

AGENDA
IRVINE RANCH WATER DISTRICT
PENSION / OPEB 115 TRUSTS BOARD MEETING
MONDAY, JULY 31, 2023

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m53cad1d322ca44aad4bcec2c713577e1>

Meeting Number (Access Code): 2481 007 8967

Meeting Password: 6jB6sQR97fD (65267779 from video systems)

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to join the meeting once the closed session has concluded.

CALL TO ORDER 2:00 p.m.

ATTENDANCE Board Member: Peer Swan _____
 Board Member: Steve LaMar _____
 Board Member: Paul Cook _____

ALSO PRESENT Cheryl Clary _____ Kent Morris _____
 Jennifer Davis _____ Oliver Mendoza _____
 Dan Quirk, Sage View _____ _____

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the “chat” feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 7:30 a.m. on Monday, July 31, 2023

COMMUNICATIONS

1. Meeting Minutes: Kent Morris
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced, which came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. MINUTES OF THE MEETING OF THE IRVINE RANCH WATER DISTRICT 115 TRUSTS BOARD FOR PENSION TRUST AND OPEB TRUST – DAVIS / MORRIS / CLARY

Recommendation: That the minutes of the May 2, 2023 Board Meetings of the Irvine Ranch Water District 115 Trusts Board for Pension Trust and OPEB Trust be approved as presented.

ACTION

PENSION 115 TRUST

6. IRVINE RANCH WATER DISTRICT PENSION 115 TRUST INVESTMENT REVIEW AS OF JUNE 30, 2023 – DAVIS / MORRIS / CLARY

Recommendation: Staff to implement changes to the investment portfolio, if any.

OPEB 115 TRUST


7. IRVINE RANCH WATER DISTRICT OPEB 115 TRUST INVESTMENT REVIEW AS OF JUNE 30, 2023 – DAVIS / MORRIS / CLARY

Recommendation: Staff to implement changes to the investment portfolio, if any.

OTHER BUSINESS

8. Directors' Comments
9. Adjourn

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Retirement Board in connection with a matter subject to discussion or consideration at an open meeting of the Retirement Board are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Retirement Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to the Retirement Board, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

July 31, 2023
Prepared by: J. Davis
Submitted by: K. Morris / C. Clary
Approved by: Paul A. Cook 

115 TRUSTS BOARD

MINUTES OF THE MEETING OF THE IRVINE RANCH WATER DISTRICT
115 TRUSTS BOARD FOR PENSION TRUST AND OPEB TRUST

SUMMARY:

Provided as Exhibit “A” and Exhibit “B” are the minutes of the May 2, 2023 meetings of the Irvine Ranch Water District 115 Trusts Board for Pension Trust and the Irvine Ranch Water District 115 Trusts Board for OPEB Trust for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

THAT THE MINUTES OF THE MAY 2, 2023 BOARD MEETINGS OF THE IRVINE RANCH WATER DISTRICT 115 TRUSTS BOARD FOR PENSION TRUST AND OPEB TRUST BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

- Exhibit “A” – May 2, 2023 Minutes of the Irvine Ranch Water District 115 Trusts Board for Pension Trust
- Exhibit “B” – May 2, 2023 Minutes of the Irvine Ranch Water District 115 Trusts Board for OPEB Trust

Note: This page is intentionally left blank.

EXHIBIT “A”

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT 115 TRUSTS BOARD FOR PENSION TRUST

May 2, 2023

The meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) 115 Trusts Board was called to order by Chairman Swan at 12:00 p.m. on May 2, 2023.

Directors Present: Chairman Peer Swan, Vice Chairman Steve La Mar, and Paul Cook.

Also Present: Treasurer Kent Morris, Executive Director of Finance and Administrative Services Cheryl Clary, Assistant Treasurer Jennifer Davis, and Dan Quirk of SageView Advisory Group.

COMMUNICATION: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

ACTION CALENDAR

MINUTES OF BOARD MEETING

Jennifer Davis presented the minutes from the February 7, 2023 meeting.

On MOTION by Cook, seconded by La Mar and affirmed by Peer Swan, the minutes of the February 7, 2023 meeting were approved as presented.

Trust Investment Review

- A capital markets and legislative update was provided by SageView.
- All trust investment options were reviewed as of 03/31/2023. All options are currently performing in line with benchmarks or above 50th percentile peer group rankings.
- The Portfolio return and expense ratio, style analysis, and asset allocation by fund were reviewed. Of note included the following:
 - As of March 31, 2023, the IRWD Post-Retirement Benefits Trust market value was \$101,989,575, up from \$97,215,451 on December 31, 2022.
 - For the quarter, the net total return was 4.92%, closely tracking with the index-based custom benchmark return of 5.36%.
 - For the trailing twelve months, the total return was -6.66%, beating the custom benchmark return of -7.46%.
 - The portfolio is primarily allocated to index funds, leading to a low overall expense ratio of 0.10%.
 - The two actively scored funds by SageView score in the upper half of peer group rankings, while all index funds receive a pass rating.

- After a modest adjustment following the February meeting, the portfolio allocation remained unchanged, with a broad mix of 75% stock and 25% bonds, as shown below:

Ticker	Fund	06/30/2023 % Target
FDRXX	Fidelity Government Cash Reserves	0.0%
FUMBX	Fidelity Short Term Treasury Bond Index	0.0%
BCOIX	Baird Core Plus Institutional	17.0%
VWEAX	Vanguard High Yield Corporate Bond	8.0%
	Fixed Income	25.0%
VINIX	Vanguard Institutional Index	40.0%
VHYAX	Vanguard High Dividend Yield Index Admiral	15.0%
VEXAX	Vanguard Extended Market Index	10.0%
VTMNX	Vanguard Developed Markets Index	10.0%
VEMAX	Vanguard Emerging Markets Index	0.0%
	Equity	75.0%

ADJOURNMENT

There being no further business, Chairman Swan adjourned the meeting.

APPROVED and SIGNED this 31st day of July 2023.

Board Member, IRVINE RANCH WATER DISTRICT
115 TRUSTS BOARD

Secretary, IRVINE RANCH WATER DISTRICT
115 TRUSTS BOARD

EXHIBIT "B"

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT 115 TRUSTS BOARD FOR OPEB TRUST

May 2, 2023

The meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) 115 Trusts Board was called to order by Chairman Swan at 12:00 p.m. on May 2, 2023.

Directors Present: Chairman Peer Swan, Vice Chairman Steve La Mar, and Paul Cook.

Also Present: Treasurer Kent Morris, Executive Director of Finance and Administrative Services Cheryl Clary, Assistant Treasurer Jennifer Davis, and Dan Quirk of SageView Advisory Group.

COMMUNICATION: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

ACTION CALENDAR

MINUTES OF BOARD MEETING

There are no previous minutes as the May 2, 2023 meeting constituted the first meeting for the OPEB Trust.

ACTION

On MOTION, seconded and unanimously carried, THE BOARD ADOPTED BY-LAWS OF THE 115 TRUSTS BOARD OF THE IRVINE RANCH WATER DISTRICT OPEB 115 AND THE FOLLOWING RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2023 -1

RESOLUTION OF THE 115 TRUSTS BOARD OF THE
IRVINE RANCH WATER DISTRICT OPEB 115 TRUST
ADOPTING BYLAWS

RESOLUTION NO. 2023 -2

RESOLUTION OF THE 115 TRUSTS BOARD OF THE
IRVINE RANCH WATER DISTRICT OPEB 115 TRUST
ESTABLISHING INVESTMENT CUSTODY ACCOUNT
AND DELEGATING SIGNATURE AUTHORITY
RESOLUTION NO. 2023 -3

RESOLUTION NO. 2023-3

RESOLUTION OF THE 115 TRUSTS BOARD OF THE
IRVINE RANCH WATER DISTRICT OPEB 115 TRUST
APPOINTING TRUST OFFICERS

ACTION (CONTINUED)

RESOLUTION NO. 2023 -4

RESOLUTION OF THE 115 TRUSTS BOARD OF THE
IRVINE RANCH WATER DISTRICT OPEB 115 TRUST
ESTABLISHING TIME AND PLACE OF REGULAR QUARTERLY MEETINGS OF
THE 115 TRUSTS BOARD

Additionally, the Board voted unanimously to fund the OPEB Trust with \$10 million, to be custodied at Fidelity, and managed by SageView Advisory Group and approved an investment allocation of 60% stocks and 40% bonds as shown below. Trades went into effect on June 21, 2023:

Ticker	Fund	06/30/2023 % Target
BCOIX	Baird Core Plus Institutional	40.0%
	Fixed Income	40.0%
FXAIX	Fidelity 500 Index	60.0%
	Equity	60.0%


ADJOURNMENT

There being no further business, Chairman Swan adjourned the meeting.

APPROVED and SIGNED this 31st day of July 2023.

Board Member, IRVINE RANCH WATER DISTRICT
115 TRUSTS BOARD

Secretary, IRVINE RANCH WATER DISTRICT
115 TRUSTS BOARD

July 31, 2023
 Prepared by: J. Davis
 Submitted by: K. Morris / C. Clary
 Approved by: Paul A. Cook 

115 TRUSTS BOARD

IRVINE RANCH WATER DISTRICT PENSION 115 TRUST
INVESTMENT REVIEW AS OF JUNE 30, 2023

SUMMARY:

Staff and a representative from IRWD’s pension investment advisor SageView Investment Advisors will present the Portfolio Investment Review for the quarter ended June 30, 2023, provide an update on current market conditions, and any recommended portfolio changes.

BACKGROUND:

Quarterly Investment Review:

As of June 30, 2023, the IRWD Pension 115 Trust market value was \$106,731,116, which was a net increase of \$4,741,541 from the prior quarter end. The change was due to an increase in market value of \$4,054,303, and dividends in the amount of \$702,301. Trust expenses for the quarter included \$15,000 paid to SageView Advisory Group and \$63 for transaction and reporting fees paid to Fidelity. Assets in the Trust are sufficient to meet the District’s current CalPERS unfunded liability. The table below represents closing balances and fund returns as of June 30, 2023.

Investment	Quarterly Return	Month End March 31, 2023	Month End June 30, 2023	Incr/(Decr)	Percent of Portfolio
EQUITIES					
Vanguard Institutional Index Fund.	8.73%	\$41,097,162	\$44,685,886	\$3,588,724	41.9%
Vanguard Extended Mkt (small/mid) Index Fund	6.45%	9,641,324	10,263,171	\$621,846	9.6%
Vanguard Developed Market Index	3.15%	10,330,931	10,655,970	\$325,039	10.0%
Vanguard High Dividend Yield Index Admiral	1.39%	14,960,655	15,168,719	\$208,065	14.2%
FIXED INCOME					
Baird Core Plus Bond Fund	-0.44%	17,663,702	17,586,258	(\$77,444)	16.5%
Vanguard High-Yield Corporate Fund	1.12%	8,232,928	8,322,697	\$89,769	7.8%
CASH-SHORT TERM					
Fidelity Government Cash Reserves		62,871	48,414	(\$14,458)	0.0%
Closing Balance		\$101,989,575	\$106,731,116	\$4,741,541	100.0%

For the quarter ended June 30, 2023, the portfolio return was 4.65% compared to the index-based custom benchmark return of 4.13%. For the one-year period ended June 30, 2023, the return was 12.58%, compared to the index-based custom benchmark return of 11.51%. The Portfolio Investment Review as of June 30, 2023 is provided as Exhibit “A”.

A representative from SageView will present the Portfolio Investment Review for the quarter ended June 30, 2023, update the Board on current market conditions, and provide any recommended portfolio changes for the Board’s consideration.

FISCAL IMPACTS:

Fiscal impacts are as described above.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

STAFF TO IMPLEMENT CHANGES TO THE INVESTMENT PORTFOLIO, IF ANY.

LIST OF EXHIBITS:

Exhibit "A" – The Portfolio Investment Review as of June 30, 2023 Pension



Plan Investment Review

Irvine Ranch Water District Post-Employment Benefits Trust

For period ending June 30, 2023

Jonathan Upham Registered Representative with and securities offered through Cetera Advisor Networks LLC, member FINRA/SIPC
4000 MacArthur Blvd, Ste 1050, Newport Beach, CA 92660 | T 949.955.1395 | SageView is not affiliated with Cetera



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Section I

Market Overview

The views are those of SageView Advisory Group and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards. Please consult your financial advisor for more information.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made.

Q2 2023 BY THE NUMBERS

Narrow Market Leadership



U.S. stocks officially entered a bull market on June 8, 2023, with the S&P 500 rising 20% off its October 2022 lows. A small number of mega-cap stocks have driven the rally, specifically the “Big 7” tech firms. The top 10 best-performing stocks in the S&P 500 year-to-date included AI-related technology firms and cruise operators rebounding off their COVID lows. Narrow market leadership has historically been associated with late-stage rallies.

27%
S&P 500 constituents outperforming the index YTD

3.9%
S&P 500 Equal Weighted Index Q2 Return, vs. S&P 500's 8.7%

32%
NASDAQ YTD Return

Bonds Positioning Defensively



Bond managers are reacting to rising yields by allocating more to higher-quality issues, despite continued U.S. economic growth. According to Morningstar, both core and core-plus bond managers are moving away from Corporates and increasing weightings in AAA issues, which now offer yields not seen since the 2008 global financial crisis. Holdings in below investment-grade sectors also decreased, as managers rotated to safe-haven Treasuries and securitized debt.

5%
Avg Interm Core Manager Increase to AAA debt (Morningstar)

19 months
Avg length between inversion (2 -10) and recession (NYT - July 22)

2.3%
GDPNow Q2 Forecast (Fed Bank of Atlanta)

Rolling Recession

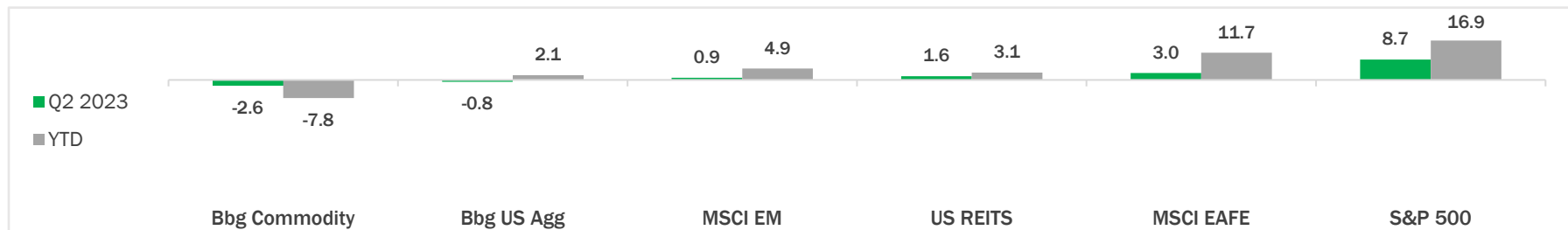


Famed economist Ed Yardeni argues we entered a “rolling recession,” one that impacts different areas of the economy sequentially instead of all at once, in 2022. The staggered occurrences of the energy spike due to the Ukraine conflict, the banking crises, tech sector layoffs, and high commercial real estate vacancies have not yet dragged the overall economy into an official recession (as defined by NBER). A rolling recession may give way to a rolling recovery, and certain sectors (e.g., housing and goods) show early signs of recovery.

17%
Vacancy Rate (Nat Office Report - June)

200,000
Tech sector layoffs

109.7
June Consumer Confidence Index (17-month high)

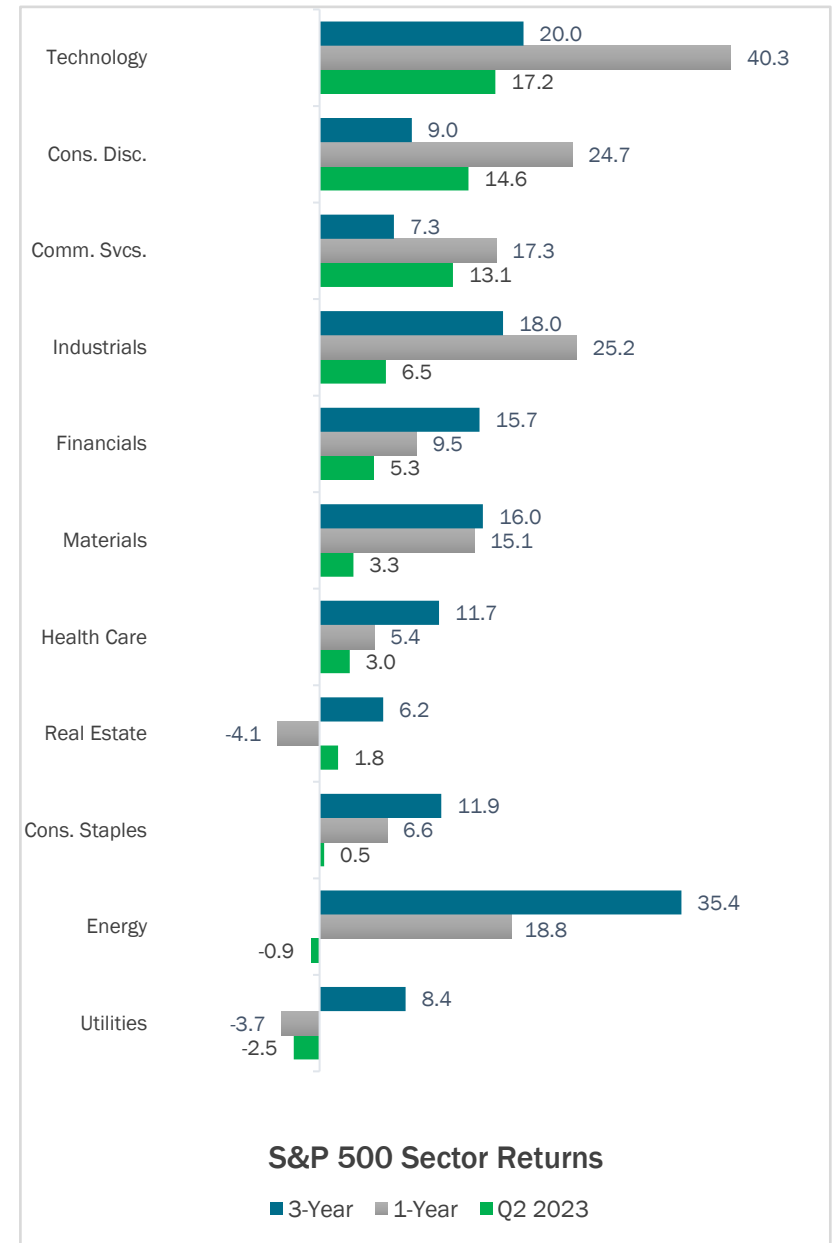
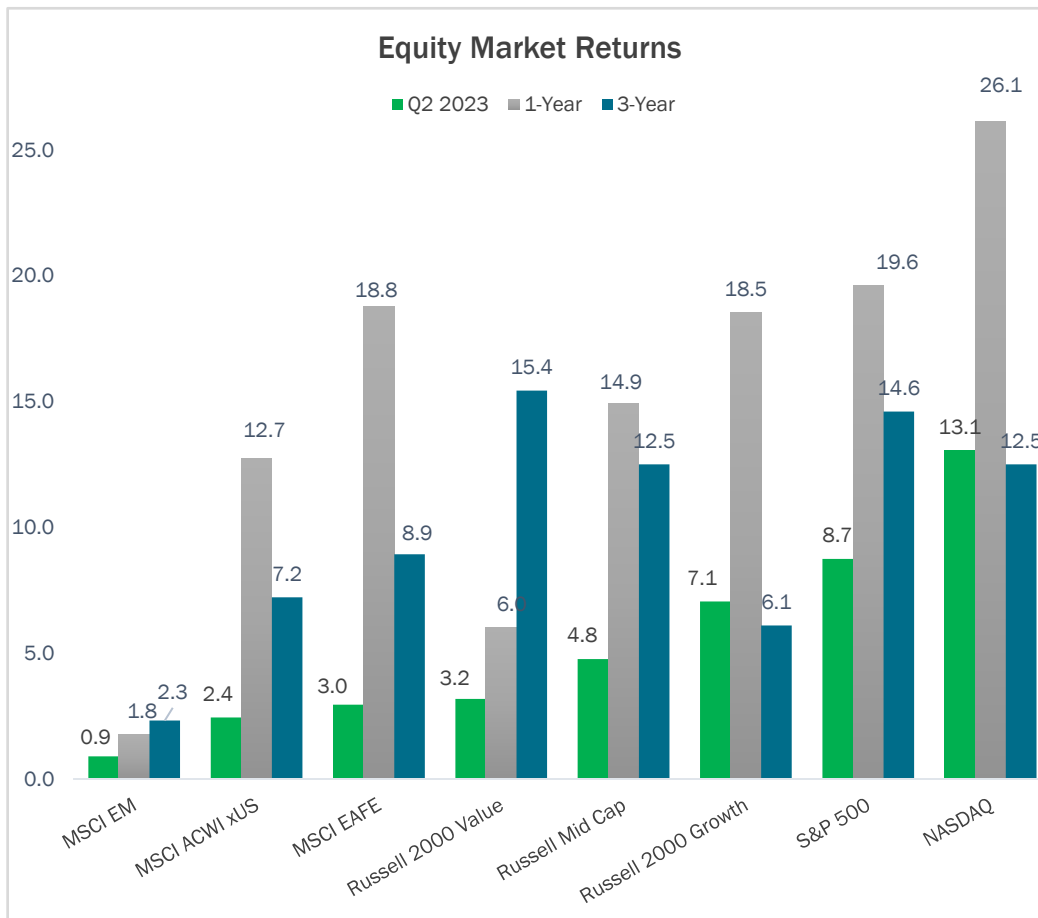


Source: Morningstar. Returns represent cumulative total return, including dividends US REITS – FTSE NAREIT All REITS

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. Fund returns shown are net of fund expenses and sales charges. Advisory services offered through SageView Advisory Group, LLC, a Registered Investment Advisor. Advisory Services are only offered to clients where SageView Advisory Group, LLC and its representatives are properly licensed or exempt from licensure. No advice may be rendered by SageView Advisory Group, LLC unless a client service agreement is in place. 4000 MacArthur Blvd, Ste 1050, CA 92660 T 949.955-1395 For use with plan sponsors only.

EQUITIES

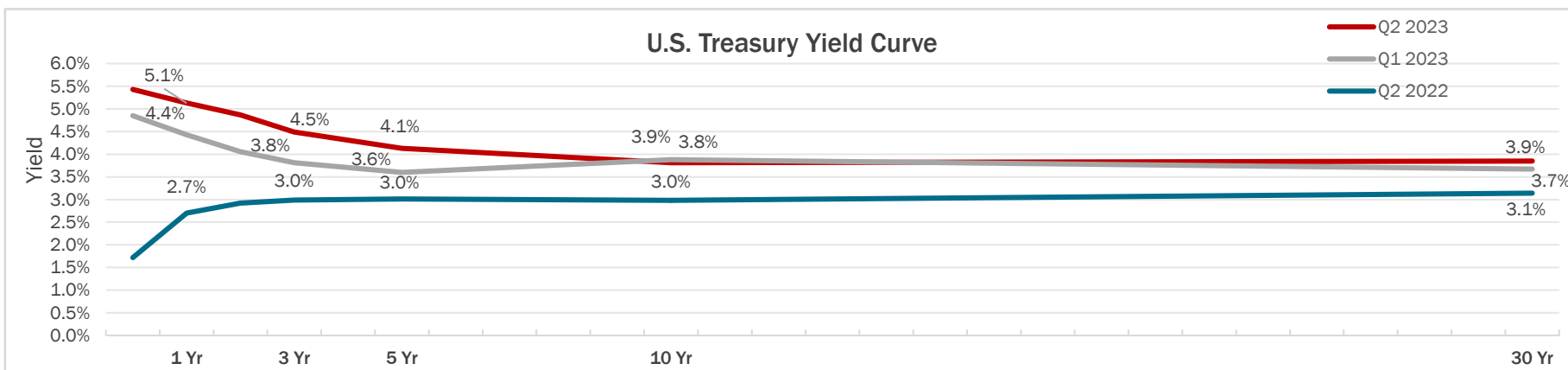
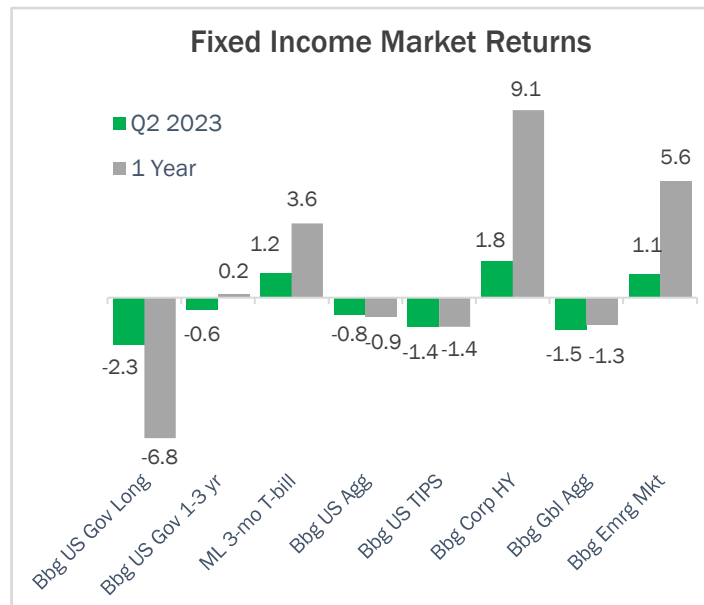
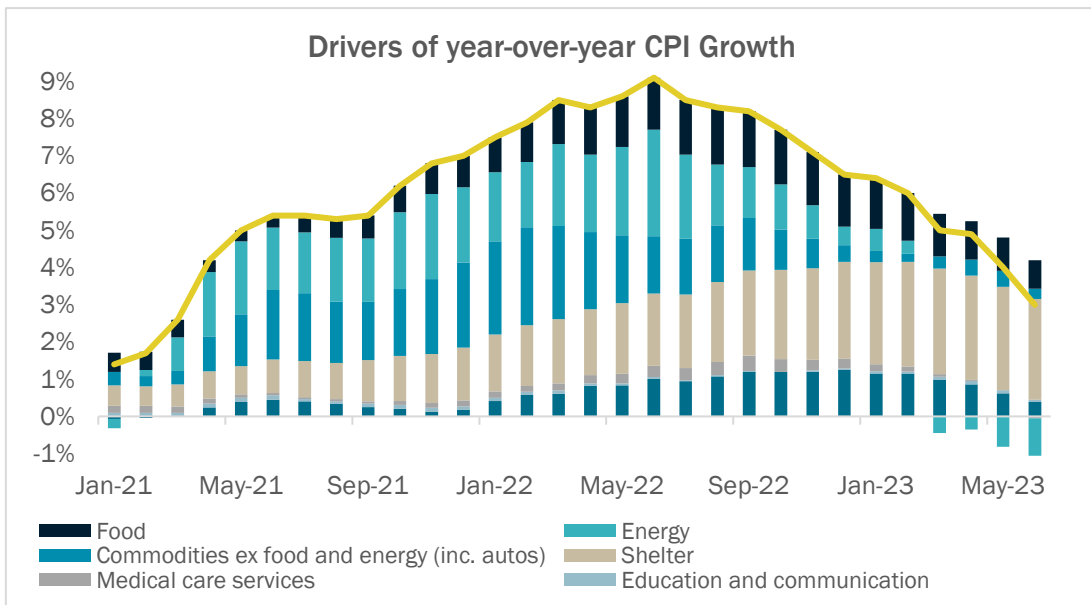
US equities defied recession fears and rallied for a third straight quarter. The same mega-cap growth names that underperformed in 2022 saw the strongest rebound, as cooling inflation sparked hopes of lower interest rates. International markets, having less exposure to AI-related stocks, lagged the U.S. for the quarter. Growth concerns for the Eurozone, which fell into recession earlier this year, also factored into lower foreign returns. Emerging markets fared worse, as Chinese policymakers failed to launch a stimulus program to combat weak economic output and deflationary pressures.



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FIXED INCOME

Treasury yields have risen precipitously since early 2022 to combat inflation. Since that time, CPI has fallen steadily thanks to falling energy and used car prices. CPI was up 0.2% in June and was up 3% from one year ago. June marked the twelfth consecutive month of falling year-over-year inflation. With Treasuries exhibiting comparable yields to corporates, bond managers upgraded holdings quality by selling lower rated bonds in favor of AAA debt. Debt investors are still reeling from early 2022 bond market volatility and unlike equity investors, have yet to recoup losses.



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Section II

Investment Summary

Executive Summary and Observations

Assets total \$106,731,115 at June 30, 2023, up from \$101,989,575 at March 31, 2023.

Trade activity during the quarter:

-None.

Target Allocation vs. Actual

Ticker	Fund	12/31/2022	12/31/2022	06/30/2023	06/30/2023	06/30/2023
		\$ Actual	% Target	\$ Actual	% Actual	% Target
FDRXX	Fidelity Government Cash Reserves	7,269	0.0%	48,414	0.0%	0.0%
FUMBX	Fidelity Short Term Treasury Bond Index	9,201,044	9.0%	0	0.0%	0.0%
BCOIX	Baird Core Plus Institutional	5,071,364	5.0%	17,586,258	16.5%	17.0%
VWEAX	Vanguard High Yield Corporate Bond	6,180,647	6.0%	8,322,697	7.8%	8.0%
	Fixed Income	20,460,323	20.0%	25,957,369	24.3%	25.0%
VINIX	Vanguard Institutional Index	48,300,807	50.5%	44,685,886	41.9%	40.0%
VHYAX	Vanguard High Dividend Yield Index Adm	10,503,535	9.0%	15,168,719	14.2%	15.0%
VEXAX	Vanguard Extended Market Index	6,609,828	8.5%	10,263,171	9.6%	10.0%
VTMNX	Vanguard Developed Markets Index	9,964,753	10.5%	10,655,970	10.0%	10.0%
VEMAX	Vanguard Emerging Markets Index	1,376,204	1.5%	0	0.0%	0.0%
	Equity	76,755,128	80.0%	80,773,747	75.7%	75.0%
	Total	97,215,451	100.0%	106,731,116	100.0%	100.0%

For the quarter, the net total return was 4.65%, compared to the custom peer-group fund benchmark of 4.13%.

For the past 12 months, the net total return was 12.58%, beating the custom peer-group fund return of 11.51%.

The portfolio is heavily allocated to index funds, leading to a low overall expense ratio of 0.10%.

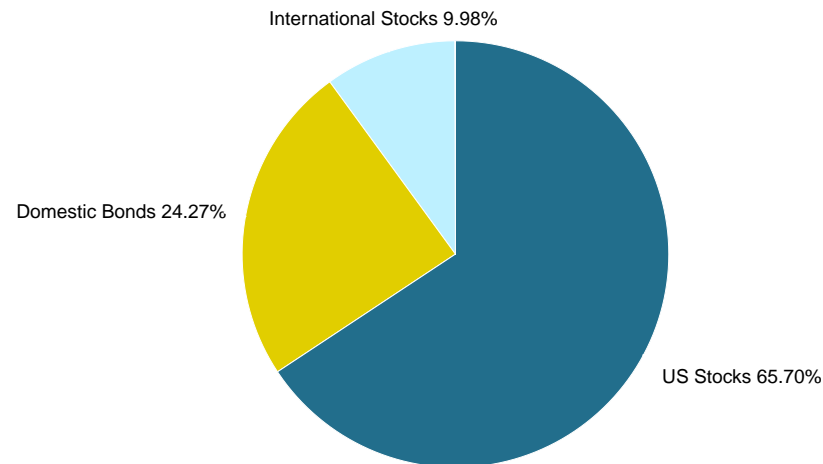
Baird Core Plus and Vanguard High Yield Corporate Bond score in the top quartile of SageView's peer group quantitative rankings, while all index funds receive a pass rating.



Asset Allocation by Fund

As of 06/30/2023

Fund	% of Plan Assets	Total Assets
Vanguard Institutional Index I	41.87%	\$44,685,886.39
Baird Core Plus Bond Inst	16.48%	\$17,586,258.48
Vanguard High Dividend Yield Index Adm	14.21%	\$15,168,719.45
Vanguard Developed Markets Index Instl	9.98%	\$10,655,969.99
Vanguard Extended Market Index Admiral	9.62%	\$10,263,170.83
Vanguard High-Yield Corporate Adm	7.80%	\$8,322,696.79
Fidelity® Government Cash Reserves	0.05%	\$48,413.75
Total Market Value:	100.00%	\$106,731,115.68



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Fund Performance Summary

As of 06/30/2023

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Fidelity® Government Cash Reserves	Money Market-Taxable	0.05%	1.17	2.20	3.47	1.18	1.32	0.79	0.34	NA
ICE BofA US 3M Trsy Bill TR USD*			1.17	2.25	3.59	1.27	1.55	0.98		
Cat: Morningstar Money Market - Taxable			1.14	2.16	3.40	1.16	1.28	0.76	0.41	
Baird Core Plus Bond Inst	Intermediate Core-Plus Bond	16.48%	-0.44	2.59	0.48	-3.10	1.42	2.25	0.30	TOP DEC
Bloomberg US Agg Bond TR USD*			-0.84	2.09	-0.94	-3.96	0.77	1.52		
Cat: Morningstar Intermediate Core-Plus Bond			-0.61	2.38	-0.29	-2.99	0.91	1.75	0.74	
Vanguard High-Yield Corporate Adm	High Yield Bond	7.80%	1.12	4.35	8.50	2.46	3.41	4.23	0.13	TOP QUAR
ICE BofA US High Yield TR USD*			1.63	5.41	8.87	3.21	3.19	4.34		
Cat: Morningstar High Yield Bond			1.51	4.72	8.01	3.09	2.77	3.53	0.89	
Vanguard High Dividend Yield Index Adm	Large Value	14.21%	1.39	-0.43	7.76	13.89	8.45	9.88	0.08	Pass
Russell 1000 Value TR USD*			4.07	5.12	11.54	14.30	8.11	9.22		
Cat: Morningstar Large Value			3.64	4.47	10.83	14.57	8.11	9.10	0.90	
Vanguard Institutional Index I	Large Blend	41.87%	8.73	16.87	19.55	14.57	12.28	12.83	0.04	Pass
S&P 500 TR USD*			8.74	16.89	19.59	14.60	12.31	12.86		
Cat: Morningstar Large Blend			7.19	13.37	16.90	13.43	10.70	11.36	0.79	
Vanguard Extended Market Index Admiral	Mid-Cap Blend	9.62%	6.45	12.67	15.20	9.26	6.14	9.33	0.06	Pass
S&P Completion TR USD*			6.40	12.57	15.00	9.16	6.02	9.23		
Cat: Morningstar Mid-Cap Blend			4.59	8.25	13.98	13.42	7.44	9.32	0.92	
Vanguard Developed Markets Index Instl	Foreign Large Blend	9.98%	3.15	11.18	16.53	9.02	4.41	5.69	0.05	Pass
FTSE Dv Ex US TR USD*			3.39	11.46	17.53	9.56	4.92	5.97		
Cat: Morningstar Foreign Large Blend			2.90	10.92	15.74	7.97	3.90	5.11	0.92	

*Investment Policy Benchmark

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Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Baird Core Plus Bond Inst 16.48 Intermediate Core-Plus Bond	03/31/2023	<p>Performance Update (3/31/2023): The Baird Core Plus fund outperformed the Bloomberg U.S. Universal Bond Index in the first quarter. The largest driver of returns for the quarter was an overweight allocation to and security selection within investment grade credit. Positioning within Industrials and Financials, specifically favoring non U.S. vs U.S. banks and selection within life insurance, was positive for results as U.S. regional banks underperformed. Within securitized holdings, an underweight to Agency RMBS was also helpful. Overall yield curve positioning was positive favoring the longer end of the curve. An underweight position to US high yield was a headwind as high yield performed well over the quarter. Over the trailing one year, the fund outperformed the benchmark. Key drivers included an overweight allocation to and positioning within investment grade credit and underweight to U.S. high yield.</p> <p>Strategy Summary: The fund utilizes a duration neutral approach relative to the benchmark. Typically, portfolio managers hope to generate the most excess return (about 40% of alpha) through security selection, then sector allocation (30% of alpha), yield curve positioning (25% of alpha), and lastly trade execution (5% of alpha). Credit analysts first determine which issuers appear to offer the best value within each sector. Only US dollar denominated securities are utilized in this fund with no use of derivative securities. The prospectus benchmark for the strategy is the Bloomberg US Universal Index. The standard category benchmark is the Bloomberg US Aggregate Bond Index. Fund comments are relative to the prospectus benchmark.</p>
Vanguard High-Yield Corporate Adm 7.80 High Yield Bond	03/31/2023	<p>Performance Update (3/31/2023): The Vanguard High-Yield fund outperformed the category average for both the quarter and the twelve month period. Financial markets traced a rocky path to solid gains over the first quarter of 2023. They rose sharply early on amid signs of moderating inflation, declining energy prices, and solid labor markets despite layoffs in the U.S. tech sector. Overall, U.S. bonds saw their yields finish lower and prices higher. The credit quality of the fund is higher than the average fund in the category, which helped returns. The funds underperformance was driven by security selection within the Financials sector. Security selection within wirelines and retailers helped. For the twelve month period, the fund's underweight allocation to credit risk, along with strong selection within the pharmaceutical, technology, and retailer sectors was the primary drivers of performance.</p> <p>Strategy Summary: The Fund invests primarily in a diversified group of high yielding, higher risk corporate bonds with medium and lower range credit quality ratings. The Fund invests at least 80% of its assets in corporate bonds that are rated below Baa by Moody's. The Fund may not invest more than 20% of its assets in any of the following, in the aggregate: bonds with credit ratings lower than B or the equivalent, convertible securities, preferred stocks, and fixed and floating rate loans of medium to lower range credit quality. The standard category benchmark is the BB Barclays US Corporate High Yield Bond Index. Fund comments are relative to the prospectus benchmark.</p>

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IPS Historical Ranking

Fund Name	09/2020	12/2020	03/2021	06/2021	09/2021	12/2021	03/2022	06/2022	09/2022	12/2022	03/2023	06/2023
Fidelity® Government Cash Reserves	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Baird Core Plus Bond Inst	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP DEC	TOP QUAR	TOP DEC	TOP DEC	TOP DEC
Vanguard High-Yield Corporate Adm	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR
Vanguard High Dividend Yield Index Adm	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Vanguard Institutional Index I	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Vanguard Extended Market Index Admiral	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Vanguard Developed Markets Index Instl	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass

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Fund Score Summary

Fund Name	Ticker	Total Return Composite Ranking	Rolling 12 Mo Perf. (5 Yrs.)	RSquared (3 Yrs)	Modified Sharpe Ratio (36 Mos.)	Alpha (60 Mos.)	Up Capture Ratio (10 Yrs.)	Down Capture Ratio (10 Yrs.)	Batting Average (10 Yrs.)	Expense Ratio	SageView Normalized Ranking
Baird Core Plus Bond Inst	BCOIX	23%	36%	4%	33%	18%	21%	30%	7%	7%	3%
Vanguard High-Yield Corporate Adm	VWEAX	34%	38%	54%	66%	20%	62%	19%	14%	3%	23%

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Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate Core-Plus Bond

June 30, 2023

Intermediate Core-Plus Bond Universe: 798 Funds

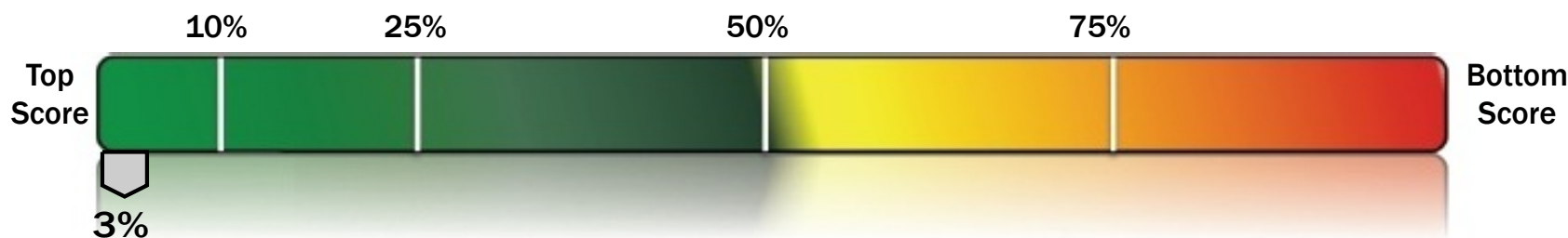
Performance Ranking		Ranking
Total Return Composite Ranking		23.45%
10 Year	16.00%	
5 Year	18.00%	
3 Year	38.00%	
1 Year	23.00%	
Rolling 12 Month - 5 Years		35.57%

Ratio Statistics		Ranking
Modified Sharpe Ratio - 36 Months		33.00%
Alpha - 60 Months		18.00%
Up Capture Ratio - 10 Years		21.00%
Down Capture Ratio - 10 Years		30.00%
Batting Average - 10 Years		7.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
Bloomberg US Agg Bond TR USD	R2	4.00%

Fund Expense		Ranking
Expense Ratio	0.3	7.00%

SageView Normalized Ranking	
SageView Normalized Ranking	3.00%
STATUS	TOP DECILE



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Vanguard High-Yield Corporate Adm

VWEAX

Ranking Vs. Peers - High Yield Bond

June 30, 2023

High Yield Bond Universe: 724 Funds

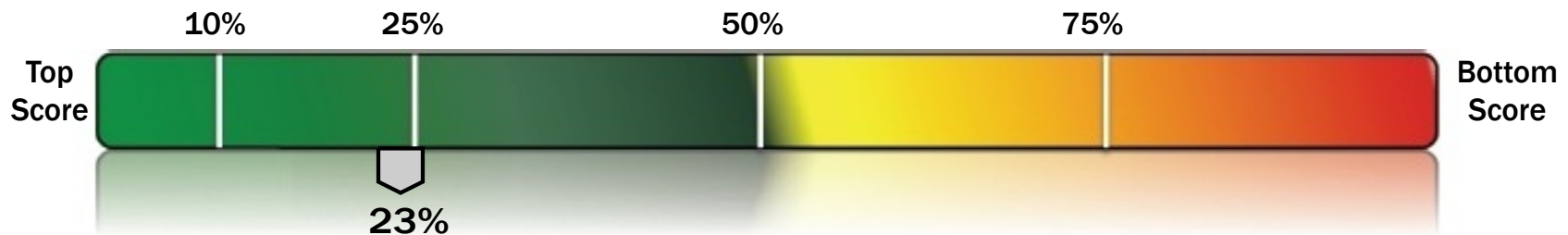
Performance Ranking		Ranking
Total Return Composite Ranking		34.20%
10 Year	18.00%	
5 Year	20.00%	
3 Year	66.00%	
1 Year	40.00%	
Rolling 12 Month - 5 Years		38.00%

Ratio Statistics		Ranking
Modified Sharpe Ratio - 36 Months		66.00%
Alpha - 60 Months		20.00%
Up Capture Ratio - 10 Years		62.00%
Down Capture Ratio - 10 Years		19.00%
Batting Average - 10 Years		14.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
Bloomberg US HY 2% Issuer Cap TR USD	R2	54.00%

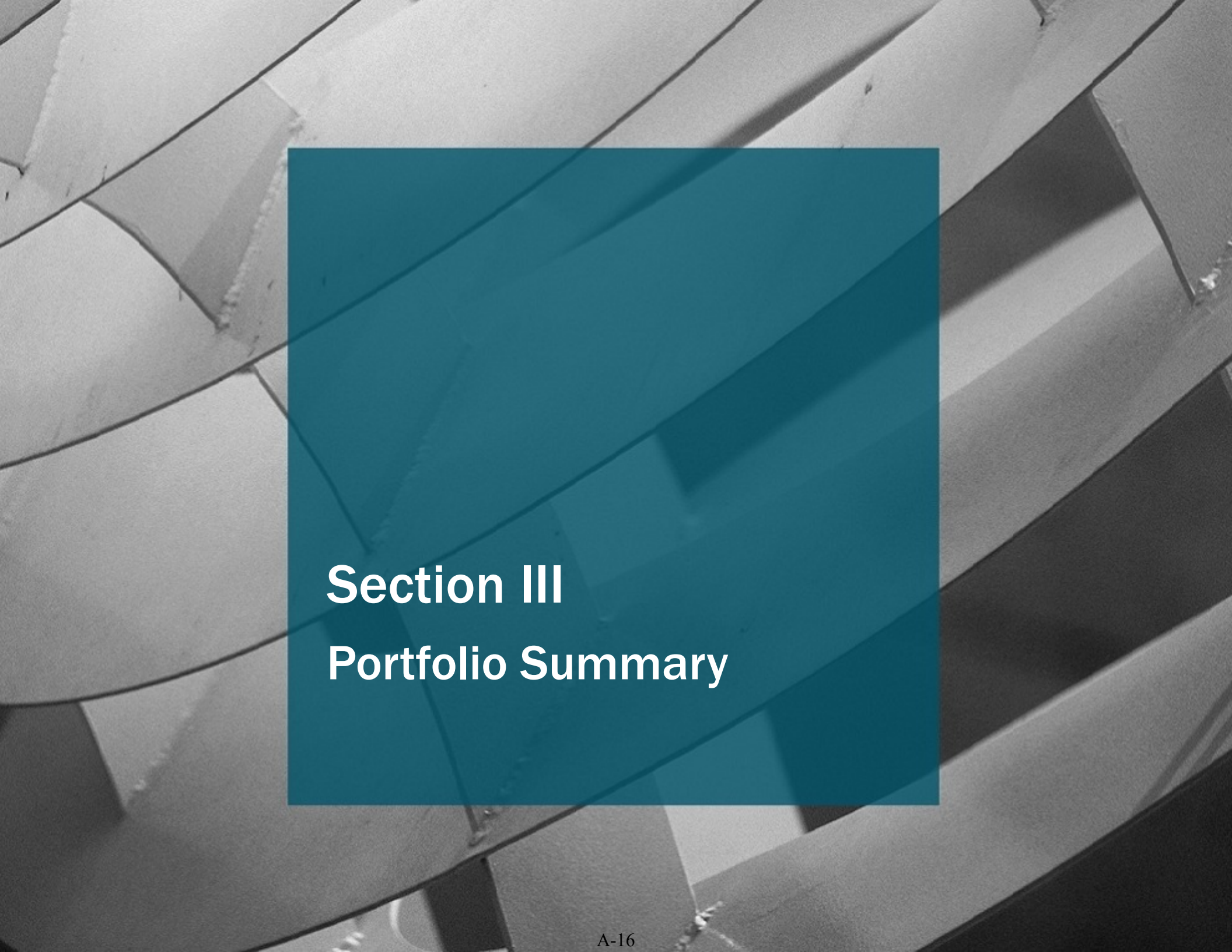
Fund Expense		Ranking
Expense Ratio	0.13	3.00%

SageView Normalized Ranking	
SageView Normalized Ranking	23.00%
STATUS	TOP QUARTILE



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Section III

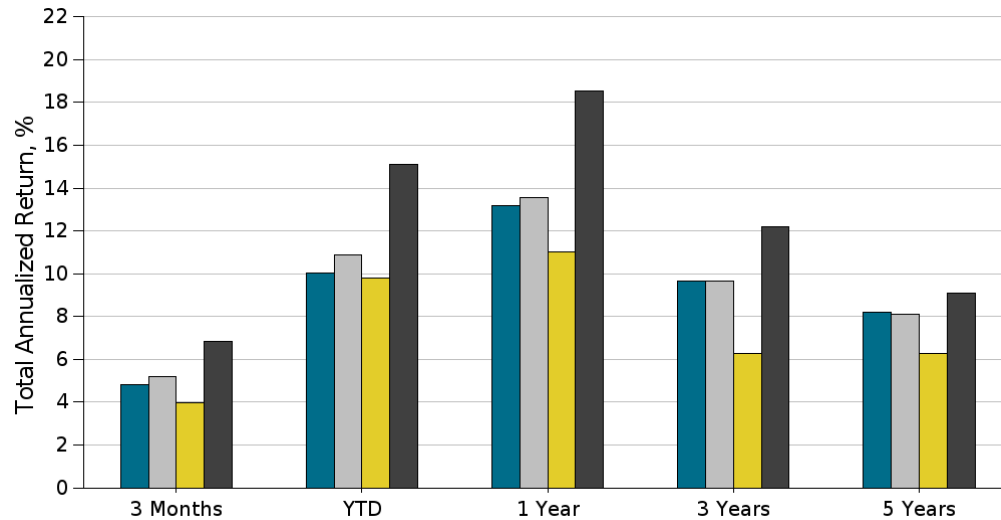
Portfolio Summary

Portfolio Return vs. Custom Benchmark

As of 06/30/2023

Performance As Of June 30, 2023	3 Month	YTD	1 Year	3 Year	Inception	Std Dev 5 Yr	Prospectus Exp Ratio
Irvine Ranch Water District Post-Employment Benefits Trust	4.65	9.80	12.58	9.04	8.59	15.17	0.10
Irvine Ranch Water District Post-Employment Benefits Trust Custom Benchmark	5.03	10.59	12.92	9.03		15.29	NA
Irvine Ranch Water District Post-Employment Benefits Trust Custom Category Averages Benchmark	4.13	8.67	11.51	8.90		16.27	0.83
Institutional Portfolio 60-30-10	3.96	9.82	11.01	6.29	6.29	11.68	NA
MSCI World NR USD	6.83	15.09	18.51	12.18	9.07	18.28	NA

¹Industry Average Exp Ratio 0.89%. Based on plan assets \$50Mil+



Benchmark	Weight
S&P 500 TR USD	41.87%
Bloomberg US Agg Bond TR USD	16.48%
Russell 1000 Value TR USD	14.21%
FTSE Dv Ex US TR USD	9.98%
S&P Completion TR USD	9.62%
ICE BofA US High Yield TR USD	7.80%
ICE BofA US 3M Trsy Bill TR USD	0.05%

- Irvine Ranch Water District Post-Employment Benefits Trust
- Irvine Ranch Water District Post-Employment Benefits Trust Custom Benchmark
- Institutional Portfolio 60-30-10
- MSCI World NR USD

⁴Industry Average Expense Ratio Source: 401(k) Averages Book, 20th Edition, published by HR Investment Consultants

The Institutional Portfolio 60-30-10 consists of 60% MSCI World NR USD, 30% Bloomberg US Agg Bond TR USD and 10% ICE BofA US 3M Trsy Bill TR USD

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Management Style Analysis

As of 06/30/2023

Domestic Equity Style Box

	VALUE	BLEND	GROWTH
LARGE CAP	<ul style="list-style-type: none"> Vanguard High Dividend Yield Index Adm (\$91.47 bn) 	<ul style="list-style-type: none"> Vanguard Institutional Index I(\$211.21 bn) 	
MID CAP		<ul style="list-style-type: none"> Vanguard Extended Market Index Admiral (\$6.05 bn) 	
SMALL CAP			

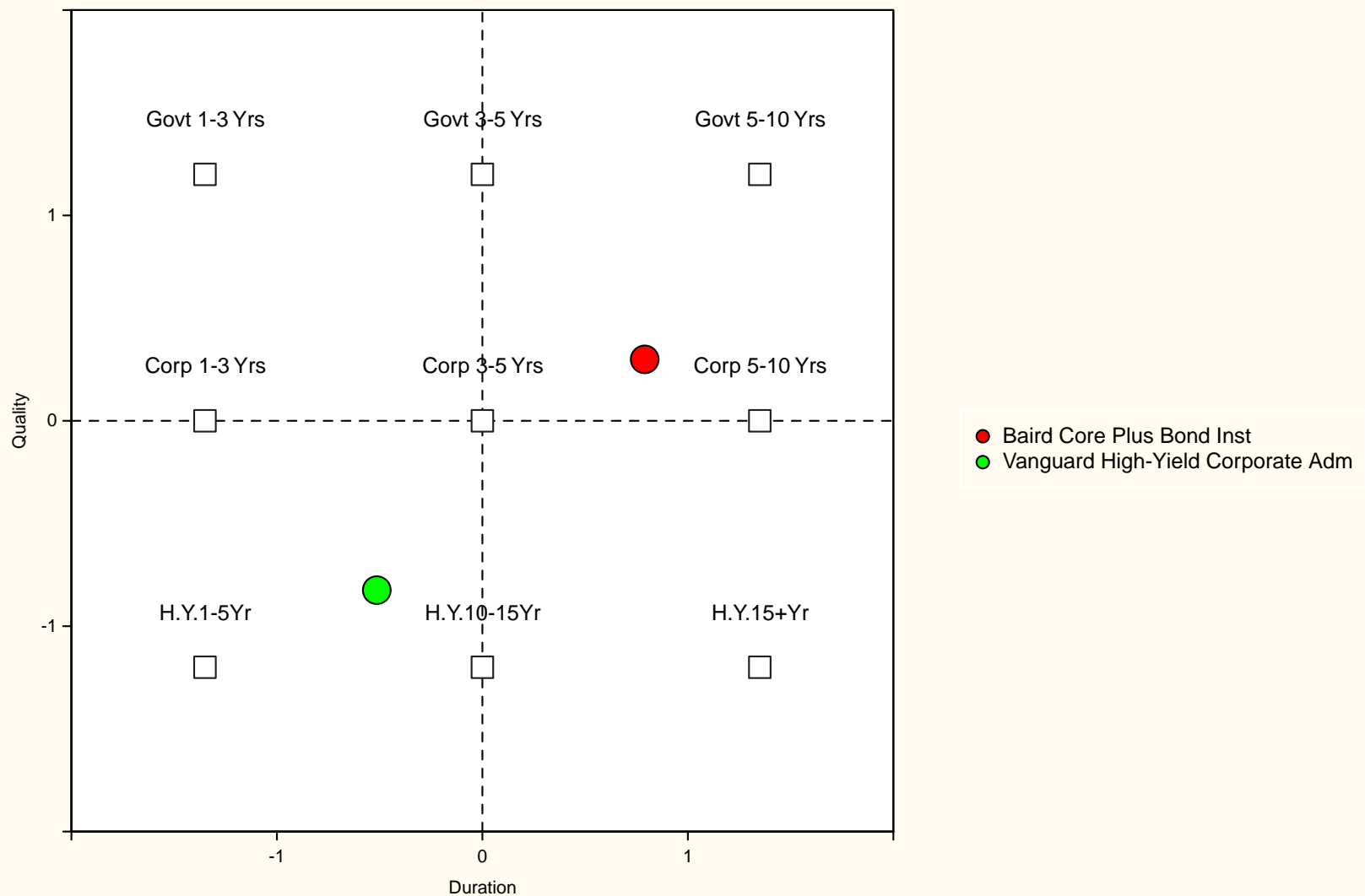
Average Market Cap. listed in parentheses

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Manager Style Box

Fixed Income - Single Computation
July 2013 - June 2023

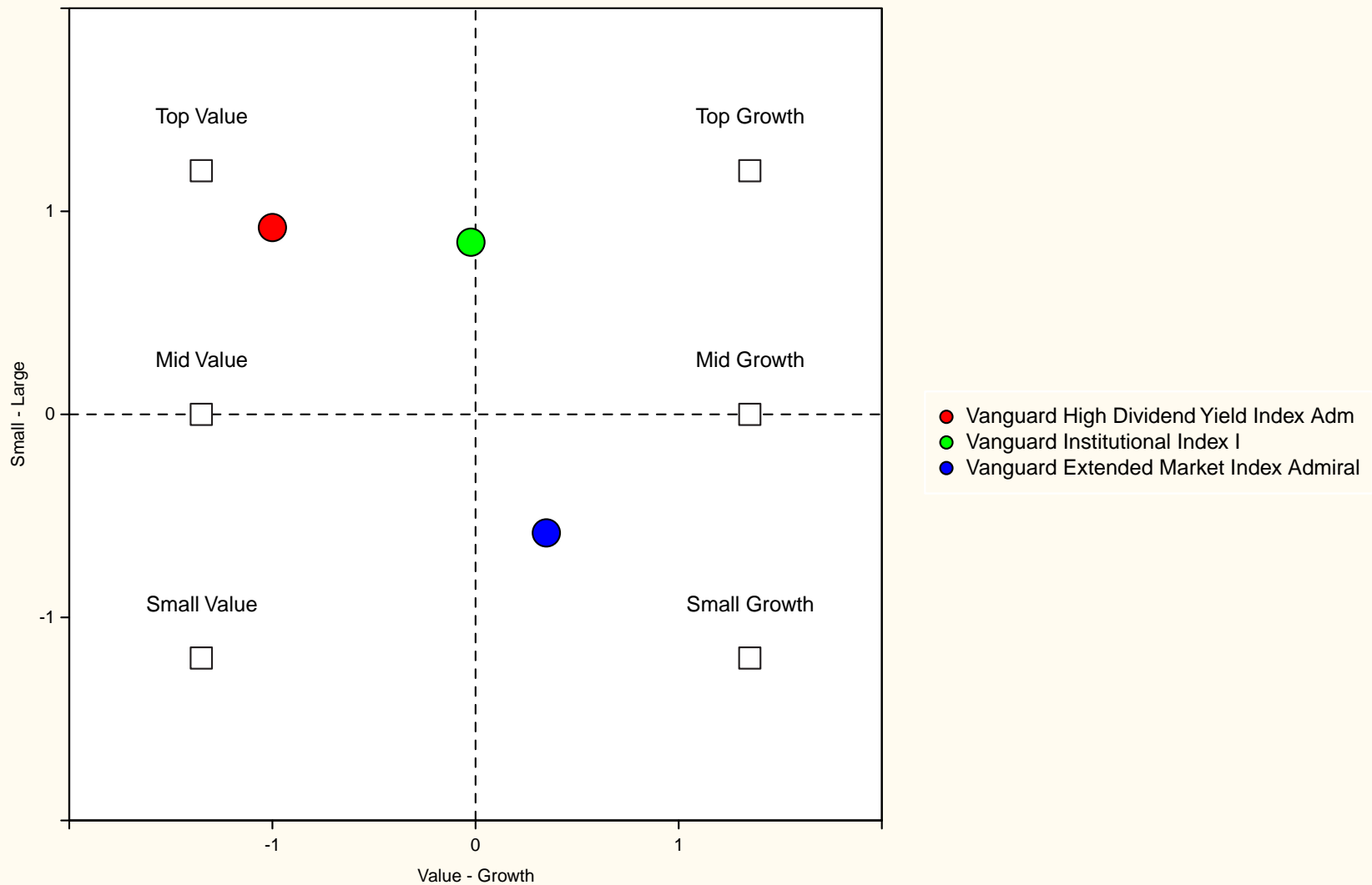


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Manager Style Box

Equity - Single Computation
July 2013 - June 2023

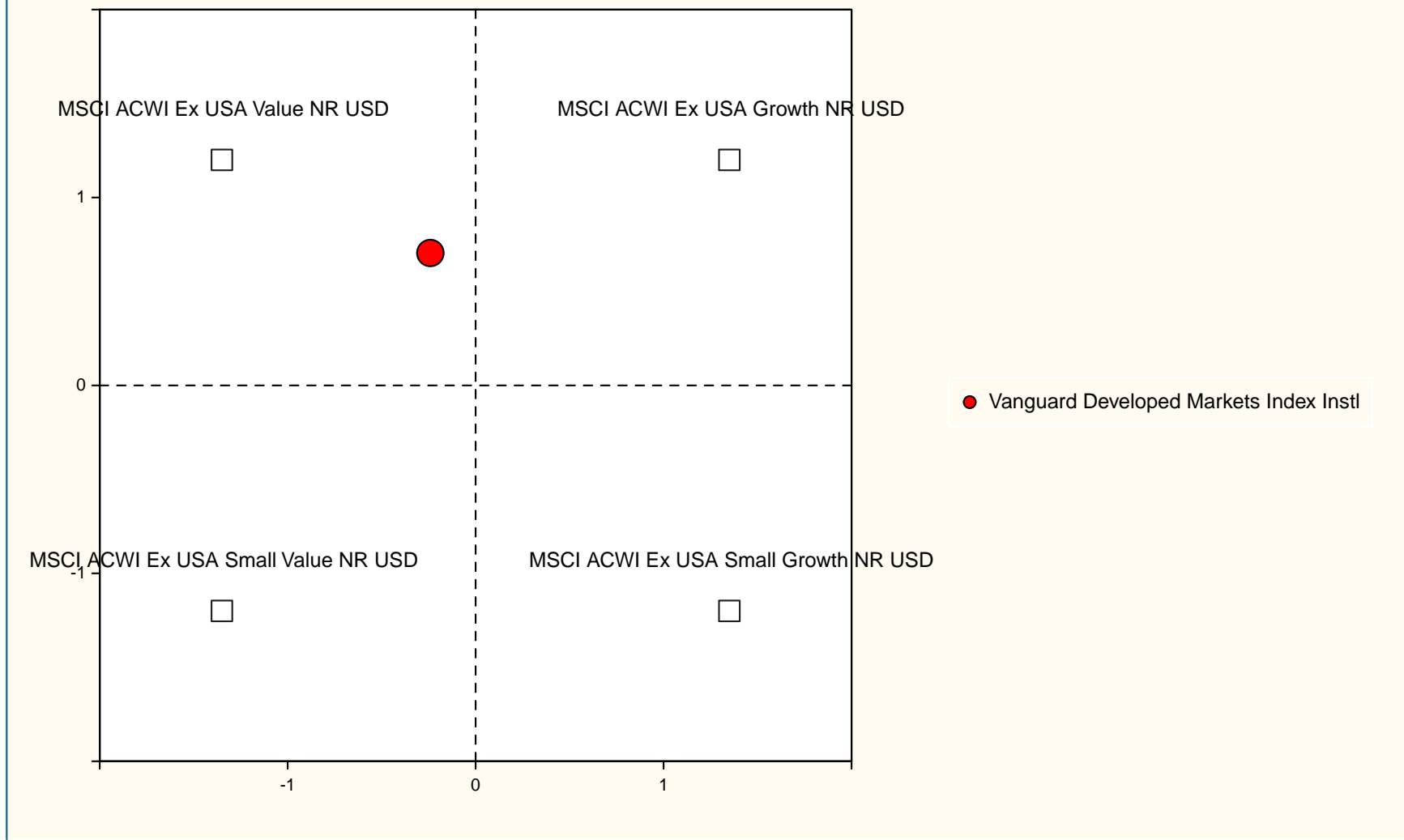


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Manager Style Box

International Equity - Single Computation
July 2013 - June 2023



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Section V
Appendix

ACTIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All active plan investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Trailing 1, 3, 5 and 10 year returns – Total return is a basic measure of a fund's performance. Fund returns over each period are factored into a weighted average, based on the life of a fund. Recent returns receive a slightly higher weighting, while older returns, which may have been produced under different conditions, are weighted less.
2. Rolling period returns – A rolling period return divides a longer time frame into smaller time periods. A rolling 12-month return over five years is computed by first calculating a single period return over the first twelve months. Next, it calculates the 12-month return for months 2-13. The process continues until finally reaching the 12-month period spanning months 48-60. The final rolling figure reflects the average of all of the 12-month returns.
3. Batting Average – Batting average is calculated by (1) tallying the number of months in a given observation window where the investment return is greater than the return of the peer group median return and (2) dividing this amount by the total number of months in the observation window. The result is a ratio that ranges between 0 and 1. A batting average of greater than 0.50 signifies that the investment has outperformed the peer group more frequently than it has underperformed, irrespective of the magnitude of any outperformance or underperformance.
4. Style Consistency to the appropriate index – We utilize R-squared to assess whether the funds selected for the plan continue to operate and perform as expected within their appropriate asset class. R-squared measures the closeness between a fund's returns and movements in the benchmark. All active funds have some deviation from their benchmark, but excessive deviation could indicate that a fund is drifting away from its stated category mandate.
5. Modified Sharpe Ratio – The standard Sharpe Ratio calculation is calculated by subtracting the risk-free rate of return (the US Treasury Bill is typically used) from the portfolio return and dividing the result by the portfolio's standard deviation. A higher Sharpe ratio indicates that the portfolio was able to generate a higher return per unit of risk. Modified Sharpe Ratio is a related statistic that is equal to the Sharpe Ratio under normal circumstances. However, the Modified Sharpe calculation adds an exponent to the denominator that effectively raises the denominator to the -1 power in circumstances in which an investment's excess return is negative. This modification ensures that investments with both negative excess returns and higher standard deviations rank lower than investment with negative excess returns and lower standard deviations. Under the standard Sharpe Ratio calculation, the opposite is true.
6. Alpha – The use of Alpha allows us to gauge the effectiveness of the manager. Alpha is the difference between the portfolio's actual return and its expected return given the funds level of risk as calculated by beta.
7. Up Capture Ratio – The up capture ratio calculates the percentage of return of an index that a fund has captured during up market cycles. It tracks the fund's relative performance versus the appropriate index when the index is going up.
8. Down Capture Ratio – The down capture ratio calculates the percentage of return of an index a fund has captured during down market cycles. Funds that perform well in this category tend to reduce the downside loss for investors during bear markets.
9. Expense Ratio – The expense ratio is compared to the appropriate category average expense and then given a score based upon that percentage. This rewards low-cost funds and penalizes high-cost funds. Expense ratios are effectively "double weighted" in our scoring methodology, because performance returns are already net of expenses. Since fiduciaries are encouraged to carefully manage expenses, we believe explicitly factoring in fund fees is prudent.

Each fund is benchmarked to a specific market index, and fund performance is evaluated and compared to a relevant peer group using Morningstar category classifications. A fund is given a peer group ranking for each criterion, shown as a percentage. The percentage rankings for all criteria are then averaged to give a fund its average ranking score. All funds with at least a three year track record are scored in the above manner. A fund is then classified as Top Decile, top Quartile, 2nd Quartile, 3rd Quartile or 4th Quartile based upon the overall score compared to all other funds within that particular asset category.


PASSIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All passive investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Expense Ratio – The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The Prospectus Net Expense Ratio is collected annually from a fund's prospectus.
2. Tracking Error – A measure of the difference in returns between an investment and a benchmark. Tracking error is reported as a standard deviation of the difference between the returns of an investment and its benchmark.
3. R-Squared – A statistical metric that ranges from zero to 100 and measures the percentage of portfolio's performance that is explained by the movement of its benchmark index. R-Squared is helpful in assessing the reliability of alpha and beta in explaining a portfolio risk and return characteristics. An r-squared of 100 would mean that the portfolio's performance movements are perfectly correlated with those of the benchmark over time, and would suggest that alpha and beta may be relied upon with a high degree of confidence.
4. Beta – A measure of the volatility, or systematic risk, of an investment in comparison to a market index as a whole. Beta is calculated using regression analysis. Beta represents the tendency of an investment's returns to respond to moves in the market or index that it's calculated against. A beta of 1 indicates that the investment's price moves with the market. A beta of less than 1 means that the investment is theoretically less volatile than the market. A beta of greater than 1 indicates that the investment's price is theoretically more volatile than the market. The reliability of an investment's beta is a function of the investment's r-squared value in relation to the benchmark. A high r-squared value signifies that the beta measure is reliable, while a low r-squared signifies that it is potentially inaccurate.

Each of the criteria above carries a proprietary weight. An index fund is evaluated and ranked in each of the above criteria relative to their peer group. A fund is given a peer group ranking for each criterion. The percentage rankings for all criteria are then weighted to give a fund its average ranking score.

The raw score is then normalized on a scale of 1 to 100, with 1 being the best and 100 the worst. The top 75% of the funds in a category receive a passing score, while the bottom 25% fail.

July 31, 2023
 Prepared by: J. Davis
 Submitted by: K. Morris / C. Clary
 Approved by: Paul A. Cook 

115 TRUSTS BOARD

IRVINE RANCH WATER DISTRICT OPEB 115 TRUST
INVESTMENT REVIEW AS OF JUNE 30, 2023

SUMMARY:

Staff and a representative from IRWD’s pension investment advisor SageView Investment Advisors will present the Portfolio Investment Review for the quarter ended June 30, 2023, provide an update on current market conditions, and any recommended portfolio changes.

BACKGROUND:

Quarterly Investment Review:

As of June 30, 2023, the IRWD OPEB 115 Trust market value was \$10,106,745, which was a net increase of \$106,745 from the initial investment on June 22, 2023. The change was due to an increase in market value of \$94,145, and dividends in the amount of \$12,625. Trust expenses for the period included \$25 for transaction fees paid to Fidelity. Assets in the Trust are not sufficient to meet a portion of the District’s current OPEB liability. The table below represents closing balances and fund returns as of June 30, 2023.

Investment	Monthly Return	Initial Investment June 22, 2023	Month End June 30, 2023	Incr/(Decr)	Percent of Portfolio
EQUITIES					
Fidelity 500 Index Fund	1.97%	\$6,000,000	\$6,118,011	\$118,011	60.5%
FIXED INCOME					
Baird Core Plus Bond Fund	-0.32%	3,980,025	3,967,438	(\$12,587)	39.3%
CASH-SHORT TERM					
Fidelity Treasury Money Market Fund		19,975	21,297	\$1,322	0.2%
Closing Balance		\$10,000,000	\$10,106,745	\$106,745	100.0%

For the quarter ended June 30, 2023, the portfolio return was 1.07% from the initial investment on June 22, 2023. The Portfolio Investment Review as of June 30, 2023 is provided as Exhibit “A”.

A representative from SageView will present the Portfolio Investment Review for the quarter ended June 30, 2023, update the Board on current market conditions, and provide any recommended portfolio changes for the Board’s consideration.

FISCAL IMPACTS:

Fiscal impacts are as described above.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

STAFF TO IMPLEMENT CHANGES TO THE INVESTMENT PORTFOLIO, IF ANY.

LIST OF EXHIBITS:

Exhibit "A" – The Portfolio Investment Review as of June 30, 2023 OPEB



Portfolio Investment Review

Irvine Ranch Water District OPEB Trust

For period ending June 30, 2023

Jonathan Upham Registered Representative with and securities offered through Cetera Advisor Networks LLC, member FINRA/SIPC
4000 MacArthur Blvd, Ste 1050, Newport Beach, CA 92660 | T 949.955.1395 | SageView is not affiliated with Cetera



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Section I

Market Overview

The views are those of SageView Advisory Group and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Additional risks are associated with international investing, such as currency fluctuations, political and economic stability, and differences in accounting standards. Please consult your financial advisor for more information.

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Q2 2023 BY THE NUMBERS

Narrow Market Leadership



U.S. stocks officially entered a bull market on June 8, 2023, with the S&P 500 rising 20% off its October 2022 lows. A small number of mega-cap stocks have driven the rally, specifically the “Big 7” tech firms. The top 10 best-performing stocks in the S&P 500 year-to-date included AI-related technology firms and cruise operators rebounding off their COVID lows. Narrow market leadership has historically been associated with late-stage rallies.

27%
S&P 500 constituents outperforming the index YTD

3.9%
S&P 500 Equal Weighted Index Q2 Return, vs. S&P 500's 8.7%

32%
NASDAQ YTD Return

Bonds Positioning Defensively



Bond managers are reacting to rising yields by allocating more to higher-quality issues, despite continued U.S. economic growth. According to Morningstar, both core and core-plus bond managers are moving away from Corporates and increasing weightings in AAA issues, which now offer yields not seen since the 2008 global financial crisis. Holdings in below investment-grade sectors also decreased, as managers rotated to safe-haven Treasuries and securitized debt.

5%
Avg Interm Core Manager Increase to AAA debt (Morningstar)

19 months
Avg length between inversion (2 -10) and recession (NYT - July 22)

2.3%
GDPNow Q2 Forecast (Fed Bank of Atlanta)

Rolling Recession

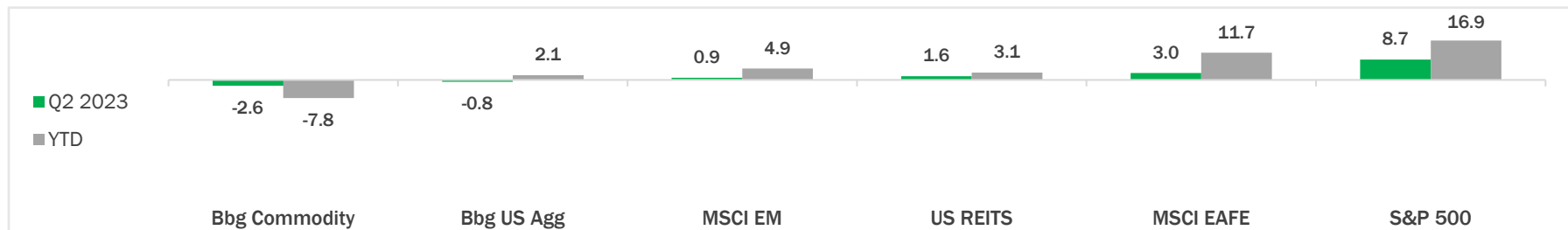


Famed economist Ed Yardeni argues we entered a “rolling recession,” one that impacts different areas of the economy sequentially instead of all at once, in 2022. The staggered occurrences of the energy spike due to the Ukraine conflict, the banking crises, tech sector layoffs, and high commercial real estate vacancies have not yet dragged the overall economy into an official recession (as defined by NBER). A rolling recession may give way to a rolling recovery, and certain sectors (e.g., housing and goods) show early signs of recovery.

17%
Vacancy Rate (Nat Office Report - June)

200,000
Tech sector layoffs

109.7
June Consumer Confidence Index (17-month high)

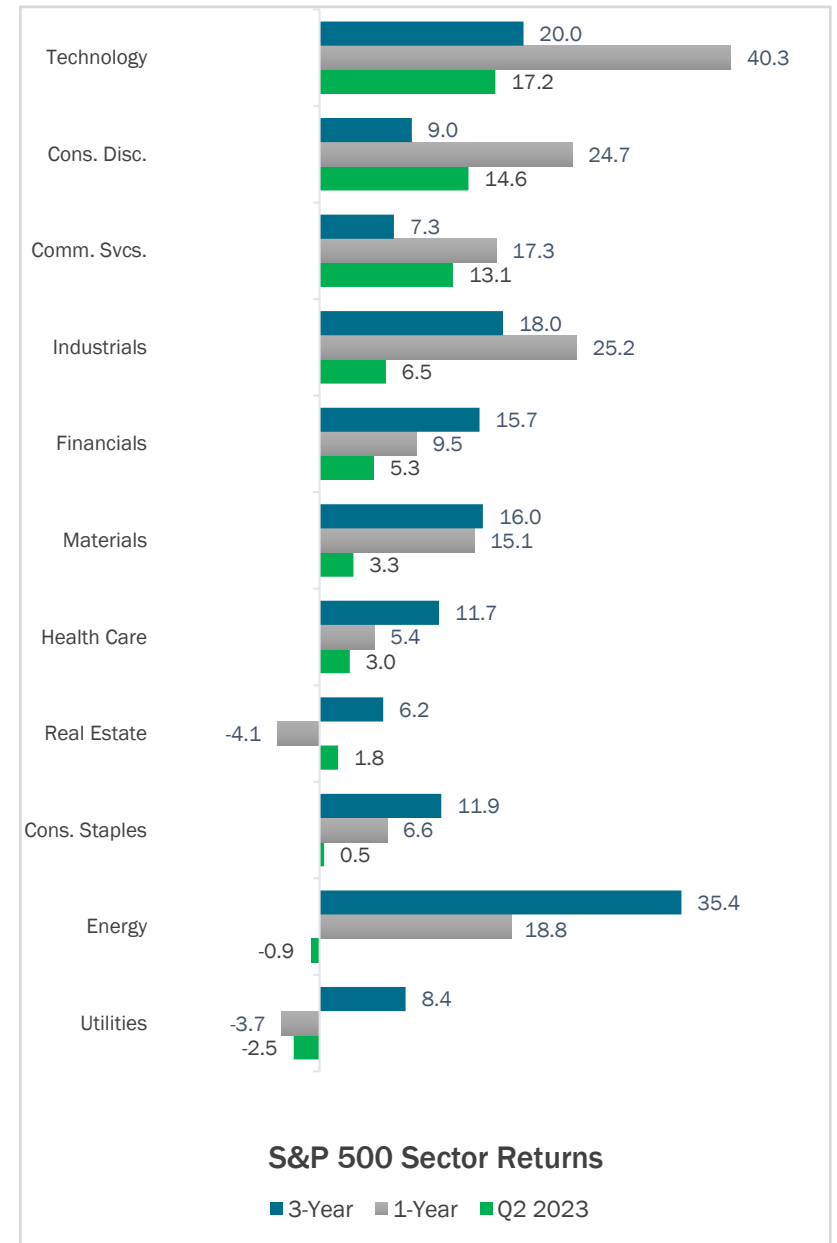
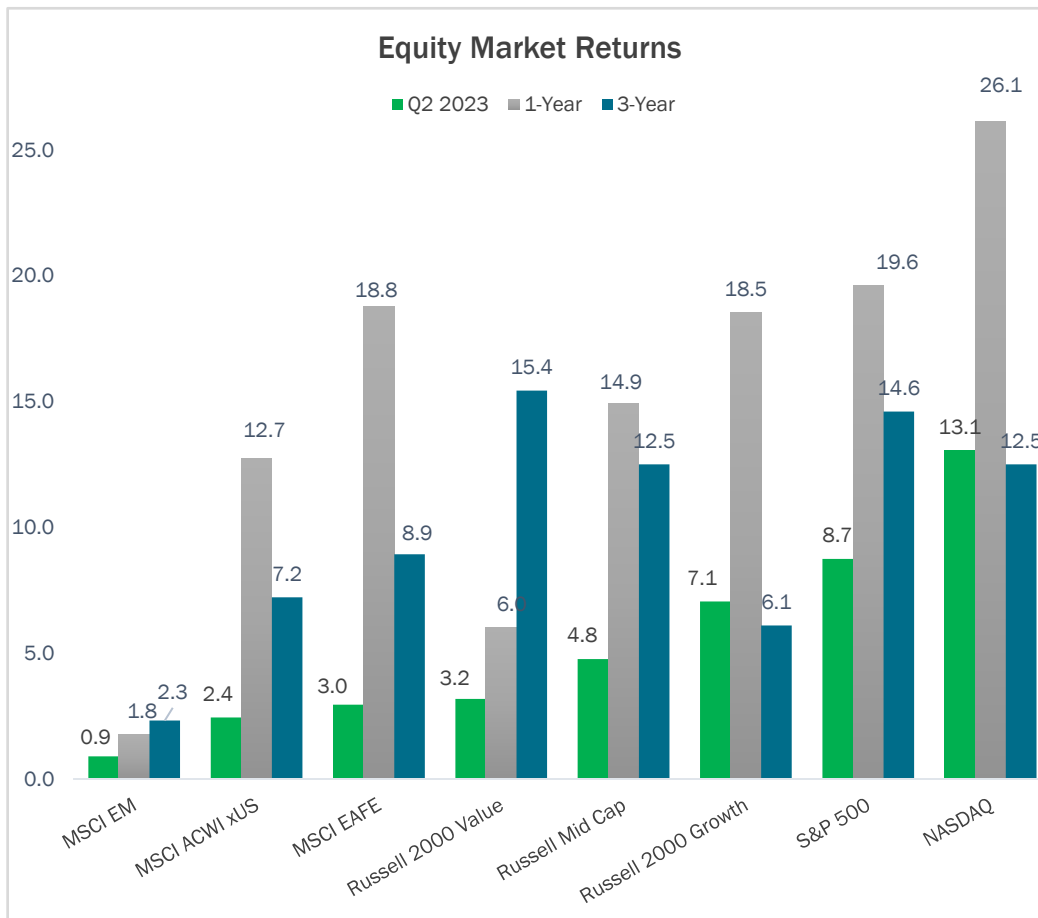


Source: Morningstar. Returns represent cumulative total return, including dividends US REITS – FTSE NAREIT All REITS

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EQUITIES

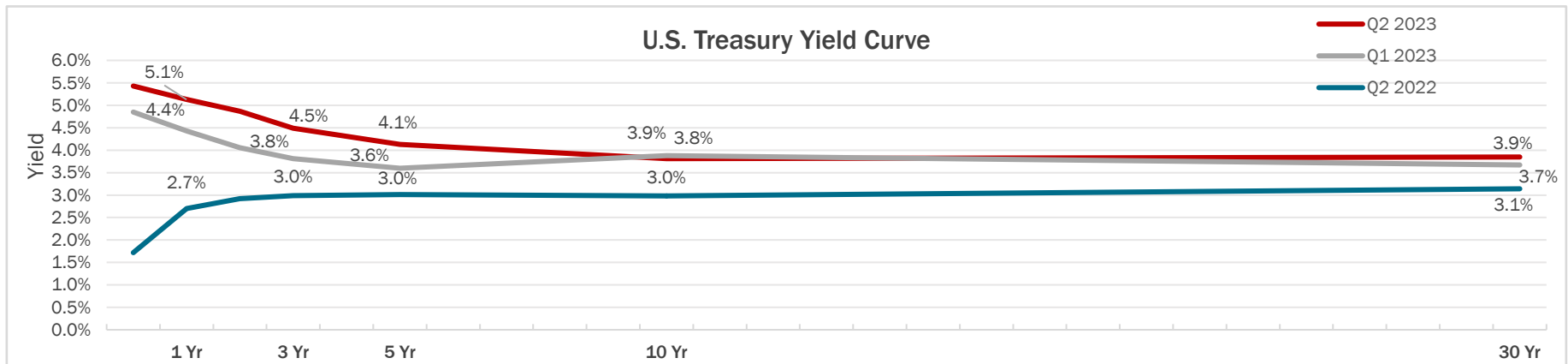
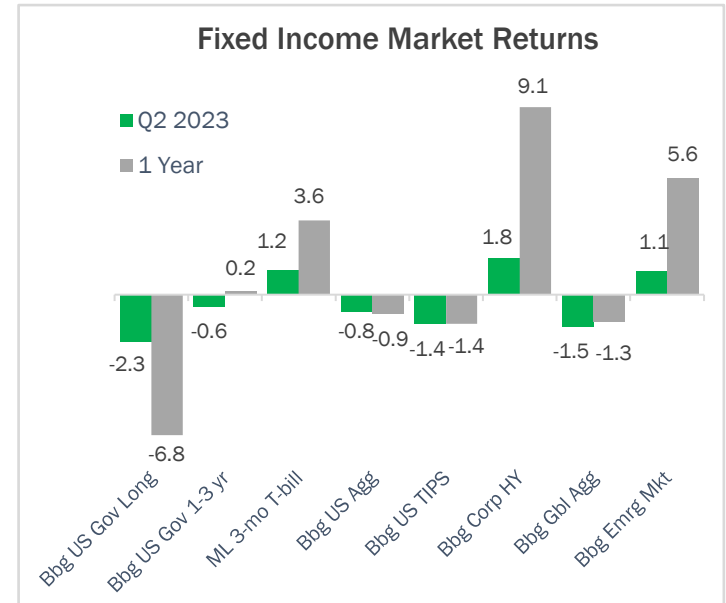
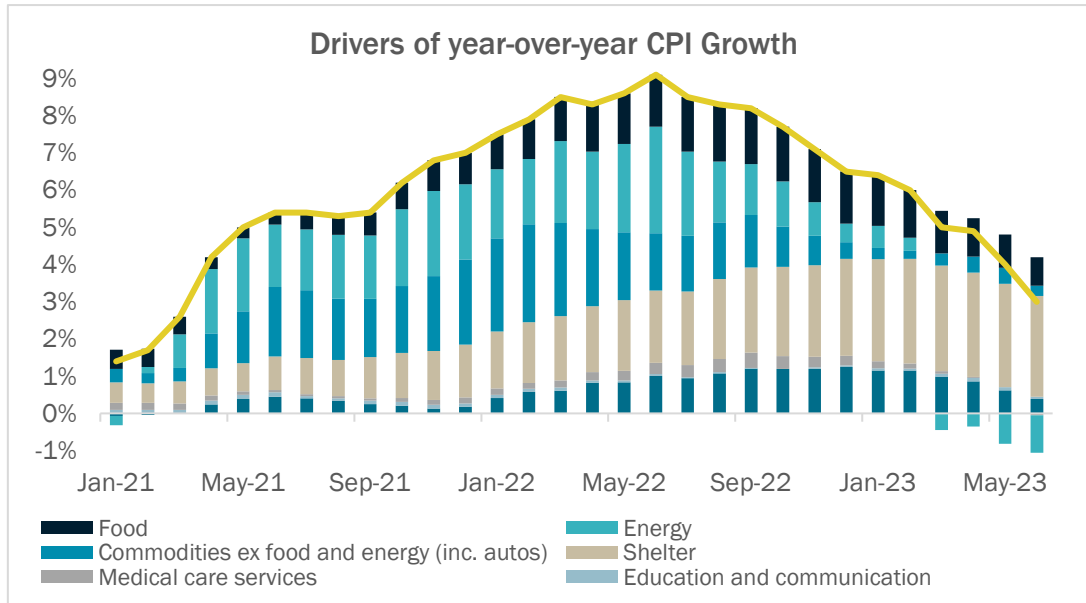
US equities defied recession fears and rallied for a third straight quarter. The same mega-cap growth names that underperformed in 2022 saw the strongest rebound, as cooling inflation sparked hopes of lower interest rates. International markets, having less exposure to AI-related stocks, lagged the U.S. for the quarter. Growth concerns for the Eurozone, which fell into recession earlier this year, also factored into lower foreign returns. Emerging markets fared worse, as Chinese policymakers failed to launch a stimulus program to combat weak economic output and deflationary pressures.



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FIXED INCOME

Treasury yields have risen precipitously since early 2022 to combat inflation. Since that time, CPI has fallen steadily thanks to falling energy and used car prices. CPI was up 0.2% in June and was up 3% from one year ago. June marked the twelfth consecutive month of falling year-over-year inflation. With Treasuries exhibiting comparable yields to corporates, bond managers upgraded holdings quality by selling lower rated bonds in favor of AAA debt. Debt investors are still reeling from early 2022 bond market volatility and unlike equity investors, have yet to recoup losses.



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Section II

Investment Summary

Executive Summary and Observations

Assets totaled \$10,106,745 at June 30, 2023, up 1.07% from an initial funding allocation and trades of \$10 million on June 21, 2023.

Trade activity during the quarter:

-Purchase of 60% Fidelity 500 index and 40% Baird Core Plus Bond fund.

Target Allocation vs. Actual

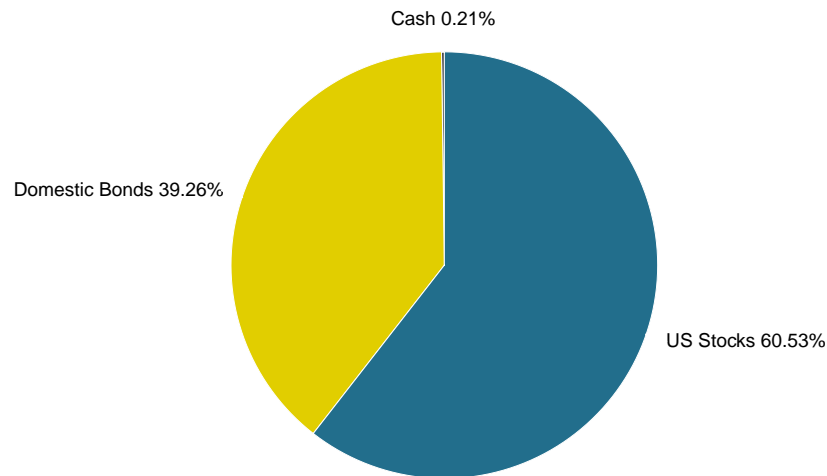
Ticker	Fund	06/30/2023	06/30/2023	06/30/2023
		\$ Actual	% Actual	% Target
FDRXX	Fidelity Government Cash Reserves	21,297	0.2%	0.0%
BCOIX	Baird Core Plus Institutional	3,967,438	39.3%	40.0%
	Fixed Income	3,988,735	39.5%	40.0%
FXAIX	Fidelity 500 Index	6,118,011	60.5%	60.0%
	Equity	6,118,011	60.5%	60.0%
	Total	10,106,745	100.0%	100.0%



Asset Allocation by Fund

As of 06/30/2023

Fund	% of Plan Assets	Total Assets
Fidelity® 500 Index	60.53%	\$6,118,010.79
Baird Core Plus Bond Inst	39.26%	\$3,967,437.61
Fidelity® Treasury Money Market	0.21%	\$21,297.06
Total Market Value:	100.00%	\$10,106,745.46



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Fund Performance Summary

As of 06/30/2023

Fund Benchmark Category	Asset Class	(%) of Plan	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	SageView Ranking
Fidelity® Treasury Money Market	Money Market-Taxable	0.21%	1.16	2.18	3.19	1.09	1.24	NA	0.42	NA
ICE BofA US 3M Trsy Bill TR USD*			1.17	2.25	3.59	1.27	1.55	0.98		
Cat: Morningstar Money Market - Taxable			1.14	2.16	3.40	1.16	1.28	0.76	0.41	
Baird Core Plus Bond Inst	Intermediate Core-Plus Bond	39.26%	-0.44	2.59	0.48	-3.10	1.42	2.25	0.30	TOP DEC
Bloomberg US Agg Bond TR USD*			-0.84	2.09	-0.94	-3.96	0.77	1.52		
Cat: Morningstar Intermediate Core-Plus Bond			-0.61	2.38	-0.29	-2.99	0.91	1.75	0.74	
Fidelity® 500 Index	Large Blend	60.53%	8.73	16.89	19.57	14.59	12.29	12.85	0.02	Pass
S&P 500 TR USD*			8.74	16.89	19.59	14.60	12.31	12.86		
Cat: Morningstar Large Blend			7.19	13.37	16.90	13.43	10.70	11.36	0.79	

*Investment Policy Benchmark

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Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Baird Core Plus Bond Inst 39.26 Intermediate Core-Plus Bond	03/31/2023	<p>Performance Update (3/31/2023): The Baird Core Plus fund outperformed the Bloomberg U.S. Universal Bond Index in the first quarter. The largest driver of returns for the quarter was an overweight allocation to and security selection within investment grade credit. Positioning within Industrials and Financials, specifically favoring non U.S. vs U.S. banks and selection within life insurance, was positive for results as U.S. regional banks underperformed. Within securitized holdings, an underweight to Agency RMBS was also helpful. Overall yield curve positioning was positive favoring the longer end of the curve. An underweight position to US high yield was a headwind as high yield performed well over the quarter. Over the trailing one year, the fund outperformed the benchmark. Key drivers included an overweight allocation to and positioning within investment grade credit and underweight to U.S. high yield.</p> <p>Strategy Summary: The fund utilizes a duration neutral approach relative to the benchmark. Typically, portfolio managers hope to generate the most excess return (about 40% of alpha) through security selection, then sector allocation (30% of alpha), yield curve positioning (25% of alpha), and lastly trade execution (5% of alpha). Credit analysts first determine which issuers appear to offer the best value within each sector. Only US dollar denominated securities are utilized in this fund with no use of derivative securities. The prospectus benchmark for the strategy is the Bloomberg US Universal Index. The standard category benchmark is the Bloomberg US Aggregate Bond Index. Fund comments are relative to the prospectus benchmark.</p>

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IPS Historical Ranking

Fund Name	09/2020	12/2020	03/2021	06/2021	09/2021	12/2021	03/2022	06/2022	09/2022	12/2022	03/2023	06/2023
Fidelity® Treasury Money Market	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Baird Core Plus Bond Inst	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP DEC	TOP QUAR	TOP DEC	TOP DEC	TOP DEC
Fidelity® 500 Index	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass

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Fund Score Summary

Fund Name	Ticker	Total Return Composite Ranking	Rolling 12 Mo Perf. (5 Yrs.)	RSquared (3 Yrs)	Modified Sharpe Ratio (36 Mos.)	Alpha (60 Mos.)	Up Capture Ratio (10 Yrs.)	Down Capture Ratio (10 Yrs.)	Batting Average (10 Yrs.)	Expense Ratio	SageView Normalized Ranking
Baird Core Plus Bond Inst	BCOIX	23%	36%	4%	33%	18%	21%	30%	7%	7%	3%

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Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate Core-Plus Bond

June 30, 2023

Intermediate Core-Plus Bond Universe: 798 Funds

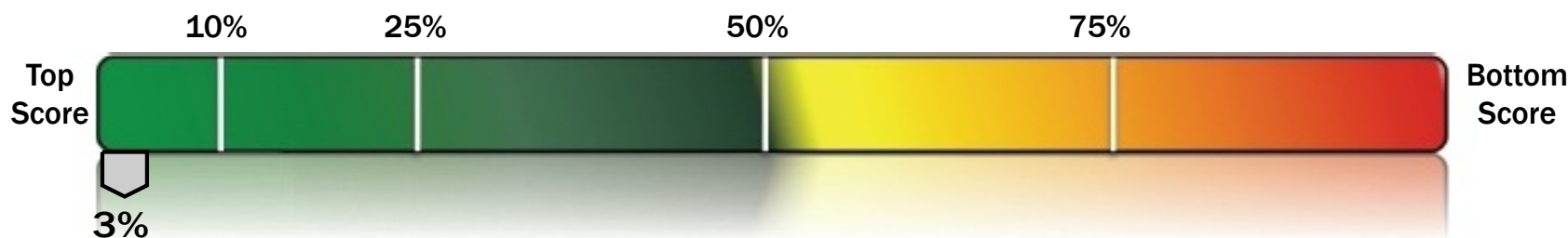
Performance Ranking		Ranking
Total Return Composite Ranking		23.45%
10 Year	16.00%	
5 Year	18.00%	
3 Year	38.00%	
1 Year	23.00%	
Rolling 12 Month - 5 Years		35.57%

Ratio Statistics		Ranking
Modified Sharpe Ratio - 36 Months		33.00%
Alpha - 60 Months		18.00%
Up Capture Ratio - 10 Years		21.00%
Down Capture Ratio - 10 Years		30.00%
Batting Average - 10 Years		7.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
Bloomberg US Agg Bond TR USD	R2	4.00%

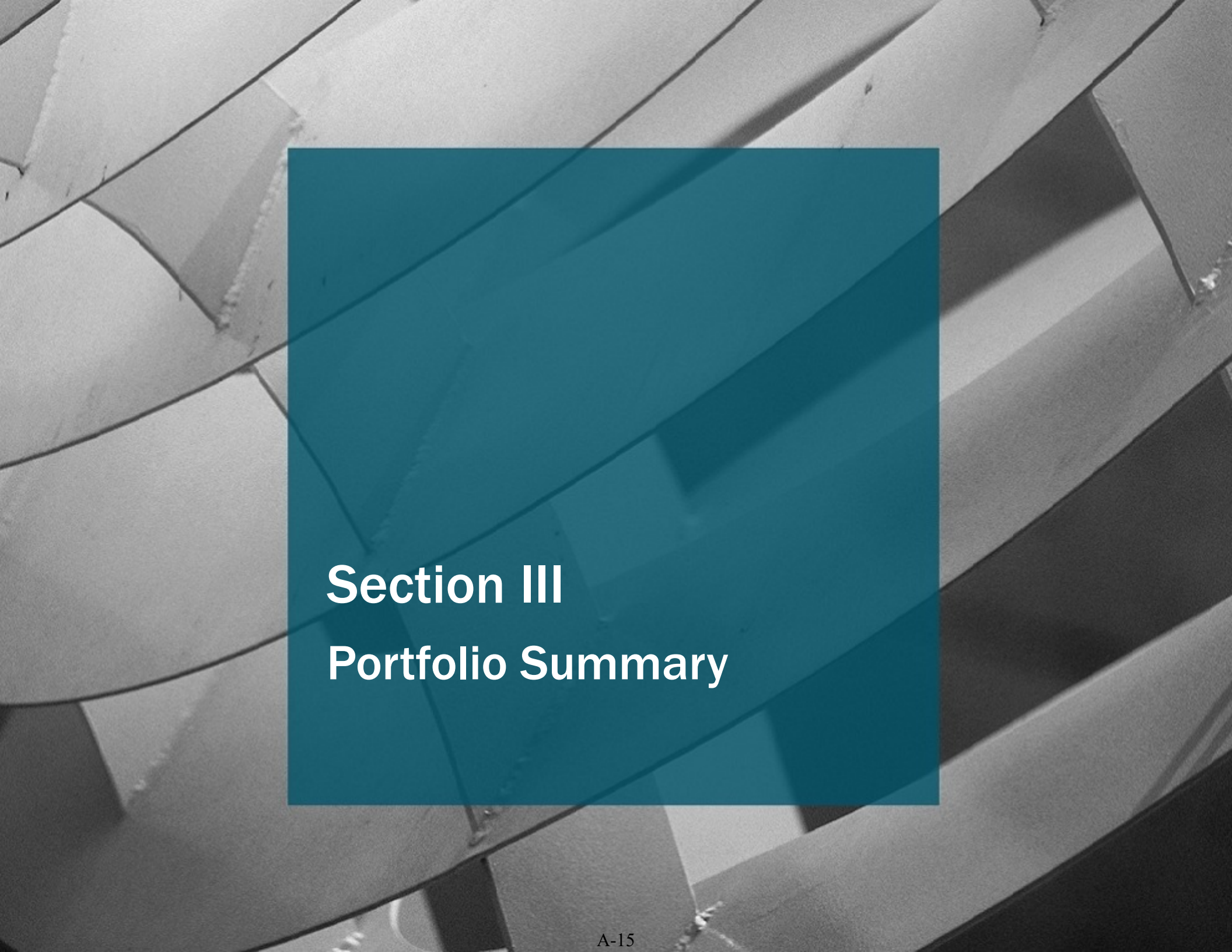
Fund Expense		Ranking
Expense Ratio	0.3	7.00%

SageView Normalized Ranking	
SageView Normalized Ranking	3.00%
STATUS	TOP DECILE



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Section III

Portfolio Summary

Management Style Analysis

As of 06/30/2023

Domestic Equity Style Box

	VALUE	BLEND	GROWTH
LARGE CAP		<ul style="list-style-type: none"> Fidelity® 500 Index(\$211.08 bn) 	
MID CAP			
SMALL CAP			

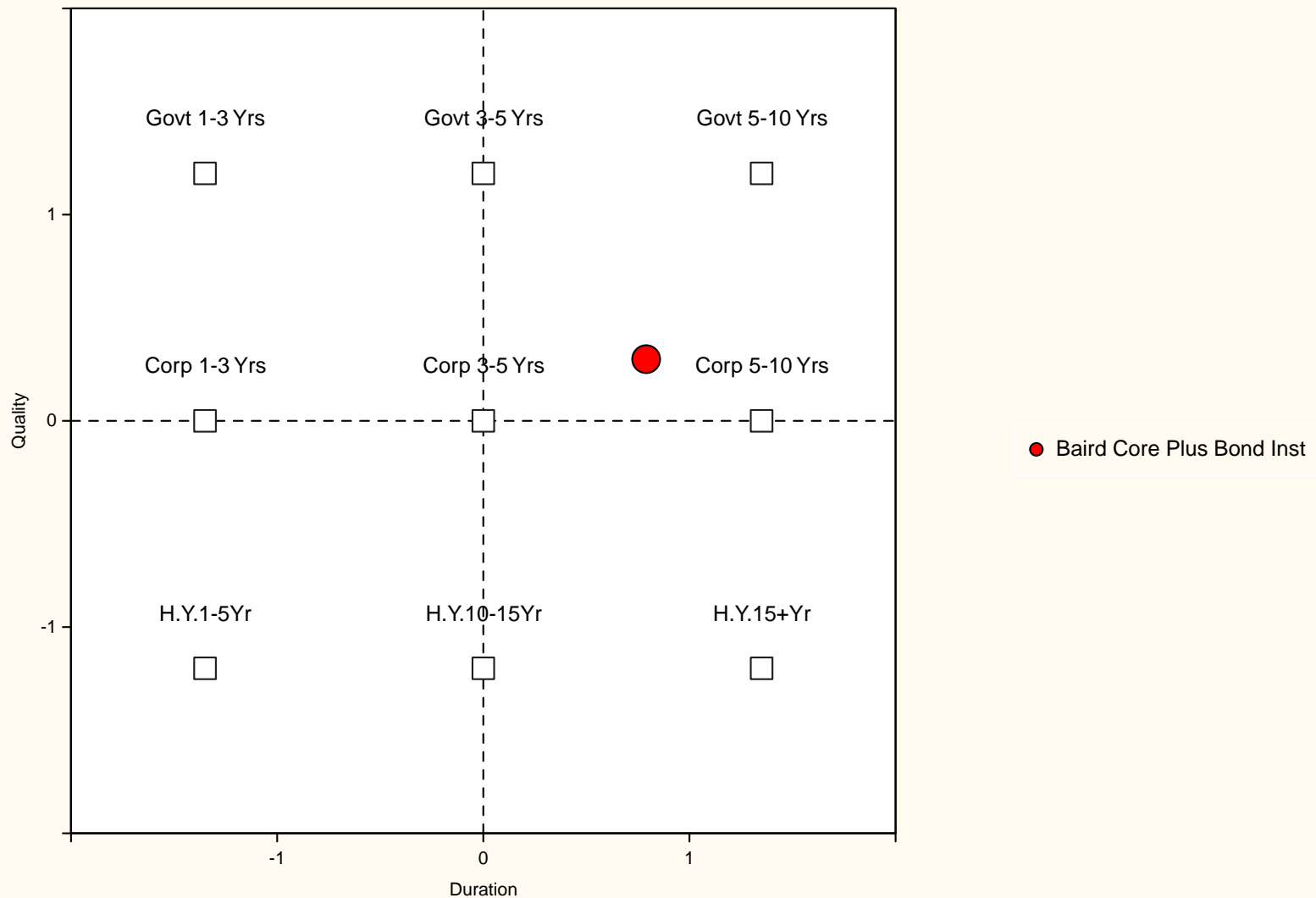
Average Market Cap. listed in parentheses

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Manager Style Box

Fixed Income - Single Computation
July 2013 - June 2023

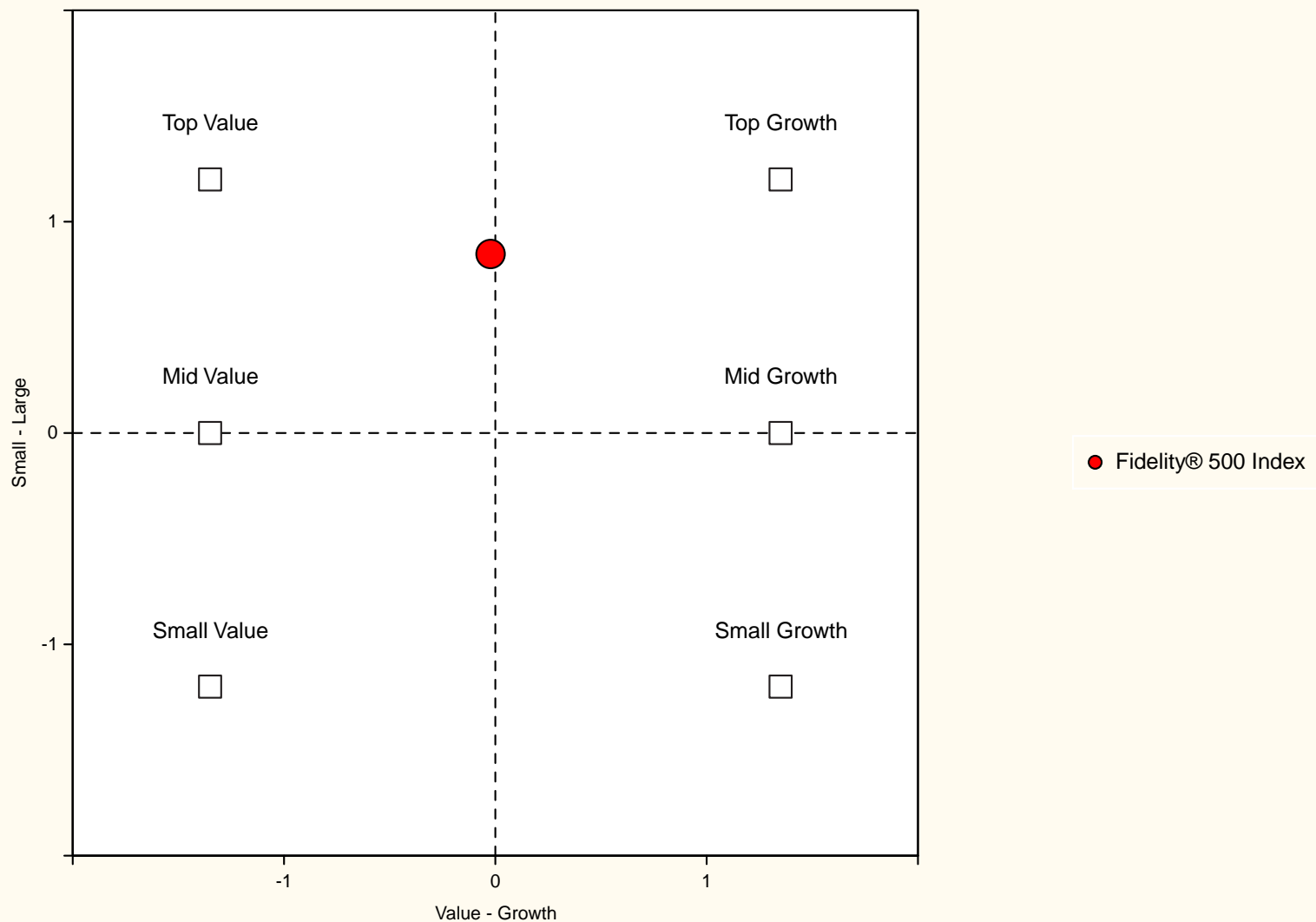


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Manager Style Box

Equity - Single Computation
July 2013 - June 2023

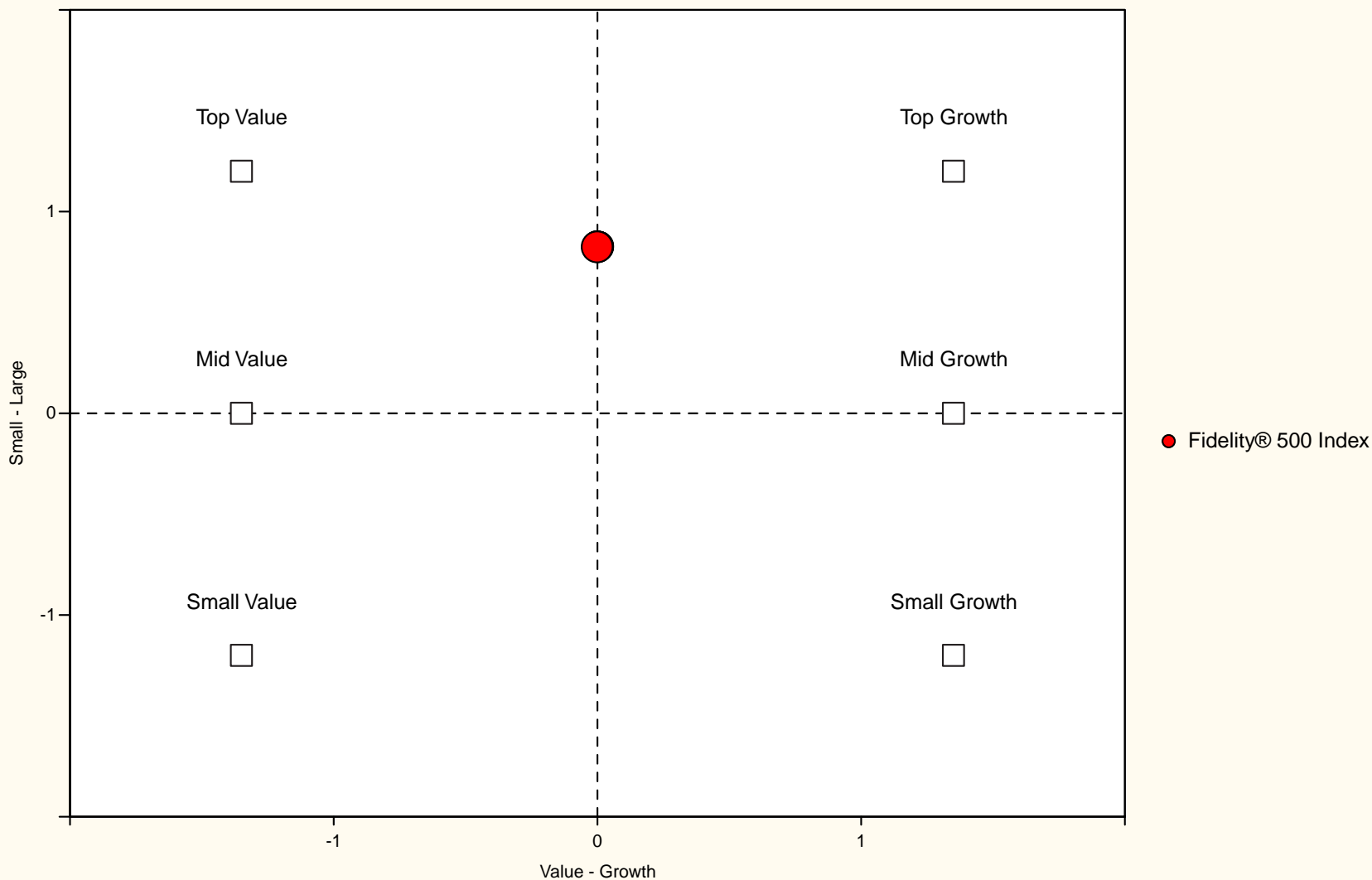


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Manager Style Box

Equity - 12 Month Moving Windows
July 2013 - June 2023



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Section IV
Appendix

ACTIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All active plan investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Trailing 1, 3, 5 and 10 year returns – Total return is a basic measure of a fund’s performance. Fund returns over each period are factored into a weighted average, based on the life of a fund. Recent returns receive a slightly higher weighting, while older returns, which may have been produced under different conditions, are weighted less.
2. Rolling period returns – A rolling period return divides a longer time frame into smaller time periods. A rolling 12-month return over five years is computed by first calculating a single period return over the first twelve months. Next, it calculates the 12-month return for months 2-13. The process continues until finally reaching the 12-month period spanning months 48-60. The final rolling figure reflects the average of all of the 12-month returns.
3. Batting Average – Batting average is calculated by (1) tallying the number of months in a given observation window where the investment return is greater than the return of the peer group median return and (2) dividing this amount by the total number of months in the observation window. The result is a ratio that ranges between 0 and 1. A batting average of greater than 0.50 signifies that the investment has outperformed the peer group more frequently than it has underperformed, irrespective of the magnitude of any outperformance or underperformance.
4. Style Consistency to the appropriate index – We utilize R-squared to assess whether the funds selected for the plan continue to operate and perform as expected within their appropriate asset class. R-squared measures the closeness between a fund's returns and movements in the benchmark. All active funds have some deviation from their benchmark, but excessive deviation could indicate that a fund is drifting away from its stated category mandate.
5. Modified Sharpe Ratio – The standard Sharpe Ratio calculation is calculated by subtracting the risk-free rate of return (the US Treasury Bill is typically used) from the portfolio return and dividing the result by the portfolio’s standard deviation. A higher Sharpe ratio indicates that the portfolio was able to generate a higher return per unit of risk. Modified Sharpe Ratio is a related statistic that is equal to the Sharpe Ratio under normal circumstances. However, the Modified Sharpe calculation adds an exponent to the denominator that effectively raises the denominator to the -1 power in circumstances in which an investment’s excess return is negative. This modification ensures that investments with both negative excess returns and higher standard deviations rank lower than investment with negative excess returns and lower standard deviations. Under the standard Sharpe Ratio calculation, the opposite is true.
6. Alpha – The use of Alpha allows us to gauge the effectiveness of the manager. Alpha is the difference between the portfolio's actual return and its expected return given the funds level of risk as calculated by beta.
7. Up Capture Ratio – The up capture ratio calculates the percentage of return of an index that a fund has captured during up market cycles. It tracks the fund's relative performance versus the appropriate index when the index is going up.
8. Down Capture Ratio – The down capture ratio calculates the percentage of return of an index a fund has captured during down market cycles. Funds that perform well in this category tend to reduce the downside loss for investors during bear markets.
9. Expense Ratio – The expense ratio is compared to the appropriate category average expense and then given a score based upon that percentage. This rewards low-cost funds and penalizes high-cost funds. Expense ratios are effectively "double weighted" in our scoring methodology, because performance returns are already net of expenses. Since fiduciaries are encouraged to carefully manage expenses, we believe explicitly factoring in fund fees is prudent.

Each fund is benchmarked to a specific market index, and fund performance is evaluated and compared to a relevant peer group using Morningstar category classifications. A fund is given a peer group ranking for each criterion, shown as a percentage. The percentage rankings for all criteria are then averaged to give a fund its average ranking score. All funds with at least a three year track record are scored in the above manner. A fund is then classified as Top Decile, top Quartile, 2nd Quartile, 3rd Quartile or 4th Quartile based upon the overall score compared to all other funds within that particular asset category.

PASSIVE INVESTMENT OPTIONS ANALYSIS CRITERIA

All passive investment options are reviewed quarterly against their peer group and index benchmark to determine the performance and quality of each offering. Each are evaluated using the following criteria:

1. Expense Ratio – The percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The Prospectus Net Expense Ratio is collected annually from a fund's prospectus.
2. Tracking Error – A measure of the difference in returns between an investment and a benchmark. Tracking error is reported as a standard deviation of the difference between the returns of an investment and its benchmark.
3. R-Squared – A statistical metric that ranges from zero to 100 and measures the percentage of portfolio's performance that is explained by the movement of its benchmark index. R-Squared is helpful in assessing the reliability of alpha and beta in explaining a portfolio risk and return characteristics. An r-squared of 100 would mean that the portfolio's performance movements are perfectly correlated with those of the benchmark over time, and would suggest that alpha and beta may be relied upon with a high degree of confidence.
4. Beta – A measure of the volatility, or systematic risk, of an investment in comparison to a market index as a whole. Beta is calculated using regression analysis. Beta represents the tendency of an investment's returns to respond to moves in the market or index that it's calculated against. A beta of 1 indicates that the investment's price moves with the market. A beta of less than 1 means that the investment is theoretically less volatile than the market. A beta of greater than 1 indicates that the investment's price is theoretically more volatile than the market. The reliability of an investment's beta is a function of the investment's r-squared value in relation to the benchmark. A high r-squared value signifies that the beta measure is reliable, while a low r-squared signifies that it is potentially inaccurate.

Each of the criteria above carries a proprietary weight. An index fund is evaluated and ranked in each of the above criteria relative to their peer group. A fund is given a peer group ranking for each criterion. The percentage rankings for all criteria are then weighted to give a fund its average ranking score.

The raw score is then normalized on a scale of 1 to 100, with 1 being the best and 100 the worst. The top 75% of the funds in a category receive a passing score, while the bottom 25% fail.