

UNIVERSITY OF CALIFORNIA

ANNUAL ENDOWMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2019



UC Regents' General Endowment Pool

UC Berkeley Foundation

UC Davis Foundation

UC Irvine Foundation

UC Los Angeles Foundation

UC Merced Foundation

UC Riverside Foundation

UC San Diego Foundation

UC San Francisco Foundation

UC Santa Barbara Foundation

UC Santa Cruz Foundation

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1 Purpose

The purpose of this report is to provide the Regents' Committee on Investments with an overview of the investment portfolios of the University of California campus Foundations, as well as the Regents' General Endowment Pool (GEP) in which some of the campuses invest. Each campus Foundation publishes its own detailed investment report; however, this report is intended to provide key information for all the portfolios on a consolidated basis.

The report is prepared by an independent investment consulting firm hired by the Office of the Chief Investment Officer (OCIO) on behalf of the Regents' Committee on Investments. This particular report was prepared by Mercer Investments, LLC.

The sources of information in this report are:

- Each respective campus Foundation
- The OCIO (for GEP and the campus Foundations which are 100% invested in GEP)
- Mercer Investments, LLC
- State Street Bank (historical performance and assets for GEP and the campus Foundations for periods between 2006 and 2015)

2 Consolidated GEP/Campus Foundation Review

The following section contains a summary of the consolidated endowment review.

Information is provided on the total investment assets, total portfolio performance, asset allocation, and spending policies for each campus Foundation.

All of the information is sourced and reconciled by each respective campus Foundation and the OCIO.

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2.1 Total University Assets

This table outlines the University's total assets by designation to the Regents for the benefit of the campus, to investments in the General Endowment Pool as part of the campus Foundation allocation or to the campus Foundation.

Overall, total endowment assets increased by 9.6% over the last fiscal year. These changes incorporate new gifts accepted during the fiscal year, funds functioning as endowment created, and the return on total endowed assets. The General Endowment Pool assets on the table below reflect annual distributions that have been transferred out of the account at the end of the fiscal year, but are still showing as pending payout in the General Endowment Pool custodial accounts.

The Office of the Chief Investment Officer (OCIO) also manages systemwide program assets of about \$1.7 billion for the benefit of education and research, support services and general administration.

Total University Endowment Assets by Designation to Regents and Foundation (Market Value \$ Thousands)

Campus	June 30, 2019				June 30, 2018			
	Regents ^{1,3}	Foundation Investments in GEP ³	Foundation ²	Total Endowment Assets	Regents ^{1,3,4}	Foundation Investments in GEP ^{3,4}	Foundation ²	Total Endowment Assets
Berkeley	2,727,946	-	2,070,905	4,798,851	2,613,128	-	1,944,306	4,557,434
Davis	1,185,619	72,361	405,194	1,663,174	938,911	82,538	359,708	1,381,157
Irvine ⁵	545,804	159,891	323,325	1,029,020	497,638	160,518	283,149	941,305
Los Angeles ⁶	2,642,367	6,681	2,740,249	5,389,297	2,431,178	6,211	2,510,955	4,948,344
Merced	41,780	13,694	-	55,474	39,353	11,822	-	51,175
Riverside	83,870	-	175,934	259,804	80,820	-	168,561	249,381
San Diego ⁷	941,774	462,199	330,165	1,734,138	849,495	353,535	341,523	1,544,553
San Francisco	2,045,984	-	1,840,271	3,886,255	1,778,328	-	1,664,810	3,443,138
Santa Barbara	155,856	238,188	9,721	403,765	145,889	200,533	6,710	353,132
Santa Cruz	104,283	111,165	-	215,448	99,729	104,484	-	204,213
Total Campus Endowments	10,475,283	1,064,179	7,895,763	19,435,225	9,474,469	919,641	7,279,722	17,673,832
Systemwide Programs	1,646,649	14,909	-	1,661,558	1,557,767	12,865	-	1,570,632
Total Endowment Assets	12,121,932	1,079,088	7,895,763	21,096,783	11,032,236	932,506	7,279,722	19,244,464

¹ Assets managed by Regents in GEP for the benefit of the campuses excluding investment allocations to the GEP by the campus Foundations. Values provided by the OCIO.

² Assets managed by the campus Foundations excluding investment allocations to the GEP. Values provided by the campus Foundations.

³ University endowment assets by designation are sourced from Endowment and Investment Accounting participant data. As such, GEP participant data may differ from the total GEP assets presented elsewhere in the report. These differences are due to timing of the annual distributions transferred out of GEP participant accounts at year end but pending payout from the GEP custodial investment accounts.

⁴ Values as of June 30, 2018 have been restated to show GEP participant account values sourced from Endowment and Investment Accounting data.

⁵ The Irvine Foundation 2019 Regents' value includes \$27,771,389 invested in STIP. The Irvine Foundation assets include \$12,374,008 in donor-driven investments which are not at the discretion of the Board. These assets are not recognized in other exhibits as they do not reflect the performance or characteristics of the Foundation's investments.

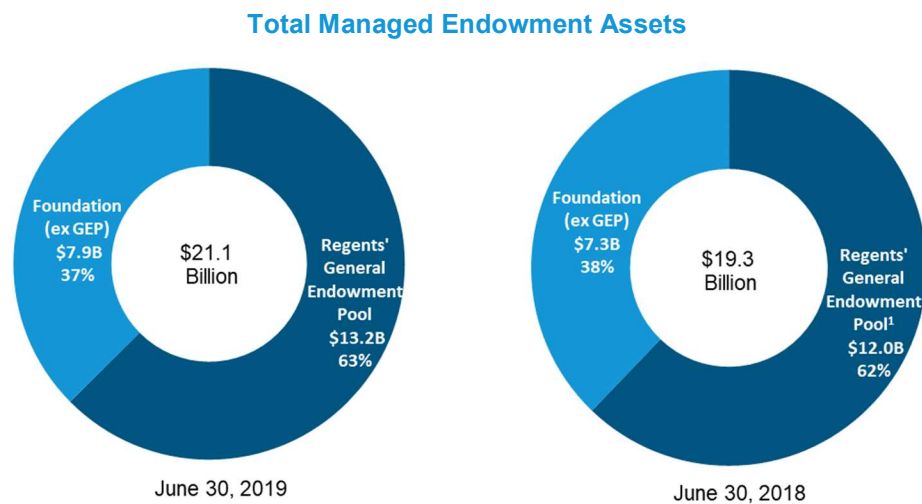
⁶ The Los Angeles Foundation 2019 and 2018 investment in GEP excludes \$5,655,535 and \$5,471,775, respectively, belonging to the UCLA Johnson Cancer Center Foundation. As such, GEP participant data totals, presented here, will be different from the total GEP custodied assets presented elsewhere in the report.

⁷ The San Diego Foundation 2019 and 2018 investment in GEP excludes \$40,155,035 and \$43,115,909, respectively. San Diego considers these amounts, invested in GEP, to be current use funds that are part of the Foundation's Intermediate Total Return Fund. As such, GEP participant data totals, presented here, will be different from the total GEP custodied assets presented elsewhere in the report.

2.2 GEP and Campus Foundation Assets Under Management

This section of the report focuses on the managed endowment assets held by the Regents' General Endowment Pool (GEP) and the campus Foundations. The assets in the Regents' GEP, which some of the campuses invest in, are managed by the Office of the Chief Investment Officer (OCIO). The campuses' assets are managed by internal and/or external managers.

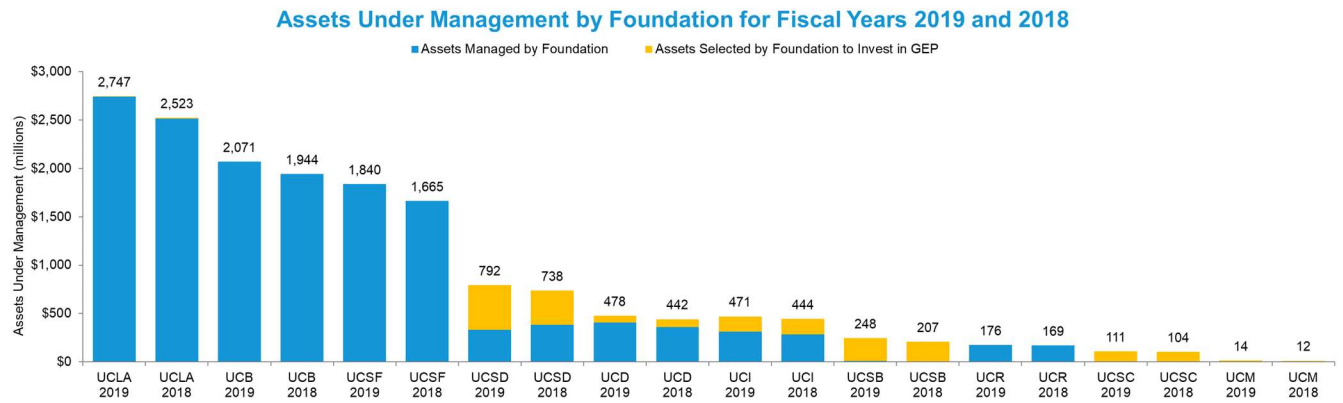
The chart below shows the General Endowment Pool and campus Foundations (excluding GEP) managed endowment assets for fiscal years 2019 and 2018.



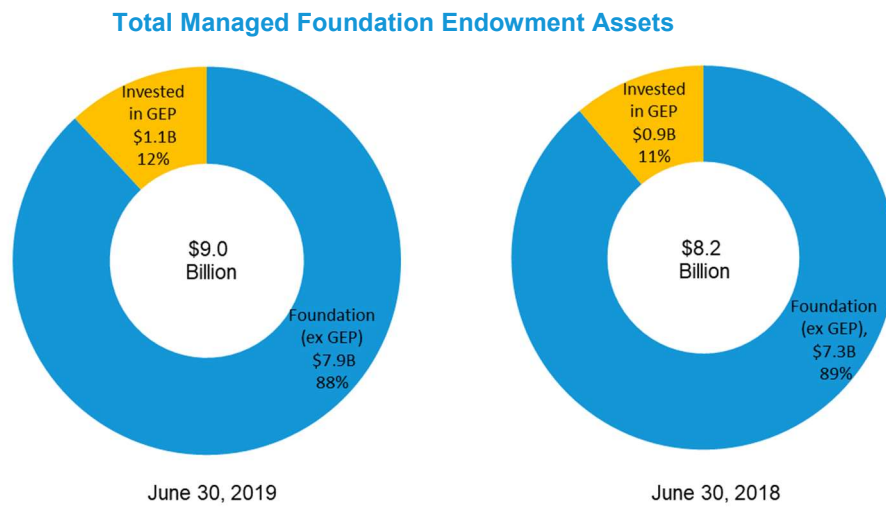
Source: Foundations and the OCIO

GEP and campus Foundations total managed endowment assets were \$21.1 billion as of June 30, 2019. Managed endowment assets increased by 9.6% over the last fiscal year. These changes incorporate cash flows and investment performance.

The two charts below show the total investment portfolio assets under management by campus Foundation and in aggregate for fiscal years 2019 and 2018.



Source: Foundations and the OCIO



Source: Foundations and the OCIO

Total campus Foundation investment assets were \$9.0 billion as of June 30, 2019. Total foundation assets increased by 9.3% over the last fiscal year. These changes incorporate cash flows and investment performance.

2.3 Foundation Asset Allocation by Asset Class

Asset allocation is the primary driver of a portfolio's total return over the long run, while sector and individual security selection typically drive short-term performance. Therefore, portfolio performance should be viewed in the context of the underlying asset allocation.

The table below shows the asset allocation for each campus Foundation and GEP as of June 30, 2019. Campus investments in GEP are included in the specific sub asset classes. The table includes the overall weighted average asset allocation of all foundation assets, as well as the net one-year total returns by campus.

Asset Allocation of Managed Endowment Funds
As of June 30, 2019

Campus	U.S. Equity	Non-U.S. Equity	Global Equity	U.S. Fixed Income	Non-U.S. Fixed Income	Absolute Return	Real Assets / Real Estate	Private Equity	Commodities	Other	Cash Equiv.	Total	Fiscal Year 2019 Return
Regents' GEP ¹	12.8%	12.3%	12.0%	10.4%	1.5%	22.0%	11.2%	14.5%	0.0%	0.0%	3.3%	100.0%	8.2%
Berkeley ²	12.4%	23.3%	15.7%	5.1%	0.0%	13.8%	7.8%	10.2%	0.0%	2.4%	9.3%	100.0%	4.9%
Davis	20.3%	20.5%	2.0%	12.0%	0.3%	16.0%	5.8%	14.1%	7.3%	0.0%	1.7%	100.0%	6.0%
Irvine ³	25.3%	16.8%	4.1%	13.7%	0.0%	17.6%	9.8%	10.6%	0.0%	0.0%	2.2%	100.0%	6.7%
Los Angeles ⁴	6.5%	22.7%	25.1%	4.1%	0.0%	0.0%	12.0%	11.1%	0.0%	10.8%	7.7%	100.0%	3.7%
Merced ⁵	12.8%	12.3%	12.0%	10.4%	1.5%	22.0%	11.2%	14.5%	0.0%	0.0%	3.3%	100.0%	8.2%
Riverside	52.2%	21.2%	0.0%	9.5%	0.0%	8.9%	0.0%	3.8%	0.0%	0.0%	4.3%	100.0%	1.2%
San Diego	27.5%	22.2%	0.0%	11.6%	0.0%	14.9%	12.5%	8.1%	0.0%	0.0%	3.1%	100.0%	7.1%
San Francisco ⁶	0.0%	0.0%	35.7%	0.0%	0.0%	26.5%	2.6%	14.9%	0.0%	0.0%	20.3%	100.0%	4.5%
Santa Barbara ⁵	12.4%	11.9%	11.5%	10.0%	1.4%	21.3%	10.8%	16.1%	0.0%	0.0%	4.6%	100.0%	8.1%
Santa Cruz ⁵	12.8%	12.3%	12.0%	10.4%	1.5%	22.0%	11.2%	14.5%	0.0%	0.0%	3.3%	100.0%	8.2%
Weighted Avg.⁷	8.4%	14.2%	25.4%	7.6%	0.1%	12.8%	8.4%	11.6%	0.4%	3.9%	7.3%	100.0%	6.8%

¹GEP's policy asset allocation does not breakdown equities or fixed income and cash on a regional basis. The regional split (US vs. non-US) shown above for these asset classes are for informational purposes.

²Berkeley's Opportunistic assets are included in the Other category.

³FY 2019 composite return is a blend of gross and net performance (returns for private equity, alternatives, mutual funds, GEP and Vintage year funds are net of fees).

⁴Los Angeles' Multi-strategy assets are included in the Other category. The US Equity Exposure is 6.5% and the Global Equity exposure is 25.1% after including the notional exposure of the derivatives position. The Cash balance is 7.7% when excluding collateral for the derivatives position.

⁵Foundation endowment assets invested primarily in The Regents' GEP and/or STIP funds.

⁶San Francisco's Cash Equivalents include investments in US Treasuries and STIP.

⁷The weighted average asset allocation excludes the GEP assets. Fiscal Year return shown above includes The Regents' GEP return in the calculation.

2.4 Investment Performance

Investment performance for campus Foundations and GEP is presented net of fees^{1,2}. This table displays total returns for each campus Foundation and GEP and the median returns of a broad Endowments & Foundations (E&F) peer group (i.e. the Investor Metrics – All Endowments & Foundations³) for comparison. The percentile ranks reflect performance relative to the E&F peer group (1st percentile is the best, 100th percentile is the worst). The table also includes the simple weighted average returns for GEP and all campus Foundation assets.

Net Performance Summary for Periods Ending June 30, 2019

Periods over 1 Year are Annualized

% Invested in GEP		10 Years		7 Years		5 Years		3 Years		1 Year	
		Return (%)	Universe Percentile Rank	Return (%)	Universe Percentile Rank	Return (%)	Universe Percentile Rank	Return (%)	Universe Percentile Rank	Return (%)	Universe Percentile Rank
100%	Regents' GEP	9.4	28	9.2	12	6.8	10	10.7	6	8.2	6
100%	Merced	9.4	28	9.2	12	6.8	10	10.7	6	8.2	6
100%	Santa Cruz	9.4	28	9.2	12	6.8	10	10.7	6	8.2	6
97%	Santa Barbara¹	8.4	55	7.7	49	5.9	29	10.6	7	8.1	6
58%	San Diego	9.2	33	8.5	25	6.0	25	9.5	24	7.1	15
33%	Irvine²	9.2	37	8.7	20	6.5	14	10.1	12	6.7	21
15%	Davis	8.9	41	8.6	23	6.0	25	9.6	22	6.0	36
0%	Los Angeles³	8.7	49	8.6	24	6.2	20	9.9	16	3.7	90
	Berkeley	8.4	58	7.9	43	5.5	42	8.9	42	4.9	71
	Riverside	8.5	54	7.3	56	4.5	67	9.4	26	1.2	100
	San Francisco	8.1	67	7.2	62	4.8	62	9.2	33	4.5	79
	Weighted Average⁴	9.1		8.7		6.3		10.2		6.8	
	E&F Peer Group Median	8.6		7.6		5.2		8.5		5.6	

¹ Santa Barbara's total performance includes the GEP Unit Value, Private Equity, Hedge Fund, and General Cash Accounts

² Irvine's performance prior to FY 2018 was reported net of fees. FY 2019 composite return is a blend of gross and net performance (returns for private equity, alternatives, mutual funds, GEP and Vintage year funds are net of fees).

³ Los Angeles' allocation to GEP was 0.2%

⁴ The weighted average returns include The Regents' GEP returns in the calculation.

Dark Blue: Outperformed the Policy Benchmark

Light Blue: Underperformed the Policy Benchmark

Black: Equaled the Policy Benchmark

Note: Details for the E&F Peer Group can be found on page 58 under "Performance Comparisons"

Performance for the trailing 10- and 7-year periods is solid as it includes the extended positive market performance following the global financial crisis. Performance for the 5-year period was modest primarily due to the negative returns posted at the 2015-2016 fiscal year-end. However, performance for the trailing 3- and 1-year periods was strong for the majority of the campus Foundations.

For the 10-, 7- and 5-year periods, most of the campus Foundations exceeded or closely tracked the universe median return while all of the campus outperformed the universe median over the 3- year period.

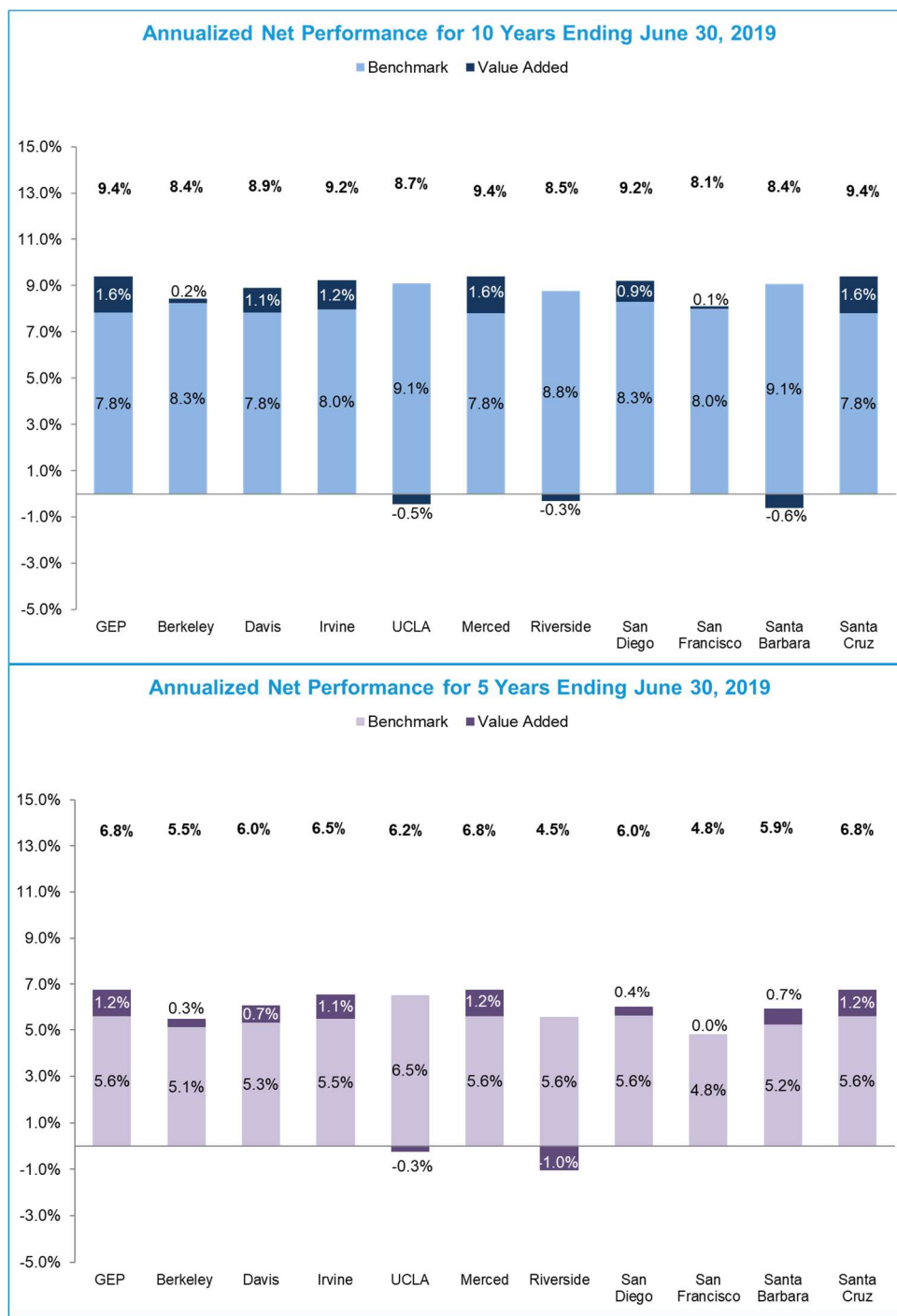
¹ UC Berkeley, UC Los Angeles and UC San Francisco are net of all fees excluding Investment Management Company fees.

² UC Irvine reported gross of fees performance.

³ The Investor Metrics all endowments and foundations peer group ("E&F Peer Group") is comprised of approximately 600 observations from a substantial endowment and foundation client base which includes information submitted by industry-leading consulting and trust/custody organizations as compiled by Investor Metrics. The E&F Peer Group returns are net of fees.

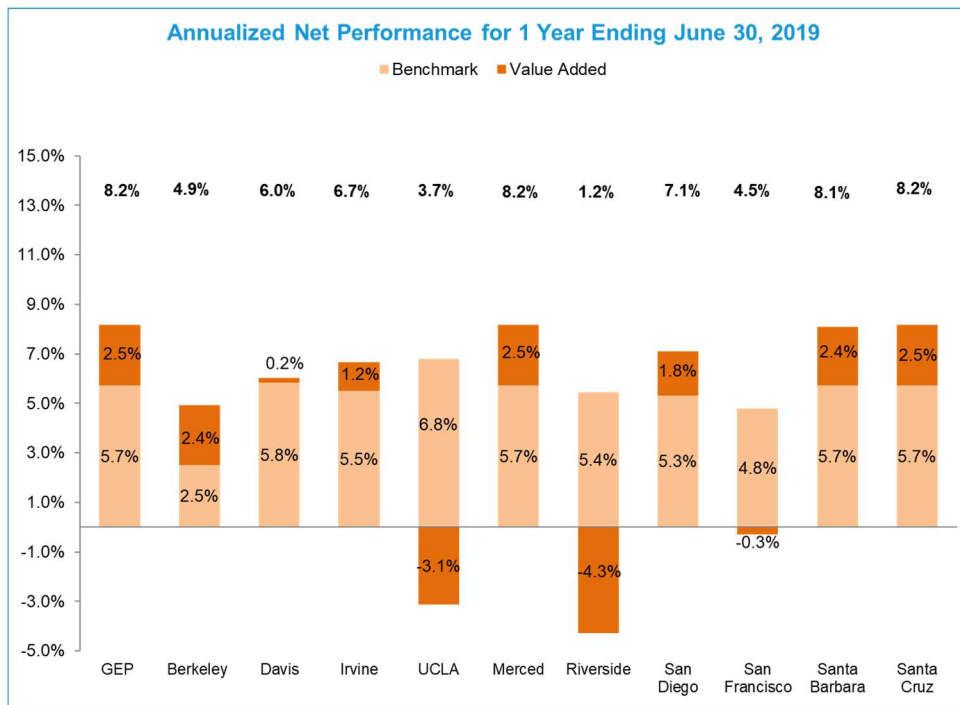
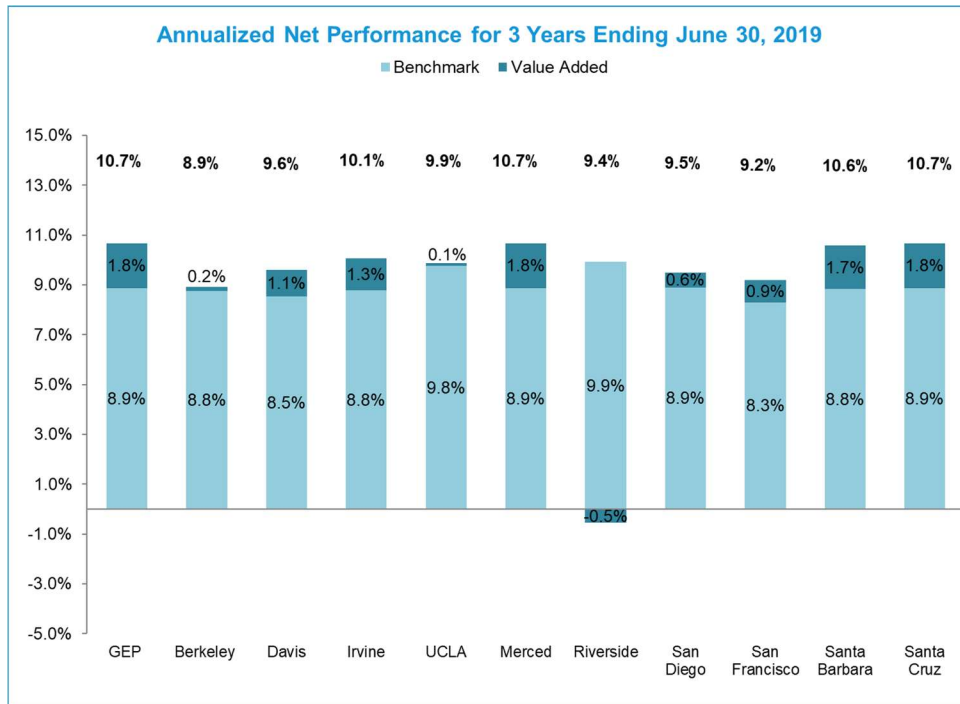
The graphs below show the absolute net returns of the campus Foundations² and GEP, and the value added (excess returns) versus their respective policy benchmarks for the 10-, 5-, 3- and 1-year periods ending June 30, 2019⁴.

Relative returns for the 10- and 1-year periods were mostly positive, as seven of the 10 Foundations outperformed or matched their respective benchmarks. For the 5- year period, eight of the 10 Foundations added value with respect to the benchmark while almost all of the campus Foundations posted positive excess returns for the 3-year period.



² Irvine's performance prior to FY 2018 was reported net of fees. FY 2019 composite return is a blend of gross and net performance (returns for private equity, alternatives, mutual funds, GEP and Vintage year funds are net of fees).

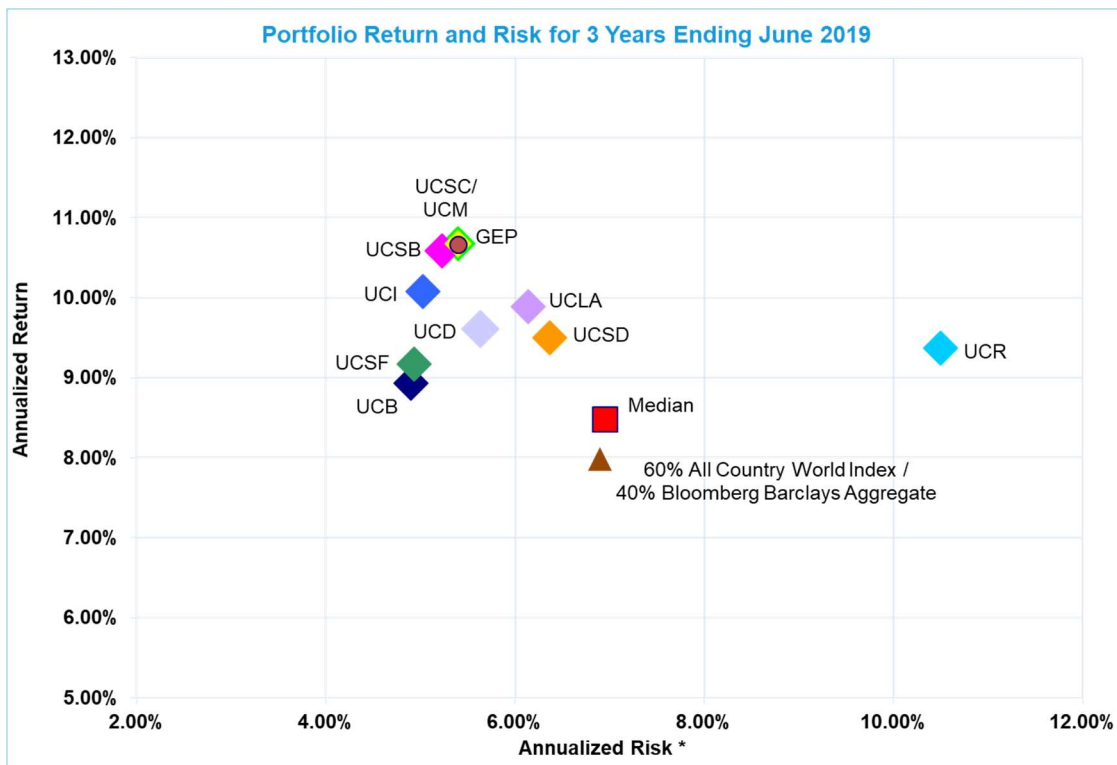
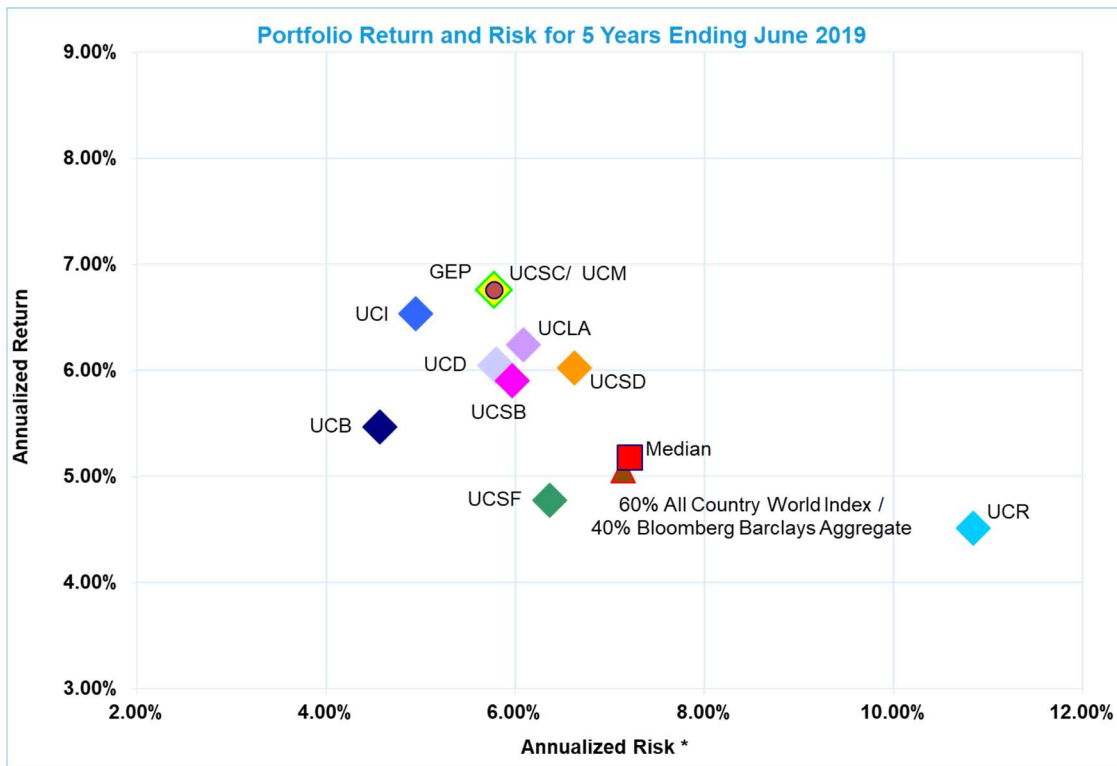
⁴ Benchmark and excess return may not equal absolute return due to rounding.



² Irvine's performance prior to FY 2018 was reported net of fees. FY 2019 composite return is a blend of gross and net performance (returns for private equity, alternatives, mutual funds, GEP and Vintage year funds are net of fees).

⁴ Benchmark and excess return may not equal absolute return due to rounding.

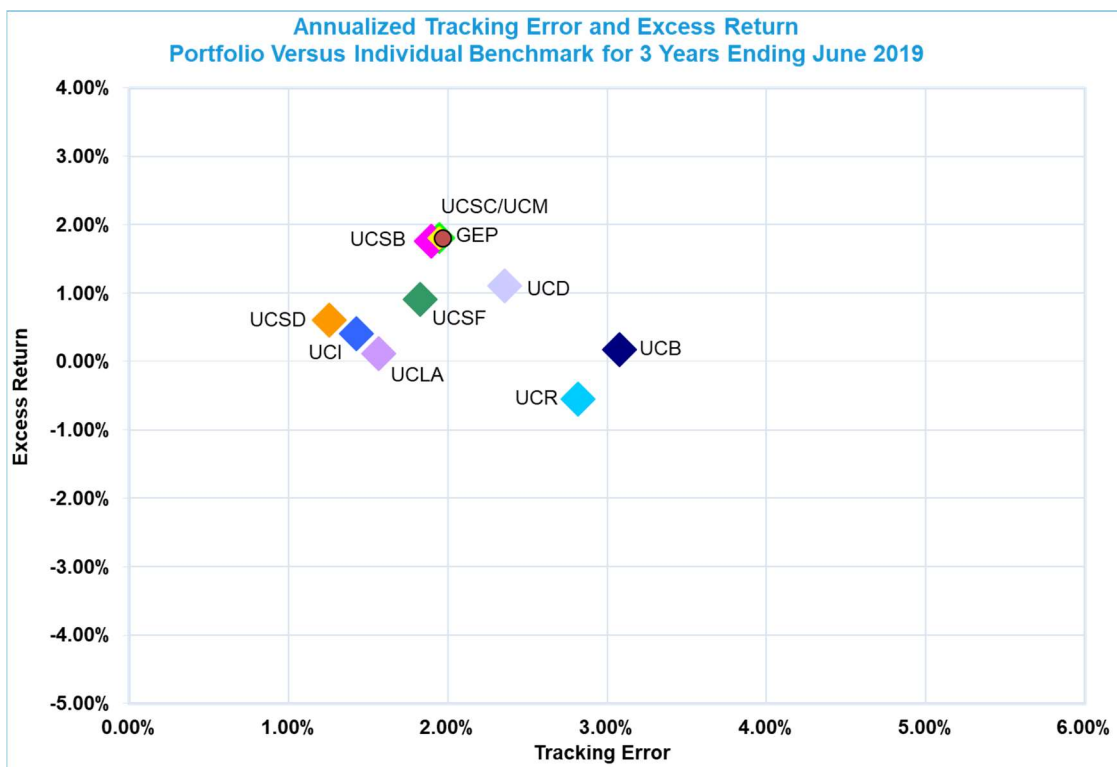
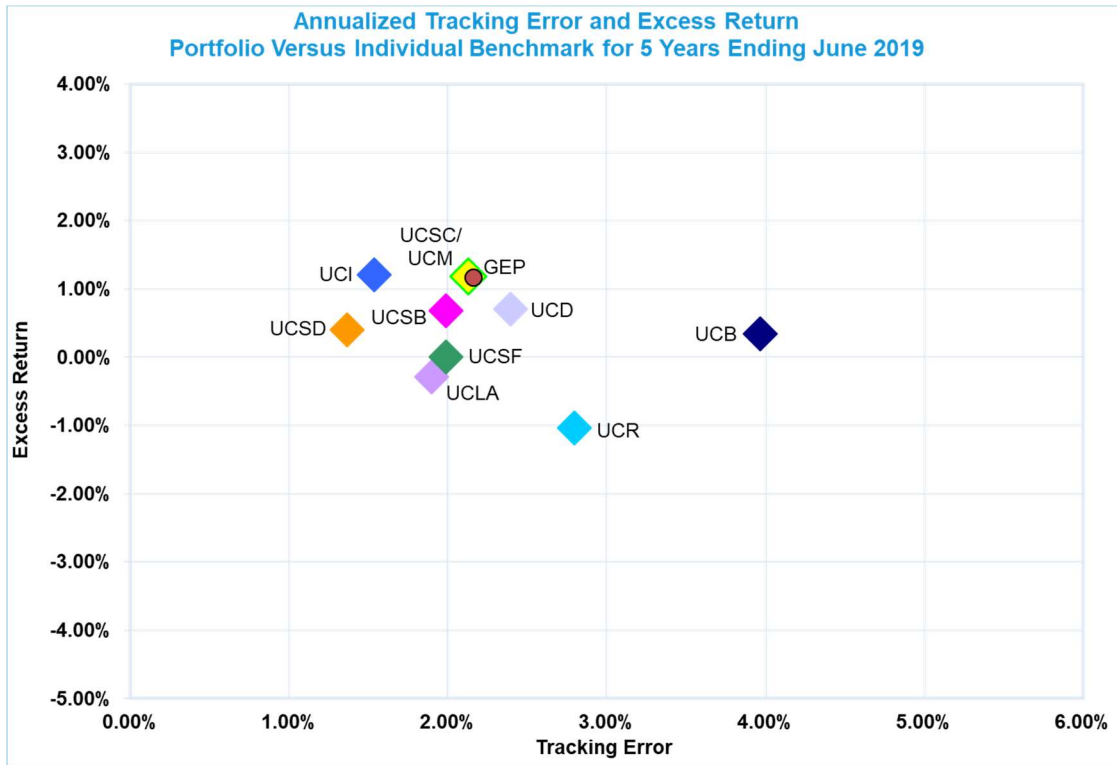
The scatter plot charts below show the annualized returns versus standard deviation (calculated with monthly returns) for the three- and five-year periods ending June 30, 2019. Relative to the E&F peer group median (red square), most of the campus Foundations exhibited higher returns with lower volatility.



* (Annualized) Risk is defined as the annualized standard deviation calculated using monthly observations. This evaluation may understate the risk measures for non-public assets such as private equity and absolute return strategies for the following reasons: 1.) The assets are not priced daily; 2.) Returns are reported on a lagged basis. 3.) Most of the campus Foundations have significant portions of their endowments invested in non-public assets.

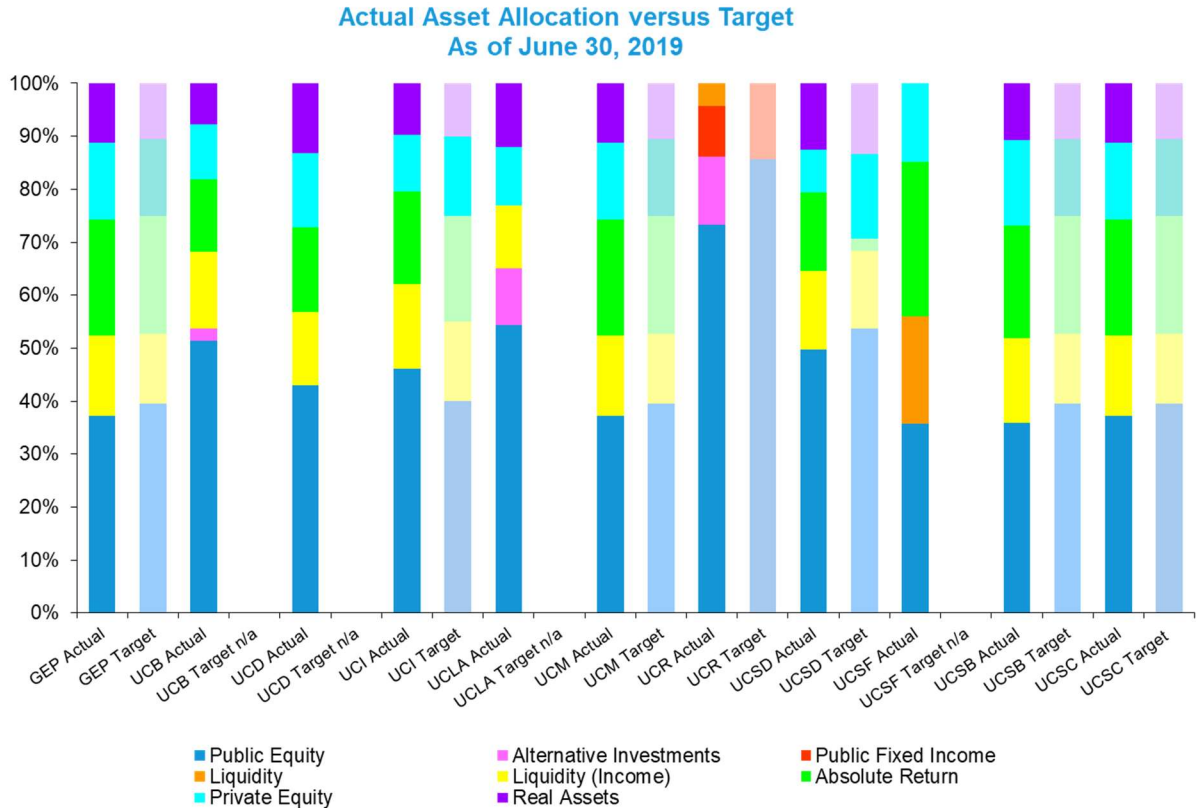
In addition, we evaluated the portfolios' active risk, which measures how closely the portfolios follow their specified benchmarks. The graphs below reflect excess returns versus the tracking error for the individual portfolios when compared to their respective benchmarks over 5- and 3-years ending June 30, 2019. For both periods, more than half of the campus Foundations outperformed or matched their respective benchmarks.

All campus Foundations, except Berkeley, exhibited low to moderate active risk. Berkeley's asset class benchmarks do not roll up into the policy benchmark; therefore, it exhibited a high tracking error for both periods.



2.5 Asset Allocation Policy Compliance

Santa Barbara (effective July 1, 2015), Merced and Santa Cruz adopted the GEP investment policies. The other seven campus Foundations have implemented their own individual investment policies. As of June 30, 2019, Santa Barbara, San Diego, Irvine and Davis allocated 97%, 58%, 33% and 15% respectively to GEP. An overview of the campus Foundations' actual asset allocation versus the individual targets is presented below.

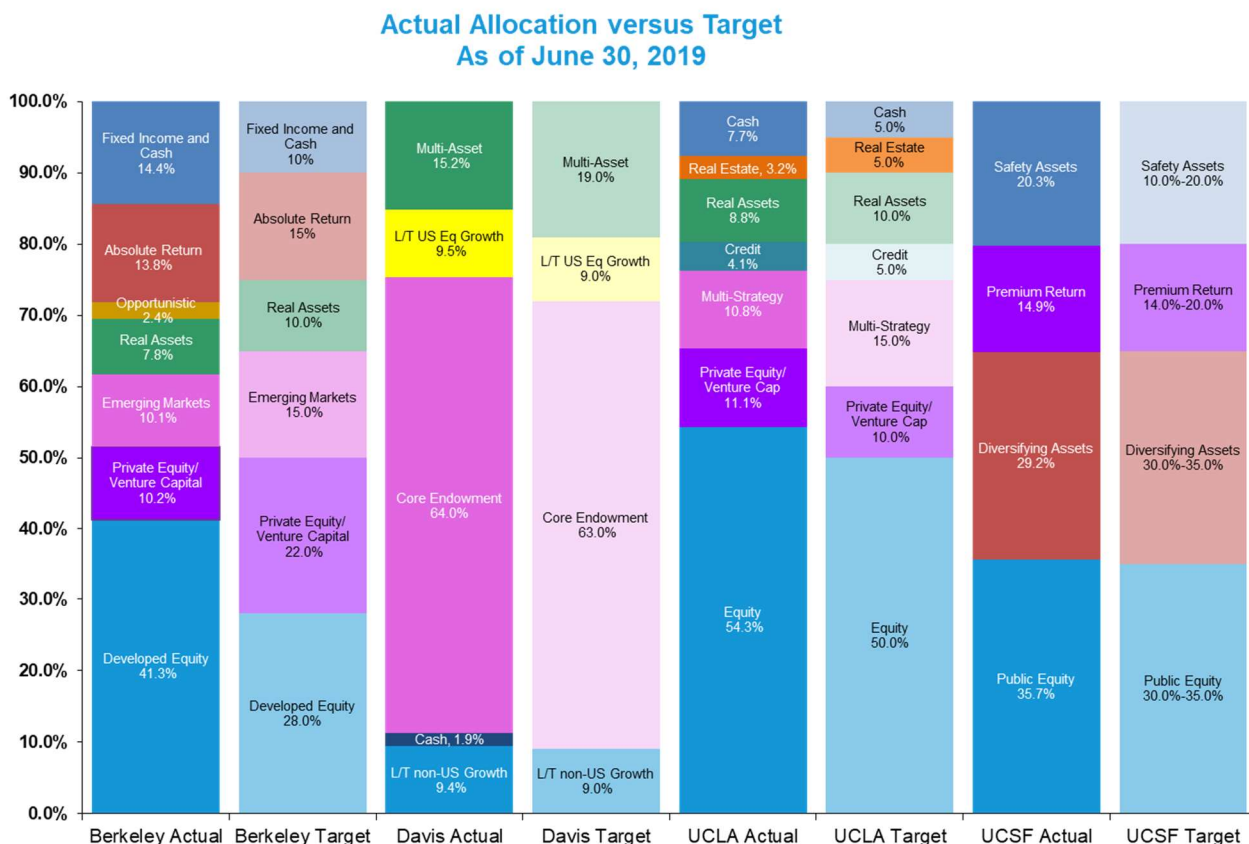


Beginning in the fiscal year 2018, the Regents and some Campuses elected to separate the alternative investments category into absolute return, private equity and real assets and combine the public fixed income and liquidity categories to form Liquidity (Income) while some Campuses continued to report the alternative investments as one category and public fixed income and liquidity as separate categories.

Berkeley's Opportunistic assets and Los Angeles's Multi-Strategy asset are listed under Alternative Investments.

San Francisco's Diversifying Assets are listed under Absolute Return, Premium Return is listed under Private Equity, and Safety Assets are listed under Liquidity. Asset Allocation targets are ranges; dynamic weighted benchmarks are shown for indicative target.

Berkeley, Davis, Los Angeles and San Francisco use a strategy-based investment structure and have implemented multi-asset class portfolios. Their actual allocation versus the different investment types or strategies is presented in the chart below.



The following benchmark allocations are implemented on total fund level:

- Berkeley
 - 28% MSCI World with USA Gross (Net) Index
 - 15% MSCI Emerging Markets (Net) Index
 - 22% Custom Cambridge Associates Benchmarks (Private Equity/Venture Capital)⁵
 - 10% Custom Cambridge Associates Benchmarks (Real Assets)⁵
 - 15% HFRI FoF Conservative Index
 - 10% 80% Bloomberg Barclays UST Index / 20% BofAML 91-Day T-Bills Index
- Davis
 - 63% GEM Policy Portfolio*
 - 19% GEP Policy Benchmark*
 - 9% Russell 3000 Tobacco-Free Index
 - 9% MSCI EAFE Tobacco-Free + Canada Index

⁵ The Custom Cambridge Associates Benchmarks are pooled horizon IRRs weighted to reflect the vintage year asset class mix within the GEP's portfolio. PE/VC includes a blend of the Cambridge Associates Private Equity and Control-Oriented Distressed Index and Cambridge Associates Venture Capital Index. Real Assets includes a blend of the Cambridge Associates Real Estate Index and Cambridge Associates Natural Resources Index.

* Index composition details shown in Section 4.3 on page 54

- Los Angeles
 - 50% MSCI ACWI Index
 - 5% BofA Merrill Lynch U.S. High Yield Master II Index
 - 15% Citigroup 3-Month T-Bill x 2
 - 10% Cambridge Associates U.S. Private Equity Index
 - 5% NCREIF Property Index
 - 10% Consumer Price Index for All Urban Consumers (annualized CPI-U) + 6%
 - 5% Citigroup 3-Month T-Bill
- San Francisco⁶
 - 35% MSCI AC World Index
 - 20% U.S. 1-3 year Treasuries
 - 15% Cambridge Associates Private Equity Vintage
 - 30% HFRI Fund Weighted Composite

During the fiscal year, the following campus Foundations made changes to their investment policy statements:

- Berkeley
 - January 1, 2019 - Policy Benchmark, Policy Targets, and Asset Classes changes, Summary of Investment Approach, and inclusion of ESG topics
- Los Angeles
 - July 1, 2018 – Policy Benchmark changes to consolidate US Equity and Non-US Equity into Global Equity
- Riverside
 - June 19, 2019 – Policy Benchmark, Policy Targets, and Asset Classes changes
- San Diego
 - June 7, 2019 – Policy Benchmark and Policy Target and Ranges changes
- San Francisco
 - March 7, 2019 – Consolidation of prior IPS and Investment Guidelines documents, incorporation of Interim Policy Portfolio and Benchmark Methodology, introduce liquidity requirements, and reclassification of asset classes

⁶ San Francisco uses a dynamic framework for setting benchmark weights that considers both actual weights and policy range limits. These weights reflect the output of that framework on June 30, 2019.

The following table reflects the difference between the actual asset allocation as of June 30, 2019, and the target policy allocation defined in the investment policy statement for each campus Foundation. Any exposure outside the individual policy ranges is shaded, and the heat map on the right side shows by how much.

Over-/Underweight to Individual Foundation Policy Target as of June 30, 2019						
	Public Equity	Liquidity (Income)	Absolute Return	Private Equity	Real Assets	Legend
						% Outside the Individual Policy Range
General Endowment Pool	-2.4%	2.0%	-0.3%	0.1%	0.6%	> 5%
Irvine	6.1%	0.9%	-2.4%	-4.4%	-0.2%	+ 4% to + 5%
Merced	-2.4%	2.0%	-0.3%	0.1%	0.6%	+ 3% to + 4%
San Diego	5.8%	2.7%	12.9%	-4.9%	1.5%	+ 2% to + 3%
Santa Barbara	-3.8%	2.9%	-1.0%	1.7%	0.2%	+ 0% to + 2%
Santa Cruz	-2.4%	2.0%	-0.3%	0.1%	0.6%	Within policy ranges
						- 0% to -2%
						- 2% to -3%
						- 3% to -4%
						- 4% to -5%
						< -5%
Riverside	Public Equity 13.4%	Alternative Investments 12.8%	Public Fixed Income -0.5%	Liquidity 4.3%		
San Francisco	Public Equity 0.7%	Diversifying Assets -0.8%	Premium Return 0.0%	Safety Assets 0.3%		
Berkeley	Developed Equity 13.3%	Private Equity/ Venture Capital -11.8%	Emerging Markets -4.9%	Real Assets -2.2%	Opportunistic 2.4%	Absolute Return -1.2%
						Fixed Income and Cash 4.4%
Davis	L/T non-US Growth 0.4%	Cash 1.9%	Core Endowment 1.0%	L/T US Eq Growth 0.5%	Multi-Asset -3.8%	
Los Angeles	Equity 4.3%	Private Equity/ Venture Cap 1.1%	Multi-Strategy -4.2%	Credit -0.9%	Real Assets -1.2%	Real Estate -1.8%
						Cash 2.7%

The exposures outside of the policy ranges shown on the chart above are minor, with the exception of UC Riverside.

UC Riverside's policy has a target of 0% cash and no definitive range, therefore, there are no concerns with the 4.3% allocation in cash which was invested in the Regents' STIP.

UC Davis' policy has a target of 0% cash and no definitive range, therefore, there are no concerns with the 1.9% allocation in cash which was invested in the Regents' STIP.

2.6 Spending Policies

The table below shows a summary of the endowment spending policies for each campus Foundation.

Endowment Spending Policies by Foundation	
Regents' GEP	The total return expenditure (spending) policy for eligible assets in the General Endowment Pool is 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.
Berkeley	The Foundation's payout policy is 4.0% of a twenty-quarter (five year) moving average market value of the endowment pool. The Finance and Administration Committee, at its discretion, may recommend to the Executive Committee an alternative payout percentage, within a range of 3.5% to 4.5% for a specific payout year.
Davis	The primary objective of the UC Davis Foundation's endowment spending policy is to achieve a proper balance between present and future needs of endowed units at UC Davis. The approved spending rate for the September payout was 4.50% of the average of the prior 60-month-end market values of each endowment fund, for the period ending March 31.
Irvine	The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. Income available for expenditure is calculated according to a predetermined formula.
Los Angeles	In 2019, The UCLA Foundation endowment spending rate was 4.30% of a 12 quarter rolling average market value, calculated quarterly. The UCLA Foundation approved endowment spending policy for fiscal 2020 is 4.30% of a 12 quarter rolling average.
Merced	The spending policy of the UC Merced Foundation is to provide 100% of the endowment earnings up to a maximum spending payout rate of 4.75% of the 60-month average unit market value for the period ending December 31st.
Riverside	The endowment spending policy applicable to FYE 2019 was to withdraw per unit 4% of the average unit market value of the endowment fund calculated using the closing unit market value on the last day of each of the 84 contiguous months the last of which ended on May 31, 2019.
San Diego	Endowment spending during fiscal year 2018-19 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.
San Francisco	The Foundation payout policy guideline is to distribute 4.75% of the 36 month rolling average unitized market value of the Endowment Pool. The payout will not exceed 6% nor be less than 3.5% of the ending market value on the last day of the fiscal year for which it is being calculated. The payout will be reviewed annually, which may result in modification. In determining the annual payout, the Foundation will consider factors such as stability of fund flows to operations and preservation of endowment principal, in addition to the guideline formula.
Santa Barbara	Endowment spending during fiscal year 2018-2019 was calculated using a predetermined formula at an amount equal to 4.0% of the 60-month average unit market value of the endowment portfolio as of December 31, 2017. To the extent requested by the Fund Administrator, spending was allocated to fund holders in September (40%) and March (60%).
Santa Cruz	The UC Santa Cruz Foundation endowment expenditure rate approved June 2019 is 4.75% of the three-year moving average of December 31 market values. In the event the market value of an endowment is below the amount of the original gift adjusted by the Gross Domestic Product (GDP) price index at December 31, the endowment expenditure rate approved June 2019 is 2.75% of the three-year moving average of the December 31 market value, unless specific language of the endowment agreement allows otherwise. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions.

Note: Updates provided by the campus Foundations are reflected above up to the time this report was produced.

UC Berkeley extended the duration of the moving average market value that is used to calculate the spending policy to twenty quarters (five years) in fiscal year 2019 from twelve quarters (three years) for fiscal year 2018.

UC Santa Barbara decreased the spending policy to 4.0% of the 60-month average unit market value in fiscal year 2019 from 4.25% in the previous fiscal year.

UC Santa Cruz updated the endowment expenditure rate in the event the market value of an endowment is below the original gift adjusted by the GDP price index to 2.75% of the three-year moving average of the December 31st market value from 2.75% of the December 31st market value.

3 Investment Profiles for Campus Foundations

The following section contains a summary for each campus Foundation and the General Endowment Pool which includes:

- Investment Objectives
- Spending Policy
- Actual vs. Policy Target Allocations and Ranges
- Investment Performance
- Asset Allocation by Asset Class
- Rolling 1-Year Excess Return

UC REGENTS' GENERAL ENDOWMENT POOL (GEP)

Regents' General Endowment Pool Investment Objective

The overall investment goal of the General Endowment Pool is to preserve the purchasing power of the future stream of endowment payout for those funds and activities supported by the endowments, and to the extent this is achieved, cause the principal to grow in value over time. The General Endowment Pool seeks to maintain liquidity needed to support spending in prolonged down markets to maximize the value of the endowment.

Regents' General Endowment Pool Spending Policy

The total return expenditure (spending) policy for eligible assets in the General Endowment Pool is 4.75 percent of a 60-month moving average of the market value of a unit invested in the General Endowment Pool.

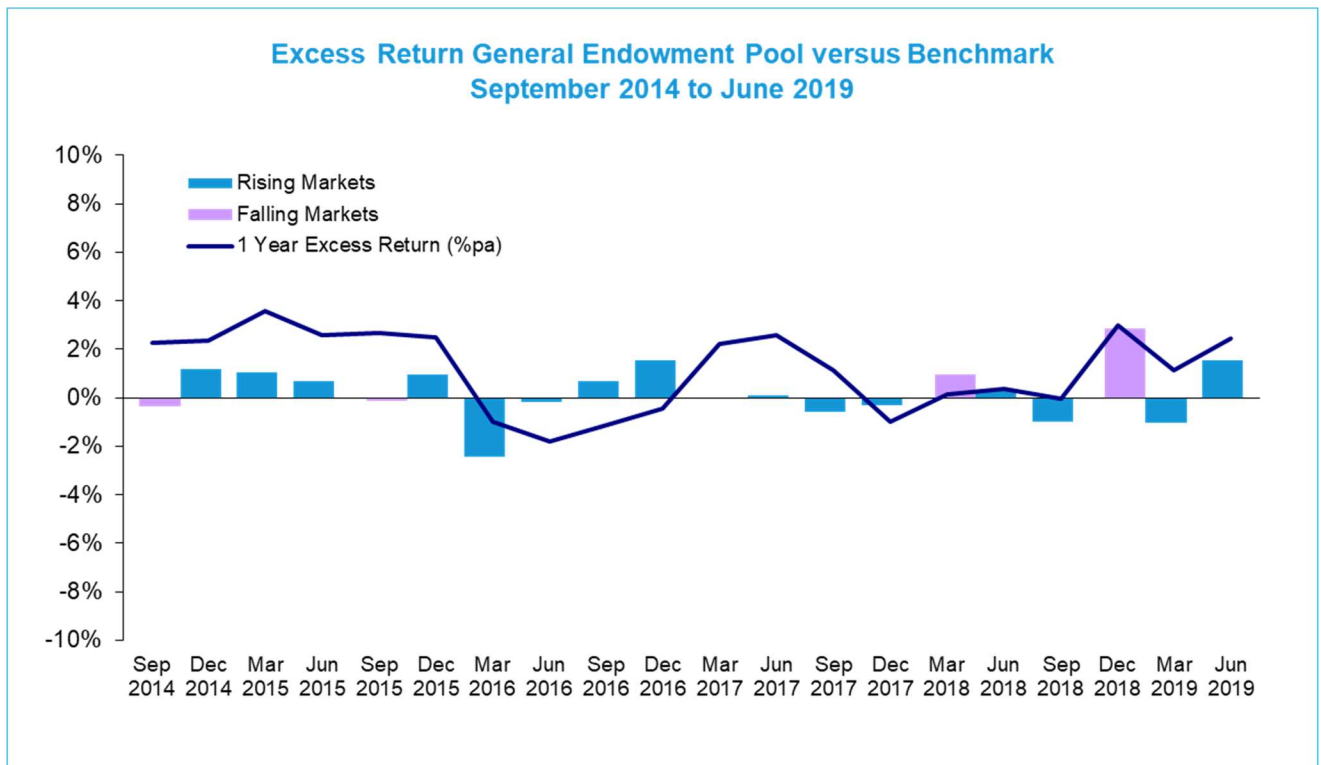
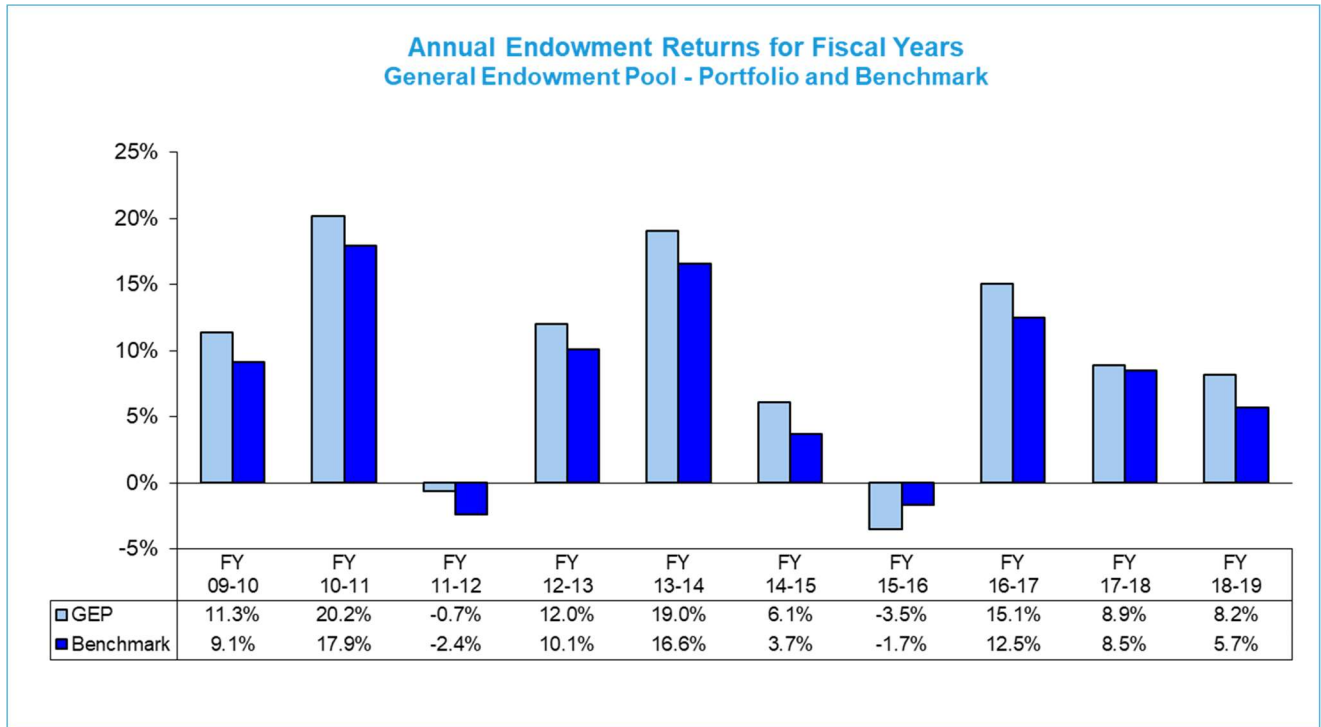
University of California Regents, General Endowment Pool Asset Allocation June 30, 2019

	Assets (\$M) ¹	Actual Allocation	Target Allocation ²	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$4,983	37.2%	39.6%	-2.4%	30.0%	63.0%	Yes
Liquidity (Income)	\$2,030	15.1%	13.1%	2.0%	3.0%	21.0%	Yes
Absolute Return	\$2,950	22.0%	22.3%	-0.3%	12.0%	29.0%	Yes
Private Equity	\$1,940	14.5%	14.4%	0.1%	2.0%	25.0%	Yes
Real Assets	\$1,506	11.2%	10.6%	0.6%	1.0%	16.0%	Yes
Total Assets	\$13,409	100.0%	100.0%				

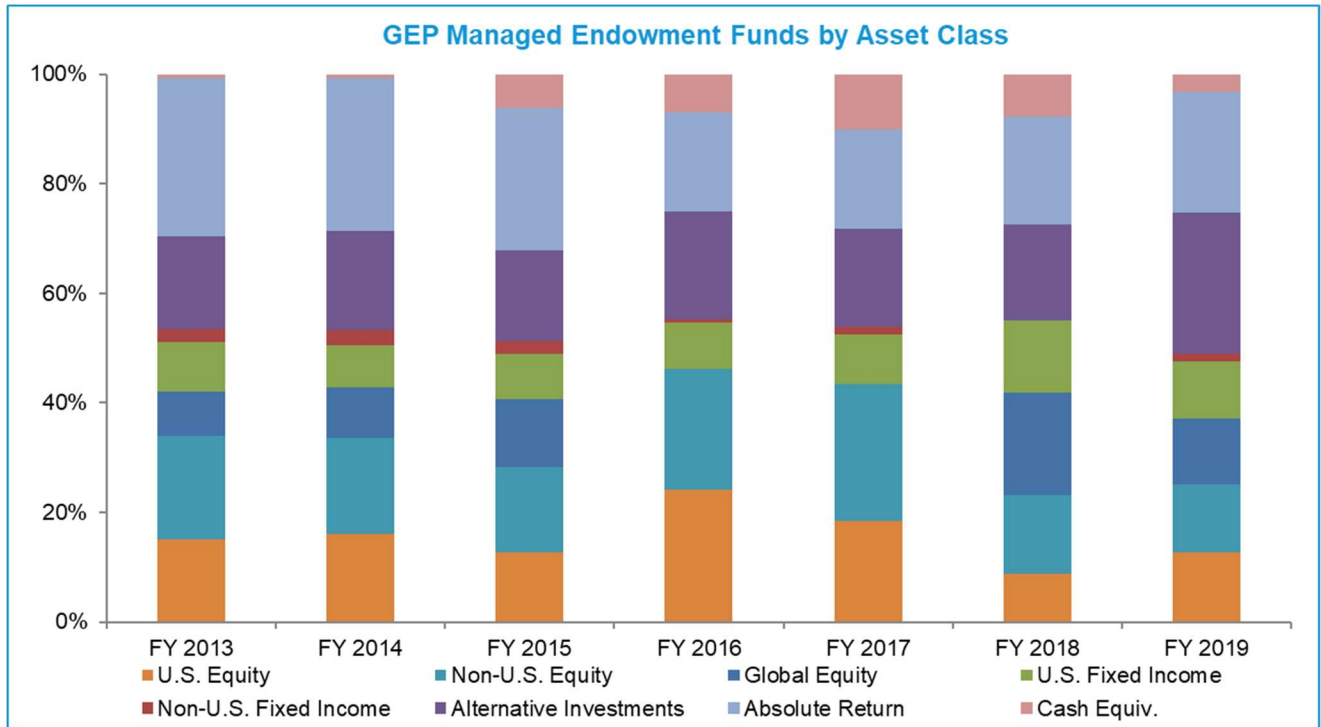
¹ Total Regents' General Endowment Pool managed endowment assets represent GEP custodied assets.

² The General Endowment Pool is on a glidepath to a new target asset allocation, targets shown above are as of 6/30/19.

UC REGENTS' GENERAL ENDOWMENT POOL (GEP)



UC REGENTS' GENERAL ENDOWMENT POOL (GEP)



Note: During fiscal year 2019, the UC Regents combined U.S. Equity and Non-U.S. Equity into the Global Equity bucket and it is the GEP's policy asset allocation to not breakdown equities or fixed income and cash on a regional basis. The regional split (US vs. non-US) shown above for these asset classes are for informational purposes.

UC BERKELEY FOUNDATION

Endowment Investment Objective

The primary objective of the UC Berkeley Foundation ("UCBF") endowment pool is to generate returns sufficient to meet UCBF's desired financial support to UC Berkeley over the long term, while maintaining real purchasing power, sufficient liquidity, and acceptable volatility. The General Endowment Pool ("GEP") also seeks to generate results after all relevant expenses that match or exceed the returns of a representative mix of investable assets, known as the Total Portfolio Benchmark, over rolling periods in excess of 10 years.

Endowment Spending Policy

The Foundation's payout policy is 4.0% of a twenty-quarter (five year) moving average market value of the endowment pool. The Finance and Administration Committee, at its discretion, may recommend to the Executive Committee an alternative payout percentage, within a range of 3.5% to 4.5% for a specific payout year.

University of California, Berkeley Foundation Portfolio

Asset Allocation

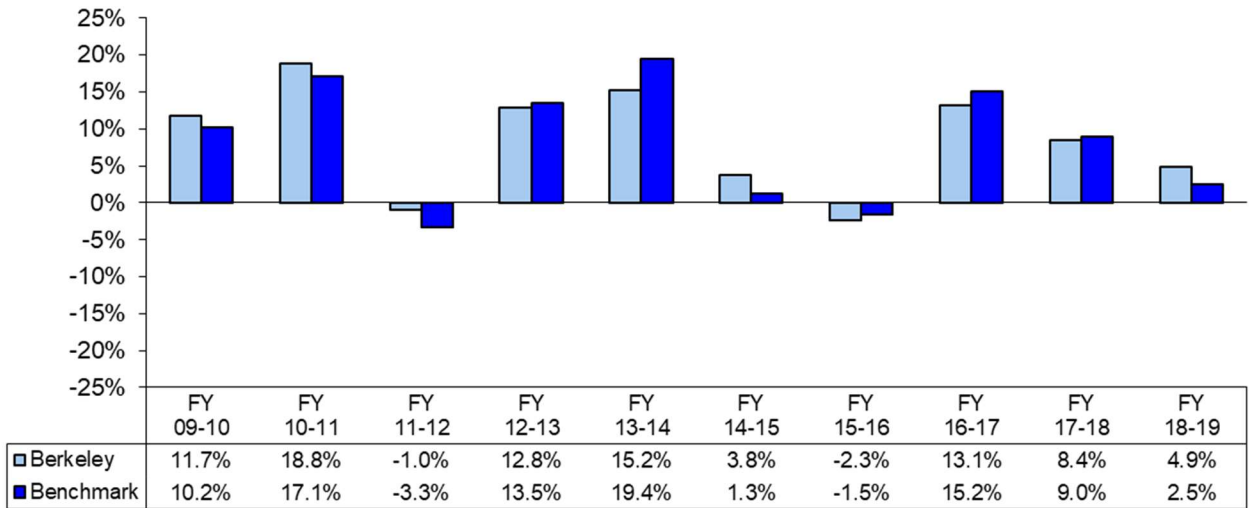
June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation ¹	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Developed Equity	\$856	41.3%	28.0%	13.3%	20.0%	50.0%	Yes
Emerging Markets	\$209	10.1%	15.0%	-4.9%	5.0%	20.0%	Yes
PE/VC	\$212	10.2%	22.0%	-11.8%	0.0%	30.0%	Yes
Real Assets	\$162	7.8%	10.0%	-2.2%	0.0%	15.0%	Yes
Opportunistic	\$49	2.4%	0.0%	2.4%	0.0%	15.0%	Yes
Absolute Return	\$285	13.8%	15.0%	-1.2%	5.0%	20.0%	Yes
Fixed Income and Cash	\$299	14.4%	10.0%	4.4%	5.0%	20.0%	Yes
Total Assets	\$2,071	100.0%	100.0%				

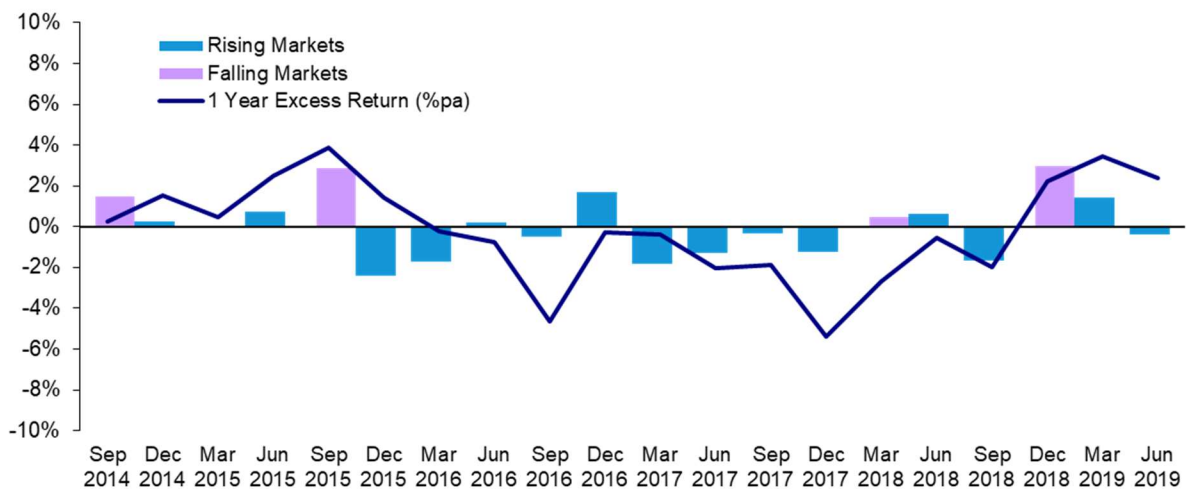
¹ UC Berkeley Foundation adopted a new Asset Allocation framework, effective January 1, 2019. Target policy allocations are the long-term targets.

UC BERKELEY FOUNDATION

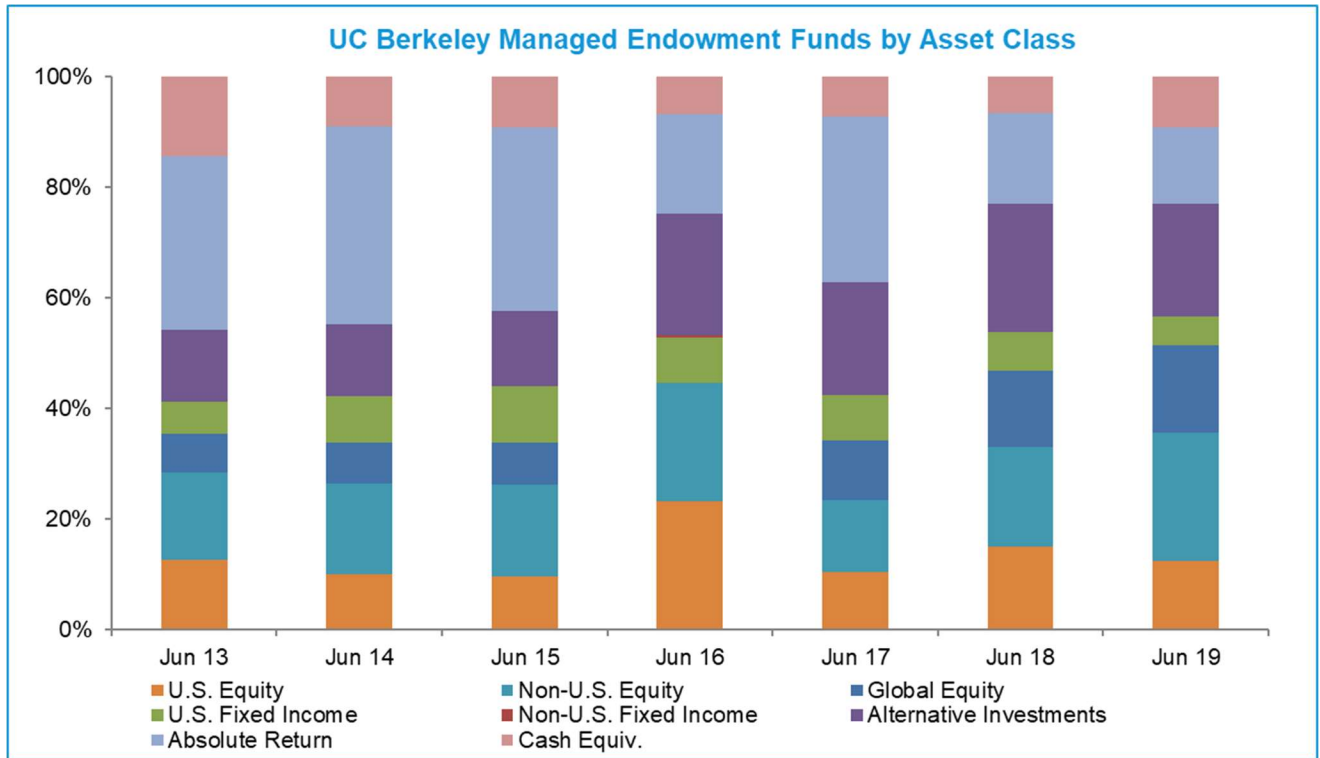
Annual Endowment Returns for Fiscal Years
UC Berkeley - Portfolio and Benchmark



Excess Return UC Berkeley Portfolio versus Benchmark
September 2014 to June 2019



UC BERKELEY FOUNDATION



Note: During fiscal year 2019, UC Berkeley combined U.S. Equity and Non-U.S. Developed Equity into the Developed Equity bucket which is represented by Global Equity. The breakdown on the chart is shown for informational purposes.

UC DAVIS FOUNDATION

Endowment Investment Objective

The Fund seeks future long-term growth of investments, at an acceptable risk level, sufficient to offset reasonable spending plus normal inflation, thereby preserving the purchasing power of the Fund for future generations.

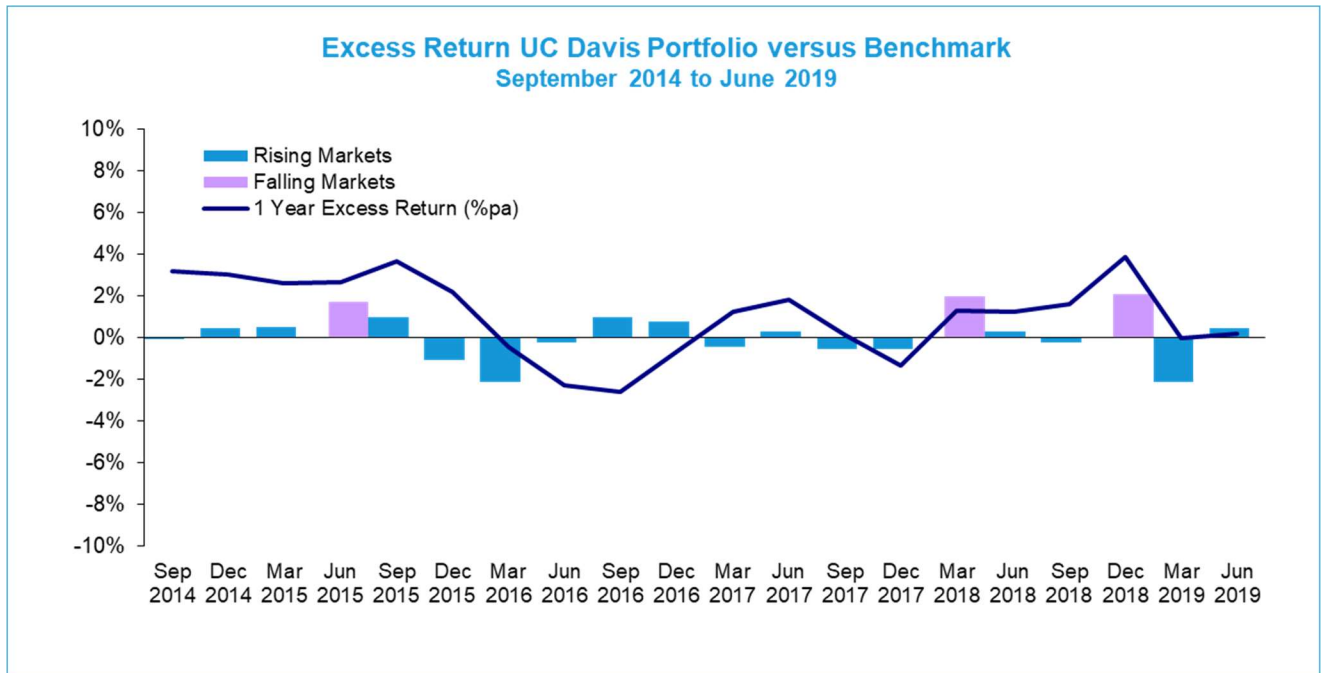
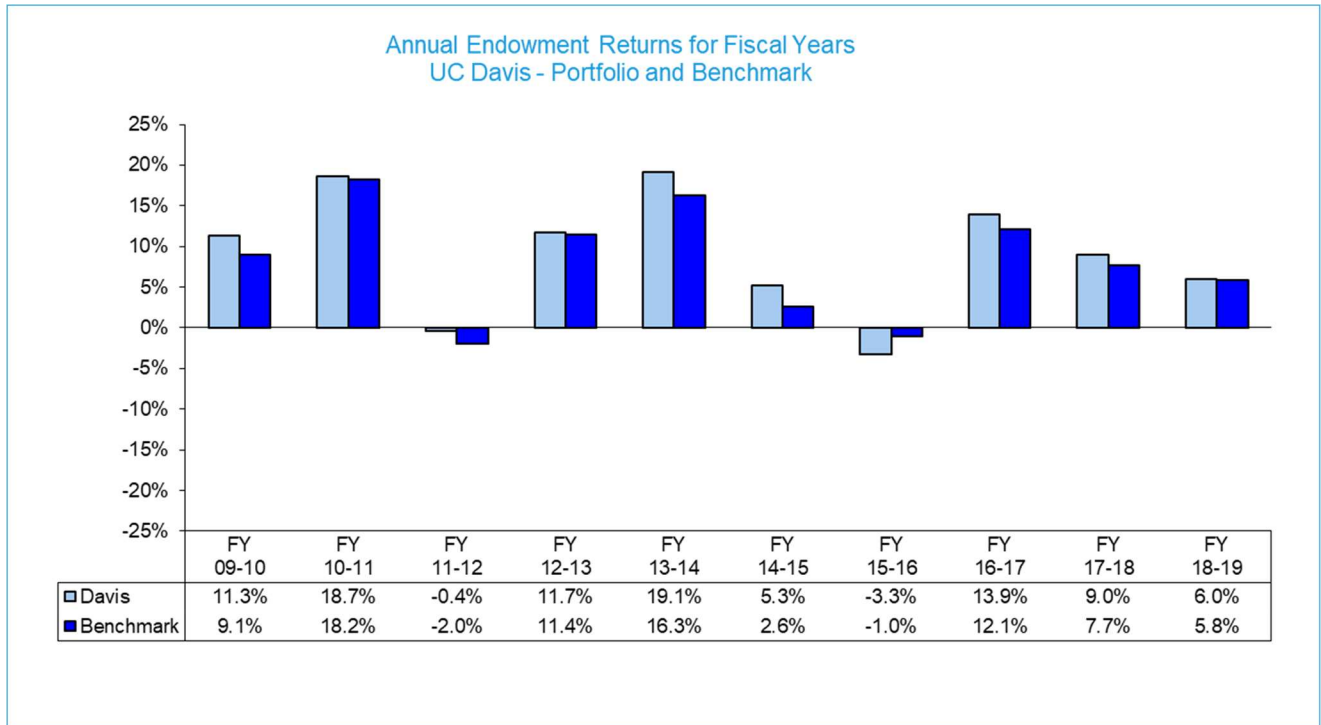
Endowment Spending Policy

The primary objective of the UC Davis Foundation's endowment spending policy is to achieve a proper balance between present and future needs of endowed units at UC Davis. The approved spending rate for the September payout was 4.50% of the average of the prior 60-month-end market values of each endowment fund, for the period ending March 31.

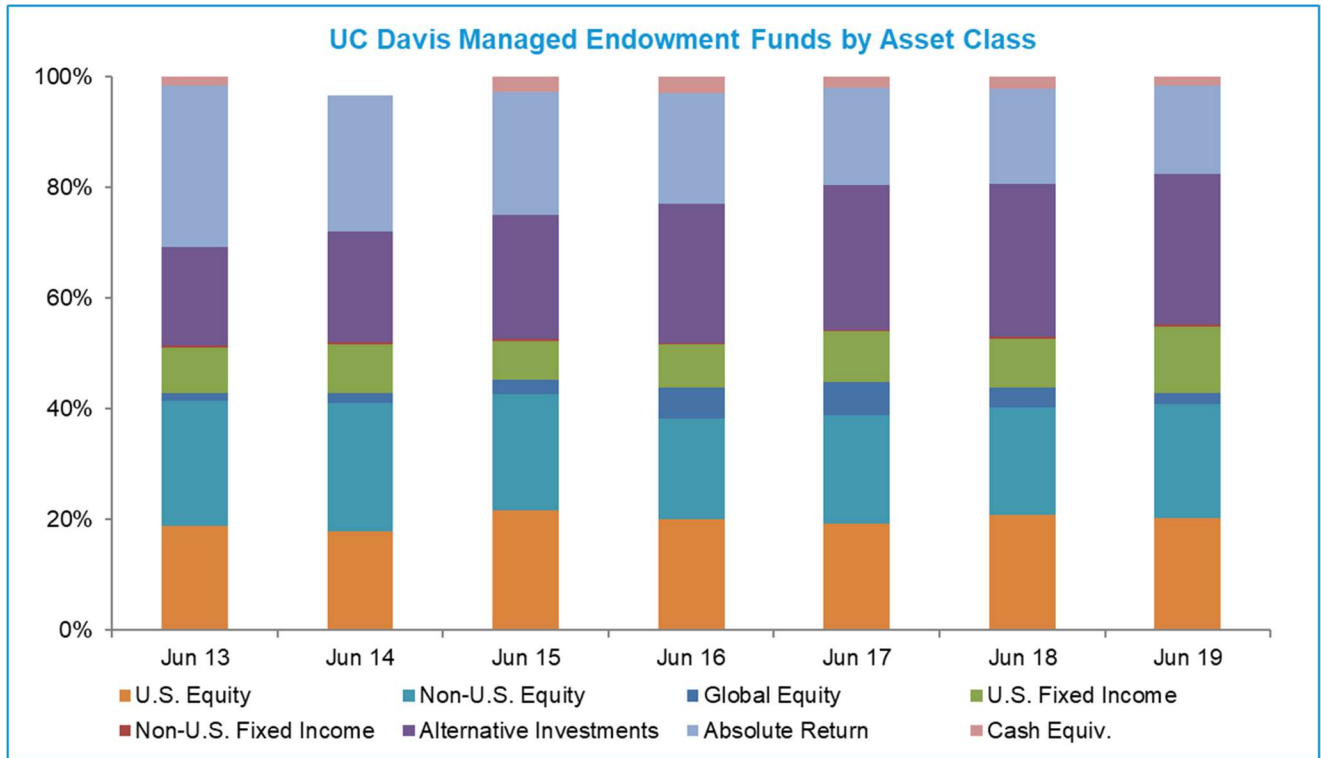
University of California, Davis Foundation Portfolio Asset Allocation June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Core Endowment	\$306	64.0%	63.0%	1.0%	50.0%	76.0%	Yes
Multi-Asset	\$72	15.2%	19.0%	-3.8%	7.0%	31.0%	Yes
L/T US Eq Growth	\$46	9.5%	9.0%	0.5%	3.0%	15.0%	Yes
L/T non-US Growth	\$45	9.4%	9.0%	0.4%	3.0%	15.0%	Yes
Cash	\$9	1.9%	0.0%	1.9%			
Total Assets	\$478	100.0%	100.0%				

UC DAVIS FOUNDATION



UC DAVIS FOUNDATION



Note: UC Davis' actual asset allocation for the Liquidity Portfolio was -3.7% as of 6/30/14.

UC IRVINE FOUNDATION

Endowment Investment Objective

The Foundation's goals are to preserve the real value of the endowment corpus by achieving a growth rate equal to or greater than the spending rate plus inflation, to meet or exceed a custom total fund benchmark reflective of the asset allocation policy, net of fees, over a full market cycle of five to ten years. The Fund has a long-term time horizon consistent with the perpetual nature of the funds. Consistent with prudent standards for preservation of capital and maintenance of liquidity, the goal of the Fund is to earn a competitive total rate of return consistent with the Fund's tolerance for risk as determined periodically by the Committee.

Endowment Spending Policy

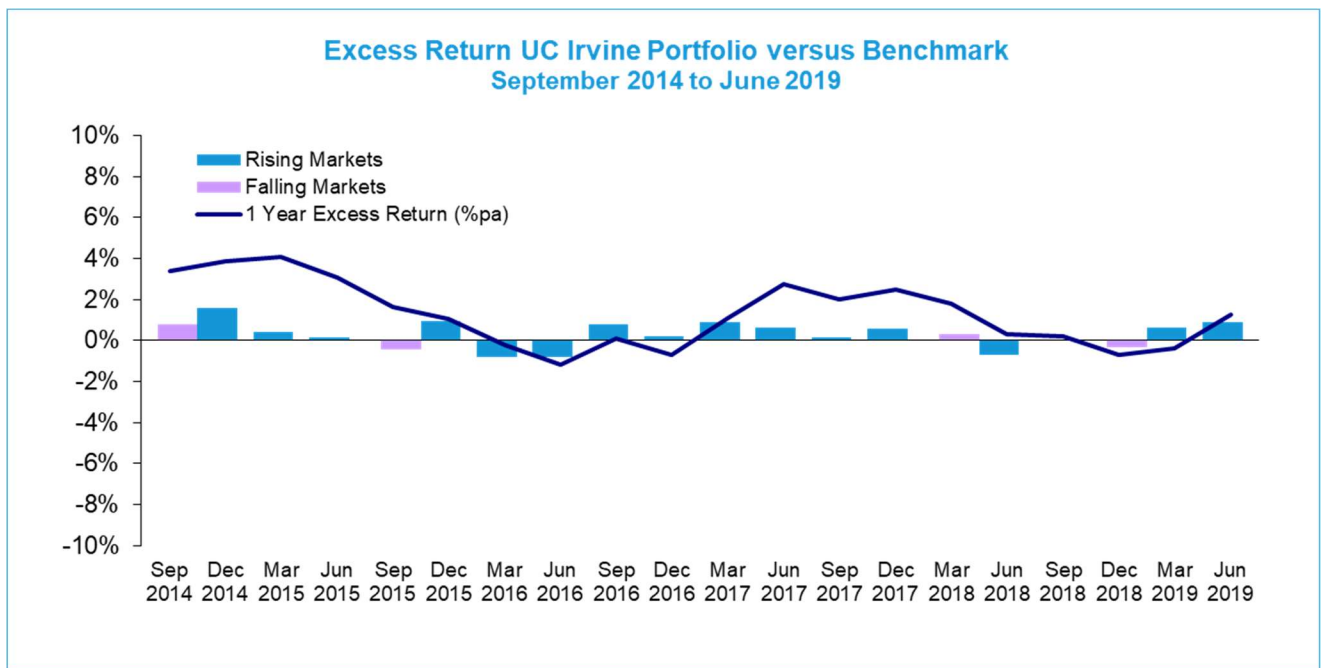
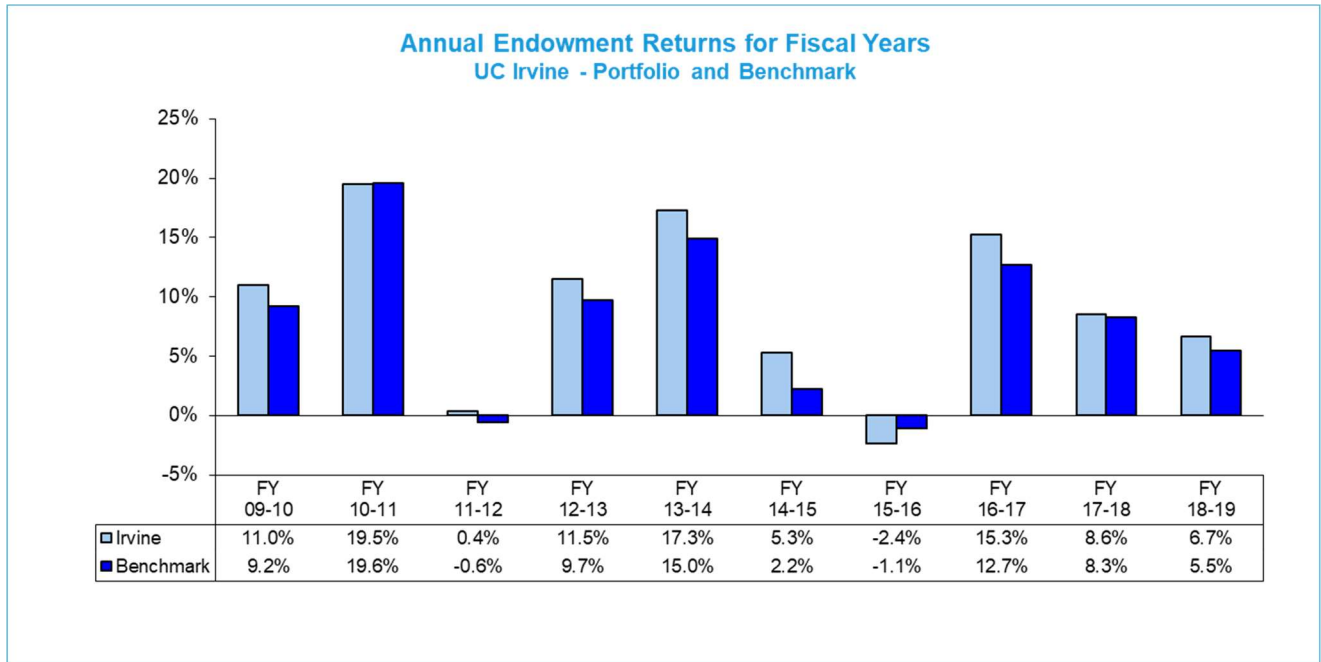
The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. Income available for expenditure is calculated according to a predetermined formula.

University of California, Irvine Foundation Portfolio Asset Allocation June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$217	46.1%	40.0%	6.1%	30.0%	50.0%	Yes
Liquidity (Income)	\$75	15.9%	15.0%	0.9%	10.0%	20.0%	Yes
Absolute Return	\$83	17.6%	20.0%	-2.4%	15.0%	25.0%	Yes
Private Equities	\$50	10.6%	15.0%	-4.4%	10.0%	20.0%	Yes
Real Assets	\$46	9.8%	10.0%	-0.2%	5.0%	15.0%	Yes
Total Assets¹	\$471	100.0%	100.0%				

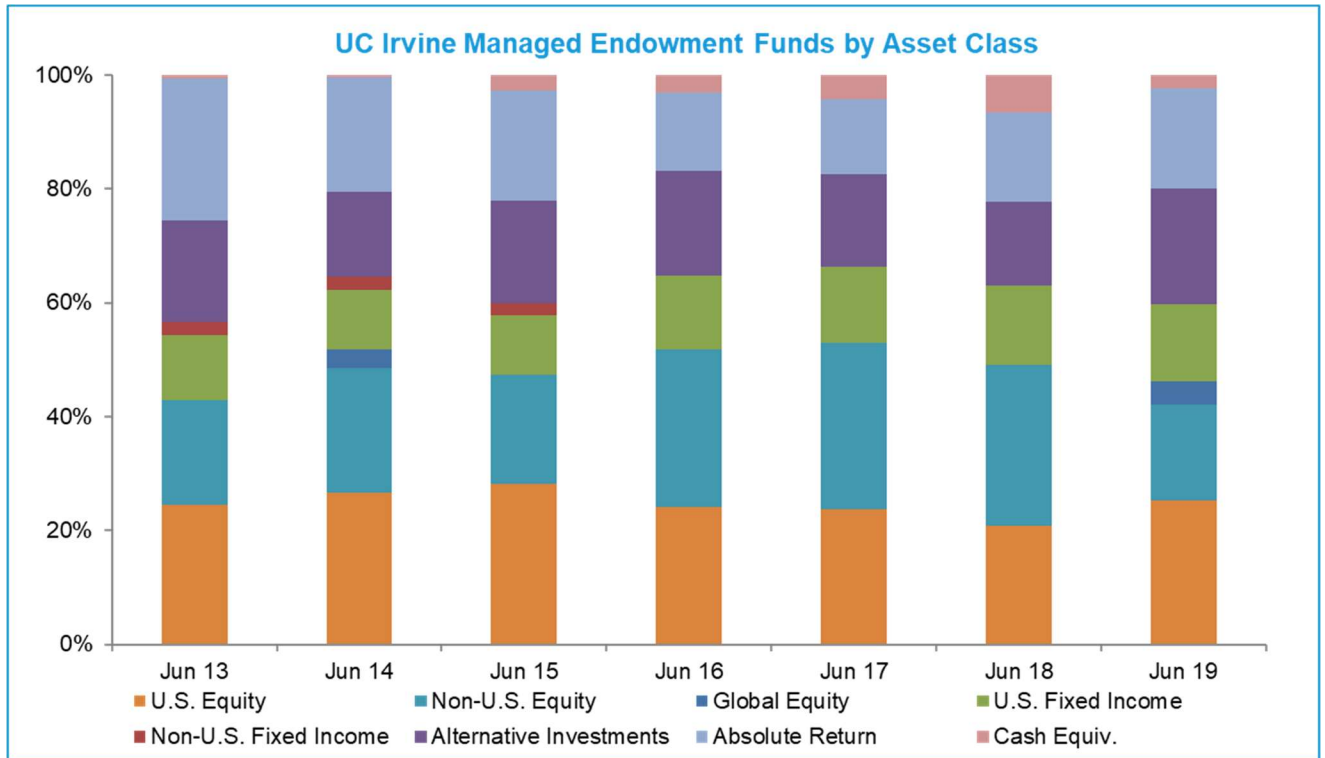
¹Not inclusive of \$12.4M in donor-driven assets not at the discretion of the Board.

UC IRVINE FOUNDATION



Irvine's performance prior to FY 2018 was reported net of fees. FY 2019 composite return is a blend of gross and net performance (returns for private equity, alternatives, mutual funds, GEP and Vintage year funds are net of fees).

UC IRVINE FOUNDATION



UC LOS ANGELES FOUNDATION

Endowment Investment Objective

The primary investment objective of the Foundation endowment is to earn an average annual real total return of at least 5% per year over the long term, net of cost. Attainment of this objective will enable the University to maintain the purchasing power of endowment assets in perpetuity and meet its current spending policy.

A secondary investment objective of the endowment is to outperform over the long term (defined as rolling five-year periods) a blended custom benchmark based on a current asset allocation policy of: 50% MSCI All Country World Index (ACWI), 15% Citigroup 3 Month Treasury Bill Index X2, 10% Cambridge Associates LLC U.S. Private Equity Index, 5% Citigroup 3 Month Treasury Bill Index (Cash), 5% Merrill Lynch High Yield Master II Index, 5% NCREIF Property Index, and 10% Consumer Price Index for All Urban Consumers (annualized CPI-U) + 6%.

Endowment Spending Policy

In 2019, The UCLA Foundation endowment spending rate was 4.30% of a 12 quarter rolling average market value, calculated quarterly. The UCLA Foundation approved endowment spending policy for fiscal 2020 is 4.30% of a 12 quarter rolling average.

University of California, Los Angeles Foundation Portfolio Asset Allocation June 30, 2019

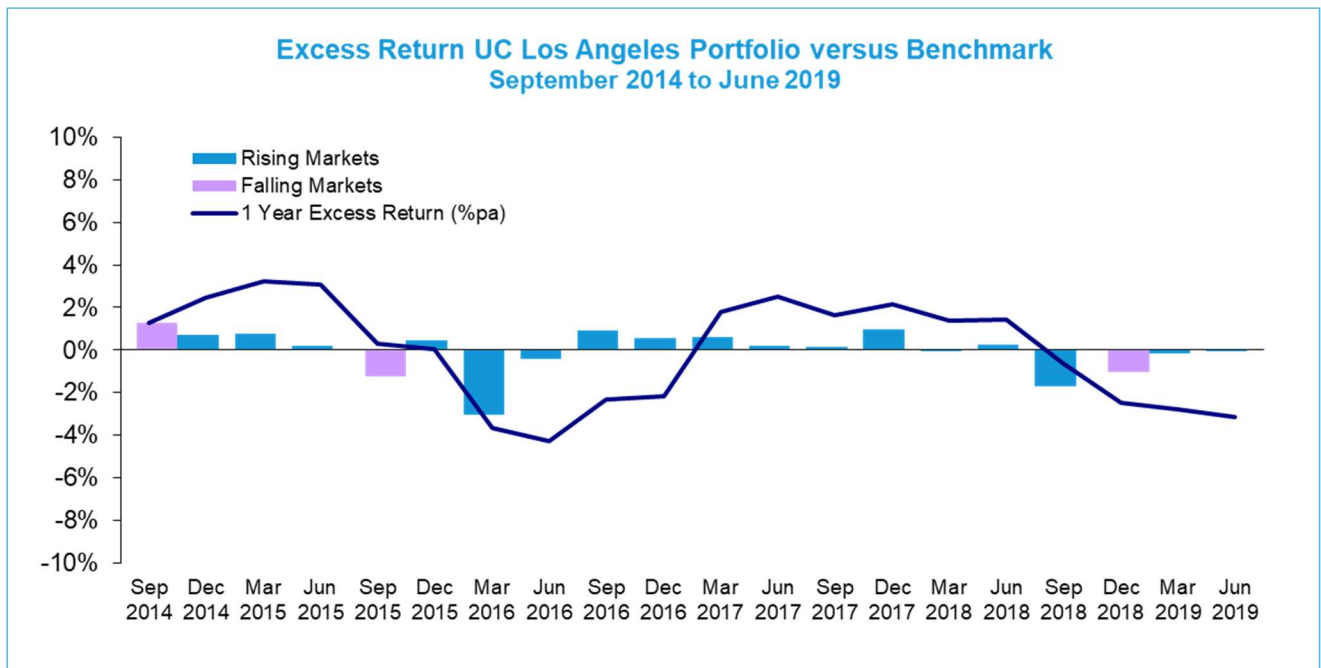
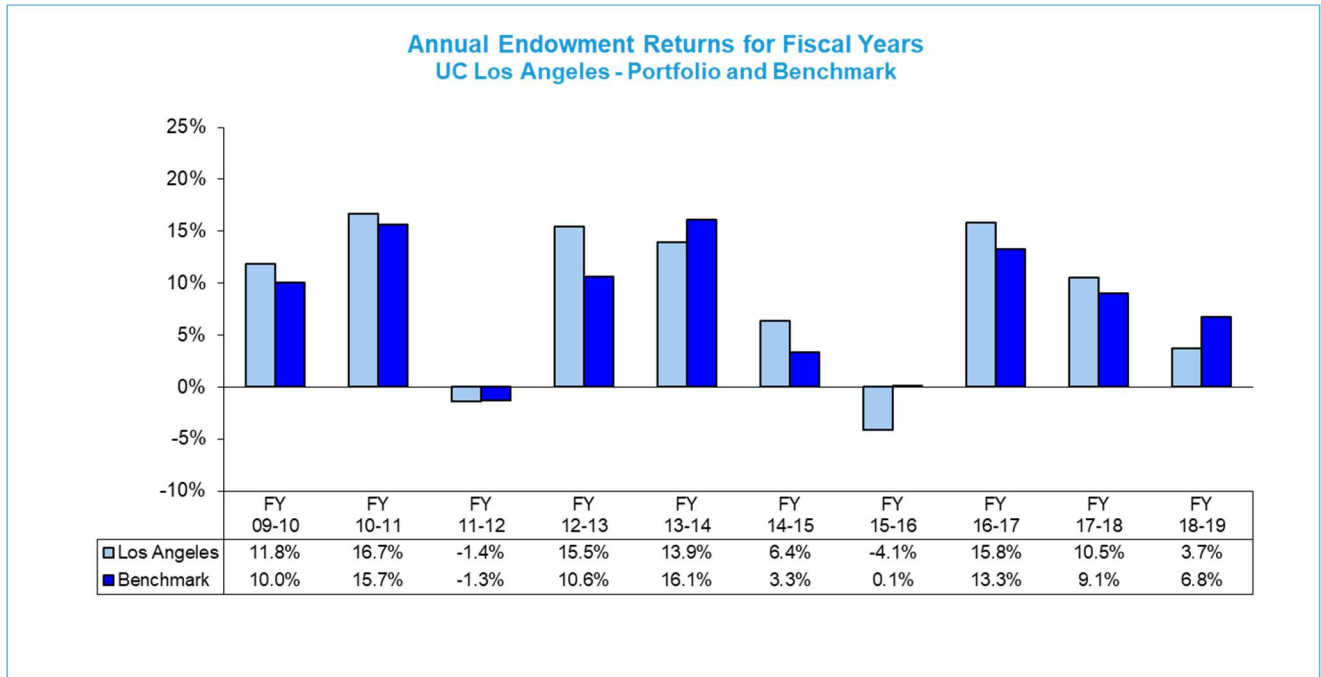
	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Equity ¹	\$1,491	54.3%	50.0%	4.3%	30.0%	75.0%	Yes
Private Eq/Venture	\$305	11.1%	10.0%	1.1%	0.0%	25.0%	Yes
Multi-Strategy	\$297	10.8%	15.0%	-4.2%	5.0%	20.0%	Yes
Credit	\$112	4.1%	5.0%	-0.9%	0.0%	15.0%	Yes
Real Assets	\$242	8.8%	10.0%	-1.2%	0.0%	15.0%	Yes
Real Estate	\$89	3.2%	5.0%	-1.8%	0.0%	10.0%	Yes
Cash ²	\$211	7.7%	5.0%	2.7%	0.0%	10.0%	Yes
Total Assets	\$2,747	100%	100%				

As of January 1, 2013, UCLA implemented a new investment Policy using static weights. Prior to January 1, 2013, the UCLA Foundation Policy Benchmark reflects actual weights.

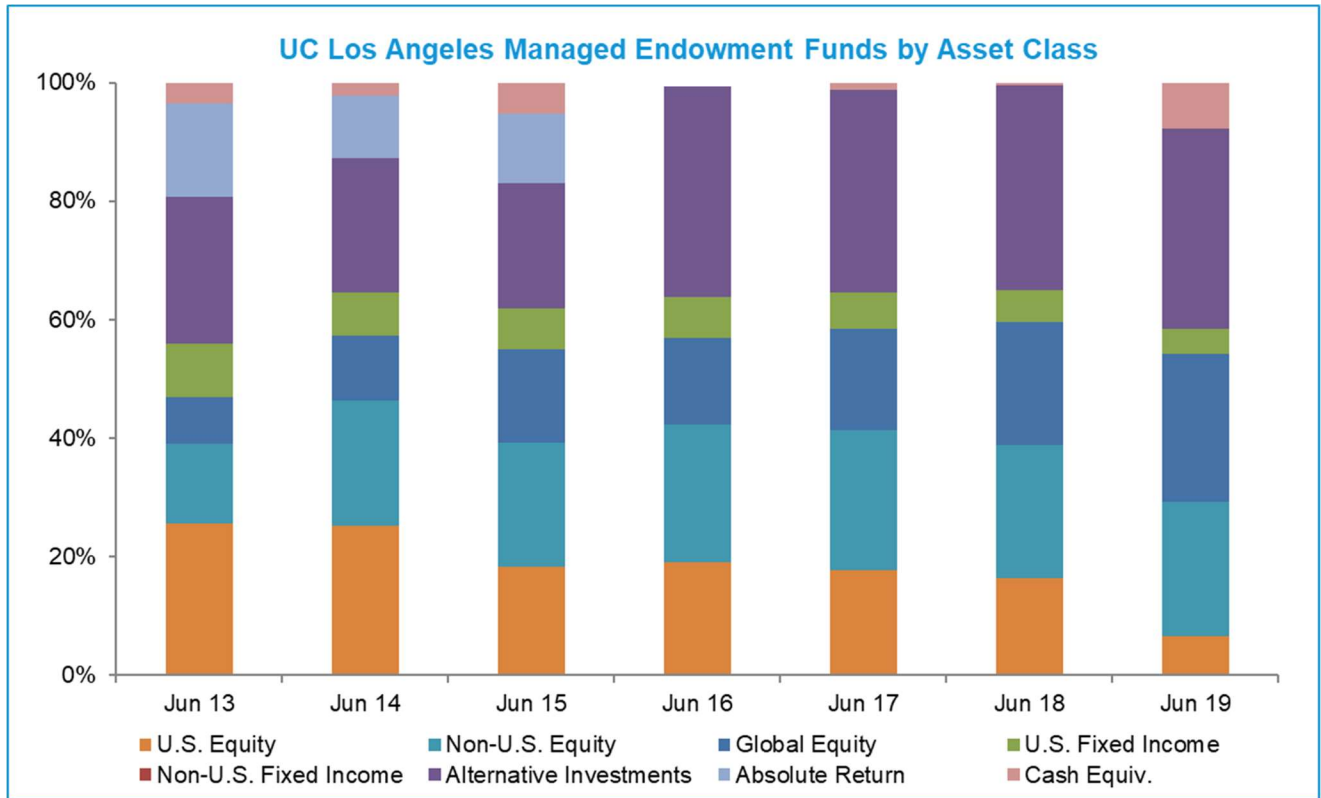
¹ The Equity Exposure is 54.3% after including the notional exposure of derivative positions and derivative related strategies.

² The Cash allocation is 7.7% when excluding collateral of derivative positions and derivative related strategies.

UC LOS ANGELES FOUNDATION



UC LOS ANGELES FOUNDATION



Note: UC Los Angeles' cash allocation at June 30, 2016 was -0.6% when excluding collateral for the derivative positions.

UC MERCED FOUNDATION

Endowment Investment Objective

UC Merced Foundation's investment objectives are: (1) provide investment earnings adequate to secure the benefits promised and the financial obligations created by the endowment, and (2) secure, preserve, and increase the inflation-adjusted value of the Fund.

Endowment Spending Policy

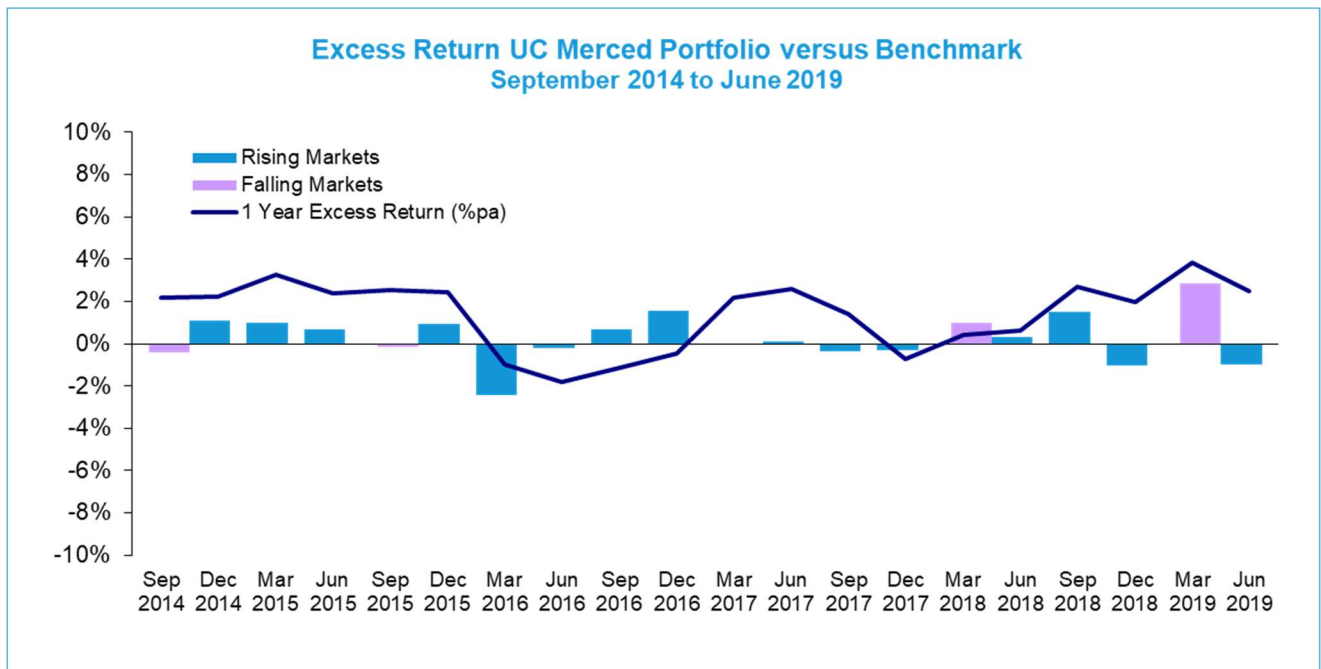
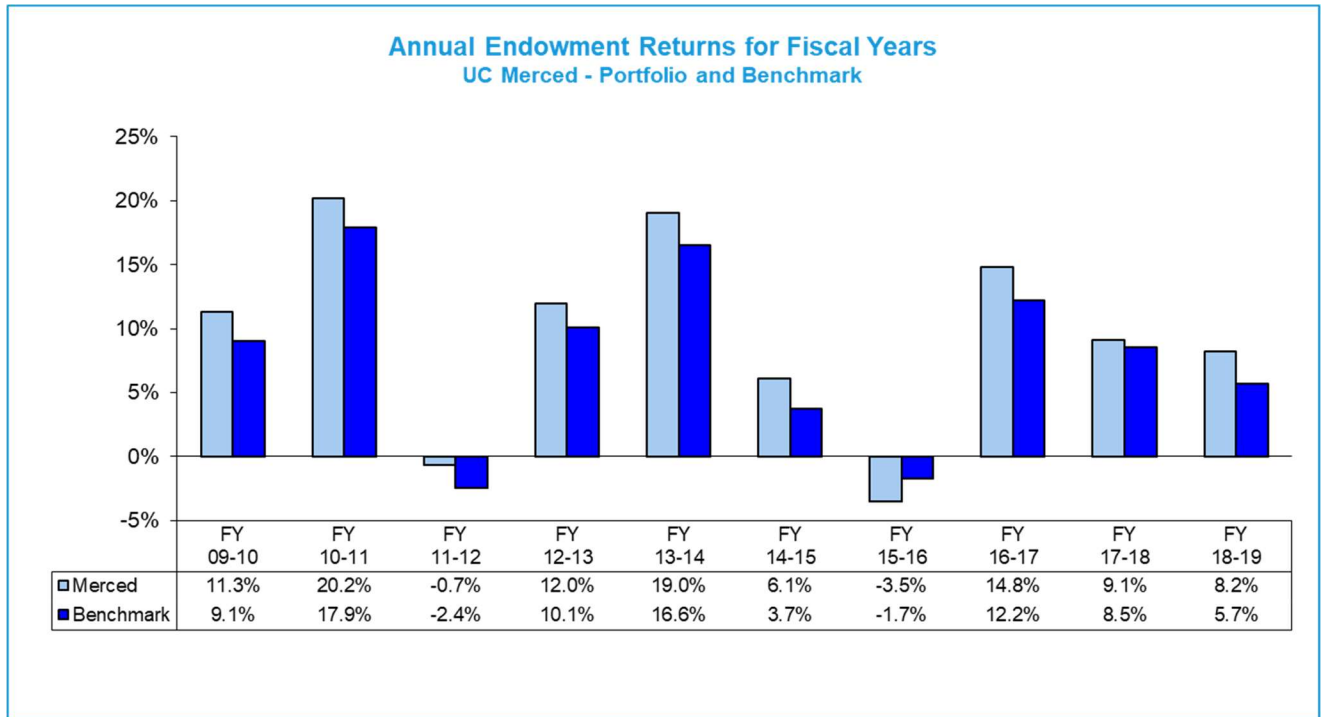
The spending policy of the UC Merced Foundation is to provide 100% of the endowment earnings up to a maximum spending payout rate of 4.75% of the 60-month average unit market value for the period ending December 31st.

University of California, Merced Foundation Portfolio Asset Allocation June 30, 2019

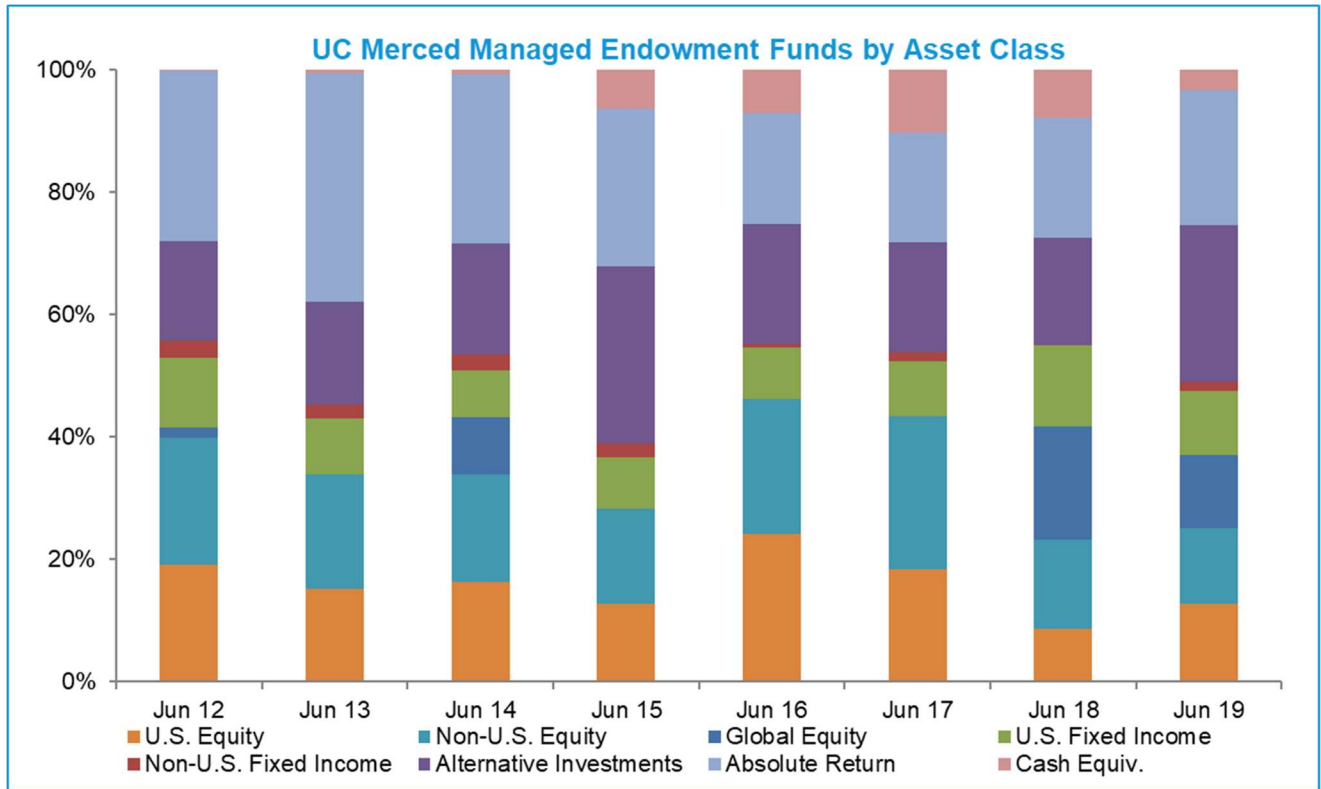
	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$5	37.2%	39.6%	-2.4%	30.0%	63.0%	Yes
Liquidity (Income)	\$2	15.1%	13.1%	2.0%	3.0%	21.0%	Yes
Absolute Return	\$3	22.0%	22.3%	-0.3%	12.0%	29.0%	Yes
Private Equity	\$2	14.5%	14.4%	0.1%	2.0%	25.0%	Yes
Real Assets	\$2	11.2%	10.6%	0.6%	1.0%	16.0%	Yes
Total Assets	\$14	100.0%	100.0%				

The UC Merced Foundation utilizes the GEP Policy Benchmark.

UC MERCED FOUNDATION



UC MERCED FOUNDATION



Note: The UC Merced Foundation is primarily invested in the Regents' General Endowment Pool. GEP's policy asset allocation does not breakdown equities or fixed income and cash on a regional basis. The regional split (US vs. non-US) shown above for these asset classes are for informational purposes.

UC RIVERSIDE FOUNDATION

Endowment Investment Objective

The investment objective of the endowment fund is to earn a multi-year average rate of return on its investments that meets or exceeds annual distributions (spending) plus inflation. To do this, the Foundation seeks to maximize the investment return within a level of risk deemed appropriate taking all these objectives into account. The spending objectives of the endowment fund are to pay out amounts that are relatively predictable and stable, sustainable in real terms (i.e., on an inflation-adjusted basis), and as large as possible. To meet these objectives, both the spending per unit and the unit market value after spending must grow over time at least as fast as the general rate of inflation.

Endowment Spending Policy

The endowment spending policy applicable to FYE 2019 was to withdraw per unit 4% of the average unit market value of the endowment fund calculated using the closing unit market value on the last day of each of the 84 contiguous months the last of which ended on May 31, 2019.

University of California, Riverside Foundation Portfolio Asset Allocation June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation ¹	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$129,102,231	73.4%	60.0%	13.4%	40.0%	75.0%	
Public Fixed Income	\$16,682,105	9.5%	10.0%	-0.5%	0.0%	50.0%	
All Alternative Inv.	\$22,510,337	12.8%	30.0%	-17.2%	0.0%	50.0%	
Liquidity Portfolio	\$7,639,049	4.3%	0.0%	4.3%	0.0%	0.0%	
Total Assets	\$175,933,722	100%	100%				

Notes:

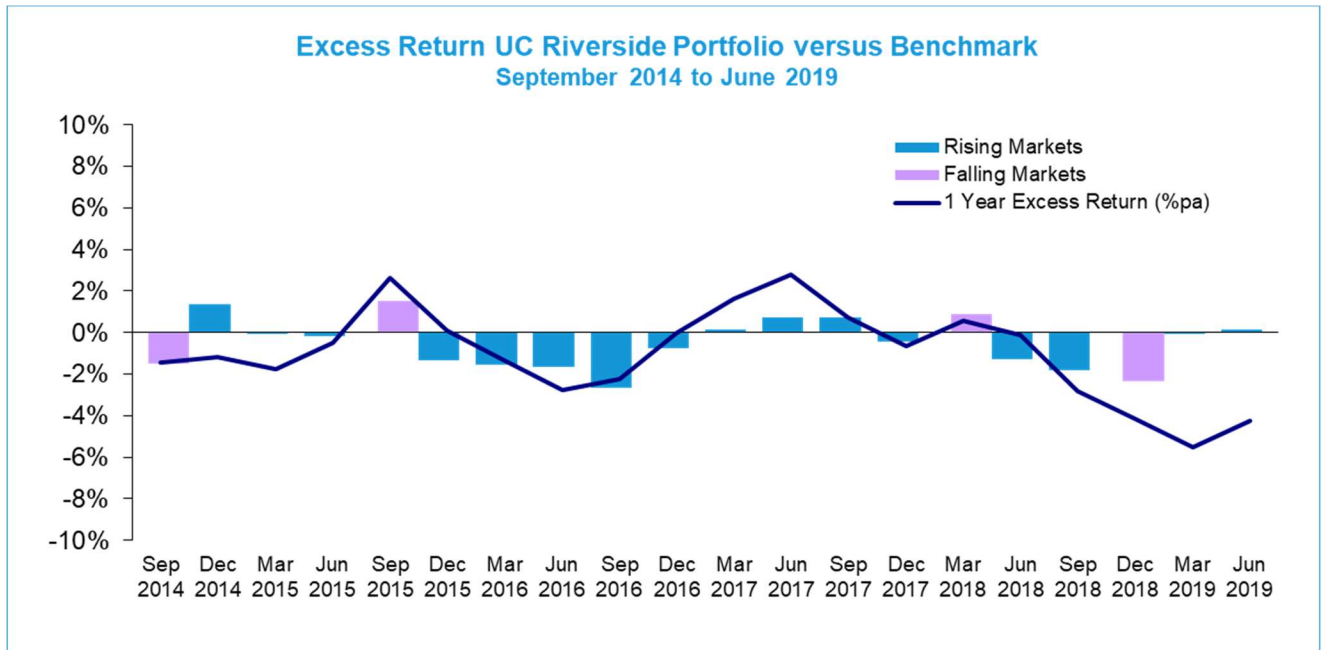
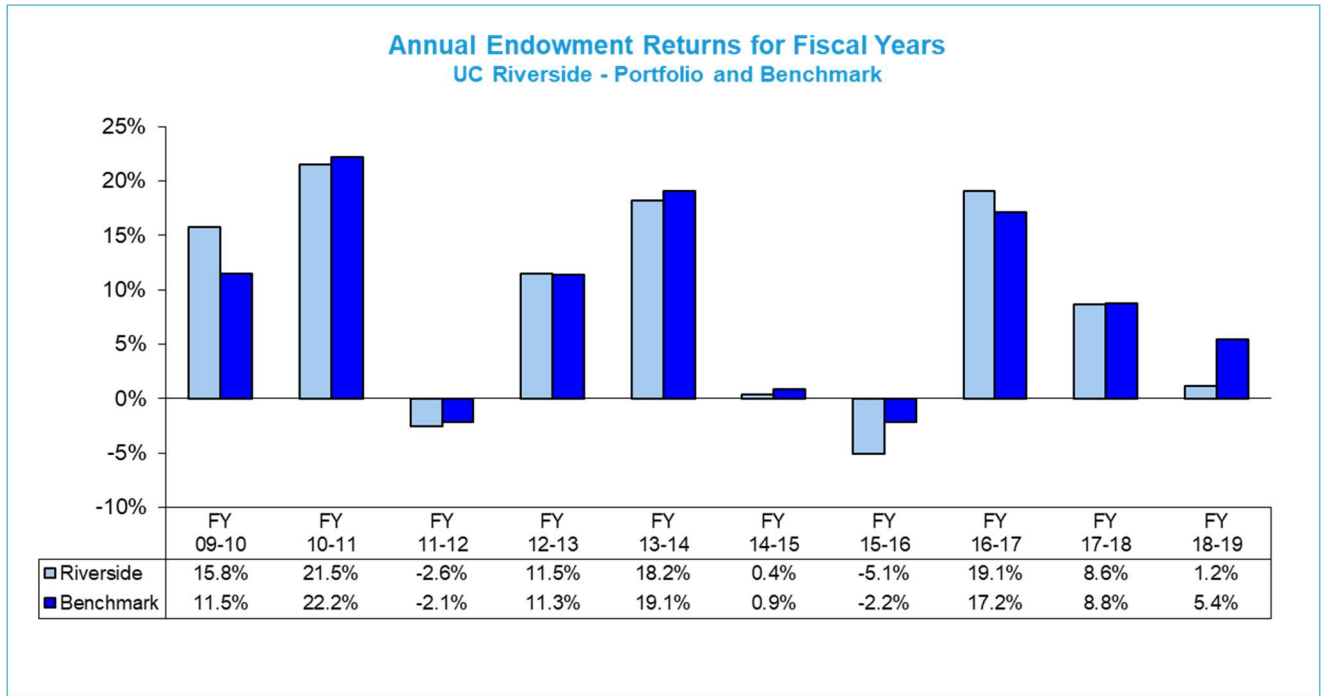
The asset class benchmarks do not roll up into the policy benchmark.

The strategic benchmark is an evolving benchmark following the IPS and reflects @ 06/30/19: 73% MSCI ACWI Net; 10% Barclays Capital Agg; 10% HFRX Global Hedge Fund, 5% NCREIG ODCE and 2% Cambridge Private Equity Index

Balance of the commitments to private equity/venture capital funds was \$8,495,857 @ FYE19

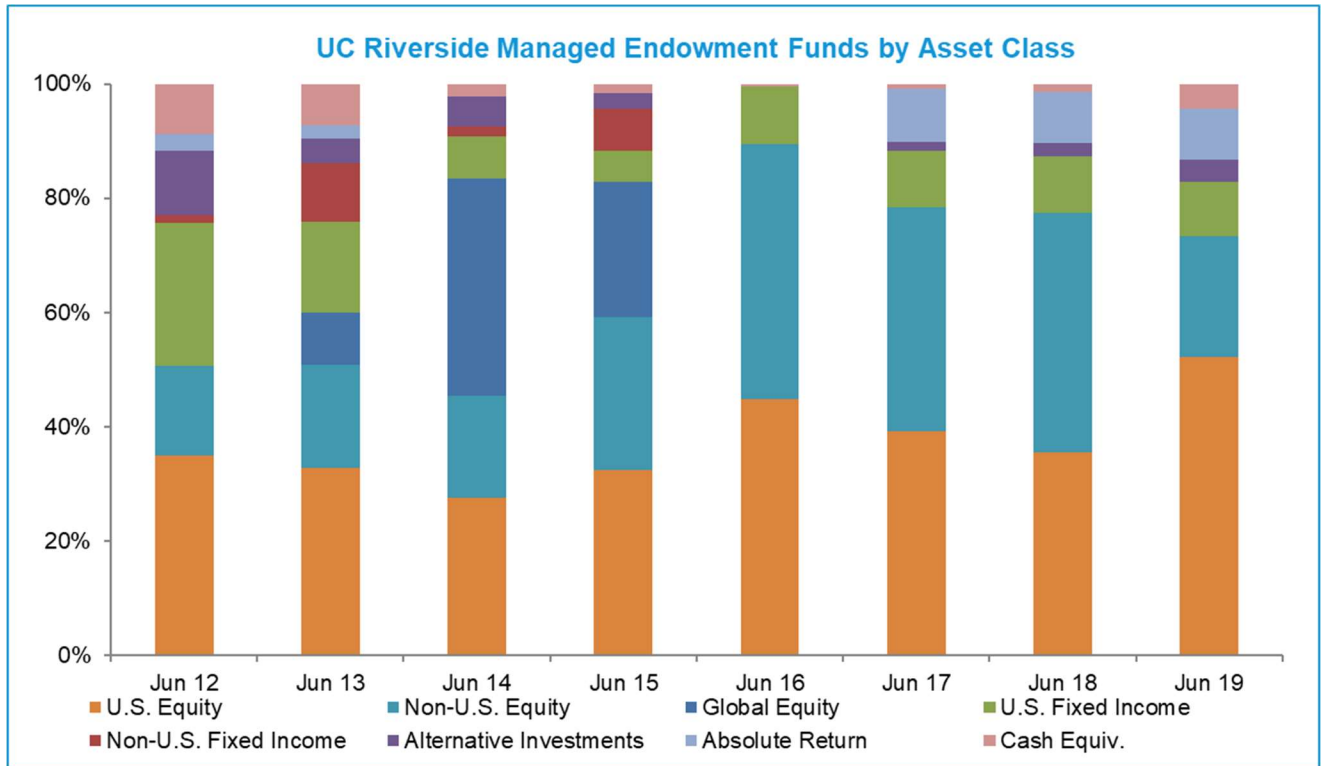
Capital calls associated with these commitments will be funded from public equity.

UC RIVERSIDE FOUNDATION



The 2017 fiscal 1-year benchmark performance provided by UCR for the excess return exhibit shown above is different from the 2017 fiscal 1-year benchmark performance provided by the UCR's investment consultant due to re-statement of returns.

UC RIVERSIDE FOUNDATION



UC SAN DIEGO FOUNDATION

Endowment Investment Objective

The UC San Diego Foundation's primary investment goal for its endowment is to maximize long-term total return, utilizing a diversified portfolio consistent with prudent levels of risk. Endowment portfolio performance is expected to preserve or enhance the real value of the endowment and the purchasing power of the spending. The portfolio return goal is to achieve an annualized total net return at least equivalent to, and preferably exceeding, the endowment spending rate plus inflation, over rolling five and ten year periods. During the majority of FY 2018-19, the asset allocation policy targets were 21% U.S. Equity, 17% Developed Non-U.S. Equity, 6% Emerging Market Equity, 13% Private Equity, 20% Diversifying Strategies, 11% Real Estate and Real Assets, and 12% Fixed Income. In the last quarter of the fiscal year, a shift began and effective June 7, 2019 the new investment policy target asset allocation is 40% U.S. Equity, 7% Developed Non-U.S. Equity, 3% Emerging Market Equity, 16% Private Equity, 17% Absolute Return Strategies, 10% Real Estate, and 5% Fixed Income, 2% Cash.

Endowment Spending Policy

Endowment spending during fiscal year 2018-19 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.

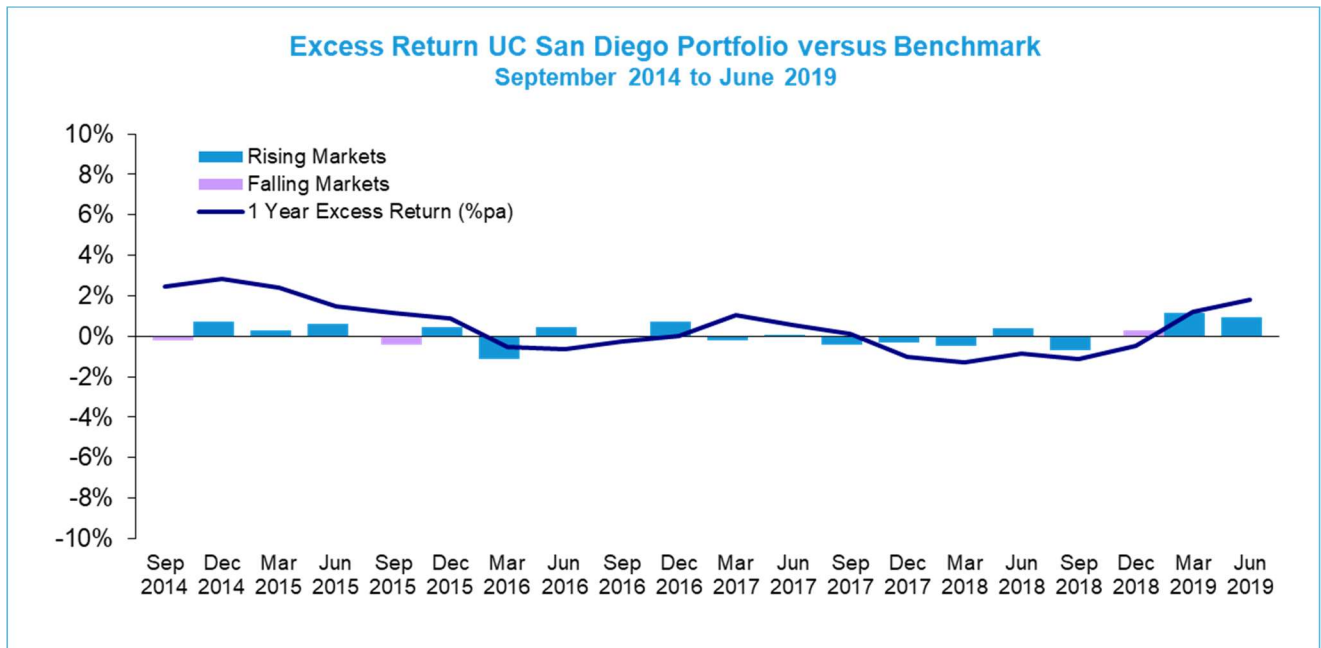
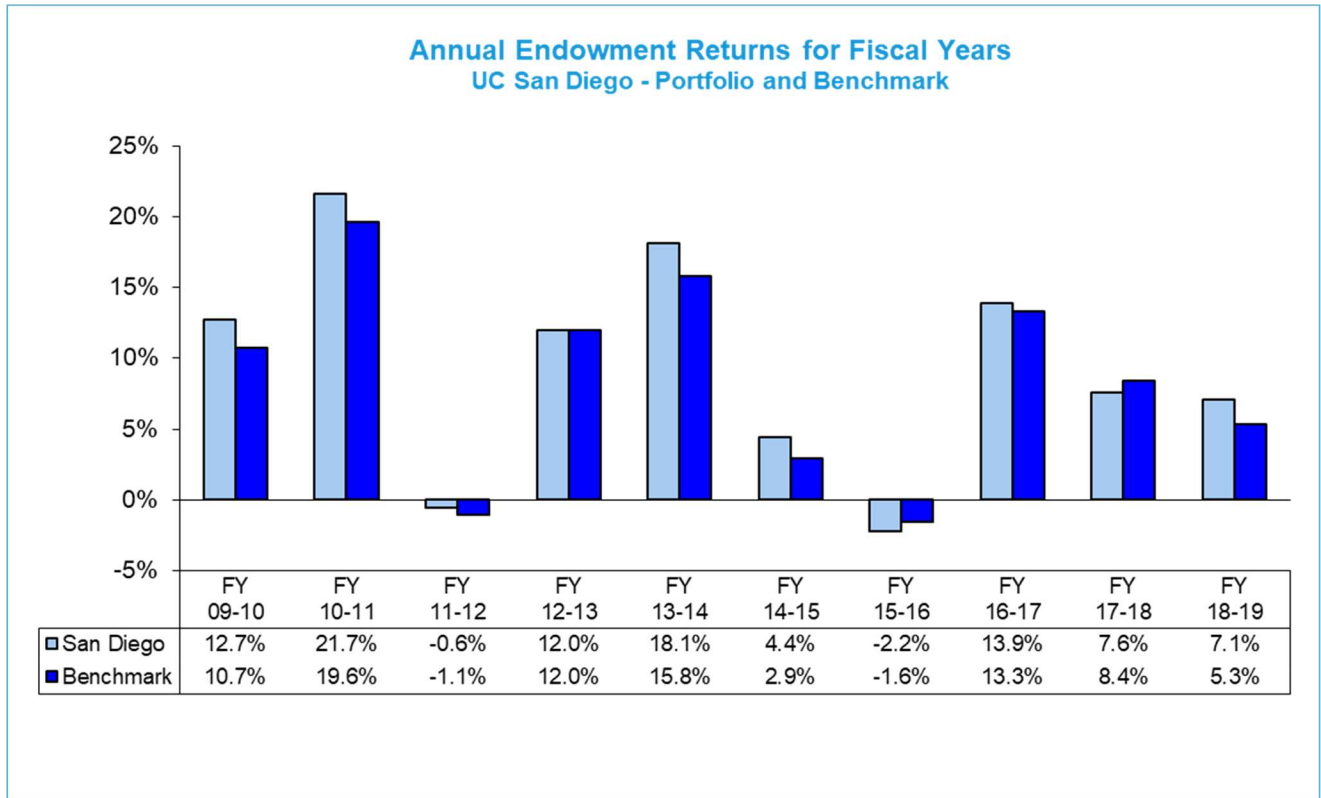
University of California, San Diego Foundation Portfolio Asset Allocation June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation ¹	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$395	49.8%	44.0%	5.8%	40.0%	60.0%	Yes
Liquidity (Income)	\$116	14.7%	12.0%	2.7%	5.0%	20.0%	Yes
Absolute Return	\$118	14.9%	20.0%	-5.1%	10.0%	30.0%	Yes
Private Equity	\$64	8.1%	13.0%	-4.9%	5.0%	15.0%	Yes
Real Assets	\$99	12.5%	11.0%	1.5%	5.0%	15.0%	Yes
Total Assets	\$792	100.0%	100.0%				

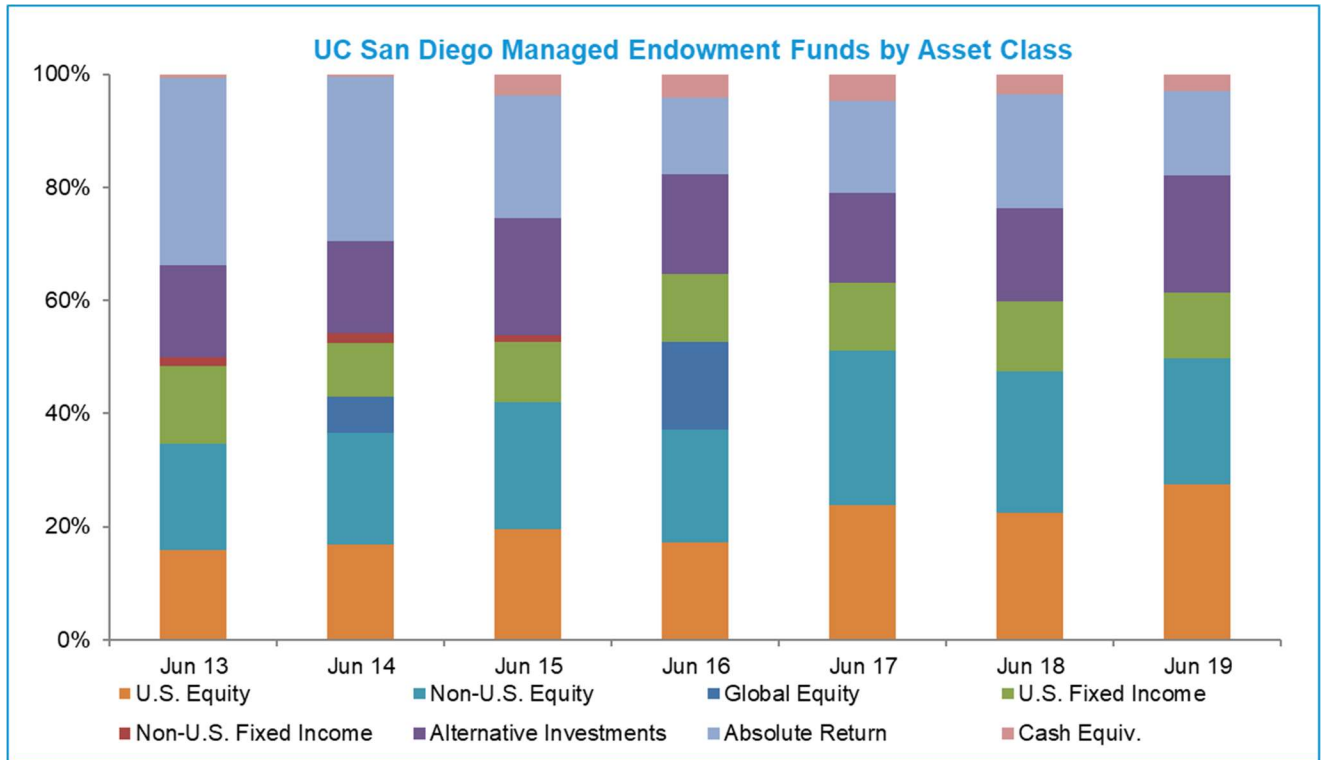
Notes:

¹ Represents targets during the majority of the fiscal year prior to change in policy.

UC SAN DIEGO FOUNDATION



UC SAN DIEGO FOUNDATION



UC SAN FRANCISCO FOUNDATION

Endowment Investment Objective

The San Francisco Foundation's primary investment objective for its endowment portfolio is growth of principal sufficient to preserve purchasing power and to provide income to support current and future University activities. Over the long term, it is the goal of the Foundation that the total return on investment assets should equal the rate of inflation, plus the payout rate (which is used to support current activities), plus an amount reinvested to support future activities.

Endowment Spending Policy

The Foundation payout policy guideline is to distribute 4.75% of the 36 month rolling average unitized market value of the Endowment Pool. The payout will not exceed 6% nor be less than 3.5% of the ending market value on the last day of the fiscal year for which it is being calculated. The payout will be reviewed annually, which may result in modification. In determining the annual payout, the Foundation will consider factors such as stability of fund flows to operations and preservation of endowment principal, in addition to the guideline formula.

University of California, San Francisco Foundation Portfolio
Asset Allocation
June 30, 2019

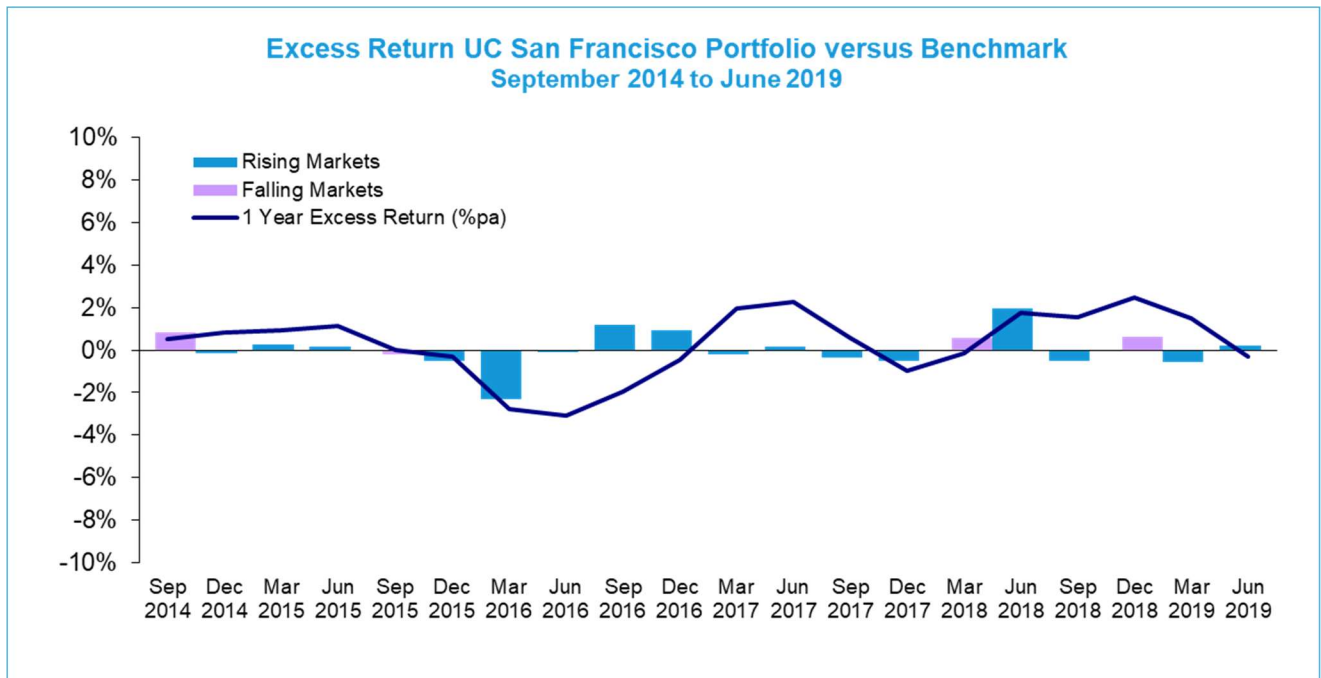
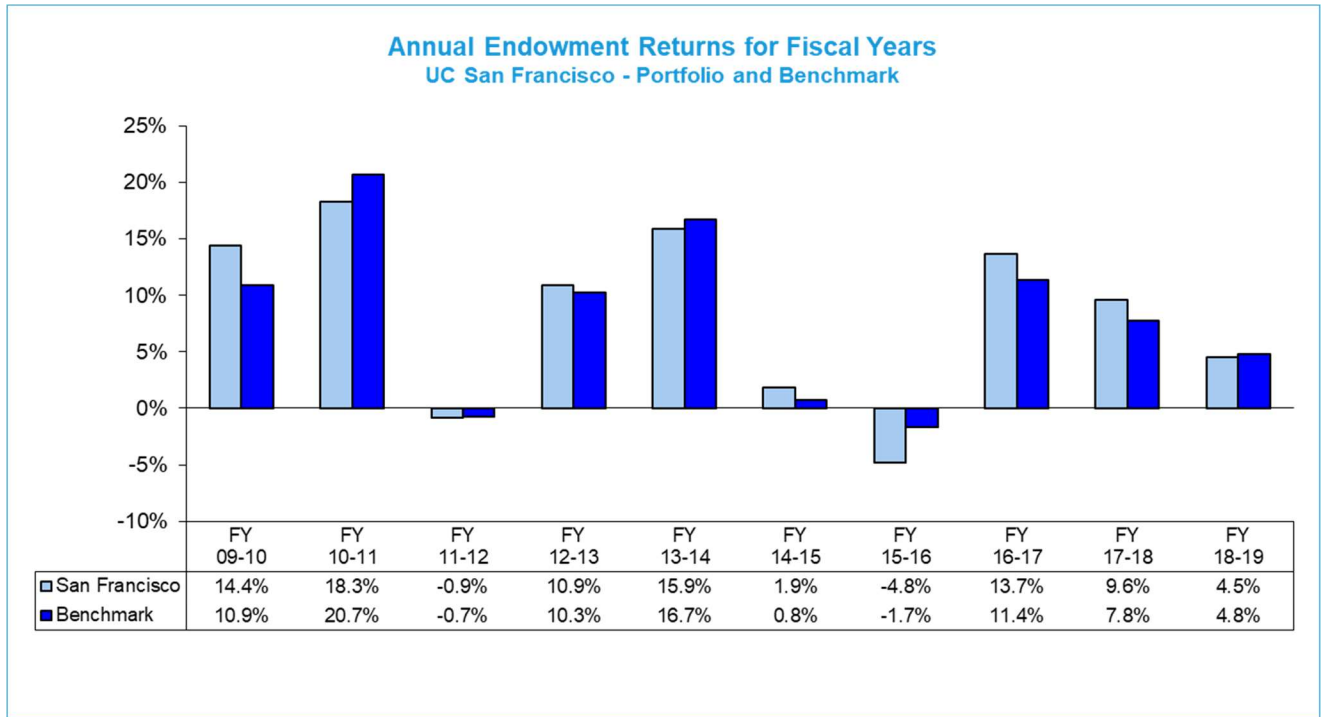
	Assets (\$M)	Actual Allocation	Target Policy Allocation ¹	Variance from Target Policy Allocation ²	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$656	35.7%	30-35%	0.7%	20.0%	60.0%	Yes
Diversifying Assets	\$536	29.2%	30-35%	-0.8%	10.0%	40.0%	Yes
Premium Return	\$274	14.9%	14-20%	0.0%	5.0%	40.0%	Yes
Safety Assets	\$374	20.3%	10-20%	0.3%	0.0%	25.0%	Yes
Total Assets	\$1,840	100.0%	100.0%				

Notes:

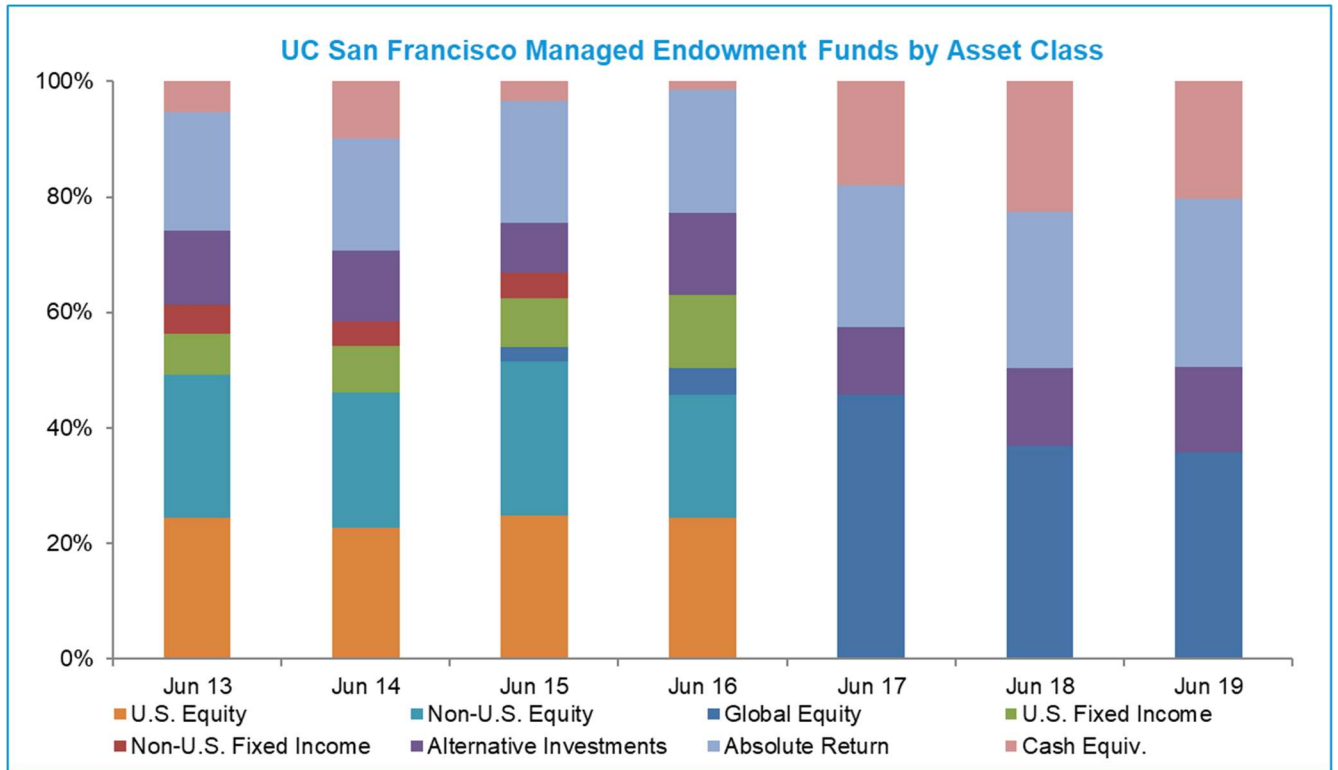
¹ Represents Target Policy Ranges.

² Represents variance from Target Policy Ranges.

UC SAN FRANCISCO FOUNDATION



UC SAN FRANCISCO FOUNDATION



Note: During fiscal year 2017, UC San Francisco combined U.S. Equity and Non-U.S. Equity into the Global Equity bucket as this is how they view their asset allocation.

UC SANTA BARBARA FOUNDATION

Endowment Investment Objective

A. The primary long-term financial objective for the Foundation's Long Term Investment Policy (LTIP) is to preserve the purchasing power of the LTIP's principal, while providing a relatively stable and growing source of funding for endowment and trust beneficiaries. The LTIP is held primarily in the Regent's GEP with minimal investments held with Goldman Sachs, Lexington and Farallon.

B. The primary long-term investment objective of the LTIP is to earn an average annual real (i.e., after adjusting for inflation) total return on a risk-adjusted basis that is at least equal to the LTIP's total spending rate, net of consultant and management fees, over long time periods (i.e., rolling ten-year periods). Over shorter time periods (i.e., rolling five-year periods), the LTIP will seek to meet or exceed an appropriate composite of market indices reflecting the LTIP's asset allocation policies. The LTIP is held primarily in the Regent's GEP with minimal investments held with Goldman Sachs, Lexington and Farallon.

Endowment Spending Policy

Endowment spending during fiscal year 2018-2019 was calculated using a predetermined formula at an amount equal to 4.0% of the 60-month average unit market value of the endowment portfolio as of December 31, 2017. To the extent requested by the Fund Administrator, spending was allocated to fund holders in September (40%) and March (60%).

University of California, Santa Barbara Foundation Portfolio

Asset Allocation

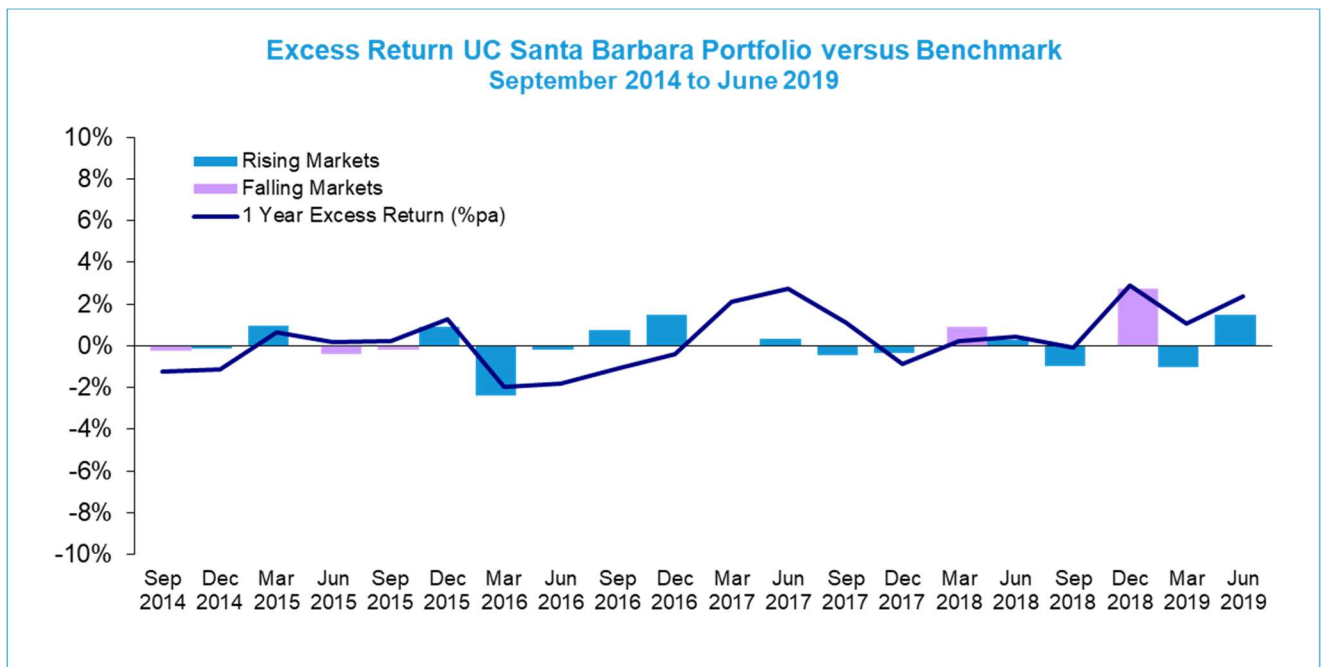
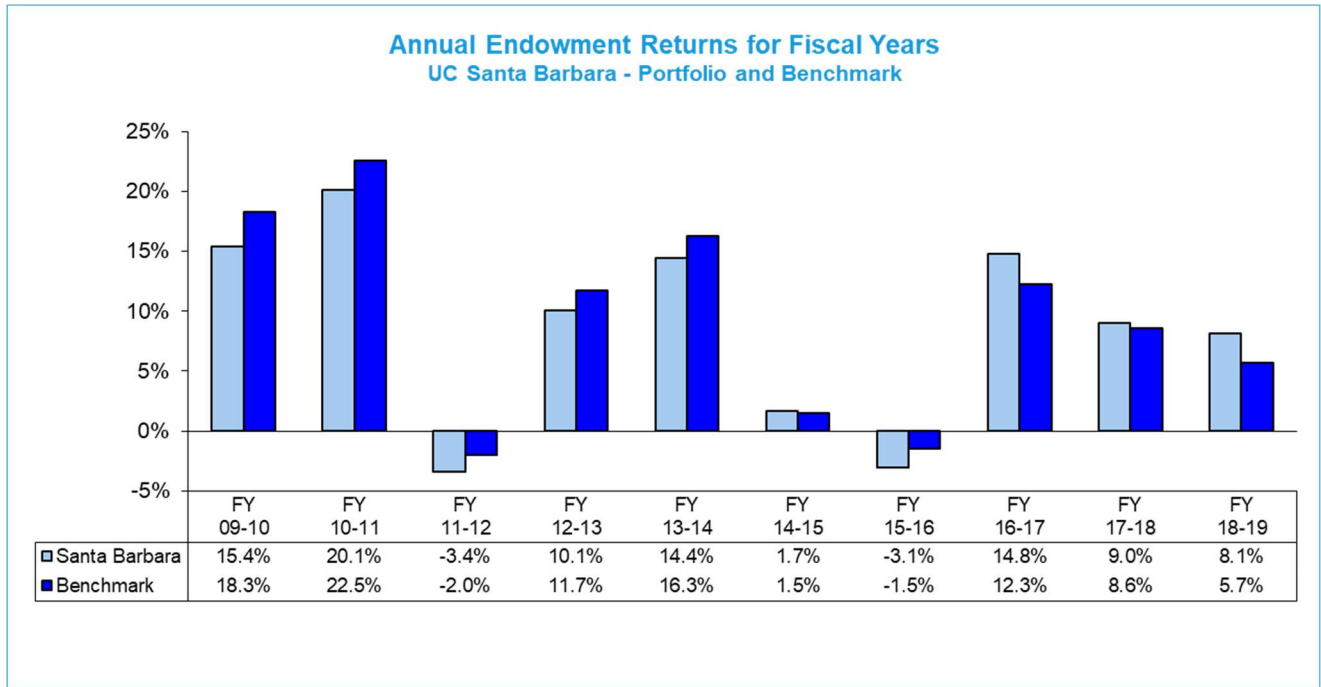
June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$89	35.8%	39.6%	-3.8%	30.0%	63.0%	Yes
Liquidity (Income)	\$40	16.0%	13.1%	2.9%	3.0%	31.0%	Yes
Absolute Return	\$53	21.3%	22.3%	-1.0%	12.0%	29.0%	Yes
Private Equity	\$40	16.1%	14.4%	1.7%	2.0%	25.0%	Yes
Real Assets	\$27	10.8%	10.6%	0.2%	1.0%	16.0%	Yes
Total Assets	\$248	100.0%	100.0%				

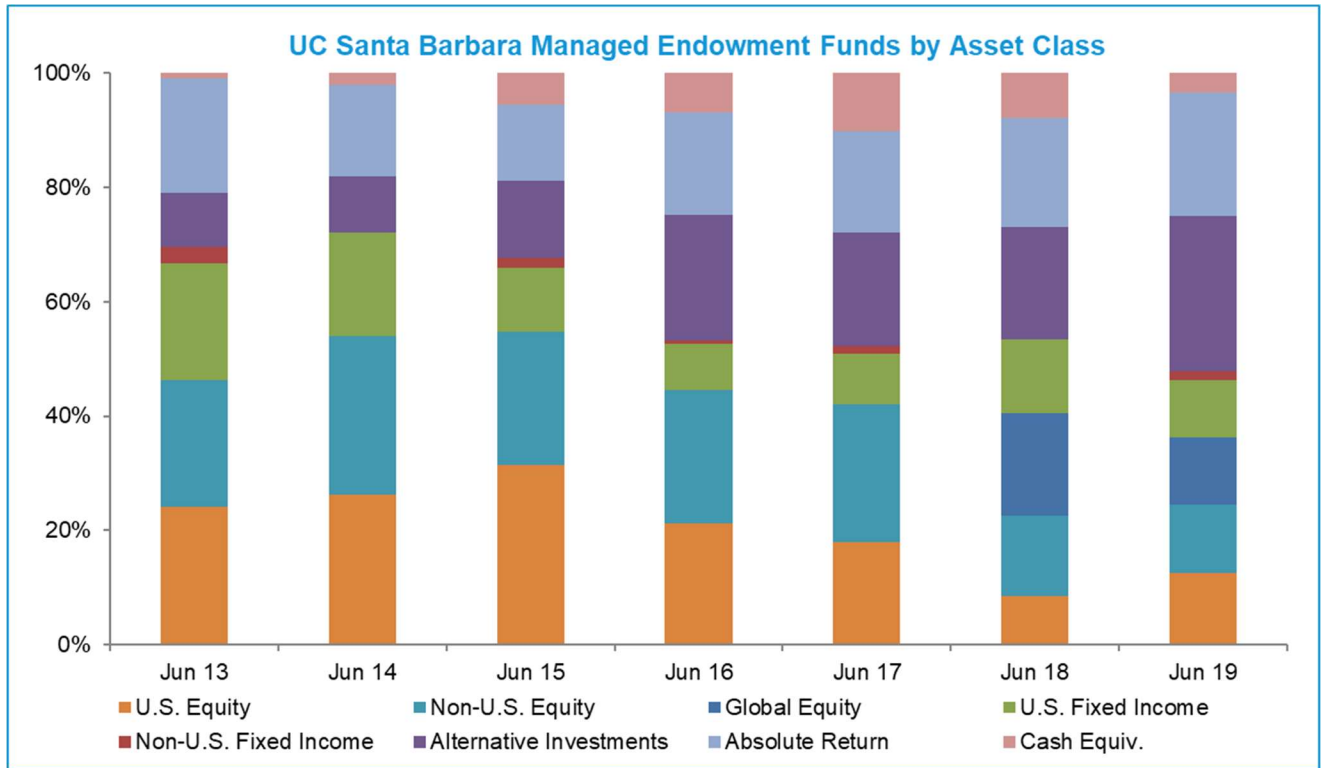
Notes:

The out-sourced CIO function has been moved from Goldman Sachs to the Office of the CIO of the Regents effective 7/1/2015. The UC Santa Barbara Foundation utilizes the GEP Policy Benchmark.

UC SANTA BARBARA FOUNDATION



UC SANTA BARBARA FOUNDATION



Note: The UC Santa Barbara Foundation is primarily invested in the Regents' General Endowment Pool. GEP's policy asset allocation does not breakdown equities or fixed income and cash on a regional basis. The regional split (US vs. non-US) shown above for these asset classes are for informational purposes.

UC SANTA CRUZ FOUNDATION

Endowment Investment Objective

The UC Santa Cruz Foundation's investment objective for its endowment portfolio is to maximize long-term total return with a prudent level of risk, to provide inflation protection through reinvestment of an appropriate level of realized and unrealized earnings, and to maximize the real rate of return over the long term. The investment policy matches that of the General Endowment Pool.

Endowment Spending Policy

The UC Santa Cruz Foundation endowment expenditure rate approved June 2019 is 4.75% of the three-year moving average of December 31 market values. In the event the market value of an endowment is below the amount of the original gift adjusted by the Gross Domestic Product (GDP) price index at December 31, the endowment expenditure rate approved June 2019 is 2.75% of the three-year moving average of the December 31 market value, unless specific language of the endowment agreement allows otherwise. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions.

University of California, Santa Cruz Foundation Portfolio

Asset Allocation

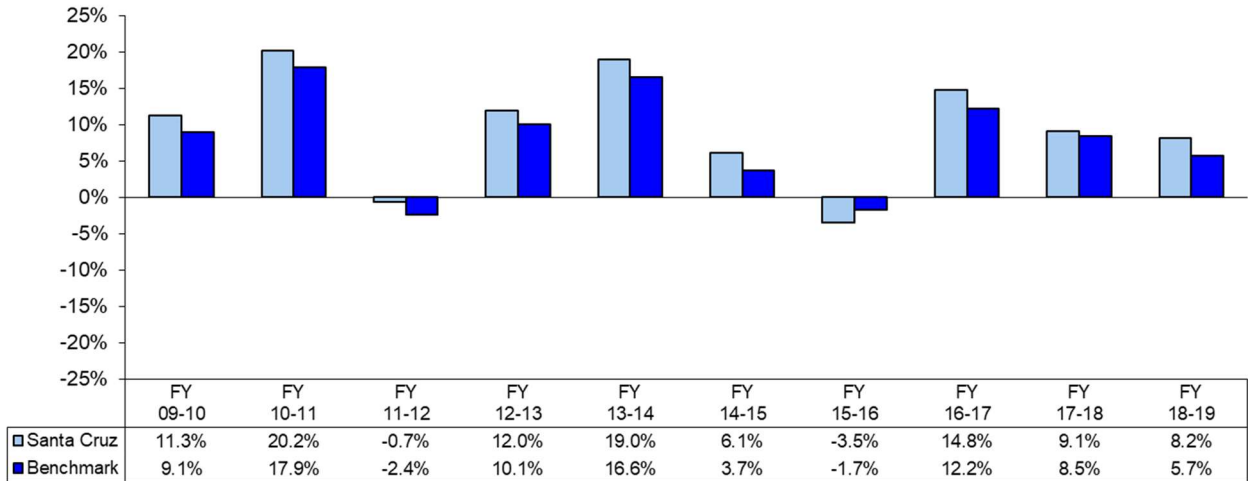
June 30, 2019

	Assets (\$M)	Actual Allocation	Target Allocation	Over/ Underweight Relative to Target	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$41	37.2%	39.6%	-2.4%	30.0%	63.0%	Yes
Liquidity (Income)	\$17	15.1%	13.1%	2.0%	3.0%	21.0%	Yes
Absolute Return	\$24	22.0%	22.3%	-0.3%	12.0%	29.0%	Yes
Private Equity	\$16	14.5%	14.4%	0.1%	2.0%	25.0%	Yes
Real Assets	\$12	11.2%	10.6%	0.6%	1.0%	16.0%	Yes
Total Assets	\$111	100.0%	100.0%				

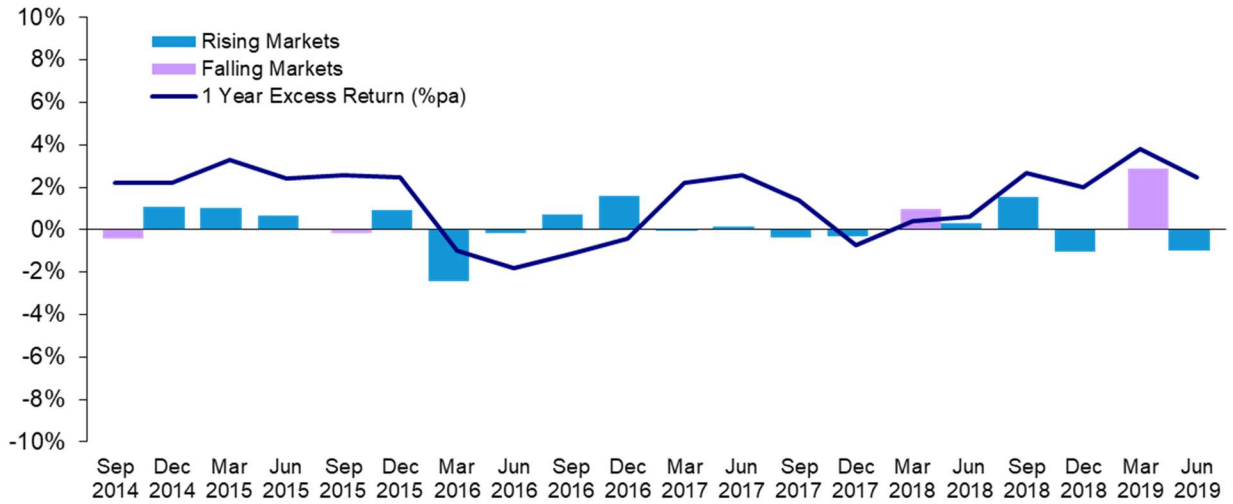
The UC Santa Cruz Foundation utilizes the GEP Policy Benchmark.

UC SANTA CRUZ FOUNDATION

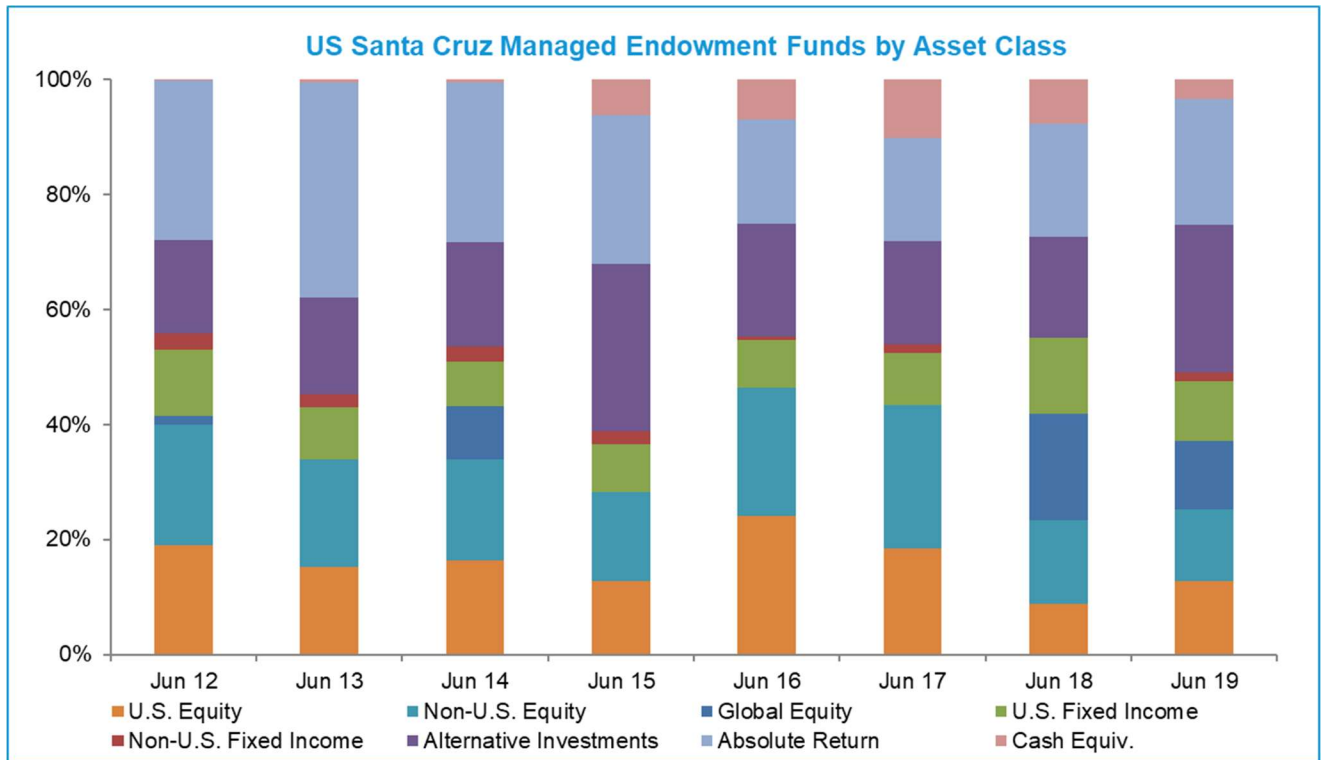
**Annual Endowment Returns for Fiscal Years
UC Santa Cruz - Portfolio and Benchmark**



**Excess Return UC Santa Cruz Portfolio versus Benchmark
September 2014 to June 2019**



UC SANTA CRUZ FOUNDATION



Note: The UC Santa Cruz Foundation is primarily invested in the Regents' General Endowment Pool. GEP's policy asset allocation does not breakdown equities or fixed income and cash on a regional basis. The regional split (US vs. non-US) shown above for these asset classes are for informational purposes.

4 Appendix

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4.1 Historical Foundation Investment Performance

Historical Fiscal Year Foundation Investment Performance

Annual Total Returns - Foundations

Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
2019	4.9%	6.0%	6.7%	3.7%	8.2%	1.2%	7.1%	4.5%	8.1%	8.2%	8.2%
2018	8.4%	9.0%	8.6%	10.5%	9.1%	8.6%	7.6%	9.6%	9.0%	9.1%	8.9%
2017	13.1%	13.9%	15.3%	15.8%	14.8%	19.1%	13.9%	13.7%	14.8%	14.8%	15.1%
2016	-2.4%	-3.3%	-2.4%	-4.1%	-3.5%	-5.1%	-2.2%	-4.8%	-3.1%	-3.5%	-3.5%
2015	3.8%	5.3%	5.3%	6.4%	6.1%	0.4%	4.4%	1.9%	1.7%	6.1%	6.1%
2014	15.2%	19.1%	17.3%	13.9%	19.0%	18.2%	18.1%	15.9%	14.4%	19.0%	19.0%
2013	12.8%	11.7%	11.5%	15.5%	12.0%	11.5%	12.0%	10.9%	10.1%	12.0%	12.0%
2012	-1.0%	-0.4%	0.4%	-1.4%	-0.7%	-2.6%	-0.6%	-0.9%	-3.4%	-0.7%	-0.7%
2011	18.8%	18.7%	19.5%	16.7%	20.2%	21.5%	21.7%	18.3%	20.1%	20.2%	20.2%
2010	11.7%	11.3%	11.0%	11.8%	11.3%	15.8%	12.7%	14.4%	15.4%	11.3%	11.3%
2009	-20.6%	-17.9%	-20.6%	-21.1%	-18.2%	-22.1%	-20.4%	-16.5%	-20.7%	-17.7%	-18.2%
2008	-0.3%	-1.4%	-2.9%	0.1%	-1.5%	2.9%	-1.6%	-7.5%	-9.4%	-1.4%	-1.5%
2007	20.3%	19.7%	18.7%	17.8%	19.8%	21.7%	19.3%	18.2%	20.1%	19.5%	19.5%
2006	14.8%	11.3%	10.8%	12.9%	11.5%	14.2%	11.7%	11.3%	11.5%	11.3%	11.3%
2005	11.3%	10.2%	7.7%	10.2%	10.3%	11.3%	10.2%	10.0%	10.1%	10.3%	10.3%
2004	17.7%	14.4%	15.6%	15.2%	14.7%	18.1%	14.5%	17.2%	14.1%	14.5%	14.5%

Average Annualized Total Returns - Foundations

Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
2019	4.9%	6.0%	6.7%	3.7%	8.2%	1.2%	7.1%	4.5%	8.1%	8.2%	8.2%
('18-'19)	6.6%	7.5%	7.6%	7.0%	8.7%	4.8%	7.3%	7.0%	8.5%	8.7%	8.5%
('17-'19)	8.8%	9.6%	10.1%	9.9%	10.7%	9.4%	9.5%	9.2%	10.6%	10.7%	10.7%
('16-'19)	5.9%	6.2%	6.9%	6.2%	6.9%	5.6%	6.4%	5.5%	7.0%	6.9%	6.9%
('15-'19)	5.5%	6.0%	6.6%	6.2%	6.8%	4.5%	6.0%	4.8%	5.9%	6.8%	6.8%
('14-'19)	7.0%	8.1%	8.3%	7.5%	8.7%	6.7%	8.0%	6.6%	7.3%	8.7%	8.7%
('13-'19)	7.8%	8.6%	8.7%	8.6%	9.2%	7.3%	8.5%	7.2%	7.7%	9.2%	9.2%
('12-'19)	6.7%	7.4%	7.6%	7.3%	7.9%	6.1%	7.3%	6.1%	6.2%	7.9%	7.9%
('11-'19)	8.0%	8.6%	8.9%	8.3%	9.2%	7.7%	8.8%	7.4%	7.7%	9.2%	9.2%
('10-'19)	8.3%	8.9%	9.1%	8.6%	9.4%	8.5%	9.2%	8.1%	8.4%	9.4%	9.4%
('09-'19)	5.3%	6.1%	6.0%	5.5%	6.6%	5.2%	6.1%	5.6%	5.4%	6.6%	6.6%
('08-'19)	4.8%	5.5%	5.2%	5.1%	5.9%	5.0%	5.5%	4.4%	4.1%	5.9%	5.9%
('07-'19)	6.0%	6.5%	6.2%	6.0%	6.9%	6.2%	6.5%	5.4%	5.2%	6.9%	6.9%
('06-'19)	6.6%	6.9%	6.5%	6.5%	7.2%	6.8%	6.8%	5.8%	5.7%	7.2%	7.2%
('05-'19)	6.9%	7.1%	6.6%	6.7%	7.4%	7.1%	7.1%	6.1%	5.9%	7.4%	7.4%

Cumulative Total Returns - Foundations

# Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
2019	4.9%	6.0%	6.7%	3.7%	8.2%	1.2%	7.1%	4.5%	8.1%	8.2%	8.2%
('18-'19)	13.7%	15.5%	15.9%	14.6%	18.1%	9.9%	15.2%	14.5%	17.8%	18.1%	17.8%
('17-'19)	28.7%	31.6%	33.6%	32.7%	35.6%	30.8%	31.3%	30.2%	35.2%	35.6%	35.6%
('16-'19)	25.6%	27.3%	30.4%	27.3%	30.8%	24.2%	28.4%	24.0%	31.0%	30.8%	30.8%
('15-'19)	30.4%	34.0%	37.3%	35.4%	38.8%	24.7%	34.0%	26.3%	33.2%	38.8%	38.8%
('14-'19)	50.3%	59.6%	61.1%	54.2%	65.2%	47.3%	58.3%	46.4%	52.4%	65.2%	65.2%
('13-'19)	69.6%	78.2%	79.6%	78.1%	85.0%	64.2%	77.4%	62.3%	67.8%	85.0%	85.0%
('12-'19)	67.8%	77.4%	80.3%	75.5%	83.7%	60.0%	76.3%	60.9%	62.1%	83.7%	83.7%
('11-'19)	99.5%	110.5%	115.4%	104.9%	120.8%	94.5%	114.5%	90.3%	94.7%	120.8%	120.8%
('10-'19)	122.9%	134.3%	139.0%	129.1%	145.8%	125.1%	141.8%	117.7%	124.7%	145.8%	145.8%
('09-'19)	76.9%	92.3%	89.7%	80.8%	101.1%	75.3%	92.3%	81.8%	78.1%	102.2%	102.2%
('08-'19)	76.3%	89.7%	84.2%	81.0%	98.1%	80.3%	89.3%	68.2%	61.3%	99.4%	99.4%
('07-'19)	112.1%	127.2%	118.7%	113.2%	137.2%	119.5%	125.8%	98.9%	93.6%	138.4%	138.4%
('06-'19)	143.6%	152.9%	142.3%	140.7%	164.6%	150.6%	152.2%	121.4%	115.9%	165.2%	165.2%
('05-'19)	171.1%	178.8%	160.8%	165.3%	191.9%	178.9%	177.9%	143.6%	137.7%	192.5%	192.5%

Returns shown above prior to 2006 and after 2015 were provided by the individual Foundations.

Returns for the period from 2006 through 2015 were provided by State Street Bank, except in extraordinary circumstances.

4.2 Historical Benchmark and Active Performance

Historical Fiscal Year Benchmark and Active Performance

Annual Total Returns - Benchmarks

Year	Berkeley	Davis	Irvine	Los Angeles			Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
				Angeles	Merced	Merced						
2019	2.5%	5.8%	5.5%	6.8%	5.7%	5.4%	5.3%	4.8%	5.7%	5.7%	5.7%	
2018	9.0%	7.7%	8.3%	9.1%	8.5%	8.8%	8.4%	7.8%	8.6%	8.5%	8.5%	
2017	15.2%	12.1%	12.7%	13.3%	12.2%	17.2%	13.3%	11.4%	12.3%	12.2%	12.5%	
2016	-1.5%	-1.0%	-1.1%	0.1%	-1.7%	-2.2%	-1.6%	-1.7%	-1.5%	-1.7%	-1.7%	
2015	1.3%	2.6%	2.2%	3.3%	3.7%	0.9%	2.9%	0.8%	1.5%	3.7%	3.7%	
2014	19.4%	16.3%	15.0%	16.1%	16.6%	19.1%	15.8%	16.7%	16.3%	16.6%	16.6%	
2013	13.5%	11.4%	9.7%	10.6%	10.1%	11.3%	12.0%	10.3%	11.7%	10.1%	10.1%	
2012	-3.3%	-2.0%	-0.6%	-1.3%	-2.4%	-2.1%	-1.1%	-0.7%	-2.0%	-2.4%	-2.4%	
2011	17.1%	18.2%	19.6%	15.7%	17.9%	22.2%	19.6%	20.7%	22.5%	17.9%	17.9%	
2010	10.2%	9.1%	9.2%	10.0%	9.1%	11.5%	10.7%	10.9%	18.3%	9.1%	9.1%	
2009	-15.6%	-13.1%	-16.1%	-19.0%	-13.1%	-19.4%	-18.3%	-19.5%	-18.3%	-13.1%	-14.0%	
2008	-1.2%	0.1%	-5.0%	-0.8%	0.1%	-4.5%	0.1%	-6.9%	-4.1%	0.1%	-0.2%	
2007	16.9%	18.0%	19.0%	17.7%	18.0%	20.2%	18.0%	17.7%	18.0%	18.0%	18.0%	
2006	12.7%	11.1%	10.3%	10.4%	11.1%	13.6%	11.1%	11.1%	11.0%	11.0%	11.0%	
2005	10.3%	9.5%	9.3%	8.7%	9.5%	10.4%	10.3%	10.2%	9.5%	9.5%	9.5%	

Annual Active Returns (Foundation minus Benchmark) ¹

Year	Berkeley	Davis	Irvine	Los Angeles			Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
				Angeles	Merced	Merced						
2019	2.4%	0.2%	1.2%	-3.1%	2.5%	-4.2%	1.8%	-0.3%	2.4%	2.5%	2.5%	
2018	-0.6%	1.3%	0.3%	1.4%	0.6%	-0.2%	-0.8%	1.8%	0.4%	0.6%	0.4%	
2017	-2.0%	1.9%	2.6%	2.5%	2.6%	1.9%	0.6%	2.3%	2.5%	2.6%	2.6%	
2016	-0.8%	-2.3%	-1.3%	-4.2%	-1.8%	-2.9%	-0.6%	-3.1%	-1.6%	-1.8%	-1.8%	
2015	2.5%	2.7%	3.1%	3.1%	2.4%	-0.5%	1.5%	1.1%	0.2%	2.4%	2.4%	
2014	-4.2%	2.8%	2.4%	-2.2%	2.5%	-0.9%	2.4%	-0.8%	-1.9%	2.5%	2.5%	
2013	-0.7%	0.3%	1.8%	4.8%	1.8%	0.1%	0.0%	0.6%	-1.7%	1.8%	1.9%	
2012	2.3%	1.6%	0.9%	-0.1%	1.8%	-0.4%	0.5%	-0.1%	-1.4%	1.8%	1.7%	
2011	1.8%	0.5%	-0.1%	1.0%	2.3%	-0.7%	2.0%	-2.4%	-2.5%	2.3%	2.3%	
2010	1.6%	2.3%	1.8%	1.8%	2.3%	4.3%	2.0%	3.5%	-2.9%	2.3%	2.2%	
2009	-5.1%	-4.9%	-4.6%	-2.0%	-5.1%	-2.8%	-2.1%	3.0%	-2.4%	-4.7%	-4.2%	
2008	0.9%	-1.4%	2.0%	0.8%	-1.5%	7.3%	-1.6%	-0.6%	-5.4%	-1.4%	-1.4%	
2007	3.4%	1.7%	-0.3%	0.1%	1.7%	1.5%	1.2%	0.5%	2.0%	1.5%	1.5%	
2006	2.2%	0.3%	0.5%	2.5%	0.5%	0.5%	0.6%	0.2%	0.5%	0.2%	0.2%	
2005	1.0%	0.8%	-1.6%	1.5%	0.9%	0.9%	-0.1%	-0.1%	0.6%	0.8%	0.8%	

Average Annualized Active Returns (Foundation minus Benchmark) ²

# Year	Berkeley	Davis	Irvine	Los Angeles			Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	GEP
				Angeles	Merced	Merced						
2019	2.4%	0.2%	1.2%	-3.1%	2.5%	-4.2%	1.8%	-0.3%	2.4%	2.5%	2.5%	
('18-'19)	0.9%	0.7%	0.8%	-0.9%	1.6%	-2.3%	0.5%	0.7%	1.4%	1.6%	1.5%	
('17-'19)	0.0%	1.1%	1.3%	0.2%	1.9%	-1.0%	0.5%	1.2%	1.7%	1.9%	1.8%	
('16-'19)	-0.2%	0.2%	0.6%	-1.0%	0.9%	-1.5%	0.2%	0.1%	0.8%	0.9%	0.8%	
('15-'19)	0.3%	0.7%	1.1%	-0.2%	1.2%	-1.3%	0.5%	0.3%	0.7%	1.2%	1.1%	
('14-'19)	-0.3%	1.0%	1.3%	-0.5%	1.4%	-1.2%	0.8%	0.1%	0.3%	1.4%	1.3%	
('13-'19)	-0.4%	0.9%	1.4%	0.2%	1.5%	-1.0%	0.7%	0.2%	0.0%	1.5%	1.4%	
('12-'19)	0.0%	1.0%	1.3%	0.2%	1.5%	-1.0%	0.6%	0.1%	-0.2%	1.5%	1.5%	
('11-'19)	0.2%	0.9%	1.2%	0.3%	1.6%	-0.9%	0.8%	-0.1%	-0.4%	1.6%	1.6%	
('10-'19)	0.3%	1.1%	1.2%	0.4%	1.6%	-0.4%	0.9%	0.2%	-0.6%	1.6%	1.6%	
('09-'19)	-0.3%	0.4%	0.6%	0.1%	0.9%	-0.7%	0.5%	0.6%	-0.8%	0.9%	1.0%	
('08-'19)	-0.2%	0.2%	0.7%	0.2%	0.7%	0.0%	0.3%	0.4%	-1.3%	0.7%	0.7%	
('07-'19)	0.0%	0.3%	0.6%	0.2%	0.7%	0.1%	0.4%	0.4%	-1.0%	0.8%	0.8%	
('06-'19)	0.2%	0.3%	0.6%	0.3%	0.7%	0.1%	0.4%	0.4%	-0.9%	0.7%	0.7%	
('05-'19)	0.2%	0.4%	0.5%	0.4%	0.7%	0.2%	0.4%	0.4%	-0.8%	0.7%	0.7%	

Returns shown above prior to 2006 and after 2015 were provided by the individual Foundations.

Returns for the period from 2006 through 2015 were provided by State Street Bank, except in extraordinary circumstances.

1) Arithmetic difference

2) Annualized geometric difference

4.3 Investment Policy Benchmark

Campus	Asset Class	Benchmark Component	Percentage
UC Berkeley¹	Developed Equity	MSCI ACWI with USA Gross (Net)	Dynamic Weightings
	Emerging Markets Equity	MSCI Emerging Markets Index (Net)	
	Private Equity/Venture Capital	Custom Cambridge Associates Benchmarks	
	Real Assets	Custom Cambridge Associates Benchmarks	
	Opportunistic	Policy Benchmarks ex-Opportunistic	
	Absolute Return	HFRI FoF Conservative Index	
	Fixed Income and Cash	80% Bloomberg Barclays UST Index / 20% BofAML 91-Day T-Bills	
UC Davis	GEM ²	GEM Policy Index	63.0%
	GEP *	GEP Benchmark	19.0%
	U.S. Equity	Russell 3000 TF Index	9.0%
	Non-U.S. Equity Developed	MSCI EAFE TF + Canada (Net)	9.0%
UC Irvine	U.S. Equity	Russell 3000	20.0%
	Non U.S. Equity	MSCI AC World ex U.S. (Net)	20.0%
	US Fixed Income	Barclays Aggregate	15.0%
	Private Equity	UCIF-Private Equities (Russell 3000 + 3%)	15.0%
	Hedge Funds	HFRI Fund of Funds Index	20.0%
	Real Estate	UCIF Real Assets	10.0%
UC Los Angeles	Global Equity	MSCI ACWI	50.0%
	Credit	BofA ML U.S. High Yield Master II Index	5.0%
	Multi-Strategy	Citigroup 3-Month T-Bill X 2	15.0%
	Private Equity	Cambridge U.S. Private Equity Index	10.0%
	Real Assets	CPI-All Urban + 6%	10.0%
	Real Estate	NCREIF Property Index	5.0%
	Cash & Equivalents	Citigroup 3-Month T-Bill	5.0%
UC Merced	GEP *	GEP Benchmark	100.0%
UC Riverside	Global Equity	MSCI AC World	73.0%
	Fixed Income	Barclays Aggregate	10.0%
	Private Equity	Cambridge Private Equity Index	2.0%
	Hedge Funds	HFRI Global Hedge Fund	10.0%
	Real Estate	NCREIF ODCE Index	5.0%
UC San Diego³	U.S. Equities	Russell 3000	21.0%
	Developed Non-U.S. Equities	MSCI EAFE Index	17.0%
	Emerging Markets Equities	MSCI Emerging Markets Index	6.0%
	Fixed Income	BC US Aggregate Bond Index	12.0%
	Private Equity	Cambridge PE Lagged Index	13.0%
	Diversifying Strategies	HFRI Fund of Funds Index	20.0%
	Real Estate	NCREIF ODCE Index	11.0%
UC San Francisco⁴	Global Equity	MSCI AC World	35.0%
	Safety Assets	US 1-3 Year Treasuries	20.0%
	Premium Return	CA PE Vintage	15.0%
	Diversifying Strategies	HFRI Fund Weighted Composite	30.0%
UC Santa Barbara	GEP *	GEP Benchmark	100.0%
UC Santa Cruz	GEP *	GEP Benchmark	100.0%
* GEP⁵	Global Equity	MSCI All Country World Index Net-IMI- Tobacco Free	39.6%
	Liquidity (Income)	Barclays U.S. Aggregate Bond Index	13.1%
	Private Equity	Russell 3000 Index + 150 Basis Points	14.4%
	Absolute Return	HFRI Fund of Funds Composite	22.3%
	Real Assets	Blended Real Assets Benchmark (7.5% of components weighted by their actual weights within the total real assets portfolio and 3.1% of NCREIF Funds Index – Open End Diversified Core Equity (ODCE), lagged 3 months)	10.6%

¹ UC Berkeley Foundation's Policy Benchmark is dynamically weighted using the asset classes' actual market values. During this period, asset class benchmark returns are dynamically weighted using the asset classes' actual market values. The Custom Cambridge Associates Benchmarks are pooled horizon IRRs weighted to reflect the vintage year asset class mix within the GEP's portfolio. PE/VC includes a blend of the Cambridge Associates Private Equity and Control-Oriented Distressed Index and Cambridge Associates Venture Capital Index. Real Assets includes a blend of the Cambridge Associates Real Estate Index and Cambridge Associates Natural Resources Index.

² GEM Policy Index is comprised of 42% MSCI AC World Index, 26% CSFB / Tremont Hedge Fund Index, 22% Real Assets Policy Index (70% NCREIF Property Index QTR LAG, 15% MSCI US REIT Index, 15% Bloomberg Commodity Index TR), and 10% Barclays Treasury Index.

³ UC San Diego policy benchmark composition through June 6, 2019 is shown which reflects the policy benchmark performance through fiscal year-end.

⁴ San Francisco uses a dynamic framework for setting benchmark weights that considers both actual weights and policy range limits. These weights reflect the output of that framework on June 30, 2019.

⁵ The GEP portfolio is on a glidepath to a new target asset allocation, targets shown above are as of 6/30/19

Note: Policy benchmark composition shown for each campus is as of the current fiscal year-end and may have been different in prior periods, unless otherwise specified.

4.4 Glossary

CURRENT ASSETS

Assets for use in the near term to support the overall operations of the Foundation, where the donor may, or may not, have restricted their use. These assets typically include cash, accounts receivable, notes receivable, deferred charges, amounts due, prepaid expenses, etc.

In accordance with the Support Group Policy, endowed gifts or restricted assets must be transferred to the University to be spent in accordance with the donors' terms. However, the existing policy does not specify the timing and/or frequency of transfers. Consequently, the timing/frequency decision varies among the Foundations.

ENDOWMENT ASSETS

True endowments, established to provide a permanent source of income, and Funds Functioning as Endowments (FFE's), established to provide income but principal may also be expended.

GENERAL ENDOWMENT POOL (GEP)

Established in 1933 and unitized in 1958, the General Endowment Pool is The Regents' primary investment vehicle for endowed gift funds. It is comprised of over 5,875 individual endowments that support the University's mission. It is a balanced portfolio of equities, fixed-income securities, and alternative investments in which all endowment funds participate, unless payout needs require otherwise.

SHORT TERM INVESTMENT POOL (STIP)

The Short Term Investment Pool is a cash investment pool established in fiscal 1976 by the Regents, in which all University funds groups participate, including retirement and endowment funds as well as campus endowment funds. Cash to meet payrolls, operating expenses, and construction funds of campuses and University teaching hospitals are the major funds invested in the pool. The cash remains invested until expended by the campuses and University teaching hospitals. Pension, endowment, and defined contribution funds awaiting permanent investment are also invested in the pool until transferred. The STIP participants are able to maximize returns on their short-term cash balances by taking advantage of the economies of scale of investing in a large cash pool.

TRUSTS/LIFE ANNUITIES

Assets donated by individuals or organizations, with the institution agreeing to pay a specific level of income to the donor, or designated beneficiary, for his or her lifetime. Subsequent to the beneficiary's death, the institution gains complete ownership of the donated assets. The donor may or may not have restricted the assets'

4.5 Foundations Reporting Background

BACKGROUND

The history of reporting total University and Foundation endowments dates back to October 1978 when The Regents' Committee on Educational Policy adopted a policy for University Support Groups. In subsequent years, The Regents charged the Office of the Chief Investment Officer (CIO) (formerly called the Office of the Treasurer) with obtaining pertinent information regarding the UC Foundations' investments and presenting an annual report to The Regents. The annual report includes the investment philosophy, policies and performance of each Foundation's endowment assets, as well as the performance of The Regents' endowment assets. In compliance with The Regents' Policy 6201 Investment Policy for the University of California Campus Foundations, this report is created by an investment consulting firm which reports any issues found to The Regents.

As of fiscal year 2016, State Street is no longer the book of record for the campus Foundations. Starting in 2016 (for reporting as of the fiscal year ended June 30, 2016), information used to create this report is collected and reviewed by the investment consultant, with the campus Foundations providing a review of the report before it is finalized.

4.6 Data Sources and Responsibilities

This report was prepared by Mercer Investments, LLC. (Mercer). Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party. Information was provided by each individual campus Foundation and the OCIO.

DATA SOURCES AND RESPONSIBILITIES

The OCIO hired the investment consultant, Mercer Investments, to create this report. Mercer collected all information directly from each campus Foundation and the OCIO (for GEP and the campus Foundations which are 100% invested in GEP). The data and reports provided by the campus Foundations originate from a variety of third party sources including each campus Foundation, the foundations' investment consultants, and auditors. Information in this report for periods between 2006 and 2015 was provided by State Street Bank as the University's former official "book of record". Foundation performance results in this document prior to 2006 were provided by each foundation and was neither audited nor calculated by the OCIO or State Street Bank.

For the purpose of reporting investment performance, each foundation received the same exhibit formats and guidance, and any inconsistencies in definition and reporting are noted in the charts, tables and discussion. The Investor Metrics – All Endowments & Foundations Net data cannot be reproduced or redistributed without the express written consent of Mercer.

PERFORMANCE COMPARISONS

The Investor Metrics all endowments and foundations peer group ("E&F Peer Group") is comprised of approximately 600 observations from a substantial endowment and foundation client base which includes information submitted by industry-leading consulting and trust/custody organizations as compiled by Investor Metrics. The E&F Peer Group returns are net of fees.

Benchmark: For details regarding each individual foundation's benchmark, see Section 4.3

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Returns for periods greater than one year are annualized. Returns are calculated gross of investment management fees, unless noted as net of fees.