

**INSURANCE REGULATORY TRUST FUND  
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2014**

	July-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Month		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
		Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>1,137,537</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.72%</b>	<b>-0.73%</b>	<b>-0.72%</b>	<b>-0.73%</b>	<b>10.03%</b>	<b>9.88%</b>	<b>7.19%</b>	<b>7.02%</b>	<b>8.75%</b>	<b>8.57%</b>
<i>POLICY TARGET BENCHMARK</i>				<i>-0.83%</i>	<i>-0.83%</i>	<i>-0.83%</i>	<i>-0.83%</i>	<i>8.59%</i>	<i>8.59%</i>	<i>5.51%</i>	<i>5.51%</i>	<i>6.80%</i>	<i>6.80%</i>
ATTRIBUTION ANALYSIS													
<b>Asset Allocation</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-0.05%</b>	<b>-0.05%</b>	<b>0.02%</b>	<b>0.02%</b>		
<b>Manager Selection</b>				<b>0.11%</b>	<b>0.10%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>1.49%</b>	<b>1.34%</b>	<b>1.66%</b>	<b>1.49%</b>		
<b>TOTAL RELATIVE RETURN</b>				<b>0.11%</b>	<b>0.10%</b>	<b>0.11%</b>	<b>0.10%</b>	<b>1.44%</b>	<b>1.29%</b>	<b>1.68%</b>	<b>1.51%</b>		
<b>LARGE CAP DOMESTIC EQUITY</b>													
Los Angeles Capital	51,014	4.5%	4.5%	-0.74%	-0.74%	-0.74%	-0.74%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				<i>-1.53%</i>	<i>-1.53%</i>	<i>-1.53%</i>	<i>-1.53%</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	50,666	4.5%	4.5%	-1.45%	-1.51%	-1.45%	-1.51%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				<i>-1.70%</i>	<i>-1.70%</i>	<i>-1.70%</i>	<i>-1.70%</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>
LA Capital	33,842	3.0%	3.0%	-0.80%	-0.80%	-0.80%	-0.80%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				<i>-1.62%</i>	<i>-1.62%</i>	<i>-1.62%</i>	<i>-1.62%</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	33,820	3.0%	3.0%	-1.43%	-1.43%	-1.43%	-1.43%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&amp;P 500</i>				<i>-1.38%</i>	<i>-1.38%</i>	<i>-1.38%</i>	<i>-1.38%</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>
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>169,342</b>	<b>14.9%</b>	<b>15.0%</b>	<b>-1.12%</b>	<b>-1.13%</b>	<b>-1.12%</b>	<b>-1.13%</b>	<b>26.07%</b>	<b>25.85%</b>	<b>17.73%</b>	<b>17.51%</b>	<b>19.57%</b>	<b>19.28%</b>
<i>Russell 1000</i>				<i>-1.62%</i>	<i>-1.62%</i>	<i>-1.62%</i>	<i>-1.62%</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>
<b>SMALL CAP DOMESTIC EQUITY</b>													
Research Affiliates	20,677	1.8%	2.5%	-5.61%	-5.61%	-5.61%	-5.61%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	36,207	3.2%	2.5%	-6.13%	-6.13%	-6.13%	-6.13%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>56,884</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-5.85%</b>	<b>-5.85%</b>	<b>-5.85%</b>	<b>-5.85%</b>	<b>24.78%</b>	<b>24.34%</b>	<b>16.10%</b>	<b>15.64%</b>	<b>22.49%</b>	<b>22.01%</b>
<i>Russell 2000</i>				<i>-6.05%</i>	<i>-6.05%</i>	<i>-6.05%</i>	<i>-6.05%</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>
<b>INTERNATIONAL EQUITY</b>													
Capital Group	45,024	4.0%	4.0%	-1.99%	-2.07%	-1.99%	-2.07%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	45,279	4.0%	4.0%	-1.53%	-1.62%	-1.53%	-1.62%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				<i>-1.97%</i>	<i>-1.97%</i>	<i>-1.97%</i>	<i>-1.97%</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	11,070	1.0%	1.0%	4.18%	-3.51%	-3.51%	-3.51%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (1)	11,172	1.0%	1.0%	-2.08%	-2.08%	-2.08%	-2.08%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</i>				<i>-1.27%</i>	<i>-1.27%</i>	<i>-1.27%</i>	<i>-1.27%</i>	<i>26.39%</i>	<i>26.39%</i>	<i>8.21%</i>	<i>8.21%</i>	<i>8.21%</i>	<i>13.10%</i>
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>112,545</b>	<b>9.9%</b>	<b>10.0%</b>	<b>-1.97%</b>	<b>-2.04%</b>	<b>-1.97%</b>	<b>-2.04%</b>	<b>25.76%</b>	<b>25.26%</b>	<b>9.31%</b>	<b>8.77%</b>	<b>12.94%</b>	<b>12.39%</b>
<i>MSCI EAFE</i>				<i>-1.97%</i>	<i>-1.97%</i>	<i>-1.97%</i>	<i>-1.97%</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>

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	Market Value	Allocation		Month		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
		Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>FIXED INCOME</b>													
Western Asset	125,453	11.0%	11.1%	-0.09%	-0.13%	-0.09%	-0.13%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	31,835	2.8%	2.8%	-0.21%	-0.21%	-0.21%	-0.21%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO) (1)	20,437	1.8%	1.8%	0.00%	0.00%	0.00%	0.00%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	3,434	0.3%	0.3%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
<b>BC Aggregate</b>				<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>
Declaration (Total Return) (1)	34,796	3.1%	3.1%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
<b>3m LIBOR</b>				<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>						
State Street	56,094	4.9%	4.9%	-0.11%	-0.11%	-0.11%	-0.11%	4.26%	4.23%	N/A	N/A	N/A	N/A
<b>BC Gov/Credit</b>				<b>-0.11%</b>	<b>-0.11%</b>	<b>-0.11%</b>	<b>-0.11%</b>	<b>4.28%</b>	<b>4.28%</b>				
Wells Capital	127,406	11.2%	11.1%	-0.20%	-0.20%	-0.20%	-0.20%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
<b>BC US Credit BAA</b>				<b>-1.40%</b>	<b>-1.40%</b>	<b>-1.40%</b>	<b>-1.40%</b>	<b>9.46%</b>	<b>9.46%</b>	<b>7.12%</b>	<b>7.12%</b>	<b>9.05%</b>	<b>9.05%</b>
<b>TOTAL FIXED INCOME</b>	<b>399,454</b>	<b>35.1%</b>	<b>35.0%</b>	<b>-0.12%</b>	<b>-0.13%</b>	<b>-0.12%</b>	<b>-0.13%</b>	<b>7.76%</b>	<b>7.60%</b>	<b>7.48%</b>	<b>7.29%</b>	<b>9.42%</b>	<b>9.23%</b>
<b>BC Aggregate</b>				<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>
<b>CASH EQUIVALENTS</b>													
Northern Trust (1)	399,313			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>399,313</b>	<b>35.1%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.17%</b>	<b>0.17%</b>	<b>0.24%</b>	<b>0.24%</b>
<b>90 Day T-Bill</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.11%</b>	<b>0.11%</b>

**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) 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.