AGENDA

EBMUD 401(A) ADVISORY COMMITTEE

ADMINISTRATION BUILDING
BOARDROOM ANNEX
THURSDAY, NOVEMBER 1, 2012
(Immediately following the 401(k)/457 Meeting)

1. **ROLL CALL**

2. **PUBLIC COMMENT**

3. **INTRODUCTION OF HYAS GROUP**

4. **STABLE VALUE FUND*^**

5. **ITEMS TO BE CALENDARED FOR FUTURE MEETINGS***

^ action
*** discussion**

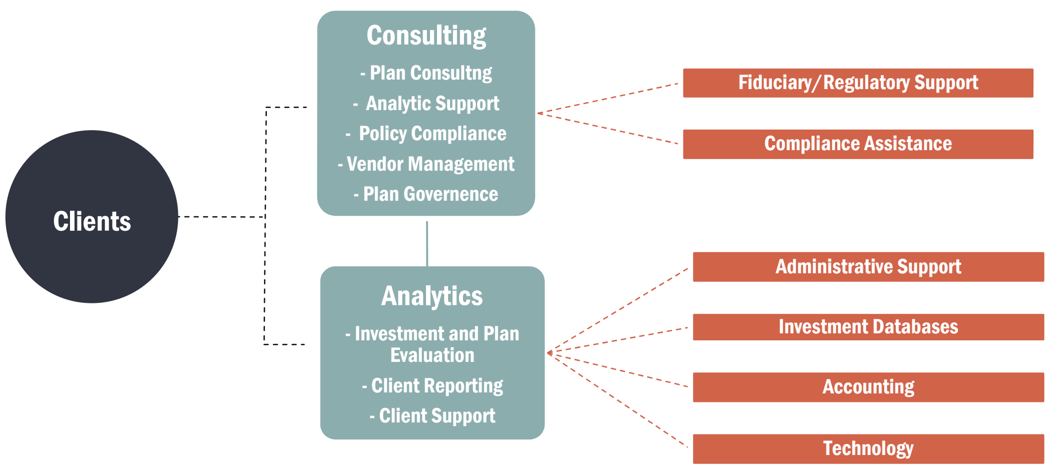
EAST BAY MUNICIPAL UTILITY DISTRICT
Retirement Plans Committee – October 2012

ABOUT THE HYAS GROUP

The Hyas Group is an independent investment consulting firm that provides services to defined contribution and defined benefit retirement plan clients. The firm was created in 2008. The firm is structured as a Limited Liability Company (LLC) and is wholly owned by three senior consulting partners. The firm has only one line of business, the institutional investment consulting business.

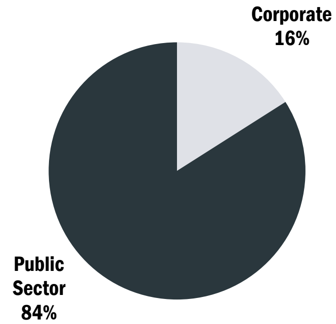
The Hyas Group's senior staff has been serving clients in an institutional investment consulting capacity for an average of over 15 years and the firm has been providing investment consulting services since its founding. The Hyas Group currently advises 54 clients with approximately $7 billion in total client assets. Governmental, corporate, and non-profit plan sponsors have all sought the analytical skills and fiduciary support services offered by the firm.

The overall organizational structure is summarized as follows:

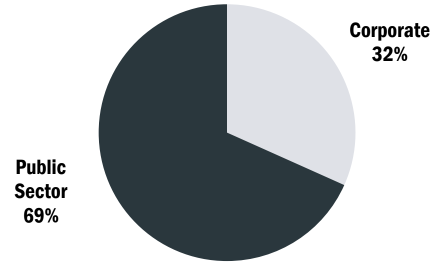


The Hyas Group has a specific focus on the public sector and the firm benefits from having professionals that have served the public sector 457/401(a)/401(k) plan industry for decades. In fact, one of the key driving factors in the founding of the firm was the desire to produce value by utilizing those years of experience, and to provide an array of well-executed services that truly fit clients' needs. The current breakdown by client type is provided as follows:

By Client Type



By Total Assets



Greg Settle, Senior Consultant, will serve as the primary consultant for East Bay MUD, and is joined by **Jayson Davidson, CFA** as the co-consultant. Greg will be responsible for marshaling the firm's resources and ensuring that all of East Bay MUD's servicing requirements are met. Greg will conduct all face-to-face meetings and deliver the firm's analysis and other work product. Jayson Davidson will serve as co-consultant and serve the Committee in the event of Greg's absence. Greg and Jayson are exceptionally well prepared to serve the Plan. They recently completed assisting East Bay MUD with the process of conducting the RFP for Third Party Administrator, and negotiating the new, revised fees with Fidelity.

Assisting Greg and Jayson in their work will be a strong and experienced analytical team:

Brian Loescher, CFA is the Chief Investment Officer and serves as the Director of Research for the Hyas Group. He is responsible for leading the firm's investment research efforts and marshaling resources to effectively analyze current and prospective client investment options. Mr. Loescher has well over a decade of experience in the Director of Research position, and he has earned the right to use the Chartered Financial Analyst (CFA) designation. He holds a Bachelor's in Business Finance from the University of Nebraska.

Dale Parker is the Chief Operating Officer and Senior Analyst for the Hyas Group. Mr. Parker will serve as the analytical project lead for East Bay MUD, leveraging his deep industry expertise in analyzing pricing and platform structure as well as investment vehicles. Mr. Parker's professional career began in 1989 at Qualivest Capital Management, the subsidiary investment unit of U.S. Bancorp that managed over $10 billion in client assets. Mr. Parker holds a Bachelor of Science degree in Finance/Law from Portland State University.

Tom Breaden, CFA is a Senior Analyst and is responsible for contributing to a variety of projects including plan and vendor analyses, manager due diligence and research, production of investment performance reports, asset allocation work, and other initiatives. Tom has over six years of experience in working with Plans like East Bay MUD's and graduated Phi Beta Kappa from the University of Oregon with dual majors in History and Economics, and received a Master of Science in Economics from Portland State University.

Christy Bennett is a Senior Analyst for the Hyas Group. She is responsible for supporting the firm's research functions and she serves as an additional project lead for manager, vendor and custodian evaluation projects. She is also tasked with providing support for the Hyas Group's performance reporting responsibilities and operational requirements. Ms. Bennett has over ten years' experience in serving governmental DC plans, and graduated with a degree in Business Management with an emphasis in Finance from the University of Oregon.

HYAS GROUP CONSULTANT BIOGRAPHIES:

Gregory Settle is a Senior Retirement Plan and Investment Consultant for the Hyas Group. He has over 27 years of experience working in the design, implementation and operation of the 457 and 401 plans of public employers. His work is focused on helping plan sponsors to design and implement plan design solutions that will result in tangible improvements in participant outcomes. He assists with the construction of optimized investment menu's, appropriate and effective participant services platforms, and fee and expense review and control programs. He has also led multiple public employers through comprehensive RFP/provider search processes and investment manager searches. Prior to joining the Hyas Group in 2010 Mr. Settle was an investment consultant and vice president with Aon Investment Consulting (AIC) in Seattle, where he consulted to retirement plans and led the AIC Stable Value Investment Research Team. His career has also included serving in management positions with several defined contribution plan record-keepers and investment managers.

Mr. Settle is a long term member of NAGDCA and has served on the NAGDCA Investment Policy Committee, Conference Committee and Survey Committee. He has spoken about retirement plan oversight at the annual NAGDCA National Conference and to State and Regional gatherings of the GFOA and ICMA. He graduated from Portland State University School of Business with a BS (honors) in Finance/Law in 1983, and has passed the CFA Level I Exam. He has also passed the FINRA Series 7, 63, 65 and 28(Principal) Exams, and is a frequent speaker at the conferences of governmental finance and human resource professionals.

Jayson Davidson, CFA is a Managing Partner and the Director of Consulting Services for the Hyas Group. He is responsible for providing a wide range of consulting services to the firm's corporate, governmental and non-profit defined contribution retirement plan clients. He also advises defined benefit pension plan boards, VEBA trusts and other healthcare savings plan committees. Mr. Davidson assists plan sponsors with a variety of functions including on-going investment monitoring and due diligence, vendor analysis, investment manager searches, fee analysis and negotiations, Request for Proposal (RFP) construction, investment policy statement development, plan design and legal/regulatory requirements. He frequently lectures at industry conferences on topics such as fiduciary responsibility, target-date fund trends, ideal plan design and retirement plan fees and expenses.

Prior to joining the Hyas Group, Mr. Davidson served as a senior investment consultant at Arnerich Massena & Associates. During his six year tenure, he helped develop the firm's corporate and governmental defined contribution plan practice, which served over 70 clients and $15 billion in assets. He also managed the majority of the firm's vendor review and search related projects. Prior to Arnerich Massena, Mr. Davidson served as Vice-President for the Western United States division of ICMA Retirement Corporation. He was responsible for new client relationships and provider transitions for 401(k), 457 and 401(a) plans.

Mr. Davidson graduated *cum laude* from the University of California at Berkeley with a Bachelor of Science degree in Economics. He has passed the FINRA Series 6, 63 and 65 exams and has earned the right to use the Chartered Financial Analyst (CFA) designation. Additionally, he is a member of the Charter Financial Analyst (CFA) Institute and the National Association of Government Defined Contribution Administrators (NAGDCA).

CURRENT LIST OF REPRESENTATIVE HYAS GROUP GOVERNMENTAL CLIENTS

Client (alpha order)	**Location**	**Plan Type(s)**	**Plan Assets**
Alaska Railroad	Alaska	401(k), pension, OPEB	$208 million
City of Buena Park	California	457, 401(a), PST	$30 million
Benton County Public Utility District	Washington	457, 401(a)	$20 million
City of Corvallis	Oregon	457, 401(a)	$23 million
City of Eugene	Oregon	457	$93 million
City of Kent	Washington	457	$45 million
City of Long Beach	California	457	$370 million
City of Oakland	California	457, PST	$325 million
City of Pasadena	California	457	$200 million
City of Pittsburg	California	457	$10 million
City of Portland	Oregon	457	$370 million
City of Renton	Washington	457	$40 million
City of Richland	Washington	457, 401(a)	$45 million
City of Richland Fire	Washington	457	$3 million
City of Santa Monica	California	457	$150 million
City of Shoreline	Washington	457, 401(a)	$23 million
City of Spokane	Washington	457	$140 million
City of Tacoma	Washington	457	$275 million
City of Tucson	Arizona	457	$210 million
City of Wichita	Kansas	457	$60 million
Clean Water Services	Oregon	457	$13 million
Colorado Springs Cemetery	Colorado	Endowment	$9 million
East Bay Municipal Utility District	California	457, 401(k), 401(a)	$250 million
Eastern Municipal Water District	California	457, 401(a)	$45 million
East Oregonian Publishing Company	Oregon	401(k)	$10 million
Everett School District	Washington	VEBA	$10 million
Franklin Public Utility District	Washington	457, 401(a)	$10 million
Grays Harbor Public Utility District	Washington	457, 401(a)	$20 million
IBEW Electrical Workers	Oregon	VEBA	$5 million
InFocus Corporation	Oregon	401(k)	$40 million
Irvine Ranch Water District	California	457, 401(a)	$40 million
King County	Washington	457	$560 million
Lane Council of Governments	Oregon	457	$15 million
Lane County	Oregon	457	$70 million
Lattice Semiconductor Corporation	Oregon	401	$85 million
Mason Public Utility District	Washington	OPEB	$7 million
McMinnville Power and Light	Oregon	457	$2 million
Metro Portland	Oregon	457, 401(a)	$55 million
Metropolitan Water Authority	California	457, 401(k)	$355 million
Oregon Museum of Science and Industry	Oregon	403(b)	$4 million
Orange County Fire Authority	California	457	$115 million
Port of Seattle	Washington	457, 401(a)	$132 million
Port of Tacoma	Washington	457, 401(a)	$20 million
San Diego Water District	California	457, 401(a)	$30 million
Santa Cruz County	California	457	$110 million
Sonoma County	California	457, 401(a)	$230 million

Client (alpha order)	**Location**	**Plan Type(s)**	**Plan Assets**
Spokane Employees' Retirement	Washington	Pension	$232 million
Spokane Fire Pension	Washington	Pension	$25 million
Symantec Corporation	California	401(k), DCP	$900 million
Synopsys Incorporated	California	401(k), DCP	$700 million
Tonkon Torp LLP	Oregon	401(k)	$56 million
Tri-Met	Oregon	457, 401(a)	$100 million
Umpqua Holdings Corporation	Oregon	401(k)	$95 million
Wieden + Kennedy	Oregon	401(k)	$70 million

*List includes project and retainer clients. It is not known whether any of the above clients approve or disapprove of the services provided by the Hyas Group.

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

Stable Value Manager Search

November 2012

Greg Settle
Senior Consultant
gsettle@hyasgroup.com

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

Stable Value Manager Search - November 2012

Stable Value Manager Search

Summary: The Stable Value asset class offers participants the potential to earn a return above a traditional money market fund while guaranteeing liquidity at book value. A Stable Value fund operates by having the fund manager purchase short- and intermediate-duration securities, guaranteed investment contracts with financial companies, and other fixed income investments. The fund manager will then contract with a bank or insurance company to “wrap” the assets for a fee. The wrap insures investors against loss of principal that may stem from default or inopportune selling. As such, a Stable Value fund has the potential to offer investors a yield that typically exceeds that of a money market fund, while insuring against loss of principal. Capacity in the Stable Value marketplace has decreased substantially as a result of the 2008 financial crisis. Insurers and banks have become more stringent with their risk-controls and have generally been less willing to “wrap” Stable Value assets. Yields on most investment-grade fixed income securities have generally declined over the past few years, reducing return potential. Stable Value managers have reacted to this situation in a variety of ways; some have closed their funds to new investors to protect yields for existing clients, others have stayed open but directed a greater portion of assets into cash and other low yielding investments, driving down yields for existing investors, and others have pursued more conservative investment policies in order to meet the increasingly stringent credit controls of wrap providers (also generally leading to decreased yields). Overall, the trend has been towards lower yields and decreased investment opportunity, though there has been ongoing speculation that US and possibly foreign financial institutions may increase wrap capacity as their balance sheets improve.

The East Bay Municipal Utility District 457, 401(a), and 401(k) Retirement Plans (Plans) utilize the Fidelity Managed Income Portfolio II (MIP), which is described below, as a Stable Value investment option. Over the past several years, MIP has generally lagged most intermediate-term fixed income and Stable Value alternatives. Fund performance relative to a 5 Year Constant Maturity Treasury Index (a broadly used benchmark for Stable Value investments), the Barclays 1-5 Year Government/Credit A+ Index (the fund’s internal benchmark) and relative to peers is provided below; all of which indicate that fund performance has been below par for a lengthy period. Given the option’s persistent underperformance and the availability of other competitive, low-cost alternatives, the Hyas Group has performed a manager search in the asset class.

East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

	2Q2012	YTD	1Yr	3Yrs	5Yrs	10Yrs	2011	2010	2009	2008	2007	2006
Fidelity MIP II (gross)	**0.42**	**0.87**	**1.80**	**1.81**	**2.65**	**3.55**	**1.83**	**1.93**	**2.11**	**4.09**	**4.76**	**4.43**
Fidelity MIP II (net 0.49%)	**0.30**	**0.62**	**1.31**	**1.32**	**2.16**	**3.06**	**1.34**	**1.44**	**1.62**	**3.60**	**4.27**	**3.94**
5Yr Constant Maturity US Treasury (CMT)	0.19	0.42	0.95	1.68	2.17	2.99	1.52	1.93	2.19	2.79	4.35	4.74
Barclays 1-5 Yr. Govt/Credit A+	0.58	0.96	2.36	3.35	4.53	3.97	3.07	3.89	3.23	6.04	7.48	4.15
90 Day US T-Bill	0.02	0.04	0.05	0.10	0.74	1.74	0.06	0.15	0.16	1.39	4.44	4.85
+/- CMT Index (net)	0.11	0.20	0.36	(0.36)	(0.01)	0.07	(0.18)	(0.49)	(0.57)	0.81	(0.08)	(0.80)
+/- Barclays Index (net)	(0.28)	(0.34)	(1.05)	(2.03)	(2.37)	(0.91)	(1.73)	(2.45)	(1.61)	(2.44)	(3.21)	(0.21)
Peer Group Ranking (gross)	**84**	**81**	**80**	**87**	**86**	**82**	**79**	**80**	**86**	**81**	**90**	**95**

Based of performance provided by Morningstar and the fund's current fee of 0.49% that is paid by the Plans. Returns are as of 2Q2012.

See Stable Value Manager Peer Group Definition and Performance Ranking discussion at the end of this document.

Section 2

East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

Current Investment Managers:

Fidelity Managed Income Portfolio: The Fidelity Managed Income Portfolio is internally managed by Fidelity's fixed income research and trading team. Management has taken a highly conservative bent towards portfolio construction over the past few years, particularly with regard to maintaining liquidity and wrap capacity. Guaranteed investment contracts, which are typically issued by insurance companies and do not trade on a secondary market, have been avoided, due in part to concerns about credit quality and liquidity. While this strategy may have provided investors with a relatively strong liquidity profile, it has also detracted from performance as the fixed-rates on these contracts have been beneficial in what has been an environment of falling interest rates. Also, management has taken a conservative stance in terms of portfolio credit quality (namely US Treasury securities), largely at the behest of its wrap providers, which again has detracted from overall yield as these bonds offer relatively low yields. Interestingly, where most Stable Value funds have seen yields decline largely due to inflows going into cash investments, the fund's relatively low yield is attributable to being invested in highly conservative fixed income investments. In terms of managing interest rate sensitivity, the fund, at most times maintains a duration that is comparable to its internal benchmark the Barclays 1-5 Year Government/Credit A+ Index (the duration of the fund and benchmark both are currently approximately 2.6 years). Though the end result has been low-yields, the fund has retained capacity with wrap providers, while maintaining low balances in cash. Fidelity has noted that obtaining wrap capacity in the current environment has come with the cost of adhering to highly restrictive investment constraints, though the wrap market has shown signs of loosening up. Management has also taken steps to increase exposure to non-Treasury securities such as corporate bonds, asset-backed securities, and commercial mortgage backed securities. These actions may marginally give the fund more sector diversification and an improved yield, though it currently maintains a much more conservative credit profile than its peers.

Proposed Investment Managers:

Morley Stable Value Fund: Morley is an investment firm focused on Stable Value management with Stable Value asset management comprising the majority of their business. Morley in turn is wholly owned by Principal. The overall strategy is a combination of direct internal management and contracting with sub-advisors. The fund is internally monitored and partially managed by Morley, with a significant portion of assets sub-advised by third parties. While Morley outsources significant portions of their capital, they do retain a significant amount of in-house personnel, including six staff members dedicated to fixed income research and another six dedicated to Stable Value management. As capacity in the Stable Value asset class has been constrained, Morley, and numerous other Stable Value managers, has allotted a greater portion of the fund to outside managers. Currently slightly more than 50% of fund assets are sub-advised, primarily by insurance companies (it has become common for insurers, in exchange for increased wrap capacity, to require that they be allowed to manage a portion of the assets). Another 12.5% of assets are in cash. Though a large portion of assets are sub-advised the fund enjoys moderately broad latitude to make decisions with respect to sector and interest rate exposure.

New York Life Anchor Account: The New York Life Anchor Account is a Stable Value group annuity contract that is backed by the General Account of the New York Life Insurance Company. The fund is a pooled separate account whose underlying assets are owned by New York Life, but are managed solely for the benefit of retirement plan investors. The portfolio is managed by New York Life's Fixed Income team, including specialists in structured products, investment-grade credit, cash management, high yield credit, private finance, and portfolio management. Together these teams attempt to generate competitive returns through multiple measures, including sector allocations, security selection, and interest rate management. As of 2Q2012 the New York Life Insurance Company was rated in the high AA to AAA range by Moody's, Standard & Poor's, and Fitch, which may allay some concerns about credit quality risk stemming from a lack of wrapper diversification. In terms of composition, the underlying portfolio has more exposure than most of its peers to areas of the fixed income marketplace offering above-average yields, such as corporate bonds and commercial mortgage-backed securities, and has relatively minor allocations to lesser-yielding areas such as US Treasury, Agency securities and cash. Additionally, management has tended to keep the portfolio's duration (a measure of interest-rate sensitivity) low. As a result of management's combination of a conservative stance towards interest-rates and relatively aggressive approach towards credit quality (compared to most managers in the aftermath of the credit crisis), it has not rebounded as strongly from the 2008 market crash, but still offers acceptable valuation and a yield above most of its peers.

VantageTrust PLUS Fund: The VantageTrust PLUS fund uses a layered portfolio construction approach to ensure liquidity for investors, provide competitive yields, and manage risk. To this purpose, the portfolio is divided into four "tiers". The first tier consists of a cash buffer to provide investors with liquidity and manage portfolio cash flows. Tier two consists of short-duration synthetic investment contracts that are sub-advised by other investment managers. This tier serves to provide some improvement in returns but serve as a liquidity backstop. Tier three consists of laddered guaranteed investment contracts issued by insurance companies (similar in concept to a laddered bond portfolio) to further enhance returns and provide some diversification in types of investments. ICMA-RC directly oversees the individual investments in this portion of the portfolio. Since these contracts are typically issued at fixed rates, and market interest rates have declined, this tier has helped to keep the portfolio's overall yield competitive. The fourth tier is similar to the second tier, except that its underlying investments are primarily intermediate-maturity investments. Investments in this tier are also sub-advised. Overall the portfolio has performed competitively over the past several years as broader interest rates have declined and investors have flocked to fixed income products. Additionally, the fund's structure helps to ensure diversity of securities, types of investments and advisors.

East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

Portfolio Composition (2Q2012)

<table>
<tr><th></th><th>Fidelity MIP</th><th>Morley</th><th>NY Life</th><th>PLUS</th></tr>
<tr><td>Market / Book</td><td>102.5</td><td>101.9</td><td>100.2</td><td>103.0</td></tr>
<tr><td>Gross Crediting Rate</td><td>1.7%</td><td>1.5%</td><td>2.7%</td><td>3.0%</td></tr>
<tr><td>Duration</td><td>2.6</td><td>2.3</td><td>2.0</td><td>2.7</td></tr>
<tr><td>Credit Quality (Wtd. Avg.)</td><td>AAA / AA</td><td>AAA / AA</td><td>AA / A</td><td>AAA / AA</td></tr>
<tr><td>AAA</td><td>82%</td><td>71%</td><td>42%</td><td>56%</td></tr>
<tr><td>AA</td><td>7%</td><td>10%</td><td>11%</td><td>13%</td></tr>
<tr><td>A</td><td>11%</td><td>14%</td><td>24%</td><td>23%</td></tr>
<tr><td>BBB</td><td>1%</td><td>5%</td><td>15%</td><td>8%</td></tr>
<tr><td>BB</td><td rowspan="2">0%</td><td>0%</td><td>1%</td><td rowspan="2">1%</td></tr>
<tr><td>< BB or Not Rated</td><td>0%</td><td>8%</td></tr>
<tr><td colspan="5">Sectors</td></tr>
<tr><td>ABS</td><td>7.3%</td><td>6.1%</td><td>8.5%</td><td>1.3%</td></tr>
<tr><td>MBS (Agency)</td><td rowspan="2">11.7%</td><td>15.6%</td><td rowspan="2">20.0%</td><td rowspan="3">22.9%</td></tr>
<tr><td>MBS (Non-Agency)</td><td>0.1%</td></tr>
<tr><td>CMBS</td><td>3.1%</td><td>3.9%</td><td>13.0%</td></tr>
<tr><td>US Treasuries</td><td>46.7%</td><td>24.0%</td><td>2.4%</td><td>15.5%</td></tr>
<tr><td>Other Government Agencies</td><td>10.2%</td><td>7.2%</td><td>3.4%</td><td>3.4%</td></tr>
<tr><td>Corporates</td><td>19.3%</td><td>25.5%</td><td>47.6%</td><td>17.1%</td></tr>
<tr><td>Foreign*</td><td>Not given</td><td>0.5%</td><td>Not given</td><td>Not given</td></tr>
<tr><td>GICs/BICs</td><td>0.0%</td><td>5.1%</td><td>0.0%</td><td>27.8%</td></tr>
<tr><td>Cash</td><td rowspan="2">1.7%</td><td>12.5%</td><td>5.0%</td><td>10.3%</td></tr>
<tr><td>Other</td><td>0.1%</td><td>0.0%</td><td>1.8%</td></tr>
</table>

**Included in other sectors for Morley.*

Strategy Assets ($b)	$20.3*	$7.5	$3.3	$10.3
% Management Fees	0.49%	0.20%	0.35%	0.30%
% of Strategy Subadvised	0%	52%	0%	Not given

***Represents MIP II alone. All Fidelity Stable Value assets combined sum to $47.1 billion.*

East Bay Municipal Utility District

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

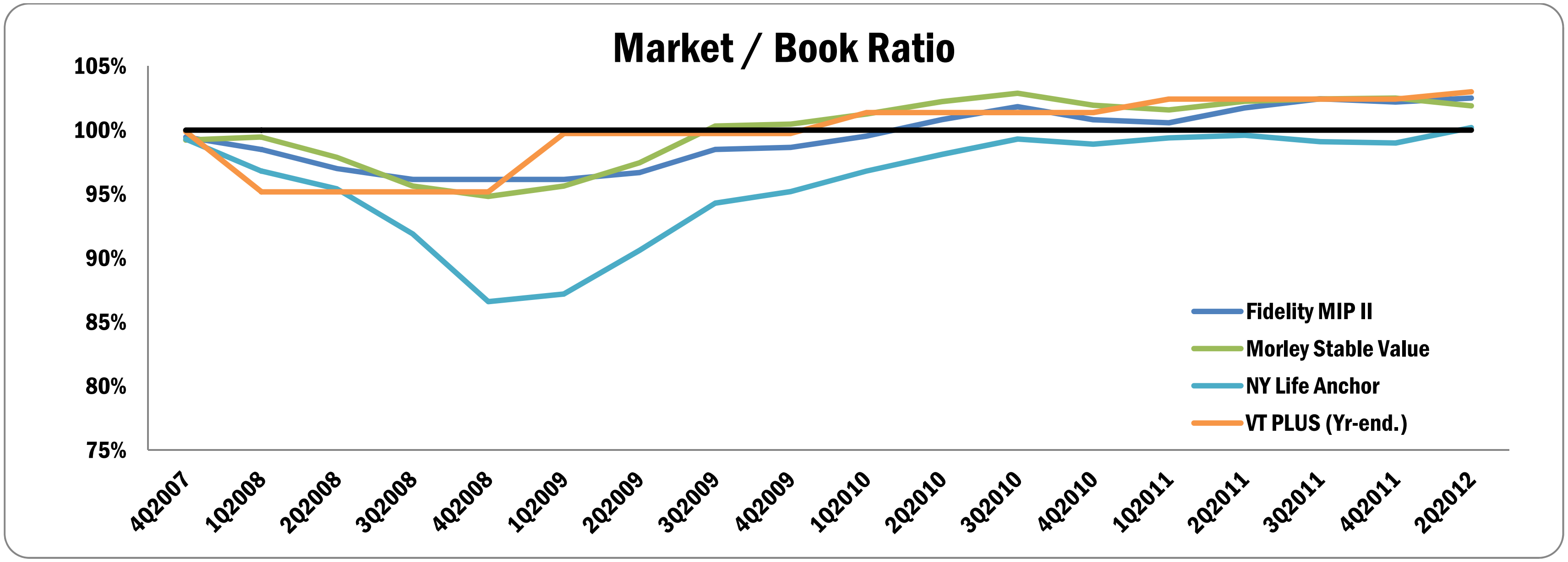
Stable Value Manager Search - November 2012

Operations and Liquidity Provisions

	Fidelity MIP	Morley	NY Life	PLUS
Parent Company	Fidelity	Principal	NY Life	ICMA-RC
Equity-Wash Rule*	90-day wash	90-day wash	90-day wash	90-day wash
Put Provision**	12-month	12-month	12-month	12-month
Funding Vehicle	Commingled Fund	Collective Trust	Pooled Separate Account	Commingled Fund

* The "Equity-Wash Rule" is the amount of time that an investor must spend after transferring out of a Stable Value fund in a "non-competing option" (typically any option in the investment menu other than a money market fund or a short-term bond fund) before they may transfer into a "competing option".

** The "Put Provision" is the maximum amount of time that the fund company may require the Plan to stay invested in the fund after they have received notice of termination from the Plan Sponsor.



East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

Fund Performance and Peer Group Rankings (through 2Q2012)

	2Q2012	YTD	1Yr	3Yrs	5Yrs	10Yrs	2011	2010	2009	2008	2007
Fidelity MIP II (net 0.49%)	**0.30**	**0.62**	**1.31**	**1.32**	**2.16**	**3.06**	**1.34**	**1.44**	**1.62**	**3.60**	**4.27**
5Yr Constant Maturity US Treasury	0.19	0.42	0.95	1.68	2.17	2.99	1.52	1.93	2.19	2.79	4.35
90 Day US T-Bill	0.02	0.04	0.05	0.10	0.74	1.74	0.06	0.15	0.16	1.39	4.44
+/- Index (net)	0.11	0.20	0.36	(0.36)	(0.01)	0.07	(0.18)	(0.49)	(0.57)	0.81	(0.08)
Peer Group Ranking (Gross)	**84**	**81**	**80**	**87**	**86**	**82**	**79**	**80**	**86**	**81**	**90**

	2Q2012	YTD	1Yr	3Yrs	5Yrs	10Yrs	2011	2010	2009	2008	2007
Morley Stable Value (net 0.20%)	**0.33**	**0.78**	**1.79**	**2.22**	**2.87**	**3.54**	**2.16**	**2.45**	**2.45**	**4.24**	**4.44**
5Yr Constant Maturity US Treasury	0.19	0.42	0.95	1.68	2.17	2.99	1.52	1.93	2.19	2.79	4.35
90 Day US T-Bill	0.02	0.04	0.05	0.10	0.74	1.74	0.06	0.15	0.16	1.39	4.44
+/- Index (net)	0.14	0.36	0.84	0.54	0.70	0.55	0.64	0.52	0.26	1.45	0.09
Peer Group Ranking (Gross)	**88**	**80**	**72**	**67**	**64**	**68**	**68**	**65**	**72**	**67**	**96**

	2Q2012	YTD	1Yr	3Yrs	5Yrs	10Yrs	2011	2010	2009	2008	2007
NY Life Anchor Acct. (net 0.35%)	**0.58**	**1.25**	**2.62**	**2.58**	**3.34**	**3.87**	**2.50**	**2.53**	**3.26**	**4.74**	**4.74**
5Yr Constant Maturity US Treasury	0.19	0.42	0.95	1.68	2.17	2.99	1.52	1.93	2.19	2.79	4.35
90 Day US T-Bill	0.02	0.04	0.05	0.10	0.74	1.74	0.06	0.15	0.16	1.39	4.44
+/- Index (net)	0.39	0.83	1.67	0.90	1.17	0.88	0.98	0.60	1.07	1.95	0.39
Peer Group Ranking (Gross)	**25**	**26**	**35**	**58**	**54**	**32**	**54**	**60**	**48**	**28**	**58**

	2Q2012	YTD	1Yr	3Yrs	5Yrs	10Yrs	2011	2010	2009	2008	2007
ICMA-RC VT PLUS (net 0.30%)	**0.68**	**1.36**	**2.94**	**3.32**	**3.88**	**4.26**	**3.19**	**3.53**	**3.89**	**4.92**	**5.00**
5Yr Constant Maturity US Treasury	0.19	0.42	0.95	1.68	2.17	2.99	1.52	1.93	2.19	2.79	4.35
90 Day US T-Bill	0.02	0.04	0.05	0.10	0.74	1.74	0.06	0.15	0.16	1.39	4.44
+/- Index (net)	0.49	0.94	1.99	1.64	1.71	1.27	1.67	1.60	1.70	2.13	0.65
Peer Group Ranking (Gross)	**20**	**26**	**25**	**34**	**28**	**16**	**33**	**40**	**20**	**20**	**24**

Based of performance provided by Morningstar and the underlying investment managers.

See Stable Value Manager Peer Group Definition and Performance Ranking discussion at the end of this document.

Section 3

East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

Conclusion: The performance of the Fidelity Managed Income Portfolio II has been detrimental to investors for several years, resulting in returns that have lagged multiple benchmarks as well as the fund's peers. Looking forward, the fund's yield and expenses do not compare particularly strongly relative to the options presented in this document. Additionally, Fidelity's larger asset base may make it more difficult (relative to the other options presented) to create meaningful positions in other higher-yielding non-governmental sectors.

The Plans have been presented with a diverse array of alternatives that can provide an improvement for investors in multiple ways. The Morley Stable Value fund is likely most similar to the current option, with the main differences being its lower fee, lower asset base, and broad use of subadvisors. The New York Life Anchor Account is distinct in that it is wrapped and managed by a single provider (which in turn may more directly align fund management in terms of wrapper and credit analysis), offers fairly extensive exposure to non-governmental debt, and also has a substantially lower asset base and fee. The VantageTrust PLUS fund is unique given its relatively high yield, stemming in part from its use of guaranteed investment contracts. Additionally, the PLUS fund offers broader diversification of sub-advisors, a relatively low asset base, and a reduction in fees.

Section 4

Managed Income Portfolio II (MIP II)

As of June 30, 2012

Fund Objective:

The Portfolio seeks to preserve principal while earning interest income. The Portfolio is a commingled pool managed by Fidelity Management Trust Company (FMTC). It is not a mutual fund. MIP II seeks to maintain a stable net asset value (NAV) of $1 per share, but it cannot guarantee that it will be able to do so. The yield of MIP II will fluctuate.

Fund Strategy:

The Portfolio invests in short-term bonds and other fixed income securities such as U.S. treasury bonds, government agency securities, corporate bonds, mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities and derivative instruments, including futures, options and swaps. The Portfolio also purchases third party wrap contracts designed to permit the use of book value accounting to maintain a constant NAV and to provide for the payment of participant-directed withdrawals and exchanges at book value under most circumstances. Interest is credited to the Portfolio under the wrap contracts; there is no immediate recognition of gains and losses. Instead, gains or losses are recognized over time by adjusting the interest rate credited to the Portfolio. The Portfolio may also invest in investment contracts offered by insurance companies and other approved financial institutions that provide for the payment of a specified rate of interest to the Portfolio and the repayment of principal at maturity. All investment contracts and fixed income securities purchased for the Portfolio must satisfy the credit quality standards of FMTC.

Quarterly Review as of 6/30/12:

Investment grade bond markets returned a total of 2.0% in the second quarter of 2012 as measured by the Barclays U.S. Aggregate Index. U.S. economic data began to show signs of weakness over the quarter accentuated by surprisingly weak job reports while Europe continued to be an ongoing source of risk. As a result of the weakening economic data, combined with the Fed's continuation of "Operation Twist", U.S. Treasuries with maturities of 2 years and longer saw rates fall, including the 10-year hitting a multi-decade low during the period. Treasuries delivered returns of nearly 3.0% and outperformed the vast majority of investment-grade sectors on an absolute and duration-adjusted basis over the quarter.

All other major investment grade bond sectors produced positive absolute returns. Performance was led by corporate debt which had returns near 2.5%. Fundamentals remained positive for the sector as continued earnings, low leverage and ample cash have helped to underpin the demand for this sector. Led by credit card receivables, Asset Backed Securities (ABS) sectors produced absolute returns of over 1.3% and have enjoyed lower volatility compared to other spread sectors in the index. Agency Mortgage Backed Securities (MBS) delivered returns north of 1.0% over the quarter. Despite historically low mortgages rates, refinancing activity remains muted. However, this inability of homeowners to lock in lower rates has allowed MBS bondholders to collect higher levels interest income which has benefited their total returns.

Commercial Mortgage Backed Securities (CMBS) returned 0.9% extending a recent run of strong performance. The sector continues to benefit from improving fundamentals and positive supply and demand dynamics.

Despite declining inflation expectations, Treasury Inflation Protected Securities (TIPS) also produced positive absolute returns as they benefited from longer rates falling in part from the Fed's continuation of "Operation Twist".

In the quarter, a barbell position helped the portfolio as the yield curve flattened during the quarter. Treasuries benefited as U.S. economic data weakened while longer maturity Treasuries benefited further from the Fed's extension of "Operation Twist".

The portfolio's out-of-benchmark position in Asset Backed Securities (ABS) aided performance. In particular, its position in ABS backed by auto loans outperformed. The sector has provided lower volatility returns supported by generally improving consumer credit.

An out-of-benchmark position in Commercial Mortgage Backed Securities (CMBS) was additive as commercial real estate fundamentals improved. The portfolio's holdings were focused on a number of carefully chosen, longer-maturity CMBS bonds with a meaningful "cushion" which protects them up to a certain level of losses from the underlying pools.

The out-of-benchmark position in Agency Mortgage Backed Securities (MBS) added to performance as mortgage refinancing activity remained subdued allowing bond holders to continue collecting higher levels of interest income.

An underweight position in government related debt, such as Agency debentures, detracted during the period. Higher quality assets benefited from weakening U.S. economic data and continued volatility stemming from the European debt crisis.

An underweight position in debt issued by industrial companies detracted during the period. Industrials held up better than financials in what was a flight to quality environment.

Portfolio Facts (as of 6/30/12)	
Portfolio Manager:	Robin Foley
Tenure on product:	01/1998
Management Fee*:	Class 1: 0.35% Class 2: 0.25% Class 3: 0.10%
Market-to-Book Ratio	102.5%
Total Net Assets	$20,282,242,397
Number of Holdings	385
Duration (Years)	2.59

*Management fee does not include wrap fees, which are paid to third-party wrap providers and do not result in any additional compensation to Fidelity. The wrap fees are not separately stated, but do reduce the investment options' return.

If portfolio has multiple share classes, Total Net Assets includes the net assets of all share classes.

Duration estimates how much a bond's price fluctuates with changes in comparable interest rates. Other factors can also influence a bond fund's performance and share price.

Top 5 Issuers/Positions (as of 6/30/12)
UNITED STATES TREASURY
FREDDIE MAC
FNMA GTD MTG PASS THRU CTF
FANNIE MAE
FED HOME LOAN MTG CORP - GOLD

% of TNA: 64.99%

The Top Five Issuers/Positions are as of the date indicated and are represented in the portfolio's holdings. They may not be representative of the portfolio's current or future investments. An Issuer is a legal entity that has the power to issue and distribute financial instruments. An issuer may be a bank, a corporation (including limited partnerships), a sovereign government, a municipality, or a mutual fund. To determine the Top Issuers, the legal entities associated with the portfolio's holdings are identified, common issues of an entity are then aggregated and sorted by descending portfolio weight.

Portfolio Composition (as of 6/30/12)	Percent
U.S. Treasuries	46.65%
U.S. Agencies	9.27%
Other Government Related (U.S. and Foreign)	0.85%
Corporate	19.31%
MBS Passthrough	9.05%
ABS	7.30%
CMBS	3.11%
CMO	2.56%
Cash	0.05%
Net Other Assets	1.85%
	100.00%
Futures, Swaps & Options *	0.00%

Source: FMRCo
Portfolio composition data is as of the date indicated. It should not be construed as a recommendation for any sector and may not be representative of the Portfolio's current or future investments.

*Above the Total line, the portfolio composition categories represent 100% of the portfolio's total net assets. If futures, options and swaps are shown below the Total line, they represent the portfolio's full exposure value to derivatives.

Quality Ratings (as of 6/30/12)	Percent
U.S. Government	67.53%
AAA	11.62%
AA	7.12%
A	10.69%
BBB	0.65%
BB	0.00%
B	0.00%
CCC & Below	0.00%
Short-Term Rated	0.00%
Not Rated/Not Available	0.48%
Cash & Net Other Assets	1.91%
	100.00%

Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's); Standard & Poor's Rating Services (S&P); or Fitch, Inc. If none of these three NRSROs publishes a rating, then the security is categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro rata share of any investments in other Fidelity funds.

Wrap Providers (as of 6/30/12)	Percent (Book Value)	S&P Rating
Cash (Unwrapped)	0.06%	N/A
AIG	12.74%	A-
JPMorgan	26.74%	A+
Monumental	21.06%	AA-
Rabobank	19.69%	AA
State Street Bank	19.71%	AA-

Yields	(as of 6/30/12)
Book-Value 7 Day Yield	Class 1: 1.46% Class 2: 1.57% Class 3: 1.72%
Market-Value Yield	0.87%

The current Book-Value 7 Day Yield of the fund reflects the current earnings of the fund, while the total return refers to a specific past holding period. The Book-Value 7 Day Yield is the yield on the book-value portfolio and is net of all expenses. The Market-Value Yield is the yield on the market-value portfolio and is gross of all expenses.

Crediting Rate	Effective Period
1.73%	7/1/2012 - 7/31/2012

Crediting rate is for the wrapped portion of the portfolio and applies for the stated period. Crediting rate is net of premiums on wrap contracts and gross of management fees. This does not represent current earnings of the fund which is reflected above in the Book-Value 7 Day Yield.

Book-Value Performance (as of 6/30/12)	Cumulative Returns (%)			Average Annual Returns (%)				
	YTD	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	LOF
Class 1	0.70	0.34	0.70	1.46	1.47	2.30	3.20	4.50
Class 2	0.75	0.36	0.70	1.56	1.57	2.40	3.30	4.60
Class 3	0.83	0.40	0.83	1.71	1.72	2.55	3.45	4.73

Portfolio Inception: 4/20/93

Book-value performance is net of management and wrap fees.

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. Past performance is no guarantee of future results. Indices are unmanaged and you cannot invest directly in an index.

Market-Value Performance (as of 6/30/12)	Cumulative Returns (%)			Average Annual Returns (%)			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Market-Value Portfolio	0.06	0.65	1.11	2.70	3.96	3.50	3.70
Barclays 1-5 Gov/Credit > A	0.05	0.58	0.96	2.36	3.35	4.53	3.97

Market-value performance is gross of fees and expense which when deducted, will reduce returns.

Barclays 1-5 Government/Credit Index, A or Better is a subset of the Barclays 1-5 Government/Credit Index. It is a market value-weighted index of government and investment–grade corporate fixed-rate debt issues with maturities between one and five years and rated A or better by S&P, Moody's, or Fitch.

Investment Risks

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 and credit and default risks for both issuers and counterparties.

Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Investments in mortgage securities are subject to the risk that principal will be repaid prior to maturity. As a result, when interest rates decline, gains may be reduced, and when interest rates rise, losses may be greater.

Source: FMR Co

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Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

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MORLEY FINANCIAL SERVICES, INC.

Morley Stable Value Fund

June 30, 2012 / Class 20 - II

Fund Profile

Assets	$7,526,118,396
Crediting Rate[1]	1.50%
Avg. Credit Quality[2]	AA+
Avg. Duration[3]	2.31 years
Market/Book Value Ratio[4]	101.85%
CUSIP	852321108
Turnover Ratio[5]	25.89%
Inception Date	January 1994

Fund Composition

Cash	9.70%
GIC	5.07%
Separate Account Contracts	23.11%
Synthetic Investment Contracts	62.12%

Trustee/Adviser Fee[12]

20 basis points

Investment Contract Issuers

Prudential	26.11%
Aviva	12.41%
MetLife	7.56%
MassMutual	7.25%
TIAA-CREF Life	6.65%
State Street	6.46%
New York Life	5.65%
Principal	5.32%
AIG	5.11%
JP Morgan Chase	3.23%
Monumental	2.05%
NATIXIS	1.94%
Bank of America	0.58%

Duration Distribution

0-1 Yr	24.69%
1-2 Yrs	19.97%
2-3 Yrs	26.69%
3-4 Yrs	12.60%
4-5 Yrs	8.83%
5+ Yrs	7.22%

Fund Structure

The Morley Stable Value Fund (Fund) is a Collective Investment Trust (CIT) maintained by Union Bond and Trust Company (UBT). UBT serves as the Trustee and has retained Morley Capital Management (MCM) to serve as investment adviser (Adviser), subject to the Trustee's control, supervision and review. Both MCM and UBT are wholly owned subsidiaries of Morley Financial Services (Morley), which is a wholly owned subsidiary of the Principal Financial Group.

About The Adviser

Morley was founded in 1982 and began managing its first discretionary stable value account in February 1984. Morley has focused almost exclusively on managing stable value assets for our institutional client base since our inception. As of June 30, 2012, Morley oversees approximately $17.4 billion in total assets.

Contact Information

For additional information on enrolling in the Fund, to obtain the Morley Stable Value Fund Disclosure document or to obtain additional information, please contact the Human Resources Department of the participating plan, or the participating plan's recordkeeper.

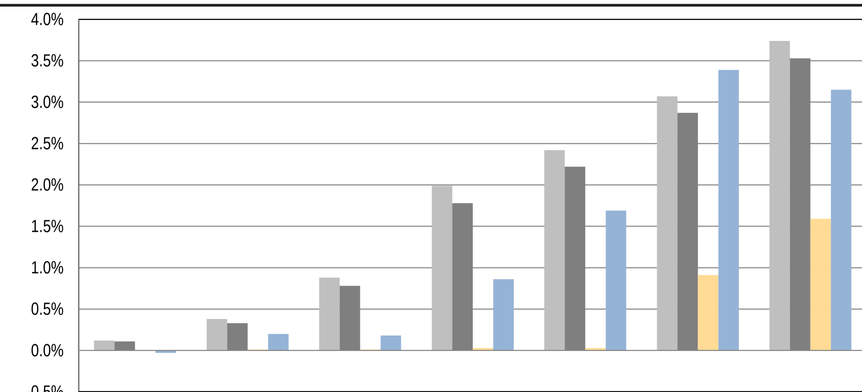
Fund Description

The Fund primarily consists of a diversified portfolio of Stable Value Investment Contracts (Investment Contracts) issued by life insurance companies, banks and other financial institutions, the performance of which may be predicated on underlying fixed income investments. The principal value of these assets is designed to remain stable regardless of stock and bond market fluctuations. The Fund is typically appropriate for investors who desire low volatility, stable principal value, and returns commensurate with a capital preservation objective for a component of their retirement savings. The Fund is designed for long-term retirement investing.

Investment Objective

The objective of the Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.

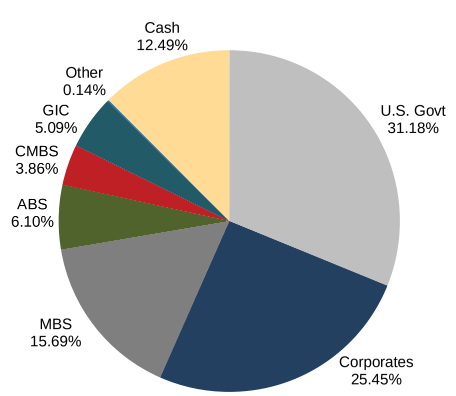
Performance as of 06/30/2012



	Month	3 Month	YTD	1-YR	3-YR	5-YR	10-YR
Gross	0.12%	0.38%	0.88%	1.99%	2.42%	3.07%	3.74%
Net	0.11%	0.33%	0.78%	1.78%	2.22%	2.87%	3.53%
iMoneyNet All Taxable	0.00%	0.01%	0.01%	0.03%	0.03%	0.91%	1.59%
Barclays 1-3 Year Govt.	-0.03%	0.20%	0.18%	0.86%	1.69%	3.39%	3.15%

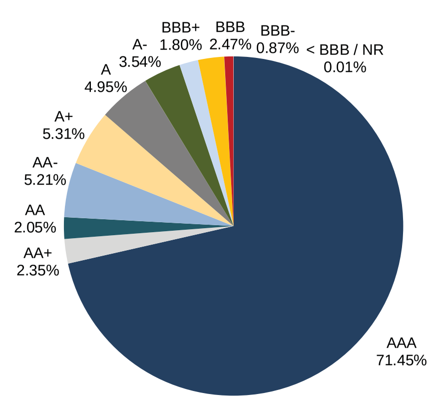
Past performance is not an indicator of future results. Performance returns assume the reinvestment of dividends and other earnings. Returns for periods less than one year are not annualized. Gross returns are presented net of Fund Level Expenses including Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees and Other Expenses. Net returns are presented net of 0.20% annualized Trustee/Adviser Fee and 0.00% annualized Recordkeeping Offset. Fees charged by varying share classes including the Recordkeeping Offset may differ and as a result, investors in other share classes may obtain higher or lower net returns if multiple share classes are available. Performance information for share class options available after the original Fund inception date are based on the performance of the Morley Stable Value Fund, adjusted to reflect estimated fees for the respective share class option. The Fund's inception date is January 1994. Please review page 2 for additional important information.

Sector Diversification



ABS = Asset Backed Securities
MBS = Mortgage Backed Securities
CMBS = Commercial Mortgage Backed Securities

Credit Quality



Morley Stable Value Fund

A Word On Risk[6,7]

While stable value is generally considered a conservative investment option, stable value assets do carry potential risks. The Fund may lose value and may be worth more or less than the original cost when redeemed, and there is no assurance that the Fund's objective will be achieved. Risks include, but are not limited to, 1) Investment Contract risk which includes the risk of maintaining Book Value Accounting standards and the risk that Investment Contract issuers may default on their obligations under the contract; 2) interest rate risk which includes the potential that an increase in market interest rates may decrease the value of fixed income securities (bonds); 3) credit risk which reflects the potential that the issuer of fixed income securities will be unable to make the required payments of interest and/or principal when due. Morley Capital Management seeks to mitigate Investment Contract and credit risk by investing only in investment grade securities. Morley Capital Management's credit research team continually analyzes the credit standing and outlook of investments in the Fund seeking to identify investment options with the best risk/return characteristics consistent with the Fund's investment objective. Please review the Morley Stable Value Fund Disclosure document for additional information regarding Fund structure, investment objective and strategy, risks and expenses and carefully consider such factors before investing.

The Fund is not a deposit, obligation, guaranteed or insured by UBT or any affiliate, is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal or state government agency. Neither the Fund nor the offering of the Units has been registered under the U.S. securities laws. Therefore, investors will not have the benefit of the protections for registered securities afforded by the Securities and Exchange Commission ("SEC").

Fees and Expenses

Fees and expenses associated with the Fund include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees, and Other Expenses which are collectively referred to as Fund Level Expenses. The Fund also incurs a Trustee/Adviser Fee and may incur a Recordkeeping Offset if selected by the investing Plan/Trust. The combination of all of these fees represents the Total Fund Operating Expenses for the Fund.

Fund Level Expenses are variable and will fluctuate daily based on factors such as total Fund assets, assets associated with specific Stable Value Investment Contracts or sub-advisers, and the utilization and cost of applicable services. Fund Level Expenses have already been factored into the Fund's gross performance and the Fund's crediting rate. In contrast the Trustee/Adviser Fee and the Recordkeeping Offset are generally static and are only altered by direct action from the Trustee or an election by the investing Plan/Trust to amend the Recordkeeping Offset. The Fund's gross performance is reduced by the applicable Trustee/Adviser Fee and Recordkeeping Offset to produce the Fund's net performance.

Annualized Fees as of 06/30/2012	
Stable Value Investment Contract Fees (Wrap Fees)[8]	0.20%
Sub-Adviser Fees[9]	0.06%
Acquired Fund Fees[10]	0.01%
Other Expenses[11]	0.02%
Total Fund Level Expenses	**0.29%**
Trustee/Adviser Fee[12]	0.20%
Recordkeeping Offset[13]	0.00%
Total Fund Operating Expenses	**0.49%**

Additional Information

Data provided is for general informational purposes only is not intended to be used for auditing purposes and may not represent a complete accounting of all holdings within the portfolio. The information should not be considered as investment, legal, accounting, or tax advice or a recommendation of any particular security, strategy, or investment product and it does not take into account the investment objectives, financial situation, or needs of any particular investor. Investors should consider whether the Fund is suitable for their particular circumstances and, if necessary, seek professional advice before investing.

Certain data including sector diversification, credit quality, and duration distribution, has been obtained from each investment manager, including Morley Capital Management and various sub-advisers and has been calculated based upon their internal calculation methodologies. The data is current as of the date listed, and is subject to change without notice. While generally deemed reliable, it has not been verified for accuracy or calculation methodologies and the accuracy of the data cannot be guaranteed.

Morley Capital Management calculates average portfolio credit quality statistics via the aggregated market value weighted average credit quality of securities within the portfolio including GICs, wrapped securities, and cash equivalents for the assets it directly manages. In the event of split ratings for any single investment (as provided by S&P, Moody's and Fitch), the following shall apply: (a) where only two rating agencies rate the investment, the lower of the two ratings shall apply, or (b) where three ratings agencies rate the investment, the median rating shall apply. Ratings are converted to equivalent S&P reporting styles.

Definitions

1. Crediting Rate - The rate of return credited to the book value of the Fund, expressed as an annual percentage rate and is calculated based on a book value dollar weighted basis gross of the Trustee/Adviser and Recordkeeping Offset but net of Fund Level Expenses . A crediting rate is determined per Investment Contract which may remain fixed for the term of the contract or may be reset at predetermined intervals based upon portfolio characteristics including yields, market value, book value and duration. The data is provided for general informational purposes and the return received may be higher or lower than the crediting rate provided.

2. Average Credit Quality – Represents an average of the market value dollar weighted credit quality of the underlying securities in the Fund as obtained by applicable credit rating agencies. The Fund itself has not been rated by these agencies. Average credit quality calculation methodologies may vary across the industry which may impact the validity of comparisons.

3. Average Duration – Represents the average market value dollar weighted duration of the underlying securities in the Fund. Duration is a measure of the price sensitivity of a fixed-income security or portfolio to a change in interest rates and is commonly presented in years. The longer the duration the more sensitivity the Fund or security is expected to have to interest rate changes.

4. Market/Book Value Ratio – Represents a measurement of the market value of the Fund's underlying securities as compared to the Fund's book value; typically quoted as a percentage. Generally, participant transactions occur at book value even if the market value is above or below the book value.

5. Turnover Ratio - A measure of trading activity during the previous 12 months, expressed as a percentage of the average total assets of the Fund. The resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past 12 months. For the purposes of calculating turnover, investments in other pooled products including other collective investment trusts, or separate account contracts, are treated as a single transaction and do not account for the underlying trading activity within these products.

6. Book Value Accounting – An accounting methodology associated with Stable Value Funds which allows the Funds to amortize market value gains and losses over time through the Fund's crediting rate thus providing capital preservation.

7. Stable Value Investment Contracts - (also known as Investment Contracts or Wrap Contracts) Contracts issued by insurance companies, banks, and other financial institutions that provide book value accounting treatment for the Fund. These contracts are designed to provide capital preservation and permit benefit-responsive transactions at book value. Investment Contracts do not insure the value of the Fund and are not insurance against Fund losses but rather by applying Book Value Accounting standards permit the amortization of gains and losses over time through the crediting rate thus providing capital preservation. Typical examples of these contracts include Guaranteed Investment Contracts (GICs), Bank Investment Contracts (BICs), Synthetic Investment Contracts (SICs), Separate Account Contracts (SACs).

8. Stable Value Investment Contract Fees - Fees assessed by the financial institutions issuing the stable value investment contracts (wrap contracts) in which the Fund invests.

9. Sub-Adviser Fees – Fees assessed by sub-advisers which provide underlying fixed income management for certain portions of the Fund. Fees associated with services provided by MCM are paid directly by the Trustee and are not Fund Level Expenses.

10. Acquired Fund Fees – The Fund invests in other funds which incur their own fees and expenses associated with fund operations. As a result a pro-rata share of the Other Expense of each underlying fund, as provided in its most recent audited financial report, is reported.

11. Other Expenses – Represents fees and expenses associated with Fund operations including but not limited to, accounting and valuation services, custody services, legal and auditing services.

12. Trustee/Adviser Fee - Paid to the Trustee of the Fund for trustee and investment advisory services. Breakpoints associated with this fee reduce costs based upon total invested assets of the investing Plan/Trust.

13. Recordkeeping Offset – A fee option that may be selected by the Plan/Trust investing in the Fund. The fee is used by the investing Plan/Trust to pay for certain qualified expenses including but not limited to recordkeeping and administrative costs.

Based upon the structure of various investment options (e.g. collective investment trusts, insurance company separate account contracts, or individually managed accounts), the client may or may not have direct fractional ownership of the underlying securities.

Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index. The iMoneyNet All-Taxable Money Market Fund Index measures the equally weighted returns of the largest taxable money market funds. The Barclays 1-3 Year Govt Bond Index measures the returns of investment grade, dollar denominated bonds publicly issued by the U.S. Govt, with a maturity of over 1, and less than 3 years.

Direct investment in the Fund is limited to Participating Trusts (also known as investing Plan/Trust) that meet certain requirements described in the Declaration of Trust, that enter into a Participation Agreement with the Trustee. The Fund cannot accept investment directly from individuals and is subject to restrictions regarding transfer and withdrawal of assets including potential deferral of withdrawal requests by up to 12 months, as defined in the applicable Declaration of Trust.

NEW YORK LIFE

New York Life Insurance Company
ANCHOR ACCOUNT (35)

As of 06/30/2012

Product Facts

Category: Stable Value
Inception Date: 01/03/1995
Total Assets: $3.35 billion
Net Crediting Rate: 2.33%*
Gross Crediting Rate: 2.68%
Expense Charge: 0.35%
Average Duration: 2.0 years
CUSIP: 64953ABN9

Objective

The Anchor Account is a pooled separate account group annuity contract that seeks to provide a low-risk, stable investment option. The account offers competitive yields and limited volatility, with a guarantee of principal and accumulated interest. This is not a mutual fund.

Investment Management

The New York Life separate account portfolio supporting the Anchor group annuity contracts is managed by the Fixed Income Investors Group (FIIG), a division of New York Life Investments. Fixed Income Investors is a multi-product, fixed income asset manager comprised of experienced and highly specialized investment professionals dedicated to research, trading, and portfolio management. FIIG employs a disciplined, team-oriented approach to managing fixed-income portfolios.

Separate Account

The Anchor Account is the brand name for New York Life's Pooled Separate Account No. 25 in which all contributions are invested. The assets in this account are owned by New York Life, but are maintained solely for the benefit of participating retirement plans and are not chargeable with any other liabilities arising out of any other business of New York Life.

*Annualized net crediting rate as of the date shown. This rate is subject to change daily.

Product Description

The Anchor Account is a stable value product that guarantees principal and accumulated interest. The guarantees are provided to participating plans through a group annuity contract that is issued by New York Life Insurance Company. Contributions to the Anchor Account are directed to a New York Life pooled separate account that invests primarily in a diversified portfolio of high-quality, fixed income securities. The Anchor crediting rate is subject to change daily.

Contract Issuer and Guarantee Provider

New York Life Insurance Company issues the Anchor Account group annuity contract and provides the guarantee of principal and accumulated interest. New York Life has been a leading provider of stable value products for over 30 years and currently manages more than $18 billion in stable value assets. New York Life Insurance Company is a mutual life insurance company that was founded in 1845 and holds the highest ratings for financial strength currently awarded to a life insurance company from the principal rating agencies:

A++ Superior	AAA Exceptionally Strong	Aaa Exceptional	AA+ Very Strong
A.M. Best	Fitch	Moody's	Standard & Poors

Source: Individual Third Party Ratings Reports as of June 22, 2012.
Standard & Poor's Ratings services, a Standard & Poor's Financial Services LLC business

Contract Withdrawals & Transfer Restrictions

Participants may deposit and withdraw on a daily basis at contract value. Participants may also transfer to other investment options in the plan. There may be transfer restrictions if your plan offers competing funds. Competing funds may include money market funds, short-term bond funds and self directed brokerage options. Please contact your plan administrator if you have any questions regarding transfers from this option.

Performance†

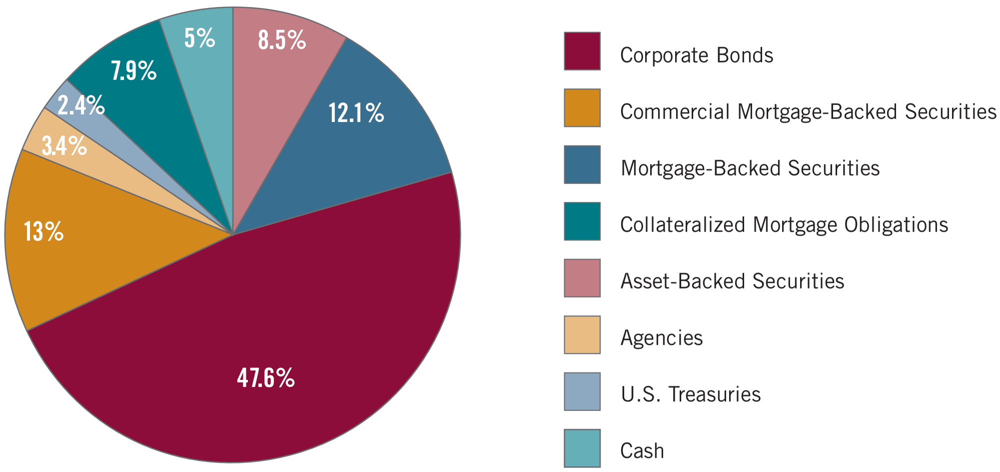
	QTR	YTD	1 Year	3 Year	5 Year	10 Year
Anchor Account (net of 0.35% fee)	0.58%	1.25%	2.62%	2.58%	3.34%	3.87%
Anchor Account (gross of fees)	0.67%	1.42%	2.97%	2.93%	3.69%	4.22%
Citigroup 3 Month T-Bill Index[1]	0.02%	0.03%	0.04%	0.10%	0.87%	1.77%
	2011	**2010**	**2009**	**2008**	**2007**	**2006**
Anchor Account (net of 0.35% fee)	2.50%	2.53%	3.26%	4.74%	4.74%	4.31%
Citigroup 3 Month T-Bill Index[1]	0.08%	0.13%	0.16%	1.80%	4.74%	4.76%

† **Past performance is no guarantee of future results.** Performance for periods greater than one year is annualized. The expense charge(s) shown may not have existed for the periods presented. Performance was calculated by applying the stated expense charge to the actual gross crediting rates for the periods shown. Prior to 7/1/2012 some clients may have experienced lower expense charges, which may have resulted in actual returns higher than shown.

ANCHOR ACCOUNT (35)

As of 06/30/2012

Sector Diversification



Quality Distribution

Cash	5.0%
AAA	40.0%
AA	10.0%
A	22.3%
BBB	13.8%
Below BBB	8.9%

Maturity Structure

0-1 year	22.8%
1-2 years	19.0%
2-3 years	17.4%
3-4 years	17.8%
4-5 years	14.4%
Over 5 years	8.6%

Management

Portfolio Manager: Donald Serek

Mr. Serek is the Head of the Third Party Portfolio Management and Strategy team, and a Senior Portfolio Manager. He is responsible for managing all multi-sector third-party fixed income portfolios, including retail mutual funds and institutional separate accounts.

Mr. Serek received a B.B.A. in Finance and Economics from Temple University and is a CFA Charterholder.

Product Manager: Kenneth Quann

Mr. Quann is the Head of the Investment Liability Management team for Guaranteed Products. In 1995, he helped create the Anchor Account, and he has been the product manager since its inception. Under his leadership, the Liability Management team has been an integral part of New York Life's growth into a recognized leader in the Guaranteed Products marketplace.

Mr. Quann received an MBA from Fairleigh Dickinson University and a BA in Business Administration from Rutgers University.

Interest Rate Accruals

The New York Life Insurance Company Anchor Account accrues interest on a daily basis. The daily accrual is based on the investment experience of the underlying separate account, minus pro-rated fees. The accrued interest for each participant is determined by the participant's account balance throughout the month, and is credited to participant accounts at the end of each month. Should a participant request a full or partial liquidation of the Anchor Account before a month-end, interest would be credited to your account based on the time invested in the Anchor Account during the month.

[1] Citigroup 3 Month T-Bill Index is an unmanaged index generally considered representative of the average yield of three-month U.S. Treasury Bills. Results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

The Anchor Account is a group annuity contract and not a mutual fund or a collective trust. New York Life Insurance Company provides the guarantee of principal and accumulated interest. This option is not guaranteed by the FDIC or the federal government. Past performance is no guarantee of future results.

New York Life Investments
690 Canton Street
Westwood, MA 02090

NYLIM-27134 08/2012

VantageTrust PLUS Fund

Objective

The PLUS Fund's investment objective is to seek to offer a competitive level of income consistent with providing capital preservation and meeting liquidity needs.

Goals

Key goals are to seek to preserve capital, by limiting the risk of loss of principal and delivering stable returns, and to meet the liquidity needs of those who invest in the PLUS Fund.

The PLUS Fund seeks to achieve these goals by investing in certain stable value investment contracts. By investing in such contracts, the PLUS Fund seeks to achieve, over the long run, returns higher than those of money market mutual funds and short-term bank rates, and relatively stable returns compared to short-to-intermediate term fixed income funds. However, the PLUS Fund will not generally track shorter-term interest rates as closely as money market mutual funds due to its longer maturity, potential adverse market changes, and provisions in stable value contracts held by the PLUS Fund. While the PLUS Fund's returns are expected to follow interest rate trends over time, they typically do so on a lagged basis.

Strategies

ICMA-RC employs a structured and diversified multi-product, multi-manager approach in managing the PLUS Fund. The PLUS Fund invests primarily in a diversified and tiered portfolio of stable value investment contracts and in fixed income securities, fixed income mutual funds, and fixed income commingled trust funds (fixed income assets) that back certain stable value investment contracts. In addition, the PLUS Fund invests in money market mutual funds, as well as cash and cash equivalents. The PLUS Fund's portfolio may include different types of investments with a variety of negotiated terms and maturities, and is diversified across sectors and issuers. The composition of the PLUS Fund portfolio and its allocations to various stable value investments and fixed income investment sectors, across the Fund's multiple tiers, is determined based on prevailing economic and capital market conditions, relative value analysis, liquidity needs, and other factors.

The PLUS Fund primarily invests in stable value investment contracts that provide participants with certain permitted withdrawals at book value, i.e., original book or contract value plus accrued interest, plus additional deposits less withdrawals, fees and expenses, and other adjustments. These provisions contribute to the PLUS Fund's stable values and thus relatively stable returns over the shorter term.

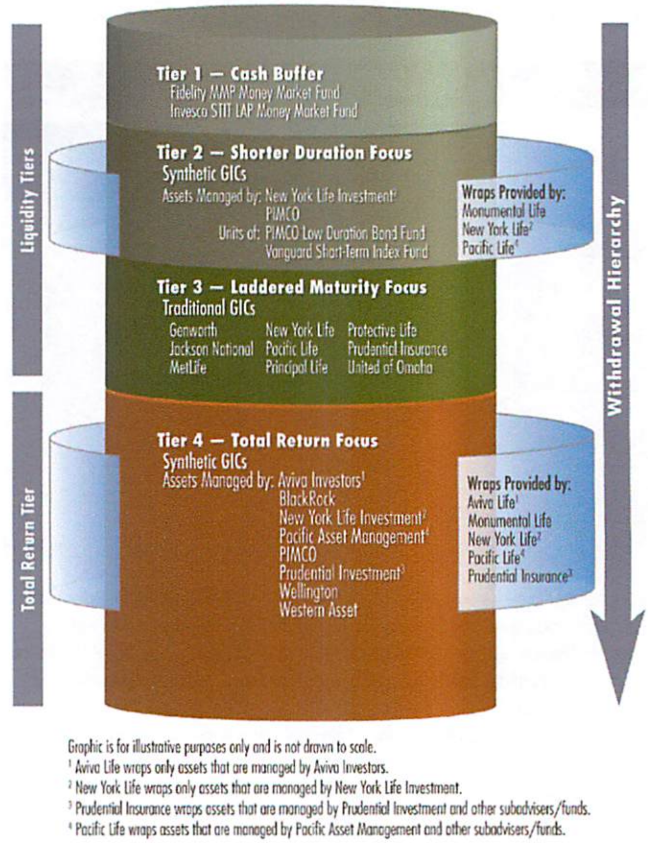
Characteristics & Management *As of June 30, 2012*

Inception Date	01/01/1991
Total Assets	$10.3 Billion
Gross Rate/Yield*	3.03%
Traditional and Synthetic GIC Issuers	11
Traditional and Synthetic GIC Contracts	67
Weighted Average Credit Rating (Moody's)**	Aa2
Weighted Average Duration	2.73
Market-to-Book Value Ratio	103.01%
Portfolio Manager	Karen Chong-Wulff, CFA

* *Gross Rate/Yield (commonly known as the Portfolio Contract Rate or Spot Yield) is gross of ICMA-RC's fees and expenses but net of subadviser, wrap and custody fees, as applicable.*

** *Weighted Average Credit Rating is only one factor that may be considered in assessing the risks of a fixed income portfolio, and it does not provide a complete picture of the credit risks or the dispersion of those risks within a portfolio.*

Structure *As of June 30, 2012*



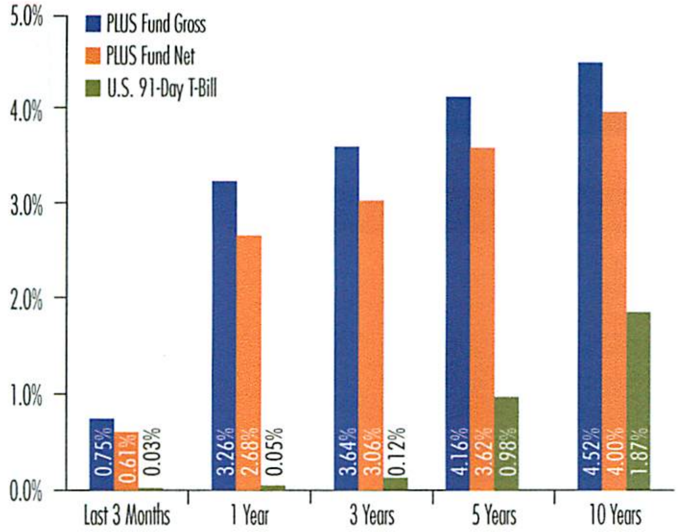
Graphic is for illustrative purposes only and is not drawn to scale.
[1] Aviva Life wraps only assets that are managed by Aviva Investors.
[2] New York Life wraps only assets that are managed by New York Life Investment.
[3] Prudential Insurance wraps assets that are managed by Prudential Investment and other subadvisers/funds.
[4] Pacific Life wraps assets that are managed by Pacific Asset Management and other subadvisers/funds.

% of Assets 10.6% 4.7% 28.6% 56.1%

AC: 1011-5191

Performance

As of June 30, 2012



PLUS Fund gross return is gross of ICMA-RC fees and net of subadviser, wrap and custodial fees. ICMA-RC fees and expenses will reduce returns received by investors. PLUS Fund net return reflects expenses of 0.56% including recordkeeping fees. The performance difference between the PLUS Fund gross and net returns may not always correlate one hundred percent with the plan administration fee due to rounding, the exact timing of when the fee is deducted, and fund cash movements. The performance quoted represents past performance, is no guarantee of future results, and is annualized for periods greater than one year. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For current performance, contact ICMA-RC by calling 800-669-7400 or by visiting www.icmarc.org.

Peer Percentile Ranking

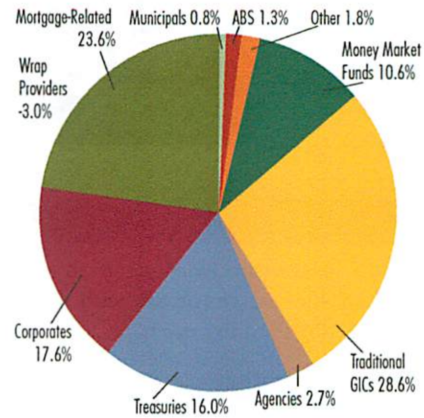
As of June 30, 2012

	PLUS Fund *Hueler Stable Value Universe*			
	1 Year	3 Years	5 Years	10 Years
First Quartile	1%	22%	14%	8%
Second Quartile				
Median Return				
Third Quartile				
Fourth Quartile				

The number next to each square represents a percentile rank within the Hueler Analytics Stable Value Pooled Fund Comparative Universe. The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents the performance returns of actual stable value pooled funds and is the stable value industry benchmark used by many institutional investors, consultants, advisors and plan sponsors for monitoring the stable value pooled fund universe. Gross returns used in the Universe ranking do not include plan administration fees or adviser expenses – actual performance experienced by participants would be commensurately lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. The universe contains 15 funds over 1 year, 3 years, and 5 years, and 14 funds over 10 years. Past performance is no guarantee of future results. Rankings are based on Hueler Analytics, Inc. (Hueler) data. Hueler is a technology and research firm covering stable value products not affiliated with ICMA-RC. ICMA-RC does not independently verify Hueler data.

Diversification

As of June 30, 2012



Other includes: *Subadvisers' cash sweep, Non-U.S. Dollars, Emerging Market Debt, Municipals, Market Value to Book Value differential, and any other exposure that is not shown above.*

Wrap Providers: *Exposure to wrap providers (banks and insurance companies). The exposure is the difference between the book value and market value of the securities backing the Synthetic GICs. Negative values occur when the market value is greater than book value and the PLUS Fund has no Wrap Provider exposure.*

Investment Risks

There are different types of risks associated with the stable value investment contracts in which the PLUS Fund invests. Generally, stable value investment contracts are illiquid and may not be assigned or transferred without the permission of the issuer. These contracts often include non-standard negotiated terms and do not trade in a secondary market.

Additional risks of investing in the PLUS Fund include, but are not limited to, failure of the issuers of GICs, BICs, Separate Account GICs, or Synthetic GICs to meet their obligations to the PLUS Fund; failure of ICMA-RC to meet its objectives or obligations, as investment adviser for the PLUS Fund; default or downgrade of the fixed income assets that back Separate Account GICs and Synthetic GICs; failure of the third party fixed income managers of the portfolios underlying the Separate Account GICs and Synthetic GICs to meet their investment objectives or their obligations to the PLUS Fund; loss of value or failure to redeem shares or allow withdrawals on a timely basis by one or more of the commingled investment vehicles in which the PLUS Fund invests, which may include money market mutual funds or other mutual funds.

There is no guarantee that a PLUS Fund investor will not lose money. A loss of value could occur in the event of a default on investments held by the PLUS Fund. Investments in the PLUS Fund are not guaranteed by ICMA-RC, the FDIC, or the U.S. Government.

Disclosures

The PLUS fund is a commingled stable value fund that is available only to deferred compensation and qualified retirement plans of state and local governments and their agencies and instrumentalities and their eligible participants. Please read Making Sound Investment Decisions: A Retirement Investment Guide (Guide) carefully for a complete summary of all fees, expenses, investment objectives and strategies, and risks. Investors should carefully consider this information before investing. For a current Guide, contact ICMA-RC by calling 800-669-7400 or visiting www.icmarc.org. Investment information can change rapidly and the changes can be significant, particularly in volatile markets. For this reason, "As of" dates are provided for sections and also for specific data where applicable. After the dates provided, the information should not be considered current.

Section 5

East Bay Municipal Utility District

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

Stable Value Manager Search - November 2012

Stable Value Manger Peer Group Definition: The Hyas Group has obtained a broad universe of Stable Value managers and their products, and identified those to be included in the peer group through a systematic process. Every unique Stable Value manager's strategy (which may consist of multiple share classes) constitutes only one constituent within the Stable Value peer group. Strategies with multiple share classes are averaged into and reported as a single constituent within the Stable Value peer universe. Strategies whose underlying share classes exhibit anything other than a low degree of deviation from their average return (as determined by Hyas Group) are excluded from the peer group calculation. Stable Value funds lacking fee information are also excluded. The Stable Value peer group was constructed using estimation methods that are believed to be reasonable but are not guaranteed to be accurate. As such, the Stable Value peer group is believed, but not guaranteed to represent the gross-of-fee performance of each and every underlying constituent. Performance and management fee data used to construct this universe was provided by Morningstar.

Stable Value Manger Peer Group Performance Ranking: Rankings of the Stable Value peer universe are estimated to reflect performance that is gross of each underlying constituent's management fees. Gross performance is estimated by adding back each fund's management fee to its performance, adjusting as needed for performance periods of less than one year.