



# INVESTMENT PERFORMANCE SUMMARY

Prepared for

*The Investment Advisory Committee  
Of The Regents of the  
University of California*

Third Quarter 2004



## Investment Performance Summary

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# CONSOLIDATED ASSETS

September 30, 2004

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>UCRP</b>	<b>\$ 39,165</b>	<b>0.51%</b>	<b>0.51%</b>	<b>3.28%</b>	<b>5.82%</b>	<b>4.11%</b>	<b>11.32%</b>
Policy Benchmark		<b>0.69%</b>	<b>0.69%</b>	<b>3.37%</b>	<b>6.96%</b>	<b>3.17%</b>	<b>11.14%</b>
Variance to Benchmark		<b>-0.18%</b>	<b>-0.18%</b>	<b>-0.09%</b>	<b>-1.14%</b>	<b>+0.94%</b>	<b>+0.18%</b>
<b>GEP</b>	<b>\$4,738</b>	<b>0.37%</b>	<b>0.37%</b>	<b>3.53%</b>	<b>5.66%</b>	<b>4.17%</b>	<b>11.41%</b>
Policy Benchmark		<b>0.69%</b>	<b>0.69%</b>	<b>3.51%</b>	<b>6.95%</b>	<b>3.19%</b>	<b>11.15%</b>
Variance to Benchmark		<b>-0.32%</b>	<b>-0.32%</b>	<b>+0.02%</b>	<b>-1.29%</b>	<b>+0.98%</b>	<b>+0.26%</b>
<b>HIP</b>	<b>\$66</b>	<b>6.29%</b>	<b>6.29%</b>	<b>5.80%</b>	<b>7.89%</b>	<b>9.27%</b>	<b>11.28%</b>
Policy Benchmark		<b>6.76%</b>	<b>6.76%</b>	<b>7.45%</b>	<b>8.76%</b>	<b>9.54%</b>	<b>9.96%</b>
Variance to Benchmark		<b>-0.47%</b>	<b>-0.47%</b>	<b>-1.65%</b>	<b>-0.87%</b>	<b>-0.27%</b>	<b>+1.32%</b>
<b>STIP</b>	<b>\$7,366</b>	<b>0.83%</b>	<b>0.83%</b>	<b>2.51%</b>	<b>3.94%</b>	<b>4.76%</b>	<b>5.52%</b>
Policy Benchmark		<b>0.66%</b>	<b>0.66%</b>	<b>1.57%</b>	<b>2.22%</b>	<b>3.54%</b>	<b>4.72%</b>
Variance to Benchmark		<b>+0.17%</b>	<b>+0.17%</b>	<b>+0.94%</b>	<b>+1.72%</b>	<b>+1.22%</b>	<b>+0.80%</b>
<b>403(b) &amp; Defined Contribution Plans' Funds</b>	<b>\$7,992</b>	(See 403(b) & Defined Contribution Plans' section for performance results)					
<b>Other Endowments</b>	<b>\$526</b>						
Less STIP balances in other portfolios	<b>-\$613</b>						
<b>Total Assets</b>	<b>\$ 59,240</b>	<b>0.51%</b>	<b>0.51%</b>	<b>3.15%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Entity Benchmark <sup>1</sup>		<b>0.62%</b>	<b>0.62%</b>	<b>3.02%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Variance to Benchmark		<b>-0.11%</b>	<b>-0.11%</b>	<b>+0.13%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Notes: Policy benchmarks are defined in Appendix 2. Returns for periods less than one year are not annualized. Market values include accrued income except for STIP's asset value which is stated at amortized book value plus accrued interest. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. UC Entity benchmark is a blend of the indexes described in Appendix 2, each weighted by the percentage it represents in the total assets.



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

September 30, 2004

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>UCRP<sup>1</sup></b>	<b>\$39,165</b>	<b>0.51%</b>	<b>0.51%</b>	<b>3.28%</b>	<b>5.82%</b>	<b>4.11%</b>	<b>11.32%</b>
Policy Benchmark		0.69%	0.69%	3.37%	6.96%	3.17%	11.14%
Variance to Benchmark		-0.18%	-0.18%	-0.09%	-1.14%	+0.94%	+0.18%
<b>U.S. Equity<sup>2</sup></b>	<b>\$21,909</b>	<b>-1.92%</b>	<b>-1.92%</b>	<b>1.67%</b>	<b>3.11%</b>	<b>-0.58%</b>	<b>10.09%</b>
Policy Benchmark		-1.88%	-1.88%	1.71%	5.30%	-0.68%	11.44%
Variance to Benchmark		-0.04%	-0.04%	-0.04%	-2.19%	+0.10%	-1.35%
Active/Transition Portfolio <sup>3</sup>	\$5,776	-2.05%	-2.05%	1.37%	N/A	N/A	N/A
Passive Portfolio	\$16,133	-1.87%	-1.87%	1.73%	N/A	N/A	N/A
<b>Fixed Income<sup>4</sup></b>	<b>\$10,760</b>	<b>4.75%</b>	<b>4.75%</b>	<b>4.77%</b>	<b>7.87%</b>	<b>9.08%</b>	<b>11.04%</b>
Policy Benchmark		4.91%	4.91%	4.93%	7.34%	8.86%	9.27%
Variance to Benchmark		-0.16%	-0.16%	-0.16%	+0.53%	+0.22%	+1.77%
<b>TIPS<sup>4</sup></b>	<b>\$2,625</b>	<b>3.87%</b>	<b>3.87%</b>	<b>5.86%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		3.84%	3.84%	5.80%	N/A	N/A	N/A
Variance to Benchmark		+0.03%	+0.03%	+0.06%	N/A	N/A	N/A
<b>Non-U.S. Equity<sup>2</sup></b>	<b>\$3,295</b>	<b>1.29%</b>	<b>1.29%</b>	<b>5.33%</b>	<b>11.54%</b>	<b>-0.67%</b>	<b>-0.75%</b>
Policy Benchmark		0.95%	0.95%	4.80%	11.22%	0.62%	-2.49%
Variance to Benchmark		+0.34%	+0.34%	+0.53%	+0.32%	-1.29%	+1.74%
Passive Portfolio-Dev. Markets	\$2,876	0.30%	0.30%	4.84%	9.48%	N/A	N/A
Emerging Markets	\$419	8.71%	8.71%	8.26%	25.32%	6.91%	2.97%
<b>Private Equity</b>	<b>\$556</b>	<b>-0.27%</b>	<b>-0.27%</b>	<b>11.12%</b>	<b>-7.46%</b>	<b>8.02%</b>	<b>25.75%</b>
Policy Benchmark		2.16%	2.16%	19.02%	4.17%	0.14%	14.66%
Variance to Benchmark		-2.43%	-2.43%	-7.90%	-11.63%	+7.88%	+11.09%
<b>Liquidity Portfolio</b>	<b>\$10</b>	<b>2.20%</b>	<b>2.20%</b>	<b>3.00%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Notes: Policy benchmarks are defined in Appendix 2. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. Includes \$9 million of Real Estate purchased 9/30/2004. Real Estate will be disclosed as a separate asset class next quarter.

2. For 5 and 10 year periods returns were reclassified to match current asset classes.

3. As of December 31, 2003, the allocation between active and passive U.S. Equity reflects the planned transition to an *initial* allocation of 25% in active externally managed strategies. The inception date for this portfolio is January 1, 2004, and this transition will occur over the course of calendar year 2004. Performance shown above reflects that these assets have been passively managed (and will be partially passively managed until the transition to active management is complete). The remaining U.S. Equity (75%) will continue to be passively managed. Quarterly reports prior to December 31, 2003 have shown U.S. Equity allocated between a "core passive" portfolio (30%) and a "transitional" portfolio (70%). The latter represented the discontinued internally managed equity portfolio. This change in presentation has no impact on performance or performance attribution, as all U.S. Equity has been passively managed since December 2002.

4. Fixed income securities are 100% internally managed.



II. UCRP Asset Allocation Plan Guideline Compliance: Exceptions

**Asset Allocation**

	Assets (\$M)	Actual%	Policy Target%	Variance	Policy Range	Range Compliance
U.S. Equity	\$21,909	56%	50%	6%	48-58%	Yes
Fixed Income						
Bonds	\$10,760	27%	28%	-1%	25-35%	Yes
TIPS	\$2,625	7%	5%	2%	3-7%	Yes
Non-U.S. Equity	\$3,295	8%	7%	1%	5-9%	Yes
Private Equity	\$556	1%	5%	-4%	3-7%	No
Real Estate	\$9	0%	5%	-5%	0-7%	Yes
Liquidity	\$10	0%	-	-	-	-
<b>Total Assets</b>	<b>\$39,165</b>	<b>100%</b>	<b>100%</b>			

**Private Equity**

When the Asset Allocation Plan was initiated in 2000, UCRP was below the Private Equity target, but within the allowable range. Subsequent distributions and changes in valuation have caused the allocation to fall below the low end of the range. Commitments are being made in order to increase the allocation to Private Equity over time. In the meantime, the variance (between policy and actual) is invested in U.S. Equity.

**Private Equity Sector Allocation**

	Assets (\$M)	% of P.E. Portfolio	Policy Target %	Variance	Policy Range	Range Compliance
Venture Cap.	\$229	41%	50%	-9%	30-70%	Yes
Buyouts	223	40%	50%	-10%	30-70%	Yes
Non-U.S. Distributions	98	18%	0%	18%	0-10%	No
6	6	1%				
<b>Total Assets</b>	<b>\$556</b>	<b>100%</b>	<b>100%</b>			

**Non-U.S. Private Equity**

Non-U.S. Private Equity will not be emphasized going forward. This exposure is expected to decline over time as the other segments in the private equity portfolio grow.

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



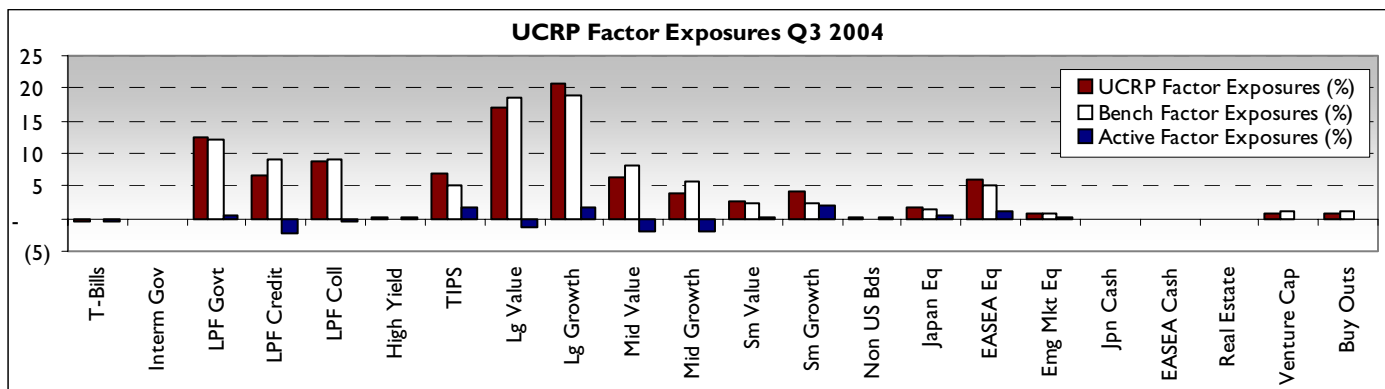
# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

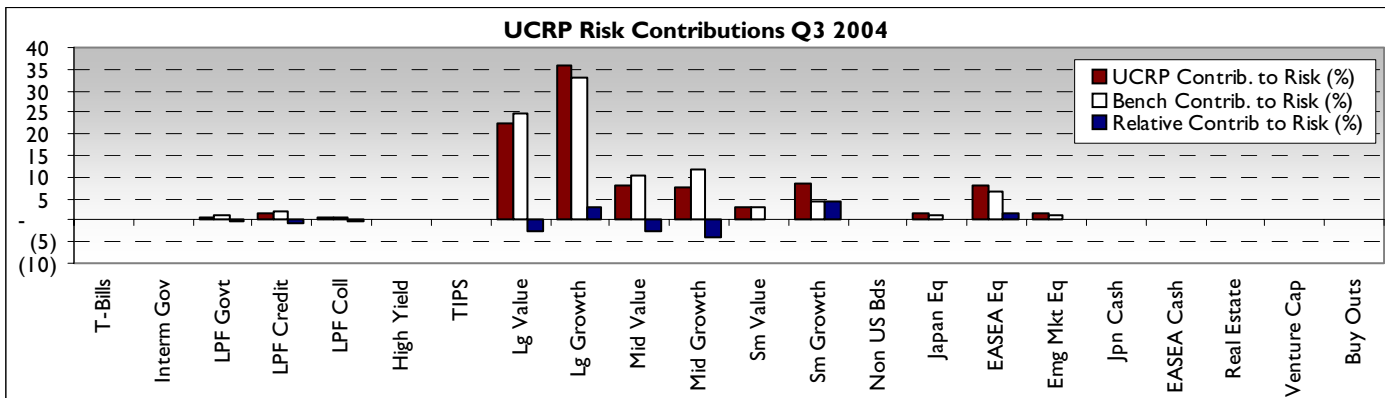
September 30, 2004

FORECAST RISK (1)	
UCRP	9.94
Benchmark	9.80
Active Factor Risk	0.40
Active Residual Risk	0.57
Beta	1.01

FACTOR EXPOSURES (2)			
Asset Allocation (3)	UCRP	Benchmark	Active Exposures
Domestic Equity	55.0	56.0	(1.0)
Domestic Fixed Income	35.0	35.0	(0.0)
Non US (all)	8.7	7.0	1.7
Non Marketable	1.4	2.0	(0.6)
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>(0.0)</b>



RISK CONTRIBUTIONS (4)			
Risk Allocation (3)	UCRP	Benchmark	Relative Risk Contrib.
Domestic Equity	85.5	87.2	(1.7)
Domestic Fixed Income	2.8	3.5	(0.7)
Non US (all)	11.2	9.1	2.1
Non Marketable	0.1	0.2	(0.0)
Subtotal Factor Risk	99.7	100.0	(0.3)
Residual Risk	0.3	-	0.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>



Results shown are based on (a) total fund composition as of quarter end and (b) long term volatility and correlation estimates for 21 risk factors (market benchmarks).

1. Risk estimates are in units of standard deviation, annualized (range of likely results over one year horizon).
2. Factor exposures for each portfolio are estimated by regressing monthly returns over all risk factors.
3. Factors grouped into 4 broad categories; e.g., Domestic Equity consists of 6 risk factors.
4. Risk contributions for each factor are derived by a weighted sum of the covariances of that factor with the total fund.
5. Benchmark is the *effective* benchmark used for performance measurement and includes actual weight of private equity (2%) and real estate (0%).



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

## ACTIVE U.S. EQUITY: PORTFOLIO RISK, CHARACTERISTICS, AND PERFORMANCE ATTRIBUTION

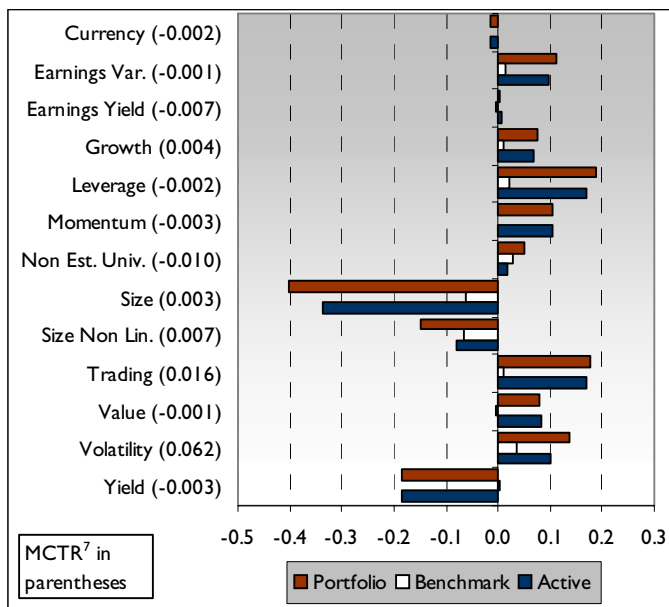
September 30, 2004

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1</sup>		
	UCRP	RUSSELL 3000 TF
Dividend Yield	1.3	1.7
Price - Earnings Ratio (historical)	20.2	20.4
Price - Book Ratio	3.6	3.7
Debt - Equity Ratio	86.8	85.8
Fundamental Beta	1.1	1.0
Market Capitalization (Cap Wtd)	\$48.0 bn	\$73.4 bn
Number of Holdings	1,728	3,000

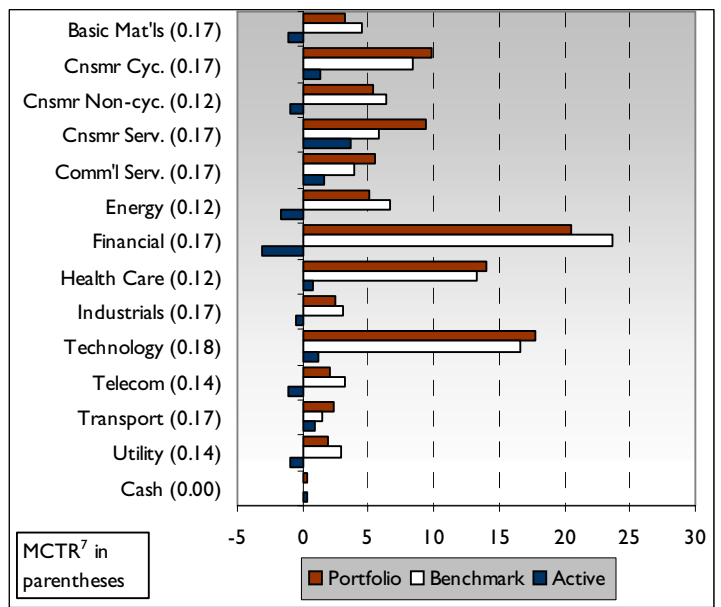
RISK MEASURES / DECOMPOSITION (Qtr End) <sup>2</sup>				
	TOTAL RISK		ACTIVE RISK	
	Risk	Contrib	Risk	Contrib
	%Std dev	%Total	%Std dev	%Active
Common Factor	16.51	99	1.56	78
Style Factors	1.62	1	1.37	60
Industries	15.73	90	0.71	16
Factor Interaction	N/A	8	N/A	2
Asset Selection	1.25	1	0.83	22
<b>Total</b>	<b>16.56</b>	<b>100</b>	<b>1.77</b>	<b>100</b>
Benchmark	15.87			
Beta	1.04			

PERFORMANCE ATTRIBUTION (one quarter) <sup>3,4</sup>		
	Return	Risk
Total Portfolio	(2.05)	15.64
Benchmark	(1.87)	15.72
Active	(0.18)	0.65
Common Factor	-	N/A
Style Factors	0.03	0.53
Industries	(0.03)	0.16
Asset Selection	(0.03)	0.24
Market Timing	0.01	0.31
Trading	(0.15)	0.12

### STYLE EXPOSURES (% Std. Dev.)<sup>5</sup>



### SECTOR EXPOSURES (%)<sup>6</sup>



Active U.S. Equity as of 9-30-04 includes fifteen active large capitalization and nine active small capitalization portfolios. Its market value is approximately 25% of total U.S. Equity.

- The benchmark for Active U.S. Equity is the Russell 3000 Tobacco Free Index.
- Risk factor exposures and risk estimates are based on actual holdings as of 9-30-04 using proprietary data and analytics from Barra, Inc.
- Performance covers the period 7-1-2004 to 9-30-2004 (single quarter, not annualized) and performance attribution is based on month end holdings using a buy-hold methodology; calculated returns will differ slightly from the official performance report, which is based on linked daily returns.
- Attribution for the quarter reflects the sum of the active small capitalization managers and the passive large capitalization transition portfolio through the end of September when the large capitalization portfolio was fully transitioned to 15 active managers.
- Style factor exposures are expressed as % Standard Deviation (annualized).
- Industry sector exposures are expressed in terms of percent weights.
- MCTR = Marginal Contribution to Total Risk, is a risk sensitivity measure. It approximates the change in portfolio total risk that results from a 1% change in the factor exposure.

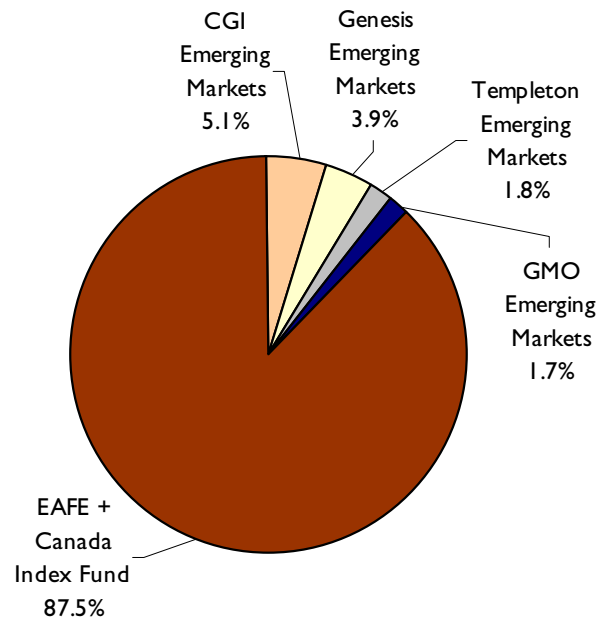


NON-U.S. EQUITY PORTFOLIO ALLOCATIONS  
 \$3,287 MILLION  
 9/30/04

Non-U.S. Equity Sector Allocation

	Portfolio	Benchmark
Developed Countries	87%	90%
Emerging Countries	13%	10%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Top 5 Holdings	Portfolio	Benchmark
Developed Countries		
United Kingdom	24%	24%
Japan	21%	21%
France	9%	9%
Switzerland	7%	7%
Canada	6%	6%
<b>Total</b>	<b>67%</b>	<b>67%</b>



Top 5 Portfolio Holdings		Top 5 Benchmark Holdings	
Emerging Countries		Emerging Countries	
Korea	20%	Korea	18%
Taiwan	9%	South Africa	15%
South Africa	9%	Taiwan	11%
India	8%	Brazil	9%
Brazil	8%	China	9%
<b>Total</b>	<b>54%</b>	<b>Total</b>	<b>62%</b>

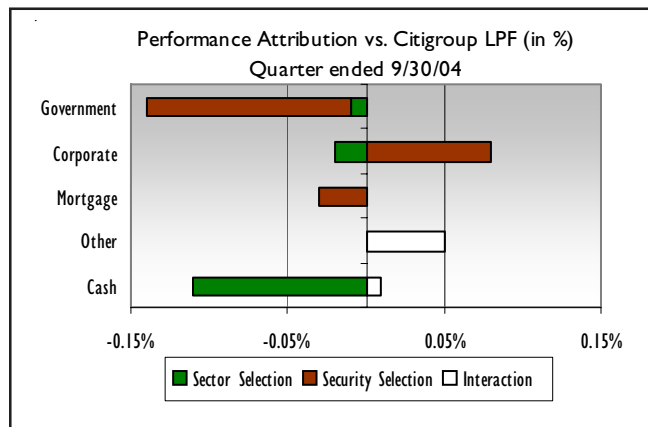
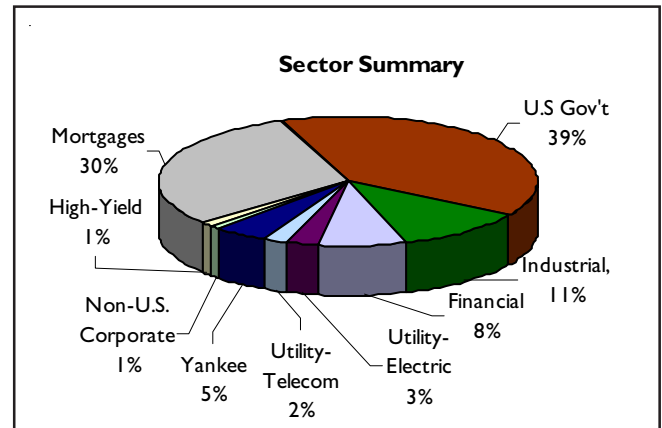
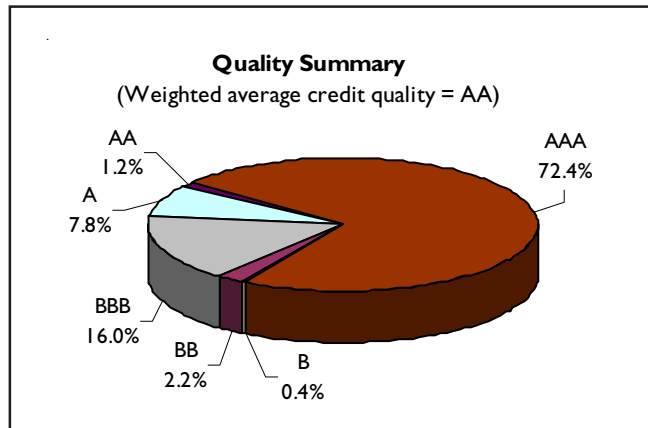
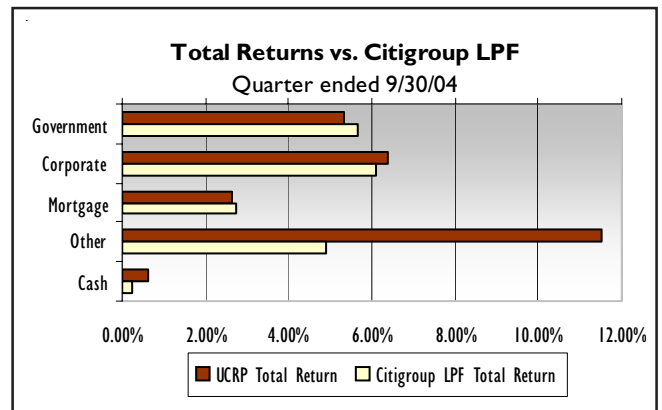
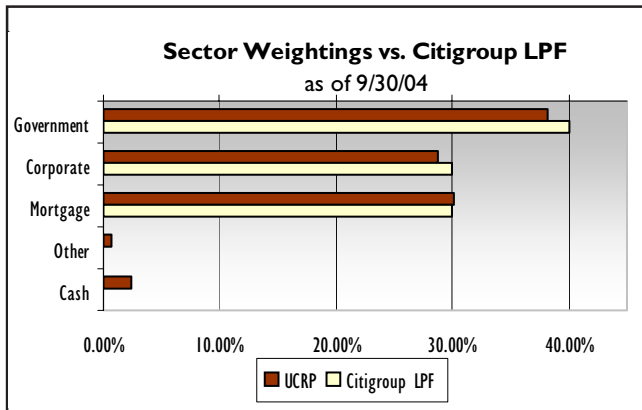


# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

## BOND PORTFOLIO CHARACTERISTICS

September 30, 2004

	UCRP	Citigroup LPF	Policy
Average Duration	7.3	7.5	+/- 20% to LPF
Average Maturity	12.2	11.6	--
Current Yield	4.1%	5.0%	--
Average Quality	AA	AA+	A



**Performance Attribution vs. Citigroup LPF**  
Quarter ended 9/30/04

	Sector Selection	Security Selection	Interaction	Total Effect
Government	-0.01%	-0.13%	0.00%	-0.14%
Corporate	-0.02%	0.08%	0.00%	0.06%
Mortgage	0.00%	-0.03%	0.00%	-0.03%
Other	0.00%	0.00%	0.05%	0.05%
Cash	<u>-0.11%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>-0.10%</u>
<b>Total</b>	<b>-0.14%</b>	<b>-0.07%</b>	<b>0.06%</b>	<b>-0.16%</b>

Note: Duration is a measure of a bond portfolio's (or a bond's) price sensitivity to changes in interest rates. A duration of 7 means that a decrease (increase) in the level of interest rates of 100 bp would result in a price increase (decrease) of approximately 7%.



## Private Equity Performance

UC Data reported as of September 2004 corresponding to benchmarks as of June 2004.

	Total Return			Annualized Total Return		
	Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>UCRP TOTAL FUND PE (incl Int'l.)</b>	<b>-0.27%</b>	<b>-0.27%</b>	<b>11.12%</b>	<b>-7.26%</b>	<b>8.16%</b>	<b>25.83%</b>
PE Custom Index <sup>1</sup> (incl Int'l.)	-0.13%	-0.13%	19.15%	5.70%	2.17%	17.12%
Variance to Index	<b>-0.14%</b>	<b>-0.14%</b>	<b>-8.03%</b>	<b>-12.96%</b>	<b>+5.99%</b>	<b>+8.71%</b>
<b>UCRP VENTURE CAP+BUYOUT</b>	<b>-1.42%</b>	<b>-1.42%</b>	<b>10.59%</b>	<b>-7.71%</b>	<b>9.22%</b>	<b>31.62%</b>
US PE Custom Index <sup>2</sup>	2.16%	2.16%	19.02%	3.09%	1.50%	16.74%
C.A. Custom US PE Benchmark <sup>3</sup>	1.62%	1.62%	9.56%	-8.07%	7.25%	20.91%
<b>UCRP VENTURE CAPITAL</b>	<b>-4.22%</b>	<b>-4.22%</b>	<b>-0.56%</b>	<b>-19.68%</b>	<b>3.98%</b>	<b>37.53%</b>
Cambridge Assoc. Venture Index <sup>4</sup>	0.35%	0.35%	2.39%	-19.29%	3.67%	22.96%
Venture Economics Venture Index <sup>4</sup>	0.30%	0.30%	8.77%	-15.15%	5.05%	22.09%
<b>UCRP BUY OUT</b>	<b>1.75%</b>	<b>1.75%</b>	<b>23.49%</b>	<b>5.31%</b>	<b>7.84%</b>	<b>18.75%</b>
Cambridge Assoc. Buyout Index <sup>4</sup>	2.97%	2.97%	16.49%	2.94%	4.26%	13.74%
Venture Economics Buyout Index <sup>4</sup>	3.60%	3.60%	16.29%	4.42%	6.08%	16.39%
<b>UCRP INTL PRIVATE EQUITY</b>	<b>-8.97%</b>	<b>-8.97%</b>	<b>19.25%</b>	<b>16.20%</b>	<b>6.10%</b>	<b>4.12%</b>
MSCI Emerg Markets Index+3%	7.08%	7.08%	16.37%	-5.09%	-1.68%	-4.45%

The benchmarks shown above are for informational purposes only and are not The Regents' policy benchmark shown in table 1 on page 4. This information is provided to give additional visibility into Private Equity sector performance relative to multiple performance metrics. UCRP returns are shown as being indicative of the total UC private program (which includes allocations in the GEP and 403(b) Equity Fund).

1. Private Equity Custom Index (including international) consists of a weighted average of 80% Russell 3000 TF Index and 20% MSCI Emerging Market Free Index, plus 3%. Prior to July 2000, the Custom Index consisted of the S&P 500 Index +5%. The Custom Index is lagged by three months since inception.
2. US-based Private Equity Custom Index consists of the Russell 3000 TF + 3%. Prior to July 2000, the Custom Index consisted of the S&P 500 Index +5%. The Custom Index is lagged by three months since inception.
3. Cambridge Associates Custom U.S. Private Equity Benchmark consists of the returns of Cambridge Venture and Buyout Indices, weighted by actual allocations within UCRP.
4. Cambridge Associates' and Venture Economics' Venture and Buyout indices are preliminary and subject to periodic restatements.



# GENERAL ENDOWMENT POOL (GEP)

September 30, 2004

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return	
		Recent Quarter	Fiscal YTD	Calendar YTD	Five Years	Ten Years
<b>GEP<sup>1</sup></b>	<b>\$4,738</b>	<b>0.37%</b>	<b>0.37%</b>	<b>3.53%</b>	<b>4.17%</b>	<b>11.41%</b>
Policy Benchmark		<b>0.69%</b>	<b>0.69%</b>	<b>3.51%</b>	<b>3.19%</b>	<b>11.15%</b>
Variance to Benchmark		<b>-0.32%</b>	<b>-0.32%</b>	<b>+0.02%</b>	<b>+0.98%</b>	<b>+0.26%</b>
<b>U.S. Equity<sup>2</sup></b>	<b>\$2,498</b>	<b>-1.95%</b>	<b>-1.95%</b>	<b>1.69%</b>	<b>-0.95%</b>	<b>9.99%</b>
Policy Benchmark		<b>-1.88%</b>	<b>-1.88%</b>	<b>1.71%</b>	<b>-0.68%</b>	<b>11.44%</b>
Variance to Benchmark		<b>-0.07%</b>	<b>-0.07%</b>	<b>-0.02%</b>	<b>-0.27%</b>	<b>-1.45%</b>
Active/Transition Portfolio <sup>3</sup>	\$649	-2.17%	N/A	1.41%	N/A	N/A
Passive Portfolio	\$1,849	-1.87%	-1.87%	1.75%	N/A	N/A
<b>Fixed Income<sup>4</sup></b>	<b>\$1,301</b>	<b>4.73%</b>	<b>4.73%</b>	<b>4.67%</b>	<b>9.00%</b>	<b>10.46%</b>
Policy Benchmark		<b>4.91%</b>	<b>4.91%</b>	<b>4.93%</b>	<b>8.86%</b>	<b>9.27%</b>
Variance to Benchmark		<b>-0.18%</b>	<b>-0.18%</b>	<b>-0.26%</b>	<b>+0.14%</b>	<b>+1.19%</b>
<b>Non-U.S. Equity<sup>2</sup></b>	<b>\$534</b>	<b>1.45%</b>	<b>1.45%</b>	<b>5.01%</b>	<b>-1.22%</b>	<b>-0.51%</b>
Policy Benchmark		<b>0.95%</b>	<b>0.95%</b>	<b>4.80%</b>	<b>0.62%</b>	<b>-2.49%</b>
Variance to Benchmark		<b>+0.50%</b>	<b>+0.50%</b>	<b>+0.21%</b>	<b>-1.84%</b>	<b>+1.98%</b>
Passive Portfolio-Dev. Markets	\$460	0.30%	0.30%	4.85%	N/A	N/A
Emerging Markets	\$73	9.37%	9.37%	6.45%	5.80%	2.96%
<b>Private Equity</b>	<b>\$102</b>	<b>0.21%</b>	<b>0.21%</b>	<b>9.85%</b>	<b>9.31%</b>	<b>25.62%</b>
Policy Benchmark		<b>2.16%</b>	<b>2.16%</b>	<b>19.02%</b>	<b>0.14%</b>	<b>14.66%</b>
Variance to Benchmark		<b>-1.95%</b>	<b>-1.95%</b>	<b>-9.17%</b>	<b>+9.17%</b>	<b>+10.96%</b>
<b>Absolute Return</b>	<b>\$291</b>	<b>0.42%</b>	<b>0.42%</b>	<b>4.15%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		<b>1.43%</b>	<b>1.43%</b>	<b>4.15%</b>	<b>N/A</b>	<b>N/A</b>
Variance to Benchmark		<b>-1.01%</b>	<b>-1.01%</b>	<b>+0.00%</b>	<b>N/A</b>	<b>N/A</b>
<b>Liquidity Portfolio</b>	<b>\$13</b>	<b>0.57%</b>	<b>0.57%</b>	<b>-0.10%</b>	<b>N/A</b>	<b>N/A</b>

Note: Policy benchmarks are defined in Appendix 2. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. Includes \$1 million of Real Estate purchased 9/30/2004. Real Estate will be disclosed as a separate asset class next quarter.
2. For 5 and 10 year periods returns were reclassified to match current asset classes.
3. As of December 31, 2003, the allocation between active and passive U.S. Equity reflects the planned transition to an *initial* allocation of 25% in active externally managed strategies. The inception date for this portfolio is January 1, 2004, and this transition will occur over the course of calendar year 2004. Performance shown above reflects that these assets have been passively managed (and will be partially passively managed until the transition to active management is complete). The remaining U.S. Equity (75%) will continue to be passively managed. Quarterly reports prior to December 31, 2003 have shown U.S. Equity allocated between a "core passive" portfolio (30%) and a "transitional" portfolio (70%). The latter represented the discontinued internally managed equity portfolio. This change in presentation has no impact on performance or performance attribution, as all U.S. Equity has been passively managed since December 2002.
4. Fixed income securities are 100% internally managed.



## GENERAL ENDOWMENT POOL (GEP)

### II. Asset Allocation Plan Guideline Compliance: Exceptions

	Assets (\$M)	Actual%	Policy Target%	Variance	Policy Range	Range Compliance
U.S. Equity	\$2,498	53%	42%	11%	37-50%	No
Fixed Income	\$1,301	27%	28%	-1%	23-35%	Yes
Non-U.S. Equity	\$534	11%	10%	1%	8-12%	Yes
Private Equity	\$102	2%	10%	-8%	5-12%	No
Absolute Return	\$291	6%	5%	1%	0-6%	Yes
Real Estate	\$1	0%	5%	-5%	0-7%	Yes
Liquidity Portfolio	\$13	0%	-	-	-	-
<b>Total Assets</b>	<b>\$4,740</b>	<b>100%</b>	<b>100%</b>			

#### **U.S. Equity/Private Equity**

With GEP's Private Equity allocation recently raised, assets from U.S. Equity are being redeployed into Private Equity.

#### Private Equity Sector Allocation

	Assets (\$M)	% of Private Equity Portfolio	Policy Target%	Variance	Policy Range	Range Compliance
Venture Cap.	\$34	33%	50%	-17%	30-70%	Yes
Buyouts	46	45%	50%	-5%	30-70%	Yes
Non-U.S.	21	21%	0%	21%	0-10%	No
Distributions	1	1%				
<b>Total Assets</b>	<b>\$102</b>	<b>100%</b>	<b>100%</b>			

#### **Non-U.S. Private Equity**

Non-U.S. Private Equity will not be emphasized going forward. This exposure is expected to decline over time as the other segments in the private equity portfolio grow.

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



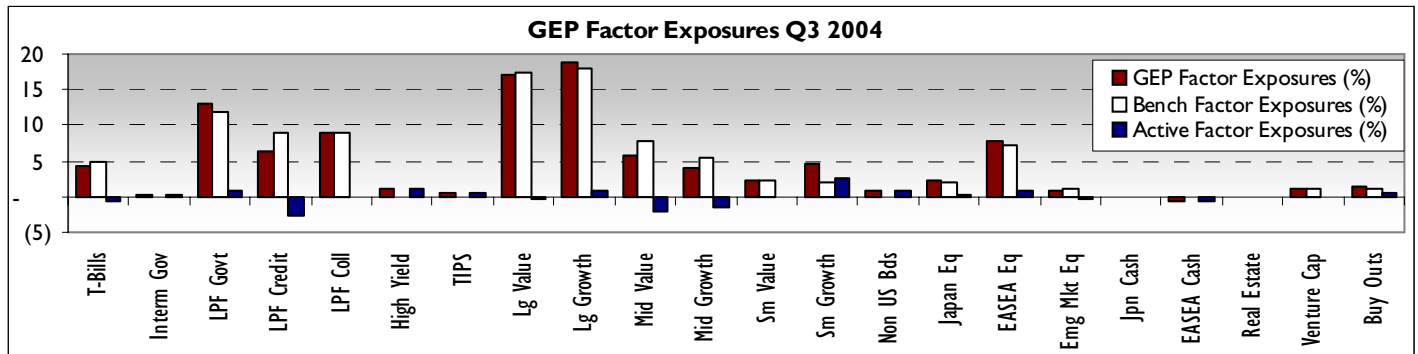
# GENERAL ENDOWMENT POOL (GEP)

## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

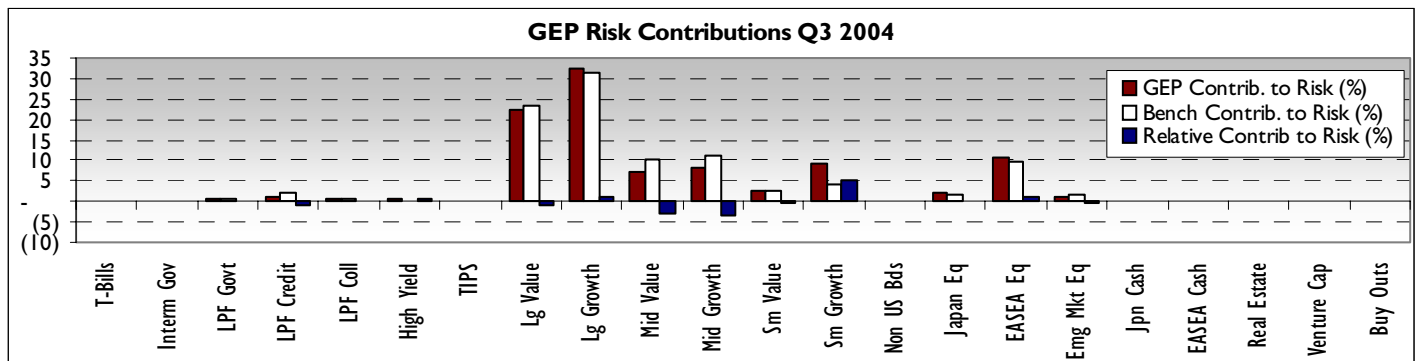
September 30, 2004

FORECAST RISK (1)	
GEP	9.86
Benchmark	9.73
Active Factor Risk	0.38
Active Residual Risk	0.57
Beta	1.01

FACTOR EXPOSURES (2)			
Asset Allocation (3)	GEP	Benchmark	Active Exposures
Domestic Equity	52.4	53.0	(0.6)
Domestic Fixed Income	30.0	30.0	-
Non US (all)	10.9	10.0	0.9
Non Marketable	6.7	7.0	(0.3)
TOTAL	100.0	100.0	0.0



RISK CONTRIBUTIONS (4)			
Risk Allocation (3)	GEP	Benchmark	Relative Risk Contrib.
Domestic Equity	82.4	83.3	(0.9)
Domestic Fixed Income	2.7	3.1	(0.4)
Non US (all)	14.4	13.4	1.0
Non Marketable	0.2	0.2	0.0
Subtotal Factor Risk	99.7	100.0	(0.4)
Residual Risk	0.4	-	0.4
TOTAL	100.0	100.0	(0.0)



Results shown are based on (a) total fund composition as of quarter end and (b) long term volatility and correlation estimates for 21 risk factors (market benchmarks).

1. Risk estimates are in units of standard deviation, annualized (range of likely results over one year horizon).
2. Factor exposures for each portfolio are estimated by regressing monthly returns over all risk factors.
3. Factors grouped into 4 broad categories; e.g., Domestic Equity consists of 6 risk factors. Non Marketable includes Absolute Returns.
4. Risk contributions for each factor are derived by a weighted sum of the covariances of that factor with the total fund.
5. Benchmark is the *effective* benchmark used for performance measurement and includes actual weight of private equity (2%) and real estate (0%).



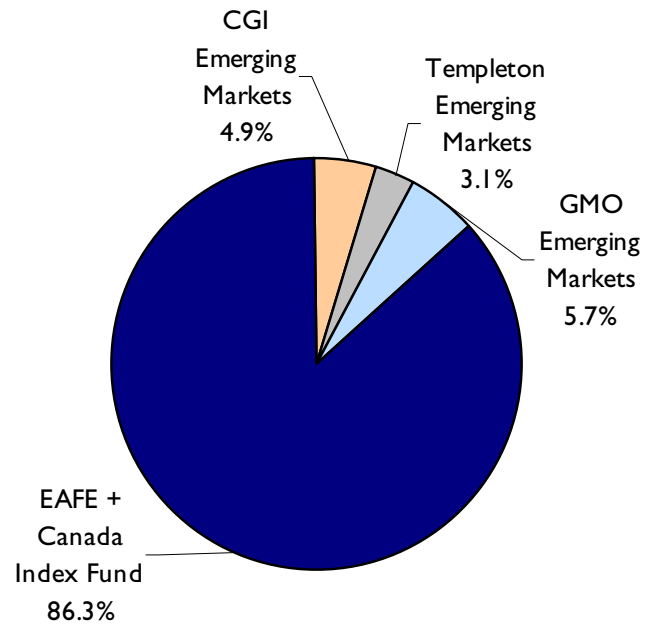
# GENERAL ENDOWMENT POOL (GEP)

## NON-U.S. EQUITY PORTFOLIO ALLOCATIONS \$534 MILLION 9/30/04

### Non-U.S. Equity Sector Allocation

	Portfolio	Benchmark
Developed Countries	86%	90%
Emerging Countries	14%	10%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Top 5 Holdings	Portfolio	Benchmark
Developed Countries		
United Kingdom	24%	24%
Japan	21%	21%
France	9%	9%
Switzerland	7%	7%
Canada	6%	6%
<b>Total</b>	<b>67%</b>	<b>67%</b>



Top 5 Portfolio Holdings		Top 5 Benchmark Holdings	
Emerging Countries		Emerging Countries	
Korea	22%	Korea	18%
Taiwan	13%	South Africa	15%
Brazil	12%	Taiwan	11%
South Africa	8%	Brazil	9%
Mexico	7%	China	9%
<b>Total</b>	<b>62%</b>	<b>Total</b>	<b>62%</b>

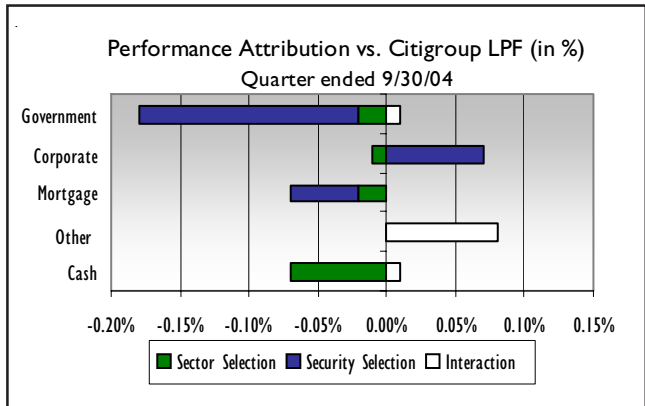
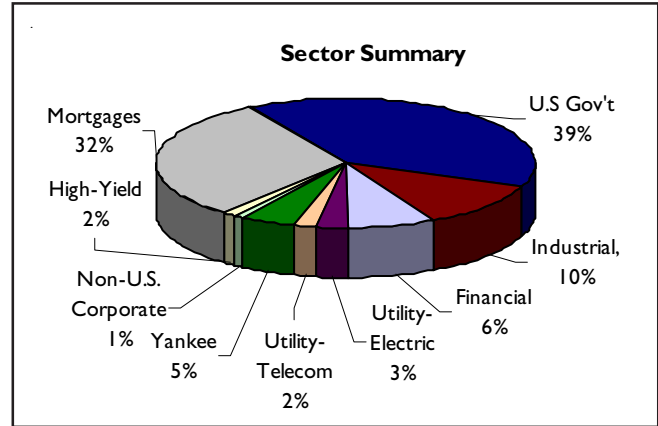
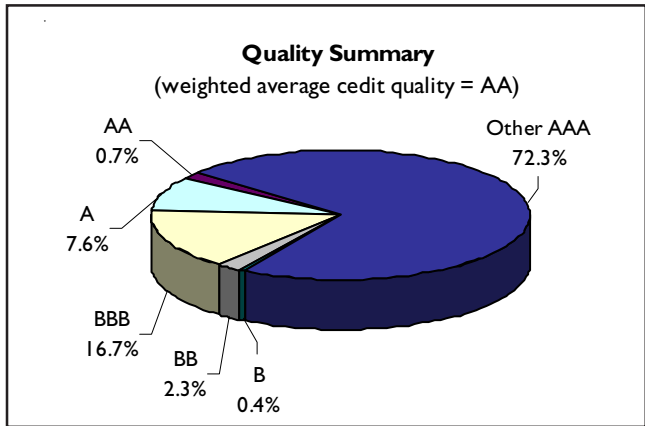
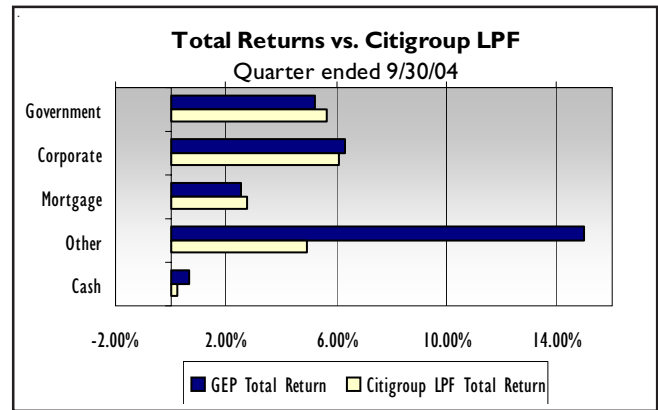
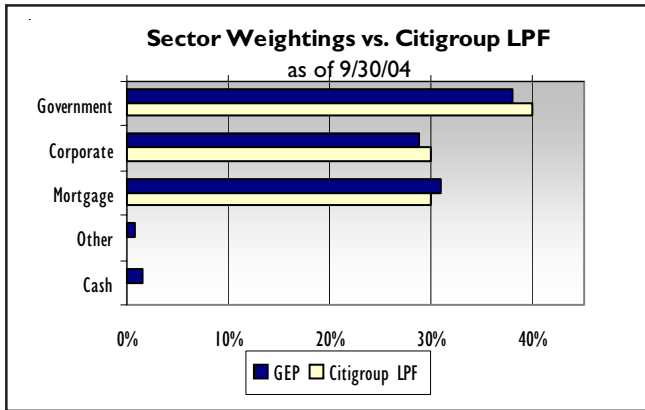


# GENERAL ENDOWMENT POOL (GEP)

## BOND PORTFOLIO CHARACTERISTICS

September 30, 2004

	GEP	Citigroup LPF	Policy
Average Duration	6.9	7.5	+/- 20% to LPF
Average Maturity	12.3	11.6	--
Current Yield	4.9%	5.0%	--
Average Quality	AA	AA+	A



**Performance Attribution vs. Citigroup LPF**  
Quarter ended 9/30/04

	Sector Allocation	Security Selection	Interaction	Total Effect
Government	-0.02%	-0.16%	0.01%	-0.17%
Corporate	-0.01%	0.07%	0.00%	0.05%
Mortgage	-0.02%	-0.05%	0.00%	-0.07%
Other	0.00%	0.00%	0.08%	0.08%
Cash	-0.07%	0.00%	0.01%	-0.07%
<b>Total</b>	<b>-0.13%</b>	<b>-0.14%</b>	<b>0.09%</b>	<b>-0.18%</b>

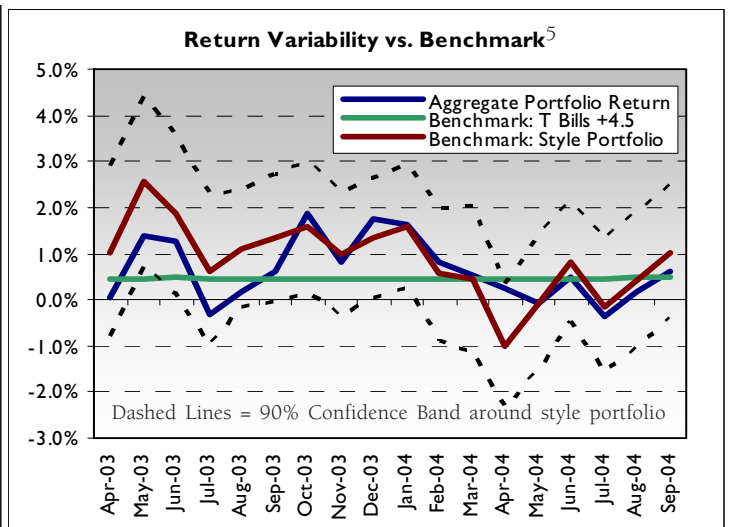
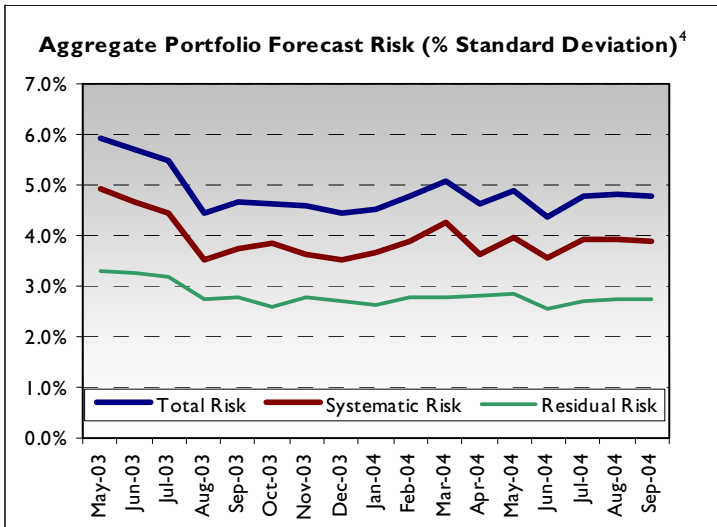
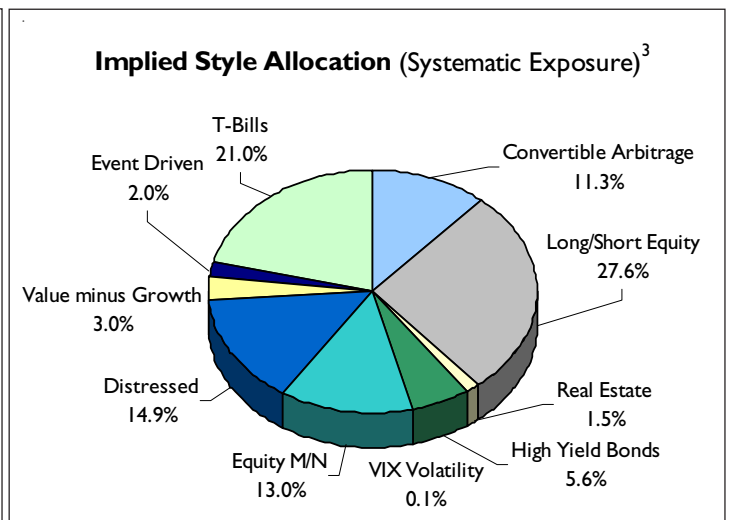
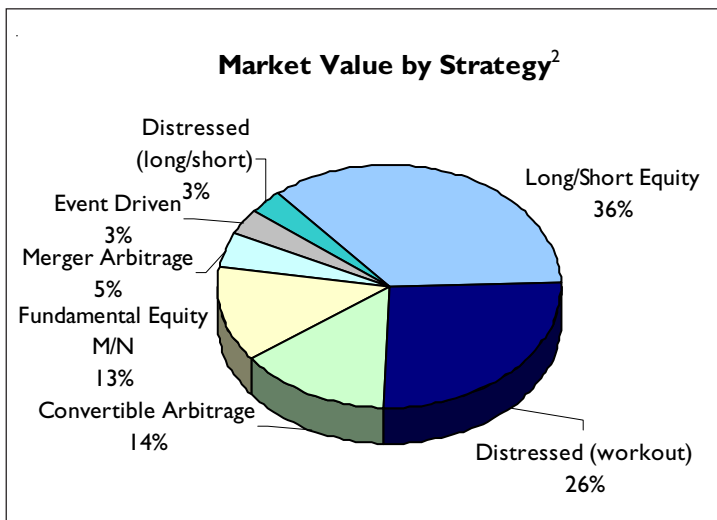
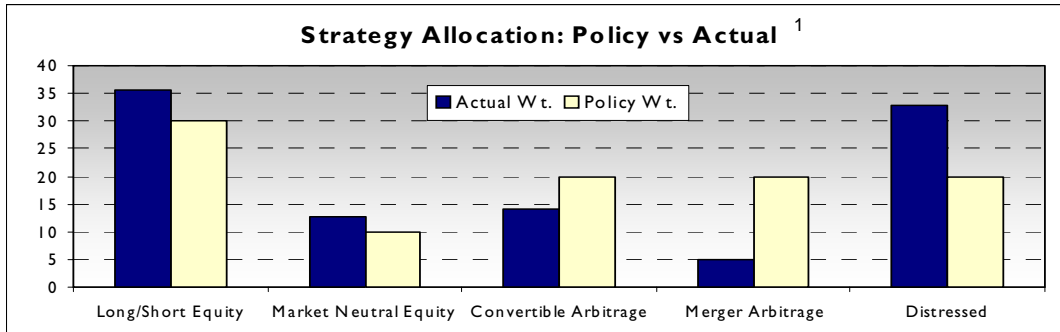
Note: Duration is a measure of a bond portfolio's (or a bond's) price sensitivity to changes in interest rates. It is a weighted maturity at present value of all principal and interest payments.



# GENERAL ENDOWMENT POOL (GEP)

## ABSOLUTE RETURN PORTFOLIO RISK CHARACTERISTICS

September 30, 2004



1. Market value in each of five broad strategies permitted in the Investment Guidelines.
2. Additional detail of investments by strategy.
3. Aggregate exposures to systematic risk factors as determined by statistical analysis.
4. Forward estimate of risk, considering both systematic exposures and the historical volatility of residual returns.
5. Monthly returns compared to official and style (systematic risk) benchmarks.



## 403(b) & DEFINED CONTRIBUTION PLANS' FUNDS

September 30, 2004

### I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>EQUITY FUND TOTAL FUND<sup>1</sup></b>	<b>\$3,359</b>	<b>-1.33%</b>	<b>-1.33%</b>	<b>2.29%</b>	<b>3.60%</b>	<b>0.48%</b>	<b>10.03%</b>
Policy Benchmark		-1.37%	-1.37%	2.62%	6.06%	-0.52%	11.53%
Variance to Benchmark		+0.04%	+0.04%	-0.33%	-2.46%	+1.00%	-1.50%
<b>U.S. Equity<sup>2</sup></b>	<b>\$2,773</b>	<b>-1.87%</b>	<b>-1.87%</b>	<b>1.67%</b>	<b>3.20%</b>	<b>-1.12%</b>	<b>9.18%</b>
Policy Benchmark		-1.88%	-1.88%	1.71%	5.30%	-0.68%	11.44%
Variance to Benchmark		+0.01%	+0.01%	-0.04%	-2.10%	-0.44%	-2.26%
<b>Non-U.S. Equity<sup>2</sup></b>	<b>\$506</b>	<b>1.38%</b>	<b>1.38%</b>	<b>5.08%</b>	<b>11.13%</b>	<b>-1.13%</b>	<b>-0.39%</b>
Policy Benchmark		0.95%	0.95%	4.80%	11.22%	0.62%	-2.49%
Variance to Benchmark		+0.43%	+0.43%	+0.28%	-0.09%	-1.75%	+2.10%
Passive Portfolio-Dev. Mkts	\$438	0.30%	0.30%	4.84%	9.49%	N/A	N/A
Emerging Markets	\$69	8.87%	8.87%	6.65%	23.79%	5.80%	3.04%
<b>Private Equity</b>	<b>\$77</b>	<b>0.93%</b>	<b>0.93%</b>	<b>10.96%</b>	<b>-6.00%</b>	<b>9.88%</b>	<b>26.70%</b>
Policy Benchmark		2.16%	2.16%	19.02%	4.17%	0.14%	14.66%
Variance to Benchmark		-1.23%	-1.23%	-8.06%	-10.17%	+9.74%	+12.04%
<b>Liquidity Portfolio</b>	<b>\$2</b>	<b>5.10%</b>	<b>5.10%</b>	<b>9.66%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<b>BOND FUND<sup>1</sup></b>	<b>\$966</b>	<b>3.08%</b>	<b>3.08%</b>	<b>3.23%</b>	<b>6.56%</b>	<b>8.32%</b>	<b>10.60%</b>
Policy Benchmark		3.20%	3.20%	3.35%	5.88%	7.71%	8.69%
Variance to Benchmark		-0.12%	-0.12%	-0.12%	+0.68%	+0.61%	+1.91%

<b>TIPS FUND<sup>1,3</sup></b>	<b>\$59</b>	<b>3.82%</b>	<b>3.82%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		3.84%	3.84%	N/A	N/A	N/A	N/A
Variance to Benchmark		-0.02%	-0.02%	N/A	N/A	N/A	N/A

Notes: Policy benchmarks are defined in Appendix 2. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. Includes Balanced Growth Fund assets.

2. For 5 and 10 year periods returns were reclassified to match current asset classes.

3. Fund and Policy Benchmark performance reflective of period during which Fund was in existence.



## 403(b) & DEFINED CONTRIBUTION PLANS' FUNDS

### Investment Performance continued

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>BALANCED GROWTH FUND<sup>1</sup></b>	<b>\$752</b>	<b>0.26%</b>	<b>0.26%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		0.27%	0.27%	N/A	N/A	N/A	N/A
Variance to Benchmark		-0.01%	-0.01%	N/A	N/A	N/A	N/A
<b>65% EQUITY FUND</b>	\$489	-1.33%	-1.33%	2.29%	3.60%	0.48%	10.03%
Policy Benchmark		-1.37%	-1.37%	2.62%	6.06%	-0.52%	11.53%
Variance to Benchmark		+0.04%	+0.04%	-0.33%	-2.46%	+1.00%	-1.50%
<b>30% BOND FUND</b>	\$225	3.08%	3.08%	3.23%	6.56%	8.32%	10.60%
Policy Benchmark		3.20%	3.20%	3.35%	5.88%	7.71%	8.69%
Variance to Benchmark		-0.12%	-0.12%	-0.12%	+0.68%	+0.61%	+1.91%
<b>5% TIPS FUND</b>	\$38	3.82%	3.82%	N/A	N/A	N/A	N/A
Policy Benchmark		3.84%	3.84%	N/A	N/A	N/A	N/A
Variance to Benchmark		-0.02%	-0.02%	N/A	N/A	N/A	N/A

	Market Value (\$M)	Income Return			Annualized Income Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>SAVINGS FUND<sup>2</sup></b>	<b>\$2,979</b>	<b>0.93%</b>	<b>0.93%</b>	<b>2.97%</b>	<b>4.62%</b>	<b>5.15%</b>	<b>5.72%</b>
2-Yr U.S. Treasury Notes		0.66%	0.66%	1.57%	2.22%	3.54%	4.72%
Variance to Benchmark		+0.27%	+0.27%	+1.40%	+2.40%	+1.61%	+1.00%
<b>ICC FUND<sup>2</sup></b>	<b>\$630</b>	<b>1.25%</b>	<b>1.25%</b>	<b>3.88%</b>	<b>6.11%</b>	<b>6.44%</b>	<b>7.00%</b>
5-Yr U.S. Treasury Notes		0.92%	0.92%	2.55%	3.42%	4.39%	5.25%
Variance to Benchmark		+0.33%	+0.33%	+1.33%	+2.69%	+2.05%	+1.75%

Notes: Policy benchmarks are defined in Appendix 2. All income returns for periods less than one year are not annualized. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. Fund and Policy Benchmark performance reflective of period during which Fund was in existence.
2. Fund asset value is stated at amortized book value plus accrued interest.



# 403(b) & DEFINED CONTRIBUTION PLANS' FUNDS

September 30, 2004

## II. Asset Allocation

### Equity Fund

	Assets (\$M)	Actual % of Portfolio	Policy Target %	Variance	Policy Range
U.S. Equity	\$2,773	83%	80%	3%	75-85%
Non-U.S. Equity	\$506	15%	15%	0%	10-20%
Private Equity	\$77	2%	5%	-3%	3-7%
Liquidity Portfolio	\$2	0%	-	-	-
<b>Total Assets</b>	<b>\$3,359</b>	<b>100%</b>	<b>100%</b>		

### Bond Fund

	Assets (\$M)	% of Portfolio
Governments	\$321	33%
TIPS	0	0%
High Yield	14	2%
Corporates	232	24%
Mortgages	389	40%
Cash	10	1%
<b>Total Assets</b>	<b>\$966</b>	<b>100%</b>

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



**TIPS (Treasury Inflation-Protected Securities) Fund** - invests in notes and bonds issued by the U.S. Treasury that are adjusted monthly to reflect the effects of inflation.

	<b>Assets (\$M)</b>	<b>% of Portfolio</b>
Treasury Inflation Index	\$58	98%
Cash	1	2%
<b>Total Assets</b>	<b>\$59</b>	<b>100%</b>

**Savings Fund** - invests 100% in government, government-guaranteed and government agency securities of up to five years in maturity.

	<b>Assets (\$M)</b>	<b>% of Portfolio</b>
U.S. Governments	\$2,010	67%
Federal Agencies	969	33%
Cash	0	0%
<b>Total Assets</b>	<b>\$2,979</b>	<b>100%</b>

Savings Fund asset value is stated at amortized book value plus accrued interest.

**Insurance Company Contracts (ICC) Fund** - invests in insurance company contracts offered by select, highly- rated, financially-sound insurance companies.

	<b>Assets (\$M)</b>	<b>% of Portfolio</b>
Insurance Companies		
Principal Life	\$295	47%
Monumental Life	55	9%
Transamerica Occidental	52	8%
Travelers Life	36	6%
Cash	192	30%
<b>Total Assets</b>	<b>\$630</b>	<b>100%</b>

ICC Fund asset value is stated at amortized book value plus accrued interest.



### III. Asset Allocation Plan Guideline Compliance: Exceptions

#### Equity Fund

#### Private Equity Sector Allocation

	Assets (\$M)	% of P.E. Portfolio	Policy Target %	Variance	Policy Range	Range Compliance
Venture Cap.	\$21	27%	50%	-23%	30-70%	No
Buyouts	34	44%	50%	-6%	30-70%	Yes
International	21	27%	0%	27%	0-10%	No
Distributions	\$1	1%				
<b>Total Assets</b>	<b>\$77</b>	<b>100%</b>	<b>50%</b>			

#### ***Venture Capital***

Market movement in Venture Capital has caused this segment to fall out of its allowable range.

#### ***Non-U.S. Private Equity***

Non-U.S. Private Equity will not be emphasized going forward. This exposure is expected to decline over time as the other segments in the private equity portfolio grow.

**Bond Fund:** No Exceptions

**Other Funds:** No Exceptions

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



# HIGH INCOME POOL (HIP)

September 30, 2004

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>HIP</b>	<b>\$66</b>	<b>6.29%</b>	<b>6.29%</b>	<b>5.80%</b>	<b>7.89%</b>	<b>9.27%</b>	<b>11.28%</b>
Policy Benchmark <sup>1</sup>		<b>6.76%</b>	<b>6.76%</b>	<b>7.45%</b>	<b>8.76%</b>	<b>9.54%</b>	<b>9.96%</b>
Variance		<b>-0.47%</b>	<b>-0.47%</b>	<b>-1.65%</b>	<b>-0.87%</b>	<b>-0.27%</b>	<b>+1.32%</b>
U.S. Equity	<b>\$3</b>	<b>3.79%</b>	<b>3.79%</b>	<b>2.63%</b>	<b>1.67%</b>	<b>5.98%</b>	<b>11.78%</b>
Fixed Income	<b>\$63</b>	<b>6.42%</b>	<b>6.42%</b>	<b>5.99%</b>	<b>8.74%</b>	<b>9.61%</b>	<b>10.66%</b>

## II. Asset Allocation

	Assets (\$M)	% of Portfolio
U.S. Equity	\$3	5%
Fixed Income	\$62	93%
Liquidity Portfolio	\$1	2%
<b>Total Assets</b>	<b>\$66</b>	<b>100%</b>

## III. Guideline Compliance: No Exceptions

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. Policy Benchmark consists of 80% LB LT G/C Index and 20% S&P 500 Electric Utilities Index.



# SHORT TERM INVESTMENT POOL (STIP)

September 30, 2004

## I. Investment Performance

	Market Value (\$M)	Income Return			Annualized Income Return		
		Recent Quarter	Fiscal YTD	Calendar YTD	Three Years	Five Years	Ten Years
<b>STIP</b>	<b>\$7,366</b>	<b>0.83%</b>	<b>0.83%</b>	<b>2.51%</b>	<b>3.94%</b>	<b>4.76%</b>	<b>5.52%</b>
2-Year U.S. Treasury Notes		<b>0.66%</b>	<b>0.66%</b>	<b>1.57%</b>	<b>2.22%</b>	<b>3.54%</b>	<b>4.72%</b>
Variance		<b>+0.17%</b>	<b>+0.17%</b>	<b>+0.94%</b>	<b>+1.72%</b>	<b>+1.22%</b>	<b>+0.80%</b>

## II. Asset Allocation - invests in approved fixed income investments with a maximum maturity of five years

	Assets (\$M)	% of Portfolio
U.S. Governments	\$1,369	18%
Corporate Notes	2,279	31%
Commercial Paper	2,616	36%
Federal Agencies	1,052	14%
Certificates of Deposit	50	1%
Bankers Acceptance	0	0%
<b>Total Assets</b>	<b>\$7,366</b>	<b>100%</b>

## II. Guideline Compliance: No Exceptions

Note: STIP's asset value is stated at amortized book value plus accrued interest. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



## APPENDIX I

### UC Regents Portfolio Market Value Changes Quarterly Change

	Market Value in Millions		Due to Cash In/Out Flows	Due to Investing Activities	NET CHANGE
	9/30/2004	6/30/2004	Change	Change	
<b>UCRP</b>	\$39,165	\$39,289	(\$318)	\$194	(\$124)
<b>GEP</b>	\$4,738	\$4,782	(\$29)	(\$15)	(\$44)
<b>HIP</b>	\$66	\$64	\$0	\$2	\$2
<b>403(b) Equity Fund</b>	\$3,359	\$3,362	\$40	(\$43)	(\$3)
<b>403(b) Bond Fund</b>	\$966	\$941	(\$5)	\$30	\$25
<b>STIP</b>	\$7,366	\$7,448	(\$140)	\$58	(\$82)
<b>Other 403(b)&amp; DC Plans' Funds</b>	\$3,668	\$3,550	\$79	\$39	\$118
<b>Other Endowments</b>	\$404	\$376	NA	NA	\$28
<b>Charitable Asset Management</b>	\$122	\$121	\$1	\$0	\$1
<b>Minus STIP in other Portfolios</b>	(\$613)	(\$846)	NA	NA	\$233
	<b>\$59,240</b>	<b>\$59,087</b>			<b>\$154</b>
<b>Breakdown of Other 403(b) &amp; DC Plans' Funds</b>					
<b>TIPS FUND</b>	\$59	\$49	\$7	\$3	\$10
<b>Savings Fund</b>	\$2,979	\$2,913	\$37	\$29	\$66
<b>ICC Fund</b>	\$630	\$588	\$34	\$8	\$42

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data. STIP, Savings Fund and ICC Fund asset values are stated at amortized book value plus accrued interest.



## APPENDIX I

### UC Regents Portfolio Market Value Changes 1 Year Change

	Market Value in Millions		Due to Cash In/Out Flows	Due to Investing Activities	NET CHANGE
	9/30/2004	9/30/2003	Change	Change	
<b>UCRP</b>	\$39,165	\$35,960	(\$1,073)	\$4,278	\$3,205
<b>GEP</b>	\$4,738	\$4,395	(\$78)	\$421	\$343
<b>HIP</b>	\$66	\$90	(\$23)	(\$1)	(\$24)
<b>Equity Fund</b>	\$3,359	\$2,517	\$454	\$388	\$842
<b>Bond Fund</b>	\$966	\$932	\$0	\$34	\$34
<b>STIP</b>	\$7,366	\$7,218	(\$83)	\$231	\$148
<b>Other 403(b) &amp; DC Plans' Funds</b>	\$3,668	\$3,687	(\$170)	\$151	(\$19)
<b>Other Endowments</b>	\$404	\$371	NA	NA	\$33
<b>Charitable Asset Management</b>	\$122	\$0	\$78	\$44	\$122
<b>Minus STIP in other Portfolios</b>	(\$613)	(\$775)	NA	NA	\$162
	<b>\$59,240</b>	<b>\$54,395</b>			<b>\$4,845</b>
<b>Breakdown of Other 403(b) &amp; DC Plans' Funds</b>					
<b>TIPS Fund (new 4/1/04)</b>	\$59	\$0	\$57	\$2	\$59
<b>Savings Fund</b>	\$2,979	\$2,998	(\$138)	\$119	(\$19)
<b>ICC Fund</b>	\$630	\$534	\$65	\$31	\$96
<b>Money Market Fund (closed 3/31/04)</b>	\$0	\$155	(\$155)		(\$155)

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data. STIP, Savings Fund, ICC Fund and Money Market Fund asset values are stated at amortized book value plus accrued interest.



## APPENDIX 2

### Policy Benchmarks

ASSET CLASS	BENCHMARK COMPONENT	PERCENTAGE BY TIME HORIZON				
		prior to June 2000	July 2000 - Dec 2001	Jan 2001 - June 2002	July 2002 - June 2003	since July 2003
<b>UCRP</b>						
US Equity	S&P 500	65%				
US Equity	Russell 3000		53%			
US Equity	Russell 3000 TF			53%	58% - actual wt (PE)	58% - actual wt (PE) - 0.6x actual wt (RE)
Non-US Equity	MSCI ACW ex US		7%	7%	7%	7%
Private Equity	Russell 3000 + 3%		5%			
Private Equity	Russell 3000 TF + 3%			5%		
Private Equity	Russell 3000 TF + 3%, lagged 3 months				actual weight	actual weight
Fixed Income	LB Long Term Gov/Corp	35%				
Fixed Income	Citigroup Large Pension Fd		35%	35%	30%	30% - 0.4 x actual wt (RE)
TIPS	LB TIPS				5%	5%
Real Estate	Real Estate Benchmark*					actual wt
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>GEP</b>						
US Equity	S&P 500	65%				
US Equity	Russell 3000		53%			
US Equity	Russell 3000 TF			53%	58% - actual wt (PE)	55% - actual wt (PE) - 0.6x actual wt (RE)
Non-US Equity	MSCI ACW ex US		7%	7%	7%	10%
Private Equity	Russell 3000 + 3%		5%			
Private Equity	Russell 3000 TF + 3%			5%		
Private Equity	Russell 3000 TF + 3%, lagged 3 months				actual wt	actual wt
Fixed Income	LB Long Term Gov/Corp	35%				
Fixed Income	Citigroup Large Pension Fd		35%	35%	35%	30% - 0.4 x actual wt (RE)
Absolute Return	30-Day US T-Bill + 4.5%					5%
Real Estate	Real Estate Benchmark*					actual wt
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Equity Fund</b>						
US Equity	S&P 500	100%				
US Equity	Russell 3000		80%			
US Equity	Russell 3000 TF			80%	80%	85% - actual wt (PE)
Non-US Equity	MSCI ACW ex US		15%	15%	15%	15%
Private Equity	Russell 3000 + 3%		5%			
Private Equity	Russell 3000 TF + 3%			5%		
Private Equity	Russell 3000 TF + 3%, lagged 3 months				5%	actual wt
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## APPENDIX 2

### Policy Benchmarks *continued*

ASSET CLASS	BENCHMARK COMPONENT	PERCENTAGE BY TIME HORIZON		
		prior to June 2000	since July 2000	
<b>Bond Fund</b> Fixed Income Fixed Income <b>Total</b>	LB Long Term Gov/Corp LB Aggregate	100%	100%	
		<b>100%</b>	<b>100%</b>	
<b>TIPS Fund</b> Lehman Brothers TIPS Index <b>Total</b>		all periods		100%
		<b>100%</b>		
<b>Balanced Growth Fund</b> Equity Fund Bond Fund TIPS Fund <b>Total</b>	See Equity Fd Benchmark See Bond Fd Benchmark See TIPS Fd Benchmark	all periods		
		65%		
		30%		
		5%		
<b>100%</b>				
<b>Savings Fund</b> 2-Year US Treasury Note Yield 2-Year US Treasury Note Income Return <b>Total</b>		prior to June 2002	since July 2002	
		100%	100%	
		<b>100%</b>	<b>100%</b>	
<b>ICC Fund</b> 5-Year US Treasury Note Yield 5-Year US Treasury Note Income Return <b>Total</b>		prior to June 2002	since July 2002	
		100%	100%	
		<b>100%</b>	<b>100%</b>	
<b>HIP</b> US Equity US Equity Fixed Income <b>Total</b>	S&P Electric Utilities S&P 500 Electric Utilities LB Long Term Gov/Corp	prior to Oct 1989	since Oct 1989	
		20%	20%	
		80%	80%	
		<b>100%</b>	<b>100%</b>	
<b>STIP</b> 2-Year US Treasury Note Yield 2-Year US Treasury Note Income Return <b>Total</b>		prior to June 2002	since July 2002	
		100%	100%	
		<b>100%</b>	<b>100%</b>	

\* Real Estate Benchmark consists of NCREIF Property Index for private real estate and the Wilshire REIT Index for public real estate.