money Market FRTXX	12/2/1988	Management Team	10/30/2006	0.42	0.31	14,181,159,723
Vanguard Prime Money Market Inv VMMXX	6/4/1975	David R. Glocke	7/1/2003	0.13	0.16	131,326,229,811
US Money Market-Taxable	10/1/1972				0.18	

Portfolio Asset Allocation

Portfolio Date	# of Holdings	% Top 10	Cash % (Net)	Equity % (Net)	Bond % (Net)	Other % (Net)
Fidelity Money: Retirement Govt MMkt 8/31/2013	31	86.02	50.65	0.00	51.37	-2.03
Fidelity Retirement Money Market 8/31/2013	143	38.77	97.63	0.00	2.52	-0.15
Vanguard Prime Money Market Inv 5/31/2013	555	18.20	94.39	0.00	2.76	2.85

Source: Morningstar Direct

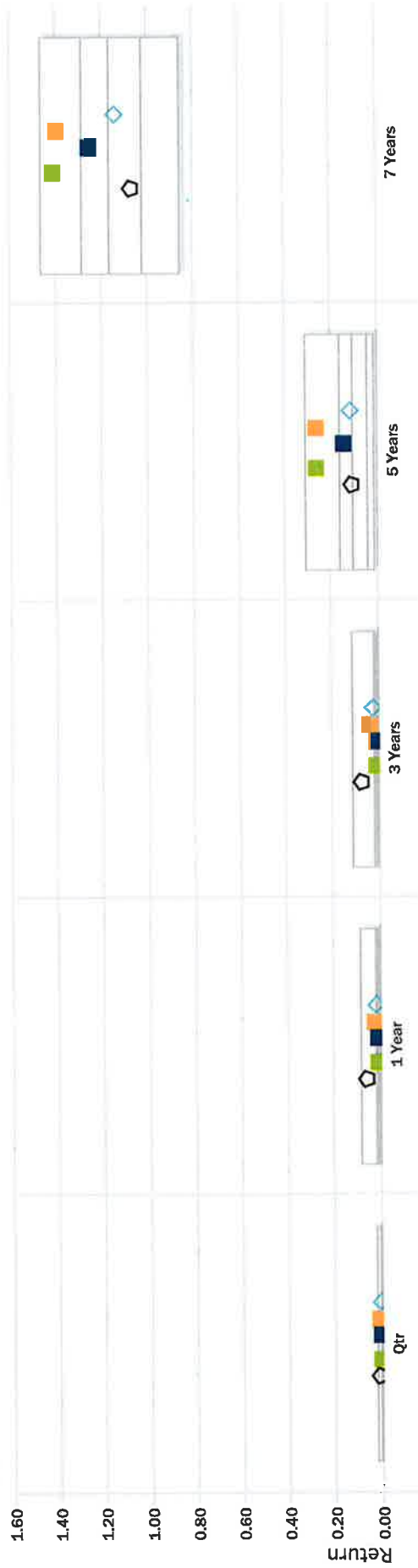
East Bay Municipal Utility District

Money Market Fund Search

November 2013

Performance Relative to Peer Group

Peer Group (5-95%): Money Market Funds - U.S. - Money Market-Taxable



■ Fidelity Money: Retirement Govt MMkt
 ◇ USTREAS Stat US T-Bill 90 Day TR

■ Fidelity Retirement Money Market
 ◇ US Money Market-Taxable

■ Vanguard Prime Money Market Inv

Trailing Returns -

Data Point: Return

	Qtr	Peer group percentile	1 Year	Peer group percentile	3 Years	Peer group percentile	5 Years	Peer group percentile	7 Years	Peer group percentile
Fidelity Money: Retirement Govt MMkt	0.003	55	0.010	42	0.011	44	0.148	31	1.255	32
Fidelity Retirement Money Market	0.003	55	0.010	42	0.011	42	0.269	9	1.410	9
Vanguard Prime Money Market Inv	0.012	7	0.025	20	0.039	17	0.267	9	1.399	11
USTREAS Stat US T-Bill 90 Day TR	0.008	11	0.062	9	0.073	10	0.113	45	1.069	69
US Money Market-Taxable	0.003	20	0.019	26	0.029	20	0.117	43	1.145	54

Source: Morningstar Direct

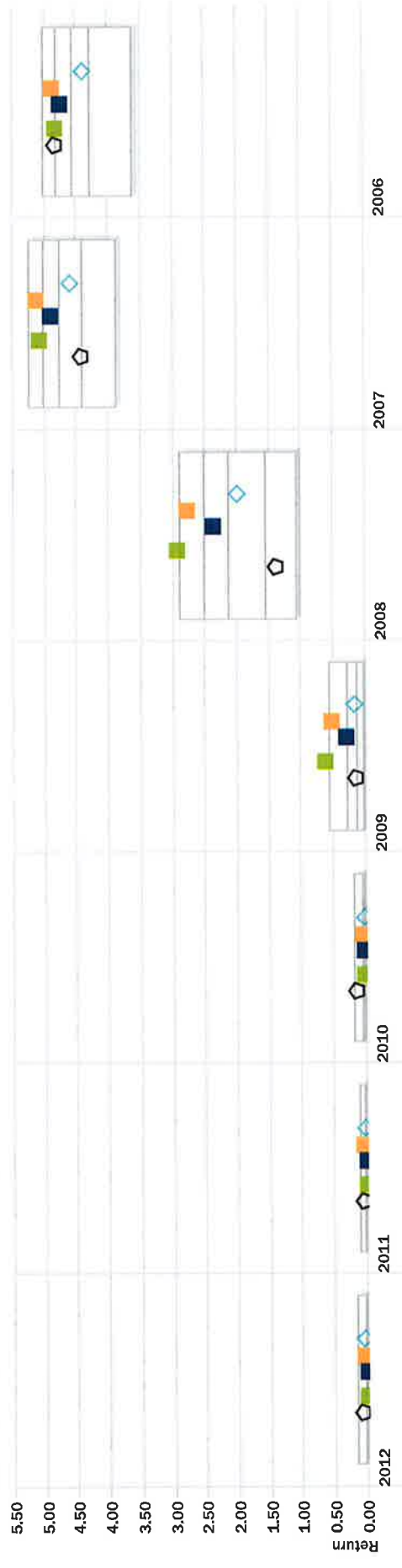
East Bay Municipal Utility District

Money Market Fund Search

November 2013

Performance Relative to Peer Group

Peer Group (5-95%); Money Market Funds - U.S. - Money Market-Taxable



Calendar Year Returns

Data Point: Return

	2012	2011	2010	2009	2008	2007	2006	Peer group percentile
Fidelity Money: Retirement Govt MMkt	0.01	0.01	0.01	0.29	2.37	4.90	4.77	31
Fidelity Retirement Money Market	0.01	0.01	0.02	0.63	2.93	5.09	4.85	22
Vanguard Prime Money Market Inv	0.04	0.04	0.06	0.53	2.77	5.14	4.88	19
US TREAS Stat US T-Bill 90 Day TR	0.08	0.06	0.14	0.16	1.39	4.44	4.85	22
US Money Market-Taxable	0.04	0.02	0.03	0.18	2.01	4.62	4.41	65

Source: Morningstar Direct

East Bay Municipal Utility District
Money Market Fund Search
November 2013

Performance Statistics - 3 Years

Time Period: 7/1/2010 to 6/30/2013

	Up Months Percent	Down Period Percent	Std Dev	Sharpe Ratio	Best Quarter	Worst Quarter	Up Capture Ratio	Down Capture Ratio
Fidelity Money: Retirement Govt MMkt	100.00	0.00	0.00	-5.78	0.00	0.00	13	
Fidelity Retirement Money Market	100.00	0.00	0.00	-5.95	0.01	0.00	15	
Vanguard Prime Money Market Inv	100.00	0.00	0.01	-3.92	0.03	0.00	54	
USTREAS Stat US T-Bill 90 Day TR	100.00	0.00	0.01	-0.47	0.04	0.00	100	
US Money Market-Taxable	100.00	0.00	0.01	-3.84	0.02	0.00	38	

Performance Statistics - 5 Years

Time Period: 7/1/2008 to 6/30/2013

	Up Period Percent	Down Period Percent	Std Dev	Sharpe Ratio	Best Quarter	Worst Quarter	Up Capture Ratio	Down Capture Ratio
Fidelity Money: Retirement Govt MMkt	100.00	0.00	0.17	0.55	0.52	0.00	135	
Fidelity Retirement Money Market	100.00	0.00	0.24	1.13	0.67	0.00	211	
Vanguard Prime Money Market Inv	100.00	0.00	0.22	1.09	0.64	0.00	201	
USTREAS Stat US T-Bill 90 Day TR	100.00	0.00	0.09	-0.81	0.38	0.00	100	
US Money Market-Taxable	100.00	0.00	0.13	0.12	0.45	0.00	111	

Performance Statistics - 10 Years

Time Period: 7/1/2003 to 6/30/2013

	Up Period Percent	Down Period Percent	Std Dev	Sharpe Ratio	Best Quarter	Worst Quarter	Up Capture Ratio	Down Capture Ratio
Fidelity Money: Retirement Govt MMkt	100.00	0.00	0.54	-0.32	1.27	0.00	102	
Fidelity Retirement Money Market	100.00	0.00	0.55	0.49	1.31	0.00	110	
Vanguard Prime Money Market Inv	100.00	0.00	0.55	0.55	1.29	0.00	110	
USTREAS Stat US T-Bill 90 Day TR	100.00	0.00	0.52	-1.86	1.26	0.00	100	
US Money Market-Taxable	100.00	0.00	0.50	-1.69	1.18	0.00	92	

Source: Morningstar Direct

Section 3

Fidelity[®] Money Market Trust Retirement Money Market Portfolio

Fund Manager: Michael Widrig (Since 9/2008)

Ticker: FRTXX

Fund Goal

Seeks to provide as high a level of current income as is consistent with the preservation of principal and liquidity.

Fund Strategy

Investing in U.S. dollar-denominated money market securities of domestic and foreign issuers and repurchase agreements. Investing more than 25% of total assets in the financial services industries. Potentially entering into reverse repurchase agreements.

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To obtain the most recent month-end performance, please call Fidelity or visit fidelity.com/performance.

Standard Time Period – as of 9/30/2013

	Cumulative Returns (%)					Average Annual Returns (%)				
	YTD	3 Mo	1 Mo July	1 Mo Aug	1 Mo Sept	1 Yr	3 Yr	5 Yr	10 Yr	LOF
Fund	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.27	1.76	3.67

Fund Inception: 12/02/1988

7-Day Yield (as of 9/30/13): 0.01%

7-Day Yield Without Subsidy** (as of 9/30/13): -0.18%

The current yield of the money market mutual fund listed above reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Calendar Year Returns (%)

	2012	2011	2010	2009	2008	2007	2006
Fund	0.01	0.01	0.02	0.63	2.93	5.12	4.82

Expense Ratio after Reductions as of 10/31/12: 0.42%

The most current Annual or Semi-Annual Report as of 02/28/2013 reflects a net expense ratio of 0.34%. Prospectus expenses shown above may not include certain voluntary caps and waivers that reduce the actual expenses of the fund. The voluntary waivers and caps can be discontinued at any time.

Expense Ratio is after reductions and is an annualized figure which reflects amounts reimbursed by the fund company or reductions from brokerage service arrangements or other expense offset arrangements. For Fidelity Funds, it is from the fund's most current annual or semiannual report. This figure represents the net expenses paid by the fund.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The returns of funds with reimbursed expenses would be lower than if their expenses had not been reimbursed.

****** The yield without applicable waivers or reimbursements, whenever Fidelity is subsidizing all or a portion of the fund's expenses as of the current reporting period. Absent such waivers or reimbursements, the returns would have been lower. Waivers and/or reimbursements may be discontinued any time.

Composition by Instrument (%)

Instrument	9/30/13
Treasury Debt	6.87
Government Agency Debt	4.63
Asset Backed Commercial Paper	1.23
Financial Company Commercial Paper	13.35
Other Commercial Paper	3.71
Certificates of Deposit	46.23
Insurance Company Funding Agreements	0.00
Other Notes	3.16
Treasury Repurchase Agreements	1.94
Government Agency Repurchase Agreements	9.44
Other Repurchase Agreements	8.16
Variable Rate Demand Notes	0.18
Other Municipal Debt	0.45
Investment Companies	0.00
Other Instruments	0.63
Net Other Assets	0.02

Composition by Instrument is as of the date indicated and may not be representative of the fund's current or future investments

Composition by Quality (%)

Quality	9/30/13
First Tier	97.14
Second Tier	2.86

A First Tier security is a money market fund eligible security whose credit rating falls in the highest short-term rating category of the Nationally Recognized Statistical Rating Organizations. An unrated security is First Tier if it represents comparable quality to a rated security as defined by SEC Rule 2a-7 under the Investment Company Act of 1940 ("Rule 2a-7"). Government securities, as defined by Rule 2a-7, are also considered First Tier securities.

A Second Tier security is a money market fund eligible security that is not a First Tier security.

Weighted Average Maturity (as of 9/30/13): 52 Days

Total Net Assets (as of 9/30/13): \$ 14,179.8 Million

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.

Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Interest rate increases can cause the price of a money market security to decrease

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Source: FMR Co.

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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.

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Fidelity[®] Money Market Trust Retirement Government Money Market Portfolio

Fund Manager: Kevin Gaffney (Since 4/2012)

Ticker: FGMXX

Fund Goal

Seeks as high a level of current income as is consistent with the security of principal and liquidity.

Fund Strategy

Normally investing at least 80% of assets in U.S. Government securities and repurchase agreements for those securities. Potentially entering into reverse repurchase agreements.

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To obtain the most recent month-end performance, please call Fidelity or visit fidelity.com/performance.

Standard Time Period – as of 9/30/2013

	Cumulative Returns (%)					Average Annual Returns (%)				
	YTD	3 Mo	1 Mo July	1 Mo Aug	1 Mo Sept	1 Yr	3 Yr	5 Yr	10 Yr	LOF
Fund	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.15	1.63	3.56

Fund Inception: 12/16/1988

7-Day Yield (as of 9/30/13): 0.01%

7-Day Yield Without Subsidy** (as of 9/30/13): -0.30%

The current yield of the money market mutual fund listed above reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Calendar Year Returns (%)

	2012	2011	2010	2009	2008	2007	2006
Fund	0.01	0.01	0.01	0.29	2.37	4.93	4.74

Expense Ratio as of 10/31/2012: 0.42%

The most current Annual or Semi-Annual Report as of 02/28/2013 reflects a net expense ratio of 0.20%. Prospectus expenses shown above may not include certain voluntary caps and waivers that reduce the actual expenses of the fund. The voluntary waivers and caps can be discontinued at any time.

Expense Ratio is after reductions and is an annualized figure which reflects amounts reimbursed by the fund company or reductions from brokerage service arrangements or other expense offset arrangements. For Fidelity Funds, it is from the fund's most current annual or semiannual report. This figure represents the net expenses paid by the fund.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The returns of funds with reimbursed expenses would be lower than if their expenses had not been reimbursed.

*** The yield without applicable waivers or reimbursements, whenever Fidelity is subsidizing all or a portion of the fund's expenses as of the current reporting period. Absent such waivers or reimbursements, the returns would have been lower. Waivers and/or reimbursements may be discontinued any time.*

Composition by Instrument (%)

Instrument	9/30/13
U.S. Treasury Bills	0.00
U.S. Treasury Coupons	6.44
U.S. Treasury Strips	0.00
U.S. Treasury Inflation-Protected Securities	0.00
Agency Fixed Rate Securities	36.31
Agency Floating Rate Securities	12.11
Repurchase Agreements	46.28
Other Money Market Investments	0.00
Net Other Assets	-1.14

Composition by Instrument is as of the date indicated and may not be representative of the fund's current or future investments

Weighted Average Maturity (as of 9/30/13): 56 Days

Total Net Assets (as of 9/30/13): \$3,997.1 Million

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.

Interest rate increases can cause the price of money market securities to decrease.

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Source: FMR Co.

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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.

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Vanguard®

Vanguard Prime Money Market Fund

Investor Shares

Money market fund

Investment objective

Vanguard Prime Money Market Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

Investment strategy

The fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to those in the two highest credit-quality categories. The fund will invest more than 25% of its assets in securities issued by companies in the financial services industry. The fund will maintain a dollar-weighted average maturity of 60 days or less.

See reverse side for Fund Profile.

Who should invest

- Investors seeking interest income and a stable share price.
- Investors seeking liquidity (the ability to convert assets into cash).

Who should not invest

- Investors seeking long-term growth of capital.

Total net assets: \$103,449 million

Expense ratio: 0.16%
as of December 28, 2012

Ticker symbol: VMMXX

Newspaper listing: VangPr

Inception date: June 4, 1975

Fund number: 0030

Overall risk level:

Conservative Moderate Aggressive

1

2

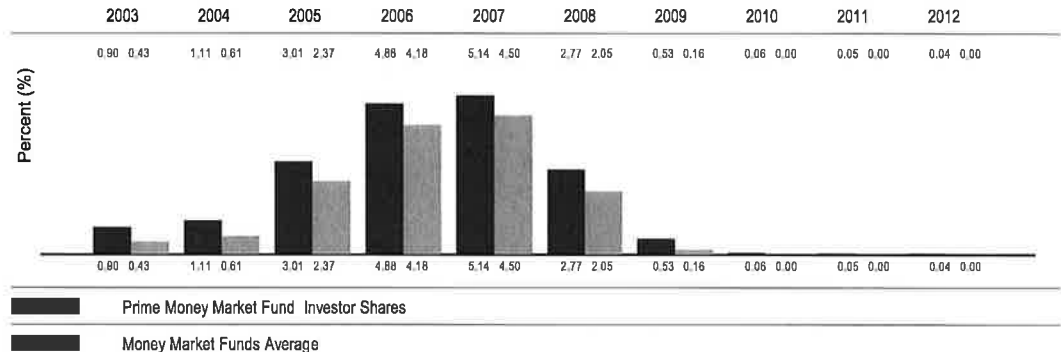
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Performance

Annual returns 2003–2012



Total returns

Periods Ended September 30, 2013

	7-Day SEC Yield*	Quarter	Year to Date	One Year	Three Years	Five Years	Ten Years
Prime Money Market Fund Investor Shares	0.01%	0.01%	0.02%	0.02%	0.04%	0.27%	1.76%
Money Market Funds Average	—	0.00%	0.00%	0.00%	0.00%	0.10%	1.38%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns will fluctuate. 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.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses. Money Market Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

*Seven-day current yield net of expenses. The yield quotation more closely reflects the current earnings of the fund than the total return quotation.

Vanguard Prime Money Market Fund

Investor Shares

Plain talk about risk

The fund is designed for investors with a low tolerance for risk; however, the fund's performance could be hurt by:

Income risk: The chance that the fund's income will decline because of falling interest rates. Because the fund's income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.

Manager risk: The chance that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Credit risk: The chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the fund because it invests only in securities that are considered to be of high quality.

Industry concentration risk: The chance that there will be overall problems affecting a particular industry. Because the fund will invest more than 25% of its assets in securities of companies in the financial services industry, the fund's performance will depend to a greater extent on the overall condition of that industry.

Investment terms

Expenses: The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

Interest: Payments made by a company, a government, or a government agency to investors who lend them money. For example, an investor buys a bond from a company, which agrees to pay back the loan by a certain date at a set rate.

Mutual fund: An investment company that pools the money of many shareholders and invests it in a variety of securities in an effort to achieve a specific objective over time.

Total return: The change in the net asset value of an investment, assuming reinvestment of all dividend and capital gain distributions.

Fund profile

as of September 30, 2013

Distribution by issuer—Bonds

Bankers Acceptances	0.0%
Certificates of Deposit	3.9
U.S. Commercial Paper	10.8
Other	3.2
Repurchase Agreements	0.1
U.S. Govt. Obligations	23.5
U.S. Treasury Bills	22.6
Yankee/Foreign	35.9

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

For more information about Vanguard funds, visit vanguard.com or call 800-523-1188 to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.

Investment Products:
• Not FDIC Insured
• No Bank Guarantee
• May Lose Value