AGENDA
IRVINE RANCH WATER DISTRICT
POST-EMPLOYMENT BENEFITS TRUST RETIREMENT BOARD
QUARTERLY MEETING
TUESDAY, MAY 2, 2017

CALL TO ORDER	12:00 p.m., Committee Room, Second Floor, District Office 15600 Sand Canyon Avenue, Irvine, California			
ATTENDANCE	Board Member: Peer Swan ____ 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 TRUST INVESTMENT REVIEW – FOURNIER/JACOBSON/CLARY

   Recommendation: Receive and file.

ACTION

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

   Recommendation: That the minutes of the February 2, 2017 Special 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.

May 2, 2017
Prepared by: T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook P. Cook.

RETIREMENT BOARD

IRWD POST-RETIREMENT BENEFITS TRUST INVESTMENT REVIEW

SUMMARY:

Staff and the District's plan advisor, SageView Advisors, will present the Portfolio Investment Review for the IRWD Post-Retirement Benefits Trust for the quarter ended March 31, 2017. The discussion will also include an update on the current market conditions.

BACKGROUND:

Quarterly Investment Review:

As of March 31, 2017, the IRWD Post-Retirement Benefits Trust market value was $64,307,528, which was a net increase of $13,296,630 from the quarter ended December 31, 2016. The change was due the additional contribution in the amount of $11,000,000 for Fiscal Year 2016-2017, dividends in the amount of $280,241, and change in market value of $2,029,491. Trust expenses for the quarter were $13,102, representing the quarterly investment management fees to SageView and legal expenses related to guidance for potential Government Accounting Standards Board (GASB) financial reporting changes. The following table provides a more detailed summary of the investments and benchmarks of the end of the quarter:

Investment	**Quarterly Return**	Benchmark Index	Morningstar Peer Category	Quarter Ended December 31, 2016	**Quarter Ended March 31, 2017**	Incr/(Decr)	Percent of Portfolio
EQUITIES							
Vanguard Institutional Index Fund.	**6.05%**	6.07%	5.57%	$23,705,427	**$27,018,953**	$3,313,526	42.0%
Vanguard Extended Mkt (small/mid) Index Fund	**4.56%**	4.57%	4.18%	3,357,172	**3,789,332**	$432,160	5.9%
Vanguard Developed Market Index	**7.81%**	7.39%	1.74%	6,644,971	**7,692,342**	$1,047,371	12.0%
FIXED INCOME							
Metropolitan Total Return Bond Fund	**0.90%**	0.82%	1.07%	8,816,384	**8,892,457**	$76,073	13.8%
Baird Core Plus Bond Fund	**1.19%**	0.82%	1.07%	3,960,373	**5,015,780**	$1,055,407	7.8%
Vanguard High-Yield Corporate Fund	**2.25%**	2.71%	2.31%	2,076,718	**2,284,755**	$208,037	3.6%
Vanguard Short Term Bond Index Admiral	**0.94%**	0.89%	0.62%	1,983,067	**2,158,245**	$175,179	3.4%
CASH-SHORT TERM							
Fidelity Government Cash Reserves	**0.07%**	0.10%	0.50%	466,787	**7,455,665**	$6,988,878	11.6%
Closing Balance				$51,010,899	**$64,307,528**	$13,296,630	100.0%

For the quarter ended March 31, 2017, the portfolio return was 4.08%, which tracked with the custom benchmark return of 4.02%. For the one-year period ended March 31, 2017 the return was 10.07%, which tracked with the custom benchmark return of 10.08%.

Quarterly Investment Activity:

In February, the IRWD Board authorized an additional contribution into the Fund in the amount of $11,000,000 for Fiscal Year 2016-2017. The funds are being invested in monthly tranches of $2,000,000 between February 15, 2017 and May 15, 2017; the final investment of

$3,000,000 will be invested on June 15, 2017. The monthly investments utilize the December 31, 2016 asset allocation as follows:

47%	Vanguard Institutional
7%	Vanguard Extended Markets
13%	Vanguard Developed Markets
25%	Baird Core Plus
4%	Vanguard High Yield
4%	Vanguard Short Term Corporate

The District's plan advisor, SageView Advisors, will present the Portfolio Investment Review as of March 31, 2017 as outlined in Exhibit "A".

FISCAL IMPACTS:

As of March 31, 2017, the IRWD Post-Retirement Benefits Trust market value was $64,307,528, which is a net increase of $13,296,630 from the quarter ended December 31, 2016. The change is due to the additional contribution in the amount of $11,000,000 for Fiscal Year 2016-2017, dividends in the amount of $280,241, and change in market value of $2,029,491. Trust expenses for the quarter were $13,102, representing the quarterly investment management fees to SageView and legal expenses related to guidance for potential GASB financial reporting changes.

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 March 31, 2017

EXHIBIT "A"

SAGE VIEW

Plan Investment Review

Irvine Ranch Water District Post-Employment Benefits rust

For period ending March 31, 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 affilia ed with Cetera

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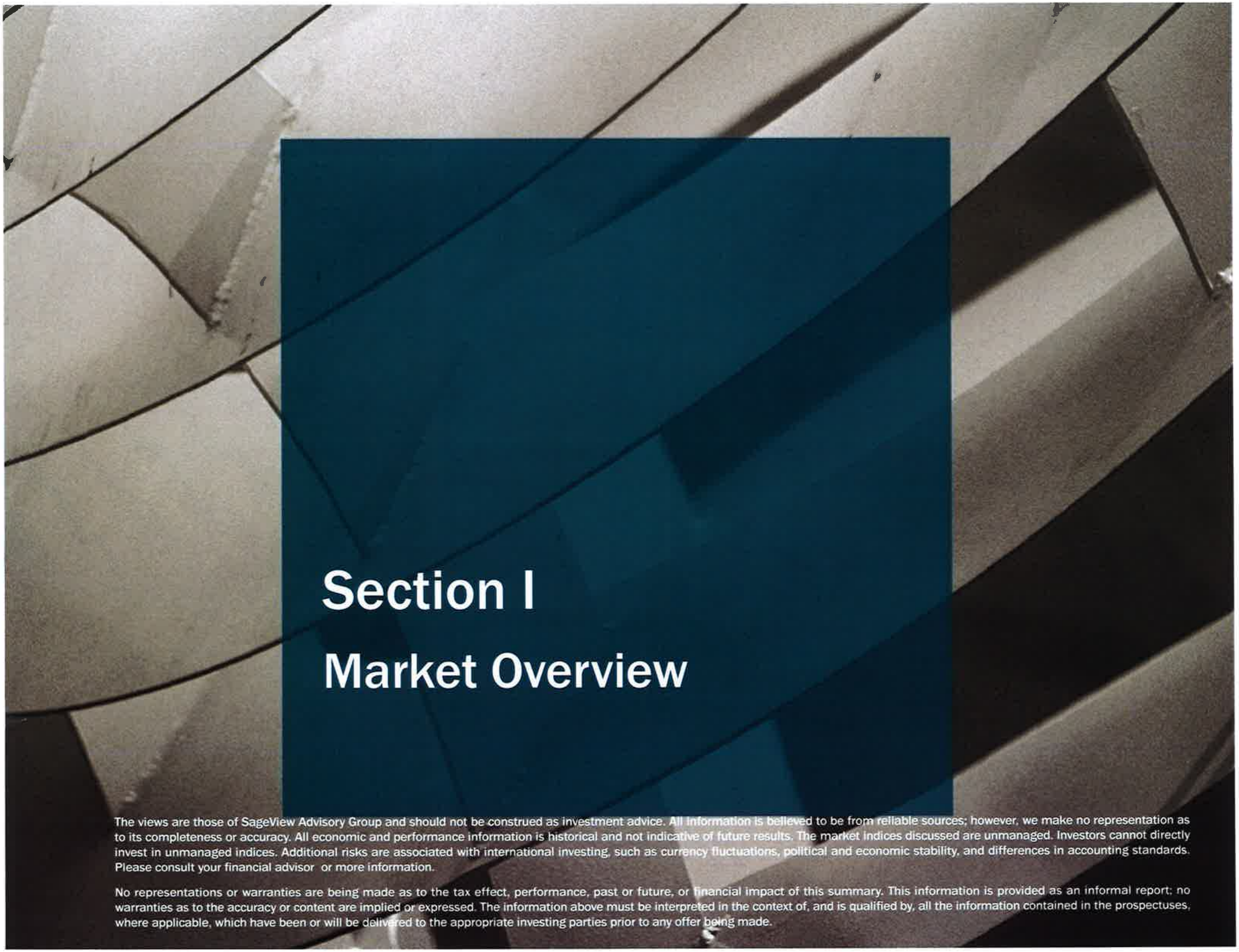


Section I

Market Overview

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

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

Major Headlines From the Quarter

EQUITY RALLY CONTINUED

The global equity market rally continued and the S&P 500 Index bull market celebrated its eight-year anniversary. Supported by positive manufacturing data and improving economic momentum, international equity markets outpaced domestic stocks. Stock markets performed remarkably well despite disturbing geopolitical headlines.

FEDERAL RESERVE HIKED INTEREST RATES AGAIN

The Federal Reserve increased short-term interest rates for the third time in fifteen months. Minutes from the Fed's March meeting (published in early April) signaled a potentially accelerating pace of interest rate increases and a drawdown of its bond portfolio.

U.S. POLICY UNCERTAINTY REMAINS HIGH

Despite campaign rhetoric and an ambitious policy agenda, the Trump Administration has not had much success in pushing its policy initiatives through Congress. However, the Administration is still in its formative stages and not all major posts have been filled yet.

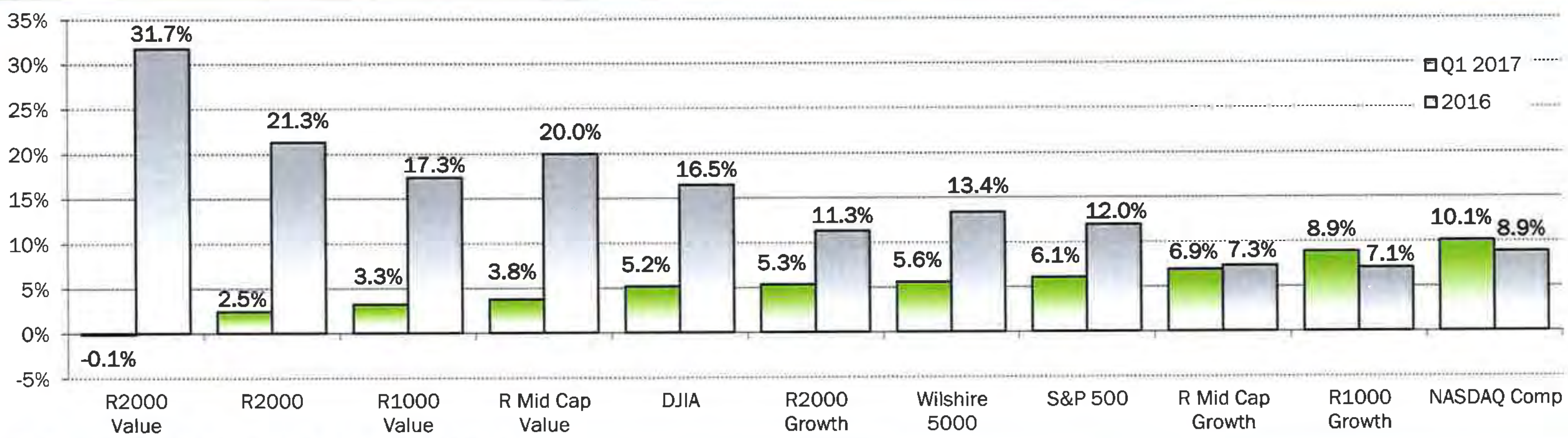
ECONOMIC GROWTH REMAINED MODEST

For calendar 2016, the U.S. economy expanded 1.6%, below the 2.1% average pace since the end of the Great Recession. Many pro-growth policies proposed by the new Administration have yet to take shape and there is risk that some may never come to fruition.

U.S. Equities

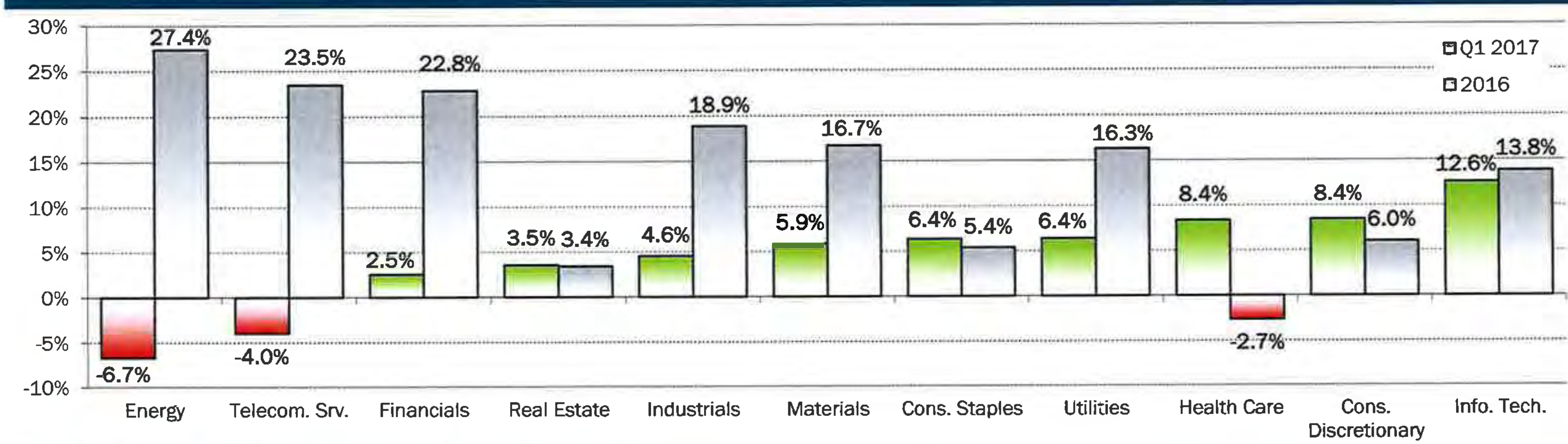
The major U.S. equity benchmarks continued their post-U.S. election rally and set new all-time highs during the quarter. There was a noticeable inflection point in Q1 from the prior year, where last year's leaders turned into laggards – small cap and value stocks underperformed large cap and growth companies.

Performance of Major U.S. Equity Indexes, Q1 2017 and 2016



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

S&P 500 Sector Returns, Q1 2017 and 2016

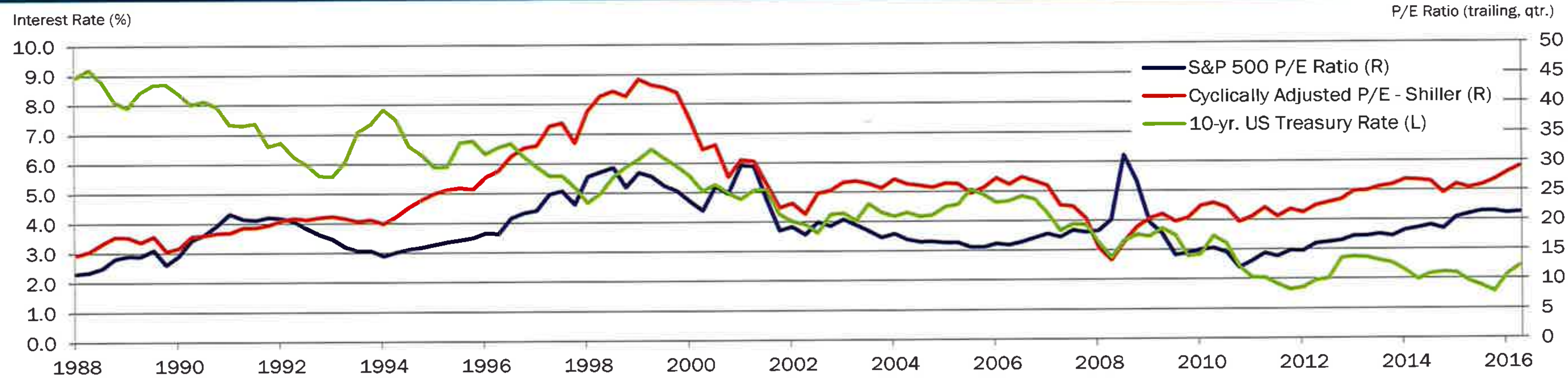


Source: Morningstar. Returns represent cumulative total return, including dividends.

U.S. Equity Valuation Metrics

Valuations for the S&P 500 Index continued to get richer as the Cyclically Adjusted P/E (CAPE) reached levels not seen since the tech bubble. From a bottom-up perspective, S&P 500 total operating earnings per share for all of 2016 rose to $106 and are forecast to increase to $130 in 2017.

S&P 500 Index Trailing P/E Ratio, Cyclically Adjusted P/E and 10-yr Treasury: 1988 - 2017



Source: Standard & Poor's, Robert Shiller, Federal Reserve. Data as of March 31, 2017.

Note: P/E is the S&P 500 Index divided by the last four completed quarters of operating earnings except for the most recent quarter which uses an estimate of operating earnings.

S&P 500 Index Forward Valuation Measures

Metric	As of Mar-2017	25-yr. Average
Price to Earnings	17.5	15.9
Price to Book	2.9	2.9
Price to CF	12.2	10.6
CAPE	29.0	26.1
Dividend Yield	2.1%	2.0

Source: S&P, FactSet, JP Morgan Asset Management.

P/E is the S&P 500 Index divided by consensus analyst estimates of EPS for next 12 months.

P/B is price divided by book value per share. Data post-1992 include intangibles.

Price to CF is most recent price divided by consensus analyst estimates of cash flow per share for next 12 months.

CAPE is calculated as price divided by trailing 10 years of inflation adjusted earnings. next 12 months.

Dividend Yield is calculated as consensus analyst estimates of dividends for the next 12 months divided by price.

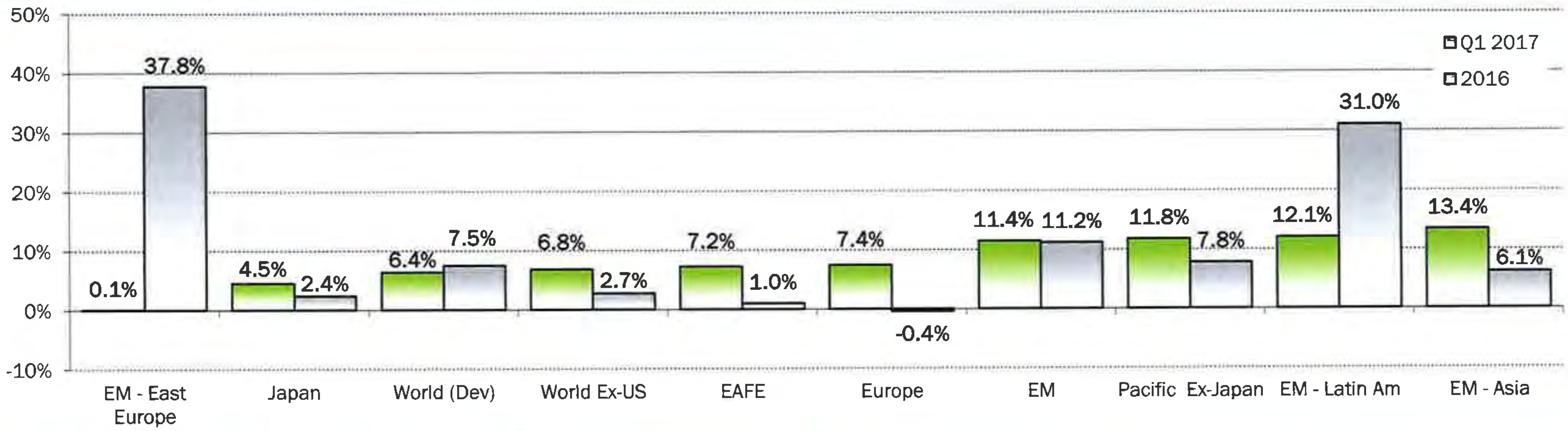
Implied S&P 500 Index Levels

	Operating Earnings ($/shr)						
P/E Ratio	$100	$105	$110	$115	$120	$125	$130
10x	1,000	1,050	1,100	1,150	1,200	1,250	1,300
11x	1,100	1,155	1,210	1,265	1,320	1,375	1,430
12x	1,200	1,260	1,320	1,380	1,440	1,500	1,560
13x	1,300	1,365	1,430	1,495	1,560	1,625	1,690
14x	1,400	1,470	1,540	1,610	1,680	1,750	1,820
15x	1,500	1,575	1,650	1,725	1,800	1,875	1,950
16x	1,600	1,680	1,760	1,840	1,920	2,000	2,080
17x	1,700	1,785	1,870	1,955	2,040	2,125	2,210
18x	1,800	1,890	1,980	2,070	2,160	2,250	2,340
19x	1,900	1,995	2,090	2,185	2,280	2,375	2,470
20x	2,000	2,100	2,200	2,300	2,400	2,500	2,600

International Equities

Performance of international stocks was also very strong during the quarter. U.S. investors also benefited from a falling dollar. Emerging market equities continued their strong performance as several EM currencies strengthened and commodity prices remained relatively stable.

International Equity Market Returns, Q1 2017 and 2016



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

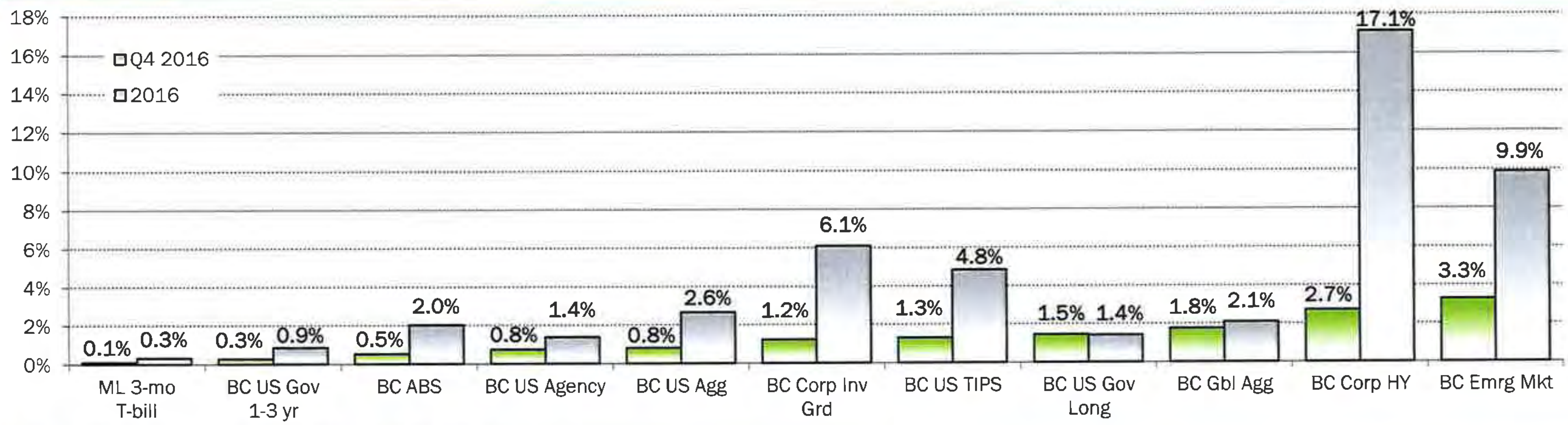
Dollar Trade Weighted Exchange Index for Broad Currencies: 1973 - 2017

Source: Bloomberg. Data as of March 31, 2017.

Fixed Income

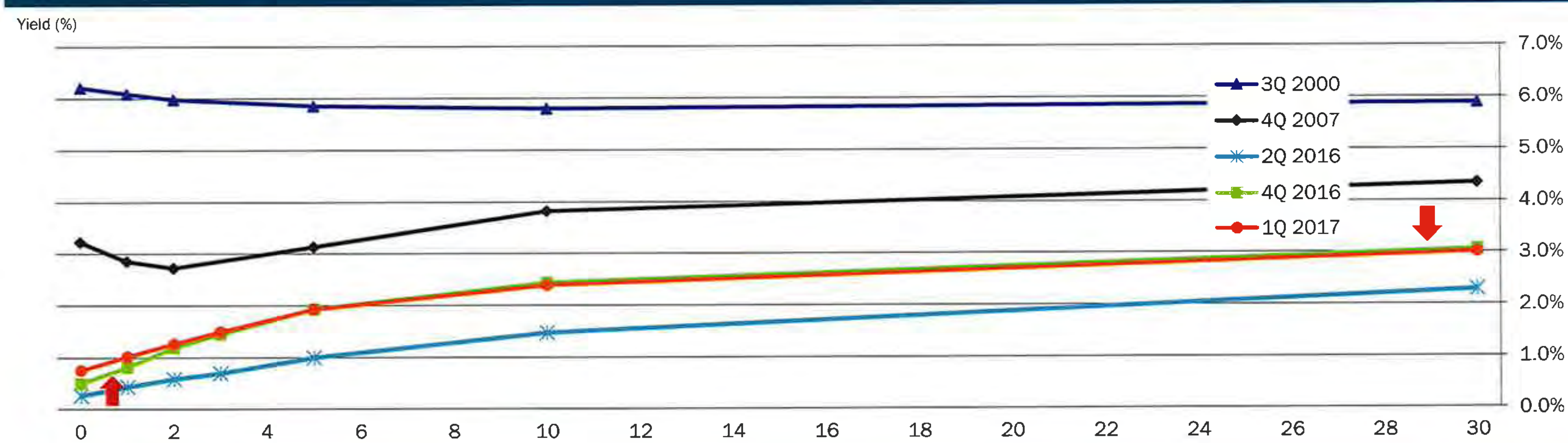
Bond benchmarks posted positive returns in Q1 as the U.S. Treasury yield curve ended the quarter where it started, with the exception of short-term rates. Investors continued to seek higher yields in the riskier sectors of the bond market (i.e., high yield and emerging markets).

Fixed Income Returns, Q1 2017 and 2016



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

U.S. Treasury Yield Curve

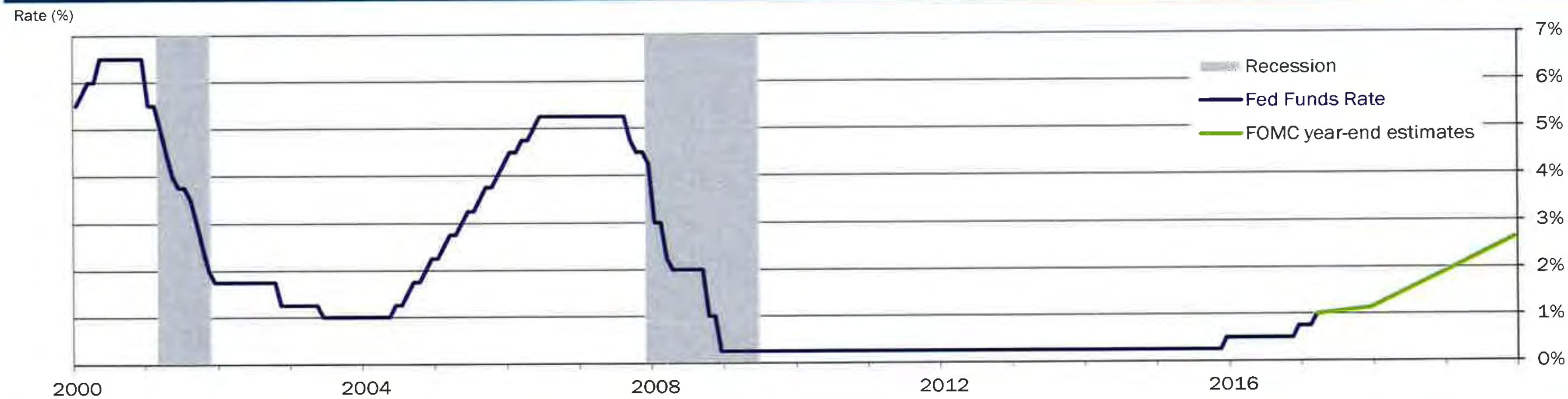


Source: Bloomberg. Data as of respective quarter end.

Federal Funds Rate

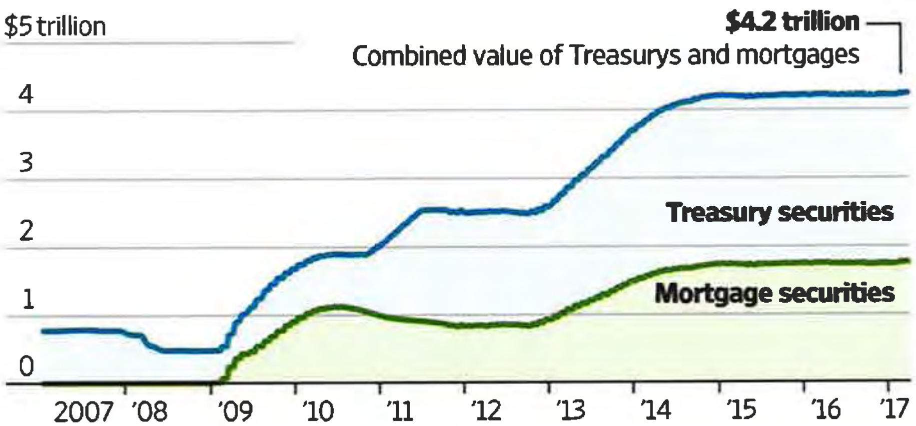
The Federal Reserve increased the federal funds rate for the third time in March 2017, with the first hike occurring in December 2015. Minutes following the Fed's meeting also showed that it wants to slowly start unwinding its large bond portfolio that it acquired through the "quantitative easing" process.

Federal Funds Rate and Expectations

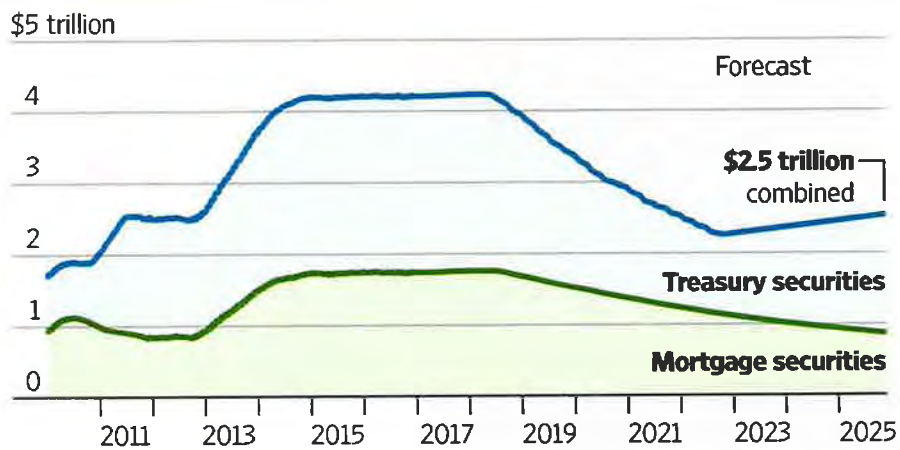


Source: Board of Governors of the Federal Reserve System, Bloomberg. Data as of March 31, 2017.

Fed's balance sheet growth during the financial crisis and its aftermath



Simulation of how it could go postcrisis, based on a Fed board paper released in January*

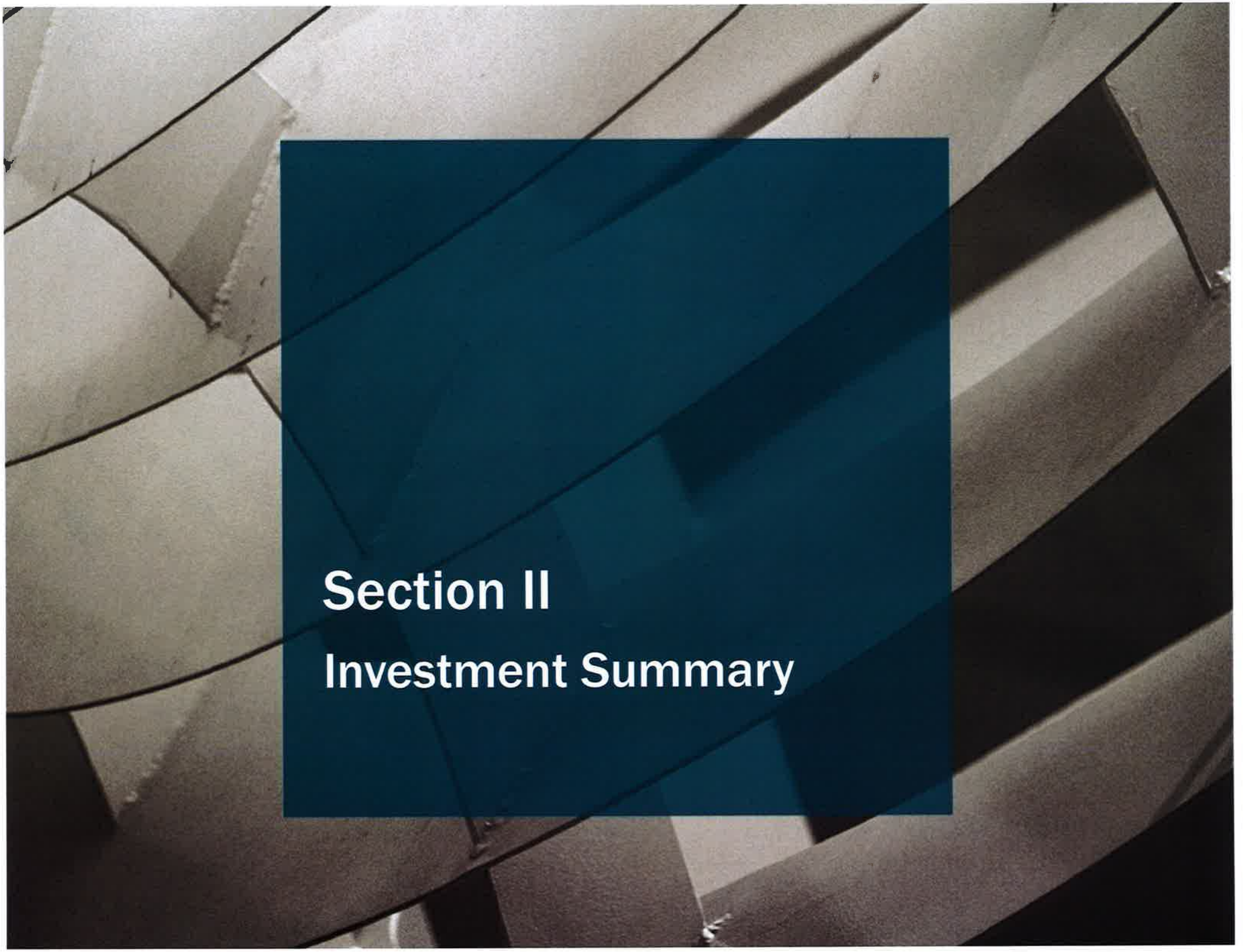


Source (bottom charts): Timiraos, Nick. "Fed Puts Together Plan to Unwind Securities Portfolio", *The Wall Street Journal*, April 16, 2017. Retrieved via: www.wsj.com.

Asset Class Returns

																2002 - 2016	
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Ann.	Vol.
Comdty. 25.9%	EM Equity 56.3%	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 11.5%	REITs 10.8%	EM Equity 23.8%
Fixed Income 10.3%	Small Cap 47.3%	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 7.4%	EM Equity 9.8%	REITs 22.6%
High Yield 4.1%	DM Equity 39.2%	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 6.1%	High Yield 9.2%	Small Cap 20.1%
REITs 3.8%	REITs 37.1%	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%	Asset Alloc. 3.8%	Small Cap 8.5%	DM Equity 19.2%
Cash 1.7%	High Yield 32.4%	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%	High Yield 3.2%	Asset Alloc. 6.9%	Comdty. 19.0%
Asset Alloc. -5.9%	Large Cap 28.7%	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%	REITs 2.5%	Large Cap 6.7%	Large Cap 15.9%
EM Equity -6.0%	Asset Alloc. 26.3%	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%	Small Cap 2.5%	DM Equity 5.8%	High Yield 11.7%
DM Equity -15.7%	Comdty. 23.9%	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 0.8%	Fixed Income 4.6%	Asset Alloc. 11.0%
Small Cap -20.5%	Fixed Income 4.1%	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%	Cash 0.1%	Cash 1.3%	Fixed Income 3.5%
Large Cap -22.1%	Cash 1.0%	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%	Comdty. -2.3%	Comdty. 1.2%	Cash 0.8%

Source: Russell, MSCI, Bloomberg, Standard & Poor's, Barclays Capital, NAREIT, FactSet, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays HY Index, Fixed Income: Barclays Capital Aggregate, REITs: NAREIT Equity REIT Index. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Barclays Capital Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the Barclays High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) returns and volatility (Vol.) represent period of 12/31/99 – 12/31/16. All data represents total return for stated period. Past performance is not indicative of future returns. Investors cannot invest directly in an index. Please see disclosure page at end for index definitions.
Source: JPMorgan Asset Management. Data as of March 31, 2017.



Section II

Investment Summary

Executive Summary and Observations

- Assets total $64,307,528 at March 31, 2017 up from $51,010,899 at December 31, 2016.

- Activity during the quarter:
  - Funded an additional $11 million on February 15, to be invested in five tranches beginning on February 15 and terminating on June 15
  - Bought $2 million of securities on February 15 and $2 million of securities on March 15:
    - $940,000 Vanguard Institutional
    - $140,000 Vanguard Extended Markets
    - $260,000 Vanguard Developed Markets
    - $500,000 Baird Core Plus
    - $80,000 Vanguard High Yield
    - $80.000 Vanguard Short Term Corporate

- Current asset allocation of approximately 60% equities, 29% fixed income, and 11% cash.

- Target allocation of 66% equities and 34% bonds to be achieved on June 15.

- For the quarter, the total return was 4.08%. This closely tracked the custom benchmark return of 4.02%, with outperformance from Baird Core Plus and Metropolitan West Total Return offsetting slight underperformance from Vanguard High Yield.

- For the past year, the total return was 10.07%, closely tracking the benchmark return of 10.08%.

- The portfolio is dominated by index funds, leading to a low overall expense ratio of 0.16%.

- 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.

Asset Allocation by Fund

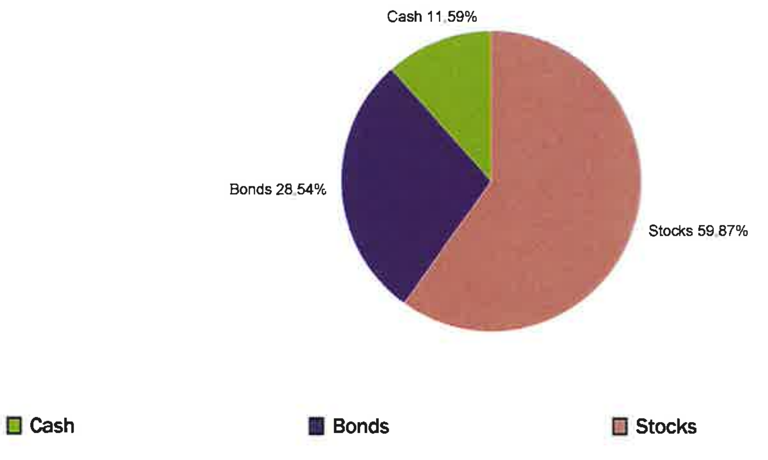
As of 03/31/2017

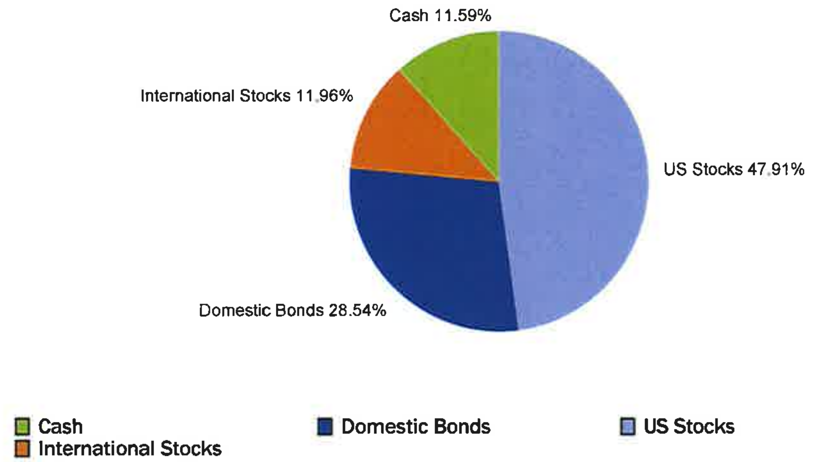
Fund	% of Plan Assets	Total Assets
Vanguard Institutional Index I	42.02%	$27,018,952.67
Metropolitan West Total Return Bd I	13.83%	$8,892,457.01
Vanguard Developed Markets Index Instl	11.96%	$7,692,341.60
Fidelity® Government Cash Reserves	11.59%	$7,455,665.01
Baird Core Plus Bond Inst	7.80%	$5,015,780.19
Vanguard Extended Market Index Admiral	5.89%	$3,789,331.99
Vanguard High-Yield Corporate Adm	3.55%	$2,284,754.57
Vanguard Short-Term Corp Bd Idx Admiral	3.36%	$2,158,245.43
Total Market Value:	100.00%	$64,307,528.47

Portfolio Composition - Sector Weightings

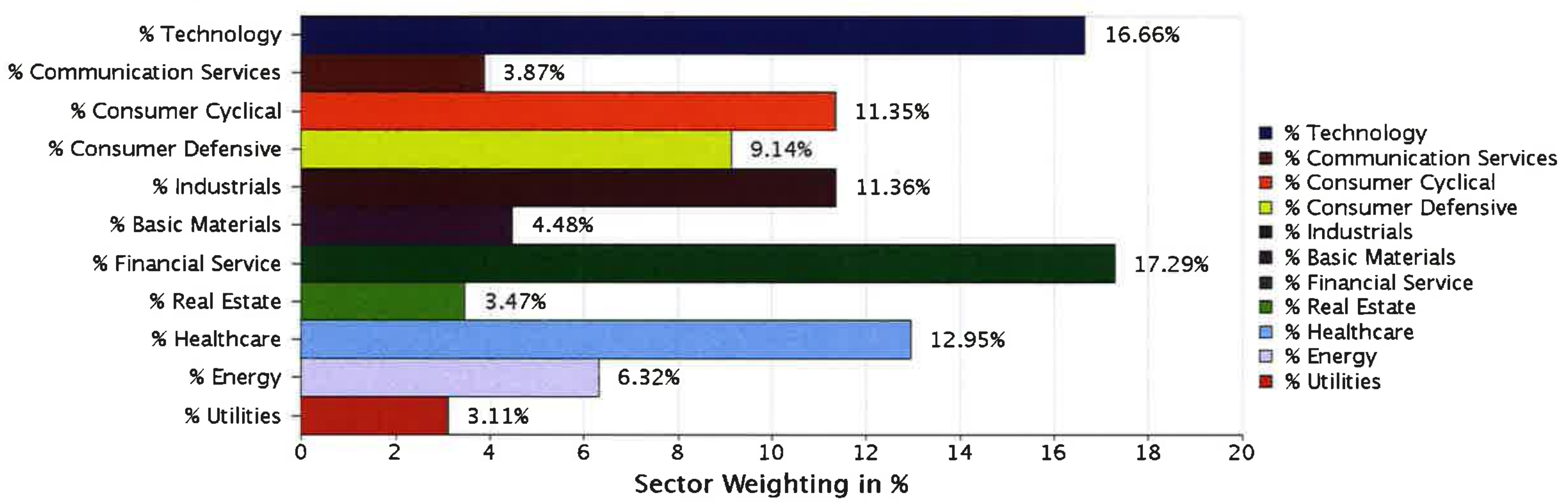
As of 03/31/2017

Portfolio Composition





Sector Weightings



Fund Performance Summary

As of 03/31/2017

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	11.59%	0.07	0.07	0.16	0.06	0.04	0.75	0.37	NA
BofAML US Treasury Bill 3 Mon TR USD*			0.10	0.10	0.36	0.17	0.14	0.68		
Cat: Morningstar Money Market - Taxable			0.05	0.05	0.13	0.06	0.04	0.55	0.51	
Vanguard Short-Term Corp Bd Idx Admiral	Short-Term Bond	3.36%	0.94	0.94	1.81	1.97	2.32	NA	0.07	Pass
BBgBarc Credit 1-5 Yr TR USD*			0.89	0.89	1.73	1.91	2.20	3.78		
Cat: Morningstar Short-Term Bond			0.62	0.62	1.67	1.06	1.31	2.40	0.78	
Baird Core Plus Bond Inst	Intermediate-Term Bond	7.80%	1.19	1.19	2.83	3.40	3.44	5.36	0.30	TOP DEC
BBgBarc US Agg Bond TR USD*			0.82	0.82	0.44	2.68	2.34	4.27		
Cat: Morningstar Intermediate-Term Bond			1.07	1.07	1.75	2.41	2.53	4.07	0.78	
Metropolitan West Total Return Bd I	Intermediate-Term Bond	13.83%	0.90	0.90	0.93	2.57	3.69	5.80	0.44	TOP DEC
BBgBarc US Agg Bond TR USD*			0.82	0.82	0.44	2.68	2.34	4.27		
Cat: Morningstar Intermediate-Term Bond			1.07	1.07	1.75	2.41	2.53	4.07	0.78	
Vanguard High-Yield Corporate Adm	High Yield Bond	3.55%	2.25	2.25	11.22	4.59	6.18	6.42	0.13	TOP QUAR
BofAML US HY Master II TR USD*			2.71	2.71	16.88	4.62	6.85	7.34		
Cat: Morningstar High Yield Bond			2.31	2.31	13.53	3.16	5.56	5.88	1.06	
Vanguard Institutional Index I	Large Blend	42.02%	6.05	6.05	17.13	10.34	13.27	7.51	0.04	Pass
S&P 500 TR USD*			6.07	6.07	17.17	10.37	13.30	7.51		
Cat: Morningstar Large Blend			5.57	5.57	15.96	8.14	11.74	6.51	0.97	
Vanguard Extended Market Index Admiral	Mid-Cap Blend	5.89%	4.56	4.56	22.48	7.14	12.60	7.99	0.09	Pass
S&P Completion TR USD*			4.57	4.57	22.36	7.02	12.51	7.87		
Cat: Morningstar Mid-Cap Blend			4.18	4.18	17.17	6.34	11.50	6.71	1.08	
Vanguard Developed Markets Index Instl	Foreign Large Blend	11.96%	7.81	7.81	12.73	1.17	6.20	1.41	0.07	Pass
FTSE Dv Ex US TR USD*			7.39	7.39	12.94	1.24	5.99	1.89		
Cat: Morningstar Foreign Large Blend			7.74	7.74	10.88	0.40	5.02	0.97	1.08	

*Investment Policy Benchmark

Fund Performance Summary

As of 03/31/2017

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	11.59%	0.07	0.07	0.16	0.06	0.04	0.75	0.37	NA
BofAML US Treasury Bill 3 Mon TR USD*			0.10	0.10	0.36	0.17	0.14	0.68		
Cat: Morningstar Money Market - Taxable			0.05	0.05	0.13	0.06	0.04	0.55	0.51	
Vanguard Short-Term Corp Bd Idx Admiral	Short-Term Bond	3.36%	0.94	0.94	1.81	1.97	2.32	NA	0.07	Pass
BBgBarc Credit 1-5 Yr TR USD*			0.89	0.89	1.73	1.91	2.20	3.78		
Cat: Morningstar Short-Term Bond			0.62	0.62	1.67	1.06	1.31	2.40	0.78	
Baird Core Plus Bond Inst	Intermediate-Term Bond	7.80%	1.19	1.19	2.83	3.40	3.44	5.36	0.30	TOP DEC
BBgBarc US Agg Bond TR USD*			0.82	0.82	0.44	2.68	2.34	4.27		
Cat: Morningstar Intermediate-Term Bond			1.07	1.07	1.75	2.41	2.53	4.07	0.78	
Metropolitan West Total Return Bd I	Intermediate-Term Bond	13.83%	0.90	0.90	0.93	2.57	3.69	5.80	0.44	TOP DEC
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Cat: Morningstar Foreign Large Blend			7.74	7.74	10.88	0.40	5.02	0.97	1.08	

*Investment Policy Benchmark

Addition/Replacements

Fund PeerGroup Idx	% of Assets	3 Month	YTD	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Expense Ratio	Ticker	SageView Rank
Addition										
Vanguard Emerging Mkts Stock Idx Adm	-	10.84	10.84	17.57	1.91	0.87	2.70	0.14	VEMAX	Pass
Cat. Avg. : Morningstar Diversified Emerging Mkts		*11.59*	*11.59*	*16.40*	*0.73*	*1.21*	*2.25*	*1.41*		
Idx : MSCI EM GR USD		*11.49*	*11.49*	*17.65*	*1.55*	*1.17*	*3.05*			

= Current = Addition = Alternative

Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Baird Core Plus Bond Inst 7.80 Intermediate-Term Bond	03/31/2017	Performance Update (3/31/2017): The fund outperformed the Bloomberg Barclays U.S. Universal Bond Index for in the 1st quarter. Positive contributors came from overweights to investment grade credit, commercial MBS and ABS. A relative detractor was an underweight to high yield and emerging market debt. Over the past year the fund has benefited from an overweight to investment grade bonds and exposure to non agency residential mortgage backed securities. The managers remain duration neutral with a very modest active positioning to yield curve flattening. The fund is moderately overweight investment grade corporate credit, with particular emphasis on financials and underweight high yield credit. 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 13.83 Intermediate-Term Bond	03/31/2017	Performance Update (3/31/2017): The fund slightly past its benchmark (Bloomberg Barclays US Aggregate) in the 1st quarter. Outperformance was driven by tighter spreads among government guaranteed FFELP student loan ABS, and the allocation to non agency MBS, which have benefitted from continued improvement in fundamentals and solid demand. The fund's 1 year outperformance can be attributed to some outside the benchmark bets non agency MBS, commercial mortgages and ABS. Rising interest rate pressures and an aging credit cycle coupled with insufficient compensation for risks means a cautious approach to strategy and positioning. This defensive position is expressed through a shorter than benchmark duration and an underweight to relatively riskier sectors in favor of better quality, more senior areas of the market, with a focus on liquidity. 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.
Vanguard High Yield Corporate Adm 3.55 High Yield Bond	03/31/2017	Performance Update (03/31/2017): The fund underperformed its benchmark, but still generated positive returns above most core bond funds. This is an actively managed fund, which has been sub-advised by Boston based Wellington since 1978. The fund emphasizes higher credit quality, purchases securities paying cash coupons, and avoids zero coupon or pay-in-kind bonds.

IPS Historical Ranking

Fund Name	06/2014	09/2014	12/2014	03/2015	06/2015	09/2015	12/2015	03/2016	06/2016	09/2016	12/2016	03/2017
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	NA	NA	Pass	Pass	NA
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	2ND QUAR	2ND QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP QUAR
Vanguard Institutional Index I	NA	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass
Vanguard Extended Market Index Admiral	NA	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass
Vanguard Developed Markets Index Instl	NA	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass

Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate-Term Bond

March 31, 2017

Intermediate-Term Bond Universe: 1300 Funds

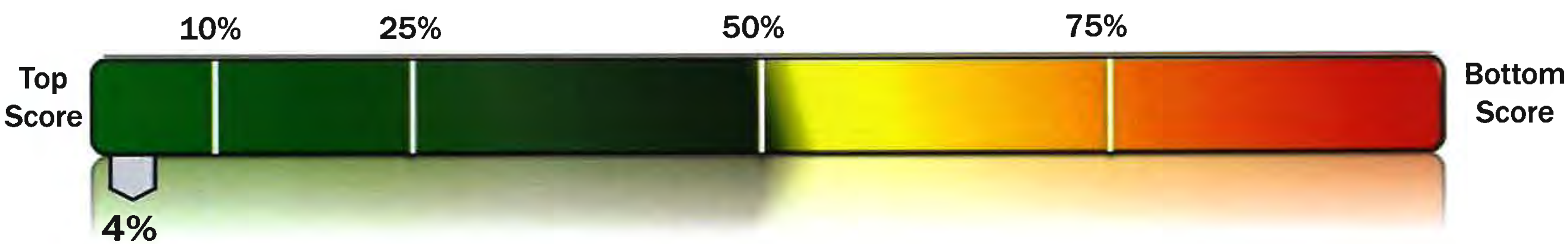
Performance Ranking			Ranking
Total Return Composite Ranking			11.60%
	10 Year	7.00%	
	5 Year	13.00%	
	3 Year	8.00%	
	1 Year	18.00%	
Rolling 12 Month - 5 Years			20.67%
Rolling 36 Month - 10 Years			17.92%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	13.00%
Alpha - 60 Months	17.00%
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

March 31, 2017

Intermediate-Term Bond Universe: 1300 Funds

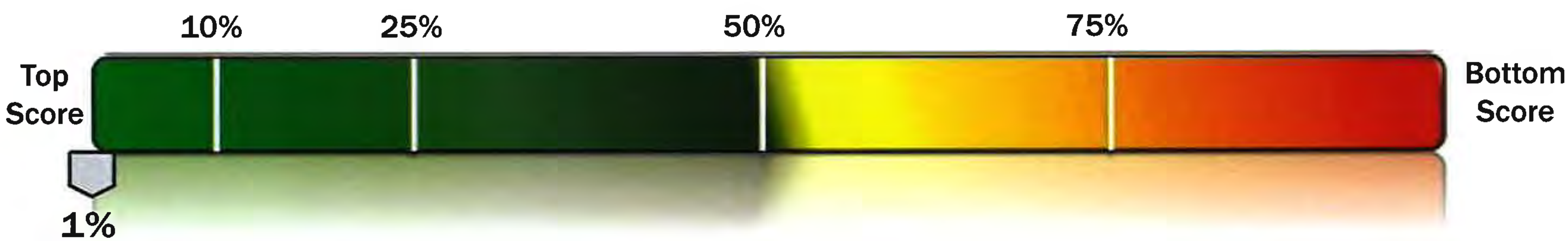
Performance Ranking			Ranking
Total Return Composite Ranking			21.75%
	10 Year	3.00%	
	5 Year	8.00%	
	3 Year	36.00%	
	1 Year	58.00%	
Rolling 12 Month - 5 Years			23.38%
Rolling 36 Month - 10 Years			11.46%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	5.00%
Alpha - 60 Months	7.00%
Up Capture Ratio - 5 years	17.00%
Down Capture Ratio - 5 years	13.00%

Fund Expense		Ranking
Expense Ratio	0.44	10.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US Agg Bond TR USD	R2	14.00%

	SageView Normalized Ranking
SageView Normalized Ranking	1.00%
STATUS	TOP DECILE



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Vanguard High-Yield Corporate Adm

VWEAX

Ranking Vs. Peers - High Yield Bond

March 31, 2017
High Yield Bond Universe: 688 Funds

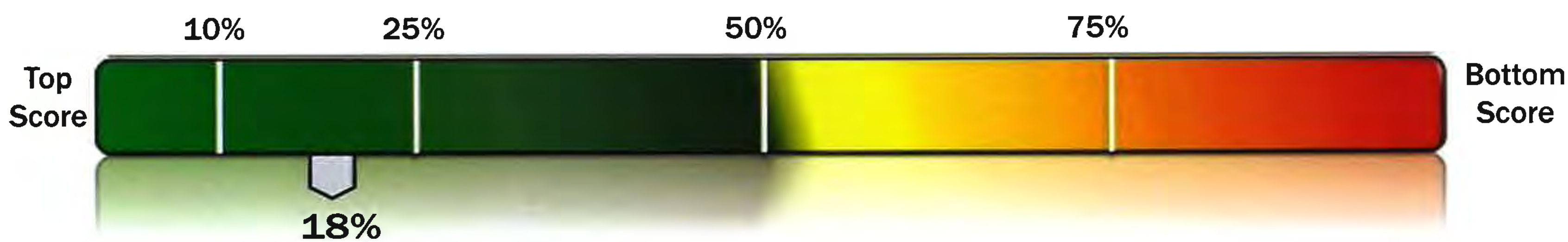
Performance Ranking			Ranking
Total Return Composite Ranking			32.15%
	10 Year	36.00%	
	5 Year	27.00%	
	3 Year	11.00%	
	1 Year	79.00%	
Rolling 12 Month - 5 Years			41.67%
Rolling 36 Month - 10 Years			46.19%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	15.00%
Alpha - 60 Months	16.00%
Up Capture Ratio - 5 years	75.00%
Down Capture Ratio - 5 years	12.00%

Fund Expense		Ranking
Expense Ratio	0.13	1.00%

Style Consistency		Ranking
Style Consistency to Benchmark		
BBgBarc US HY 2% Issuer Cap TR USD	R2	61.00%

	SageView Normalized Ranking
SageView Normalized Ranking	18.00%
STATUS	TOP QUARTILE



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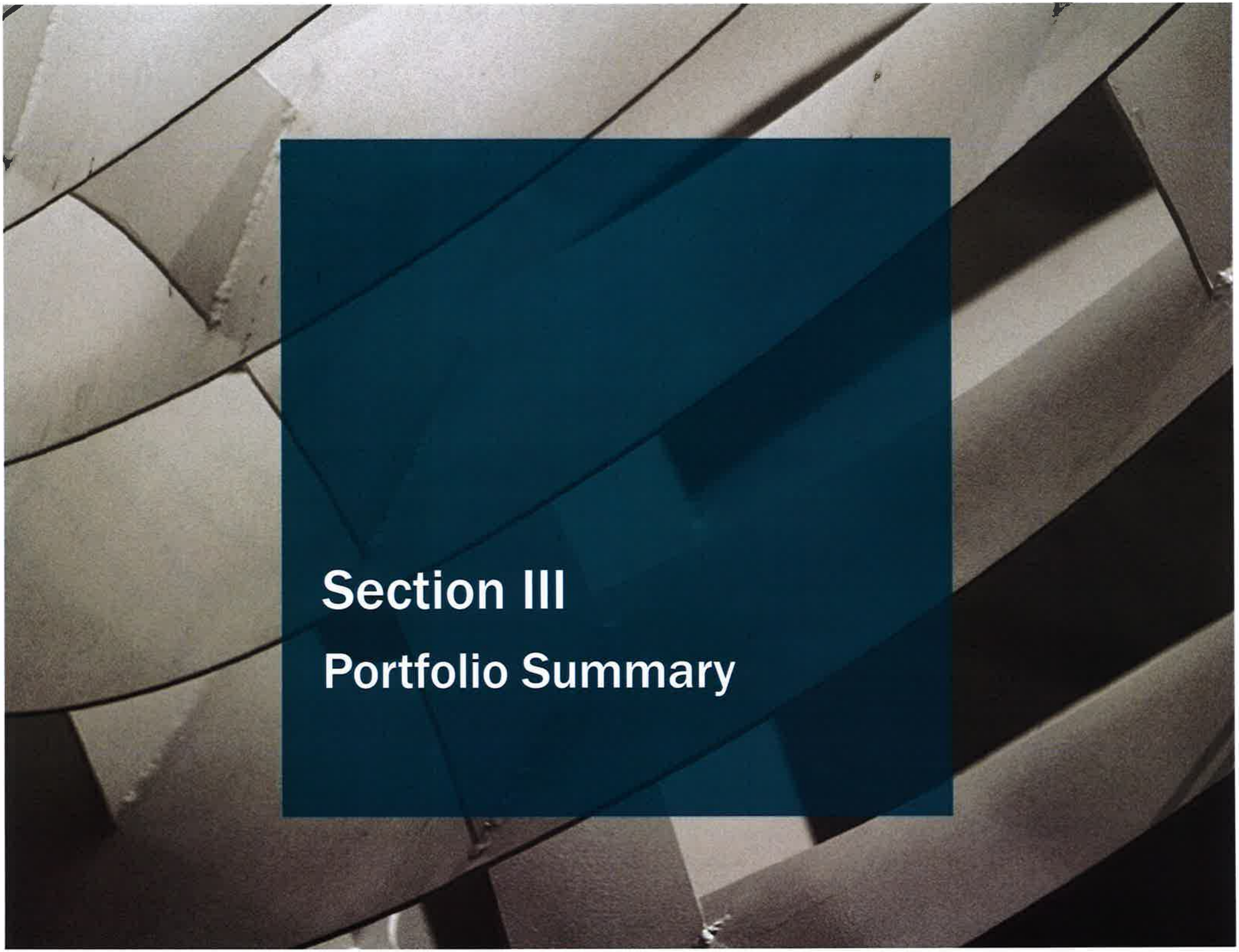


Section III

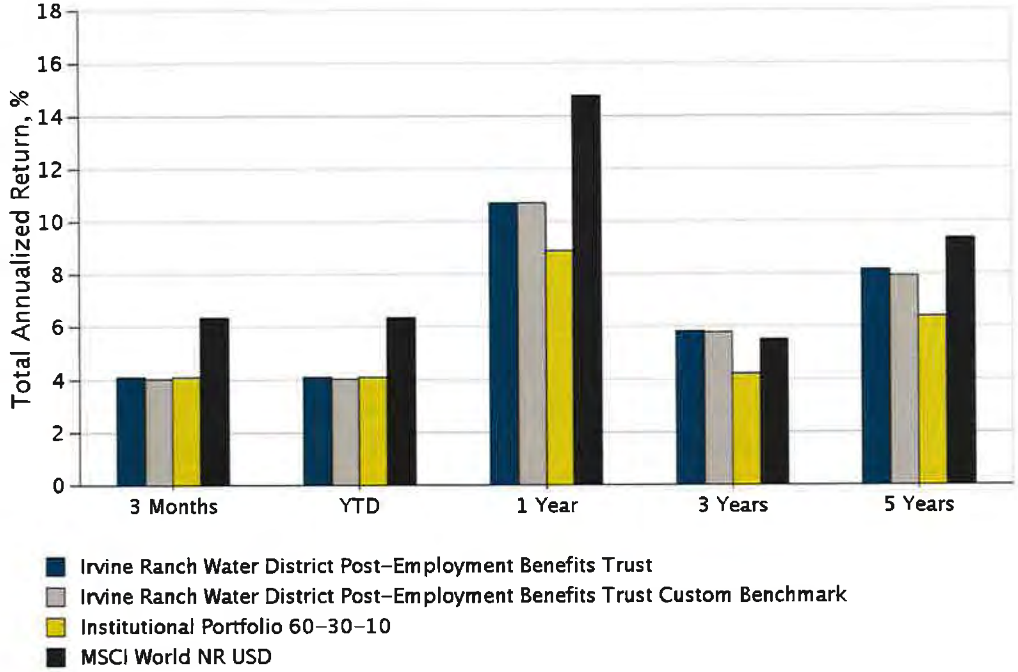
Portfolio Summary

Portfolio Return vs. Custom Benchmark

As of 03/31/2017

Performance As Of March 31. 2017	3 Month	YTD	1 Year	3 Year	5 Year	Alpha 5 Yr	Sharpe 5Yr	Std Dev 5 Yr	Prospectus Exp Ratio
Irvine Ranch Water District Post-Employment Benefits rust	4.08	4.08	10.07	NA	NA	NA	NA	NA	0.16
Irvine Ranch Water District Post-Employment Benefits rust Custom Benchmark	4.02	4.02	10.08	5.80	7.92	2.30	1.21	6.39	NA
Irvine Ranch Water District Post-Employment Benefits rust Custom Category Averages Benchmark	3.85	3.85	9.60	4.52	7.00	0.85	0.55	7.54	0.89
Institutional Portfolio 60-30-10[2]	4.08	4.08	8.89	4.21	6.39	0.68	0.96	6.56	NA
MSCI World NR USD	6.38	6.38	14.77	5.52	9.37	0.00	0.86	10.95	NA

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



Benchmark	Weight
S&P 500 TR USD	42.02%
BBgBarc US Agg Bond TR USD	21.63%
FTSE Dv Ex US TR USD	11.96%
BofAML US Treasury Bill 3 Mon TR USD	11.59%
S&P Completion TR USD	5.89%
BofAML US HY Master II TR USD	3.55%
BBgBarc Credit 1-5 Yr TR USD	3.36%

[1]Industry Average Expense Ratio Source: *401(k) Averages Book*, 15th 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 03/31/2017

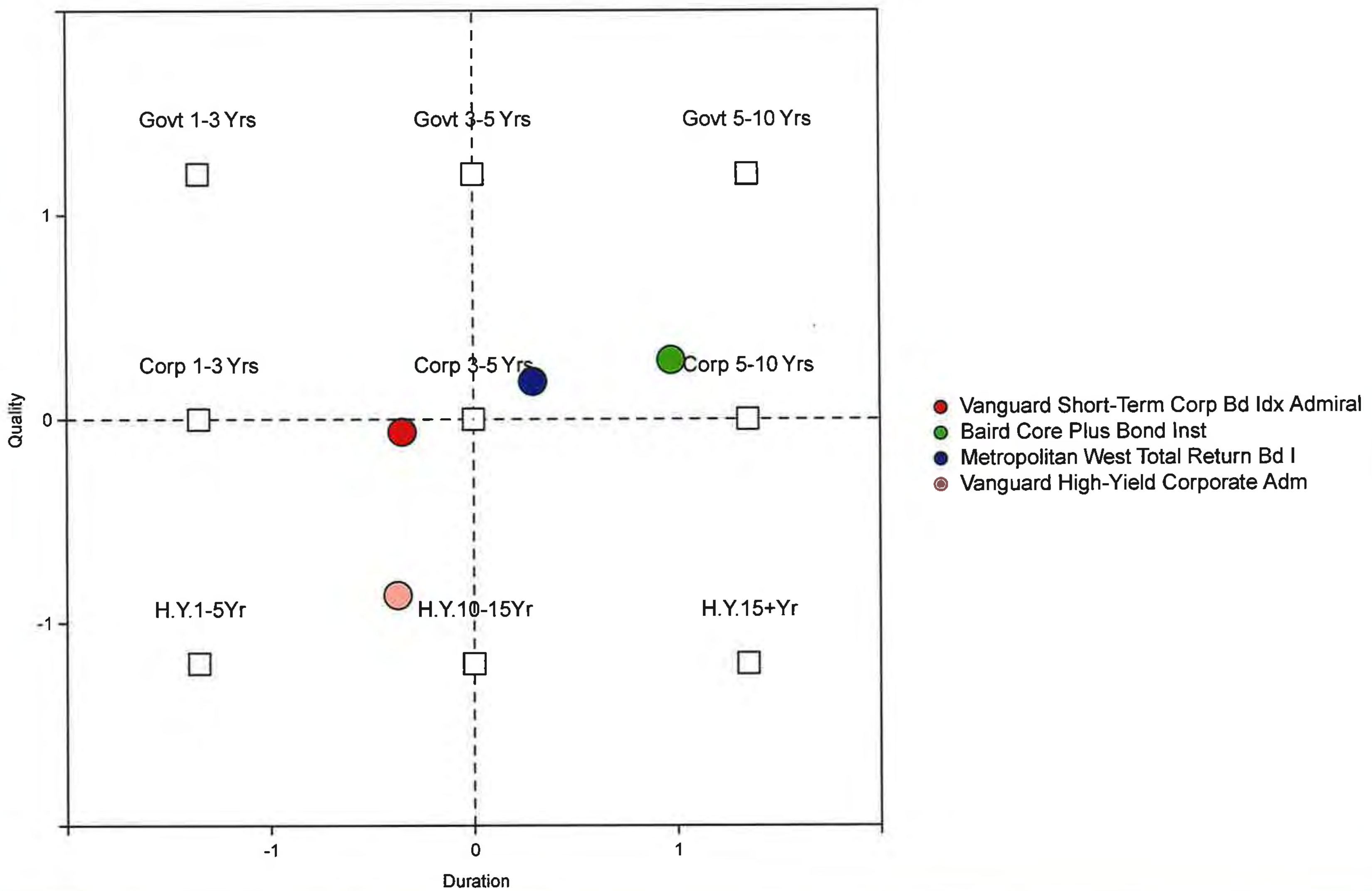
Domestic Equity Style Box

	VALUE	BLEND	GROWTH
LARGE CAP		• Vanguard Institutional Index I($85.36 bn)	
MID CAP		• Vanguard Extended Market Index Admiral ($3.74 bn)	
SMALL CAP			

Average Market Cap. listed in parentheses

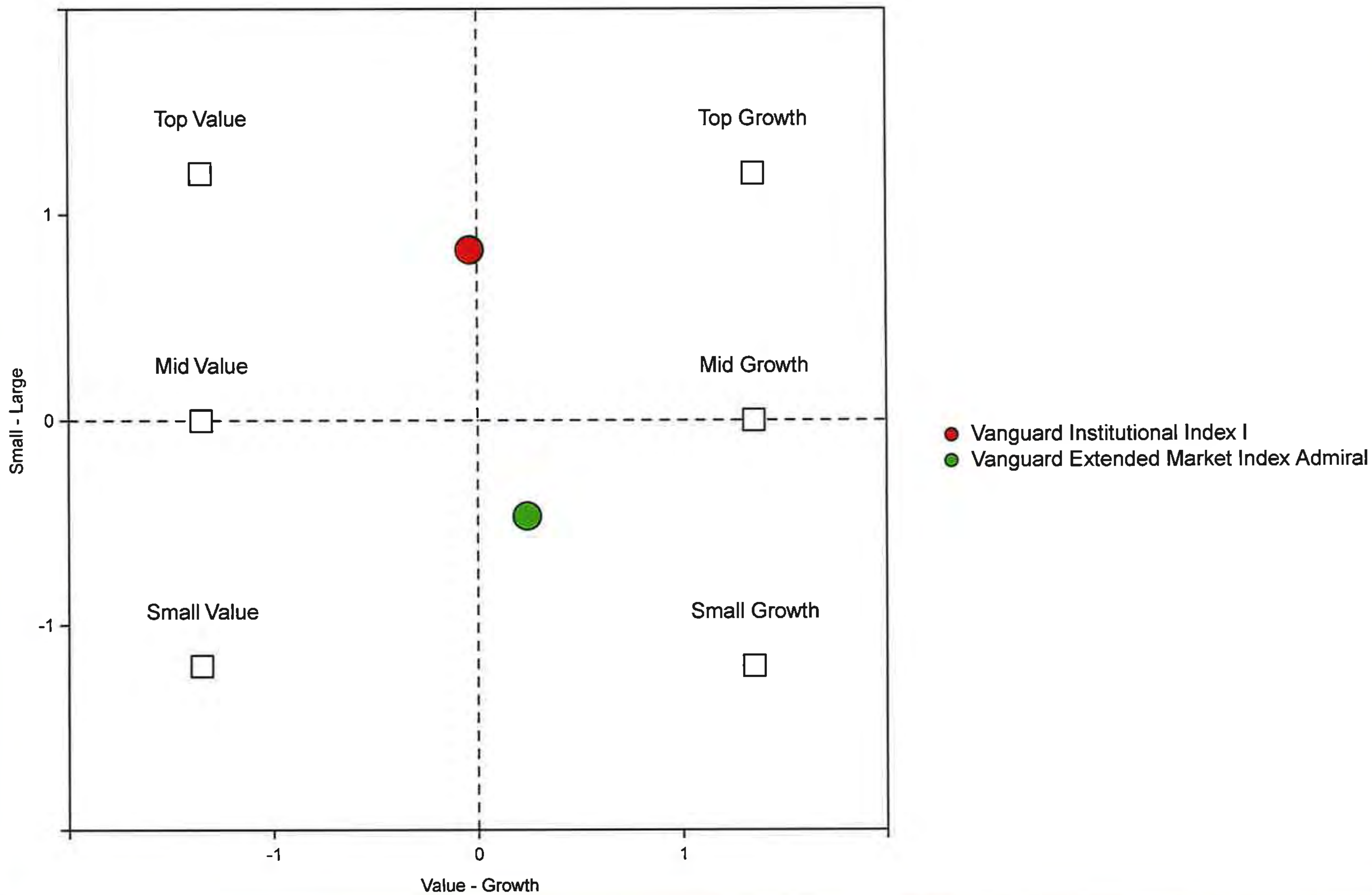
Manager Style Box

Fixed Income - Single Computation
April 2007 - March 2017



Manager Style Box

Equity - Single Computation
April 2007 - March 2017



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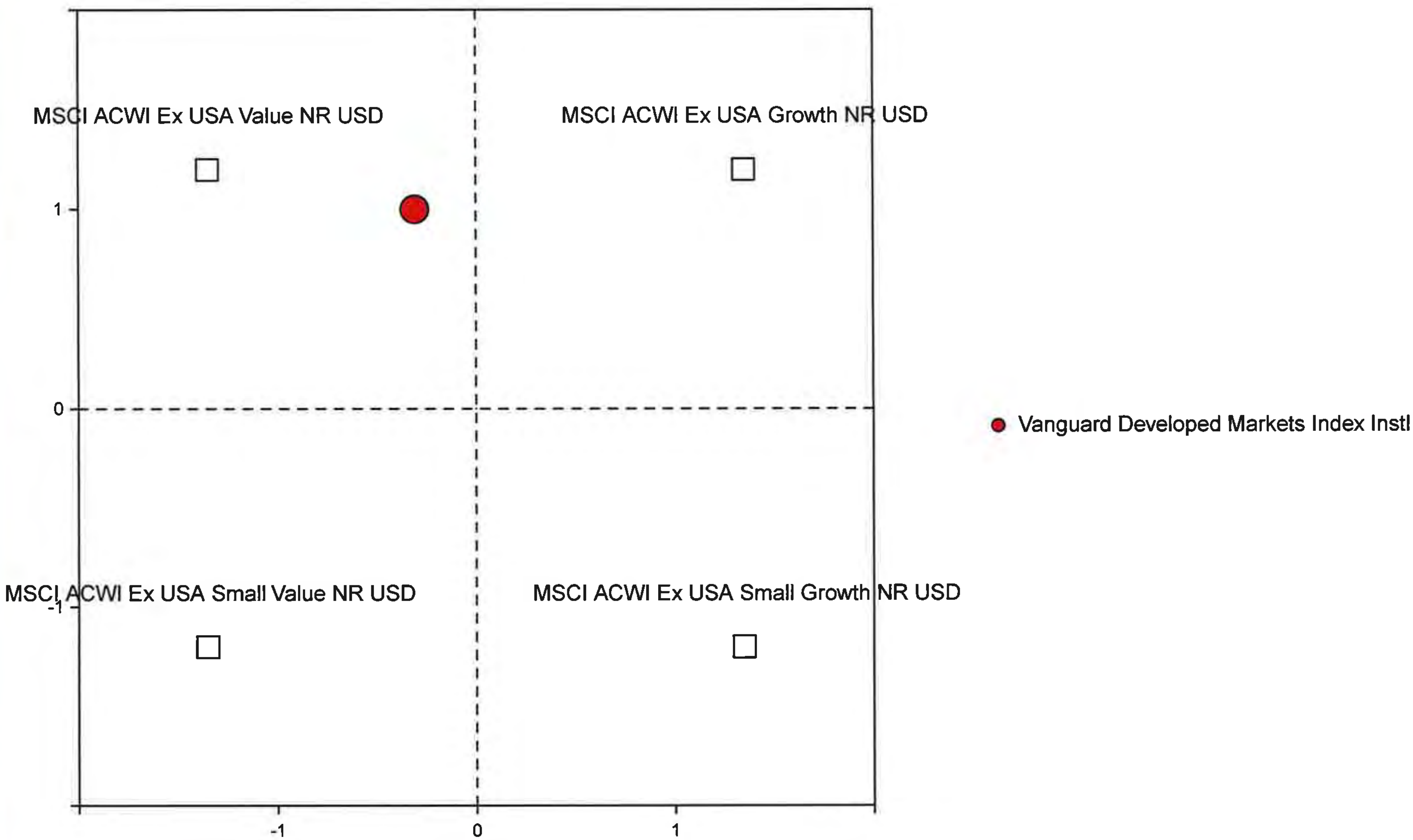
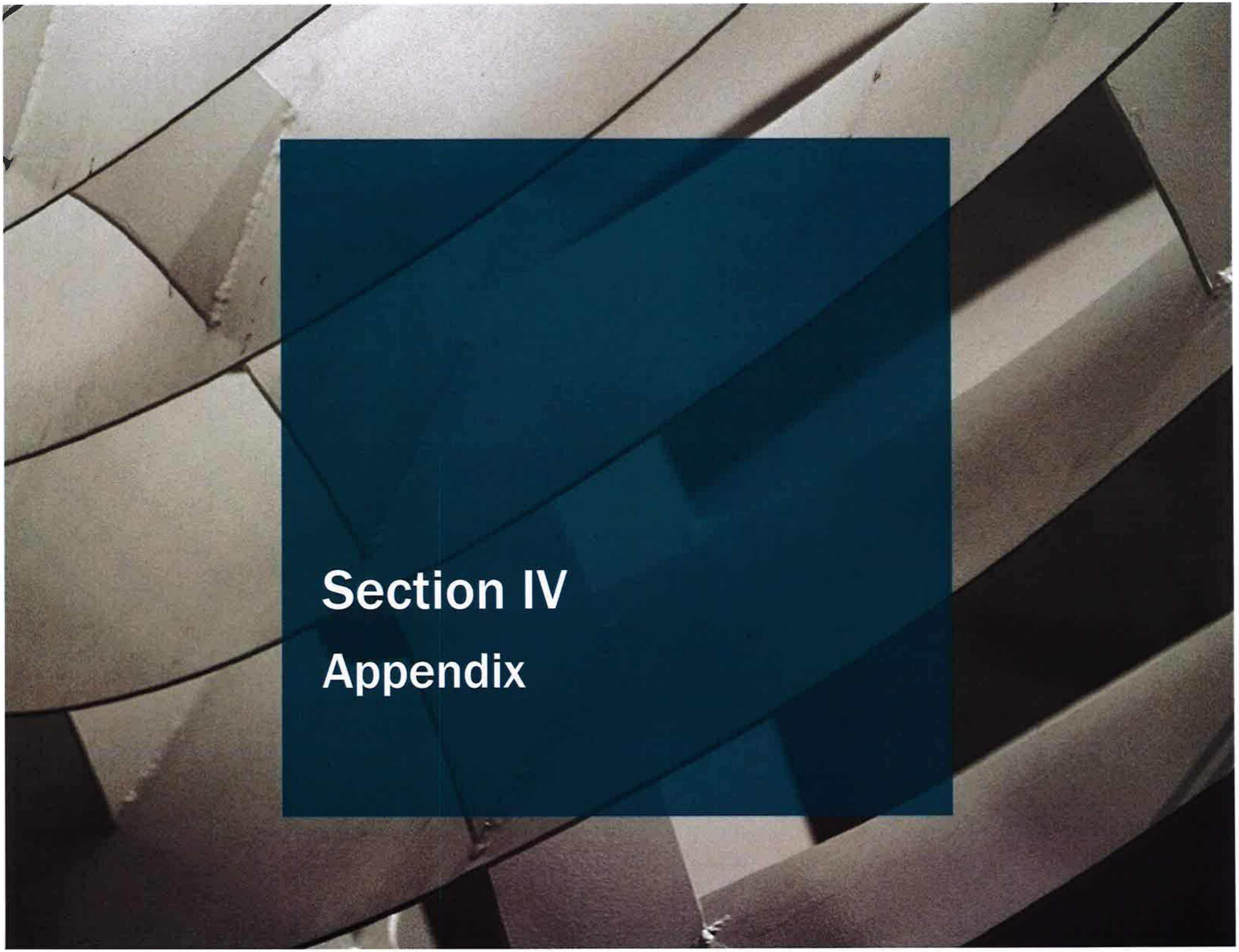
Manager Style Box

International Equity - Single Computation
April 2007 - March 2017



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 funds (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 funds (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

May 2, 2017
Prepared by: Tanja Fournier
Submitted by: Rob Jacobson/Cheryl Clary
Approved by: Paul Cook

RETIREMENT BOARD

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

SUMMARY:

Provided are the minutes of the February 2, 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 FEBRUARY 2, 2017 SPECIAL BOARD MEETING OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit “A” – February 2, 2017 Minutes

EXHIBIT "A"

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

February 2, 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 1:15 p.m. on February 2, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Chairman Peer Swan, Vice Chairman Doug 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 November 1, 2016 meeting.

On MOTION by Cook, seconded by Swan, the minutes of the November 1, 2016 meeting were approved as presented. Vice Chairman Reinhart abstained, as he was not present at the November 1, 2016 meeting.

Trust Investment Review

- A capital markets and legislative update were provided by SageView.
- All trust investment options were reviewed as of 12/31/2016. 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 were the following:
  - As of December 31, 2016, the IRWD Post-Retirement Benefits Trust market value was $51,010,899, which is a net increase of $598,512 from the quarter ended September 30, 2016.
  - For the quarter, the total return was 1.20%. This closely tracked the custom benchmark return of 1.20%, with outperformance from Baird Core Plus and Metropolitan West Total Return offsetting slight underperformance from Vanguard High Yield.

- For the past year, the total return was 6.21%, trailing the benchmark return of 6.84%, due primarily to the cost of the hedge put position earlier in the year.

- The portfolio is dominated by index funds, leading to a low overall expense ratio of 0.14%, down from 0.15% the previous quarter.

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

- Trading Activity for the quarter included:
  - Purchased $0.5 million of Vanguard Institutional Index fund
  - Purchased $1.0 million of Baird Core Plus Bond Fund
  - Sold $1.0 million of Metropolitan Total Return Fund

Administrative Items

The Board and staff discussed the lower PERS investment rate assumption that will result in higher unfunded pension liability for the District. After discussion with the investment advisor, the Board allocated an additional $11,000,000 contribution to the trust to be deposited into the Fidelity Government Cash Reserves and invested monthly over the remaining fiscal year 2016-2017 using the December 31, 2017 asset allocation percentage as follows:

EQUITIES		**Febraury**	**March**	**April**	**May**	**June**
Vanguard Institutional Index Fund.	**47.00%**	940,000	940,000	940,000	940,000	1,410,000
Vanguard Extended Mkt (small/mid) Index Fund	**7.00%**	140,000	140,000	140,000	140,000	210,000
Vanguard Developed Market Index	**13.00%**	260,000	260,000	260,000	260,000	390,000
FIXED INCOME						
Metropolitan Total Return Bond Fund	**0.00%**					
Baird Core Plus Bond Fund	**25.00%**	500,000	500,000	500,000	500,000	750,000
Vanguard High-Yield Corporate Fund	**4.00%**	80,000	80,000	80,000	80,000	120,000
Vanguard Short Term Bond Index Admiral	**4.00%**	80,000	80,000	80,000	80,000	120,000
CASH-SHORT TERM						
Fidelity Government Cash Reserves	**0.00%**					
Total Monthly Investment		2,000,000	2,000,000	2,000,000	2,000,000	3,000,000

ADJOURNMENT

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

APPROVED and SIGNED this 2nd day of May 2017.

Board Member, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD

Secretary, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD