

**INSURANCE REGULATORY TRUST FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2013**

	December-13							September-13					Current FYTD		Prior Year FY13		3 Years Ended 6/30/2013		5 Years Ended 6/30/2013	
	Market Value	Allocation		Quarter		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net	Gross	Net		Actual	Policy	Gross	Net								
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>1,107,837</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.30%</b>	<b>3.26%</b>	<b>0.66%</b>	<b>0.65%</b>	<b>1,073,149</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.91%</b>	<b>2.87%</b>	<b>6.31%</b>	<b>6.23%</b>	<b>8.65%</b>	<b>8.49%</b>	<b>7.76%</b>	<b>7.57%</b>	<b>5.04%</b>	
<b>POLICY TARGET BENCHMARK</b>				<b>2.45%</b>	<b>2.45%</b>	<b>0.46%</b>	<b>0.46%</b>				<b>2.76%</b>	<b>2.76%</b>	<b>5.28%</b>	<b>5.28%</b>	<b>5.75%</b>	<b>5.75%</b>	<b>5.91%</b>	<b>5.91%</b>	<b>3.85%</b>	
ATTRIBUTION ANALYSIS																				
Asset Allocation				<b>0.13%</b>	<b>0.13%</b>	<b>0.06%</b>	<b>0.06%</b>				<b>-0.05%</b>	<b>-0.05%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.05%</b>	<b>0.05%</b>		
Manager Selection				<b>0.72%</b>	<b>0.68%</b>	<b>0.14%</b>	<b>0.13%</b>				<b>0.19%</b>	<b>0.16%</b>	<b>0.94%</b>	<b>0.86%</b>	<b>2.81%</b>	<b>2.65%</b>	<b>1.79%</b>	<b>1.61%</b>		
TOTAL RELATIVE RETURN				<b>0.85%</b>	<b>0.81%</b>	<b>0.20%</b>	<b>0.19%</b>				<b>0.14%</b>	<b>0.11%</b>	<b>1.03%</b>	<b>0.95%</b>	<b>2.90%</b>	<b>2.74%</b>	<b>1.84%</b>	<b>1.66%</b>		
<b>LARGE CAP DOMESTIC EQUITY</b>																				
Los Angeles Capital	55,564	5.0%	4.5%	11.50%	11.46%	2.93%	2.92%	49,411	4.6%	4.5%	6.91%	6.86%	19.21%	19.10%	18.87%	18.66%	19.01%	18.80%	7.51%	
<b>Russell 1000 Growth</b>				<b>10.44%</b>	<b>10.44%</b>	<b>2.86%</b>	<b>2.86%</b>				<b>8.11%</b>	<b>8.11%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>17.07%</b>	<b>17.07%</b>	<b>18.68%</b>	<b>18.68%</b>	<b>7.47%</b>	
LSV	54,240	4.9%	4.5%	12.57%	12.51%	2.81%	2.79%	48,790	4.5%	4.5%	5.64%	5.58%	18.91%	18.78%	32.50%	32.20%	20.05%	19.73%	7.86%	
<b>Russell 1000 Value</b>				<b>10.01%</b>	<b>10.01%</b>	<b>2.53%</b>	<b>2.53%</b>				<b>3.94%</b>	<b>3.94%</b>	<b>14.34%</b>	<b>14.34%</b>	<b>25.32%</b>	<b>25.32%</b>	<b>18.51%</b>	<b>18.51%</b>	<b>6.67%</b>	
LA Capital	36,155	3.3%	3.0%	11.30%	11.26%	2.67%	2.66%	32,623	3.0%	3.0%	5.61%	5.57%	17.55%	17.46%	21.58%	21.39%	19.18%	18.90%	7.81%	
<b>Russell 1000</b>				<b>10.23%</b>	<b>10.23%</b>	<b>2.70%</b>	<b>2.70%</b>				<b>6.02%</b>	<b>6.02%</b>	<b>16.86%</b>	<b>16.86%</b>	<b>21.24%</b>	<b>21.24%</b>	<b>18.63%</b>	<b>18.63%</b>	<b>7.12%</b>	
Clifton Group (moved from fixed 11/1/08)	35,690	3.2%	3.0%	10.10%	10.08%	2.31%	2.31%	32,204	3.0%	3.0%	5.05%	5.03%	15.66%	15.62%	20.94%	20.84%	19.20%	19.00%	N/A	
<b>S&amp;P 500</b>				<b>10.51%</b>	<b>10.51%</b>	<b>2.53%</b>	<b>2.53%</b>				<b>5.24%</b>	<b>5.24%</b>	<b>16.31%</b>	<b>16.31%</b>	<b>20.60%</b>	<b>20.60%</b>	<b>18.45%</b>	<b>18.45%</b>		
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>181,649</b>	<b>16.4%</b>	<b>15.0%</b>	<b>11.51%</b>	<b>11.46%</b>	<b>2.72%</b>	<b>2.71%</b>	<b>163,028</b>	<b>15.2%</b>	<b>15.0%</b>	<b>5.91%</b>	<b>5.87%</b>	<b>18.10%</b>	<b>18.00%</b>	<b>23.83%</b>	<b>23.63%</b>	<b>19.34%</b>	<b>19.08%</b>	<b>4.96%</b>	
<b>S&amp;P 500</b>				<b>10.23%</b>	<b>10.23%</b>	<b>2.70%</b>	<b>2.70%</b>				<b>6.02%</b>	<b>6.02%</b>	<b>16.86%</b>	<b>16.86%</b>	<b>21.24%</b>	<b>21.24%</b>	<b>18.66%</b>	<b>18.66%</b>	<b>7.12%</b>	
<b>SMALL CAP DOMESTIC EQUITY</b>																				
Research Affiliates	30,960	2.8%	2.5%	10.81%	10.72%	2.12%	2.09%	28,124	2.6%	2.5%	10.11%	10.02%	22.02%	21.81%	30.62%	30.17%	20.28%	19.80%	10.56%	
Clifton	30,534	2.8%	2.5%	8.52%	8.43%	1.97%	1.94%	27,977	2.6%	2.5%	10.15%	10.05%	19.53%	19.33%	25.51%	25.08%	20.17%	19.70%	N/A	
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>61,495</b>	<b>5.6%</b>	<b>5.0%</b>	<b>9.69%</b>	<b>9.60%</b>	<b>2.05%</b>	<b>2.02%</b>	<b>56,101</b>	<b>5.2%</b>	<b>5.0%</b>	<b>10.23%</b>	<b>10.14%</b>	<b>20.92%</b>	<b>20.72%</b>	<b>28.04%</b>	<b>27.60%</b>	<b>20.25%</b>	<b>19.77%</b>	<b>9.84%</b>	
<b>Russell 2000</b>				<b>8.72%</b>	<b>8.72%</b>	<b>1.97%</b>	<b>1.97%</b>				<b>10.21%</b>	<b>10.21%</b>	<b>19.82%</b>	<b>19.82%</b>	<b>24.21%</b>	<b>24.21%</b>	<b>18.67%</b>	<b>18.67%</b>	<b>8.77%</b>	
<b>INTERNATIONAL EQUITY</b>																				
Capital Group	47,042	4.2%	4.0%	5.40%	5.28%	1.52%	1.48%	45,077	4.2%	4.0%	11.57%	11.44%	17.59%	17.33%	20.78%	20.25%	9.88%	9.29%	-0.15%	
LSV	48,940	4.4%	4.0%	6.68%	6.57%	1.21%	1.18%	45,710	4.3%	4.0%	13.05%	12.94%	20.60%	20.37%	20.71%	20.23%	8.65%	8.16%	-0.02%	
<b>MSCI EAFE - 50% Hedged</b>				<b>5.71%</b>	<b>5.71%</b>	<b>1.50%</b>	<b>1.50%</b>				<b>11.56%</b>	<b>11.56%</b>	<b>17.94%</b>	<b>17.94%</b>	<b>18.62%</b>	<b>18.62%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>-0.01%</b>	
DFA	12,353	1.1%	1.0%	7.94%	7.80%	4.18%	3.34%	11,400	1.1%	1.0%	16.61%	16.46%	25.87%	25.54%	24.89%	24.23%	12.35%	11.62%	2.25%	
Vanguard	12,105	1.1%	1.0%	7.80%	7.71%	2.76%	2.73%	11,120	1.0%	1.0%	12.57%	12.48%	21.36%	21.15%	21.16%	20.74%	10.65%	10.23%	2.09%	
<b>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</b>				<b>3.42%</b>	<b>3.42%</b>	<b>1.69%</b>	<b>1.69%</b>				<b>14.42%</b>	<b>14.42%</b>	<b>18.34%</b>	<b>18.34%</b>	<b>18.05%</b>	<b>18.05%</b>	<b>9.78%</b>	<b>9.78%</b>	<b>1.26%</b>	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>120,441</b>	<b>10.9%</b>	<b>10.0%</b>	<b>6.41%</b>	<b>6.30%</b>	<b>1.71%</b>	<b>1.67%</b>	<b>113,308</b>	<b>10.6%</b>	<b>10.0%</b>	<b>12.74%</b>	<b>12.62%</b>	<b>19.97%</b>	<b>19.72%</b>	<b>21.07%</b>	<b>20.56%</b>	<b>9.74%</b>	<b>9.20%</b>	<b>0.44%</b>	
<b>MSCI EAFE - 50% Hedged</b>				<b>5.71%</b>	<b>5.71%</b>	<b>1.50%</b>	<b>1.50%</b>				<b>11.56%</b>	<b>11.56%</b>	<b>17.94%</b>	<b>17.94%</b>	<b>18.62%</b>	<b>18.62%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>-0.01%</b>	

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	Market Value	Allocation		Quarter		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net	Gross	Net		Actual	Policy	Gross	Net								
<b>FIXED INCOME</b>																				
Western Asset	117,910	10.6%	11.2%	0.29%	0.25%	-0.47%	-0.48%	96,065	9.0%	12.8%	0.51%	0.47%	0.81%	0.71%	2.17%	1.99%	6.29%	6.10%	6.95%	
Prudential	30,889	2.8%	2.8%	0.57%	0.49%	-0.54%	-0.56%	30,174	2.8%	2.8%	1.09%	1.01%	1.66%	1.51%	2.03%	1.74%	6.55%	6.25%	7.83%	
PIMCO (DiSCO) (2)	22,477	2.0%	2.0%	3.84%	3.84%	0.95%	0.95%	41,215	3.8%	3.8%	2.01%	2.01%	5.93%	5.93%	33.07%	33.07%	N/A	N/A	N/A	
PIMCO (BRAVO II) (2)	1,570	0.1%	0.1%	N/A	N/A	0.00%	0.00%													
<b>BC Aggregate</b>				<b>-0.14%</b>	<b>-0.14%</b>	<b>-0.57%</b>	<b>-0.57%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>0.43%</b>	<b>0.43%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>	
Declaration (Mortgage)	8,532	0.8%	2.0%	0.45%	0.37%	-0.35%	-0.37%	24,997	2.3%	2.8%	0.72%	0.64%	1.17%	1.02%	2.49%	2.00%	6.76%	6.27%	N/A	
<b>BC Global Aggregate (US Securitized Portion)</b>				<b>0.25%</b>	<b>0.25%</b>	<b>-0.18%</b>	<b>-0.18%</b>				<b>1.53%</b>	<b>1.53%</b>	<b>1.79%</b>	<b>1.79%</b>	<b>1.34%</b>	<b>1.34%</b>	<b>4.73%</b>	<b>4.73%</b>		
Declaration (Total Return) <i>3m LIBOR</i>	8,788	0.8%	0.8%	N/A	N/A	-0.02%	-0.02%	0	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
State Street <i>BC Gov/Credit</i>	54,281	4.9%	4.9%	-0.05%	-0.06%	-0.62%	-0.62%	53,758	5.0%	4.9%	0.36%	0.35%	0.30%	0.29%	N/A	N/A	N/A	N/A	N/A	
				<b>-0.03%</b>	<b>-0.03%</b>	<b>-0.62%</b>	<b>-0.62%</b>				<b>0.36%</b>	<b>0.36%</b>	<b>0.33%</b>	<b>0.33%</b>	<b>-0.62%</b>	<b>-0.62%</b>				
Wells Capital (formerly Strong) <i>BC US Credit BAA</i>	118,321	10.7%	11.2%	1.49%	1.44%	0.03%	0.01%	125,365	11.7%	12.8%	0.95%	0.89%	2.45%	2.35%	3.19%	2.97%	7.43%	7.21%	9.34%	
				<b>1.35%</b>	<b>1.35%</b>	<b>-0.01%</b>	<b>-0.01%</b>				<b>0.77%</b>	<b>0.77%</b>	<b>2.13%</b>	<b>2.13%</b>	<b>1.77%</b>	<b>1.77%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>8.19%</b>	
<b>TOTAL FIXED INCOME</b>	<b>362,767</b>	<b>32.7%</b>	<b>35.0%</b>	<b>0.93%</b>	<b>0.88%</b>	<b>-0.23%</b>	<b>-0.25%</b>	<b>371,574</b>	<b>34.6%</b>	<b>35.0%</b>	<b>0.86%</b>	<b>0.82%</b>	<b>1.80%</b>	<b>1.71%</b>	<b>4.90%</b>	<b>4.71%</b>	<b>7.50%</b>	<b>7.31%</b>	<b>7.89%</b>	
<b>BC Aggregate (1)</b>				<b>-0.14%</b>	<b>-0.14%</b>	<b>-0.57%</b>	<b>-0.57%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>0.43%</b>	<b>0.43%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>	
<b>CASH EQUIVALENTS</b>																				
Northern Trust	381,485			0.00%	0.00%	0.00%	0.00%	369,139					N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>TOTAL CASH EQUIVALENTS</b>	<b>381,485</b>	<b>34.4%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>369,139</b>	<b>34.4%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.45%</b>	
<i>90 Day T-Bill</i>				<b>0.02%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>0.01%</b>				<b>0.02%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.03%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.30%</b>	

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

(1) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.

(2) All limited partnership-type investments' returns will only be reported net of fees, which is standard practice by the investment consultant.