

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

	December-15					September-15					Current FYTD		Prior Year FY15		3 Years Ended 6/30/2015		5 Years Ended 6/30/2015	
	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		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		Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>1,057,824</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.56%</b>	<b>1.53%</b>	<b>2,567,559</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.54%</b>	<b>-2.58%</b>	<b>-1.02%</b>	<b>-1.09%</b>	<b>2.15%</b>	<b>2.04%</b>	<b>6.89%</b>	<b>6.75%</b>	<b>7.06%</b>	<b>6.90%</b>
<i>POLICY TARGET BENCHMARK</i>				<i>1.47%</i>	<i>1.47%</i>				<i>-2.25%</i>	<i>-2.25%</i>	<i>-0.81%</i>	<i>-0.81%</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				0.00%	0.00%				-0.01%	-0.01%	-0.01%	-0.01%	-0.16%	-0.16%	-0.04%	-0.04%	-0.01%	-0.01%
Manager Selection				0.09%	0.06%				-0.28%	-0.33%	-0.20%	-0.27%	0.56%	0.45%	1.60%	1.46%	1.47%	1.31%
TOTAL RELATIVE RETURN				0.09%	0.06%				-0.29%	-0.34%	-0.21%	-0.28%	0.40%	0.29%	1.56%	1.42%	1.46%	1.30%
<b>LARGE CAP DOMESTIC EQUITY</b>																		
Los Angeles Capital	45,956	4.3%	4.5%	6.11%	6.05%	119,024	4.6%	4.5%	-4.79%	-4.83%	1.03%	0.93%	12.53%	12.32%	18.94%	18.72%	19.00%	18.78%
<i>Russell 1000 Growth</i>				<i>7.32%</i>	<i>7.32%</i>				<i>-5.29%</i>	<i>-5.29%</i>	<i>1.64%</i>	<i>1.64%</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	46,204	4.4%	4.5%	4.81%	4.74%	113,636	4.4%	4.5%	-8.15%	-8.21%	-3.73%	-3.86%	7.16%	6.87%	22.14%	21.84%	18.93%	18.62%
<i>Russell 1000 Value</i>				<i>5.63%</i>	<i>5.63%</i>				<i>-8.40%</i>	<i>-8.40%</i>	<i>-3.23%</i>	<i>-3.23%</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	31,417	3.0%	3.0%	6.18%	6.15%	77,556	3.0%	3.0%	-5.29%	-5.32%	0.57%	0.51%	8.45%	8.31%	17.90%	17.74%	17.94%	17.71%
<i>Russell 1000</i>				<i>6.50%</i>	<i>6.50%</i>				<i>-6.83%</i>	<i>-6.83%</i>	<i>-0.78%</i>	<i>-0.78%</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	31,280	3.0%	3.0%	7.87%	7.87%	75,880	3.0%	3.0%	-6.35%	-6.41%	1.02%	0.96%	7.17%	7.10%	17.37%	17.28%	17.76%	17.60%
<i>S&amp;P 500</i>				<i>7.04%</i>	<i>7.04%</i>				<i>-6.44%</i>	<i>-6.44%</i>	<i>0.15%</i>	<i>0.15%</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>
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>154,856</b>	<b>14.6%</b>	<b>15.0%</b>	<b>6.07%</b>	<b>6.02%</b>	<b>386,096</b>	<b>15.0%</b>	<b>15.0%</b>	<b>-6.20%</b>	<b>-6.25%</b>	<b>-0.52%</b>	<b>-0.61%</b>	<b>9.02%</b>	<b>8.83%</b>	<b>19.39%</b>	<b>19.19%</b>	<b>18.49%</b>	<b>18.26%</b>
<i>Russell 1000</i>				<i>6.50%</i>	<i>6.50%</i>				<i>-6.83%</i>	<i>-6.83%</i>	<i>-0.78%</i>	<i>-0.78%</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>
<b>SMALL CAP DOMESTIC EQUITY</b>																		
PIMCO RAE (formerly Research Affiliates)	16,868	1.6%	2.5%	3.01%	2.94%	37,059	1.4%	2.5%	-11.43%	-11.50%	-8.77%	-8.90%	5.51%	5.18%	19.78%	19.39%	18.02%	17.58%
Clifton	35,590	3.4%	2.5%	3.80%	3.80%	91,391	3.6%	2.5%	-11.63%	-12.06%	-8.27%	-8.72%	8.24%	8.03%	19.20%	18.83%	18.55%	18.13%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>52,458</b>	<b>5.0%</b>	<b>5.0%</b>	<b>3.50%</b>	<b>3.48%</b>	<b>128,451</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-11.58%</b>	<b>-11.90%</b>	<b>-8.48%</b>	<b>-8.84%</b>	<b>7.46%</b>	<b>7.23%</b>	<b>19.75%</b>	<b>19.38%</b>	<b>18.45%</b>	<b>18.03%</b>
<i>Russell 2000</i>				<i>3.59%</i>	<i>3.59%</i>				<i>-11.92%</i>	<i>-11.92%</i>	<i>-8.75%</i>	<i>-8.75%</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>
<b>INTERNATIONAL EQUITY</b>																		
Capital Group	39,502	3.7%	4.0%	5.10%	4.97%	99,966	3.9%	4.0%	-13.68%	-13.79%	-9.28%	-9.50%	-1.35%	-1.73%	12.88%	12.43%	9.57%	9.06%
LSV	41,162	3.9%	4.0%	5.26%	5.16%	102,661	4.0%	4.0%	-10.43%	-10.52%	-5.72%	-5.90%	-3.33%	-3.73%	14.09%	13.63%	9.55%	9.08%
<i>MSCI EAFE</i>				<i>4.71%</i>	<i>4.71%</i>				<i>-10.23%</i>	<i>-10.23%</i>	<i>-6.01%</i>	<i>-6.01%</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	11,459	1.1%	1.0%	4.03%	4.03%	26,904	1.0%	1.0%	-9.22%	-9.22%	-5.56%	-5.56%	-3.27%	-3.27%	18.16%	17.72%	13.38%	12.80%
Vanguard (1)	11,988	1.1%	1.0%	5.34%	5.34%	27,846	1.1%	1.0%	-6.86%	-6.86%	-1.88%	-1.88%	0.57%	0.57%	16.56%	16.27%	12.11%	11.76%
<i>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</i>				<i>6.01%</i>	<i>6.01%</i>				<i>-8.35%</i>	<i>-8.35%</i>	<i>-2.84%</i>	<i>-2.84%</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>
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>104,112</b>	<b>9.8%</b>	<b>10.0%</b>	<b>5.06%</b>	<b>4.97%</b>	<b>257,377</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-11.24%</b>	<b>-11.32%</b>	<b>-6.75%</b>	<b>-6.91%</b>	<b>-2.11%</b>	<b>-2.43%</b>	<b>14.23%</b>	<b>13.79%</b>	<b>10.22%</b>	<b>9.74%</b>
<i>MSCI EAFE</i>				<i>4.71%</i>	<i>4.71%</i>				<i>-10.23%</i>	<i>-10.23%</i>	<i>-6.01%</i>	<i>-6.01%</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>
<b>FIXED INCOME</b>																		
Western Asset	117,462	11.1%	11.5%	-0.05%	-0.08%	299,905	11.7%	11.9%	0.82%	0.79%	0.78%	0.71%	2.76%	2.62%	3.68%	3.52%	5.54%	5.38%
Prudential	38,425	3.6%	2.8%	-0.41%	-0.48%	85,840	3.3%	2.8%	0.53%	0.46%	0.12%	-0.02%	2.32%	2.05%	3.67%	3.38%	5.72%	5.43%
PIMCO (DiSCO II) (1)	9,129	0.9%	0.9%	1.49%	1.49%	8,995	0.4%	0.4%	0.39%	0.39%	1.89%	1.89%	4.32%	4.32%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	5,072	0.5%	0.5%	1.62%	1.62%	4,014	0.2%	0.2%	0.00%	0.00%	1.62%	1.62%	10.36%	10.36%	N/A	N/A	N/A	N/A
<i>BC Aggregate</i>				<i>-0.57%</i>	<i>-0.57%</i>				<i>1.23%</i>	<i>1.23%</i>	<i>0.65%</i>	<i>0.65%</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)	31,299	3.0%	3.0%	-0.54%	-0.54%	75,926	3.0%	3.0%	0.89%	0.89%	0.35%	0.35%	3.55%	3.55%	N/A	N/A	N/A	N/A
<i>3m LIBOR</i>				<i>0.09%</i>	<i>0.09%</i>				<i>0.08%</i>	<i>0.08%</i>	<i>0.17%</i>	<i>0.17%</i>	<i>0.26%</i>	<i>0.26%</i>				
State Street	54,139	5.1%	4.9%	-0.74%	-0.75%	131,565	5.1%	4.9%	1.20%	1.19%	0.45%	0.44%	1.70%	1.66%	N/A	N/A	N/A	N/A
<i>BC Gov/Credit</i>				<i>-0.74%</i>	<i>-0.74%</i>				<i>1.20%</i>	<i>1.20%</i>	<i>0.44%</i>	<i>0.44%</i>	<i>1.68%</i>	<i>1.68%</i>				
Wells Capital	118,207	11.2%	11.5%	-0.54%	-0.59%	291,590	11.4%	11.9%	-0.44%	-0.48%	-0.97%	-1.06%	0.96%	0.78%	4.65%	4.44%	6.61%	6.40%
<i>BC US Credit BAA</i>				<i>-1.01%</i>	<i>-1.01%</i>				<i>-0.74%</i>	<i>-0.74%</i>	<i>-1.74%</i>	<i>-1.74%</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>
<b>TOTAL FIXED INCOME</b>	<b>373,733</b>	<b>35.3%</b>	<b>35.0%</b>	<b>-0.17%</b>	<b>-0.20%</b>	<b>897,835</b>	<b>35.0%</b>	<b>35.0%</b>	<b>0.42%</b>	<b>0.39%</b>	<b>0.25%</b>	<b>0.19%</b>	<b>2.40%</b>	<b>2.27%</b>	<b>5.00%</b>	<b>4.83%</b>	<b>6.51%</b>	<b>6.34%</b>
<i>BC Aggregate</i>				<i>-0.57%</i>	<i>-0.57%</i>				<i>1.23%</i>	<i>1.23%</i>	<i>0.65%</i>	<i>0.65%</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>

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	December-15					September-15					Current FYTD		Prior Year FY15		3 Years Ended 6/30/2015		5 Years Ended 6/30/2015	
	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>CASH EQUIVALENTS</b>																		
Northern Trust (1)	372,665			0.00%	0.00%	897,801			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>372,665</b>	<b>35.2%</b>	<b>35.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>897,801</b>	<b>35.0%</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>0.10%</b>	<b>0.10%</b>	<b>0.17%</b>	<b>0.17%</b>
<i>90 Day T-Bill</i>				<i>0.03%</i>	<i>0.03%</i>				<i>0.01%</i>	<i>0.01%</i>	<i>0.04%</i>	<i>0.04%</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.