AGENDA
IRVINE RANCH WATER DISTRICT
POST-EMPLOYMENT BENEFITS TRUST RETIREMENT BOARD
QUARTERLY MEETING
TUESDAY, NOVEMBER 14, 2017

CALL TO ORDER 2:00 p.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Board Member: Steve LaMar ____ Board Member: Doug Reinhart ____
Board Member: Paul Cook ____

ALSO PRESENT Cheryl Clary ____ ____________ ____
Rob Jacobson ____ ____________ ____
Tanja Fournier ____ ____________ ____

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.

INFORMATION

5. IRWD POST RETIREMENT BENEFITS TRUST INVESTMENT REVIEW – FOURNIER/JACOBSON/CLARY

Recommendation: Receive and file.

ACTION

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

Recommendation: That the minutes of the September 19, 2017 Board Meeting of the Irvine Ranch Water District Retirement Board be approved as presented.

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.

November 14, 2017
Prepared by: Tanja Fournier
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul A. Cook

RETIREMENT BOARD

IRWD POST RETIREMENT BENEFITS TRUST
INVESTMENT REVIEW

SUMMARY:

Staff will present the Portfolio Investment Review for the quarter ended September 30, 2017 and an update on the current market condition.

BACKGROUND:

Quarterly Investment Review:

As of September 30, 2017, the IRWD Post-Retirement Benefits Trust market value was \$70,256,360, which is a net increase of \$4,155,650 from the quarter ended June 30, 2017. The change is primarily due a contribution in the amount of \$1,871,600, an increase in market value of \$1,925,706 and dividends in the amount of \$371,447. Trust expenses for the month were \$13,103 paid to SageView for investment advisory services and transaction fees.

Quarterly Investment Activity:

During the quarter ended September 30, the Board approved an additional contribution in the amount of \$1,871,600 for Fiscal Year 2017-2018, directed staff to add the Vanguard Emerging Market Index to the portfolio, and adjust the investment asset allocation to reduce the equity position by 4% and increase the fixed income position by 4%, resulting in a 62%/38% stock-bond allocation. The closing balances and fund returns for the quarter ended September 30, 2017 are as follows:

Investment	Quarterly Return	Benchmark Index	Morningstar Peer Category	Quarter Ended June 30, 2017	Quarter Ended September 30, 2017	Incr/(Decr)	Percent of Portfolio
EQUITIES							
Vanguard Institutional Index Fund	**4.48%**	4.48%	4.25%	\$31,189,922	**\$27,451,220**	(\$3,738,701)	39.1%
Vanguard Extended Mkt (small/mid) Index Fund	**4.96%**	4.96%	3.31%	4,390,433	**5,023,750**	\$633,317	7.2%
Vanguard Developed Market Index	**5.56%**	5.58%	5.40%	9,118,622	**9,841,229**	\$722,606	14.0%
Vanguard Emerging Markets Index	**7.77%**	7.56%	7.52%		**1,383,873**	\$1,383,873	2.0%
FIXED INCOME							
Metropolitan Total Return Bond Fund	**0.81%**	0.85%	0.88%	9,010,187	**8,376,949**	(\$633,238)	11.9%
Baird Core Plus Bond Fund	**1.05%**	0.85%	0.88%	6,861,796	**8,389,083**	\$1,527,287	11.9%
Vanguard High-Yield Corporate Fund	**2.04%**	2.04%	1.81%	2,625,138	**2,804,805**	\$179,667	4.0%
Vanguard Short Term Bond Index Admiral	**0.66%**	0.70%	0.47%	2,457,442	**6,950,669**	\$4,493,227	9.9%
CASH-SHORT TERM							
Fidelity Government Cash Reserves	**0.18%**	0.26%		447,171	**34,782**	(\$412,388)	0.0%
Closing Balance				\$66,100,710	**\$70,256,360**	\$4,155,650	100.0%

For the quarter ended September 30, 2017, the portfolio return was 3.40%, which tracked with the custom benchmark return of 3.39%. For the one-year period ended September 30, 2017 the return was 11.95%, which slightly outperformed the custom benchmark return of 11.81%. The portfolio Investment Review as of September 30, 2017 is attached as Exhibit "A".

FISCAL IMPACTS:

As of September 30, 2017, the IRWD Post-Retirement Benefits Trust market value was $70,256,360, which is a net increase of $4,155,650 from the quarter ended June 30, 2017. The change is primarily due a contribution in the amount of $1,871,600, an increase in market value of $1,925,706 and dividends in the amount of $371,447. Trust expenses for the month were $13,103 paid to SageView for investment advisory services and transaction fees.

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:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – The Portfolio Investment Review as of September 30, 2017

SAGE VIEW

Plan Investment Review

Irvine Ranch Water District Post-Employment Benefits Trust

For period ending September 30, 2017

Jonathan Upham Registered Representative with and securities offered through Cetera Advisor Networks LLC, member FINRA/SIPC
1920 Main Street, Suite 800, Irvine, CA 92614 | T 949.955.1395 | SageView is not affiliated with Cetera

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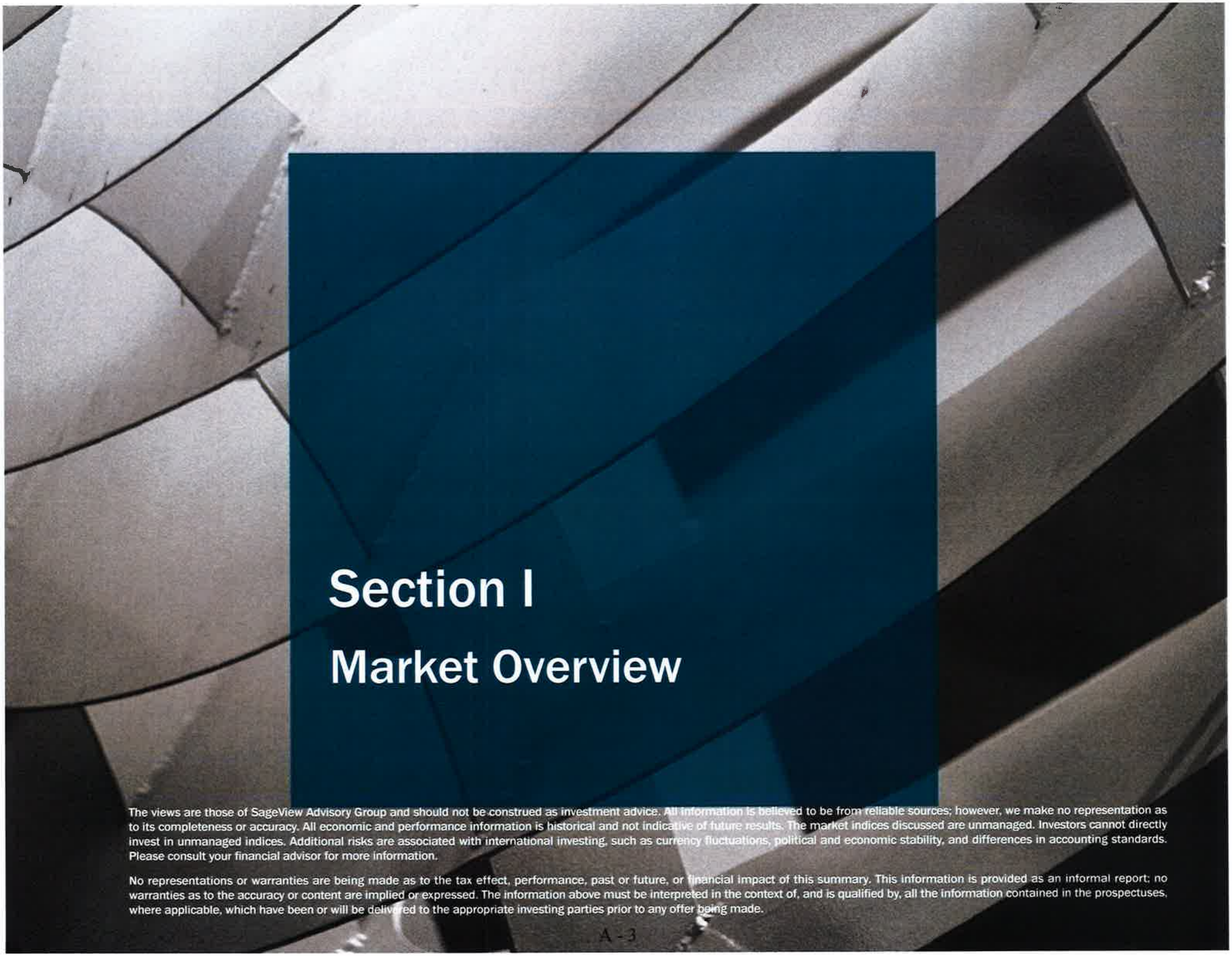


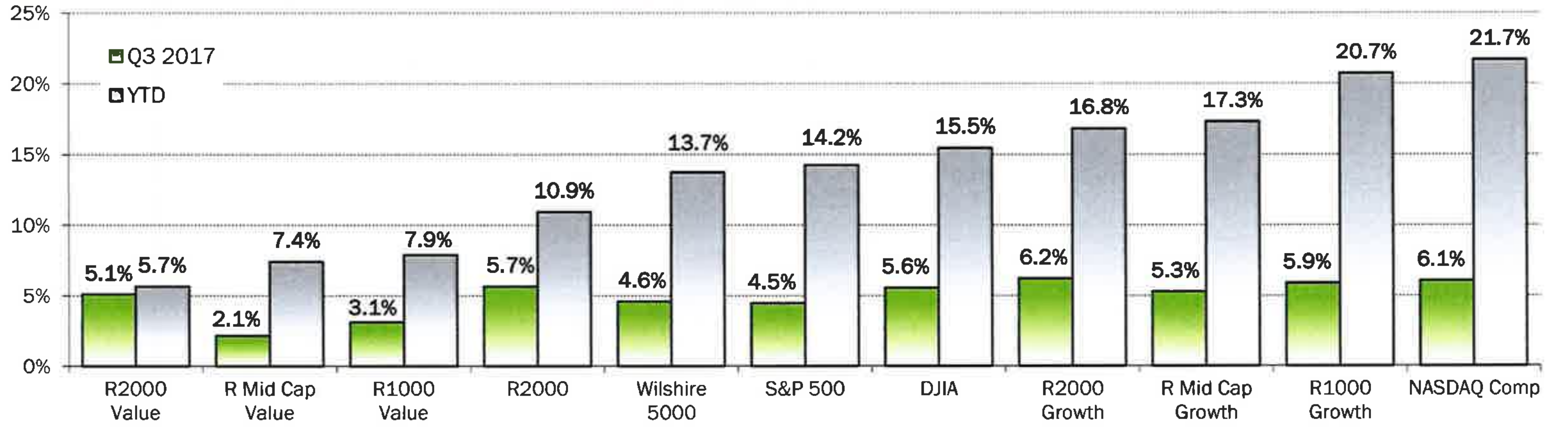
Section I

Market Overview

U.S. Equities

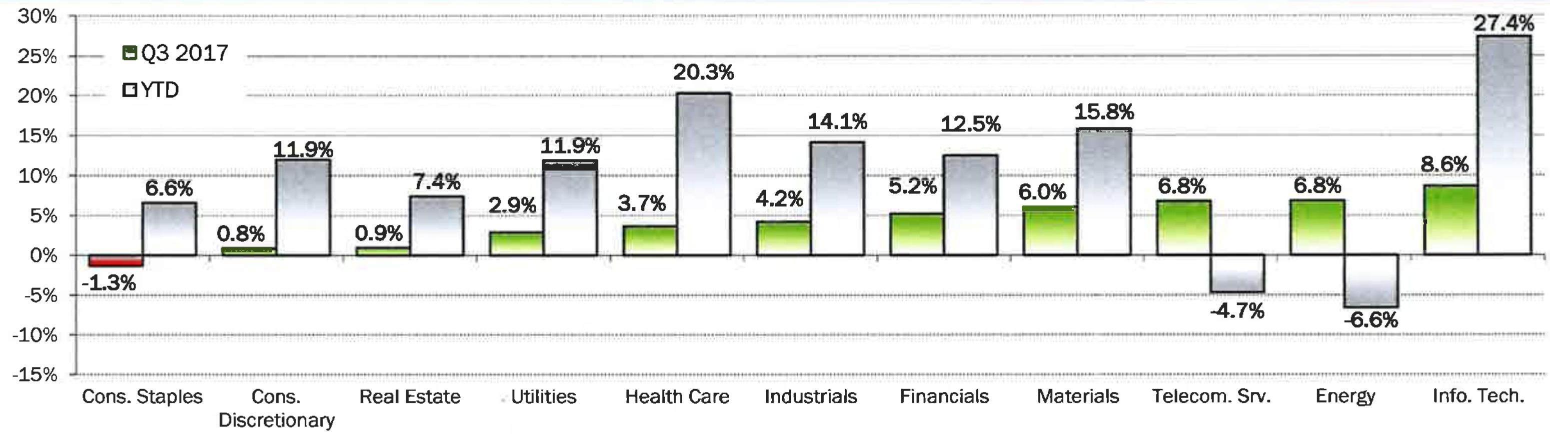
The remarkable gains by major U.S. equity benchmarks continued as all three major indexes set record highs during the quarter. Steady revenue growth, healthier margins and significant share buybacks that have subsequently boosted corporate earnings, have supported the strong equity market performance this year.

Performance of Major U.S. Equity Indexes, Q3 2017 and YTD



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

S&P 500 Sector Returns, Q3 2017 and YTD

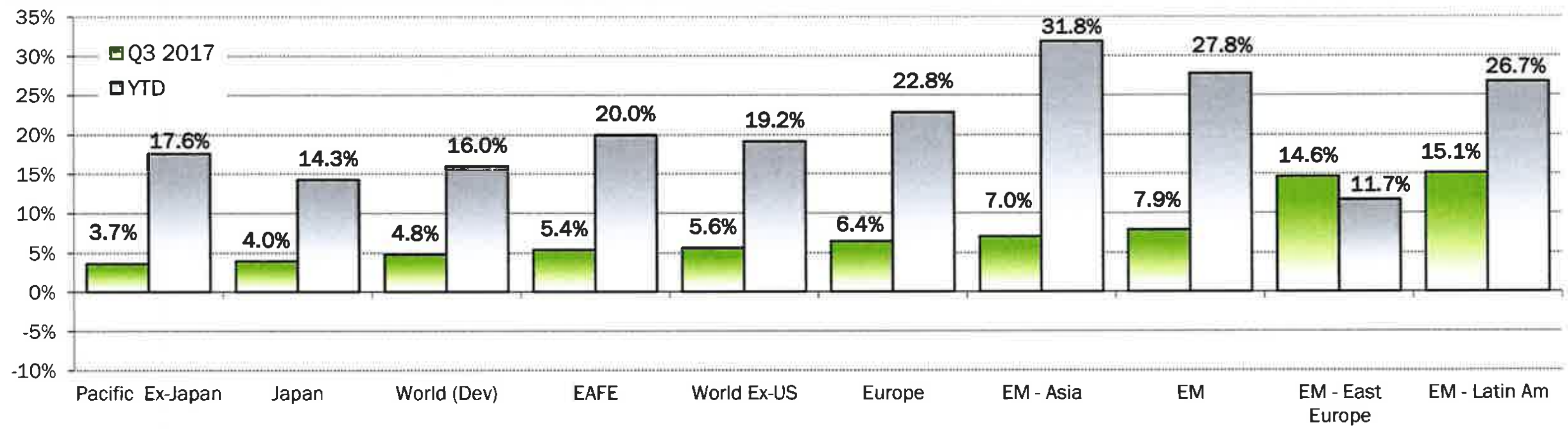


Source: Morningstar. Returns represent cumulative total return, including dividends.

International Equities

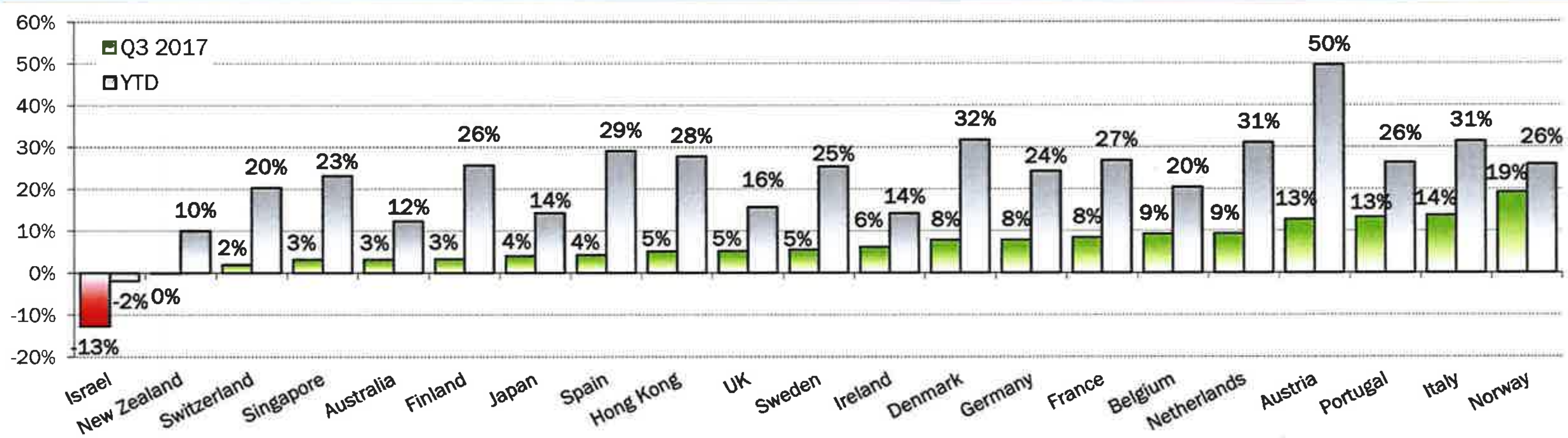
International stocks continued their strong gains and most benchmarks were ahead of domestic stocks year-to-date. Synchronized economic growth around the globe is leading to improvement in corporate earnings and reasonable valuations have provided a favorable backdrop for the strong performance. U.S. investors have also benefited from a weaker dollar.

International Equity Market Returns, Q3 2017 and YTD



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

MSCI EAFE Index Country Returns, Q3 2017 and YTD



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

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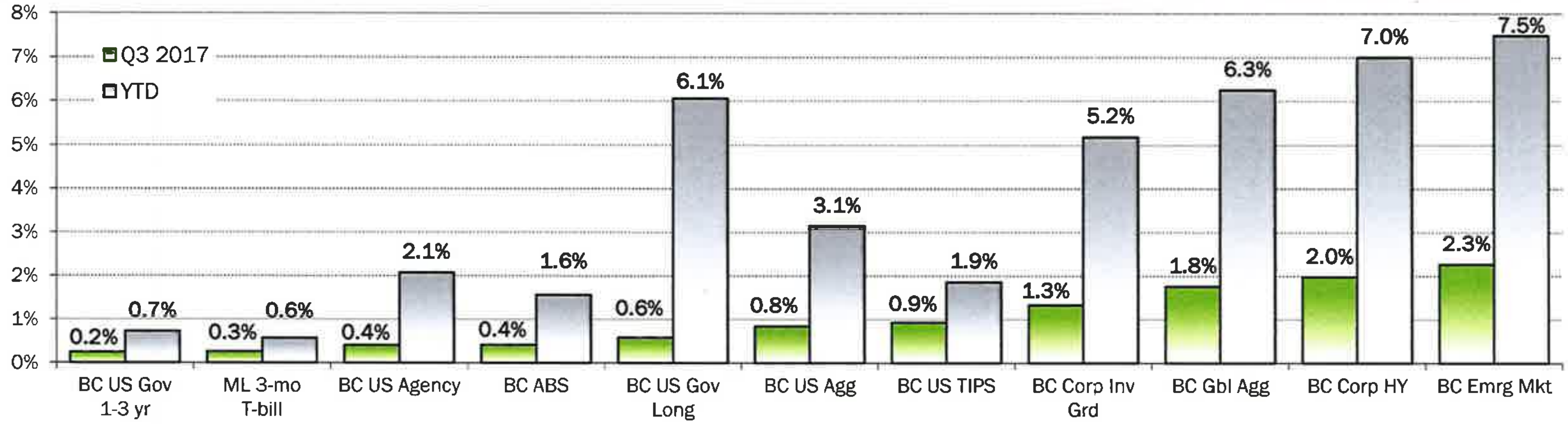
Fixed Income

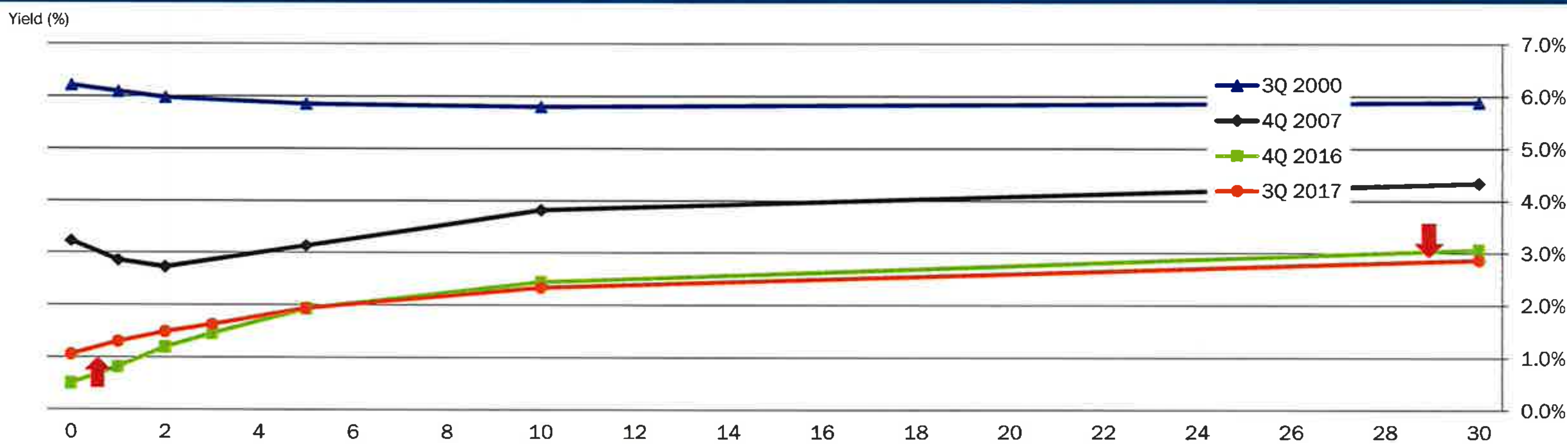
Bonds also posted positive returns in Q3. The U.S. Treasury yield curve continued to flatten even though the Federal Reserve did not increase short-term rates. The trend of investors seeking higher yields in the riskier sectors of the bond market (i.e. high yield and emerging markets) continued.

Fixed Income Returns, Q3 2017 and YTD



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

U.S. Treasury Yield Curve



Source: Bloomberg. Data as of respective quarter end.

Section II

Investment Summary

Executive Summary and Observations

- Assets total $70,256,359 at September 30, 2017 up from $66,100,710at June 30, 2017.

- Activity during the quarter:
  - $1,871,600 was contributed to the account on 07/26/2017. At the 08/01/2017 meeting, the committee made the decision to adjust the asset allocation from a broad 66/34 stock-bond allocation to a 64/36 stock-bond allocation. Trades were made on 08/03/2017.

  -At the 09/19/2017 special meeting, the committee decided to further adjust the allocation from a broad 64/36 stock-bond allocation to a 62/38 stock-bond allocation. Trades were made on 09/20/2017.

Fund Name	$ Amount	% Amount	New Target
Fidelity Government MM (cash)	35,945	0.05%	0.05%
Baird Core Plus	8,347,594	11.94%	12.00%
MetWest Total Return	8,349,073	11.94%	11.95%
Vanguard Short bond	5,495,663	7.86%	10.00%
Vanguard High Yield	2,772,867	3.97%	4.00%
Total Fixed Income	25,001,142	35.76%	38.00%
Vanguard Institutional (S&P 500)	28,732,233	41.09%	39.00%
Vanguard Extended Market Index	4,924,320	7.04%	7.00%
Vanguard Developed Markets Index	9,820,412	14.04%	14.00%
Vanguard Emerging Markets Index	1,445,150	2.07%	2.00%
Total Equity	44,922,115	64.24%	62.00%

- For the quarter, the net total return was 3.40%. This closely tracked the custom benchmark return of 3.39%, with outperformance from Baird Core Plus offsetting slight underperformance from Metropolitan West Total Return.

- For the past 12 months, the net total return was 11.95%, slightly outperforming the benchmark return of 11.81%.

- The portfolio is dominated by index funds, leading to a low overall expense ratio of 0.13%.

- The three actively scored funds by SageView all score in the top decile or top quartile of rankings, while all index funds receive a pass rating.

- No recommendations at the current time

Asset Allocation by Fund

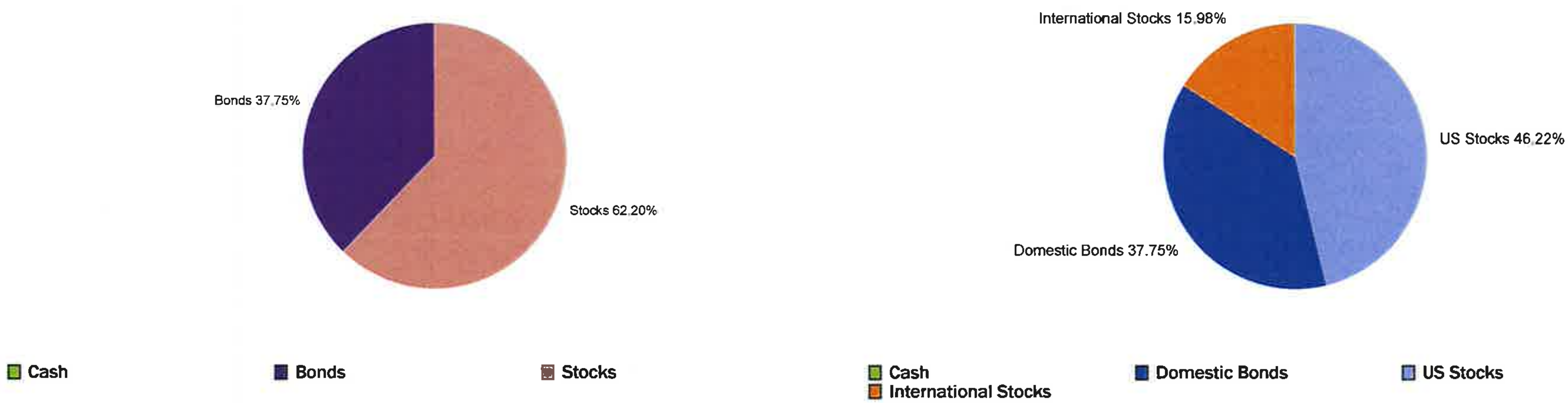
As of 09/30/2017

Fund	% of Plan Assets	Total Assets
Vanguard Institutional Index I	39.07%	$27,451,220.16
Vanguard Developed Markets Index Instl	14.01%	$9,841,228.65
Baird Core Plus Bond Inst	11.94%	$8,389,082.90
Metropolitan West Total Return Bd I	11.92%	$8,376,949.02
Vanguard Short-Term Corp Bd Idx Admiral	9.89%	$6,950,668.86
Vanguard Extended Market Index Admiral	7.15%	$5,023,749.57
Vanguard High-Yield Corporate Adm	3.99%	$2,804,804.93
Vanguard Emerging Mkts Stock Idx Adm	1.97%	$1,383,873.25
Fidelity® Government Cash Reserves	0.05%	$34,782.32
Total Market Value:	100.00%	$70,256,359.66

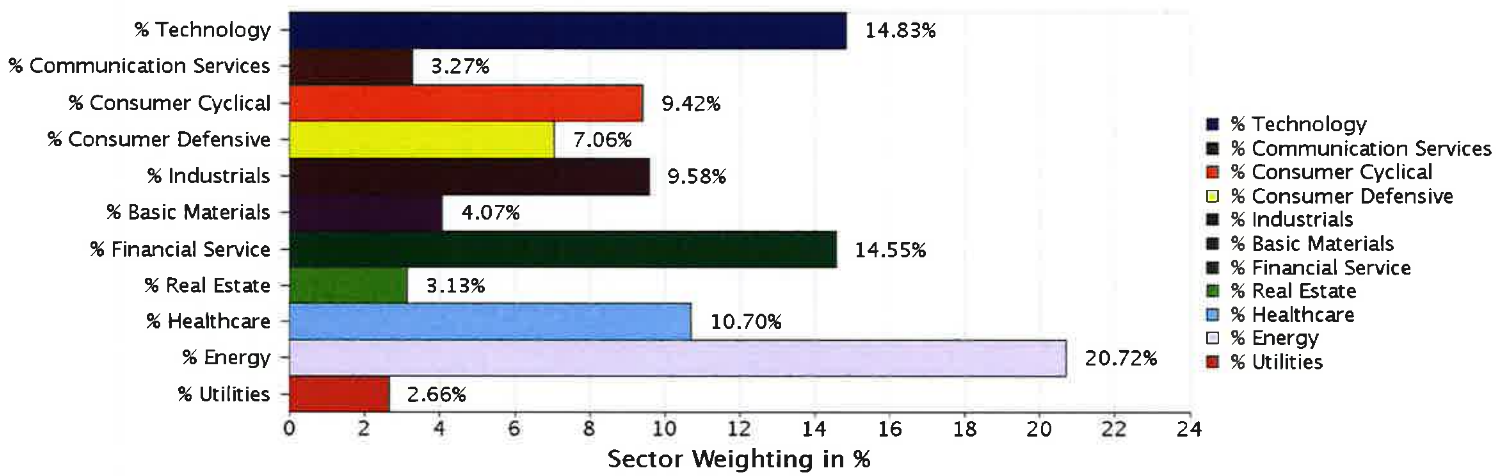
Portfolio Composition - Sector Weightings

As of 09/30/2017

Portfolio Composition



Sector Weightings



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Fund Performance Summary

As of 09/30/2017

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%**	**0.18**	**0.36**	**0.40**	**0.16**	**0.10**	**0.52**	**0.37**	**NA**
BofAML US Treasury Bill 3 Mon TR USD*			**0.26**	**0.57**	**0.66**	**0.32**	**0.22**	**0.47**		
Cat: Morningstar Money Market - Taxable			0.15	0.30	0.33	0.14	0.08	0.34	0.51	
Vanguard Short-Term Corp Bd Idx Admiral	**Short-Term Bond**	**9.89%**	**0.66**	**2.50**	**1.56**	**2.23**	**2.06**	**NA**	**0.07**	**Pass**
BBgBarc Credit 1-5 Yr TR USD*			**0.70**	**2.46**	**1.54**	**2.14**	**1.97**	**3.71**		
Cat: Morningstar Short-Term Bond			0.47	1.68	1.21	1.32	1.12	2.28	0.74	
Baird Core Plus Bond Inst	**Intermediate-Term Bond**	**11.94%**	**1.05**	**4.07**	**1.60**	**3.50**	**2.98**	**5.45**	**0.30**	**TOP DEC**
BBgBarc US Agg Bond TR USD*			**0.85**	**3.14**	**0.07**	**2.71**	**2.06**	**4.27**		
Cat: Morningstar Intermediate-Term Bond			0.88	3.47	0.86	2.51	2.15	4.15	0.77	
Metropolitan West Total Return Bd I	**Intermediate-Term Bond**	**11.92%**	**0.81**	**3.03**	**0.31**	**2.45**	**2.73**	**5.76**	**0.44**	**TOP DEC**
BBgBarc US Agg Bond TR USD*			**0.85**	**3.14**	**0.07**	**2.71**	**2.06**	**4.27**		
Cat: Morningstar Intermediate-Term Bond			0.88	3.47	0.86	2.51	2.15	4.15	0.77	
Vanguard High-Yield Corporate Adm	**High Yield Bond**	**3.99%**	**2.04**	**7.01**	**7.84**	**5.92**	**5.83**	**6.82**	**0.13**	**TOP QUAR**
BofAML US HY Master II TR USD*			**2.04**	**7.05**	**9.06**	**5.87**	**6.38**	**7.72**		
Cat: Morningstar High Yield Bond			1.81	6.00	7.77	4.29	5.19	6.23	1.03	
Vanguard Institutional Index I	**Large Blend**	**39.07%**	**4.48**	**14.21**	**18.57**	**10.79**	**14.19**	**7.44**	**0.04**	**Pass**
S&P 500 TR USD*			**4.48**	**14.24**	**18.61**	**10.81**	**14.22**	**7.44**		
Cat: Morningstar Large Blend			4.25	13.32	17.71	9.02	12.95	6.49	0.94	
Vanguard Extended Market Index Admiral	**Mid-Cap Blend**	**7.15%**	**4.96**	**12.68**	**19.00**	**10.44**	**14.21**	**8.32**	**0.08**	**Pass**
S&P Completion TR USD*			**4.96**	**12.66**	**18.91**	**10.34**	**14.11**	**8.20**		
Cat: Morningstar Mid-Cap Blend			3.32	9.89	15.69	7.80	12.67	6.74	1.06	
Vanguard Developed Markets Index Instl	**Foreign Large Blend**	**14.01%**	**5.56**	**21.08**	**19.33**	**5.88**	**8.94**	**1.72**	**0.06**	**Pass**
FTSE Dv Ex US TR USD*			**5.58**	**20.39**	**19.72**	**5.54**	**8.45**	**2.01**		
Cat: Morningstar Foreign Large Blend			5.40	20.61	18.16	4.97	7.67	1.18	1.03	
Vanguard Emerging Mkts Stock Idx Adm	**Diversified Emerging Mkts**	**1.97%**	**7.77**	**23.60**	**18.85**	**4.03**	**3.60**	**0.97**	**0.14**	**Pass**
FTSE EMs AC China A Incl (US RIC) NR USD*			**7.56**	**22.84**	**19.14**	**4.53**	**4.21**	**1.50**		
Cat: Morningstar Diversified Emerging Mkts			7.52	27.05	20.38	4.11	4.27	1.21	1.37	

***Investment Policy Benchmark**

Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Baird Core Plus Bond Inst **11.94** **Intermediate-Term Bond**	**09/30/2017**	**Performance Update (9/30/2017): The fund outperformed the Bloomberg Barclays U.S. Universal Bond Index in Q3. An overweight to investment grade bonds, particularly BBB rated bonds, contributed to performance. Exposure to non agency residential mortgages was also a positive. An underweight to high yield bonds and emerging market debt were detractors. Over the last year, the fund was well ahead of its benchmark. Positioning within credit and securitized sectors contributed to performance.** **Strategy Summary: This portfolio is managed by a team of 5 co managers, each of whom contribute to research in their respective sectors. 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 U.S. dollar denominated securities are utilized in this fund with no use of derivative securities.**
Metropolitan West Total Return Bd I **11.92** **Intermediate-Term Bond**	**09/30/2017**	**Performance Update (9/30/2017): The fund lagged its benchmark (Bloomberg Barclays US Aggregate) in Q3. The overall conservative theme has remained in place. An overall shorter portfolio duration was a detractor as longer interest rates declined. An underweight to the credit sectors detracted performance as that sector rallied, but this was somewhat offset by allocation to securitized (ABS, non agency MBS, etc.) securities. The fund was ahead of its benchmark over the last year. Positive attribution came from the securitized sectors, non agency residential MBS specifically. The fund remains true to its disciplined, value based approach, reflected in a focus on higher quality, more defensive areas of the market and a relatively short duration profile.** **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.**

IPS Historical Ranking

Fund Name	12/2014	03/2015	06/2015	09/2015	12/2015	03/2016	06/2016	09/2016	12/2016	03/2017	06/2017	09/2017
Fidelity® Government Cash Reserves	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vanguard Short-Term Corp Bd Idx Admiral	NA	NA	NA	NA	NA	NA	NA	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 DEC	TOP DEC	TOP DEC	TOP DEC	TOP DEC
Vanguard High-Yield Corporate Adm	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR
Vanguard Institutional Index I	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass
Vanguard Extended Market Index Admiral	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass
Vanguard Developed Markets Index Instl	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass
Vanguard Emerging Mkts Stock Idx Adm	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass	Pass

Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate-Term Bond

September 30, 2017

Intermediate-Term Bond Universe: 1286 Funds

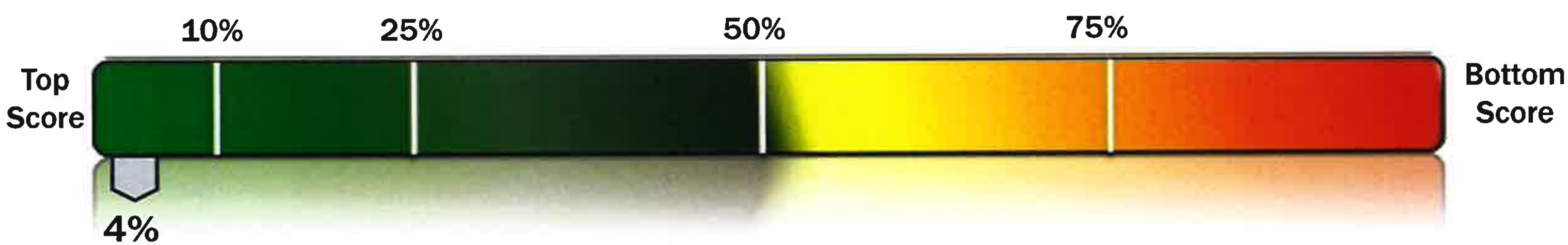
Performance Ranking			Ranking
Total Return Composite Ranking			11.50%
	10 Year	7.00%	
	5 Year	12.00%	
	3 Year	7.00%	
	1 Year	22.00%	
Rolling 12 Month - 5 Years			20.47%
Rolling 36 Month - 10 Years			17.06%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	14.00%
Alpha - 60 Months	16.00%
Up Capture Ratio - 5 years	9.00%
Down Capture Ratio - 5 years	43.00%

Fund Expense		Ranking
Expense Ratio	0.3	3.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US Agg Bond TR USD	R2	47.00%

	SageView Normalized Ranking
SageView Normalized Ranking	4.00%
STATUS	TOP DECILE



Metropolitan West Total Return Bd I

MWTIX

Ranking Vs. Peers - Intermediate-Term Bond

September 30, 2017
Intermediate-Term Bond Universe: 1286 Funds

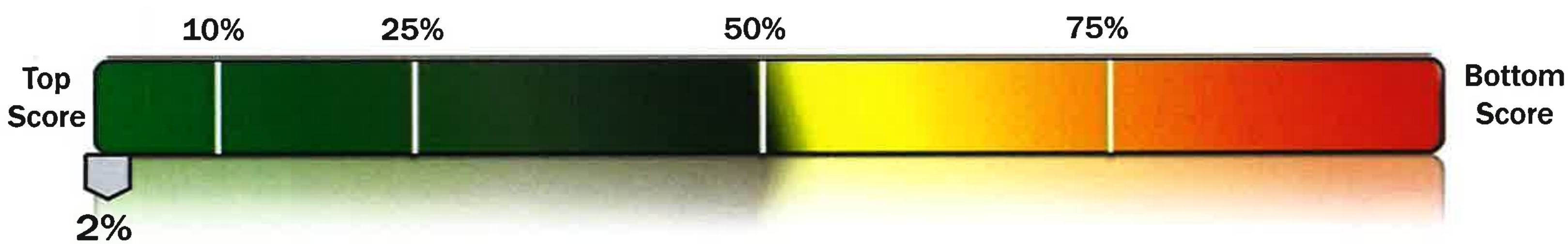
Performance Ranking			Ranking
Total Return Composite Ranking			29.25%
	10 Year	3.00%	
	5 Year	18.00%	
	3 Year	48.00%	
	1 Year	58.00%	
Rolling 12 Month - 5 Years			26.57%
Rolling 36 Month - 10 Years			12.72%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	13.00%
Alpha - 60 Months	17.00%
Up Capture Ratio - 5 years	39.00%
Down Capture Ratio - 5 years	15.00%

Fund Expense		Ranking
Expense Ratio	0.44	10.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US Agg Bond TR USD	R2	13.00%

	SageView Normalized Ranking
SageView Normalized Ranking	2.00%
STATUS	TOP DECILE



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Vanguard High-Yield Corporate Adm

VWEAX

Ranking Vs. Peers - High Yield Bond

September 30, 2017
High Yield Bond Universe: 678 Funds

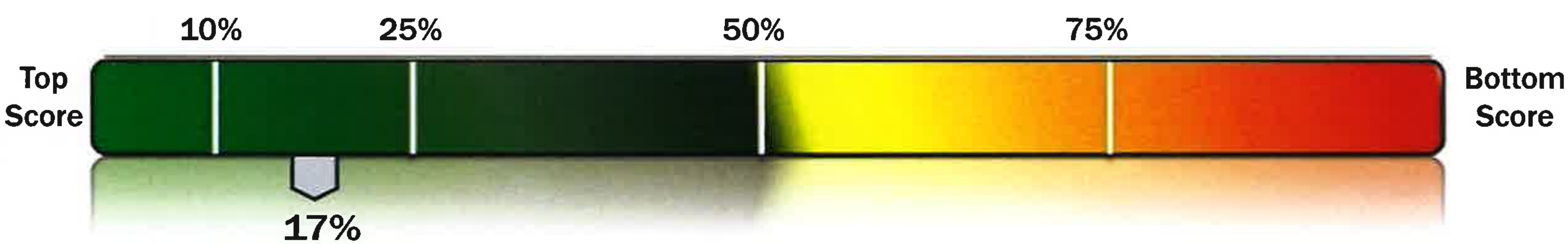
Performance Ranking			Ranking
Total Return Composite Ranking			27.75%
	10 Year	35.00%	
	5 Year	28.00%	
	3 Year	9.00%	
	1 Year	51.00%	
Rolling 12 Month - 5 Years			46.45%
Rolling 36 Month - 10 Years			41.83%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	14.00%
Alpha - 60 Months	16.00%
Up Capture Ratio - 5 years	74.00%
Down Capture Ratio - 5 years	14.00%

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	60.00%

	SageView Normalized Ranking
SageView Normalized Ranking	17.00%
STATUS	TOP QUARTILE



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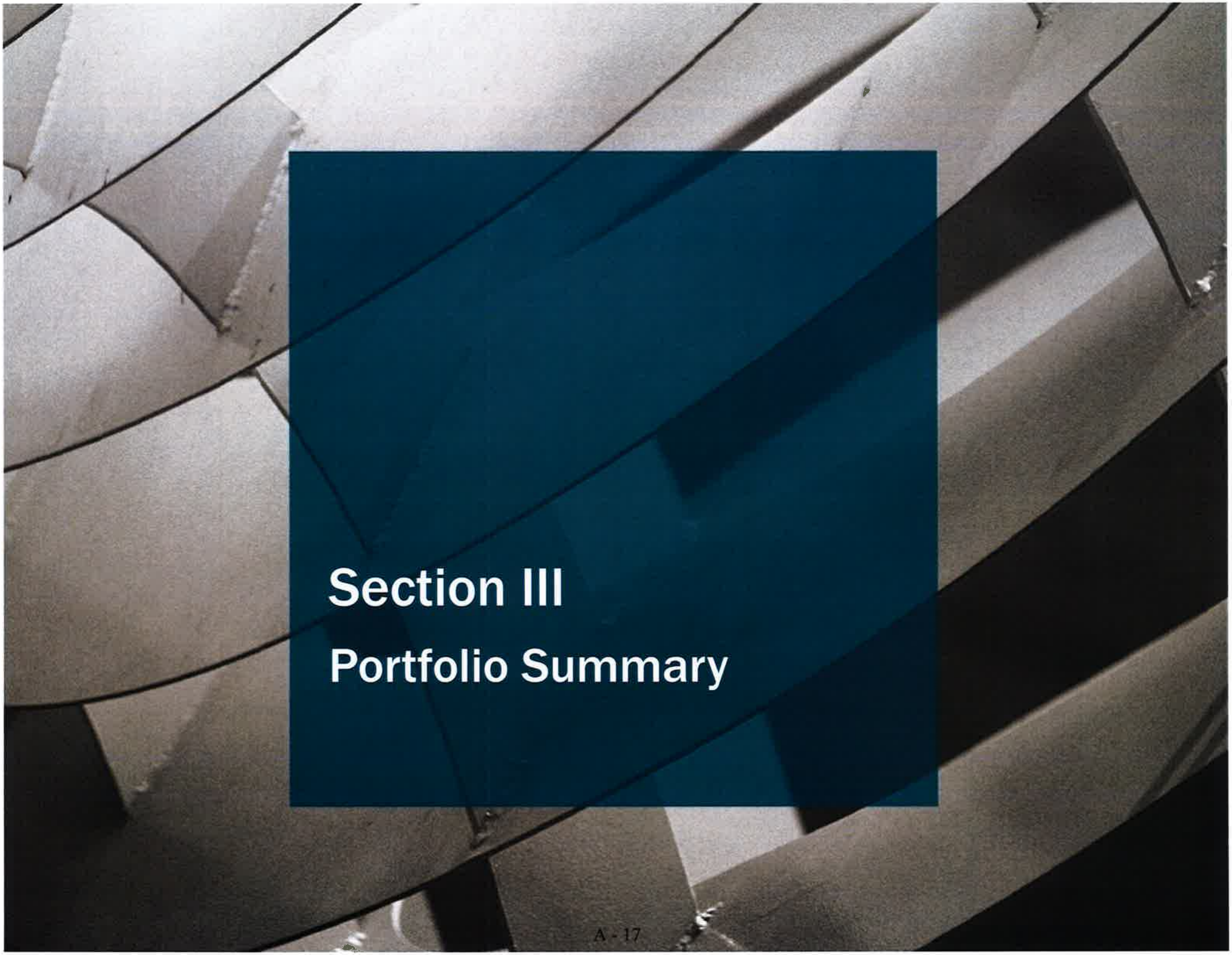


Section III

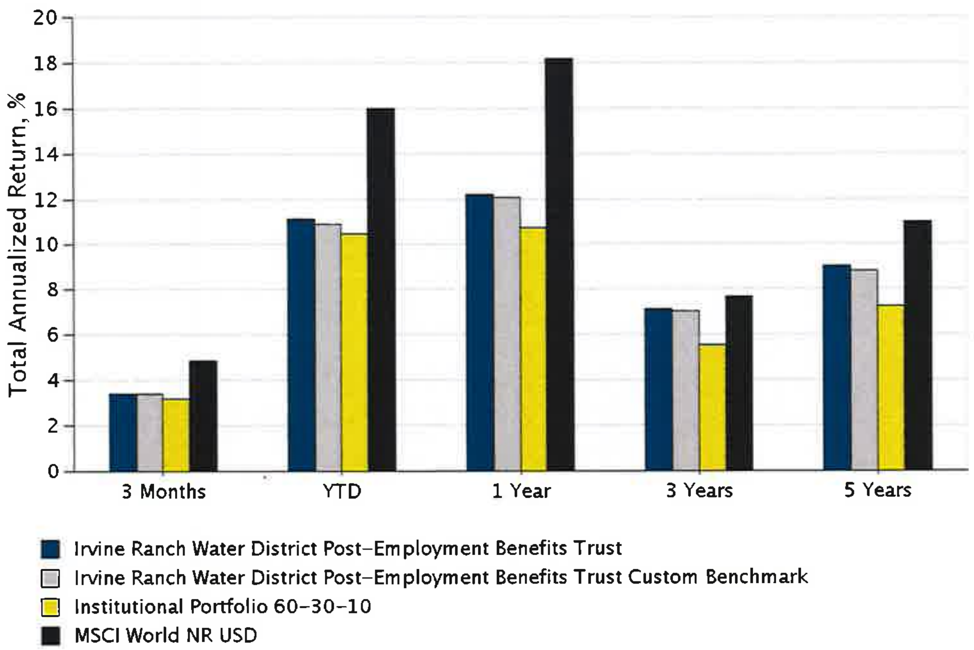
Portfolio Summary

Portfolio Return vs. Custom Benchmark

As of 09/30/2017

Performance As Of September 30, 2017	3 Month	YTD	1 Year	3 Year	5 Year	Std Dev 5 Yr	Prospectus Exp Ratio
Irvine Ranch Water District Post-Employment Benefits Trust	3.40	10.62	11.95	NA	NA	6.28	0.13
Irvine Ranch Water District Post-Employment Benefits Trust Custom Benchmark	3.39	10.48	11.81	7.01	8.81	6.25	NA
Irvine Ranch Water District Post-Employment Benefits Trust Custom Category Averages Benchmark	3.13	9.89	11.14	5.76	7.96	7.55	0.91
Institutional Portfolio 60-30-10	3.18	10.48	10.73	5.52	7.25	5.98	NA
MSCI World NR USD	4.84	16.01	18.17	7.69	10.99	9.86	NA

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



Benchmark	Weight
S&P 500 TR USD	39.07%
BBgBarc US Agg Bond TR USD	23.86%
FTSE Dv Ex US TR USD	14.01%
BBgBarc Credit 1-5 Yr TR USD	9.89%
S&P Completion TR USD	7.15%
BofAML US HY Master II TR USD	3.99%
FTSE EMs AC China A Incl (US RIC) NR USD	1.97%
BofAML US Treasury Bill 3 Mon TR USD	0.05%

[1]Industry Average Expense Ratio Source: *401(k) Averages Book*, 16th 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% BofAML US Treasury Bill 3 Mon TR USD

Management Style Analysis

As of 09/30/2017

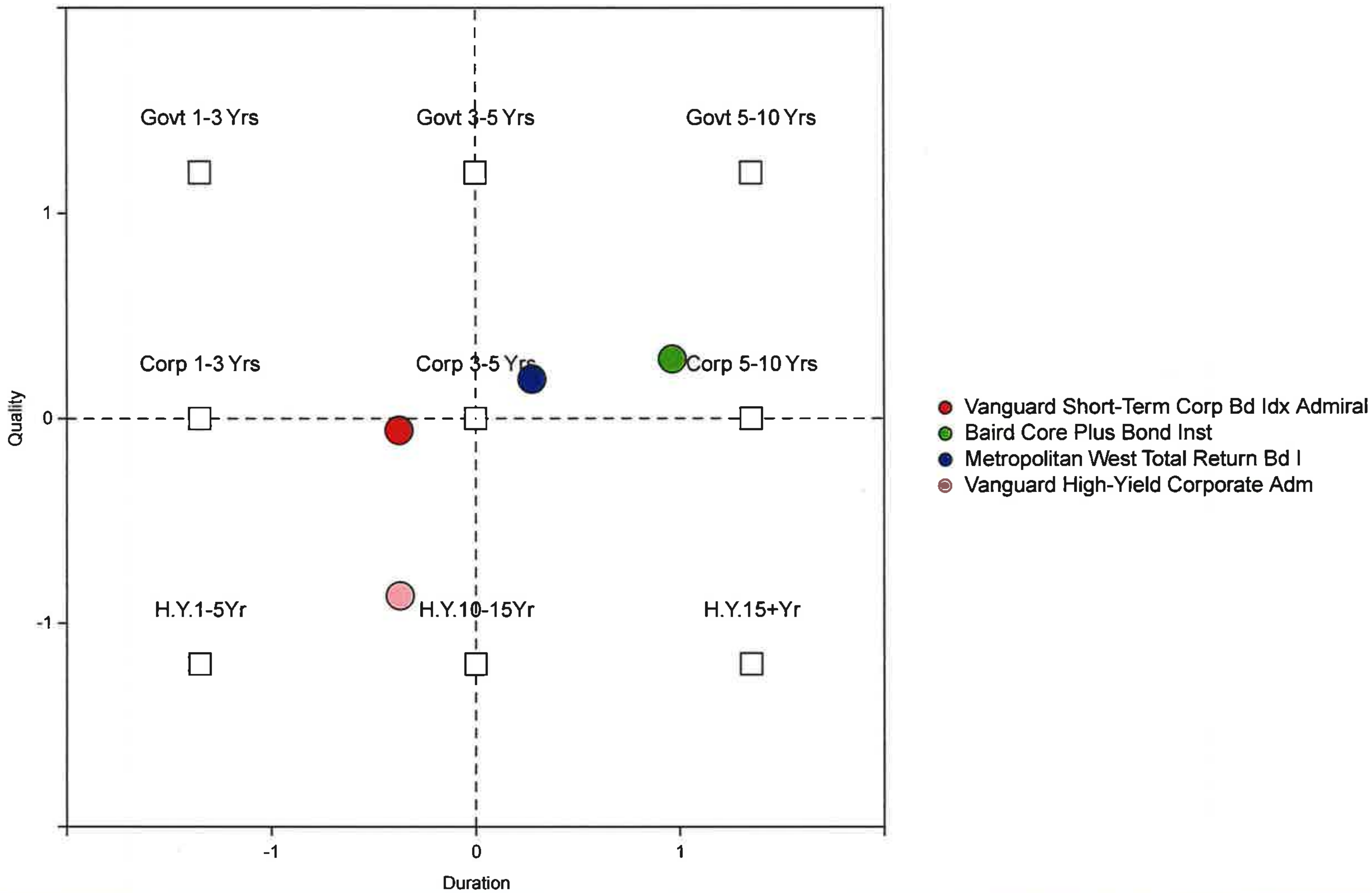
Domestic Equity Style Box

	VALUE	BLEND	GROWTH
LARGE CAP		• Vanguard Institutional Index I($91.16 bn)	
MID CAP		• Vanguard Extended Market Index Admiral ($3.78 bn)	
SMALL CAP			

Average Market Cap. listed in parentheses

Manager Style Box

Fixed Income - Single Computation
October 2007 - September 2017



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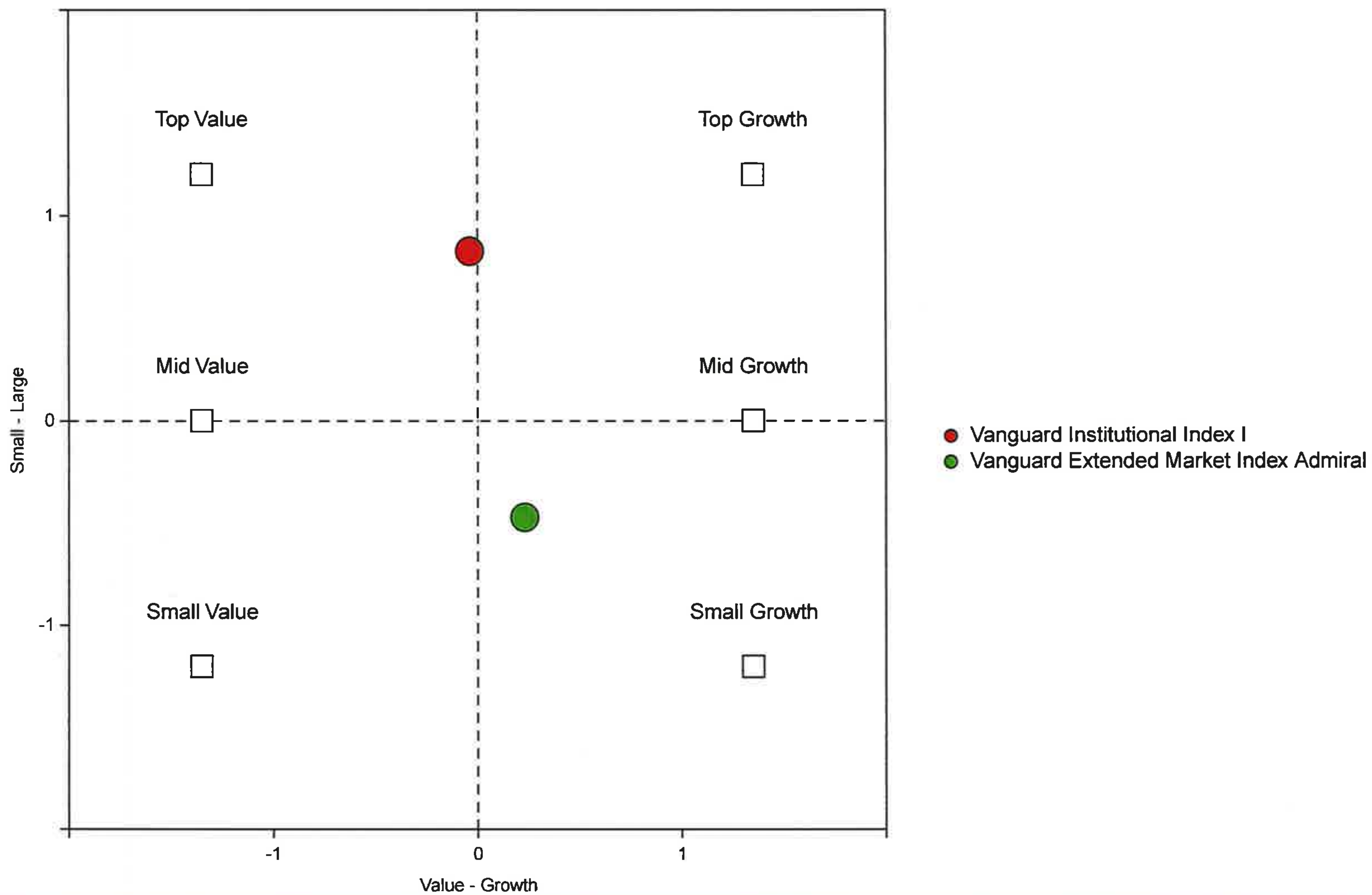
Manager Style Box

Equity - Single Computation
October 2007 - September 2017



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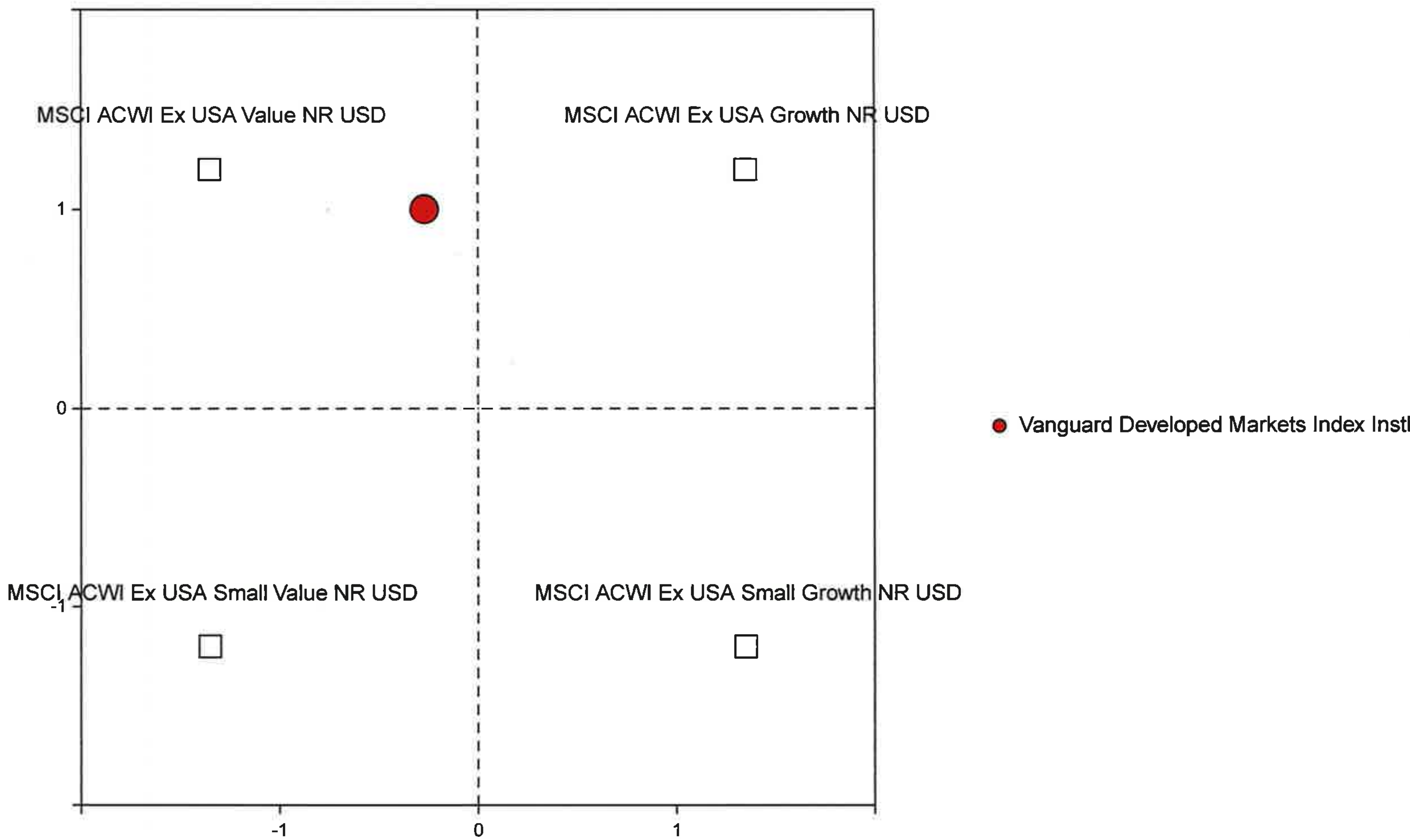
Manager Style Box

International Equity - Single Computation
October 2007 - September 2017



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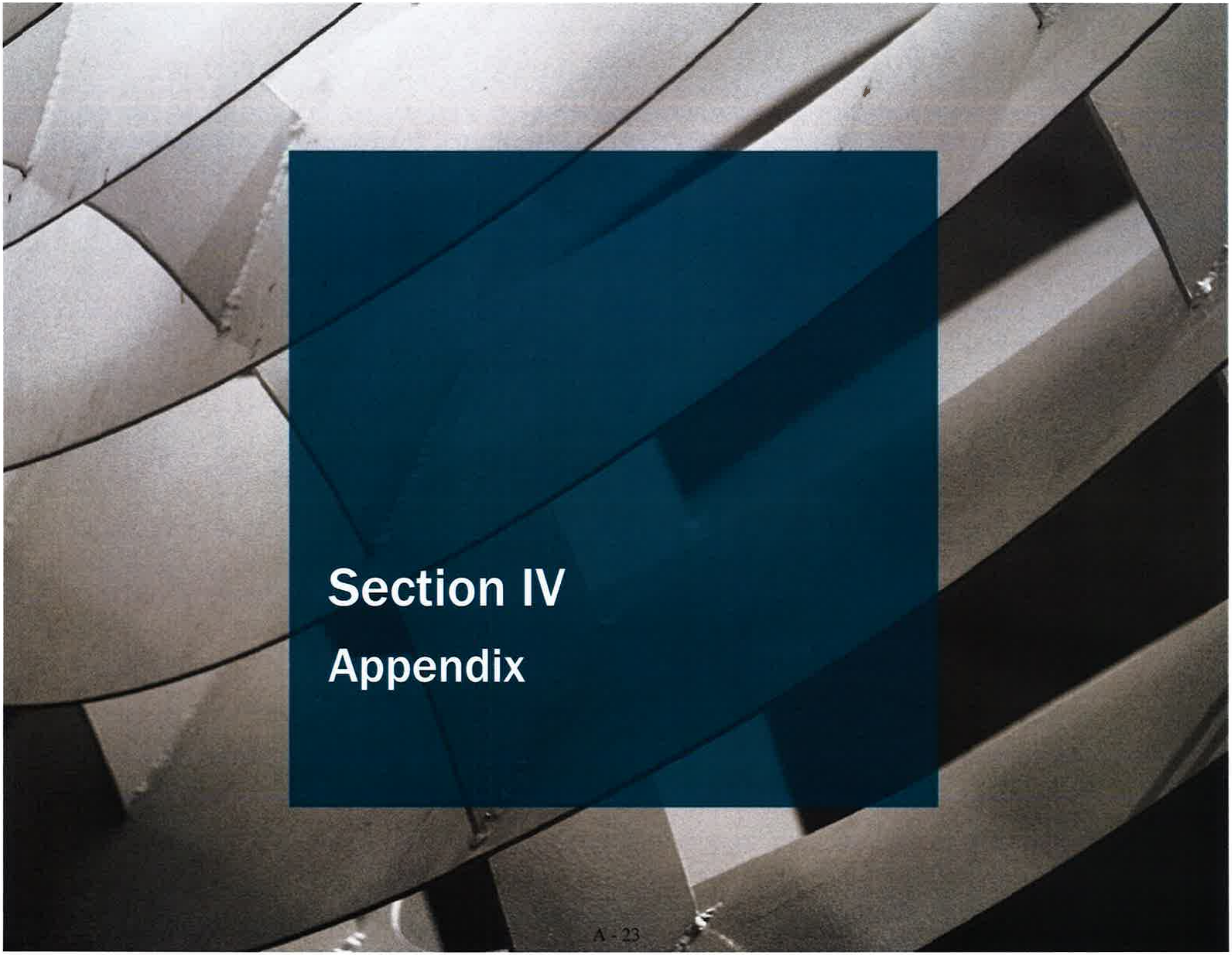

Section IV

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 caries 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.

Glossary of Terms

Term	Definition
Alpha	A risk-adjusted measure of performance that is equal to the difference between a portfolio's actual return and its expected performance given its level of risk as measured by beta. A positive alpha value indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed given the expectations established by beta. Alpha can also be viewed as an abnormal level of return in excess of what might be predicted by an equilibrium pricing model like the Capital Asset Pricing Model (CAPM).
Annualized Return	Returns for periods longer than one year are expressed as "annualized returns." They represent an average amount of money earned by an investment each year during the specified time frame. When compounded over a certain period of time, they would produce a fund's total return over that period.
Asset Class	A group of investments that has similar attributes. These attributes can be defined by their level of risk or return, or how they behave in the market. The three main asset classes are equities (stocks), fixed-income (bonds), and cash equivalents (money market instruments).
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.
Benchmark	A standard against which the performance of a security, mutual fund or investment manager can be measured. Typically a benchmark is a broad market index that groups many securities together in some systematic way.
Collective Investment Trust	A fund that is operated by a trust company or a bank and handles a pooled group of trust accounts. Collective investment funds (CITs) combine the assets of various individuals and organizations to create a larger, well-diversified portfolio. CITs are not regulated by the Investment Company Act of 1940 but are regulated by the Office of the Comptroller of the Currency ("OCC") and subject to oversight by the Internal Revenue Service ("IRS") and the Department of Labor ("DOL").
Down Capture Ratio	A ratio that measures the overall performance of a portfolio during falling markets. This measure analyzes how well a portfolio (or an investment manager) performed relative to its benchmark/index during periods when the benchmark fell. For example, a down-capture ratio of 95% (for a given period of time) means that the portfolio lost 5% less than its benchmark during the specified time period.
Expense Ratio	The percentage of fund assets 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.
Growth Stock	Investors employing a growth investment strategy buy stocks of companies with a recent history of above average increases in earnings in anticipation that earnings growth will continue. Growth stocks are often characterized by high valuation ratios (e.g., high price-to-earnings ratios).
Large Cap	Companies with a market capitalization value of more than $10 billion.
Market Capitalization	Calculated by multiplying the number of a company's shares outstanding by its stock price per share.
Mid Cap	Companies with market capitalization value between $2.5 (typically) and $10 billion.
Morningstar Category	A proprietary Morningstar data point that groups investment managers into categories based on the investment approach or strategy utilized by the investment manager. Categories help investors and investment professionals make comparisons between funds.

Glossary of Terms

Term	Definition
Moving Average	Measures the average price of a security over some specified period of time (e.g., 1 month, or 12 months). Then the subset of returns is modified by "shifting the time period forward"; that is, excluding the first number of the series and including the next number following the original subset in the series. This creates a new subset of numbers, which is averaged. This process is repeated over the entire data series or a specified time frame.
Mutual Fund	An investment company that continuously offers new equity shares in an actively managed portfolio of securities by pooling money from many investors. All owners in the fund share in the gains or losses of the fund. Shares of a mutual fund are redeemable on demand at fund's current Net Asset Value (NAV). Each mutual fund is managed to a particular objective that is stated in the fund's prospectus.
Net Asset Value (NAV)	A mutual fund share's value, calculated once per day, based on the closing market price of each security in the fund's portfolio. It is calculated by deducting the fund's liabilities from the total assets and dividing this net asset amount by the number of share's outstanding.
Rolling Return	Measures the return of an investment over some specified period of time (e.g., 1 year, or 3 years) and repeats the calculation over a stated time frame. A rolling period return divides a longer time frame into smaller time periods. For example, a rolling 12-month return over 3 years starts by calculating a single period return over the first twelve months. Then, the subset of returns is modified by rolling the data forward by excluding the first number (first month in this case) and including the next number (month 13) in the data series. This process continues over a stated time frame (3 years in this example).
R-Squared	A statistical metric that measures the fraction of variation in the movement of one variable in relation to another variable. In the case of a mutual fund, R-squared measures the percentage of the mutual fund's performance that is explained by the movement of its benchmark. The metric ranges from 0 to 100. An R-squared of 100 means that all of the portfolio's performance is completely explained by the movements of a benchmark over a calculated time period. A high R-squared (between 85 and 100) indicates the fund's performance patterns have been in line with the index. A lower number would mean that the fund behaves much differently from the index.
Sharpe Ratio	A risk-adjusted measure of performance that is calculated by subtracting the risk-free rate of return (typically the 3-mo T-Bill rate) from the portfolio return, and dividing the result by the portfolio's standard deviation (a measure of risk). A higher Sharpe ratio indicates that the portfolio was able to generate a higher return per unit of risk. Sharpe ratio measures the efficiency in the amount of risk taken compared to the reward received for taking such risk.
Standard Deviation	A statistical measure of dispersion or variation from the average. A high standard deviation for an investment means the historical range of performance was wide, implying greater volatility.
Total Return	Measures the performance of an investment over a given period, including income from dividends and interest, plus any appreciation or depreciation in the market value (or price) of an investment.
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.
Turnover Ratio	Measures the percentage of a mutual fund's holdings that have been "turned over" or replaced with other holdings in a given year. This ratio includes all trading activity even if a holding wasn't fully replaced by another holding.
Value Stocks	Investors employing a value investment strategy buy stocks of companies they believe are underpriced based on some fundamental valuation metrics, in anticipation that the price performance of the stock will reverse. Value stocks are often characterized by low valuation ratios (e.g., low price-to-earnings ratios).
Up Capture Ratio	A ratio that measures the overall performance of a portfolio during rising markets. This measure analyzes how well a portfolio (or an investment manager) performed relative to its benchmark/index during periods when the benchmark rose. For example, an up-capture ratio of 108% (for a given period of time) means that the portfolio gained 8% more than its benchmark during the specified time period.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		CAPITAL PRESERVATION
Money Market	3-Month Treasury Bill	Three-month T-bills are government-backed, short-term investments considered to be representative of a risk-free investment.
Stable Value / Guaranteed Account	Hueler Pooled Fund Universe	A custom and proprietary database for collective trust funds that invest in stable value assets and similar instruments.
		BOND
Ultrashort Bond / Short-Term Bond	Bloomberg Barclays US Gov't/Credit 1-3 Year TR Index	Unmanaged index which is a component of the U.S. Government/Credit Bond Index, which includes Treasury and agency securities (U.S. Government Bond Index) and publicly issued U.S. corporate and foreign debentures and secured notes (U.S. Credit Bond Index). The bonds in the index are investment grade with a maturity between one and three years.
Short Government Bond	Bloomberg Barclays Government 1-5 Year TR Index	This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.
Intermediate Government Bond	Bloomberg Barclays US Gov't/Mortgage TR Index	The index measures the performance of U.S. government bonds and mortgage-related securities.
Intermediate-Term Bond	Bloomberg Barclays US Aggregate Bond TR Index	Represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. All returns are market value weighted inclusive of accrued interest.
Long Government Bond	Bloomberg Barclays US Government Long TR Index	Unmanaged index that includes all publicly issued U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have $250 million or more of outstanding face value/
Long Term Bond	Bloomberg Barclays US Long Government/Credit TR Index	This index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued.
Inflation-Protected Bond	Bloomberg Barclays US Treasury Inflation Protected Securities (TIPS) TR Index	Consists of U.S. Treasury Inflation-Protection Securities that have at least a year left to maturity and are non-convertible, rated investment grade of at least BBB by S&P or Baa3 by Moody's, fixed rate, and have more than $250 million par value outstanding.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		BOND
Corporate Bond	Bloomberg Barclays US Credit TR Index	This index represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both US and non-US corporations. The non-corporate sectors are Sovereign, Supranational, Foreign Agency, and Foreign Local Government.
Multi-sector Bond	Bloomberg Barclays US Aggregate Bond TR Index	Represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. All returns are market value weighted inclusive of accrued interest.
High Yield Bond	Bloomberg Barclays US HY 2% Issuer Cap TR Index	The index measures the performance of high yield corporate bonds, with a maximum allocation of 2% to any one issuer.
Bank Loan	Credit Suisse Leveraged Loan TR Index	The index represents tradable, senior-secured, U.S.-dollar-denominated non-investment-grade loans.
World Bond	Bloomberg Barclays Global Aggregate Bond TR Index	Provides a broad-based measure of global investment grade debt markets; it includes the U.S. Aggregate Index, Pan-European Aggregate Index and Asian-Pacific Aggregate Index. It also contains a wide variety of customized sub-indices.
Emerging Markets Bond	JPM EMBI Global TR Index	The J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.
Nontraditional Bond	Wilshire Liquid Alternative Index	Designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index, Wilshire Liquid Alternative Global Macro Index, Wilshire Liquid Alternative Relative Value Index, Wilshire Liquid Alternative Multi-Strategy Index, and Wilshire Liquid Alternative Event Driven Index.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		U.S. LARGE CAP EQUITIES
Large Cap Value	Russell 1000 Value Index	Measures the performance of the large-cap value segment of the U.S. equity universe. It is a market-capitalization weighted index of those firms in the Russell 1,000 with lower price-to-book ratios and lower forecasted growth values.
Large Cap Blend	Russell 1000 Index	Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.
Large Cap Blend	Russell 3000 Index	Measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.
Large Cap Blend	S&P 500 Index	Measures the performance of 500 leading large-capitalization companies in the U.S. and captures approximately 80% of the available U.S. market capitalization. Companies must have a market cap of $5.3 billion and have positive earnings over the most recent quarter and trailing four quarters. The index does not overlap holdings with the S&P MidCap 400 or S&P 600 SmallCap Indexes.
Large Cap Blend	CRSP US Total Market Index	Comprised of 4,000 constituents from mega, large, small and micro capitalizations, representing nearly 100% of the investable U.S. equity market. CRSP stands for Center for Research in Security Prices and was founded in 1960 to help develop a definitive measurement of long-run market returns.
Large Cap Growth	Russell 1000 Growth Index	Measures the performance of the large-cap growth segment of the U.S. equity universe. It is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.
		U.S. MID CAP EQUITIES
Mid-Cap Value	Russell Mid Cap Value Index	Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.
Mid-Cap Blend	Russell Midcap Index	Measures the performance of the mid-cap segment of the U.S. equity universe. It is a subset of the Russell 1000 Index and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.
Mid-Cap Blend	S&P 400 MidCap Index	Measures the performance of 400 mid-sized companies of the U.S. equity market based on their market capitalization. Companies must have an unadjusted market cap of $1.4 billion to $5.9 billion and have positive earnings over the most recent quarter and trailing four quarters. The index does not overlap holdings with the S&P 500 or S&P SmallCap 600 Indexes.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
Mid-Cap Blend	MSCI US Mid Cap 450 Index	Consists of the next largest 450 companies of the U.S. equity market and measures the performance of the mid cap segment.
Mid Cap Blend	CRSP US Mid Cap Index	Includes U.S. companies that fall between the top 70% to 85% of investable market capitalization.
Mid-Cap Growth	Russell Midcap Growth Index	Measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.
	US SMALL CAP EQUITIES	
Small Cap Value	Russell 2000 Value Index	Measures the performance of the small-cap value segment of the U.S. equity universe. It is a market-weighted total return index that measures the performance of companies within the Russell 2000 having lower price-to-book ratios and lower forecasted growth values.
Small Cap Blend	Russell 2000 Index	Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.
Small Cap Blend	S&P SmallCap 600 Index	Measures the performance of 600 small-cap companies of the U.S. equity market based on their market capitalization. Companies must have an unadjusted market cap of $400 million to $1.8 billion and have positive earnings over the most recent quarter and trailing four quarters. The index does not overlap holdings with the S&P 500 or S&P MidCap 400 Indexes.
Small Cap Blend	MSCI US Small Cap 1750 Index	Consists of the smallest 1,750 companies in the U.S. Investable Market 2500 Index of the US equity market. It measures the performances of the small cap segment.
Small Cap Blend	CRSP US Small Cap Index	Includes U.S. companies that fall between the bottom 2% - 15% of the investable market capitalization.
Small Cap Growth	Russell 2000 Growth Index	Measures the performance of the small-cap growth segment of the U.S. equity universe. It is a market-weighted total return index that measures the performance of companies within the Russell 2000 having higher price-to-book ratios and higher forecasted growth values.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		WORLD STOCK
World Stock	MSCI ACWI NR	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.
		INTERNATIONAL EQUITIES
Foreign Large Value	MSCI ACWI ex US Value NR Index	Consists of large and mid cap securities that display overall value style characteristics across 22 Developed and 23 Emerging Markets countries. Value style characteristics are defined by book value to price, 12-month forward earnings to price and dividend yield. This index targets 50% of the coverage of the free float-adjusted market cap of the MSCI ACWI ex USA Index.
Foreign Large Blend	MSCI ACWI ex US NR Index	Consists of large, mid and small cap securities across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries. With over 6,000 constituents, the index covers approximately 99% of the global equity opportunity set outside the U.S.
Foreign Large Growth	MSCI ACWI ex US Growth NR Index	Consists of large and mid cap securities that have overall growth style characteristics across 22 Developed Markets countries and 23 Emerging Market countries. The growth investment style characteristics are defined by long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical growth trend and long-term historical sales per share growth trend.
Foreign Small/Mid Value	MSCI ACWI ex US SMID Value NR	The index captures mid and small cap representation across 22 of 23 Developed Market (DM) countries (excluding the U.S.) and 23 Emerging Markets countries. With 5,293 constituents, the index covers approximately 28% of the free float-adjusted market capitalization in each country.
Foreign Small/Mid Blend	MSCI ACWI ex US SMID NR	The index captures mid and small cap representation across 22 of 23 Developed Market (DM) countries (excluding the U.S.) and 23 Emerging Markets countries. With 5,293 constituents, the index covers approximately 28% of the free float-adjusted market capitalization in each country.
Foreign Small/Mid Growth	MSCI ACWI ex US SMID Growth NR	Consists of small cap securities across 22 of 23 Developed Markets countries (excluding the U.S.) and 23 Emerging Markets countries. It covers approximately 14% of global equity opportunity set outside of the U.S.
Diversified Emerging Markets	MSCI Emerging Markets NR Index	Consists of large, mid and small cap securities across 23 Emerging Markets countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		TARGET DATE
Target Date	S&P Target Date Indexes	Consist of eleven multi-asset class indices, each corresponding to a specific target retirement date. Each target date index is designed to represent a broadly derived consensus of asset class exposure for each target date year, as well as an overall glide path. Each index corresponds to a particular target retirement date, providing varying levels of exposure to equities, bonds and other asset classes. The asset allocation for each index is based on market observations through an annual survey of target date fund managers. Each index is created and retired as determined by the target date fund survey.
		RISK-BASED / HYBRID
Allocation—15% to 30% Equity	23% Russell 3000 / 77% Bloomberg Barclays US Agg Bond	See above referenced indexes
Allocation—30% to 50% Equity	40% Russell 3000 TR USD / 60% Bloomberg Barclays US Agg Bond	See above referenced indexes
Allocation 50% to 70% Equity	60% Russell 3000 TR USD / 40% Bloomberg Barclays US Agg Bond	See above referenced indexes
Allocation—70% to 85% Equity	78% Russell 3000 TR USD / 22% Bloomberg Barclays US Agg Bond	See above referenced indexes
Allocation—85%+ Equity	93% Russell 3000 TR USD / 7% Bloomberg Barclays US Agg Bond	See above referenced indexes
World Allocation	60% MSCI ACWI NR / 40% Bloomberg Barclays Global Agg	See above referenced indexes

Glossary of Benchmarks

Investment Option Category	Benchmark	Benchmark/Index Definition
		SPECIALTY
Real Estate	FTSE NAREIT Equity REITs	The FTSE NAREIT Equity REITs index contains all Equity REITs not designated as Timber REITs or Infrastructure REITs.
Global Real Estate	FTSE EPRA/NAREIT Developed	The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITS worldwide.
Commodities Broad Basket	Bloomberg Commodity	The index is made up of 22 exchange-traded futures on physical commodities. The index currently represents 20 commodities, which are weighted to account for economic significance and market liquidity. Weighting restrictions on individual commodities and commodity groups promote diversification.
Long-Short Equity	Barclay Hedge Fund Index	The Barclay Hedge Fund Index is a measure of the average return of all hedge funcs (except Funds of Funds) in the Barclay database. The index is simply the arithmetic average of the net returns of all the funds that have reported that month.
Market Neutral	BofAML US Treasury Bill 3 Mon	Three-month T-bills are government-backed, short-term investments considered to be representative of a risk-free investment.
Multialternative	Barclay Hedge Fund Index	The Barclay Hedge Fund Index is a measure of the average return of all hedge funcs (except Funds of Funds) in the Barclay database. The index is simply the arithmetic average of the net returns of all the funds that have reported that month.
Natural Resources	S&P North American Natural Resources	The S&P North American Natural Resources Index provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector, excluding the chemicals industry and steel sub-industry.
Tactical Allocation	50% MSCI ACWI NR / 50% Bloomberg Barclays US Agg Bond TR USD	See above referenced indexes

November 14, 2017
Prepared by: Tanja Fournier
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul Cook

RETIREMENT BOARD

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

SUMMARY:

Provided are the minutes of the September 19, 2017 meeting of the Irvine Ranch Water District Retirement Board for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE SEPTEMBER 19, 2017 BOARD MEETING OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – September 19, 2017 Minutes

EXHIBIT "A"

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

September 19, 2017

The meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) Retirement Board was called to order by Chairman Swan at 11:30 p.m. on September 19, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Chairman Peer Swan, Vice Chairman Doug Reinhart, and Director 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 August 1, 2017 meeting.

On MOTION by Cook, seconded by Swan and affirmed by Reinhart, the minutes of the August 1, 2017 meeting were approved as presented.

Trust Investment Review

- SageView reviewed the portfolio adjustments made at the direction of Board in August which reallocated the investment portfolio from a broad 66%/34% stock-bond allocation to a 64%/36% stock-bond allocation.

- SageView discussed the long term time horizon for the assets in the Trust and recommended leaving the current asset allocation unchanged; and if the market declines significantly, perhaps use the opportunity to increase the equity position to 70-75%.

Administrative Items

After discussion, the Board decided to further reduce the stock to bond ratio by an additional 2% as follows:

Investments	August	September	**Change**
Vanguard Institutional Index Fund.	41%	39%	**-2%**
Vanguard Short Term Bond Index Admiral	8%	10%	**2%**

ADJOURNMENT

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

APPROVED and SIGNED this 14th day of November 2017.

Board Member, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD

Secretary, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD