

INSURANCE REGULATORY TRUST FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2015

| | August-15 | | | | | July-15 | | | | | Current FYTD | | Prior Year FY15 | | 3 Years Ended 6/30/2015 | | 5 Years Ended 6/30/2015 | |
|--|------------------|---------------|---------------|----------------------|---------------|------------------|---------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| | Allocation | | Month | | | Allocation | | Month | | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | | | | | | | | |
| TOTAL INSURANCE REGULATORY TRUST | 2,595,069 | 100.0% | 100.0% | -1.96% | -2.00% | 2,648,953 | 100.0% | 100.0% | 0.45% | 0.45% | -1.52% | -1.56% | 2.15% | 2.04% | 6.89% | 6.75% | 7.06% | 6.90% |
| <i>POLICY TARGET BENCHMARK</i> | | | | <i>-2.00%</i> | <i>-2.00%</i> | | | | <i>0.68%</i> | <i>0.68%</i> | <i>-1.33%</i> | <i>-1.33%</i> | <i>1.75%</i> | <i>1.75%</i> | <i>5.33%</i> | <i>5.33%</i> | <i>5.59%</i> | <i>5.59%</i> |
| ATTRIBUTION ANALYSIS | | | | | | | | | | | | | | | | | | |
| Asset Allocation | | | | -0.01% | -0.01% | | | | 0.00% | 0.00% | -0.01% | -0.01% | -0.16% | -0.16% | -0.04% | -0.04% | -0.01% | -0.01% |
| Manager Selection | | | | 0.04% | 0.00% | | | | -0.23% | -0.23% | -0.18% | -0.22% | 0.56% | 0.45% | 1.60% | 1.46% | 1.47% | 1.31% |
| TOTAL RELATIVE RETURN | | | | 0.04% | -0.01% | | | | -0.23% | -0.23% | -0.19% | -0.23% | 0.40% | 0.29% | 1.56% | 1.42% | 1.46% | 1.30% |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 120,042 | 4.6% | 4.5% | -5.44% | -5.48% | 123,105 | 4.6% | 4.5% | 3.02% | 3.02% | -2.59% | -2.63% | 12.53% | 12.32% | 18.94% | 18.72% | 19.00% | 18.78% |
| <i>Russell 1000 Growth</i> | | | | <i>-6.07%</i> | <i>-6.07%</i> | | | | <i>3.39%</i> | <i>3.39%</i> | <i>-2.89%</i> | <i>-2.89%</i> | <i>10.56%</i> | <i>10.56%</i> | <i>17.99%</i> | <i>17.99%</i> | <i>18.59%</i> | <i>18.59%</i> |
| LSV | 115,333 | 4.4% | 4.5% | -6.09% | -6.15% | 119,124 | 4.5% | 4.5% | 0.70% | 0.70% | -5.43% | -5.49% | 7.16% | 6.87% | 22.14% | 21.84% | 18.93% | 18.62% |
| <i>Russell 1000 Value</i> | | | | <i>-5.96%</i> | <i>-5.96%</i> | | | | <i>0.44%</i> | <i>0.44%</i> | <i>-5.54%</i> | <i>-5.54%</i> | <i>4.13%</i> | <i>4.13%</i> | <i>17.34%</i> | <i>17.34%</i> | <i>16.50%</i> | <i>16.50%</i> |
| LA Capital | 78,073 | 3.0% | 3.0% | -5.74% | -5.76% | 80,303 | 3.0% | 3.0% | 2.60% | 2.60% | -3.28% | -3.31% | 8.45% | 8.31% | 17.90% | 17.74% | 17.94% | 17.71% |
| <i>Russell 1000</i> | | | | <i>-6.02%</i> | <i>-6.02%</i> | | | | <i>1.93%</i> | <i>1.93%</i> | <i>-4.20%</i> | <i>-4.20%</i> | <i>7.37%</i> | <i>7.37%</i> | <i>17.73%</i> | <i>17.73%</i> | <i>17.58%</i> | <i>17.58%</i> |
| Clifton Group | 76,761 | 3.0% | 3.0% | -5.83% | -5.90% | 79,068 | 3.0% | 3.0% | 2.06% | 2.06% | -3.90% | -3.96% | 7.17% | 7.10% | 17.37% | 17.28% | 17.76% | 17.60% |
| <i>S&P 500</i> | | | | <i>-6.03%</i> | <i>-6.03%</i> | | | | <i>2.10%</i> | <i>2.10%</i> | <i>-4.06%</i> | <i>-4.06%</i> | <i>7.42%</i> | <i>7.42%</i> | <i>17.31%</i> | <i>17.31%</i> | <i>17.34%</i> | <i>17.34%</i> |
| TOTAL LARGE CAP DOMESTIC EQUITY | 390,209 | 15.0% | 15.0% | -5.77% | -5.82% | 401,599 | 15.2% | 15.0% | 2.05% | 2.05% | -3.84% | -3.89% | 9.02% | 8.83% | 19.39% | 19.19% | 18.49% | 18.26% |
| <i>Russell 1000</i> | | | | <i>-6.02%</i> | <i>-6.02%</i> | | | | <i>1.93%</i> | <i>1.93%</i> | <i>-4.20%</i> | <i>-4.20%</i> | <i>7.37%</i> | <i>7.37%</i> | <i>17.73%</i> | <i>17.73%</i> | <i>17.60%</i> | <i>17.60%</i> |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| Research Affiliates | 37,720 | 1.5% | 2.5% | -4.55% | -4.63% | 37,734 | 1.4% | 2.5% | -2.13% | -2.13% | -6.58% | -6.65% | 5.51% | 5.18% | 19.78% | 19.39% | 18.02% | 17.58% |
| Clifton | 92,604 | 3.6% | 2.5% | -6.11% | -6.56% | 94,556 | 3.6% | 2.5% | -1.18% | -1.18% | -7.21% | -7.67% | 8.24% | 8.03% | 19.20% | 18.83% | 18.55% | 18.13% |
| TOTAL SMALL CAP DOMESTIC EQUITY | 130,325 | 5.0% | 5.0% | -5.66% | -6.01% | 132,290 | 5.0% | 5.0% | -1.45% | -1.45% | -7.03% | -7.38% | 7.46% | 7.23% | 19.75% | 19.38% | 18.45% | 18.03% |
| <i>Russell 2000</i> | | | | <i>-6.28%</i> | <i>-6.28%</i> | | | | <i>-1.16%</i> | <i>-1.16%</i> | <i>-7.37%</i> | <i>-7.37%</i> | <i>6.49%</i> | <i>6.49%</i> | <i>17.81%</i> | <i>17.81%</i> | <i>17.08%</i> | <i>17.08%</i> |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | |
| Capital Group | 100,841 | 3.9% | 4.0% | -7.71% | -7.83% | 103,929 | 3.9% | 4.0% | -1.45% | -1.45% | -9.04% | -9.16% | -1.35% | -1.73% | 12.88% | 12.43% | 9.57% | 9.06% |
| LSV | 103,815 | 4.0% | 4.0% | -6.75% | -6.84% | 105,855 | 4.0% | 4.0% | 1.46% | 1.46% | -5.39% | -5.48% | -3.33% | -3.73% | 14.09% | 13.63% | 9.55% | 9.08% |
| <i>MSCI EAFE</i> | | | | <i>-7.36%</i> | <i>-7.36%</i> | | | | <i>2.08%</i> | <i>2.08%</i> | <i>-5.43%</i> | <i>-5.43%</i> | <i>-4.22%</i> | <i>-4.22%</i> | <i>11.97%</i> | <i>11.97%</i> | <i>8.38%</i> | <i>8.38%</i> |
| DFA | 26,827 | 1.0% | 1.0% | 4.18% | -4.27% | 26,620 | 1.0% | 1.0% | 4.18% | -1.23% | -5.44% | -5.44% | -3.27% | -3.27% | 18.16% | 17.72% | 13.38% | 12.80% |
| Vanguard (1) | 27,506 | 1.1% | 1.0% | -4.99% | -4.99% | 27,500 | 1.0% | 1.0% | 1.15% | 1.15% | -3.89% | -3.89% | 0.57% | 0.57% | 16.56% | 16.27% | 12.11% | 11.76% |
| <i>S&P/Citigroup Broad Market Index < \$2BN</i> | | | | <i>-4.29%</i> | <i>-4.29%</i> | | | | <i>-0.87%</i> | <i>-0.87%</i> | <i>-5.12%</i> | <i>-5.12%</i> | <i>1.14%</i> | <i>1.14%</i> | <i>14.70%</i> | <i>14.70%</i> | <i>14.70%</i> | <i>11.08%</i> |
| TOTAL INTERNATIONAL EQUITY | 258,989 | 10.0% | 10.0% | -6.69% | -6.78% | 263,904 | 10.0% | 10.0% | -0.01% | -0.01% | -6.70% | -6.79% | -2.11% | -2.43% | 14.23% | 13.79% | 10.22% | 9.74% |
| <i>MSCI EAFE</i> | | | | <i>-7.36%</i> | <i>-7.36%</i> | | | | <i>2.08%</i> | <i>2.08%</i> | <i>-5.43%</i> | <i>-5.43%</i> | <i>-4.22%</i> | <i>-4.22%</i> | <i>11.97%</i> | <i>11.97%</i> | <i>8.38%</i> | <i>8.38%</i> |
| FIXED INCOME | | | | | | | | | | | | | | | | | | |
| Western Asset | 303,268 | 11.7% | 11.9% | -0.32% | -0.36% | 309,968 | 11.7% | 11.9% | 0.94% | 0.94% | 0.61% | 0.58% | 2.76% | 2.62% | 3.68% | 3.52% | 5.54% | 5.38% |
| Prudential | 86,875 | 3.3% | 2.8% | -0.29% | -0.36% | 88,797 | 3.4% | 2.8% | 0.70% | 0.70% | 0.40% | 0.33% | 2.32% | 2.05% | 3.67% | 3.38% | 5.72% | 5.43% |
| PIMCO (DiSCO II) (1) | 9,022 | 0.3% | 0.3% | 0.39% | 0.39% | 8,987 | 0.3% | 0.3% | 0.30% | 0.30% | 0.68% | 0.68% | 4.32% | 4.32% | N/A | N/A | N/A | N/A |
| PIMCO (BRAVO II) (1) | 4,014 | 0.2% | 0.2% | 0.00% | 0.00% | 4,014 | 0.2% | 0.2% | 0.00% | 0.00% | 0.00% | 0.00% | 10.36% | 10.36% | N/A | N/A | N/A | N/A |
| <i>BC Aggregate</i> | | | | <i>-0.14%</i> | <i>-0.14%</i> | | | | <i>0.70%</i> | <i>0.70%</i> | <i>0.55%</i> | <i>0.55%</i> | <i>1.85%</i> | <i>1.85%</i> | <i>1.82%</i> | <i>1.82%</i> | <i>3.35%</i> | <i>3.35%</i> |
| Declaration (Total Return) (1) | 76,537 | 2.9% | 2.9% | 0.05% | 0.05% | 77,936 | 2.9% | 2.9% | 0.31% | 0.31% | 0.37% | 0.37% | 3.55% | 3.55% | N/A | N/A | N/A | N/A |
| <i>3m LIBOR</i> | | | | <i>0.03%</i> | <i>0.03%</i> | | | | <i>0.02%</i> | <i>0.02%</i> | <i>0.05%</i> | <i>0.05%</i> | <i>0.26%</i> | <i>0.26%</i> | | | | |
| State Street | 132,400 | 5.1% | 4.9% | -0.24% | -0.24% | 135,169 | 5.1% | 4.9% | 0.74% | 0.74% | 0.50% | 0.50% | 1.70% | 1.66% | N/A | N/A | N/A | N/A |
| <i>BC Gov/Credit</i> | | | | <i>-0.23%</i> | <i>-0.23%</i> | | | | <i>0.73%</i> | <i>0.73%</i> | <i>0.49%</i> | <i>0.49%</i> | <i>1.68%</i> | <i>1.68%</i> | | | | |
| Wells Capital | 295,447 | 11.4% | 11.9% | -0.91% | -0.96% | 303,798 | 11.5% | 11.9% | 0.47% | 0.47% | -0.45% | -0.49% | 0.96% | 0.78% | 4.65% | 4.44% | 6.61% | 6.40% |
| <i>BC US Credit BAA</i> | | | | <i>-1.05%</i> | <i>-1.05%</i> | | | | <i>0.35%</i> | <i>0.35%</i> | <i>-0.70%</i> | <i>-0.70%</i> | <i>-1.37%</i> | <i>-1.37%</i> | <i>3.19%</i> | <i>3.19%</i> | <i>5.16%</i> | <i>5.16%</i> |
| TOTAL FIXED INCOME | 907,563 | 35.0% | 35.0% | -0.39% | -0.42% | 928,669 | 35.1% | 35.0% | 0.62% | 0.62% | 0.23% | 0.20% | 2.40% | 2.27% | 5.00% | 4.83% | 6.51% | 6.34% |
| <i>BC Aggregate</i> | | | | <i>-0.14%</i> | <i>-0.14%</i> | | | | <i>0.70%</i> | <i>0.70%</i> | <i>0.55%</i> | <i>0.55%</i> | <i>1.85%</i> | <i>1.85%</i> | <i>1.82%</i> | <i>1.82%</i> | <i>3.35%</i> | <i>3.35%</i> |

**INSURANCE REGULATORY TRUST FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2015**

| | August-15 | | | | | July-15 | | | | | Current FYTD | | Prior Year FY15 | | 3 Years Ended 6/30/2015 | | 5 Years Ended 6/30/2015 | |
|-------------------------------|----------------|--------------|--------------|----------------------|--------------|----------------|--------------|--------------|----------------------|---------------|----------------------|--------------|----------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | Allocation | | | Month | | Allocation | | | Month | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | | | | | | | | |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | |
| Northern Trust (1) | 907,984 | | | 0.00% | 0.00% | 922,491 | | | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | N/A | N/A | N/A | N/A |
| TOTAL CASH EQUIVALENTS | 907,984 | 35.0% | 35.0% | 0.00% | 0.00% | 922,491 | 34.8% | 35.0% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.01% | 0.10% | 0.10% | 0.17% | 0.17% |
| <i>90 Day T-Bill</i> | | | | <i>0.02%</i> | <i>0.02%</i> | | | | <i>-0.01%</i> | <i>-0.01%</i> | <i>0.01%</i> | <i>0.01%</i> | <i>0.02%</i> | <i>0.02%</i> | <i>0.06%</i> | <i>0.06%</i> | <i>0.08%</i> | <i>0.08%</i> |

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.