## Torchmark Corporation Energy Investments 03/31/2017 (Unaudited) (Dollar amounts in millions)

|                            | Amort<br>Cost | Unr G/(L) | Avg<br>Rating | AA       | Α     | BBB     | BIG   |
|----------------------------|---------------|-----------|---------------|----------|-------|---------|-------|
| Midstream (Pipes)          | \$857         | \$67      |               | \$0      | \$85  | \$727   | \$45  |
| Exploration and Production | 532           | 43        |               | 5        | 111   | 387     | 29    |
| Oil Field Service          | 84            | 6         |               | -        | 15    | 35      | 34    |
| Refiner                    | 63            | 11        |               | -        | -     | 63      | -     |
| Driller                    | 55            | (13)      |               | <u> </u> | -     |         | 55    |
| Total                      | \$1,590       | \$114     | BBB           | \$5      | \$211 | \$1,211 | \$163 |
| % of Total                 |               |           |               | 0%       | 13%   | 76%     | 10%   |

## Composition of BBB Rated Bonds:

|                              | BBB+            |               |                      | BBB    |               |                      | BBB-   |               |                      |
|------------------------------|-----------------|---------------|----------------------|--------|---------------|----------------------|--------|---------------|----------------------|
|                              | Market          | Amort<br>Cost | % Mkt to<br>Am. Cost | Market | Amort<br>Cost | % Mkt to<br>Am. Cost | Market | Amort<br>Cost | % Mkt to<br>Am. Cost |
| Midstream (Pipes)            | \$232           | \$219         | 106%                 | \$206  | \$194         | 106%                 | \$335  | \$314         | 107%                 |
| Exploration and Production   | 72              | 62            | 115%                 | 6      | 5             | 122%                 | 331    | 319           | 104%                 |
| Oil Field Service            | 41              | 35            | 118%                 | -      | -             | 0%                   | -      | -             | 0%                   |
| Refiner                      |                 | -             | 0%                   | 74     | 63            | 118%                 |        |               | 0%                   |
|                              | \$344           | \$316         | 109%                 | \$286  | \$262         | 109%                 | \$666  | \$633         | 105%                 |
| Total<br>Net Unrealized Loss | \$1,297<br>\$86 | \$1,211       | 107%                 |        |               |                      |        |               |                      |