



MEBA MONEY PURCHASE

BENEFIT PLAN



THE CHOICE IS YOURS

CHART YOUR COURSE

SELF-DIRECTED OPTION FEATURES:

- **Variety.** Select your own plan investments from a diverse selection of LifeStrategy® Funds (premixed portfolios), Target Retirement Funds (“one decision” funds), or core funds (individual funds you choose to meet your investment goals and risk tolerance). Each of these options allow you to assemble an investment portfolio that can help you meet your long-term financial goals.
- **Fund advice.** Use Vanguard’s **recommended funds** to create the right investment mix. Please see the Investor Questionnaire.
- **Flexibility.** Change your investment mix at any time by exchanging money from one fund to another or by redirecting your contributions.
- **Education materials.** Visit www.vanguard.com for financial planning tools and investor information. Or request information from Vanguard® Participant Services at **800-523-1188**.

PLAN-DIRECTED OPTION FEATURES:

- **Conservative asset mix.** Your account is invested in a mix of 20% stocks and 80% bonds, according to the conservative policy adopted by the trustees. This high concentration of bonds may appeal to conservative investors who want stability and income.
- **Risk versus reward.** A conservative portfolio is considered less risky than one with a higher concentration of stocks. However, your returns may not keep pace with inflation.
- **Investment policy.** The policy is under constant review by the board of trustees and is subject to change.



CHANGING COURSE

To change from Plan-Directed to Self-Directed, complete the enclosed Enrollment/Change form and send it to the Plan Office in the reply envelope.

To change from Self-Directed to Plan-Directed, complete the enclosed Pension Trust Transfer form and send it to the Plan Office in the reply envelope.

Note: You must be vested in your MPB plan account to select the Self-Directed Option. **No action is required if you are satisfied with your current option and its investment strategy.**



CHART YOUR COURSE

Dear MPB Plan Participant:

During the open enrollment period from September 1 through November 30, 2011, you may elect to change how your MEBA Money Purchase Benefit (MPB) account is invested. You may choose one of the following:

- **The Self-Directed Option.** Select your own plan investments by choosing from 19 mutual funds offered by Vanguard, consisting of 7 Vanguard® Target Retirement Funds and 12 core funds.

You may want to consider investing in just one Target Retirement Fund. A single Target Retirement Fund provides diversification and is designed to keep your assets invested appropriately for someone in your stage of life, up to and including your retirement years.

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

Consider choosing the fund with the date that's closest to the year when you expect to retire. If you are already retired, consider choosing Vanguard Target Retirement Income Fund. This fund is designed to provide retirees with income while preserving the original investment.

Core funds are stock, bond, balanced, and short-term reserve mutual funds that can be used in combination to create your investment mix.

Keep in mind that although Target Retirement Funds can simplify investing, all investing is subject to risk. Each Target Retirement Fund invests in several broadly diversified Vanguard funds. Investments in bond funds are subject to interest rate, credit, and inflation risk. Diversification does not ensure a profit or protect against a loss in a declining market.

- **The Plan-Directed Option.** Professional money managers invest your MPB account in accordance with the investment policy selected by the trustees.

Note: Your election will be effective January 2, 2012. You must be vested in your MPB account to select the Self-Directed Option. **No action is required if you are satisfied with your current option and its investment strategy.**

Over, please

CHART YOUR COURSE


Enclosed in this kit is Vanguard's "Investor questionnaire." Complete the questionnaire and add up your score to find the suggested investment mix and recommended funds that are right for your financial goals and risk tolerance.

If you have questions about this information, call the Plan Office at **410-547-9111** or **800-811-MEBA** and speak with a Pension Department representative. Questions regarding the Self-Directed Option or Vanguard funds should be directed to Vanguard Participant Services at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time. For information on mutual funds and investment strategies, please visit www.vanguard.com.

Sincerely,



Michael Jewell
Chairman



Thomas Murphy
Secretary

Visit www.vanguard.com to obtain a fund prospectus, which contains investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing.

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Vanguard Marketing Corporation, Distributor of the Vanguard Funds.

CHOOSE YOUR OPTION

Step 1: Complete the "Investor questionnaire"

Your score will suggest a diversified investment mix and **fund recommendations** based on your time frame and risk tolerance. You have the flexibility to create your own mix of funds or select the Vanguard® **recommendations** that match your score.

Step 2: Choose a MEBA Money Purchase Benefit (MPB) option

If your score on the "Investor questionnaire" is 36 points or higher: To achieve the balanced or growth-oriented portfolio you seek, you may want to invest 40% or more in stocks. Through the Self-Directed Option, you can choose from two investment "paths" to meet this allocation: Create a diversified portfolio of core funds (refer to the recommended funds); or choose the second path, Target Retirement Funds, which offers a mix of stocks, bonds, and in some cases, short-term reserves, that may be appropriate depending on when you plan to retire. Consider choosing the Target Retirement Fund with the date that's closest to the year when you expect to retire. If you are already retired, consider choosing Vanguard Target Retirement Income Fund. This fund is designed to provide retirees with income while preserving the original investment.

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

Please note that stocks have historically offered higher returns than bonds and short-term reserves. However, higher return potential means a higher level of risk to your initial investment. Past performance cannot be used to predict future returns.

If your score on the "Investor questionnaire" is less than 36 points: The income portfolio, or a Target Retirement Fund within the Self-Directed Option may be appropriate for you. Or you may want to consider the conservative Plan-Directed Option.

Step 3: Complete your form

To change from the Plan-Directed Option to the Self-Directed Option, complete the enclosed Enrollment form and send it to the Plan Office in the reply envelope. To change from the Self-Directed Option to the Plan-Directed Option, complete the enclosed Pension Trust Transfer form and send it to the Plan Office in the reply envelope.

The Plan Office must receive your completed form by November 30, 2011. Your election will be effective January 2, 2012. Remember, if you want to keep your current investment option, you do not need to take any action.

TERMS AND CONDITIONS OF USE FOR VANGUARD'S INVESTOR QUESTIONNAIRE

Answer these questions with one specific financial goal in mind, such as retirement. Don't use this questionnaire for goals that require you to spend all of your money for the goal within the next two years. Consider investing for short-term objectives in stable investments—such as short-term reserves.

To determine your investment approach for other goals, fill out the questionnaire as many times as you like, with a different goal in mind each time.

This questionnaire is designed to help you decide how to allocate the assets in your retirement plan among different asset classes (stocks, bonds, and short-term reserves) and among different funds available through your plan. You are under no obligation to accept the suggestions provided by the questionnaire.

The suggestions provided are based on generally accepted investment principles. There is no guarantee, however, that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of retirement income. All investments involve risks, and fluctuations in the financial markets and other factors may cause declines in the value of your plan account.

Please bear in mind that if this tool suggests funds, the fund or mix of funds suggested for each asset allocation is only one of many possible ways to implement the allocation. Other funds available through your plan, or different percentages of the funds, could also be used. You should carefully consider all of your options.

This investment-planning tool is provided to you at no charge by Vanguard Advisers, Inc. It does not provide comprehensive investment or financial advice. In applying the suggestions to your particular situation, you should consider your other assets and investments. As your financial circumstances or goals change, it may be helpful to complete the "Investor questionnaire" again to see if your suggested asset allocation has changed. Vanguard Advisers, Inc., is not responsible for reviewing your financial situation or updating the suggestions contained here. By using this investment-planning tool, you acknowledge that you have read and understood the information above and that you agree to these terms and conditions.

Advisory services are provided by Vanguard Advisers, Inc., a federally registered investment advisor and an affiliate of The Vanguard Group, Inc.

1. I plan to begin taking money from my investments in . . .
 - A. 1 year or less
 - B. 1–2 years
 - C. 3–5 years
 - D. 6–10 years
 - E. 11–15 years
 - F. More than 15 years

2. As I withdraw money from these investments, I plan to spend it over a period of . . .
 - A. 2 years or less
 - B. 3–5 years
 - C. 6–10 years
 - D. 11–15 years
 - E. More than 15 years

3. When making a long-term investment, I plan to keep the money invested for . . .
 - A. 1–2 years
 - B. 3–4 years
 - C. 5–6 years
 - D. 7–8 years
 - E. More than 8 years

4. From September 2008 through November 2008, stocks lost more than 31% of their value. If I owned a stock investment that lost about 31% of its value in three months, I would . . . (If you owned stocks during this period, please select the answer that matches your actions at that time.)
 - A. Sell all of the remaining investment
 - B. Sell some of the remaining investment
 - C. Hold on to the investment and sell nothing
 - D. Buy more of the investment

5. Generally, I prefer an investment with little or no ups or downs in value, and I am willing to accept the lower returns these investments may make.
 - A. I strongly disagree
 - B. I disagree
 - C. I somewhat agree
 - D. I agree
 - E. I strongly agree

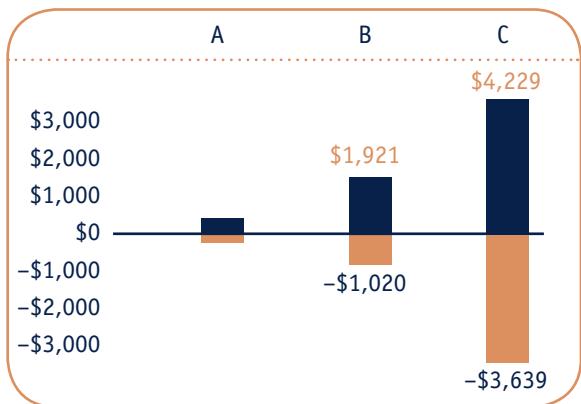
6. When the market goes down, I tend to sell some of my riskier investments and put the money in safer investments.
 - A. I strongly disagree
 - B. I disagree
 - C. I somewhat agree
 - D. I agree
 - E. I strongly agree

7. Based only on a brief conversation with a friend, coworker, or relative, I would invest in a mutual fund.
 - A. I strongly disagree
 - B. I disagree
 - C. I somewhat agree
 - D. I agree
 - E. I strongly agree

8. From September 2008 through October 2008, bonds lost nearly 4% of their value. If I owned a bond investment that lost almost 4% of its value in two months, I would . . . (If you owned bonds during this period, please select the answer that matches your actions at that time.)
 - A. Sell all of the remaining investment
 - B. Sell some of the remaining investment
 - C. Hold on to the investment and sell nothing
 - D. Buy more of the investment

9. The chart below shows the highest one-year loss and the highest one-year gain on three different hypothetical investments of \$10,000.* Given the potential gain or loss in any one year, where would you invest your money?

- A. A
- B. B
- C. C



*The maximum gain or loss on an investment is impossible to predict. The ranges shown in the chart are hypothetical and are designed solely to gauge an investor's risk tolerance.

10. My current and future income sources (such as salary, Social Security, pension) are . . .

- A. Very unstable
- B. Unstable
- C. Somewhat stable
- D. Stable
- E. Very stable










11. When it comes to investing in stock or bond mutual funds (or individual stocks or bonds), I would describe myself as . . .

- A. Very inexperienced
- B. Somewhat inexperienced
- C. Somewhat experienced
- D. Experienced
- E. Very experienced

Answer Key

	A	B	C	D	E	F
1.	A-0	B-1	C-4	D-7	E-12	F-17
2.	A-0	B-1	C-3	D-5	E-8	
3.	A-0	B-1	C-3	D-5	E-7	
4.	A-1	B-3	C-5	D-6		
5.	A-6	B-5	C-3	D-1	E-0	
6.	A-5	B-4	C-3	D-2	E-1	
7.	A-5	B-4	C-3	D-2	E-1	
8.	A-1	B-3	C-5	D-6		
9.	A-1	B-3	C-5			
10.	A-1	B-2	C-3	D-4	E-5	
11.	A-1	B-2	C-3	D-4	E-5	

VANGUARD'S RECOMMENDED FUNDS

	Overall score	Suggested mix	Recommended funds
Income	7–22 points	100% bonds 	100% Vanguard Total Bond Market Index Fund
	23–28	80% bonds 20% stocks 	80% Vanguard Total Bond Market Index Fund 11% Vanguard 500 Index Fund 3% Vanguard Mid-Cap Index Fund 2% Vanguard Small-Cap Value Index Fund 4% Vanguard International Growth Fund*
	29–35	70% bonds 30% stocks 	70% Vanguard Total Bond Market Index Fund 17% Vanguard 500 Index Fund 5% Vanguard Mid-Cap Index Fund 2% Vanguard Small-Cap Value Index Fund 6% Vanguard International Growth Fund*
Balanced	36–41	60% bonds 40% stocks 	60% Vanguard Total Bond Market Index Fund 22% Vanguard 500 Index Fund 7% Vanguard Mid-Cap Index Fund 3% Vanguard Small-Cap Value Index Fund 8% Vanguard International Growth Fund*
	42–48	50% bonds 50% stocks 	50% Vanguard Total Bond Market Index Fund 28% Vanguard 500 Index Fund 8% Vanguard Mid-Cap Index Fund 4% Vanguard Small-Cap Value Index Fund 10% Vanguard International Growth Fund*
	49–54	40% bonds 60% stocks 	40% Vanguard Total Bond Market Index Fund 34% Vanguard 500 Index Fund 9% Vanguard Mid-Cap Index Fund 5% Vanguard Small-Cap Value Index Fund 12% Vanguard International Growth Fund*
Growth	55–61	30% bonds 70% stocks 	30% Vanguard Total Bond Market Index Fund 39% Vanguard 500 Index Fund 11% Vanguard Mid-Cap Index Fund 6% Vanguard Small-Cap Value Index Fund 14% Vanguard International Growth Fund*
	62–68	20% bonds 80% stocks 	20% Vanguard Total Bond Market Index Fund 45% Vanguard 500 Index Fund 13% Vanguard Mid-Cap Index Fund 6% Vanguard Small-Cap Value Index Fund 16% Vanguard International Growth Fund*
	69–75	100% stocks 	56% Vanguard 500 Index Fund 16% Vanguard Mid-Cap Index Fund 8% Vanguard Small-Cap Value Index Fund 20% Vanguard International Growth Fund*

■ Bonds ■ Stocks

*Vanguard International Value Fund may be substituted for allocations to Vanguard International Growth Fund.

A NOTE ABOUT RISK

All investing is subject to risk. Investments in bond funds are subject to interest rate, credit, and inflation risk. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Foreign investing involves additional risks including currency fluctuations and political uncertainty.

INVESTMENT PERFORMANCE

The tables below illustrate the past performance of the two MEBA Money Purchase Benefit (MPB) options available to you.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited.

Plan-Directed Option (average annual total returns for periods ended December 31, 2010)

	One year	Three years	Five years	Ten years
Premixed portfolio (80% bonds and 20% stocks)	12.38%	6.43%	6.54%	5.80%

Self-Directed Option (average annual total returns for periods ended June 30, 2011)

	Recommended portfolio*	One year	Three years	Five years	Ten years
Income	100% bonds	3.55%	6.29%	6.43%	5.41%
	80% bonds and 20% stocks	9.44%	5.76%	5.91%	5.23%
	70% bonds and 30% stocks	12.32%	5.56%	5.63%	5.06%
Balanced	60% bonds and 40% stocks	15.33%	5.23%	5.39%	5.06%
	50% bonds and 50% stocks	18.21%	5.03%	5.11%	4.89%
	40% bonds and 60% stocks	21.10%	4.82%	4.82%	4.71%
Growth	30% bonds and 70% stocks	24.10%	4.50%	4.59%	4.71%
	20% bonds and 80% stocks	26.99%	4.29%	4.30%	4.54%
	100% stocks	32.88%	3.76%	3.78%	4.36%

*Historical returns represent recommended portfolios from the "Investor questionnaire."

For performance history of the individual mutual funds in the MPB Plan, please refer to the enclosed "Your funds at a glance."

Self-Directed Option account access

With the Self-Directed Option, you have three ways to access your account and obtain information:

- **Interactive VOICE® Network system at 800-523-1188.** Get direct access to your account and investment option information around the clock.
- **Vanguard Participant Services associates at 800-523-1188.** Get help making account transactions and answers to your questions Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.
- **Online at www.vanguard.com.** Get a wealth of fund, investment, and financial planning information around the clock.

Self-Directed Option plan provisions

Eligibility You become a participant in the plan on the day you start working for an employer that contributes to the MPB.

Self-Directed Option plan provisions (continued)

Vesting	Vesting refers to your right of ownership to the money in your account. You become vested after three years of service (with at least 125 days of service each year), provided you don't incur a permanent break in service. You must be vested in your MPB account to select the Self-Directed Option. Consult your Summary Plan Description or call the MEBA Plan Office Pension Department at 800-811-MEBA for more details on vesting requirements.
Enrollment	You may enroll in the Self-Directed Option between September 1 and November 30, 2011. Please note that when you enroll in the Self-Directed Option, 100% of your MPB balance will be transferred to Vanguard. You may not split your account between the Self-Directed and Plan-Directed Options.
Distributions*	Once you are vested, you are eligible to receive the balance of your MPB account when you retire or leave the maritime industry in accordance with the terms of the plan. If you die before you leave the industry, your spouse or designated beneficiary will be eligible to receive your MPB account balance. You cannot take a loan or make a hardship withdrawal from the plan.
Changing your investments	You can make the following changes to your Self-Directed Option account by calling VOICE or Vanguard Participant Services, or by visiting www.vanguard.com : <ul style="list-style-type: none">• Transfer (exchange) money between funds.• Change the investment direction of future contributions.
Investment advice	You can get specific fund recommendations for your portfolio by using Personal Online Advisor, powered by Financial Engines. Personal Online Advisor is an online advisory service that forecasts your chances of reaching your retirement goals, provides specific fund recommendations, and helps you monitor your investments. Personal Online Advisor considers inflation, taxes, fund expenses, and other household investments to recommend a portfolio that's consistent with your desired risk level. Access Personal Online Advisor by logging on to your account at www.vanguard.com .


*Tax implications: You will be responsible for paying any federal, state, local, or foreign taxes on a distribution. Distributions taken before age 59½ may be subject to a 10% federal penalty tax. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.

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For more information about any fund, including investment objectives, risks, charges, and expenses, call The Vanguard Group at 800-523-1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at www.vanguard.com.

This kit was not prepared by the MEBA Pension Plan board of trustees. The material in this kit, including the recommendations arising from the Investor Questionnaire enclosed, was prepared by Vanguard, the company that provides the mutual funds available in the MEBA Money Purchase Benefit Plan. The trustees believe that you will find this kit useful and helpful, but ultimately, your investment decisions are your responsibility. The trustees have no liability for the results of your investment decision under the Self-Directed portion of the plan.

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