

**INSURANCE REGULATORY TRUST FUND**  
**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		
	Allocation		Quarter			Allocation		Quarter			Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	
	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net									
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>646,335</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.59%</b>	<b>1.56%</b>	<b>636,259</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.83%</b>	<b>-0.86%</b>	<b>0.75%</b>	<b>0.69%</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>1.47%</i>	<i>1.47%</i>				<i>-0.79%</i>	<i>-0.79%</i>	<i>0.67%</i>	<i>0.67%</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>0.00%</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>0.09%</b>				<b>-0.03%</b>	<b>-0.07%</b>	<b>0.08%</b>	<b>0.02%</b>	<b>1.49%</b>	<b>1.34%</b>	<b>1.66%</b>	<b>1.49%</b>			
<b>TOTAL RELATIVE RETURN</b>				<b>0.12%</b>	<b>0.09%</b>				<b>-0.04%</b>	<b>-0.07%</b>	<b>0.08%</b>	<b>0.02%</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	28,976	4.5%	4.5%	5.47%	5.42%	28,526	4.5%	4.5%	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>				<b>4.78%</b>	<b>4.78%</b>				<b>1.49%</b>	<b>1.49%</b>	<b>6.34%</b>	<b>6.34%</b>	<b>26.92%</b>	<b>26.92%</b>	<b>16.26%</b>	<b>16.26%</b>	<b>7.47%</b>	<b>7.47%</b>	
LSV	29,307	4.5%	4.5%	5.54%	5.46%	28,394	4.5%	4.5%	-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>				<b>4.98%</b>	<b>4.98%</b>				<b>-0.19%</b>	<b>-0.19%</b>	<b>4.78%</b>	<b>4.78%</b>	<b>23.81%</b>	<b>23.81%</b>	<b>16.92%</b>	<b>16.92%</b>	<b>6.67%</b>	<b>6.67%</b>	
LA Capital	19,418	3.0%	3.0%	5.25%	5.22%	18,970	3.0%	3.0%	0.86%	0.83%	6.16%	6.09%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%	
<i>Russell 1000</i>				<b>4.88%</b>	<b>4.88%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>5.57%</b>	<b>5.57%</b>	<b>25.36%</b>	<b>25.36%</b>	<b>16.63%</b>	<b>16.63%</b>	<b>7.12%</b>	<b>7.12%</b>	
Clifton Group	19,420	3.0%	3.0%	5.15%	5.15%	19,175	3.0%	3.0%	1.18%	1.11%	6.38%	6.31%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%	
<i>S&amp;P 500</i>				<b>4.93%</b>	<b>4.93%</b>				<b>1.13%</b>	<b>1.13%</b>	<b>6.12%</b>	<b>6.12%</b>	<b>24.61%</b>	<b>24.61%</b>	<b>16.58%</b>	<b>16.58%</b>	<b>18.83%</b>	<b>18.83%</b>	
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>97,121</b>	<b>15.0%</b>	<b>15.0%</b>	<b>5.40%</b>	<b>5.35%</b>	<b>95,066</b>	<b>14.9%</b>	<b>15.0%</b>	<b>0.73%</b>	<b>0.68%</b>	<b>6.17%</b>	<b>6.07%</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>				<b>4.88%</b>	<b>4.88%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>5.57%</b>	<b>5.57%</b>	<b>25.36%</b>	<b>25.36%</b>	<b>17.02%</b>	<b>17.02%</b>	<b>19.10%</b>	<b>19.10%</b>	
<b>SMALL CAP DOMESTIC EQUITY</b>																			
Research Affiliates	9,482	1.5%	2.5%	10.52%	10.44%	10,211	1.6%	2.5%	-7.00%	-7.07%	2.79%	2.63%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%	
Clifton	22,827	3.5%	2.5%	10.44%	10.44%	21,912	3.4%	2.5%	-7.23%	-7.41%	2.45%	2.25%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%	
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>32,309</b>	<b>5.0%</b>	<b>5.0%</b>	<b>10.38%</b>	<b>10.36%</b>	<b>32,124</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-7.08%</b>	<b>-7.23%</b>	<b>2.56%</b>	<b>2.38%</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>				<b>9.73%</b>	<b>9.73%</b>				<b>-7.36%</b>	<b>-7.36%</b>	<b>1.65%</b>	<b>1.65%</b>	<b>23.64%</b>	<b>23.64%</b>	<b>14.57%</b>	<b>14.57%</b>	<b>20.21%</b>	<b>20.21%</b>	
<b>INTERNATIONAL EQUITY</b>																			
Capital Group	26,053	4.0%	4.0%	-1.43%	-1.52%	25,405	4.0%	4.0%	-5.78%	-5.86%	-7.12%	-7.29%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%	
LSV	25,782	4.0%	4.0%	-3.60%	-3.70%	25,133	4.0%	4.0%	-6.45%	-6.53%	-9.81%	-9.99%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%	
<i>MSCI EAFE</i>				<b>-3.57%</b>	<b>-3.57%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-9.24%</b>	<b>-9.24%</b>	<b>23.57%</b>	<b>23.57%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>11.11%</b>	<b>11.11%</b>	
DFA	6,511	1.0%	1.0%	-3.97%	-3.97%	6,230	1.0%	1.0%	-8.53%	-8.53%	-12.15%	-12.15%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%	
Vanguard (1)	6,527	1.0%	1.0%	-3.50%	-3.50%	6,311	1.0%	1.0%	-5.84%	-5.84%	-9.14%	-9.14%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%	
<i>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</i>				<b>-4.44%</b>	<b>-4.44%</b>				<b>-5.94%</b>	<b>-5.94%</b>	<b>-10.12%</b>	<b>-10.12%</b>	<b>26.39%</b>	<b>26.39%</b>	<b>8.21%</b>	<b>8.21%</b>	<b>8.21%</b>	<b>13.10%</b>	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>64,873</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-2.75%</b>	<b>-2.82%</b>	<b>63,078</b>	<b>9.9%</b>	<b>10.0%</b>	<b>-6.33%</b>	<b>-6.39%</b>	<b>-8.90%</b>	<b>-9.04%</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>				<b>-3.57%</b>	<b>-3.57%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-9.24%</b>	<b>-9.24%</b>	<b>23.57%</b>	<b>23.57%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>11.11%</b>	<b>11.11%</b>	

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	Allocation		Quarter			Allocation		Quarter			Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>FIXED INCOME</b>																		
Western Asset	73,306	11.3%	11.4%	1.63%	1.60%	71,299	11.2%	11.2%	0.36%	0.32%	1.99%	1.92%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	18,335	2.8%	2.8%	1.97%	1.90%	18,026	2.8%	2.8%	-0.31%	-0.38%	1.65%	1.51%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO) (1)	8,821	1.4%	1.4%	-0.35%	-0.35%	10,435	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) (1)	2,702	0.4%	0.4%	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
<b>BC Aggregate</b>				<b>1.78%</b>	<b>1.78%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.95%</b>	<b>1.95%</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) <b>3m LIBOR</b>	17,434	2.7%	2.7%	0.99%	0.99%	18,583	2.9%	2.9%	0.65%	0.65%	1.65%	1.65%	N/A	N/A	N/A	N/A	N/A	N/A
				0.06%	0.06%				0.06%	0.06%	<b>0.12%</b>	<b>0.12%</b>						
State Street <b>BC Gov/Credit</b>	32,013	5.0%	4.9%	1.83%	1.82%	31,627	5.0%	4.9%	0.16%	0.15%	1.99%	1.98%	4.26%	4.23%	N/A	N/A	N/A	N/A
				<b>1.80%</b>	<b>1.80%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.98%</b>	<b>1.98%</b>	<b>4.28%</b>	<b>4.28%</b>				
Wells Capital <b>BC US Credit BAA</b>	73,398	11.4%	11.4%	1.59%	1.55%	71,580	11.3%	11.2%	-0.12%	-0.17%	1.47%	1.37%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
				<b>1.26%</b>	<b>1.26%</b>				<b>-1.60%</b>	<b>-1.60%</b>	<b>-0.36%</b>	<b>-0.36%</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>226,008</b>	<b>35.0%</b>	<b>35.0%</b>	<b>1.55%</b>	<b>1.52%</b>	<b>223,959</b>	<b>35.2%</b>	<b>35.0%</b>	<b>0.20%</b>	<b>0.16%</b>	<b>1.75%</b>	<b>1.68%</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>1.78%</b>	<b>1.78%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.95%</b>	<b>1.95%</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)	226,024			0.00%	0.00%	222,032			0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>226,024</b>	<b>35.0%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>222,032</b>	<b>34.9%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</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>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</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.