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# Are you ready?

Exciting changes are coming to your Emerson Savings Plan

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# Changes to the Emerson Savings Plan are coming

Your Emerson Savings Plan gives you a convenient, flexible way to save for your future. And it's about to get even better.

Over the next few months, you'll see several enhancements made to the Plan, including:

- **Lower-cost investments and more transparent administration fee charges.** Emerson is separating the Plan's administration fee from the expense ratios and will offer investments with lower expense ratios. No action is required. Your money will move automatically to the lower-cost investments on December 2, 2013.  
The Plan's administration fee will continue to be shared by Emerson and Plan participants, but the new cost structure will give you a clearer picture of what you pay for Plan participation.
- **A new financial planning service.** Need help with your finances? You'll soon have access to a new financial planning service from Vanguard.
- **Three new investment options.** On December 2, three new funds will be added to the investment lineup: a money market fund, a short-term bond fund, and an emerging markets fund.
- **Fund closure.** The Emerson Stable Value Fund will be removed from the investment lineup on December 31, 2013. Unless you take steps to exchange your money from this fund before 4 p.m., Eastern time, on December 31, your balance and future contributions will move automatically to the date-specific Vanguard® Target Retirement Trust closest to the year you will reach age 65. If you are already age 65 or older, your money will move automatically to the Vanguard Target Retirement Income Trust Plus.



# A valuable Savings Plan— at a lower cost

In December you'll see several changes made to the Plan's investment lineup and fees. Read on to learn how the changes could affect you.

## Lower-cost investment options

Effective December 2, 2013, Emerson and Vanguard are reducing the cost of investing in the Plan by moving all 12 target-date funds and several of the Plan's core funds to the lowest-cost options available. This is possible now because the total market value of money invested in those funds has grown to a level that allows Emerson to take advantage of these lower-cost options. Previously there were not sufficient assets to meet the necessary thresholds.

**Note:** Offering the lowest-cost investment options is the current approach taken by Emerson. Obviously, circumstances can change over time, so future conditions may require evaluation of a different approach.

## Why lower expense ratios are important

An expense ratio, which you pay as a Plan participant, is the cost of running a fund, expressed as a percentage of the fund's assets, as of the most recent fiscal year. As a Plan participant, you pay an expense ratio for each of your funds.

Expense ratios are important because cost matters. A fund with a lower expense ratio costs less to own.

For example, if you invest \$10,000 in Vanguard Growth Index Fund Investor Shares (expense ratio of 0.24%), your cost is \$24 per year. If you invest that same \$10,000 in Vanguard Growth Index Fund Institutional Shares (expense ratio of

0.08%), your cost is \$8 per year—a savings of \$16 per year.

Because the expense ratio is deducted directly from the investment's returns, reducing it can increase the net return. While the difference may not be noticeable in the short term, the advantage of a lower expense ratio becomes increasingly evident the more you save and the longer you keep your money invested.

## Lower-cost Vanguard Target Retirement Trusts

Vanguard Target Retirement Trusts will replace the current Vanguard Target Retirement Funds. **These investments have the same objectives and strategies but offer lower expense ratios.** This change means you will have the opportunity to invest in the lowest-cost target-date investment currently offered by Vanguard.

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

## Lower costs for existing funds *(continued from previous page)*

	Fund	Expense ratio*	Annual amount you save per \$10,000 invested
Today	Vanguard Target Retirement Income Fund	0.16%	<b>\$9</b>
Effective December 2, 2013	Vanguard Target Retirement Income Trust Plus	0.07%	
Today	Vanguard Target Retirement 2010 Fund	0.16%	<b>\$9</b>
Effective December 2, 2013	Vanguard Target Retirement 2010 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2015 Fund	0.16%	<b>\$9</b>
Effective December 2, 2013	Vanguard Target Retirement 2015 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2020 Fund	0.16%	<b>\$9</b>
Effective December 2, 2013	Vanguard Target Retirement 2020 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2025 Fund	0.17%	<b>\$10</b>
Effective December 2, 2013	Vanguard Target Retirement 2025 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2030 Fund	0.17%	<b>\$10</b>
Effective December 2, 2013	Vanguard Target Retirement 2030 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2035 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2035 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2040 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2040 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2045 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2045 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2050 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2050 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2055 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2055 Trust Plus	0.07%	
Today	Vanguard Target Retirement 2060 Fund	0.18%	<b>\$11</b>
Effective December 2, 2013	Vanguard Target Retirement 2060 Trust Plus	0.07%	

\*The cost of running the investment, expressed as a percentage of the investment's assets, as of the most recent fund prospectus or trust fact sheet. Source: Vanguard.

## Attend an online meeting about the Plan changes

You can attend a live webinar with Emerson and Vanguard to learn more about the changes and the benefits of your Plan. You will receive a separate communication with webinar dates and times.

Not able to attend? A prerecorded webinar also will be available. Stay tuned for more information.

## Lower costs for core funds

As noted on page 3, Emerson now qualifies to switch to share classes with lower expense ratios for a number of the Plan's core funds. These funds share the same investment objectives and strategies, but offer lower expense ratios. This change means all of the core funds will be available at the lowest cost offered by the sponsoring investment companies.

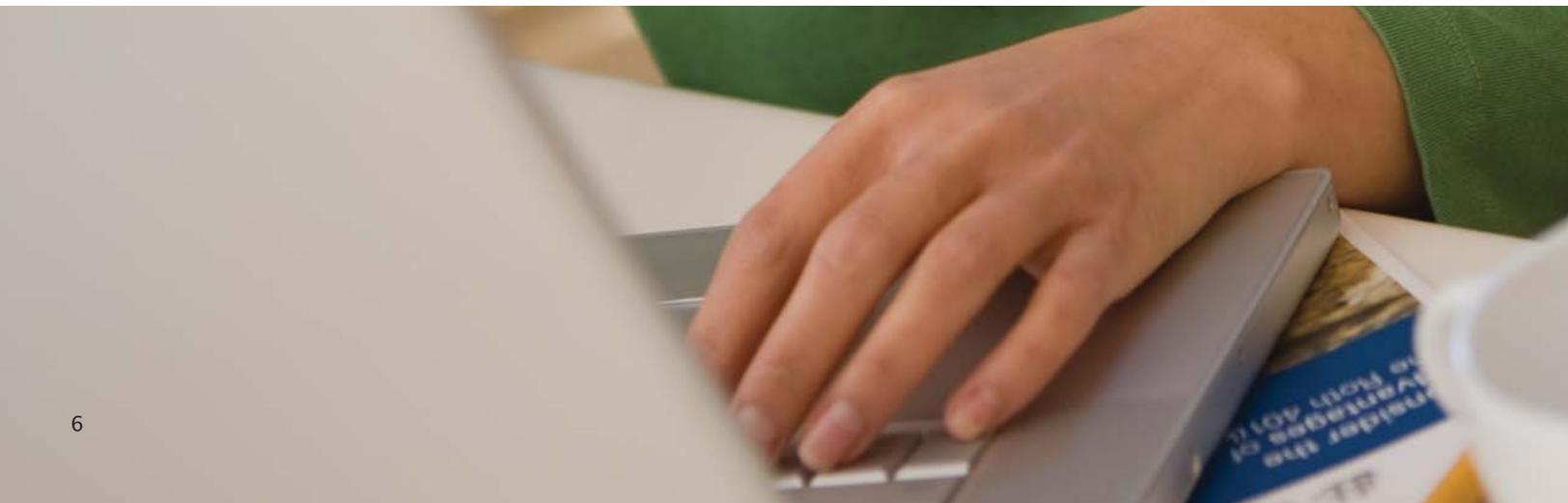
	Fund	Expense ratio*	Annual amount you save per \$10,000 invested
Today	Vanguard Total Bond Market Index Fund Institutional Shares	0.07%	
Effective December 2, 2013	Vanguard Total Bond Market Index Fund Institutional Plus Shares	0.05%	<b>\$2</b>
Today	Vanguard Institutional Index Fund Institutional Shares	0.04%	
Effective December 2, 2013	Vanguard Institutional Index Fund Institutional Plus Shares	0.02%	<b>\$2</b>
Today	Vanguard Value Index Fund Investor Shares	0.24%	
Effective December 2, 2013	Vanguard Value Index Fund Institutional Shares	0.08%	<b>\$16</b>
Today	Vanguard Growth Index Fund Investor Shares	0.24%	
Effective December 2, 2013	Vanguard Growth Index Fund Institutional Shares	0.08%	<b>\$16</b>
Today	Vanguard Morgan™ Growth Fund Investor Shares	0.40%	
Effective December 2, 2013	Vanguard Morgan Growth Fund Admiral™ Shares	0.26%	<b>\$14</b>
Today	Vanguard Extended Market Index Fund Institutional Shares	0.12%	
Effective December 2, 2013	Vanguard Extended Market Index Fund Institutional Plus Shares	0.10%	<b>\$2</b>
Today	Vanguard Total International Stock Index Fund Investor Shares	0.22%	
Effective December 2, 2013	Vanguard Total International Stock Index Fund Institutional Shares	0.12%	<b>\$10</b>

\*The cost of running the fund, expressed as a percentage of the fund's assets, as of the most recent fund prospectus. Source: Vanguard.



## No action is required to benefit from the lower expense ratios

If you currently invest in any of the funds that are moving to a lower-cost expense ratio, your money will transfer automatically to the lower-cost equivalents on December 2, 2013.



## More transparent administration fees

Keeping costs low is critical to your investment success. Every dollar you pay for fund fees is a dollar you lose out on in potential return.

But the Plan still costs money to operate. Generally the administrative and investment management fees you pay are built into the expense ratios of the funds available in the investment lineup. Beginning January 1, 2014, the administrative costs will generally be separated from the expense ratios to make it easier for you to understand the cost breakdown of the Plan.

So what does that mean to your account? As of today, Plan operating costs are shared by you and Emerson. Of the current total \$62 per-participant Plan operating cost, you pay, on average, \$31 through the fund expense ratios. Emerson pays the remaining \$31 per-participant Plan operating cost.

Starting in 2014, your total per-participant Plan operating cost will reduce, on average, from \$31 to \$27. The \$27 average fee will be made up of two pieces:

- **A flat \$22 annual account fee for each Emerson Plan account that you hold.** This fee will be deducted from your account in quarterly increments of \$5.50.
- **An average annual administration fee of \$5 as part of ongoing expense ratios.** A lower-cost share class is currently not available for several of the core funds and, as a result, there continues to be some modest administration fees included in those expense ratios.

By separating the majority of the administration costs from the expense ratios and implementing the annual \$22 account fee, Emerson and Vanguard are able to offer you the lower-cost investment options mentioned on pages 4 and 5.

Since it is not possible to predict the future and, over time, circumstances affecting Plan operating costs and fees may change, different approaches may need to be evaluated.

### Three new investment funds

Three funds will be added to the Plan's investment lineup on December 2, 2013. Two funds, JPMorgan 100% U.S. Treasury Securities Money Market Fund and Vanguard Short-Term Bond Index Fund Institutional Shares, will be added as replacements for the Emerson Stable Value Fund, which is closing at the end of the year. Vanguard Emerging Markets Stock Index Fund Institutional Shares will be added to diversify your international stock holdings.

Fund name	Type	Strategy
JPMorgan 100% U.S. Treasury Securities Money Market Fund	Short-term reserves	Seeks to provide the highest possible level of current income while still maintaining liquidity and providing maximum safety of principal.
Vanguard Short-Term Bond Index Fund Institutional Shares	Bond	Seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.
Vanguard Emerging Markets Stock Index Fund Institutional Shares	International stock	Seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in emerging market countries.

### One fund will close

Emerson Stable Value Fund will close on December 31, 2013. What happens if you:

- **Invested in the fund?** Your money currently invested in the Emerson Stable Value Fund will be moved automatically to the date-specific Vanguard Target Retirement Trust closest to the year you will reach age 65 unless you move it into other funds by 4 p.m., Eastern time, on December 31, 2013. (Note: If you are already age 65 or older, your money will move automatically to the Vanguard Target Retirement Income Trust Plus.)
- **Contribute to the fund?** Future contributions that were being directed to the Emerson Stable Value Fund will be redirected automatically to the date-specific Vanguard Target Retirement Trust closest to the year you will reach age 65 unless you move it into other funds by 4 p.m., Eastern time, on December 31, 2013. (Note: If you are already age 65 or older, your contributions will be redirected automatically to the Vanguard Target Retirement Income Trust Plus.)

### Why the Emerson Stable Value Fund is closing

A stable value fund is a unique investment type that seeks to deliver steady, bondlike returns; preserve principle; and maintain low volatility. To achieve these goals, the fund enters into investment contracts, known as "wrap contracts," with insurance companies who guarantee the fund's principal and pay a specified rate of return.

Increased fees associated with wrap contracts, uncertainty about the future availability of the contracts, and more restrictive investment guidelines are all contributing factors to the decision to close the fund.

In light of these concerns, and the availability of investment alternatives, Emerson feels strongly that removing the Emerson Stable Value Fund is in the best interest of Plan participants.



It is important that you review your investment plan and make a choice!

#### [New investment lineup—For your reference](#)

Refer to the enclosed Your Investment Options at a Glance brochure for a summary of the Plans' investment options that will be available after the fund changes previously mentioned are made. The summary provides each investment's name, type, objective, expense ratio, risk level, and performance information.

# Make your investments work for you

Investing for retirement doesn't have to be difficult. The Plan's investment lineup is structured in two tiers to help make choosing investments easier: pre-built Target Retirement Trusts and build-your-own core funds.

## Pre-built Vanguard Target Retirement Trusts

You may want to consider investing in just one Target Retirement Trust. A single Target Retirement Trust 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.

Consider choosing the investment 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 Trust Plus. This investment seeks to provide current income and some capital appreciation to retirees.

Potential investment choice	Intended for investors retiring in . . .
Vanguard Target Retirement 2060 Trust Plus	2058 or later
Vanguard Target Retirement 2055 Trust Plus	2053 to 2057
Vanguard Target Retirement 2050 Trust Plus	2048 to 2052
Vanguard Target Retirement 2045 Trust Plus	2043 to 2047
Vanguard Target Retirement 2040 Trust Plus	2038 to 2042
Vanguard Target Retirement 2035 Trust Plus	2033 to 2037
Vanguard Target Retirement 2030 Trust Plus	2028 to 2032
Vanguard Target Retirement 2025 Trust Plus	2023 to 2027
Vanguard Target Retirement 2020 Trust Plus	2018 to 2022
Vanguard Target Retirement 2015 Trust Plus	2013 to 2017
Vanguard Target Retirement 2010 Trust Plus	2008 to 2012
Vanguard Target Retirement Income Trust Plus	2007 or earlier

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

## Build-your-own portfolio with core funds

If you have the time and wish to create your own diversified portfolio, you may want to start with the core funds.

- JPMorgan 100% U.S. Treasury Securities Money Market Fund—**Available December 2**
- PIMCO Total Return Fund Institutional Class\*
- Vanguard Short-Term Bond Index Fund Institutional Shares—**Available December 2**
- Vanguard Total Bond Market Index Fund Institutional Shares—**Reduced costs on December 2**
- Capital Guardian U.S. Equity Fund\*
- Dodge & Cox Stock Fund\*
- Vanguard Growth Index Fund—**Reduced costs on December 2**
- Vanguard Institutional Index Fund Institutional Shares—**Reduced costs on December 2**
- Vanguard Morgan Growth Fund—**Reduced costs on December 2**
- Vanguard Value Index Fund—**Reduced costs on December 2**
- Vanguard Extended Market Index Fund Institutional Shares—**Reduced costs on December 2**
- Vanguard Mid-Cap Growth Fund Investor Shares\*
- Vanguard Selected Value Fund Investor Shares\*
- Capital Guardian International Equity Fund\*
- Vanguard Emerging Markets Stock Index Fund Institutional Shares—**Available December 2**
- Vanguard Total International Stock Index Fund—**Reduced costs on December 2**
- Emerson Common Stock Fund\*

\*This investment is currently available in the Plan at the lowest cost available.

# Creating your own portfolio in just four easy steps

## 1. Make sure you're saving enough.

Set a savings plan and reevaluate it periodically. Consider saving 12% to 15% (including any company contributions) for retirement.

**2. Create your investment mix.** How you divide your money among stocks, bonds, and short-term reserves (such as the money market fund) is one of your most important investing decisions. Choosing a mix of investments can help reduce your overall risk because favorable returns in one asset class can help offset lower returns in another asset class. This may help prevent dramatic swings in your account balance.

For help choosing your investment mix, take Vanguard's Investor Questionnaire at [vanguard.com/assetmix](https://www.vanguard.com/assetmix).

**3. Stay the course.** Once you've established your investment mix, stick with it. Remember: Investing for

retirement is a long-term commitment, so don't be distracted by short-term market fluctuations.

You should review your account at least once every year to make sure you're still where you want to be. Even if you find that your mix has strayed from its target by only 5% to 10%, you may want to rebalance gradually by redirecting your future contributions.

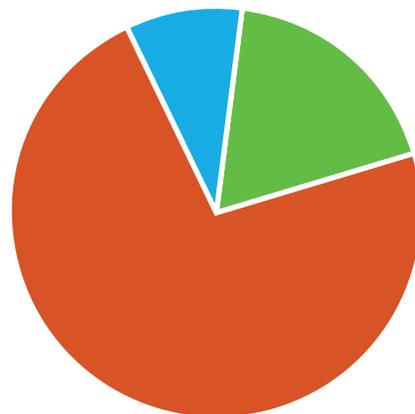
**4. Keep your eye on costs.** You can't control how the markets will move or how fast inflation will grow. But you can control how much you pay to invest.

Costs have a substantial impact on long-term net returns. Fund costs are subtracted, dollar for dollar, from investment returns. The lower your costs, the more of your investment returns you can keep. One measure of a fund's cost to own is its expense ratio.

## What is real return?

$$\begin{array}{r} \text{Total return (what the market provides)} \\ - \text{Expenses, fees, and inflation} \\ \hline = \text{Real return} \end{array}$$

- Expenses and fees
- Inflation
- Real return



# Get answers to your financial questions

Thanks to the partnership between Emerson and Vanguard, you have access to a new financial planning service beginning October 1, 2013.

## Vanguard Financial Planning Services

If you are age 45 or older, you can receive financial planning assistance from a Certified Financial Planner™ (CFP®) professional at no cost, beginning on October 1, 2013. Your CFP professional can help you work through your questions about topics such as choosing investments, saving for college, or transitioning into retirement. You can also receive a complimentary Vanguard Financial Plan. Your assigned financial planner is a salaried professional who receives no commission for his or her recommendations.

You'll receive more information in the coming weeks about taking advantage of Vanguard Financial Planning Services.



### Not age 45 or older?

Even if you're younger than age 45, you may be eligible for a Vanguard Financial Plan at a modest cost—or possibly free, based on your total assets at Vanguard. Look for more information about this service soon.

Advice is provided by Vanguard Advisers, Inc., a federally registered investment advisor in the United States. Eligibility restrictions may apply to the advice services offered.



## Plan changes – Important dates to remember

October 1	December 2	December 31	January 2014
You have access to new financial planning services.	Three new investments are added to the Plan's investment lineup, and existing Target Retirement and some core funds become available at a lower cost.	Emerson Stable Value Fund closes. All remaining balances and future contributions as of 4 p.m., Eastern time, will move automatically to the Vanguard Target Retirement Trusts.	Annual account administration fee replaces higher-cost fund expense ratios.

# A Special Note to Emerson Retirees

If you are an Emerson retiree, you already recognize the value of your Emerson Savings Plan. Here are some special comments and points for you to remember as a retiree:

- We value your participation in the Emerson Savings Plan and look forward to providing you continued access to this valuable benefit. As a retiree, you will continue to be eligible to participate in the Plan even though you no longer are making contributions to your account.
- If you have questions and prefer to speak with someone in Emerson Corporate Human Resources please take advantage of our toll-free “Retiree Hotline” at **877-491-5392**.
- You can also contact Vanguard directly if you have any questions. See the section on the following page titled “Contact Vanguard” to get the details.
- Keep in mind, when you reach the age of 70½, if you have not already started taking withdrawals from your Emerson Savings Plan account, you will be required by law to start receiving a portion of your account balance. Vanguard will notify you in advance.
- You are eligible to take advantage of the Vanguard Financial Planning Services mentioned on page 13.

We value you as a retiree and recognize the contributions that you and all of our retirees made to build our company. Please don't hesitate to contact us if you have any questions that have not been addressed in this document.

# Contact Vanguard

More information about your Plan is always available by contacting Vanguard:

- **Online.** Log on to your account at **vanguard.com/retirementplans** anytime. Not yet registered for immediate, secure online account access? Go to **vanguard.com/register**. You will need your Plan number, which you can find on your most recent account statement.
- **By phone.** Call Vanguard's 24-hour interactive VOICE® Network at **800-523-1188**. You will need a personal identification number (PIN) to use VOICE. To create a PIN, follow the prompts.
- **With personal assistance.** Vanguard Participant Services associates are available at **800-523-1188** (Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time (7:30 a.m. to 8 p.m., Central time). If you are hearing impaired, call the TTY/TDY line at **800-749-7273**. For assistance in Spanish, call **800-828-4487**.

If you have any questions about information in this newsletter or your Plan account, please call Vanguard Participant Services at **800-523-1188**.

*For more information about any fund, including investment objectives, risks, charges, and expenses, call Vanguard 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 vanguard.com.*

Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

Vanguard Financial Planning Services are provided by Vanguard Advisers, Inc., a federally registered investment advisor.

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