AGENDA
IRVINE RANCH WATER DISTRICT
POST-EMPLOYMENT BENEFITS TRUST RETIREMENT BOARD
QUARTERLY MEETING
TUESDAY, AUGUST 1, 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 May 2, 2017 Board Meeting 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.

August 1, 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 and the District's plan advisor, SageView Advisors (SageView), will present the Portfolio Investment Review for the quarter ended June 30, 2017 and an update on the current market condition.

BACKGROUND:

Quarterly Investment Review:

As of June 30, 2017, the IRWD Post-Retirement Benefits Trust market value was $66,100,710, which is a net increase of $1,793,182 from the quarter ended March 31, 2017. The change is primarily due to an increase in market value of $1,409,624 and dividends in the amount of $396,871. Trust expenses for the quarter were $13,313 paid to SageView for investment advisory services. The closing balances and fund returns for the quarter ended June 30, 2017 were as follows:

Investment	Quarterly Return	Benchmark Index	Morningstar Peer Category	Quarter Ended March 31, 2017	Quarter Ended June 30, 2017	Incr/(Decr)	Percent of Portfolio
EQUITIES							
Vanguard Institutional Index Fund.	**3.08%**	3.09%	2.92%	$27,018,953	**$31,189,922**	$4,170,969	47.2%
Vanguard Extended Mkt (small/mid) Index Fund	**2.67%**	2.64%	1.92%	3,789,332	**4,390,433**	$601,101	6.6%
Vanguard Developed Market Index	**6.38%**	6.18%	2.25%	7,692,342	**9,118,622**	$1,426,281	13.8%
FIXED INCOME							
Metropolitan Total Return Bond Fund	**1.29%**	1.45%	1.49%	8,892,457	**9,010,187**	$117,730	13.6%
Baird Core Plus Bond Fund	**1.78%**	1.45%	1.49%	5,015,780	**6,861,796**	$1,846,016	10.4%
Vanguard High-Yield Corporate Fund	**2.57%**	2.14%	1.74%	2,284,755	**2,625,138**	$340,383	4.0%
Vanguard Short Term Bond Index Admiral	**0.89%**	0.85%	0.56%	2,158,245	**2,457,442**	$299,196	3.7%
CASH-SHORT TERM							
Fidelity Government Cash Reserves	**0.12%**	0.20%	0.10%	7,455,665	**447,171**	($7,008,494)	0.7%
Closing Balance				$64,307,528	**$66,100,710**	$1,793,182	100.0%

For the quarter ended June 30, 2017, the portfolio return was 2.79%, which tracked with the custom benchmark return of 2.73%. For the one-year period ended June 30, 2017 the return was 11.71%, which slightly outperformed the custom benchmark return of 11.48%, and the preliminary PERS return of 11.20%.

Quarterly Investment Activity:

In February, the Board approved an additional contribution in the amount of $11,000,000 for Fiscal Year 2016-2017. The funds were invested in monthly tranches of $2,000,000 between February 15, 2017 and May 15, 2017, and the final investment of $3,000,000 was made on June 15, 2017.

The monthly investments utilized the December 31, 2016 asset allocation as follows:

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

The District's plan advisor, SageView Advisors, will present the Portfolio Investment Review as of June 30, 2017 as outlined in Exhibit "A".

FISCAL IMPACTS:

As of June 30, 2017, the IRWD Post-Retirement Benefits Trust market value was $66,100,710, which is a net increase of $1,793,182 from the quarter ended March 31, 2017. The change is primarily due to an increase in market value of $1,409,624 and dividends in the amount of $396,871. Trust expenses for the month were $13,313 paid to SageView for investment advisory services.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

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

Plan Investment Review

Irvine Ranch Water District Post-Employment Benefits Trust

For period ending June 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

Table of Contents

SAGE VIEW

Section I

Market Overview

Major Headlines From the Quarter

EQUITY RALLY CONTINUED

Stocks posted another quarter of strong gains. Equity markets responded positively to growing corporate profits which were supported by an improving global growth environment. International stocks have performed particularly well. So far, stock markets have appeared to take many of the negative geopolitical headlines in stride.

FEDERAL RESERVE HIKED INTEREST RATES AGAIN

The Federal Reserve increased short-term interest rates for the fourth time in the last eighteen months despite some recent softer U.S. economic data. The Fed maintained its desire to start reducing its $4.5 trillion loan portfolio later this fall.

ECONOMIC FUNDAMENTALS REMAIN CONSTRUCTIVE

The so-called "goldilocks" scenario of modest economic growth and subdued inflation, has given investors confidence despite political drama and geopolitical concerns. Other major global economies (Europe, Japan and China) are experiencing similar economic conditions.

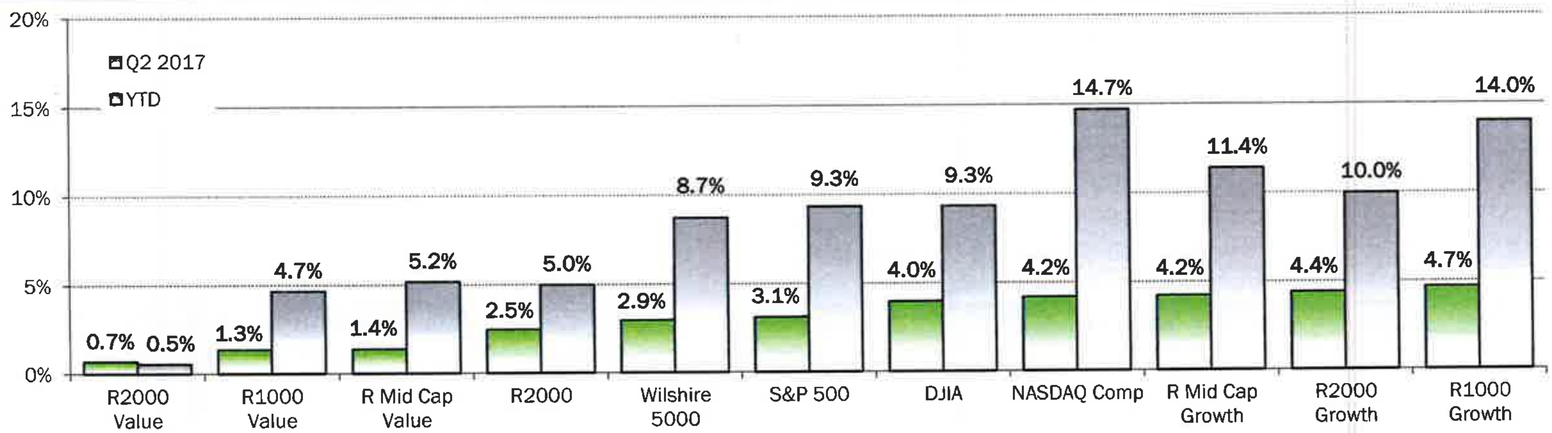
RISKS SHOULD NOT BE DISMISSED

Despite strong performance by financial markets around the globe this year, investors should be mindful of the current risks that exist. Several worth watching include high stock valuations in the U.S., low volatility levels, transition to tighter monetary policy in the U.S. and potential fiscal policy missteps.

U.S. Equities

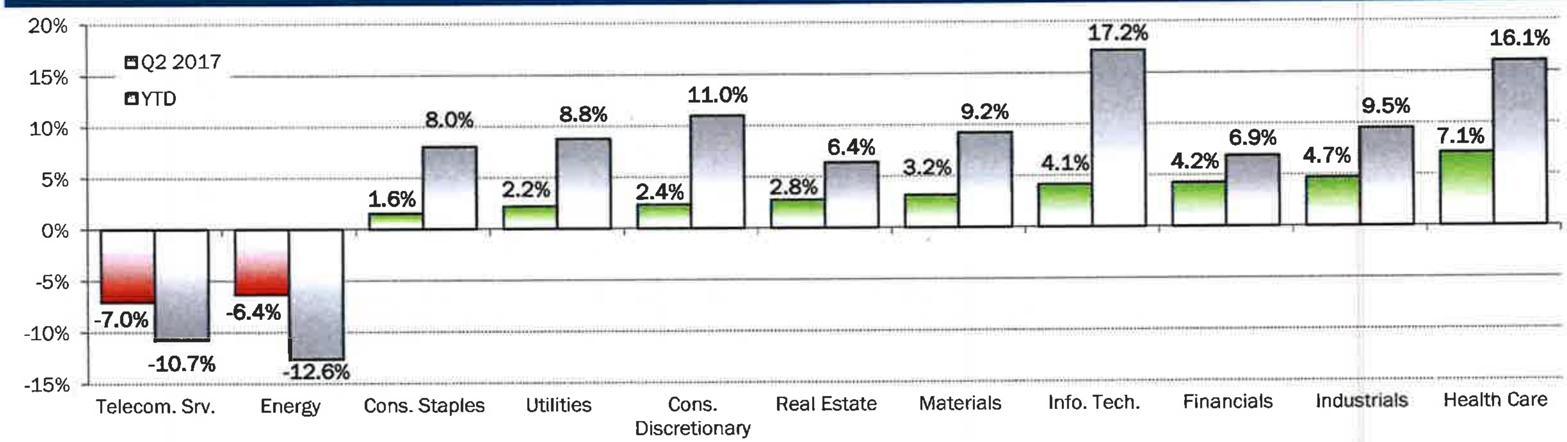
The major U.S. equity benchmarks continued their positive momentum and reached record highs during the quarter. A rebound in corporate profits has been a key driver behind the strong equity market performance this year. Growth stocks continued to outperform value stocks across all market capitalization levels.

Performance of Major U.S. Equity Indexes, Q2 2017 and YTD



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

S&P 500 Sector Returns, Q2 2017 and YTD

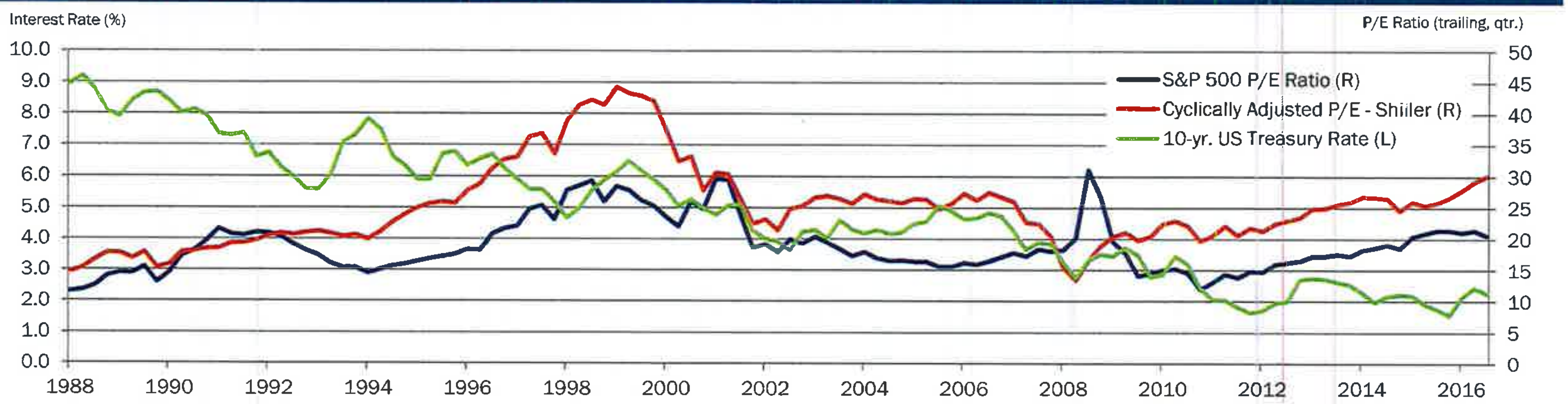


Source: Morningstar. Returns represent cumulative total return, including dividends.

U.S. Equity Valuation Metrics

Valuations for the S&P 500 Index continued to get richer as the Cyclically Adjusted P/E (CAPE) ratio 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 $128 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 June 30, 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 Metrics

Metric	As of Jun-2017	25-yr. Average
Price to Earnings	17.5x	15.9
Price to Book	2.9x	2.9
Price to CF	12.2x	10.6
CAPE	30.1x	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.

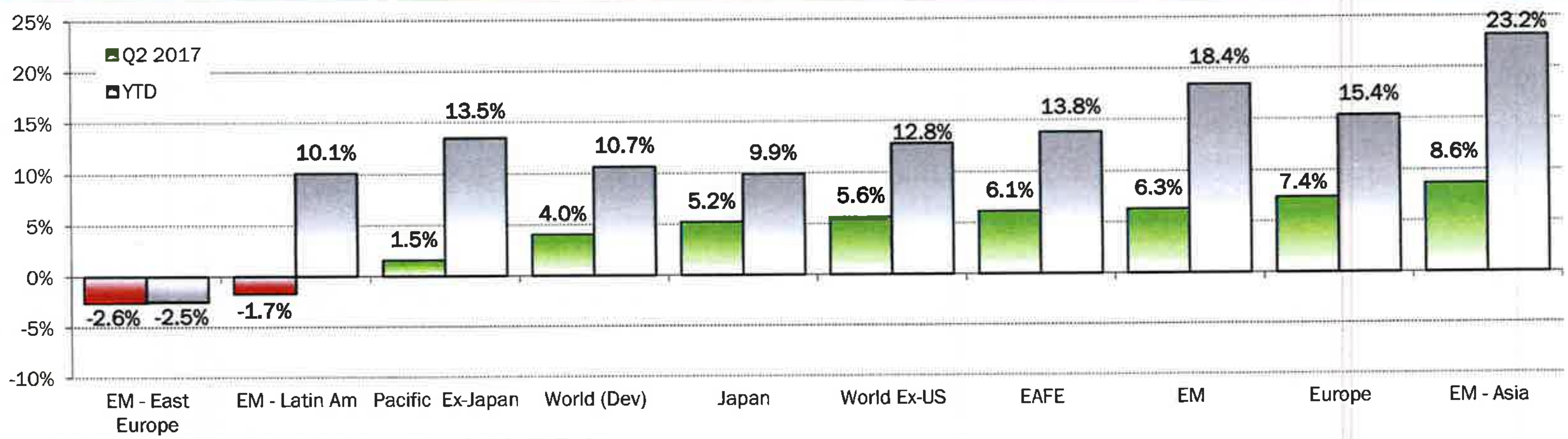
Implied S&P 500 Index Levels

	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

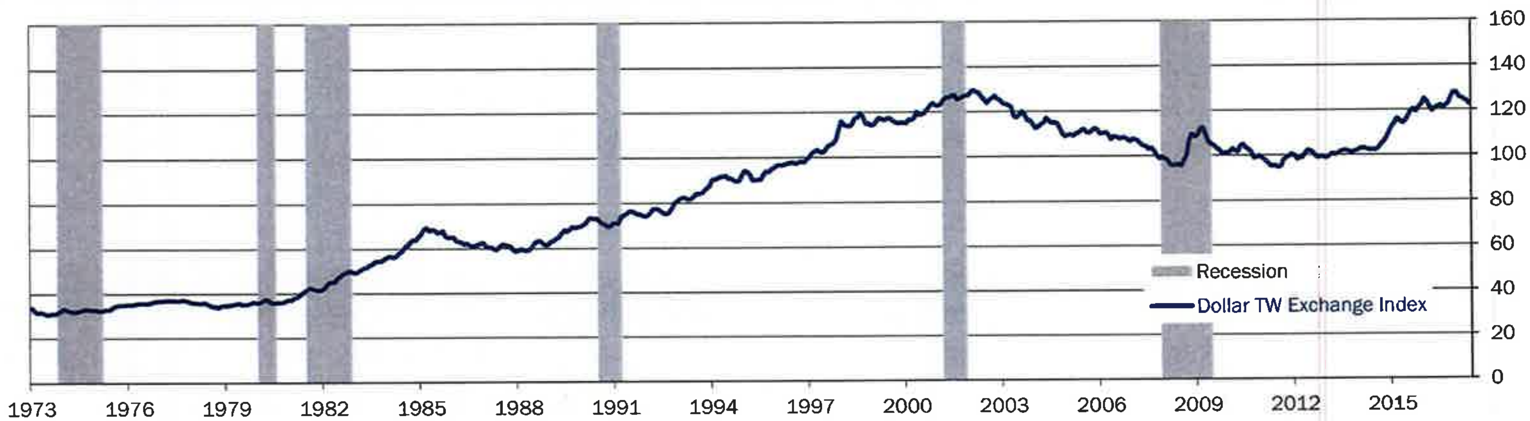
International stocks had another strong quarter and most benchmarks outpaced domestic stocks year-to-date. U.S. investors also benefited from a weaker dollar. Improving growth in corporate earnings, reasonable valuations and improving economic conditions have provided a favorable backdrop for the strong performance.

International Equity Market Returns, Q2 2017 and YTD



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

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

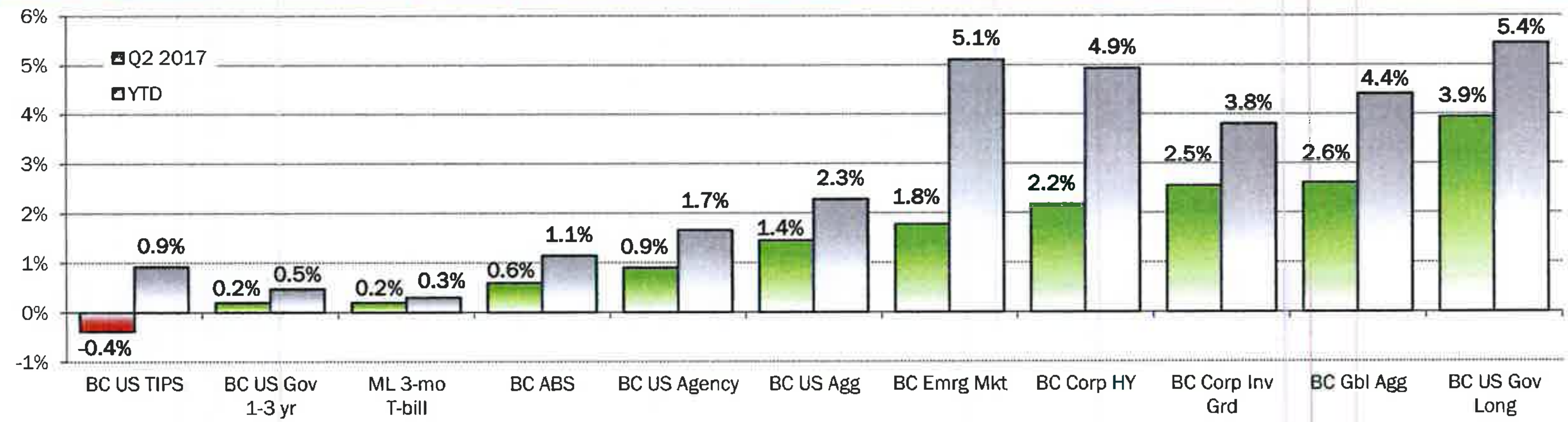


Source: Bloomberg. Data as of June 30, 2017.

Fixed Income

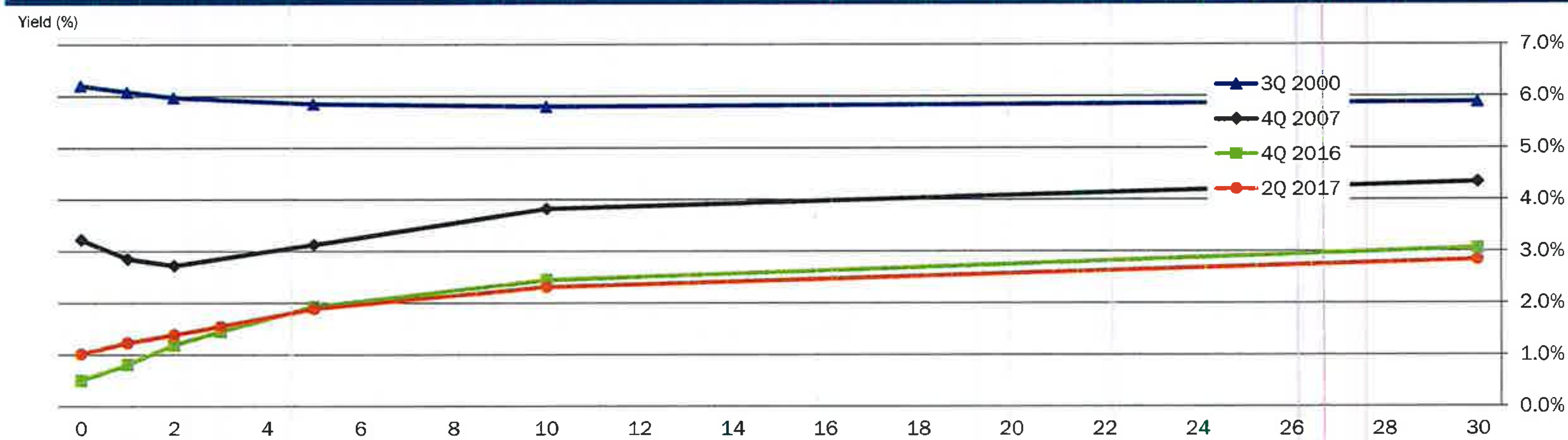
Bonds posted another quarter of positive returns in Q2 as the U.S. Treasury yield curve flattened after another interest rate hike by the Federal Reserve. Investors continued to seek higher yields in the riskier sectors of the bond market (i.e., high yield and emerging markets) as those sectors continued to outperform.

Fixed Income Returns, Q2 2017 and YTD



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

U.S. Treasury Yield Curve



Source: Bloomberg. Data as of respective quarter end.

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. Securities offered through Cetera Advisor Networks LLC, member SIPC. SageView is not affiliated with Cetera Advisor Networks LLC. Fund returns shown are net of fund expenses and sales charges.

Asset Class Returns

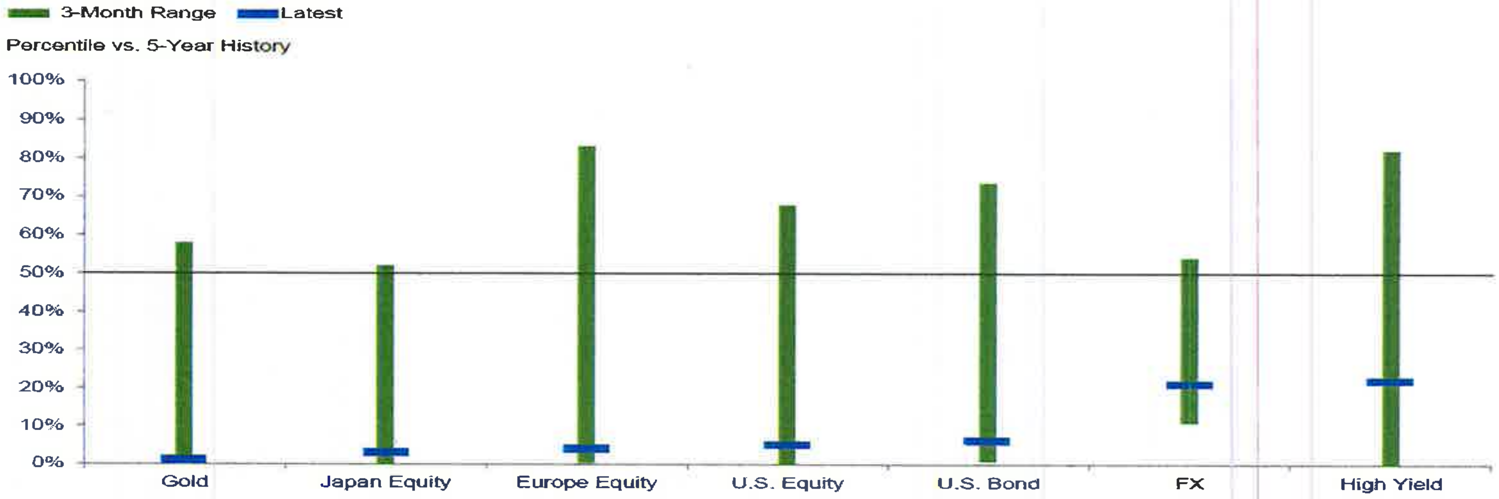
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	2002 - 2016	
																Ann.	Vol.
Comdty. 25.9%	EM Equity 56.3%	REITs 31.6%	EM Equity 34.5%	REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 18.6%	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 14.2%	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 9.3%	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. 6.8%	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 6.5%	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%	Small Cap 5.0%	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%	REITs 4.9%	DM Equity 5.7%	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 2.3%	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 0.3%	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. -5.3%	Comdty. 1.2%	Cash 0.8%

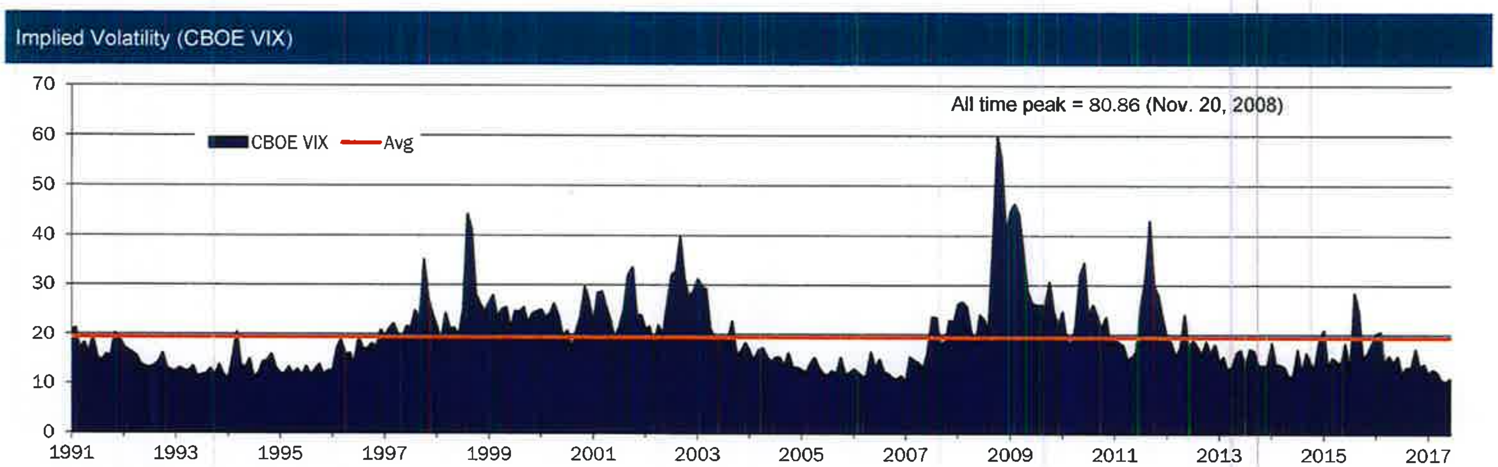
Source: Russell, MSCI, Bloomberg, Standard & Poor's, Barclays Capital, NAREIT, FactSet, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays HY Index, Fixed Income: Barclays Capital 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 June 30, 2017.

Low Volatility Across Financial Markets

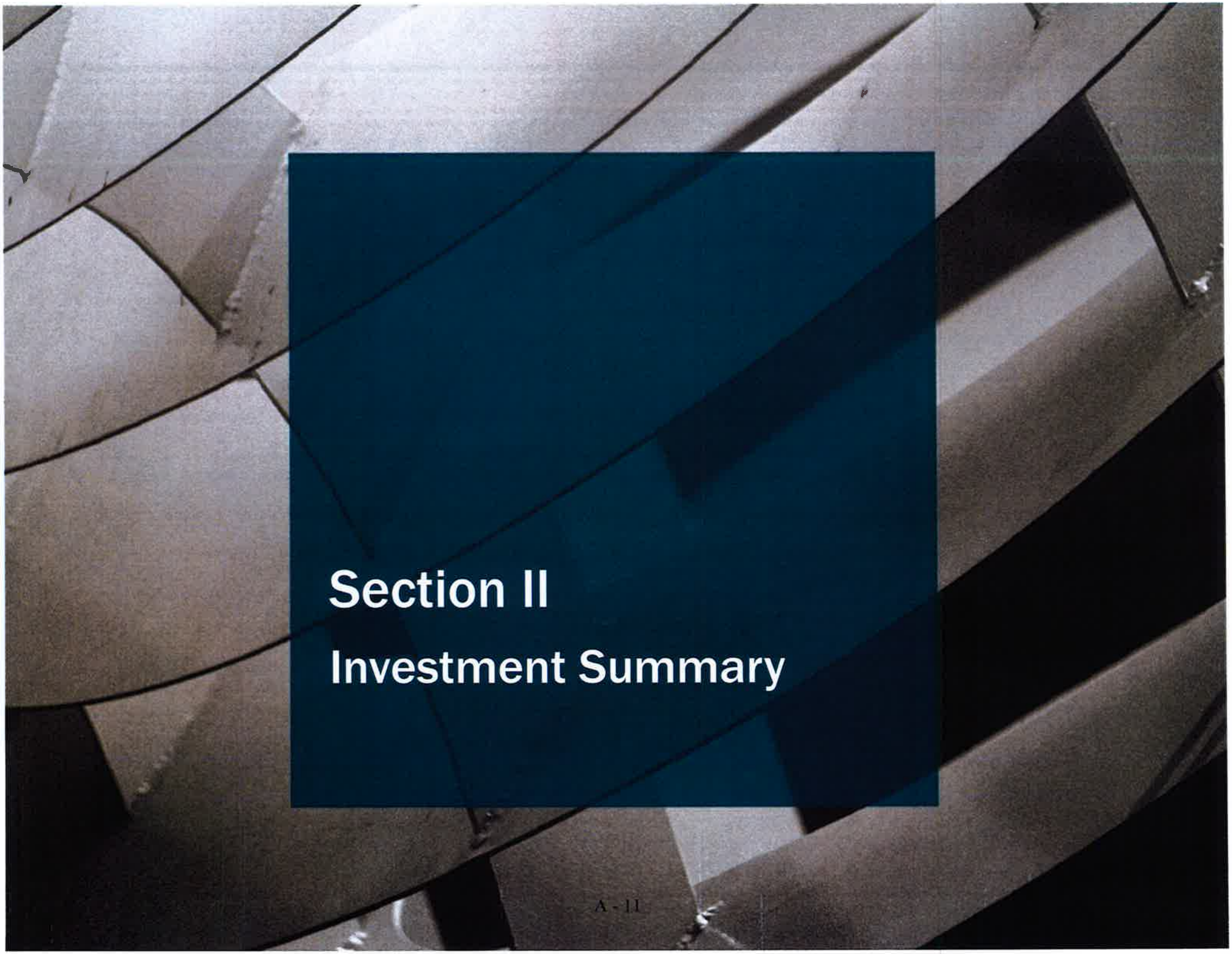
Most asset markets experienced unusually low volatility in Q2, even when compared to the relatively calm levels over the last five years. The steady economic backdrop and continued accommodative monetary policy supported a relatively tranquil environment for financial markets.





Source: Bloomberg. Data as of June 30, 2017.

Source (top chart): Fidelity Investments, Quarterly Market Update, Third Quarter 2017.



Section II

Investment Summary

Executive Summary and Observations

- Assets total $66,100,710 at June 30, 2017 up from $64,307,528 at March 31, 2017.

- Activity during the quarter:
  - Completed allocation of $11 million in additional funds, invested in five monthly tranches,beginning on February 15 and terminating on June 15
  - Bought $2 million of securities on April 15 and May 15, and $3 million of securities on June 15:

April 15, May 15	June 15
• $940,000 Vanguard Institutional	$1,410,000 Vanguard Institutional
• $140,000 Vanguard Extended Markets	$210,000 Vanguard Extended Markets
• $260,000 Vanguard Developed Markets	$390,000 Vanguard Developed Markets
• $500,000 Baird Core Plus	$750,000 Baird Core Plus
• $80,000 Vanguard High Yield	$120,000 Vanguard High Yield
• $80,000 Vanguard Short Term Corporate	$120,000 Vanguard Short Term Corporate

- Current asset allocation of approximately 67.6% equities, 31.7% fixed income, and 0.6% cash.

- Target allocation of 66% equities and 34% bonds.

- For the quarter, the net total return was 2.79%. This closely tracked the custom benchmark return of 2.73%, with outperformance from Baird Core Plus and Vanguard High Yield offsetting slight underperformance from Metropolitan West Total Return.

- For the past 12 months (fiscal year 2017), the net total return was 11.71%, slightly outperforming the benchmark return of 11.48%.

- 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.

- Recommendations
  Invest $400,000 of cash into Baird Core Plus
  Reduce Metropolitan West allocation to 10.0%, reinvest proceeds into Baird Core Plus
  Consider reducing Vanguard Institutional (S&P 500) allocation by 4.0% and reallocating to Vanguard Emerging Markets Index fund

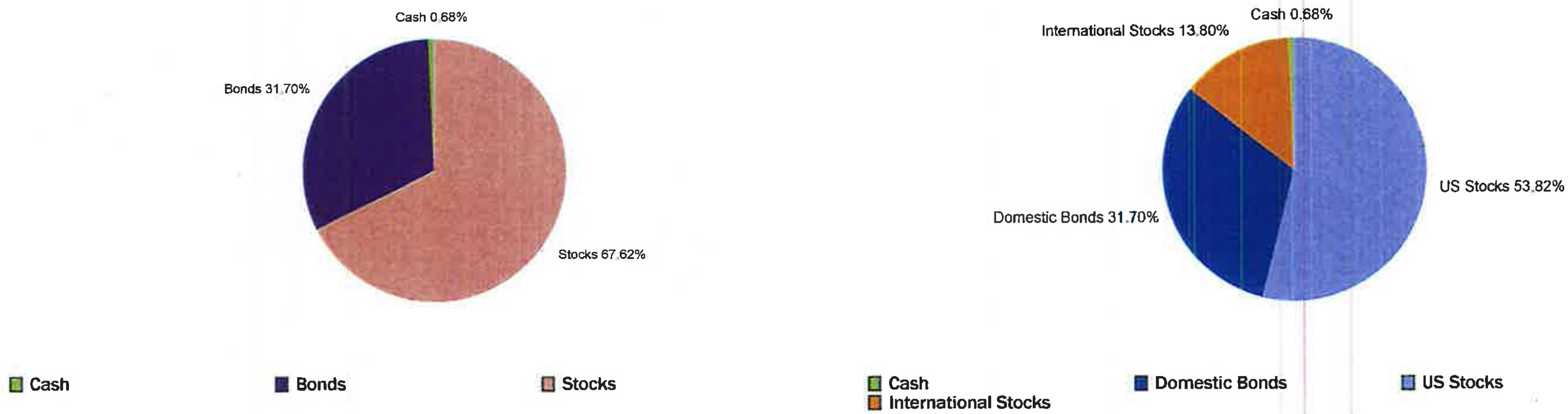
Asset Allocation by Fund

As of 06/30/2017

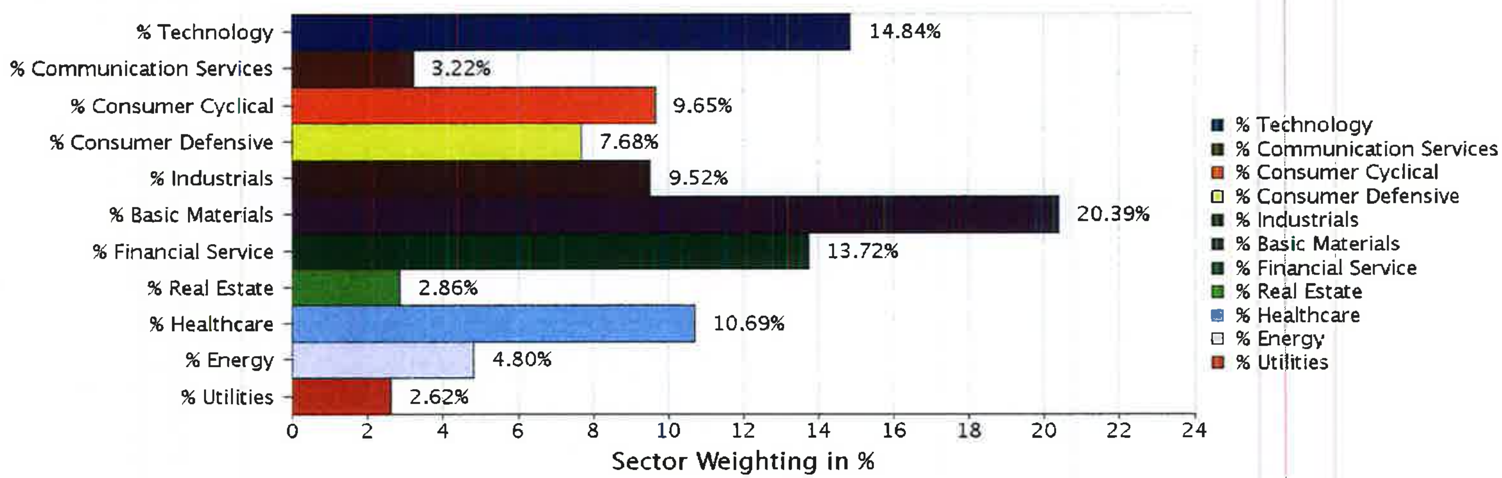
Fund	% of Plan Assets	Total Assets
Vanguard Institutional Index I	47.19%	$31,189,921
Vanguard Developed Markets Index Instl	13.80%	$9,118,622
Metropolitan West Total Return Bd I	13.63%	$9,010,187
Baird Core Plus Bond Inst	10.38%	$6,861,795
Vanguard Extended Market Index Admiral	6.64%	$4,390,432
Vanguard High-Yield Corporate Adm	3.97%	$2,625,137
Vanguard Short-Term Corp Bd Idx Admiral	3.72%	$2,457,441
Fidelity® Government Cash Reserves	0.68%	$447,170
Total Market Value:	100.00%	$66,100,710

Portfolio Composition - Sector Weightings
As of 06/30/2017

Portfolio Composition



Sector Weightings



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.

Fund Performance Summary

As of 06/30/2017

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**	**0.68%**	**0.12**	**0.18**	**0.25**	**0.10**	**0.06**	**0.63**	**0.37**	**NA**
BofAML US Treasury Bill 3 Mon TR USD*			**0.20**	**0.31**	**0.49**	**0.23**	**0.17**	**0.58**		
Cat: Morningstar Money Market - Taxable			0.10	0.15	0.20	0.09	0.06	0.44	0.51	
Vanguard Short-Term Corp Bd Idx Admiral	**Short-Term Bond**	**3.72%**	**0.89**	**1.83**	**1.38**	**1.96**	**2.36**	**NA**	**0.07**	Pass
BBgBarc Credit 1-5 Yr TR USD*			**0.85**	**1.75**	**1.27**	**1.88**	**2.24**	**3.84**		
Cat: Morningstar Short-Term Bond			0.56	1.20	1.24	1.08	1.34	2.40	0.75	
Baird Core Plus Bond Inst	**Intermediate-Term Bond**	**10.38%**	**1.78**	**2.99**	**1.65**	**3.18**	**3.38**	**5.58**	**0.30**	TOP DEC
BBgBarc US Agg Bond TR USD*			**1.45**	**2.27**	**-0.31**	**2.48**	**2.21**	**4.48**		
Cat: Morningstar Intermediate-Term Bond			1.49	2.57	0.94	2.22	2.45	4.30	0.77	
Metropolitan West Total Return Bd I	**Intermediate-Term Bond**	**13.63%**	**1.29**	**2.21**	**0.25**	**2.28**	**3.49**	**6.00**	**0.44**	TOP DEC
BBgBarc US Agg Bond TR USD*			**1.45**	**2.27**	**-0.31**	**2.48**	**2.21**	**4.48**		
Cat: Morningstar Intermediate-Term Bond			1.49	2.57	0.94	2.22	2.45	4.30	0.77	
Vanguard High-Yield Corporate Adm	**High Yield Bond**	**3.97%**	**2.57**	**4.87**	**10.33**	**4.72**	**6.27**	**6.74**	**0.13**	TOP QUAR
BofAML US HY Master II TR USD*			**2.14**	**4.91**	**12.75**	**4.48**	**6.91**	**7.54**		
Cat: Morningstar High Yield Bond			1.74	4.09	10.78	3.02	5.70	6.05	1.04	
Vanguard Institutional Index I	**Large Blend**	**47.19%**	**3.08**	**9.32**	**17.86**	**9.59**	**14.60**	**7.18**	**0.04**	Pass
S&P 500 TR USD*			**3.09**	**9.34**	**17.90**	**9.61**	**14.63**	**7.18**		
Cat: Morningstar Large Blend			2.92	8.65	17.17	7.60	13.35	6.20	0.95	
Vanguard Extended Market Index Admiral	**Mid-Cap Blend**	**6.64%**	**2.67**	**7.35**	**21.61**	**6.91**	**14.34**	**7.72**	**0.08**	Pass
S&P Completion TR USD*			**2.64**	**7.33**	**21.49**	**6.80**	**14.24**	**7.61**		
Cat: Morningstar Mid-Cap Blend			1.92	6.22	17.35	5.51	12.98	6.12	1.07	
Vanguard Developed Markets Index Instl	**Foreign Large Blend**	**13.80%**	**6.38**	**14.70**	**20.17**	**1.86**	**9.11**	**1.41**	**0.06**	Pass
FTSE Dv Ex US TR USD*			**6.18**	**14.03**	**20.96**	**1.66**	**8.86**	**1.75**		
Cat: Morningstar Foreign Large Blend			6.25	14.45	19.13	1.18	7.81	0.96	1.05	

***Investment Policy Benchmark**

No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.

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	-	3.47	14.69	18.86	0.64	3.36	1.58	0.14	VEMAX	Pass
Cat. Avg. : Morningstar Diversified Emerging Mkts		*5.87*	*18.14*	*20.48*	*0.49*	*4.08*	*1.50*	*1.39*		
Idx : MSCI EM GR USD		*6.38*	*18.60*	*24.17*	*1.44*	*4.33*	*2.25*			

= Current = Addition = Alternative

Investment Discussion Summary - Current Investments

Fund Name % of Plan Assets Category	Comment Date	Comments
Baird Core Plus Bond Inst **10.38** **Intermediate-Term Bond**	**06/30/2017**	**Performance Update (6/30/2017): The fund outperformed the Bloomberg Barclays U.S. Universal Bond Index for in the 2nd 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 **13.63** **Intermediate-Term Bond**	**06/30/2017**	**Performance Update (6/30/2017): The fund trailed its benchmark (Bloomberg Barclays US Aggregate) in the 2nd quarter. Underperformance was driven primarily by a shorter duration. 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 **3.97** **High Yield Bond**	**06/30/2017**	**Performance Update (06/30/2017): The fund outerperformed its benchmark and 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	09/2014	12/2014	03/2015	06/2015	09/2015	12/2015	03/2016	06/2016	09/2016	12/2016	03/2017	06/2017
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	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	2ND QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR	TOP DEC	TOP DEC	TOP DEC	TOP QUAR	TOP QUAR	TOP QUAR	TOP QUAR
Vanguard Institutional Index I	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass
Vanguard Extended Market Index Admiral	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass
Vanguard Developed Markets Index Instl	NA	NA	NA	NA	NA	NA	NA	NA	Pass	Pass	Pass	Pass

Baird Core Plus Bond Inst

BCOIX

Ranking Vs. Peers - Intermediate-Term Bond

June 30, 2017
Intermediate-Term Bond Universe: 1254 Funds

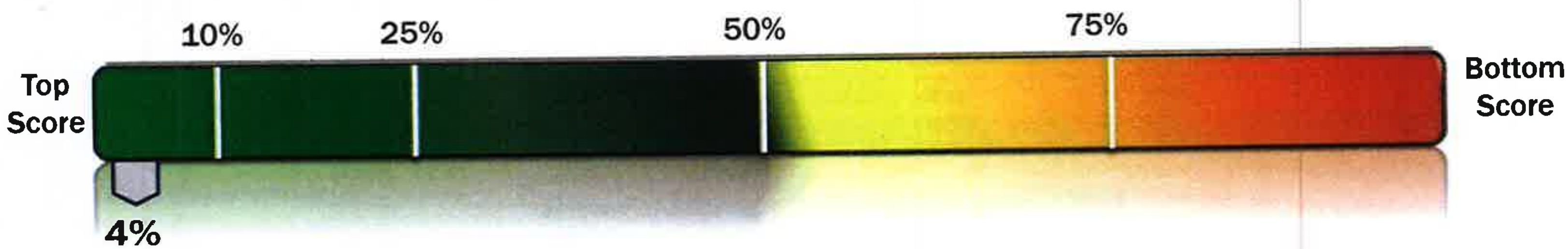
Performance Ranking			Ranking
Total Return Composite Ranking			11.20%
	10 Year	7.00%	
	5 Year	11.00%	
	3 Year	7.00%	
	1 Year	23.00%	
Rolling 12 Month - 5 Years			20.05%
Rolling 36 Month - 10 Years			17.07%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	13.00%
Alpha - 60 Months	15.00%
Up Capture Ratio - 5 years	9.00%
Down Capture Ratio - 5 years	42.00%

Fund Expense		Ranking
Expense Ratio	0.3	2.00%

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



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.

Metropolitan West Total Return Bd I

MWTIX

Ranking Vs. Peers - Intermediate-Term Bond

June 30, 2017
Intermediate-Term Bond Universe: 1254 Funds

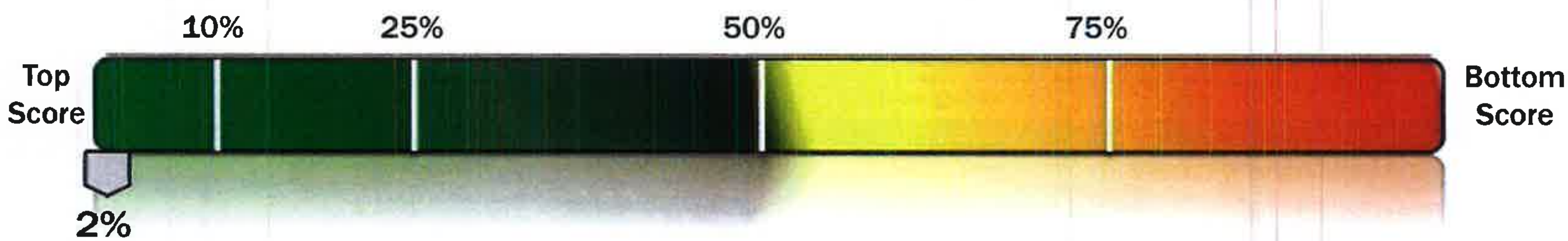
Performance Ranking			Ranking
Total Return Composite Ranking			22.80%
	10 Year	3.00%	
	5 Year	9.00%	
	3 Year	39.00%	
	1 Year	57.00%	
Rolling 12 Month - 5 Years			23.88%
Rolling 36 Month - 10 Years			11.73%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	7.00%
Alpha - 60 Months	9.00%
Up Capture Ratio - 5 years	18.00%
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	12.00%

	SageView Normalized Ranking
SageView Normalized Ranking	2.00%
STATUS	TOP DECILE



No representations or warranties are being made as to the tax effect, performance, past or future, or financial impact of this summary. This information is provided as an informal report; no warranties as to the accuracy or content are implied or expressed. The information above must be interpreted in the context of, and is qualified by, all the information contained in the prospectuses, where applicable, which have been or will be delivered to the appropriate investing parties prior to any offer being made. Note: Sector Weighting and/or Credit Analysis data reflect most current information available. securities offered through Cetera Advisor Networks, member SIPC. SageView is not affiliated with Cetera Advisor Networks. Fund returns shown are net of fund expenses and sales charges.

Vanguard High-Yield Corporate Adm

VWEAX

Ranking Vs. Peers - High Yield Bond

June 30, 2017
High Yield Bond Universe: 670 Funds

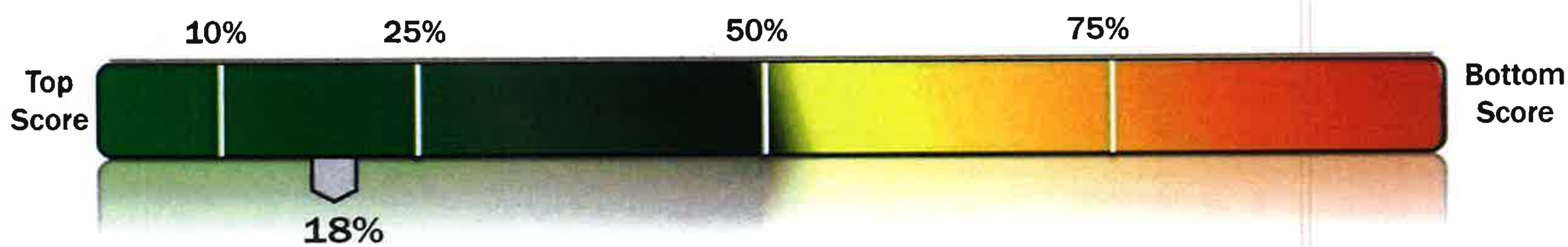
Performance Ranking			Ranking
Total Return Composite Ranking			30.35%
	10 Year	30.00%	
	5 Year	31.00%	
	3 Year	8.00%	
	1 Year	66.00%	
Rolling 12 Month - 5 Years			45.03%
Rolling 36 Month - 10 Years			43.87%

Ratio Statistics	Ranking
Sharpe Ratio - 60 Months	16.00%
Alpha - 60 Months	18.00%
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	18.00%
STATUS	TOP QUARTILE



August 1, 2017
Prepared by: T. Fournier
Submitted by: R. Jacobson/C. 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 May 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 MAY 2, 2017 BOARD MEETING OF THE IRVINE RANCH WATER DISTRICT RETIREMENT BOARD BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit “A” – May 2, 2017 Minutes

EXHIBIT "A"

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

May 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 12:00 p.m. on May 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 February 2, 2017 meeting.

On MOTION by Cook, seconded by Swan and affirmed by Reinhart, the minutes of the February 2, 2017 meeting were approved as presented.

Trust Investment Review

- A capital markets and legislative update was provided by SageView.
- All trust investment options were reviewed as of 3/31/2017. All options are performing in line with benchmarks or above 50th percentile peer group rankings at this time.
- The portfolio return and expense ratio, style analysis, and asset allocation by fund were reviewed. Of note was the following:
    - As of March 31, 2017, the IRWD Post-Retirement Benefits Trust market value was $64,307,528, which is a net increase of $13,296,629 from the quarter ended December 31, 2016.
    - 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 heavily allocated to index funds, leading to a low overall expense ratio of 0.16%.

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

Quarterly Investment Activity:

In February 2017, the Board IRWD approved an additional contribution 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, and the final investment of $3,000,000 will be on June 15, 2017. The monthly investments utilize the December 31, 2016 asset allocation as follows:

Vanguard Institutional Index Fund	47.00%
Vanguard Extended Market (small/mid) Index Fund	7.00%
Vanguard Developed Market Index	13.00%
Baird Core Plus Bond Fund	25.00%
Vanguard High-Yield Corporate Fund	4.00%
Vanguard Short Term Bond Index Admiral Fund	4.00

Administrative Items

The Board and staff discussed the lower PERS investment rate assumption that may result in a higher unfunded pension liability for the District, estimated at $11,000,000. Once the District's actuarial consultant provides the final unfunded liability, and upon approval of the IRWD Board, the Retirement Board directed staff to deposit the funds into the Fidelity Government Cash Reserves and begin investing the additional contribution in equal amounts monthly over the 2017-2018 fiscal year using the following asset allocation percentage:

Vanguard Institutional Index Fund	47.00%
Vanguard Extended Market (small/mid) Index Fund	7.00%
Vanguard Developed Market Index	13.00%
Baird Core Plus Bond Fund	25.00%
Vanguard High-Yield Corporate Fund	4.00%
Vanguard Short Term Bond Index Admiral Fund	4.00

NOTE – Subsequent to the May 2, 2017 Retirement Board meeting, on July 6, 2017 the Finance and Personal Committee determined that the IRWD Board only approved $1,871,600 in excess of the District's annual required CalPERS contribution will be deposited into the Retirement Trust for FY 2017-2018. Staff will confirm investment direction with the Board at its August 1, 2017 meeting.

Additionally, once the actuarial consultant provides staff with the final unfunded OPEB liability, the Board directed staff create a second trust account at Fidelity, and upon approval of the IRWD Board, transfer the funds and begin investing the additional contribution in equal amounts monthly over the 2017-2018 fiscal year using the following asset allocation percentage:

Vanguard Institutional Index Fund	47.00%
Vanguard Extended Market (small/mid) Index Fund	7.00%
Vanguard Developed Market Index	13.00%
Baird Core Plus Bond Fund	25.00%
Vanguard High-Yield Corporate Fund	4.00%
Vanguard Short Term Bond Index Admiral Fund	4.00

NOTE – Subsequent to the May 2, 2017 Retirement Board meeting, on July 6, 2017, the Finance and Personal Committee determined not to make a recommendation to the IRWD Board to deposit funds into a secondary account to address the OPEB liability at this time.

ADJOURNMENT

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

APPROVED and SIGNED this 1st day of August 2017.

Board Member, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD

Secretary, IRVINE RANCH WATER DISTRICT
RETIREMENT BOARD