

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

	October-14					September-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Month		Market Value	Allocation		Quarter		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
		Actual	Policy	Gross ⁽¹⁾	Net		Actual	Policy	Gross ⁽¹⁾	Net								
TOTAL INSURANCE REGULATORY TRUST	642,014	100.0%	100.0%	0.90%	0.89%	636,259	100.0%	100.0%	-0.83%	-0.86%	0.07%	0.03%	10.03%	9.88%	7.19%	7.02%	8.75%	8.57%
<i>POLICY TARGET BENCHMARK</i>				<i>0.90%</i>	<i>0.90%</i>				<i>-0.79%</i>	<i>-0.79%</i>	<i>0.10%</i>	<i>0.10%</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																		
Asset Allocation				0.00%	0.00%				0.00%	0.00%	0.00%	0.00%	-0.05%	-0.05%	0.02%	0.02%		
Manager Selection				0.00%	-0.01%				-0.03%	-0.07%	-0.03%	-0.07%	1.49%	1.34%	1.66%	1.49%		
TOTAL RELATIVE RETURN				0.01%	0.00%				-0.04%	-0.07%	-0.03%	-0.07%	1.44%	1.29%	1.68%	1.51%		
LARGE CAP DOMESTIC EQUITY																		
Los Angeles Capital	28,929	4.5%	4.5%	2.51%	2.51%	28,526	4.5%	4.5%	1.58%	1.54%	4.13%	4.09%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				2.64%	2.64%				1.49%	1.49%	4.16%	4.16%	26.92%	26.92%	16.26%	16.26%	7.47%	7.47%
LSV	28,765	4.5%	4.5%	2.28%	2.21%	28,394	4.5%	4.5%	-0.46%	-0.52%	1.81%	1.68%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				2.25%	2.25%				-0.19%	-0.19%	2.05%	2.05%	23.81%	23.81%	16.92%	16.92%	6.67%	6.67%
LA Capital	19,300	3.0%	3.0%	2.35%	2.35%	18,970	3.0%	3.0%	0.86%	0.83%	3.24%	3.21%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				2.44%	2.44%				0.65%	0.65%	3.11%	3.11%	25.36%	25.36%	16.63%	16.63%	7.12%	7.12%
Clifton Group	19,443	3.0%	3.0%	2.66%	2.66%	19,175	3.0%	3.0%	1.18%	1.11%	3.87%	3.80%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&P 500</i>				2.44%	2.44%				1.13%	1.13%	3.60%	3.60%	24.61%	24.61%	16.58%	16.58%	18.83%	18.83%
TOTAL LARGE CAP DOMESTIC EQUITY	96,436	15.0%	15.0%	2.45%	2.43%	95,066	14.9%	15.0%	0.73%	0.68%	3.20%	3.12%	26.07%	25.85%	17.73%	17.51%	19.57%	19.28%
<i>Russell 1000</i>				2.44%	2.44%				0.65%	0.65%	3.11%	3.11%	25.36%	25.36%	17.02%	17.02%	19.10%	19.10%
SMALL CAP DOMESTIC EQUITY																		
Research Affiliates	9,719	1.5%	2.5%	7.03%	7.03%	10,211	1.6%	2.5%	-7.00%	-7.07%	-0.46%	-0.54%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	22,714	3.5%	2.5%	7.29%	7.29%	21,912	3.4%	2.5%	-7.23%	-7.41%	-0.47%	-0.67%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
TOTAL SMALL CAP DOMESTIC EQUITY	32,433	5.1%	5.0%	7.13%	7.13%	32,124	5.0%	5.0%	-7.08%	-7.23%	-0.45%	-0.61%	24.78%	24.34%	16.10%	15.64%	22.49%	22.01%
<i>Russell 2000</i>				6.59%	6.59%				-7.36%	-7.36%	-1.25%	-1.25%	23.64%	23.64%	14.57%	14.57%	20.21%	20.21%
INTERNATIONAL EQUITY																		
Capital Group	25,971	4.0%	4.0%	-0.66%	-0.76%	25,405	4.0%	4.0%	-5.78%	-5.86%	-6.40%	-6.57%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	25,452	4.0%	4.0%	-1.66%	-1.77%	25,133	4.0%	4.0%	-6.45%	-6.53%	-8.00%	-8.18%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				-1.45%	-1.45%				-5.88%	-5.88%	-7.24%	-7.24%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
DFA	6,339	1.0%	1.0%	4.18%	-2.20%	6,230	1.0%	1.0%	-8.53%	-8.53%	-10.54%	-10.54%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (1)	6,461	1.0%	1.0%	-1.51%	-1.51%	6,311	1.0%	1.0%	-5.84%	-5.84%	-7.26%	-7.26%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&P/Citigroup Broad Market Index < \$2BN</i>				-2.78%	-2.78%				-5.94%	-5.94%	-8.56%	-8.56%	26.39%	26.39%	8.21%	8.21%	8.21%	13.10%
TOTAL INTERNATIONAL EQUITY	64,223	10.0%	10.0%	-1.30%	-1.37%	63,078	9.9%	10.0%	-6.33%	-6.39%	-7.54%	-7.68%	25.76%	25.26%	9.31%	8.77%	12.94%	12.39%
<i>MSCI EAFE</i>				-1.45%	-1.45%				-5.88%	-5.88%	-7.24%	-7.24%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%

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		Actual	Policy	Gross ⁽¹⁾	Net		Actual	Policy	Gross ⁽¹⁾	Net								
FIXED INCOME																		
Western Asset	71,692	11.2%	11.3%	0.87%	0.87%	71,299	11.2%	11.2%	0.36%	0.32%	1.23%	1.19%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	18,216	2.8%	2.8%	1.30%	1.30%	18,026	2.8%	2.8%	-0.31%	-0.38%	0.98%	0.91%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DISCO) (1)	9,662	1.5%	1.5%	-0.26%	-0.26%	10,435	1.6%	1.6%	1.43%	1.43%	1.17%	1.17%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	2,957	0.5%	0.5%	3.49%	3.49%	2,408	0.4%	0.4%	0.00%	0.00%	3.49%	3.49%	N/A	N/A	N/A	N/A	N/A	N/A
BC Aggregate				0.98%	0.98%				0.17%	0.17%	1.15%	1.15%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
Declaration (Total Return) (1) 3m LIBOR	18,194	2.8%	2.8%	-0.02%	-0.02%	18,583	2.9%	2.9%	0.65%	0.65%	0.64%	0.64%	N/A	N/A	N/A	N/A	N/A	N/A
				0.02%	0.02%				0.06%	0.06%	0.08%	0.08%						
State Street BC Gov/Credit	31,791	5.0%	4.9%	1.00%	1.00%	31,627	5.0%	4.9%	0.16%	0.15%	1.16%	1.15%	4.26%	4.23%	N/A	N/A	N/A	N/A
				1.00%	1.00%				0.17%	0.17%	1.17%	1.17%	4.28%	4.28%				
Wells Capital BC US Credit BAA	72,041	11.2%	11.3%	0.99%	0.99%	71,580	11.3%	11.2%	-0.12%	-0.17%	0.87%	0.82%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
				1.09%	1.09%				-1.60%	-1.60%	-0.53%	-0.53%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%
TOTAL FIXED INCOME	224,553	35.0%	35.0%	0.87%	0.87%	223,959	35.2%	35.0%	0.20%	0.16%	1.07%	1.03%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%
BC Aggregate				0.98%	0.98%				0.17%	0.17%	1.15%	1.15%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
CASH EQUIVALENTS																		
Northern Trust (1)	224,369			0.00%	0.00%	222,032			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	224,369	34.9%	35.0%	0.00%	0.00%	222,032	34.9%	35.0%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%
90 Day T-Bill				0.00%	0.00%				0.01%	0.01%	0.01%	0.01%	0.06%	0.06%	0.08%	0.08%	0.11%	0.11%

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.