

## FREQUENTLY ASKED QUESTIONS

October 6, 2008

### What is MEBT's mix of investments?

- 45% US equities
- 15% Foreign equities
- 40% fixed income (bonds)

This allocation is chosen to achieve MEBT's long-term investment goals.

### Who decides?

- The MEBT Trust Committee makes investment decisions for the Trust. They are guided by recommendations from the investment Advisory Committee, composed of one representative from each MEBT-member city and advised by a professional investment manager hired by the MEBT Trust Committee.

### How is the money managed?

- Investments in the fund are made according to the MEBT Statement of Investment Policy. Assets are diversified based on asset-class targets that are established in the SIP. Investments are periodically "re-balanced" when the value of the investments varies from the established targets.
- A team of professionals assists with the administration of the Trust. UBS Institutional Consultants are the Investment Advisors for the MEBT Trust and help select and monitor the investments.

### Why can't I pick my investments like I did at my last job?

- At the formation of MEBT the policy decision was made that these assets would be professionally managed and pooled in a Trust.

### What options do I have?

- If you are an employee in Bellevue, Kirkland or Redmond, you can decide how much to contribute to MEBT each paycheck, however your employer contribution and vesting credit are dependent on your decision to participate.
- If you are an employee with Bellevue, Edmonds, Mill Creek or Woodinville, and you are within three years of retirement and express an intent to retire – you can make an irrevocable election to move all or part of your investment and future contributions to a money market account.
- If you are an employee with Redmond or Kirkland and you are within three years of retirement and express an intent to retire – you can make an irrevocable election to move all of your investment and future contributions to a money market account.
- Employees of Federal Way do not have this option.

### What else should I consider?

- Historically, “weathering the storm” and staying in the market through market cycles results in the optimum long-term outcome.
- A well-diversified investment portfolio has been the most effective approach to optimizing the risk:return trade off.