

AGENDA
IRVINE RANCH WATER DISTRICT
POST-EMPLOYMENT BENEFITS TRUST RETIREMENT BOARD
QUARTERLY MEETING
TUESDAY, NOVEMBER 5, 2019

CALL TO ORDER 12:00 p.m., IRWD Headquarters, Committee Room (second floor)
15600 Sand Canyon Avenue, Irvine, California

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

ALSO PRESENT Cheryl Clary ____
Rob Jacobson ____
Tanja Fournier ____

NOTICE: If you wish to address the Committee on any item, please file your name with the Committee. Forms are provided at the meeting. Remarks are limited to three minutes per speaker on each subject.

COMMUNICATIONS

1. Meeting Minutes: Tanja Fournier
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.

ACTION

5. MINUTES OF THE MEETING OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD – FOURNIER / JACOBSON / CLARY

Recommendation: That the minutes of the August 6, 2019 Board Meeting of the Irvine Ranch Water District Retirement Board be approved as presented.

6. IRWD POST-RETIREMENT BENEFITS TRUST INVESTMENT REVIEW AS OF SEPTEMBER 30, 2019 – FOURNIER / JACOBSON / CLARY

Recommendation: Based on discussions and direction from the Board, staff will implement agreed-upon changes to the investment portfolio, if any.

OTHER BUSINESS

7. Directors' Comments
8. 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 Retirement Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

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November 5, 2019
Prepared by: T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook



RETIREMENT BOARD

MINUTES OF THE MEETING OF THE
IRVINE RANCH WATER DISTRICT RETIREMENT BOARD

SUMMARY:

Provided are the minutes of the August 6, 2019 meeting of the Irvine Ranch Water District Retirement Board for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE AUGUST 6, 2019 BOARD MEETING OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – August 6, 2019 Minutes

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EXHIBIT "A"

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD

August 6, 2019

The meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) Retirement Board was called to order by Vice Chairman LaMar at 12:00 p.m. on August 6, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Steve LaMar, Douglas Reinhart, and Paul Cook

Also Present: Treasurer Robert Jacobson, Executive Director of Finance and Administrative Services Cheryl Clary, Assistant Treasurer Tanja Fournier, and Dan Quirk of SageView Advisory Group.

COMMUNICATION: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

ACTION CALENDAR

MINUTES OF BOARD MEETING

Tanja Fournier presented the minutes from the May 1, 2019 meeting.

On MOTION by LaMar, seconded by Cook the minutes of the May 1, 2019 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 June, 30, 2019. All options are performing in line with benchmarks or above 50th percentile peer group rankings at this time.
- The Portfolio return and expense ratio, style analysis, and asset allocation by fund were reviewed. Of note was the following:
 - As of June 30, 2019, the IRWD Post-Retirement Benefits Trust market value was \$78,372,929 up from \$75,697,618, at March 31, 2019.
 - For the quarter, the net total return was 3.53%. This slightly beat the custom benchmark return of 3.52%, with outperformance from Vanguard High Yield Corporate bond, Baird Core Plus, and Metropolitan West Total Return contributing to the positive performance.

- For the trailing twelve months, the total return was 7.22%, closely in line with the custom benchmark return of 7.14%, and ahead of the peer group custom benchmark return of 6.00%.
- The portfolio is primarily allocated to index funds, leading to a low overall expense ratio of 0.13%.
- The three actively scored funds by SageView all score in the top quartile of rankings, while all index funds receive a pass rating.
- There was no trading activity for the first quarter.
- Going forward, the Board will monitor the performance of two bond funds for potential and opportunistic inclusion in the portfolio, possibly replacing the Vanguard Short Term Corporate Bond Fund and the Metropolitan West Total Return Fund. These two long duration funds benefit from the generally steep structural shape of the yield curve through higher yields, and can also improve portfolio risk dynamics, as high quality long duration bonds tend to rally meaningfully during volatile periods for equities.
- Future Portfolio Considerations:
 - Vanguard Long Term Treasury Fund Admiral (VUSUX)
 - Vanguard Long Term Corporate Bond Index (VLTCX)

ADJOURNMENT

There being no further business, Vice Chairman LaMar adjourned the meeting.

APPROVED and SIGNED this 5th day of November 2019.

Board Member, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD

Secretary, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD

November 5, 2019
 Prepared by: T. Fournier
 Submitted by: R. Jacobson / C. Clary
 Approved by: Paul A. Cook



RETIREMENT BOARD

**IRWD POST-RETIREMENT BENEFITS TRUST
 INVESTMENT REVIEW AS OF SEPTEMBER 30, 2019**

SUMMARY:

Staff and a representative from the District’s postretirement benefits trust investment advisor, SageView Investment Advisors, will present the Portfolio Investment Review for the quarter ended September 30, 2019. Sage View will also provide an update on current market conditions and discuss recommendations for any changes in the portfolio.

BACKGROUND:

Quarterly Investment Review:

As of September 30, 2019, the IRWD Post-Retirement Benefits Trust market value was \$79,184,938, which was a net increase of \$812,008 from the prior quarter end of June 30, 2019. The change was primarily due to dividends of \$521,086 and an increase in market value of \$304,734. Trust expenses for the quarter were \$13,812 paid to SageView for investment advisory services. The closing balances and fund returns as of September 30 are as follows:

Investment	Quarterly Return	Quarter Ended June 30, 2019	Quarter Ended September 20, 2019	Incr/(Decr)	Percent of Portfolio
EQUITIES					
Vanguard Institutional Index Fund.	1.69%	\$33,851,109	\$34,423,601	\$572,491	43.5%
Vanguard Extended Mkt (small/mid) Index Fund	-1.61%	5,592,136	5,502,350	(\$89,786)	6.9%
Vanguard Developed Market Index	-0.98%	10,648,532	10,543,977	(\$104,556)	13.3%
Vanguard Emerging Markets Index	-3.60%	2,676,457	2,580,089	(\$96,368)	3.3%
FIXED INCOME					
Metropolitan Total Return Bond Fund	2.24%	6,986,472	7,144,941	\$158,469	9.0%
Baird Core Plus Bond Fund	2.32%	11,696,962	11,968,284	\$271,322	15.1%
Vanguard High-Yield Corporate Fund	1.86%	4,687,177	4,775,143	\$87,966	6.0%
Vanguard Short Term Bond Index Admiral	1.18%	2,214,872	2,224,985	\$10,114	2.8%
CASH-SHORT TERM					
Fidelity Government Cash Reserves	0.47%	19,213	21,570	\$2,357	0.0%
Closing Balance		\$78,372,930	\$79,184,938	\$812,008	100.0%

For the quarter ended September 30, 2019, the portfolio return was 1.04%, which slightly outperformed the custom benchmark return of 1.01%. For the one-year period ended September 30, 2019, the return was 4.31%, which was in line with the custom benchmark return of 4.31%, and outperformed the peer-group custom benchmark return of 3.18%. The Portfolio Investment Review, as of September 30, 2019, is attached as Exhibit “A”.

A representative from SageView will present the Portfolio Investment Review for the quarter ended September 30, 2019, an update on the portfolio and current market conditions, as well as any recommended portfolio changes for the Board’s consideration.

FISCAL IMPACTS:

As of September 30, 2019, the IRWD Post-Retirement Benefits Trust market value was \$79,184,938, which was a net increase of \$812,008 from the prior quarter's end. The change was primarily due to dividends of \$521,086 and an increase in market value of \$304,734. Trust expenses for the quarter were \$13,812 paid to SageView for investment advisory services.

ENVIRONMENTAL COMPLIANCE:

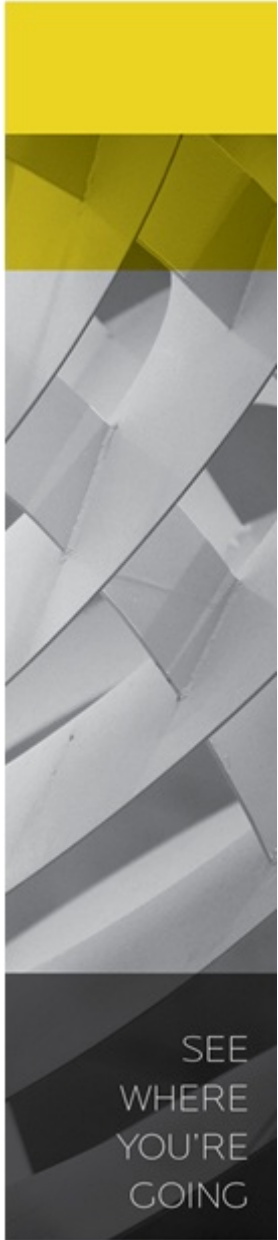
This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3 Section 15378.

RECOMMENDATION:

BASED ON DISCUSSIONS AND DIRECTION FROM THE BOARD, STAFF WILL IMPLEMENT AGREED-UPON CHANGES TO THE INVESTMENT PORTFOLIO, IF ANY.

LIST OF EXHIBITS:

Exhibit "A" – The Portfolio Investment Review as of September 30, 2019



Plan Investment Review

Irvine Ranch Water District Post-Employment Benefits Trust

For period ending September 30, 2019



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Section I

Market Overview

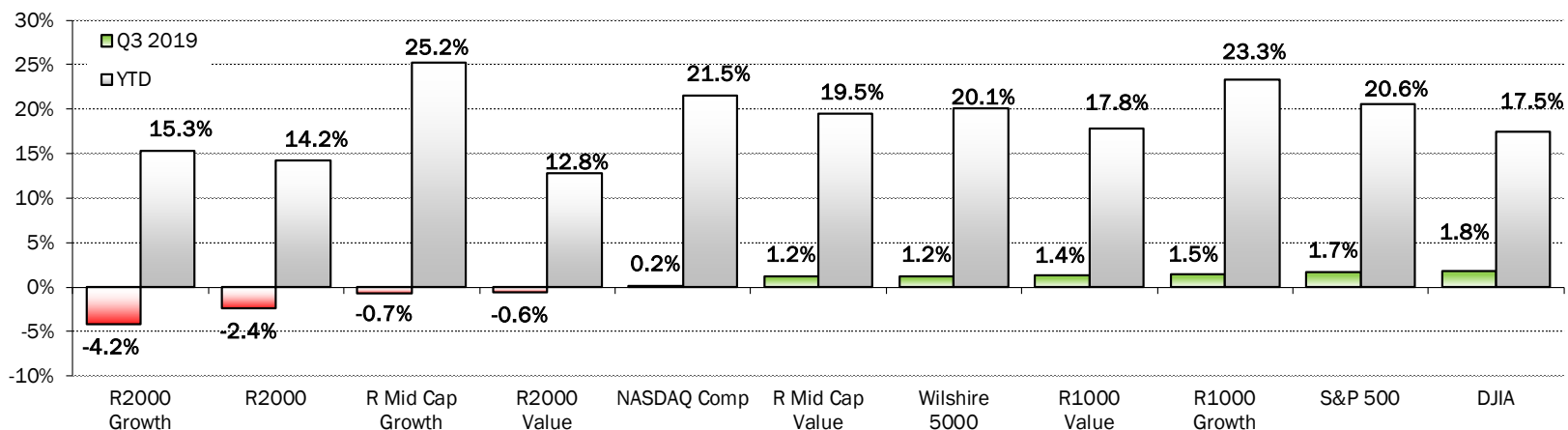
The views are those of SageView Advisory Group and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of 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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U.S. Equities

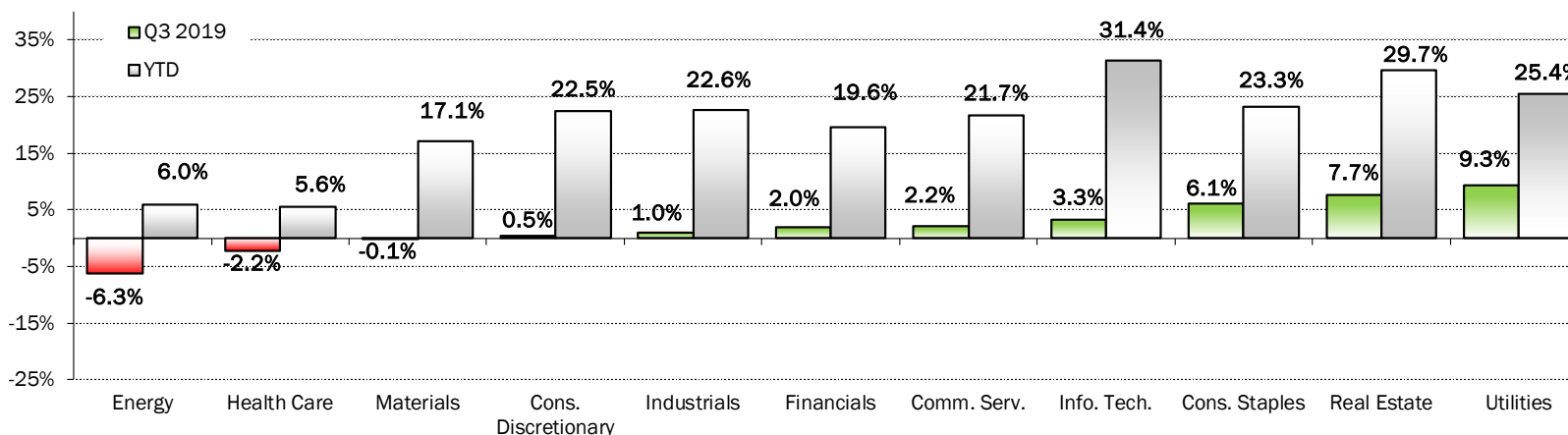
During the 3rd quarter, large-cap stocks continued to outpace smaller-cap stocks. Defensive stocks generally outperformed cyclical stocks as investors fled risk assets in August. Many commentators noted that value stocks outperformed growth stocks in September, but it is too early to tell if this is a lasting trend.

Performance of Major U.S. Equity Indexes - Q3 2019 and YTD



Source: Morningstar. Returns represent total return, including dividends.

S&P 500 Sector Returns - Q3 2019 and YTD



Source: Morningstar. Returns represent cumulative total return, including dividends.

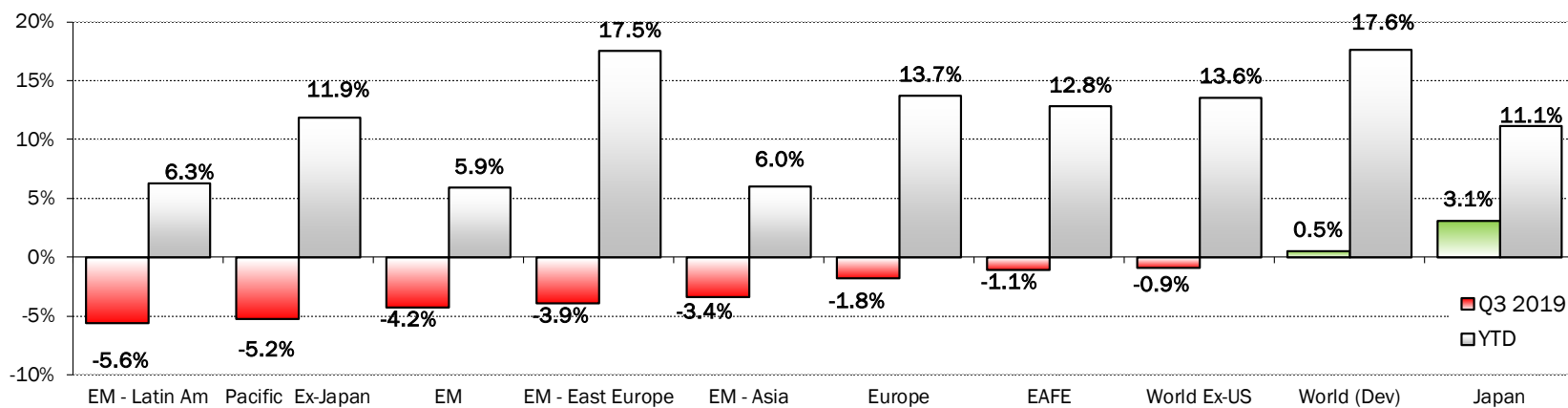
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International Equities

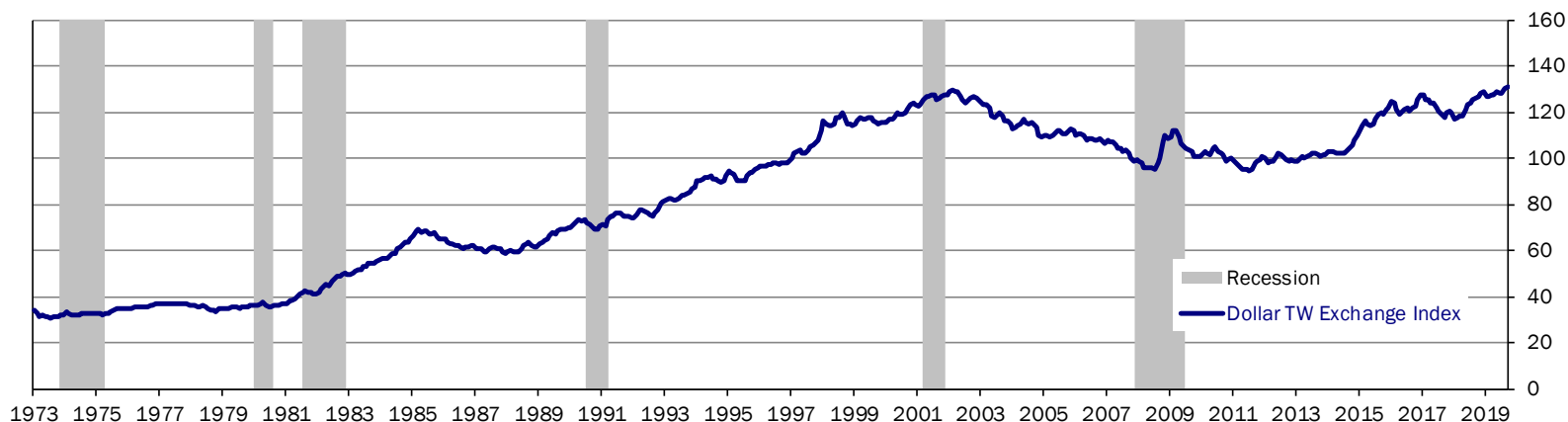
Trade tensions, anemic eurozone growth, and a strong dollar have been major headwinds for ex-US equity markets. Japan, a bright spot, gained ground after July elections awarded a clear majority of seats in Japan's House of Councillors to Prime Minister Abe's party, removing any uncertainty that a planned sales tax hike would go into effect in October.

International Equity Market Returns - Q3 2019 and YTD



Source: Morningstar. Returns represent cumulative total return, including dividends.

Dollar Trade Weighted Exchange Index for Broad Currencies: 1973 - 2019



Source: Bloomberg. Data as of September 30, 2019.

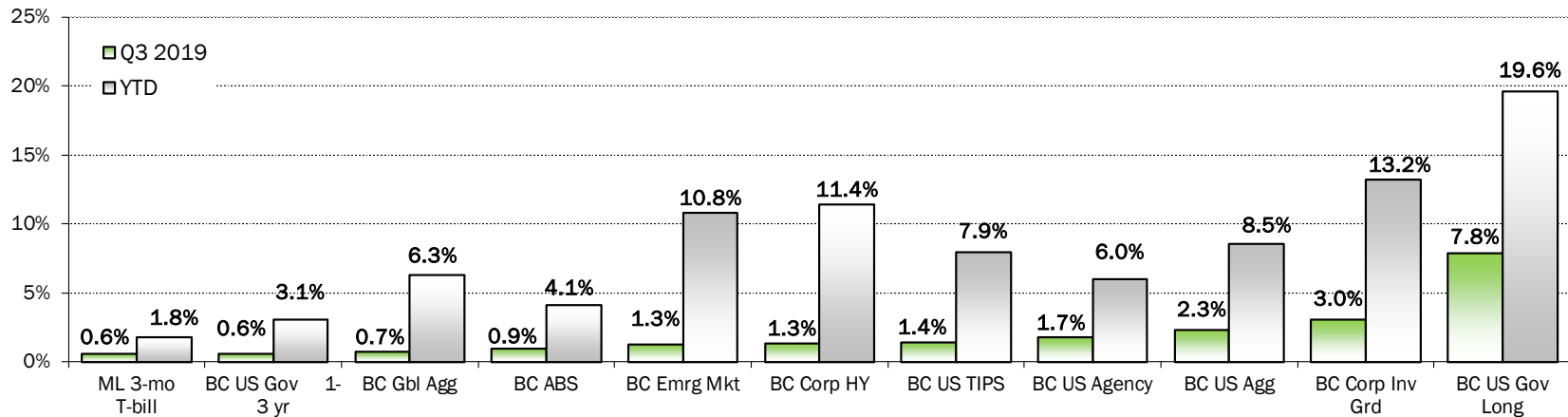
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Fixed Income

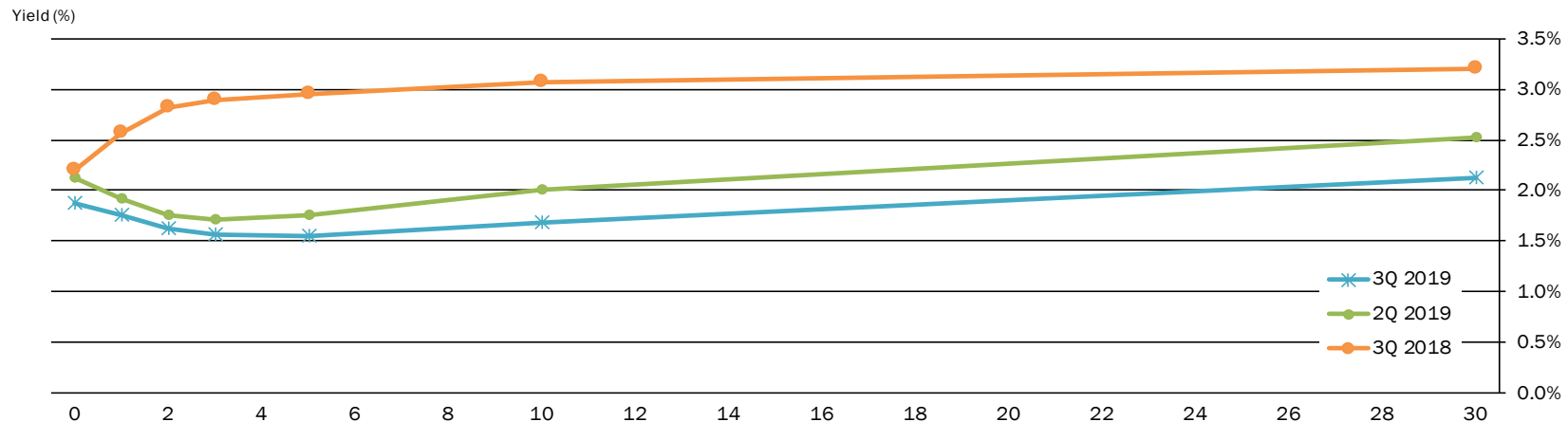
The 10-2 Treasury spread turned negative in late August, sparking recession fears across capital markets. Dovish central bank policy and global growth concerns have set the stage for solid year-to-date fixed income returns. The global search for yield continues to create increased demand for corporate bonds as spreads have tightened.

Fixed Income Returns - Q3 2019 and YTD



Source: Morningstar. Returns represent total return, including dividends.

U.S. Treasury Yield Curve



Source: Bloomberg. Data as of respective quarter end.

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Asset Class Returns

																2004 - 2018	
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Ann.	Vol.
REITs 31.6%	EM Equity 34.5%	REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	REITs 28.5%	REITs 8.5%	REITs 22.4%
EM Equity 26.0%	Comdty. 21.4%	EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	Large Cap 20.6%	EM Equity 8.3%	EM Equity 22.1%
DM Equity 20.7%	DM Equity 14.0%	DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 14.2%	Large Cap 7.8%	Small Cap 18.6%
Small Cap 18.3%	REITs 12.2%	Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 13.3%	Small Cap 7.5%	Comdty. 18.6%
High Yield 13.2%	Asset Alloc. 8.1%	Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 13.1%	High Yield 7.3%	DM Equity 17.6%
Asset Alloc. 12.8%	Large Cap 4.9%	Asset Alloc. 15.3%	Large Cap 5.5%	Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	High Yield 8.8%	Asset Alloc. 6.2%	Large Cap 14.5%
Large Cap 10.9%	Small Cap 4.6%	High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	Fixed Income 8.5%	DM Equity 5.2%	High Yield 11.0%
Comdty. 9.1%	High Yield 3.6%	Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	EM Equity 6.2%	Fixed Income 3.9%	Asset Alloc. 10.3%
Fixed Income 4.3%	Cash 3.0%	Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 3.1%	Cash 1.3%	Fixed Income 3.3%
Cash 1.2%	Fixed Income 2.4%	Comdty. 2.1%	REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 1.8%	Comdty. -2.5%	Cash 0.8%

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Section II

Investment Summary

Executive Summary and Observations

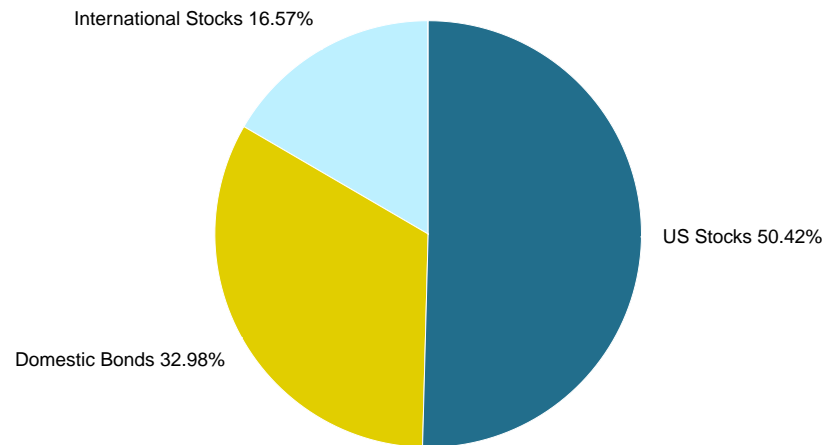
- Assets total \$79,184,938 at September 30, 2019, up from \$78,372,929 at June 30, 2019.
- No trade activity during the quarter.
- For the quarter, the net total return was 1.04%, compared to the index based custom benchmark of 1.01% and the peer group custom benchmark of 0.90%. Relative to the custom index benchmark, out-performance resulted from Baird Core Plus and Vanguard High Yield Corporate.
- For the past 12 months, the net total return was 4.31%, in line with the index-based custom benchmark return of 4.31%, with out-performance coming from Baird Core Plus, Metropolitan West Total Return, and Vanguard High Yield. Dividend tax impacts on international holdings have caused an approximate 0.10% annual drag on overall portfolio performance. The return for the portfolio also beat the the peer-group custom benchmark return of 3.18%.
- The portfolio is heavily allocated to index funds, leading to a low overall expense ratio of 0.13%.
- Vanguard High Yield Corporate and Baird Core Plus score in the top decile of the SageView peer group quantitative rankings, while Metropolitan West Total Return scores in the second quartile. All index funds receive a pass rating.



Asset Allocation by Fund

As of 09/30/2019

Fund	% of Plan Assets	Total Assets
Vanguard Institutional Index I	43.47%	\$34,423,600.59
Baird Core Plus Bond Inst	15.11%	\$11,968,283.69
Vanguard Developed Markets Index Instl	13.32%	\$10,543,976.63
Metropolitan West Total Return Bd I	9.02%	\$7,144,940.80
Vanguard Extended Market Index Admiral	6.95%	\$5,502,349.66
Vanguard High-Yield Corporate Adm	6.03%	\$4,775,142.83
Vanguard Emerging Mkts Stock Idx Adm	3.26%	\$2,580,088.62
Vanguard Short-Term Corp Bd Idx Admiral	2.81%	\$2,224,985.20
Fidelity® Government Cash Reserves	0.03%	\$21,569.63
Total Market Value:	100.00%	\$79,184,937.65



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Portfolio Allocation versus Target

As of 09/30/2019

Ticker	Fund	Amount	Actual	Target
FDRXX	Fidelity Government Cash Reserves	\$21,570	0.03%	0.00%
VSCSX	Vanguard Short Term Corporate Bond Index Admiral	\$2,224,985	2.81%	3.00%
BCOIX	Baird Core Plus Institutional	\$11,968,284	15.11%	15.00%
MWTIX	Metropolitan West Total Return I	\$7,144,941	9.02%	9.00%
VWEAX	Vanguard High Yield Corporate Admiral	\$4,775,143	6.03%	6.00%
	Total Fixed Income	\$26,134,922	33.00%	33.00%
VINIX	Vanguard Institutional Index	\$34,423,601	43.47%	43.00%
VEXAX	Vanguard Extended Market Index Admiral	\$5,502,350	6.95%	7.00%
VTMNX	Vanguard Developed Markets Index Institutional	\$10,543,977	13.32%	14.00%
VEMAX	Vanguard Emerging Markets Index Admiral	\$2,580,089	3.26%	3.00%
	Total Equity	\$53,050,016	67.00%	67.00%
	Total Portfolio	\$79,184,938	100.00%	100.00%

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Fund Performance Summary

As of 09/30/2019

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	0.03%	0.47	1.53	2.01	1.22	0.74	0.38	0.38	NA
ICE BofAML US 3M Trsy Bill TR USD*			0.56	1.81	2.39	1.54	0.98	0.54		
Cat: Morningstar Money Market - Taxable			0.44	1.43	1.90	1.13	0.68	0.35	0.47	
Vanguard Short-Term Corp Bd Idx Admiral	Short-Term Bond	2.81%	1.18	5.93	6.67	2.75	2.68	NA	0.07	Pass
BBgBarc Credit 1-5 Yr TR USD*			1.14	5.69	6.67	2.72	2.61	3.13		
Cat: Morningstar Short-Term Bond			0.78	4.07	4.57	2.11	1.83	2.24	0.72	
Baird Core Plus Bond Inst	Intermediate Core-Plus Bond	15.11%	2.32	9.53	10.53	3.64	3.97	5.05	0.30	TOP DEC
BBgBarc US Agg Bond TR USD*			2.27	8.52	10.30	2.92	3.38	3.75		
Cat: Morningstar Intermediate Core-Plus Bond			1.94	8.49	9.16	3.19	3.28	4.39	0.78	
Metropolitan West Total Return Bd I	Intermediate Core-Plus Bond	9.02%	2.24	8.88	10.55	3.17	3.32	5.27	0.45	2ND QUAR
BBgBarc US Agg Bond TR USD*			2.27	8.52	10.30	2.92	3.38	3.75		
Cat: Morningstar Intermediate Core-Plus Bond			1.94	8.49	9.16	3.19	3.28	4.39	0.78	
Vanguard High-Yield Corporate Adm	High Yield Bond	6.03%	1.86	13.05	8.13	5.84	5.49	7.47	0.13	TOP DEC
ICE BofAML US High Yield TR USD*			1.22	11.50	6.30	6.07	5.36	7.85		
Cat: Morningstar High Yield Bond			1.07	9.98	5.27	5.10	4.10	6.74	0.99	
Vanguard Institutional Index I	Large Blend	43.47%	1.69	20.54	4.23	13.36	10.81	13.22	0.04	Pass
S&P 500 TR USD*			1.70	20.55	4.25	13.39	10.84	13.24		
Cat: Morningstar Large Blend			1.45	18.99	3.02	11.69	8.96	11.76	0.89	
Vanguard Extended Market Index Admiral	Mid-Cap Blend	6.95%	-1.61	17.57	-3.80	9.95	8.52	12.42	0.07	Pass
S&P Completion TR USD*			-1.64	17.53	-3.96	9.83	8.40	12.30		
Cat: Morningstar Mid-Cap Blend			0.08	17.69	-1.39	8.47	6.61	10.94	1.00	
Vanguard Developed Markets Index Instl	Foreign Large Blend	13.32%	-0.98	12.73	-2.04	6.31	3.63	5.11	0.05	Pass
FTSE Dv Ex US TR USD*			-0.87	13.25	-1.27	6.91	3.71	5.34		
Cat: Morningstar Foreign Large Blend			-1.28	12.12	-2.04	5.55	2.93	4.55	0.97	
Vanguard Emerging Mkts Stock Idx Adm	Diversified Emerging Mkts	3.26%	-3.60	8.07	1.27	5.26	2.01	3.16	0.14	Pass
FTSE EMs AC China A Incl (US RIC) NR USD*			-3.63	8.11	1.16	5.41	2.34	3.55		
Cat: Morningstar Diversified Emerging Mkts			-3.64	7.99	-0.03	5.06	1.66	3.39	1.27	

*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 15.11 Intermediate Core-Plus Bond	09 30/2019	<p>Performance Update (9/30/2019): The fund outperformed the Bloomberg Barclays U.S. Universal Bond Index in Q3. An overweight to investment grade credit, particularly an overweight in the Financial sector contributed to performance over the quarter. Positioning in securitized sectors with an underweight to Agency RMBS was positive as spreads widened due to concerns over heightened prepayment risk. The underweight to high yield and emerging market debt relative to the benchmark, which performed well over the quarter on an absolute basis were a drag on returns. Over the trailing 1 year, the fund outperformed the benchmark. Positive performance was driven by the investment grade credit overweight and yield curve positioning throughout the year.</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 BBGBarclays US Universal Index. The standard category benchmark is the BBGBarclays US Aggregate Bond Index. Fund comments are relative to the prospectus benchmark.</p>
Metropolitan West Total Return Bd 9.02 Intermediate Core-Plus Bond	09/30/2019	<p>Performance Update (9/30/2019): The fund underperformed the return of the Bloomberg Barclays US Aggregate Bond Index in Q3. Positive performance was driven primarily by security selection within corporate credit and RMBS. Within corporate credit an overweight to financials and non cyclicals posted strong absolute and relative returns. Duration positioning over the period was neutral while an allocation to agency CMBS was slightly negative. Over the trailing 1 year, the fund beat the benchmark. Positive performance in security selection within corporate credit, RMBS, and duration positioning were all additive over the trailing 12 months.</p> <p>Strategy Summary: The MetWest Total Return fund applies a long term value discipline while emphasizing fundamental bottom up research, which represents the most important facet of portfolio construction process. The core of the investment process is a long term economic outlook, which is determined by the generalist investment team on a quarterly basis and reviewed constantly. The portfolio construction process is made up of five strategies that include: 1) duration management, 2) yield curve positioning, 3) sector allocation, 4) security selection, and 5) opportunistic ideas. The prospectus benchmark for the strategy is the BBGBarc US Agg Bond Index.</p>

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Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Vanguard High-Yield Corporate Adm 6.03 High Yield Bond	09/30/2019	<p>Performance Update (9/30/2019): The fund outperformed the benchmark and category for the quarter and 12 month period. U.S. high yield has returned just over 1% for the quarter. Despite the strong overall market rally indicating a sentiment reversal for high yield, returns have not been driven by a relative rally in lower quality bonds, but by the BB-rated bonds. Positive security selection drove the fund's outperformance of its primary benchmark. Selection was strongest among financial institutions and energy issuers. For the trailing one year, as in the quarter, selection was strongest among financial institutions and energy issuers. Positive selection in the wireless, retail, and cable/satellite sectors also helped. Conversely, poor selection in pharmaceuticals weighed on 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	12/2016	03/2017	06/2017	09/2017	12/2017	03/2018	06/2018	09/2018	12/2018	03/2019	06/2019	09/2019
Fidelity® Government Cash Reserves	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vanguard Short-Term Corp Bd Idx Admiral	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Baird Core Plus Bond Inst	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC
Metropolitan West Total Return Bd I	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP DEC	Top QUAR	2 ND QUAR
Vanguard High-Yield Corporate Adm	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC
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
Vanguard Emerging Mkts Stock Idx Adm	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass

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Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate Core-Plus Bond

September 30, 2019

Intermediate Core-Plus Bond Universe: 755 Funds

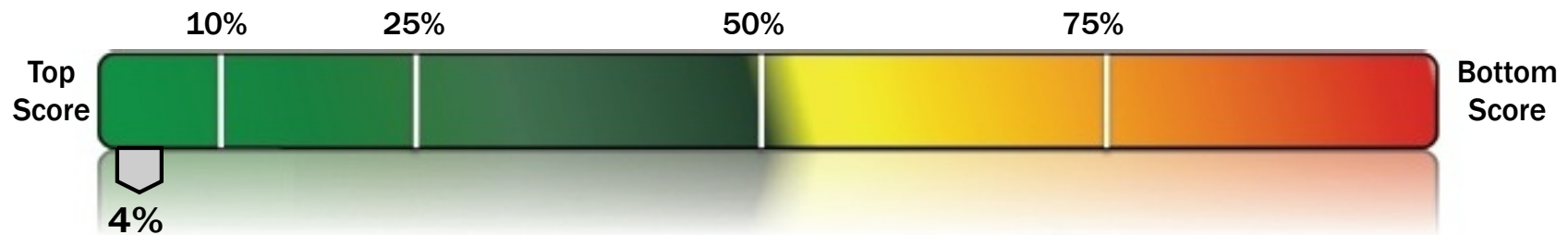
Performance Ranking		Ranking
Total Return Composite Ranking		14.70%
10 Year	15.00%	
5 Year	11.00%	
3 Year	21.00%	
1 Year	15.00%	
Rolling 12 Month - 5 Years		27.37%
Rolling 36 Month - 10 Years		24.98%

Ratio Statistics		Ranking
Sharpe Ratio - 60 Months		14.00%
Alpha - 60 Months		21.00%
Up Capture Ratio - 5 years		8.00%
Down Capture Ratio - 5 years		53.00%

Fund Expense		Ranking
Expense Ratio	0.3	5.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US Agg Bond TR USD	R2	10.00%

SageView Normalized Ranking	
SageView Normalized Ranking	4.00%
STATUS	TOP DECILE



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Metropolitan West Total Return Bd I

MWTIX

Ranking Vs. Peers - Intermediate Core-Plus Bond

September 30, 2019

Intermediate Core-Plus Bond Universe: 755 Funds

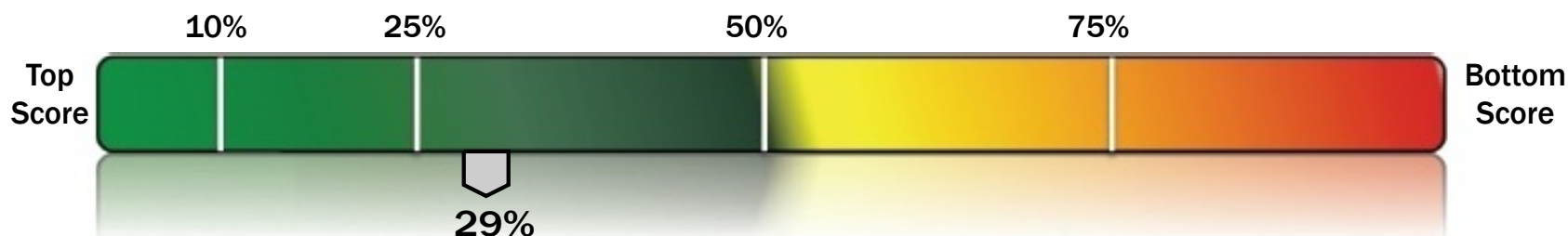
Performance Ranking		Ranking
Total Return Composite Ranking		38.30%
10 Year	11.00%	
5 Year	49.00%	
3 Year	50.00%	
1 Year	14.00%	
Rolling 12 Month - 5 Years		47.20%
Rolling 36 Month - 10 Years		28.16%

Ratio Statistics		Ranking
Sharpe Ratio - 60 Months		46.00%
Alpha - 60 Months		59.00%
Up Capture Ratio - 5 years		43.00%
Down Capture Ratio - 5 years		46.00%

Fund Expense		Ranking
Expense Ratio	0.45	17.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US Agg Bond TR USD	R2	2.00%

SageView Normalized Ranking	
SageView Normalized Ranking	29.00%
STATUS	2nd QUARTILE



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Vanguard High-Yield Corporate Adm

VWEAX

Ranking Vs. Peers - High Yield Bond

September 30, 2019

High Yield Bond Universe: 762 Funds

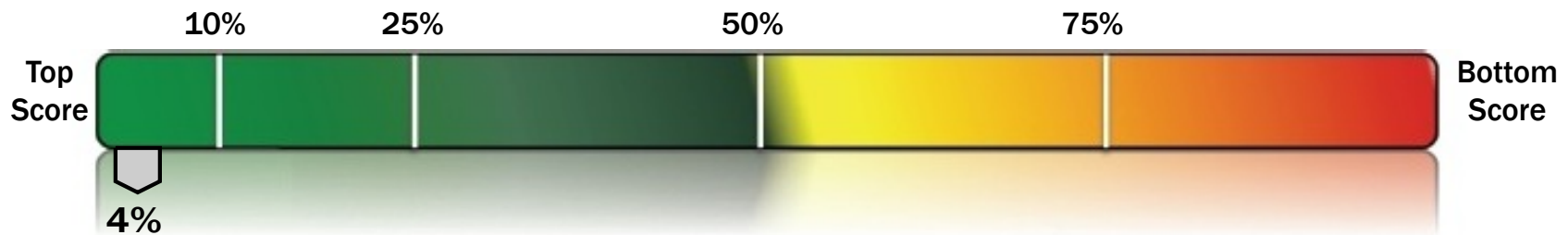
Performance Ranking			Ranking
Total Return Composite Ranking			10.90%
	10 Year	19.00%	
	5 Year	6.00%	
	3 Year	19.00%	
	1 Year	4.00%	
Rolling 12 Month - 5 Years			34.72%
Rolling 36 Month - 10 Years			40.25%

Ratio Statistics		Ranking
Sharpe Ratio - 60 Months		9.00%
Alpha - 60 Months		8.00%
Up Capture Ratio - 5 years		41.00%
Down Capture Ratio - 5 years		18.00%

Fund Expense		Ranking
Expense Ratio	0.13	2.00%

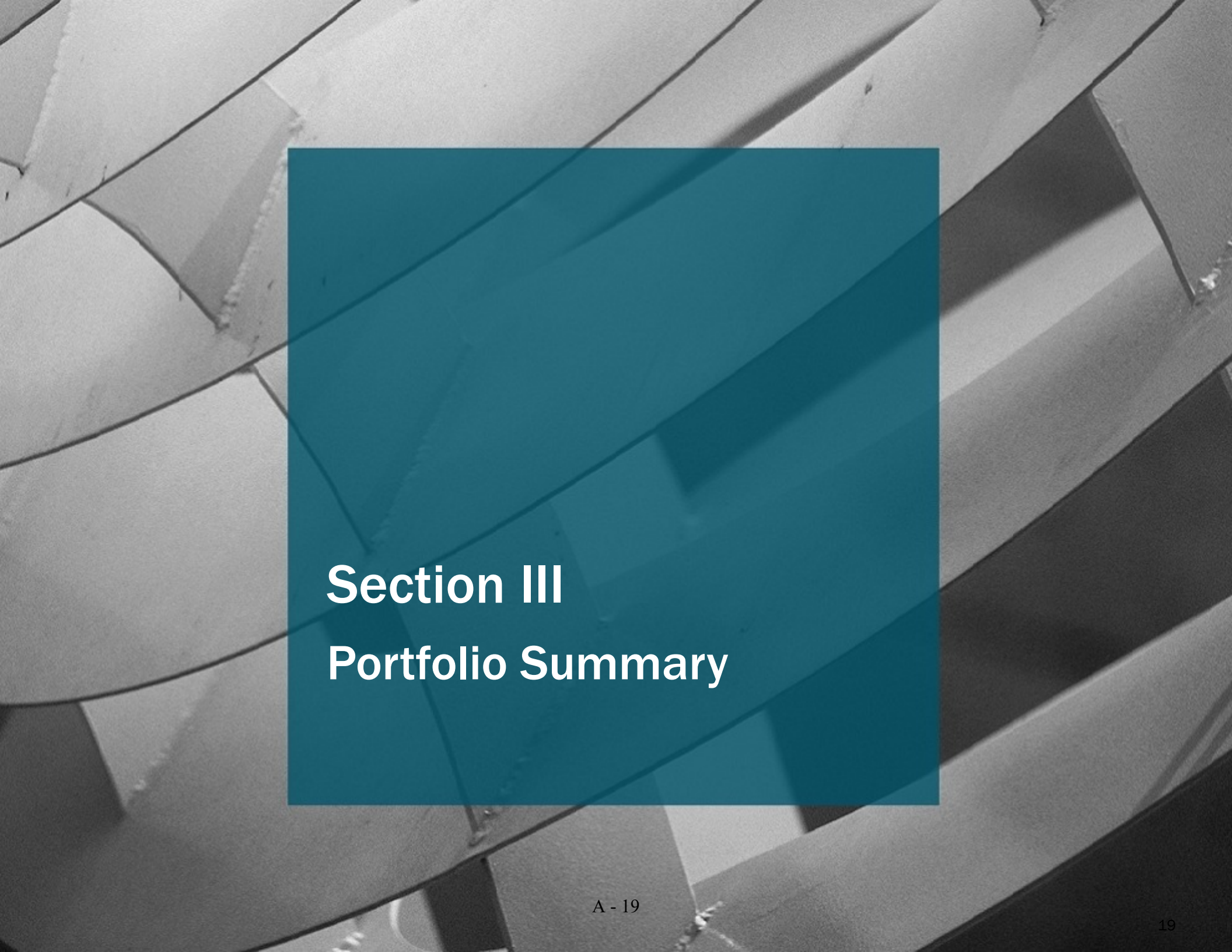
Style Consistency			Ranking
Style Consistency to Benchmark			
BBgBarc US HY 2% Issuer Cap TR USD	R2		41.00%

SageView Normalized Ranking	
SageView Normalized Ranking	4.00%
STATUS	TOP DECILE



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Section III

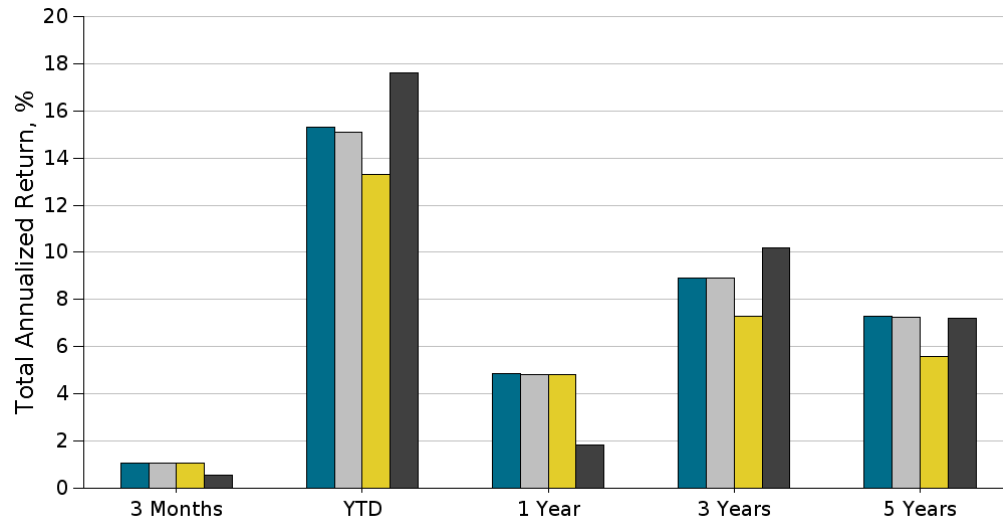
Portfolio Summary

Portfolio Return vs. Custom Benchmark

As of 09/30/2019

Performance As Of September 30, 2019	3 Month	YTD	1 Year	3 Year	5 Year	Std Dev 5 Yr	Prospectus Exp Ratio
Irvine Ranch Water District Post-Employment Benefits Trust	1.04	15.02	4.31	8.10	NA	NA	0.13
Irvine Ranch Water District Post-Employment Benefits Trust Custom Benchmark	1.01	14.82	4.31	8.13	NA	NA	0.00
Irvine Ranch Water District Post-Employment Benefits Trust Custom Category Averages Benchmark	0.90	13.82	3.18	7.04	NA	NA	0.90
Institutional Portfolio 60-30-10	1.06	13.29	4.79	7.29	5.56	6.89	NA
MSCI World NR USD	0.53	17.61	1.83	10.21	7.18	11.63	NA

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



- 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

Benchmark	Weight
ICE BofAML US 3M Trsy Bill TR USD	0.03%
BBgBarc Credit 1-5 Yr TR USD	2.81%
BBgBarc US Agg Bond TR USD	24.13%
ICE BofAML US High Yield TR USD	6.95%
S&P 500 TR USD	43.47%
S&P Completion TR USD	6.03%
FTSE Dv Ex US TR USD	13.32%
FTSE EMs AC China A Incl (US RIC) NR USD	3.26%

¹Industry Average Expense Ratio Source: 401(k) Averages Book, 18th Edition, published by HR Investment Consultants

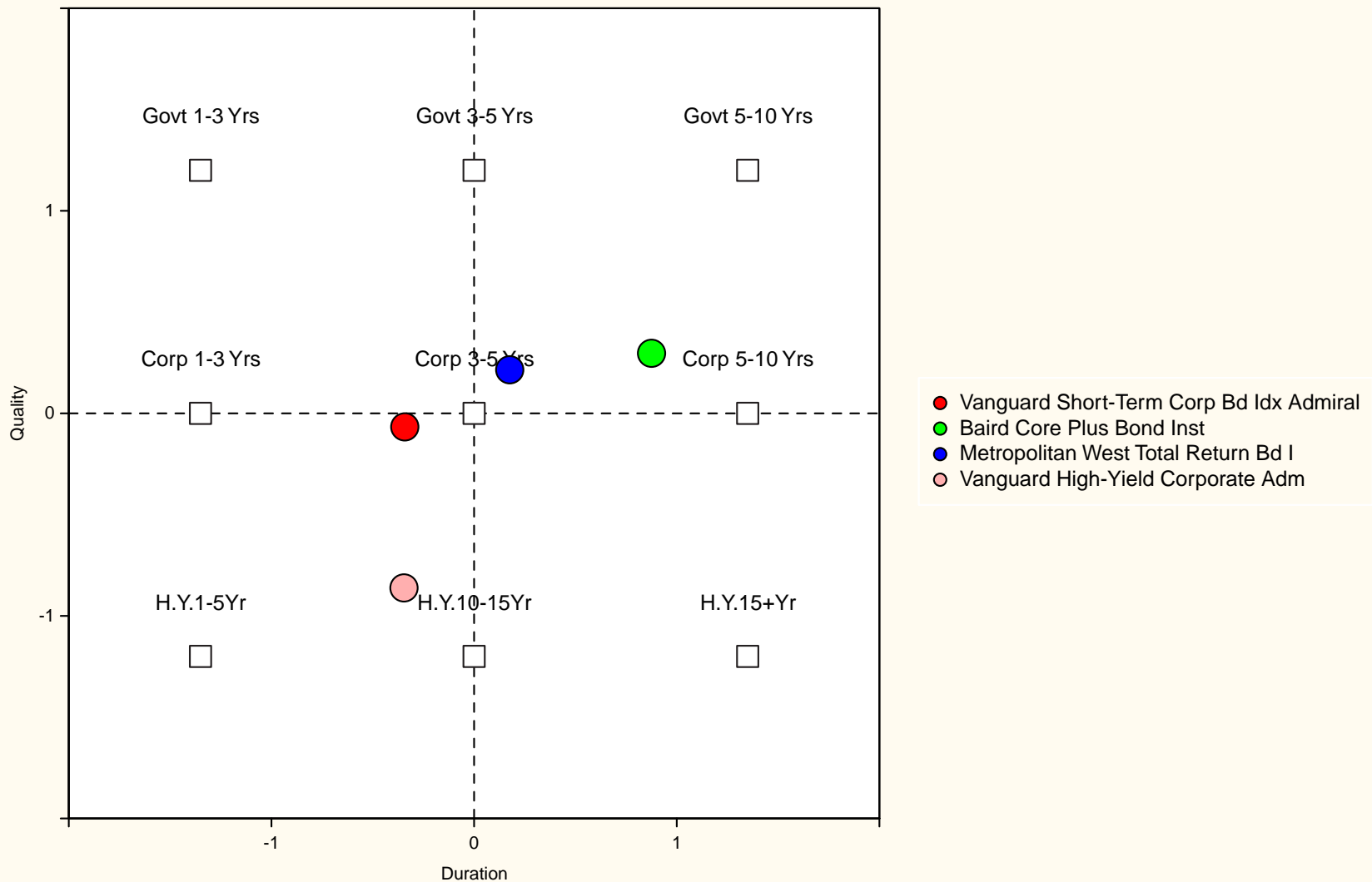
The Institutional Portfolio 60-30-10 consists of 60% MSCI World NR USD, 30% BBgBarc US Agg Bond TR USD and 10% ICE BofAML US 3M Trsy Bill TR USD

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Manager Style Box

Fixed Income - Single Computation
October 2009 - September 2019

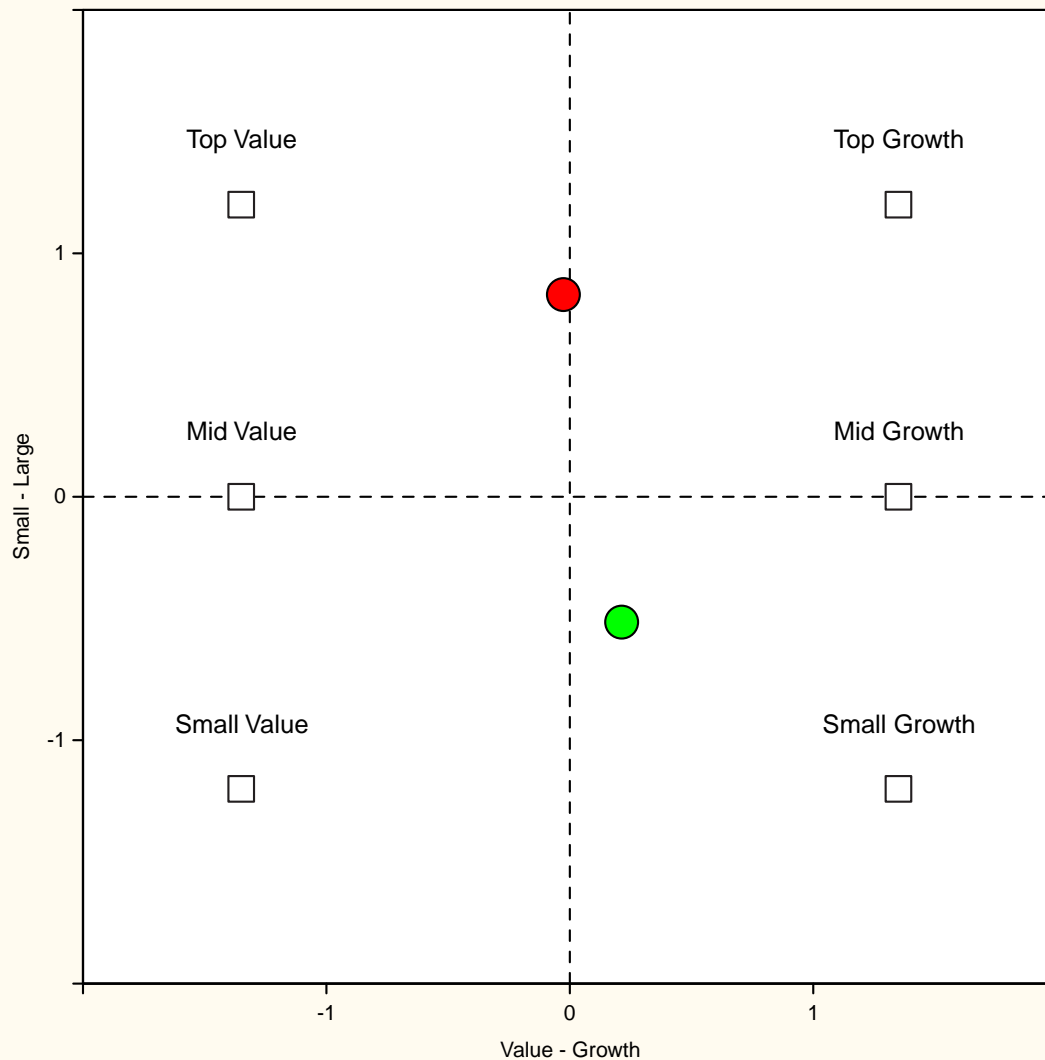


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Manager Style Box

Equity - Single Computation
October 2009 - September 2019



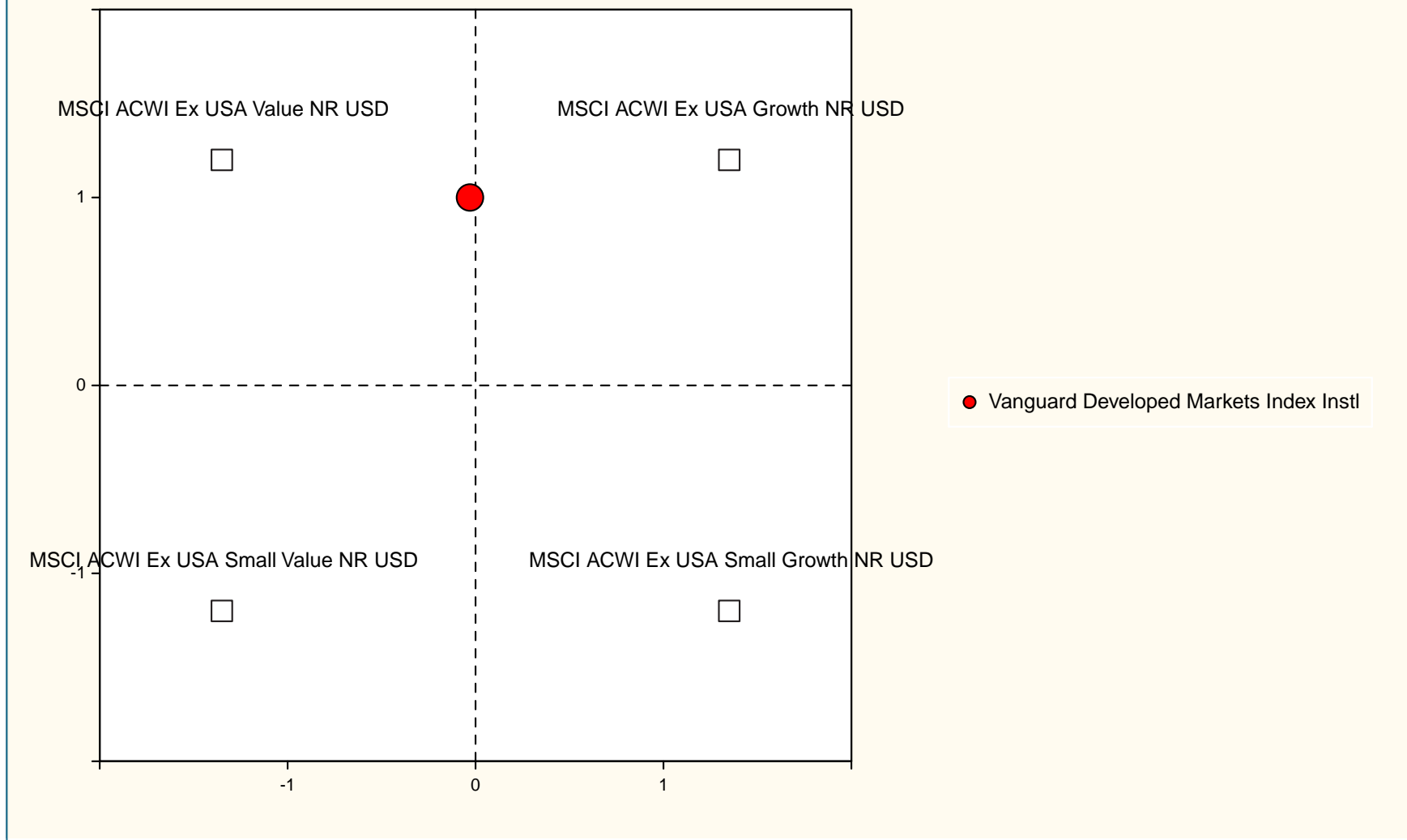
- Vanguard Institutional Index I
- Vanguard Extended Market Index Admiral

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Manager Style Box

International Equity - Single Computation
October 2009 - September 2019

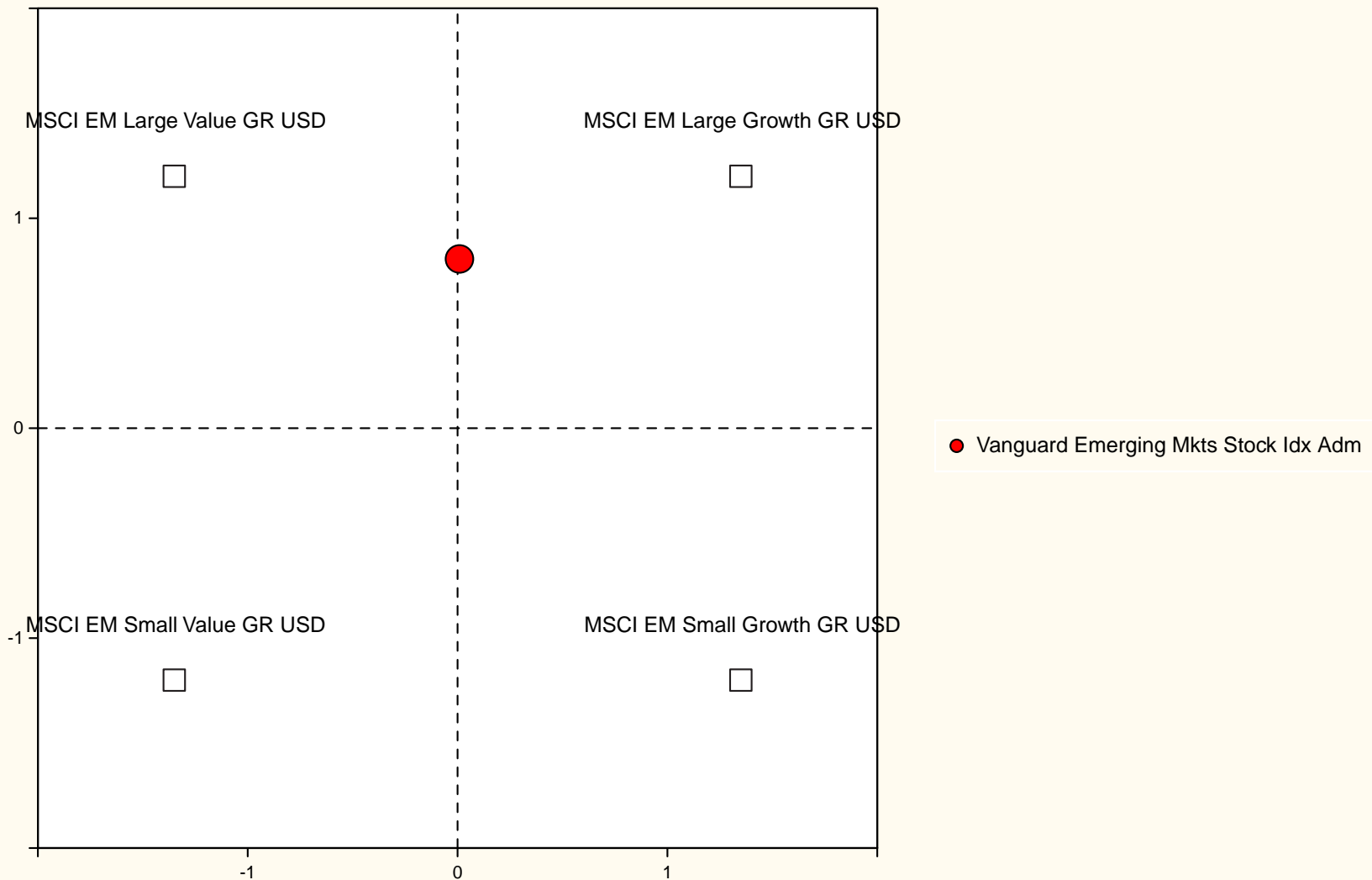


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Manager Style Box

Emerging Market - Single Computation
October 2009 - September 2019



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Section IV

Appendix

Quarterly Investment 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. Investors tend to focus more on total return than any other measure of a fund's success or failure. 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 12-month returns (5 years) – The use of 12-month rolling returns minimizes the problem of end-point sensitivity. To score high, a manager must consistently outperform peers across a variety of market cycles, not just the current cycle.
3. Rolling 36 month returns (10 years) – Using 36-month rolling returns allows us to assess fund returns over longer time segments, thus putting more emphasis on performance across different market cycles.
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. Sharpe Ratio – This is a measure of a fund's risk-adjusted performance. How much additional risk did an investor have to assume to achieve a greater return? The Sharpe Ratio is calculated by dividing the annualized return in excess of the risk free Treasury bill rate by the standard deviation of returns earned over that same time frame. This ratio is an excellent measure for determining whether an investor is being rewarded for taking on additional risk.
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 (5 years) – 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 (5 year) – 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 – All else equal, a lower expense ratio is preferred. The expense ratio is compared as a percentage of the appropriate category average and then given a score based upon that percentage. This rewards low-cost funds and penalizes high-cost funds. Some may (correctly) argue that expense ratios are "double weighted" in our scoring methodology, because performance returns are net of expenses, but fiduciaries are encouraged to carefully manage expenses.

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. A ranking of 10% indicates a fund is in the top 10% of its peer group for that criterion. The percentage rankings for all criteria are then averaged to give a fund its average ranking score.

The lower the average ranking score the better. For example, a fund with an average ranking score of 25% would in general be a better overall fund than a comparable fund with a ranking score of 50%.

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.

