

**CONSOLIDATED INSURANCE TRUST
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2014**

	December-14					September-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net
		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net								
TOTAL INSURANCE TRUST	5,237,432,423	100.0%	100.0%	1.84%	1.79%	4,825,927,082	100.0%	100.0%	-1.01%	-1.06%	0.81%	0.71%	8.53%	8.30%	6.47%	6.23%	8.69%	8.43%
<i>POLICY TARGET BENCHMARK</i>				<i>1.68%</i>	<i>1.68%</i>				<i>-0.97%</i>	<i>-0.97%</i>	<i>0.69%</i>	<i>0.69%</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				-0.03%	-0.03%				-0.04%	-0.04%	-0.07%	-0.07%	-0.13%	-0.13%	-0.30%	-0.30%		
Manager Selection				0.19%	0.14%				0.00%	-0.05%	0.19%	0.09%	1.49%	1.26%	2.13%	1.89%		
TOTAL RELATIVE RETURN				0.16%	0.11%				-0.04%	-0.09%	0.12%	0.02%	1.36%	1.13%	1.83%	1.59%	2.58%	2.31%
LARGE CAP DOMESTIC EQUITY																		
Los Angeles Capital	258,190,006	4.9%	4.9%	5.47%	5.42%	231,930,998	4.8%	4.8%	1.58%	1.54%	7.14%	7.04%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				<i>4.78%</i>	<i>4.78%</i>				<i>1.49%</i>	<i>1.49%</i>	<i>6.34%</i>	<i>6.34%</i>	<i>26.92%</i>	<i>26.92%</i>	<i>16.26%</i>	<i>16.26%</i>	<i>7.47%</i>	<i>7.47%</i>
LSV	261,143,525	5.0%	4.9%	5.54%	5.46%	230,856,987	4.8%	4.8%	-0.46%	-0.52%	5.06%	4.92%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				<i>4.98%</i>	<i>4.98%</i>				<i>-0.19%</i>	<i>-0.19%</i>	<i>4.78%</i>	<i>4.78%</i>	<i>23.81%</i>	<i>23.81%</i>	<i>16.92%</i>	<i>16.92%</i>	<i>6.67%</i>	<i>6.67%</i>
Los Angeles Capital	173,030,128	3.3%	3.3%	5.25%	5.22%	154,238,106	3.2%	3.2%	0.86%	0.83%	6.16%	6.09%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				<i>4.88%</i>	<i>4.88%</i>				<i>0.65%</i>	<i>0.65%</i>	<i>5.57%</i>	<i>5.57%</i>	<i>25.36%</i>	<i>25.36%</i>	<i>16.63%</i>	<i>16.63%</i>	<i>7.12%</i>	<i>7.12%</i>
Clifton Group	173,047,228	3.3%	3.3%	5.15%	5.15%	155,902,428	3.2%	3.2%	1.18%	1.11%	6.38%	6.31%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&P 500</i>				<i>4.93%</i>	<i>4.93%</i>				<i>1.13%</i>	<i>1.13%</i>	<i>6.12%</i>	<i>6.12%</i>	<i>24.61%</i>	<i>24.61%</i>	<i>16.58%</i>	<i>16.58%</i>	<i>18.83%</i>	<i>18.83%</i>
TOTAL LARGE CAP DOMESTIC EQUITY	865,410,887	16.5%	16.5%	5.40%	5.35%	772,928,519	16.0%	16.1%	0.73%	0.68%	6.17%	6.07%	26.07%	25.85%	17.73%	17.51%	19.57%	19.28%
<i>Russell 1000</i>				<i>4.88%</i>	<i>4.88%</i>				<i>0.65%</i>	<i>0.65%</i>	<i>5.57%</i>	<i>5.57%</i>	<i>25.36%</i>	<i>25.36%</i>	<i>17.02%</i>	<i>17.02%</i>	<i>19.10%</i>	<i>19.10%</i>
SMALL CAP DOMESTIC EQUITY																		
Research Affiliates	93,169,152	1.8%	2.9%	10.52%	10.44%	84,364,436	1.7%	2.7%	-7.00%	-7.07%	2.79%	2.63%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	224,295,366	4.3%	2.9%	10.44%	10.44%	181,034,664	3.8%	2.7%	-7.23%	-7.41%	2.45%	2.25%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
TOTAL SMALL CAP DOMESTIC EQUITY	317,464,518	6.1%	5.9%	10.38%	10.36%	265,399,099	5.5%	5.5%	-7.08%	-7.23%	2.56%	2.38%	24.78%	24.34%	16.10%	15.64%	22.49%	22.01%
<i>Russell 2000</i>				<i>9.73%</i>	<i>9.73%</i>				<i>-7.36%</i>	<i>-7.36%</i>	<i>1.65%</i>	<i>1.65%</i>	<i>23.64%</i>	<i>23.64%</i>	<i>14.57%</i>	<i>14.57%</i>	<i>20.21%</i>	<i>20.21%</i>
INTERNATIONAL EQUITY																		
Capital Group	291,326,075	5.6%	5.7%	-1.43%	-1.52%	260,904,814	5.4%	5.4%	-5.78%	-5.86%	-7.12%	-7.29%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	288,295,263	5.5%	5.7%	-3.60%	-3.70%	258,104,063	5.3%	5.4%	-6.45%	-6.53%	-9.81%	-9.99%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				<i>-3.57%</i>	<i>-3.57%</i>				<i>-5.88%</i>	<i>-5.88%</i>	<i>-9.24%</i>	<i>-9.24%</i>	<i>23.57%</i>	<i>23.57%</i>	<i>8.10%</i>	<i>8.10%</i>	<i>11.11%</i>	<i>11.11%</i>
DFA	72,810,517	1.4%	1.4%	-3.97%	-3.97%	63,979,115	1.3%	1.3%	-8.53%	-8.53%	-12.15%	-12.15%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (2)	72,987,260	1.4%	1.4%	-3.50%	-3.50%	64,808,719	1.3%	1.3%	-5.84%	-5.84%	-9.14%	-9.14%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				<i>-4.44%</i>	<i>-4.44%</i>				<i>-5.94%</i>	<i>-5.94%</i>	<i>-10.12%</i>	<i>-10.12%</i>	<i>26.39%</i>	<i>26.39%</i>	<i>8.21%</i>	<i>8.21%</i>	<i>13.10%</i>	<i>13.10%</i>
TOTAL INTERNATIONAL EQUITY	725,419,114	13.9%	14.2%	-2.75%	-2.82%	647,796,711	13.4%	13.4%	-6.33%	-6.39%	-8.90%	-9.04%	25.76%	25.26%	9.31%	8.77%	12.94%	12.39%
<i>MSCI EAFE</i>				<i>-3.57%</i>	<i>-3.57%</i>				<i>-5.88%</i>	<i>-5.88%</i>	<i>-9.24%</i>	<i>-9.24%</i>	<i>23.57%</i>	<i>23.57%</i>	<i>8.10%</i>	<i>8.10%</i>	<i>11.11%</i>	<i>11.11%</i>
FIXED INCOME																		
Western Asset	635,984,260	12.1%	12.2%	1.63%	1.60%	524,718,249	10.9%	10.9%	0.36%	0.32%	1.99%	1.92%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	159,073,043	3.0%	3.0%	1.97%	1.90%	132,659,878	2.7%	2.7%	-0.31%	-0.38%	1.65%	1.51%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO II) (2)	76,530,001	1.5%	1.5%	-0.35%	-0.35%	76,796,455	1.6%	1.6%	1.43%	1.43%	1.08%	1.08%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (2)	23,439,357	0.4%	0.4%	3.49%	3.49%	17,720,786	0.4%	0.4%	0.00%	0.00%	3.49%	3.49%	N/A	N/A	N/A	N/A	N/A	N/A
<i>BC Aggregate</i>				<i>1.78%</i>	<i>1.78%</i>				<i>0.17%</i>	<i>0.17%</i>	<i>1.95%</i>	<i>1.95%</i>	<i>4.37%</i>	<i>4.37%</i>	<i>3.66%</i>	<i>3.66%</i>	<i>4.85%</i>	<i>4.85%</i>
Declaration (Total Return) (2)	151,250,352	2.9%	2.9%	0.99%	0.99%	136,761,872	2.8%	2.8%	0.65%	0.65%	1.65%	1.65%	N/A	N/A	N/A	N/A	N/A	N/A
<i>3m LIBOR</i>				<i>0.06%</i>	<i>0.06%</i>				<i>0.06%</i>	<i>0.06%</i>	<i>0.12%</i>	<i>0.12%</i>						
State Street	277,740,641	5.3%	5.2%	1.83%	1.82%	232,757,068	4.8%	4.8%	0.16%	0.15%	1.99%	1.98%	4.26%	4.23%	N/A	N/A	N/A	N/A
<i>BC Gov/Credit</i>				<i>1.80%</i>	<i>1.80%</i>				<i>0.17%</i>	<i>0.17%</i>	<i>1.98%</i>	<i>1.98%</i>	<i>4.28%</i>	<i>4.28%</i>				
Wells Capital	636,782,955	12.2%	12.2%	1.59%	1.55%	526,788,797	10.9%	10.9%	-0.12%	-0.17%	1.47%	1.37%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
<i>BC Credit Baa</i>				<i>1.26%</i>	<i>1.26%</i>				<i>-1.60%</i>	<i>-1.60%</i>	<i>-0.36%</i>	<i>-0.36%</i>	<i>9.46%</i>	<i>9.46%</i>	<i>7.12%</i>	<i>7.12%</i>	<i>9.05%</i>	<i>9.05%</i>
TOTAL FIXED INCOME	1,960,800,609	37.4%	37.5%	1.55%	1.52%	1,648,203,105	34.2%	34.1%	0.20%	0.16%	1.75%	1.68%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%
<i>BC Aggregate (2)</i>				<i>1.78%</i>	<i>1.78%</i>				<i>0.17%</i>	<i>0.17%</i>	<i>1.95%</i>	<i>1.95%</i>	<i>4.37%</i>	<i>4.37%</i>	<i>3.66%</i>	<i>3.66%</i>	<i>4.85%</i>	<i>4.85%</i>

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	December-14					September-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014		
	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	Gross ⁽²⁾	Net	
		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net		Actual	Policy ⁽¹⁾	Gross ⁽²⁾	Net									
DIVERSIFIED REAL ASSETS (formerly Inflation Protected)																			
Western	308,464,385	5.9%	6.0%	-0.43%	-0.46%	238,633,556	4.9%	4.9%	-2.09%	-2.13%	-2.51%	-2.59%	10.09%	9.91%	3.72%	3.54%	5.09%	4.84%	
<i>BC Global Inflation Linked Index (3)</i>				-0.14%	-0.14%				-2.76%	-2.76%	-2.89%	-2.89%	10.42%	10.42%	4.44%	4.44%	5.54%	5.54%	
TIR - Eastern Timber Opps Fund (2)	63,866,004	1.2%	1.2%	2.69%	2.69%	62,217,469	1.3%	1.3%	0.00%	0.00%	2.69%	2.69%	9.89%	9.89%	5.69%	5.69%	4.13%	4.00%	
<i>NCREIF Timberland Index</i>				6.02%	6.02%				1.47%	1.47%	7.58%	7.58%	9.94%	9.94%	6.73%	6.73%	3.33%	3.33%	
JP Morgan (Infrastructure)	74,213,265	1.4%	1.4%	-1.87%	-2.09%	75,830,499	1.6%	1.6%	5.74%	5.49%	3.76%	3.28%	9.94%	8.88%	8.32%	7.19%	7.37%	6.07%	
Grosvenor (formerly Credit Suisse) (Infrastructure) (2)	20,678,700	0.4%	0.4%	2.81%	2.81%	21,903,307	0.5%	0.5%	-0.14%	-0.14%	2.67%	2.67%	12.90%	12.90%	N/A	N/A	N/A	N/A	
<i>CPI</i>				-1.82%	-1.82%				-0.23%	-0.23%	-2.04%	-2.04%	2.05%	2.05%					
TOTAL DIVERSIFIED REAL ASSETS	467,222,353	8.9%	9.0%	-0.06%	-0.12%	398,584,831	8.3%	8.3%	-0.26%	-0.32%	-0.32%	-0.45%	10.19%	9.88%	5.22%	4.90%	5.56%	5.20%	
<i>Benchmark (3) (5)</i>				0.34%	0.34%				-1.46%	-1.46%	-1.13%	-1.13%	10.42%	10.42%	4.44%	4.44%	5.54%	5.54%	
REAL ESTATE																			
JP Morgan	137,540,603	2.6%	2.4%	3.84%	3.57%	132,860,965	2.8%	2.4%	0.00%	0.04%	3.84%	3.61%	10.12%	8.75%	17.19%	15.97%	13.24%	11.99%	
Invesco	116,833,258	2.2%	2.4%	3.50%	3.40%	97,986,588	2.0%	2.4%	3.44%	3.35%	7.06%	6.87%	10.92%	10.38%	N/A	N/A	N/A	N/A	
TOTAL REAL ESTATE	254,373,862	4.9%	4.7%	3.69%	3.50%	230,847,552	4.8%	4.7%	1.43%	1.42%	5.18%	4.96%	10.45%	9.39%	15.96%	14.92%	12.53%	11.38%	
<i>NCREIF Total Index</i>				3.04%	3.04%				2.63%	2.63%	5.76%	5.76%	11.21%	11.21%	11.32%	11.32%	9.67%	9.67%	
CASH EQUIVALENTS																			
Northern Trust (2)	88,455,883			0.00%	0.00%	74,751,048			0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	N/A	N/A	N/A	N/A	
TOTAL CASH EQUIVALENTS	88,455,883	1.7%	1.4%	0.00%	0.00%	74,751,048	1.5%	1.6%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%	
<i>90 Day T-Bill</i>				0.00%	0.00%				0.01%	0.01%	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	241,728,368	4.6%	4.6%	0.61%	0.57%	238,867,110	4.9%	4.9%	0.00%	-0.03%	0.61%	0.54%	2.39%	2.26%	N/A	N/A	N/A	N/A	
Babson Capital - Short Term Bonds-Legacy Fund	43,642,546	0.8%	0.8%	0.45%	0.38%	172,382,049	3.6%	3.3%	0.28%	0.23%	0.73%	0.61%	2.82%	2.65%	N/A	N/A	N/A	N/A	
<i>BC 1-3 Year US Gov't Index</i>				0.19%	0.19%				0.03%	0.03%	0.23%	0.23%	0.77%	0.77%					
JP Morgan-Insurance Pool	239,907,534	4.6%	4.6%	0.22%	0.22%	236,882,072	4.9%	4.9%	0.05%	0.00%	0.27%	0.23%	1.44%	1.31%	N/A	N/A	N/A	N/A	
JP Morgan-Legacy Fund	33,006,749	0.6%	0.8%	0.04%	0.04%	139,284,985	2.9%	3.3%	0.04%	-0.04%	0.08%	0.00%	1.36%	1.24%	N/A	N/A	N/A	N/A	
<i>BC 1-3 Year Gov/Credit Index</i>				0.17%	0.17%				0.04%	0.04%	0.21%	0.21%	1.14%	1.14%					
TOTAL SHORT TERM FIXED INCOME	558,285,198	10.7%	10.8%	0.34%	0.32%	787,416,216	16.3%	16.4%	0.09%	0.04%	0.43%	0.35%	2.04%	1.90%	1.19%	1.07%	3.75%	3.63%	
<i>BC 1-3 Year US Gov't Index (4)</i>				0.19%	0.19%				0.03%	0.03%	0.23%	0.23%	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.