

**STATE RISK MANAGEMENT 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 RISK MANAGEMENT FUND</b>      | <b>6,541,902</b> | <b>100.0%</b> | <b>100.0%</b> | <b>-0.79%</b>        | <b>-0.80%</b> | <b>-0.79%</b>        | <b>-0.80%</b> | <b>12.48%</b>        | <b>12.29%</b> | <b>10.22%</b>           | <b>10.02%</b> | <b>12.28%</b>           | <b>12.06%</b> |
| <i>POLICY TARGET BENCHMARK</i>         |                  |               |               | <i>-0.98%</i>        | <i>-0.98%</i> | <i>-0.98%</i>        | <i>-0.98%</i> | <i>10.09%</i>        | <i>10.09%</i> | <i>7.39%</i>            | <i>7.39%</i>  | <i>9.06%</i>            | <i>9.06%</i>  |
| ATTRIBUTION ANALYSIS                   |                  |               |               |                      |               |                      |               |                      |               |                         |               |                         |               |
| Asset Allocation                       |                  |               |               | 0.00%                | 0.00%         | 0.00%                | 0.00%         | -0.06%               | -0.06%        | 0.06%                   | 0.06%         |                         |               |
| Manager Selection                      |                  |               |               | 0.19%                | 0.18%         | 0.19%                | 0.18%         | 2.45%                | 2.26%         | 2.77%                   | 2.57%         |                         |               |
| TOTAL RELATIVE RETURN                  |                  |               |               | 0.19%                | 0.18%         | 0.19%                | 0.18%         | 2.39%                | 2.21%         | 2.83%                   | 2.63%         | 3.22%                   | 3.00%         |
| <b>LARGE CAP DOMESTIC EQUITY</b>       |                  |               |               |                      |               |                      |               |                      |               |                         |               |                         |               |
| Los Angeles Capital                    | 443,250          | 6.8%          | 6.8%          | -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                                    | 440,224          | 6.7%          | 6.8%          | -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                             | 294,042          | 4.5%          | 4.5%          | -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                          | 293,859          | 4.5%          | 4.5%          | -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>1,471,375</b> | <b>22.5%</b>  | <b>22.5%</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                    | 177,737          | 2.7%          | 3.8%          | -5.61%               | -5.61%        | -5.61%               | -5.61%        | 24.68%               | 24.29%        | 16.34%                  | 15.88%        | 22.98%                  | 22.51%        |
| Clifton                                | 311,225          | 4.8%          | 3.8%          | -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>488,962</b>   | <b>7.5%</b>   | <b>7.5%</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>FIXED INCOME</b>                    |                  |               |               |                      |               |                      |               |                      |               |                         |               |                         |               |
| Western Asset                          | 1,336,404        | 20.4%         | 20.6%         | -0.09%               | -0.13%        | -0.09%               | -0.13%        | 6.13%                | 5.99%         | 5.69%                   | 5.52%         | 8.72%                   | 8.54%         |
| Prudential                             | 339,126          | 5.2%          | 5.2%          | -0.21%               | -0.21%        | -0.21%               | -0.21%        | 6.71%                | 6.42%         | 6.06%                   | 5.76%         | 8.55%                   | 8.25%         |
| PIMCO (DiSCO) (1)                      | 217,702          | 3.3%          | 3.3%          | 0.00%                | 0.00%         | 0.00%                | 0.00%         | 12.02%               | 12.02%        | N/A                     | N/A           | N/A                     | N/A           |
| PIMCO (BRAVO II) (1)                   | 36,577           | 0.6%          | 0.6%          | 0.00%                | 0.00%         | 0.00%                | 0.00%         | N/A                  | N/A           | N/A                     | N/A           | N/A                     | N/A           |
| <i>BC Aggregate</i>                    |                  |               |               | <i>-0.25%</i>        | <i>-0.25%</i> | <i>-0.25%</i>        | <i>-0.25%</i> | <i>4.37%</i>         | <i>4.37%</i>  | <i>3.66%</i>            | <i>3.66%</i>  | <i>4.85%</i>            | <i>4.85%</i>  |
| Declaration (Total Return) (1)         | 370,664          | 5.7%          | 5.7%          | 0.00%                | 0.00%         | 0.00%                | 0.00%         | N/A                  | N/A           | N/A                     | N/A           | N/A                     | N/A           |
| <i>3m LIBOR</i>                        |                  |               |               | <i>0.02%</i>         | <i>0.02%</i>  | <i>0.02%</i>         | <i>0.02%</i>  |                      |               |                         |               |                         |               |
| State Street                           | 597,543          | 9.1%          | 9.1%          | -0.11%               | -0.11%        | -0.11%               | -0.11%        | 4.26%                | 4.23%         | N/A                     | N/A           | N/A                     | N/A           |
| <i>BC Gov/Credit</i>                   |                  |               |               | <i>-0.11%</i>        | <i>-0.11%</i> | <i>-0.11%</i>        | <i>-0.11%</i> | <i>4.28%</i>         | <i>4.28%</i>  |                         |               |                         |               |
| Wells Capital                          | 1,357,200        | 20.7%         | 20.6%         | -0.20%               | -0.20%        | -0.20%               | -0.20%        | 10.01%               | 9.79%         | 7.70%                   | 7.48%         | 10.19%                  | 9.97%         |
| <i>BC US Credit BAA</i>                |                  |               |               | <i>-1.40%</i>        | <i>-1.40%</i> | <i>-1.40%</i>        | <i>-1.40%</i> | <i>9.46%</i>         | <i>9.46%</i>  | <i>7.12%</i>            | <i>7.12%</i>  | <i>9.05%</i>            | <i>9.05%</i>  |
| <b>TOTAL FIXED INCOME</b>              | <b>4,255,214</b> | <b>65.0%</b>  | <b>65.0%</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>  |
| <i>BC Aggregate</i>                    |                  |               |               | <i>-0.25%</i>        | <i>-0.25%</i> | <i>-0.25%</i>        | <i>-0.25%</i> | <i>4.37%</i>         | <i>4.37%</i>  | <i>3.66%</i>            | <i>3.66%</i>  | <i>4.85%</i>            | <i>4.85%</i>  |
| <b>CASH EQUIVALENTS</b>                |                  |               |               |                      |               |                      |               |                      |               |                         |               |                         |               |
| Northern Trust (1)                     | 326,350          |               |               | 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>326,350</b>   | <b>5.0%</b>   | <b>5.0%</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>  |
| <i>90 Day T-Bill</i>                   |                  |               |               | <i>0.00%</i>         | <i>0.00%</i>  | <i>0.00%</i>         | <i>0.00%</i>  | <i>0.06%</i>         | <i>0.06%</i>  | <i>0.08%</i>            | <i>0.08%</i>  | <i>0.11%</i>            | <i>0.11%</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

(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.