

CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2014

	September-14							Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Quarter		Month		Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net
		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net								
TOTAL INSURANCE TRUST	4,825,927,082	100.0%	100.0%	-1.01%	-1.06%	-1.66%	-1.66%	-1.01%	-1.06%	8.53%	8.30%	6.47%	6.23%	8.69%	8.43%
<i>POLICY TARGET BENCHMARK</i>				<i>-0.97%</i>	<i>-0.97%</i>	<i>-1.49%</i>	<i>-1.49%</i>	<i>-0.97%</i>	<i>-0.97%</i>	<i>7.17%</i>	<i>7.17%</i>	<i>4.64%</i>	<i>4.64%</i>	<i>6.12%</i>	<i>6.12%</i>
ATTRIBUTION ANALYSIS															
Asset Allocation				-0.04%	-0.04%	-0.01%	-0.01%	-0.04%	-0.04%	-0.13%	-0.13%	-0.30%	-0.30%		
Manager Selection				0.00%	-0.05%	-0.15%	-0.16%	0.00%	-0.05%	1.49%	1.26%	2.13%	1.89%		
TOTAL RELATIVE RETURN				-0.04%	-0.09%	-0.17%	-0.17%	-0.04%	-0.09%	1.36%	1.13%	1.83%	1.59%	2.58%	2.31%
LARGE CAP DOMESTIC EQUITY															
Los Angeles Capital	231,930,998	4.8%	4.8%	1.58%	1.54%	-1.74%	-1.74%	1.58%	1.54%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				1.49%	1.49%	-1.45%	-1.45%	1.49%	1.49%	26.92%	26.92%	16.26%	16.26%	7.47%	7.47%
LSV	230,856,987	4.8%	4.8%	-0.46%	-0.52%	-2.68%	-2.68%	-0.46%	-0.52%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				-0.19%	-0.19%	-2.06%	-2.06%	-0.19%	-0.19%	23.81%	23.81%	16.92%	16.92%	6.67%	6.67%
Los Angeles Capital	154,238,106	3.2%	3.2%	0.86%	0.83%	-2.02%	-2.02%	0.86%	0.83%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				0.65%	0.65%	-1.75%	-1.75%	0.65%	0.65%	25.36%	25.36%	16.63%	16.63%	7.12%	7.12%
Clifton Group	155,902,428	3.2%	3.2%	1.18%	1.11%	-1.45%	-1.45%	1.18%	1.11%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&P 500</i>				1.13%	1.13%	-1.40%	-1.40%	1.13%	1.13%	24.61%	24.61%	16.58%	16.58%	18.83%	18.83%
TOTAL LARGE CAP DOMESTIC EQUITY	772,928,519	16.0%	16.1%	0.73%	0.68%	-2.02%	-2.02%	0.73%	0.68%	26.07%	25.85%	17.73%	17.51%	19.57%	19.28%
<i>Russell 1000</i>				0.65%	0.65%	-1.75%	-1.75%	0.65%	0.65%	25.36%	25.36%	17.02%	17.02%	19.10%	19.10%
SMALL CAP DOMESTIC EQUITY															
Research Affiliates	84,364,436	1.7%	2.7%	-7.00%	-7.07%	-5.70%	-5.70%	-7.00%	-7.07%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	181,034,664	3.8%	2.7%	-7.23%	-7.41%	-6.12%	-6.12%	-7.23%	-7.41%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
TOTAL SMALL CAP DOMESTIC EQUITY	265,399,099	5.5%	5.5%	-7.08%	-7.23%	-5.98%	-5.98%	-7.08%	-7.23%	24.78%	24.34%	16.10%	15.64%	22.49%	22.01%
<i>Russell 2000</i>				-7.36%	-7.36%	-6.05%	-6.05%	-7.36%	-7.36%	23.64%	23.64%	14.57%	14.57%	20.21%	20.21%
INTERNATIONAL EQUITY															
Capital Group	260,904,814	5.4%	5.4%	-5.78%	-5.86%	-3.92%	-3.92%	-5.78%	-5.86%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	258,104,063	5.3%	5.4%	-6.45%	-6.53%	-4.56%	-4.56%	-6.45%	-6.53%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				-5.88%	-5.88%	-3.84%	-3.84%	-5.88%	-5.88%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
DFA	63,979,115	1.3%	1.3%	-8.53%	-8.53%	-5.82%	-5.82%	-8.53%	-8.53%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (2)	64,808,719	1.3%	1.3%	-5.84%	-5.84%	-4.43%	-4.43%	-5.84%	-5.84%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				-5.94%	-5.94%	-5.33%	-5.33%	-5.94%	-5.94%	26.39%	26.39%	8.21%	8.21%	13.10%	13.10%
TOTAL INTERNATIONAL EQUITY	647,796,711	13.4%	13.4%	-6.33%	-6.39%	-4.41%	-4.41%	-6.33%	-6.39%	25.76%	25.26%	9.31%	8.77%	12.94%	12.39%
<i>MSCI EAFE</i>				-5.88%	-5.88%	-3.84%	-3.84%	-5.88%	-5.88%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
FIXED INCOME															
Western Asset	524,718,249	10.9%	10.9%	0.36%	0.32%	-0.77%	-0.77%	0.36%	0.32%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	132,659,878	2.7%	2.7%	-0.31%	-0.38%	-1.31%	-1.31%	-0.31%	-0.38%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO II) (2)	76,796,455	1.6%	1.6%	1.43%	1.43%	0.80%	0.80%	1.43%	1.43%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (2)	17,720,786	0.4%	0.4%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
<i>BC Aggregate</i>				0.17%	0.17%	-0.68%	-0.68%	0.17%	0.17%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
Declaration (Total Return) (2)	136,761,872	2.8%	2.8%	0.65%	0.65%	0.68%	0.68%	0.65%	0.65%	N/A	N/A	N/A	N/A	N/A	N/A
<i>3m LIBOR</i>				0.06%	0.06%	0.02%	0.02%	0.06%	0.06%						

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	Market Value	Allocation		Quarter		Month		Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	
		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net									
State Street <i>BC Gov/Credit</i>	232,757,068	4.8%	4.8%	0.16%	0.15%	-0.91%	-0.92%	0.16%	0.15%	4.26%	4.23%	N/A	N/A	N/A	N/A	
				0.17%	0.17%	-0.91%	-0.91%	0.17%	0.17%	4.28%	4.28%					
Wells Capital <i>BC Credit Baa</i>	526,788,797	10.9%	10.9%	-0.12%	-0.17%	-1.52%	-1.52%	-0.12%	-0.17%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%	
				-1.60%	-1.60%	-1.78%	-1.78%	-1.60%	-1.60%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%	
TOTAL FIXED INCOME <i>BC Aggregate (2)</i>	1,648,203,105	34.2%	34.1%	0.20%	0.16%	-0.86%	-0.86%	0.20%	0.16%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%	
				0.17%	0.17%	-0.68%	-0.68%	0.17%	0.17%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%	
DIVERSIFIED REAL ASSETS (formerly Inflation Protected)																
Western <i>BC Global Inflation Linked Index (3)</i>	238,633,556	4.9%	4.9%	-2.09%	-2.13%	-3.08%	-3.08%	-2.09%	-2.13%	10.09%	9.91%	3.72%	3.54%	5.09%	4.84%	
				-2.76%	-2.76%	-3.41%	-3.41%	-2.76%	-2.76%	10.42%	10.42%	4.44%	4.44%	5.54%	5.54%	
TIR - Eastern Timber Opps Fund (2) <i>NCREIF Timberland Index</i>	62,217,469	1.3%	1.3%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.89%	9.89%	5.69%	5.69%	4.13%	4.00%	
				1.47%	1.47%	0.49%	0.49%	1.47%	1.47%	9.94%	9.94%	6.73%	6.73%	3.33%	3.33%	
JP Morgan (Infrastructure) Grosvenor (formerly Credit Suisse) (Infrastructure) (2) <i>CPI</i>	75,830,499	1.6%	1.6%	5.74%	5.49%	0.00%	0.00%	5.74%	5.49%	9.94%	8.88%	8.32%	7.19%	7.37%	6.07%	
	21,903,307	0.5%	0.5%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%	-0.14%	12.90%	12.90%	N/A	N/A	N/A	N/A	
				-0.23%	-0.23%	0.06%	0.06%	-0.23%	-0.23%	2.05%	2.05%					
TOTAL DIVERSIFIED REAL ASSETS <i>Benchmark (3) (5)</i>	398,584,831	8.3%	8.3%	-0.26%	-0.32%	-1.88%	-1.88%	-0.26%	-0.32%	10.19%	9.88%	5.22%	4.90%	5.56%	5.20%	
				-1.46%	-1.46%	-1.95%	-1.95%	-1.46%	-1.46%	10.42%	10.42%	4.44%	4.44%	5.54%	5.54%	
REAL ESTATE																
JP Morgan Invesco	132,860,965	2.8%	2.4%	0.00%	0.04%	0.00%	0.00%	0.00%	0.04%	10.12%	8.75%	17.19%	15.97%	13.24%	11.99%	
	97,986,588	2.0%	2.4%	3.44%	3.35%	3.44%	3.35%	3.44%	3.35%	10.92%	10.38%	N/A	N/A	N/A	N/A	
TOTAL REAL ESTATE <i>NCREIF Total Index</i>	230,847,552	4.8%	4.7%	1.43%	1.42%	1.43%	1.39%	1.43%	1.42%	10.45%	9.39%	15.96%	14.92%	12.53%	11.38%	
				2.63%	2.63%	0.87%	0.87%	2.63%	2.63%	11.21%	11.21%	11.32%	11.32%	9.67%	9.67%	
CASH EQUIVALENTS																
Northern Trust (2) TOTAL CASH EQUIVALENTS <i>90 Day T-Bill</i>	74,751,048			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A	
	74,751,048	1.5%	1.6%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%	
				0.01%	0.01%	0.00%	0.00%	0.01%	0.01%	0.06%	0.06%	0.08%	0.08%	0.11%	0.11%	
SHORT TERM FIXED INCOME																
Babson Capital - Short Term Bonds - Insurance Pool Babson Capital - Short Term Bonds-Legacy Fund <i>BC 1-3 Year US Gov't Index</i>	238,867,110	4.9%	4.9%	0.00%	-0.03%	-0.30%	-0.30%	0.00%	-0.03%	2.39%	2.26%	N/A	N/A	N/A	N/A	
	172,382,049	3.6%	3.3%	0.28%	0.23%	-0.14%	-0.14%	0.28%	0.23%	2.82%	2.65%	N/A	N/A	N/A	N/A	
				0.03%	0.03%	-0.06%	-0.06%	0.03%	0.03%	0.77%	0.77%					
JP Morgan-Insurance Pool JP Morgan-Legacy Fund <i>BC 1-3 Year Gov/Credit Index</i>	236,882,072	4.9%	4.9%	0.05%	0.00%	-0.08%	-0.10%	0.05%	0.00%	1.44%	1.31%	N/A	N/A	N/A	N/A	
	139,284,985	2.9%	3.3%	0.04%	-0.04%	-0.03%	-0.08%	0.04%	-0.04%	1.36%	1.24%	N/A	N/A	N/A	N/A	
				0.04%	0.04%	-0.08%	-0.08%	0.04%	0.04%	1.14%	1.14%					
TOTAL SHORT TERM FIXED INCOME <i>BC 1-3 Year US Gov't Index (4)</i>	787,416,216	16.3%	16.4%	0.09%	0.04%	-0.15%	-0.16%	0.09%	0.04%	2.04%	1.90%	1.19%	1.07%	3.75%	3.63%	
				0.03%	0.03%	-0.06%	-0.06%	0.03%	0.03%	0.77%	0.77%					

NOTE: Monthly returns and market values are preliminary and subject to change.

Effective July 1, 2013, net of fee returns are calculated on a cash basis in the month paid. Prior years were accrual based and split evenly over the 12 months of the fiscal year.

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.

(2) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.

(3) Prior to January 1, 2010, the benchmark was BC US TIPS Index.

(4) Prior to October 1, 2011, the benchmark was 90 Day T-bills.

(5) From January 1, 2010 to June 30, 2014 the benchmark was BC Global Inflation Linked Index. Beginning July 1, 2014, the benchmark is a weighted average of the sub-class benchmarks.