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Human Energy™



Important Changes to the ESIP

Your Wealth.

Important Changes to the ESIP

When it comes to choosing your investments in the Chevron Employee Savings Investment Plan (ESIP), the variety and cost of the investments within your portfolio can have a big impact on your savings over time.



To help your efforts, we're making some important changes to the ESIP during the first quarter of 2015:

- Starting February 16, Chevron's matching contributions will no longer be made in company stock. Instead, the match will be invested in the same way as your regular payroll contributions.
- On February 13, the Vanguard® Target Retirement Trust I family will be replaced by the lower-cost Vanguard Target Retirement Trust Plus family.
- On February 13, the Artisan Mid Cap Fund Investor Class and the Neuberger Berman Genesis Fund Institutional Class will be removed from the ESIP investment lineup.
- Effective January 1, the quarterly Vanguard administration fee will drop from \$8.50 to \$7.50 per participant. You will see the lower fee in your first-quarter statement, which will be available in mid-April. The administration fee pays for expenses such as recordkeeping, participant communications and the call center.

You don't need to do anything now, unless you want to adjust how your money is invested in light of the changes.

You should review this newsletter to understand how the upcoming changes may affect you. If you decide you want to make adjustments to your account as a result of any of the changes, see the Connect with Vanguard information on page 10 to learn how. You'll also receive a legal notice in January about your new investment options and the costs associated with investing in them.

As always, take time to consider the importance of a well-balanced and diversified investment portfolio. Remember that all investing is subject to risk, including the possible loss of the money you invest, and that diversification does not ensure a profit or protect against a loss.



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Changing the Way Company Matching Contributions Are Invested

Beginning February 16, 2015, the matching contributions that Chevron makes to your ESIP account will no longer be invested in the Chevron Common Stock Fund. Instead, these contributions will be invested in the same way as your regular payroll contributions. In light of this change, you may want to review your current choices to make sure they continue to meet your needs.

This change won't affect your current balance – any money invested in the Chevron Common Stock Fund will remain there unless you move it. And you can still invest in Chevron stock through the ESIP – it's only how the company match is invested that is changing.

Why We're Changing

Chevron is making this change to help you maintain a diversified portfolio that includes a mix of stocks, bonds and other investments to meet your goals, time horizon and risk tolerance. By providing matching contributions in Chevron stock alone, your portfolio could become unbalanced over time if you don't move that money into other funds.

A large investment in any single stock puts your retirement savings at increased market risk. That's why Vanguard recommends **limiting your balance in company stock to no more than 20 percent of your total plan assets**. Any more than that could result in risks that outweigh the potential benefits of investing in company stock.

In general, a fund that invests in just one stock is considered riskier to own than a diversified stock mutual fund, which is composed of stocks from dozens or even hundreds of companies. Fluctuations in the market can cause wide swings in the value of a single stock. In contrast, even if a few of a diversified fund's holdings perform poorly, other stocks in the fund may do better, helping to offset the losses.

Changing the company match to follow your investment elections better reflects your chosen investment strategy without requiring further action on your part. Currently, if you don't want the company match contribution to remain invested in the Chevron Common Stock Fund, you have to take action to transfer it to another investment.

After February 16, 2015, your own contributions – as well as the company matching contributions – will be invested according to your chosen investment mix, and you will no longer need to move your company match to another investment.

Market Risk

What is it?

The possibility that your portfolio will drop sharply in value.

Who's at risk?

Investors who put most of their money in a comparatively aggressive investment – or investments. People who invest almost exclusively in stocks fall into this category. Investors with most of their money in single stocks – such as company stock funds – instead of diversified stock mutual funds can be even more vulnerable to market risk.

How can you reduce it?

Add more conservative investments to your portfolio. Over the years stock prices have skyrocketed – and plummeted – over relatively short periods. More conservative investments can act as a buffer during market downturns.

You Can Continue to Invest in Chevron Stock

Just because the company match will no longer be invested automatically in Chevron stock, that doesn't mean you can't include it in your portfolio. If you want to continue investing in company stock, you can do so by electing that a portion of your contributions be directed to the Chevron Common Stock Fund. You can do this online at vanguard.com/retirementplans or by contacting Vanguard Participant Services.

Lower-Cost Target Retirement Trusts



On February 13, 2015, at 1 p.m., Pacific time (3 p.m., Central time), your shares in the Vanguard Target Retirement Trust I family will be converted to lower-cost shares in the Vanguard Target Retirement Trust Plus family.

Any money you have in a Target Retirement Trust I will automatically move to the Target Retirement Trust Plus with the same target date. Similarly, if you are contributing to a Target Retirement Trust I, your future contributions will automatically be redirected to the Target Retirement Trust Plus with the same target date.

A Family of Lower-Cost Trusts

Each member of the Target Retirement Trust Plus family has the same underlying investments as its Target Retirement Trust I counterpart, but it has a lower **expense ratio**. The expense ratio is the annual cost of running the investment, expressed as a percentage of the trust's assets. The lower the expense ratio, the less it costs to own an investment, which means you get to keep more of your investment returns.

Each Target Retirement Trust I has an expense ratio of 0.08 percent. That means, for every \$10,000 you have invested in one of these trusts, \$8 is deducted from your returns each year to cover operating costs.

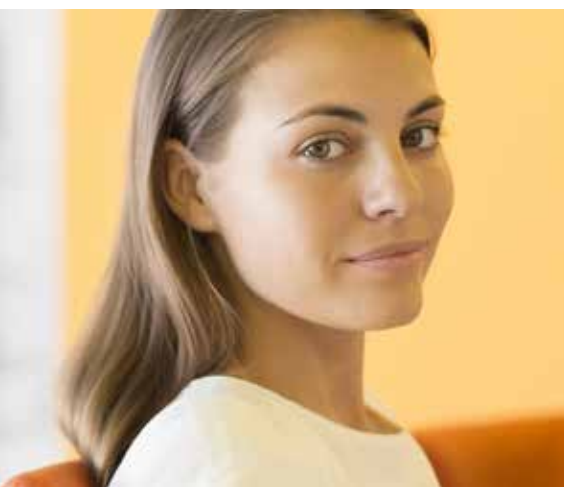
In comparison, each Target Retirement Trust Plus has an expense ratio of 0.07 percent. So, for every \$10,000 you invest in one of these trusts, only \$7 is deducted from your returns each year. This change in the expense ratio can make a difference over time.

Why Consider a Target Retirement Trust?

Vanguard Target Retirement Trusts each provide a diversified portfolio of stocks and bonds within a single investment. A single Target Retirement Trust 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 trust with the date that's closest to the year when you expect to retire.

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.

You can learn more about the underlying funds that make up each Target Retirement Trust by going to hr2.chevron.com and choosing **Vanguard**. Then go to the **ESIP Investment Guide** tab on the top navigation to get started.



Need Help With Your Retirement Planning?

The upcoming changes to your ESIP investment options may have you thinking seriously about your approach to saving and investing for retirement. If you'd like help with your financial planning or understanding how to invest, you may want to explore the Vanguard advice services available to Chevron participants:

- Personal Online Advisor, powered by Financial Engines
- Vanguard Managed Account Program, powered by Financial Engines
- Vanguard Financial Planning Services

Learn more at vanguard.com/chevronadvice or call Vanguard Participant Services.

Closing Funds

On February 13, 2015, two options will be removed from the ESIP investment lineup:

- Artisan Mid Cap Fund Investor Class
- Neuberger Berman Genesis Fund Institutional Class

Balances and contributions to these funds will be redirected automatically to the Vanguard Extended Market Index Fund Institutional Plus Shares.

You are not required to take any action; however, if you don't want your money redirected as described, you should contact Vanguard before 1 p.m., Pacific time (3 p.m., Central time), on February 13, 2015.

The following table shows how your money will move and provides a comparison of the funds.

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. For performance data current to the most recent month-end, visit vanguard.com/performance.

Artisan Mid Cap Fund Investor Shares

	Your money will move from here . . .	To here . . .	New fund benchmark
Name	Artisan Mid Cap Fund Investor Shares	Vanguard Extended Market Index Fund Institutional Plus Shares	S&P Completion Index
Ticker	ARTMX	VEMPX	–
Expense ratio* as a % (per \$1,000)	1.29% (\$12.90)**	0.06% (\$0.60)	–
Performance			
1 Year[†]	6.04%	9.74%	9.71%
5 Year[†]	17.39%	–	18.10%
10 Year[†]	11.30%	–	–
Since inception[†]	–	12.54%	–
Inception date	June 27, 1997	January 14, 2011	–
Fund type	Domestic stock	Domestic stock	–

Neuberger Berman Genesis Fund Institutional Class

	Your money will move from here . . .	To here . . .	New fund benchmark
Name	Neuberger Berman Genesis Fund Institutional Class	Vanguard Extended Market Index Fund Institutional Plus Shares	S&P Completion Index
Ticker	NBGIX	VEMPX	–
Expense ratio* as a % (per \$1,000)	0.86% (\$8.60)**	0.06% (\$0.60)	–
Performance			
1 Year[†]	3.28%	9.74%	9.71%
5 Year[†]	14.25%	–	18.10%
10 Year[†]	10.05%	–	–
Since inception[†]	–	12.54%	–
Inception date	July 1, 1999	January 14, 2011	–
Fund type	Domestic stock	Domestic stock	–

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. The new fund benchmark is shown for comparison purposes only. Money will not be mapped to the index.

*The cost of running the fund, expressed as a percentage of the fund's assets, as of the most recent fund prospectus on September 30, 2014.
Source: Morningstar, Inc.

**The expense ratio shown for the Artisan Mid Cap Fund Investor Shares excludes a 0.35% annual rebate that is allocated quarterly by purchasing additional fund shares for participants who invest in the fund. The expense ratio shown for the Neuberger Berman Genesis Fund Institutional Class excludes a 0.10% annual rebate that is allocated monthly by purchasing additional fund shares for participants who invest in the fund. Any rebate received after the funds' closing will be used to purchase shares of the Vanguard Extended Market Index Fund Institutional Plus Shares for those participants who had invested in the Artisan Mid Cap Fund Investor Shares or the Neuberger Berman Genesis Fund Institutional Class during the period covered by the rebate.

[†]Performance data as of September 30, 2014.

Key Dates for Plan Changes



Date	Plan Change
January 1, 2015	The quarterly administration fee will drop to \$7.50 from \$8.50 per participant. The new fee will be reflected in your first-quarter statement, which will be available in mid-April.
February 13, 2015	1 p.m., Pacific time (3 p.m., Central time) <ul style="list-style-type: none">• Balances in each Vanguard Target Retirement Trust I will move to the corresponding Vanguard Target Retirement Trust Plus.• The Artisan Mid Cap Fund Investor Class and Neuberger Berman Genesis Fund Institutional Class will close in the ESIP, and participant balances will move to the Vanguard Extended Market Index Fund.
February 16, 2015	Chevron matching contributions will no longer be invested in the Chevron Common Stock Fund. Instead they will be invested in the same way as your regular payroll contributions.

Summary of ESIP Investment Options

Effective February 13, 2015

Chevron has organized your fund options into four tiers to help you make investment decisions. You can learn more about each of the funds and view the applicable prospectus by going to hr2.chevron.com and choosing **Vanguard**; then go to the **ESIP Investment Guide** tab on the top navigation to get started.

Tier	Investment Options
Target Retirement Trusts	Vanguard Target Retirement 2060 Trust Plus – New Vanguard Target Retirement 2055 Trust Plus – New Vanguard Target Retirement 2050 Trust Plus – New Vanguard Target Retirement 2045 Trust Plus – New Vanguard Target Retirement 2040 Trust Plus – New Vanguard Target Retirement 2035 Trust Plus – New Vanguard Target Retirement 2030 Trust Plus – New Vanguard Target Retirement 2025 Trust Plus – New Vanguard Target Retirement 2020 Trust Plus – New Vanguard Target Retirement 2015 Trust Plus – New Vanguard Target Retirement 2010 Trust Plus – New Vanguard Target Retirement Income Trust Plus – New
Core Funds	Vanguard Prime Money Market Fund Institutional Shares Vanguard Short-Term Bond Index Fund Institutional Plus Shares Vanguard Total Bond Market Index Fund Institutional Plus Shares SSgA U.S. Inflation Protected Bond Index Fund Class C Vanguard Institutional Index Fund Institutional Plus Shares Vanguard Institutional Total Stock Market Index Fund Institutional Plus Shares Vanguard REIT Index Fund Institutional Shares Vanguard Extended Market Index Fund Institutional Plus Shares Vanguard Small-Cap Index Fund Institutional Plus Shares Vanguard Total World Stock Index Fund Institutional Shares Vanguard Developed Markets Index Fund Institutional Plus Shares Vanguard Emerging Markets Stock Index Fund Institutional Shares Chevron Common Stock Fund
Supplemental Funds	Dodge & Cox Income Separate Account Vanguard Windsor™ II Fund Admiral™ Shares Vanguard PRIMECAP Fund Admiral Shares American Funds EuroPacific Growth Fund Class R-6
Vanguard Brokerage Option	Mutual funds and ETFs (exchange-traded funds)

A note about risk. While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest. Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. Prices of small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility. Because the Chevron Common Stock Fund concentrates on a single stock, it is considered riskier than a diversified stock fund.

Connect with Vanguard®

Have a Question or Need to Make a Change?



Contact Vanguard if you have any questions or if you would like to change how your contributions are invested. The changes described in this newsletter take effect on the dates indicated on page 8.

- **Web access.** Conduct account transactions, check account balances, research funds, create a financial plan and more. To access your account, go to hr2.chevron.com and choose **Vanguard** to log on.*
- **Automated phone service.** Conduct transactions, get detailed fund information and more. Call 1-888-825-5247 (610-669-8595 outside the U.S.) and select option 1 to access Vanguard's 24-hour VOICE® Network. You will need the VOICE personal identification number (PIN) you received in the mail from Vanguard to use this service. This PIN is different from the password you use to access your Vanguard account online.
- **Participant Services associates.** Get personal assistance with transactions or ask questions about the ESIP. Call 1-888-825-5247 (610-669-8595 outside the U.S.) and select option 1. Associates are available from 5:30 a.m. to 6 p.m., Pacific time (7:30 a.m. to 8 p.m., Central time), Monday through Friday, except on stock market holidays.

*For security reasons, you must register for online access. Vanguard.com provides onscreen instructions to complete the registration process. You will be prompted to enter your plan number (095555).

For more information about any fund, including investment objectives, risks, charges and expenses, call Vanguard toll-free at 1-888-825-5247 (610-669-8595 outside the U.S.) and select option 1 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.

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

Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

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This communication provides only certain highlights of benefits provisions. It is not intended to be a complete explanation. It is neither a summary plan description nor a summary of material modification. If there are any discrepancies between this communication and legal plan documents, the legal plan documents will rule. Chevron, as the plan sponsor, reserves the right to amend, change or terminate these plans for any reason at any time. **Some benefit plans and policies described in this communication may be subject to collective bargaining and, therefore, may not apply to union-represented employees.**

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