



# INVESTMENT PERFORMANCE SUMMARY

Prepared for  
***The Committee on Investments &  
The Investment Advisory Group  
Of The Regents of the  
University of California***

Fourth Quarter, Calendar Year 2007



## Investment Performance Summary

### TABLE OF CONTENTS

Consolidated Assets	3
University of California Retirement Plan (UCRP)	4
General Endowment Pool (GEP)	11
Short Term Investment Pool (STIP)	16
Appendix I	
UC Regents Portfolio Market Value Changes	17
Appendix 2	
Policy Benchmarks	19



# CONSOLIDATED ASSETS

December 31, 2007

**ALL RETURNS PRESENTED IN THIS REPORT ARE NET OF MANAGER FEES AND EXPENSES**

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$47,587</b>	<b>-1.09%</b>	<b>1.35%</b>	<b>8.75%</b>	<b>9.38%</b>	<b>12.29%</b>	<b>7.56%</b>
Policy Benchmark		<b>-0.84%</b>	<b>1.95%</b>	<b>8.53%</b>	<b>9.34%</b>	<b>12.15%</b>	<b>7.42%</b>
Variance to Benchmark		<b>-0.25%</b>	<b>-0.60%</b>	<b>+0.22%</b>	<b>+0.04%</b>	<b>+0.14%</b>	<b>+0.14%</b>
<b>GEP</b>	<b>\$6,702</b>	<b>0.06%</b>	<b>2.48%</b>	<b>11.22%</b>	<b>11.65%</b>	<b>13.74%</b>	<b>8.52%</b>
Policy Benchmark		<b>0.43%</b>	<b>3.43%</b>	<b>10.73%</b>	<b>11.17%</b>	<b>13.37%</b>	<b>7.96%</b>
Variance to Benchmark		<b>-0.37%</b>	<b>-0.95%</b>	<b>+0.49%</b>	<b>+0.48%</b>	<b>+0.37%</b>	<b>+0.56%</b>
<b>STIP</b>	<b>\$8,706</b>	<b>1.25%</b>	<b>2.49%</b>	<b>4.92%</b>	<b>4.45%</b>	<b>4.06%</b>	<b>4.90%</b>
Policy Benchmark		<b>0.96%</b>	<b>2.15%</b>	<b>4.52%</b>	<b>4.36%</b>	<b>3.38%</b>	<b>4.07%</b>
Variance to Benchmark		<b>+0.29%</b>	<b>+0.34%</b>	<b>+0.40%</b>	<b>+0.09%</b>	<b>+0.68%</b>	<b>+0.83%</b>
<b>403(b), 457(b) &amp; Defined Contribution Plans' Funds</b>	<b>\$10,589</b>	Fund performance available to Plan Participants through Netbenefits.Fidelity.com. Performance is also presented to the Retirement Savings Program Advisory Group on a regular basis.					
<b>Total Assets<sup>1</sup></b>	<b>\$73,336</b>	<b>-0.64%</b>	<b>1.57%</b>	<b>8.17%</b>	<b>8.72%</b>	<b>N/A</b>	<b>N/A</b>
Entity Benchmark <sup>2</sup>		<b>-0.49%</b>	<b>2.00%</b>	<b>7.91%</b>	<b>8.61%</b>	<b>N/A</b>	<b>N/A</b>
Variance to Benchmark		<b>-0.15%</b>	<b>-0.43%</b>	<b>+0.26%</b>	<b>+0.11%</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. Total Assets include Other Endowments, CAM, and HIP assets and is net of the STIP balances in other portfolios.

2. UC Entity benchmark is a blend of the indexes within the benchmarks of the funds in the table above, each weighted by the percentage it represents in the total assets.



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

December 31, 2007

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$47,597</b>	<b>-1.09%</b>	<b>1.35%</b>	<b>8.75%</b>	<b>9.38%</b>	<b>12.29%</b>	<b>7.56%</b>
Policy Benchmark		-0.84%	1.95%	8.53%	9.34%	12.15%	7.42%
Variance to Benchmark		-0.25%	-0.60%	+0.22%	+0.04%	+0.14%	+0.14%
<b>U.S. Equity<sup>1</sup></b>	<b>\$20,768</b>	<b>-4.00%</b>	<b>-2.72%</b>	<b>4.42%</b>	<b>8.39%</b>	<b>13.29%</b>	<b>5.81%</b>
Policy Benchmark		-3.48%	-1.96%	4.97%	8.73%	13.49%	6.35%
Variance to Benchmark		-0.52%	-0.76%	-0.55%	-0.34%	-0.20%	-0.54%
Active Portfolio <sup>2</sup>	\$8,523	-4.78%	-3.93%	3.37%	7.90%	N/A	N/A
Passive Portfolios	\$12,244	-3.39%	-1.72%	5.27%	8.87%	13.57%	N/A
<b>Non-U.S. Equity-Developed<sup>1</sup></b>	<b>\$8,897</b>	<b>-1.67%</b>	<b>0.37%</b>	<b>11.74%</b>	<b>17.27%</b>	<b>21.99%</b>	<b>N/A</b>
Policy Benchmark		-1.74%	0.88%	12.19%	17.26%	21.84%	N/A
Variance to Benchmark		+0.07%	-0.51%	-0.45%	+0.01%	+0.15%	N/A
Active Portfolio	\$3,515	-1.71%	-0.60%	10.36%	N/A	N/A	N/A
Passive Portfolio	\$5,382	-1.65%	1.00%	12.63%	17.70%	22.26%	N/A
<b>Non-U.S. Equity-Emerg. Mkt<sup>1</sup></b>	<b>\$1,916</b>	<b>3.30%</b>	<b>14.78%</b>	<b>37.28%</b>	<b>34.42%</b>	<b>36.37%</b>	<b>14.35%</b>
Policy Benchmark		3.64%	18.58%	39.39%	35.15%	37.08%	14.37%
Variance to Benchmark		-0.34%	-3.80%	-2.11%	-0.73%	-0.71%	-0.02%
<b>Core U.S. Fixed Income</b>	<b>\$6,659</b>	<b>3.27%</b>	<b>6.43%</b>	<b>6.65%</b>	<b>4.96%</b>	<b>5.31%</b>	<b>6.61%</b>
Policy Benchmark		3.77%	7.39%	7.32%	4.92%	5.28%	6.51%
Variance to Benchmark		-0.50%	-0.96%	-0.67%	+0.04%	+0.03%	+0.10%
<b>High Yield Bond</b>	<b>\$1,353</b>	<b>-1.33%</b>	<b>-0.70%</b>	<b>1.95%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		-1.14%	-0.80%	2.17%	N/A	N/A	N/A
Variance to Benchmark		-0.19%	+0.10%	-0.22%	N/A	N/A	N/A
<b>Non-U.S. Fixed Income</b>	<b>\$1,475</b>	<b>3.96%</b>	<b>12.21%</b>	<b>11.40%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		3.91%	12.32%	11.45%	N/A	N/A	N/A
Variance to Benchmark		+0.05%	-0.11%	-0.05%	N/A	N/A	N/A
<b>Emerging Market Debt</b>	<b>\$1,001</b>	<b>2.05%</b>	<b>4.79%</b>	<b>6.91%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.68%	5.83%	6.46%	N/A	N/A	N/A
Variance to Benchmark		-0.63%	-1.04%	+0.45%	N/A	N/A	N/A
<b>TIPS</b>	<b>\$2,856</b>	<b>5.05%</b>	<b>9.90%</b>	<b>11.74%</b>	<b>4.94%</b>	<b>6.33%</b>	<b>N/A</b>
Policy Benchmark		4.97%	9.73%	11.63%	4.85%	6.27%	N/A
Variance to Benchmark		+0.08%	+0.17%	+0.11%	+0.09%	+0.06%	N/A
<b>Private Equity<sup>3</sup></b>	<b>\$1,464</b>	<b>2.86%</b>	<b>4.03%</b>	<b>17.98%</b>	<b>17.37%</b>	<b>18.30%</b>	<b>20.63%</b>
<b>Absolute Return</b>	<b>\$343</b>	<b>2.27%</b>	<b>3.20%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.04%	4.33%	N/A	N/A	N/A	N/A
Variance to Benchmark		+0.23%	-1.13%	N/A	N/A	N/A	N/A
<b>Real Estate<sup>4</sup></b>	<b>\$785</b>	<b>-0.50%</b>	<b>4.65%</b>	<b>17.11%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		-0.28%	4.30%	12.94%	N/A	N/A	N/A
Variance to Benchmark		-0.22%	+0.35%	+4.17%	N/A	N/A	N/A

Notes: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$82 million held in Liquidity Portfolio. 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. For 5 and 10 year periods returns were reclassified to match current asset classes.

2. Inception date of Active Portfolio is April 1, 2004. Results for the internally managed equity portfolio (discontinued in November 2002) are included in the Total U.S. Equity returns for periods of 5 and 10 years.

3. See Private Equity Performance information on page 10 for comparison of Private Equity to multiple performance metrics.

4. The Real Estate portion of the UCRP is shown lagged one quarter, in order to fully reflect both the income return and capital gains of the Real Estate investment as of September 30, 2007. The (time weighted) return shown is a weighted sum of the Open End and Closed End actual time weighted returns, and the benchmark is a weighted sum of the NCREIF Property index and the actual time weighted return of the UC Closed End funds. This is consistent with investment guidelines and also the reporting of Private Equity performance (see also page 10). Prior to Q4 2007, the benchmark was strictly NPI.



## I. Performance Objectives

1. UCRP annualized total return (net of manager fees and expenses) was 9.38% over the past three years and 12.29% over the past five years, in comparison to the Plan's actuarial rate of return of 7.5%.
2. The Consumer Price Index over the past 3 year and 5 year periods was 3.35% and 3.03% respectively.
3. UCRP annualized total return outperformed its policy benchmark by 4 bp and 14 bp over the past three year and five year periods, respectively.

II. For information on the portfolio's risk exposures see page 6, and for information on risk limits, see the separate quarterly risk report. During the past quarter, the portfolio's total risk was slightly less than budget but within allowed ranges. The portfolio's active risk was well below the targeted range; active risk will fluctuate depending on market opportunities and volatility.

III. Net investment expenses incurred by the Treasurer for managing the public securities (excluding Alternatives: Private Equity and Real Estate) of the UCRP were (expressed as a percent of assets at 12/31/07) 2.3 bp for the quarter (not annualized) and 11.1 bp for the preceding 12 months.

## IV. UCRP Asset Allocation and Guideline Compliance

The UCRP portfolio complies with policy guidelines unless an exception is noted below.

### Asset Allocation

	Assets (\$M)	Actual%	Current Policy Allocation	Variance from Current	Policy Range*	Range Compliance
U.S. Equity	\$20,768	44%	45.5%	-2%	} 60-74% Combined Equity	Yes
Non-U.S. Equity-Dev.	\$8,897	19%	18%	1%		
Non-U.S. Equity-Emerg.	\$1,916	4%	3%	1%		
Core U.S. Fixed Income	\$6,659	14%	12%	2%	} 22-32% Combined Fixed Income	Yes
High Yield Bond	\$1,353	3%	3%	-0%		
Non-U.S. Fixed Income	\$1,475	3%	3%	0%		
Emg. Mkt Debt	\$1,001	2%	3%	-1%		
TIPS	\$2,856	6%	6%	-0%	} 2-12% Comb. Alternative	Yes
Private Equity	\$1,464	3%	3%	0%		
Real Estate	\$785	2%	3%	-1%	} 0-10%	Yes
Absolute Return	\$343	1%	0.5%	0%		
Liquidity Portfolio	\$82	0%	0%	0%		
<b>Total Assets</b>	<b>\$47,597</b>	<b>100%</b>	<b>100%</b>			

### Private Equity Sector Allocation

	Assets (\$M)	% of P.E. Portfolio	Policy Target %	Variance	Policy Range	Range Compliance
Venture Cap.	\$674	46%	45%	1%	30-70%	Yes
Buyouts	\$731	50%	45%	5%	30-70%	Yes
Non-U.S.	\$46	3%	10%	-7%	0-10%	Yes
Distributions	\$13	1%				
<b>Total Assets</b>	<b>\$1,464</b>	<b>100%</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.

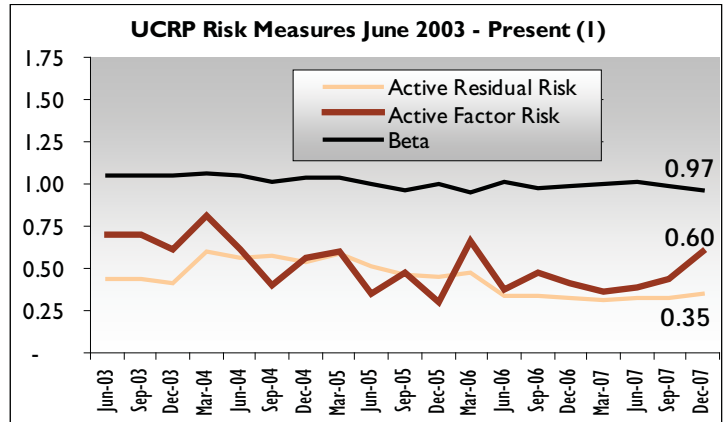
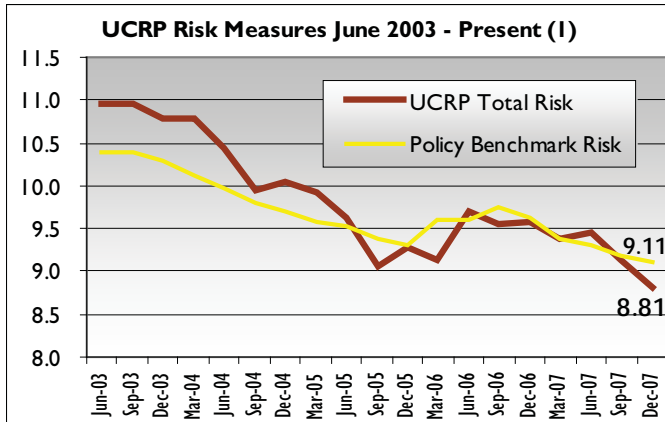
\* Policy Ranges, Targets and Allocations were approved by The Regents on May 17, 2007 and were effective on July 1, 2007.



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

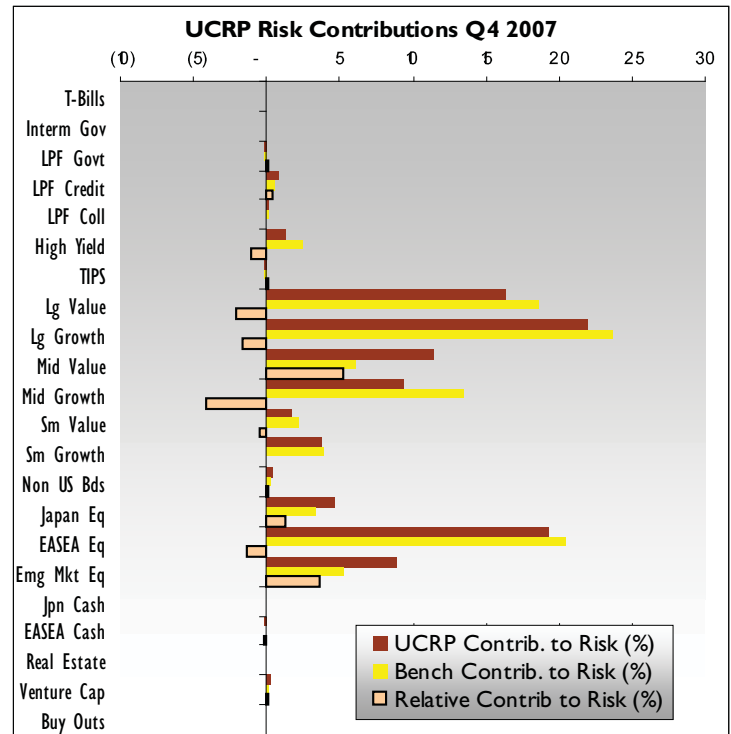
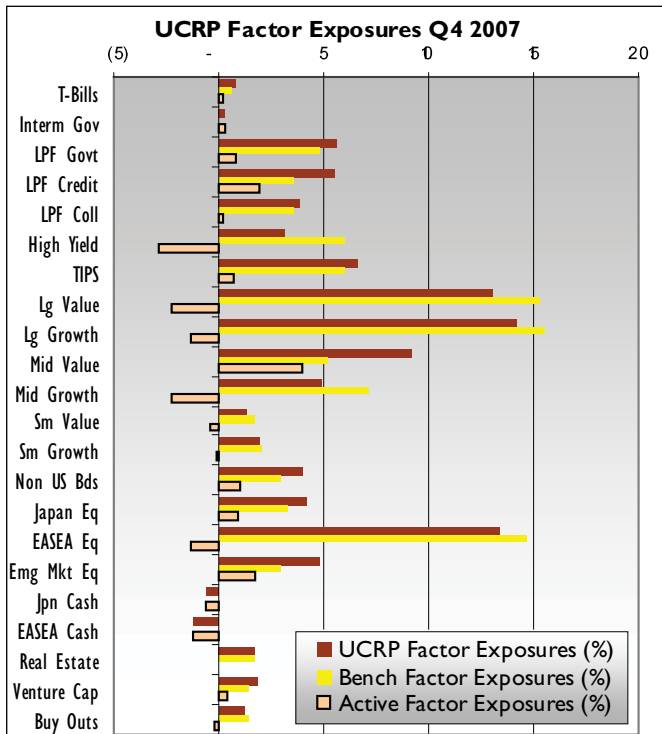
## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

December 31, 2007



FACTOR EXPOSURES (2)			
Asset Allocation (3)	UCRP	Benchmark (5)	Active Exposures
US Equity	44.6	46.8	(2.2)
US Fixed Income	25.2	24.0	1.2
Non US (all)	24.5	24.0	0.5
Alternatives	5.7	5.2	0.5
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>(0.0)</b>

RISK CONTRIBUTIONS (4)			
Risk Allocation (3)	UCRP	Benchmark (5)	Relative Risk Contrib.
US Equity	64.7	67.9	(3.1)
US Fixed Income	2.0	2.5	(0.5)
Non US (all)	32.9	29.5	3.5
Alternatives	0.3	0.2	0.1
Subtotal Factor Risk	99.9	100.0	(0.1)
Residual Risk	0.1	-	0.1
<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).

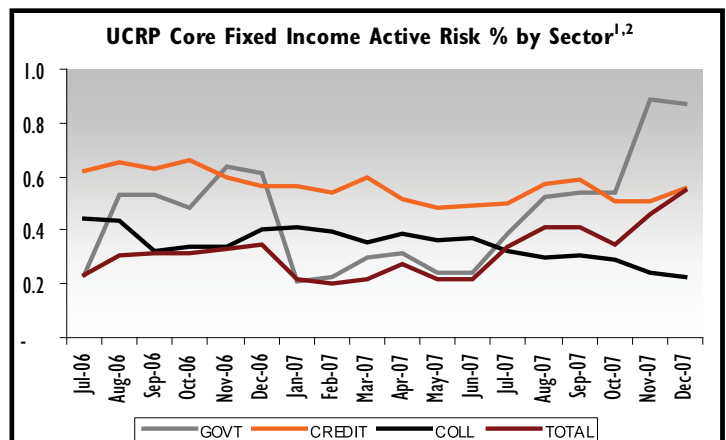
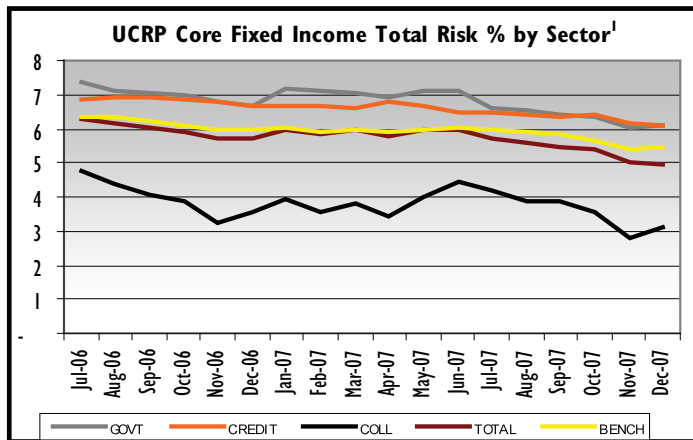
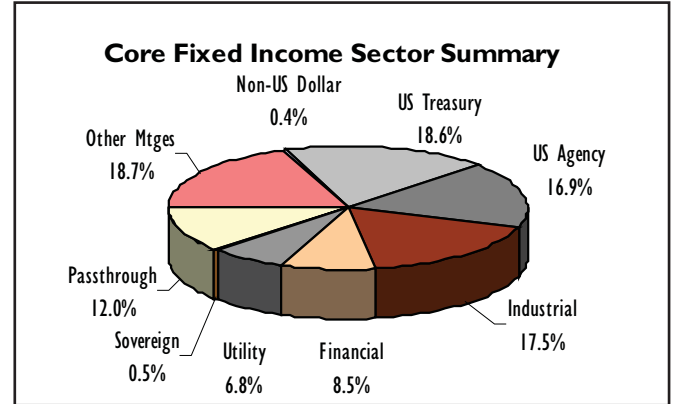
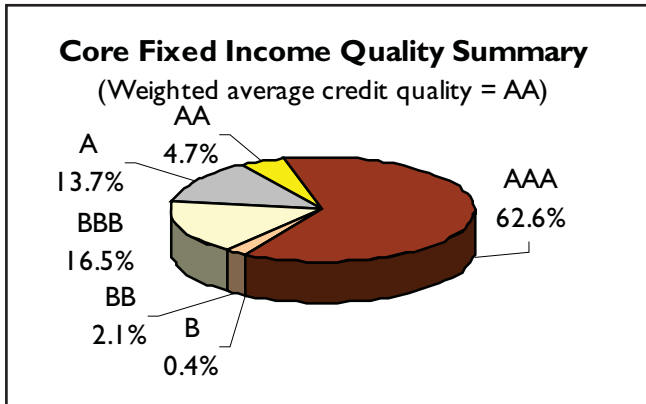
1. Risk estimates are in units of standard deviation, annualized (range of likely results over one year horizon).
2. Factor exposures for each portfolio are estimated by regressing monthly returns over all risk factors.
3. Factors grouped into 4 broad categories; e.g., Domestic Equity consists of 6 risk 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 policy weights adjusted for illiquidity, and includes actual weights for private equity and real estate.



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

## CORE U.S. FIXED INCOME PORTFOLIO CHARACTERISTICS December 31, 2007

	UCRP	Citigroup LPF	Policy
Effective Duration	6.7	7.3	+/- 20% to LPF
Average Quality	AA	AA+	A



### SECTOR ALLOCATION AND ATTRIBUTION ANALYSIS

3 MONTHS ENDED December 31, 2007

	Portfolio Sector Alloc.	Benchmark Sector Alloc.	Active Weights	Portfolio Return	Benchmark Return	Active Returns	Sector Alloc. Effect	Security Selection Effect	Interaction Effect	Total Effect
GOVERNMENT	36.41%	40.00%	-3.59%	5.03%	5.27%	-0.24%	-0.05%	-0.10%	0.03%	-0.11%
CORPORATE	33.07%	30.00%	3.07%	1.95%	2.41%	-0.46%	-0.04%	-0.14%	0.01%	-0.17%
MORTGAGE	29.27%	30.00%	-0.73%	2.46%	3.11%	-0.65%	0.01%	-0.20%	0.03%	-0.16%
OTHER	0.60%	0.00%	0.60%	-5.58%	3.77%	-9.35%	0.00%	0.00%	-0.03%	-0.03%
CASH	0.66%	0.00%	0.66%	1.29%	0.92%	0.37%	-0.02%	0.00%	0.00%	-0.01%
<b>TOTAL FIXED INCOME</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>3.27%</b>	<b>3.77%</b>	<b>-0.50%</b>	<b>-0.11%</b>	<b>-0.43%</b>	<b>0.04%</b>	<b>-0.50%</b>

1. Month-end holdings-based portfolio data used. Data, analytics source: MSCI/Barra, Inc. Total UCRP bond risk as of 12/31/07 was 4.97% (annualized standard deviation) compared to the benchmark (Citigroup LPF) total risk of 5.46%.
2. Core Fixed Income portfolio is managed in three core sectors: Government, Credit and Collateral. Total active risk is measured relative to its overall benchmark, the Citigroup LPF. Each core sector's active risk is assessed against the corresponding Citigroup LPF sector index. Total active risk as of 12/31/07 for the UCRP Core Fixed Income portfolio was 55 bps (annualized standard deviation).



# UCRP AND GEP\*

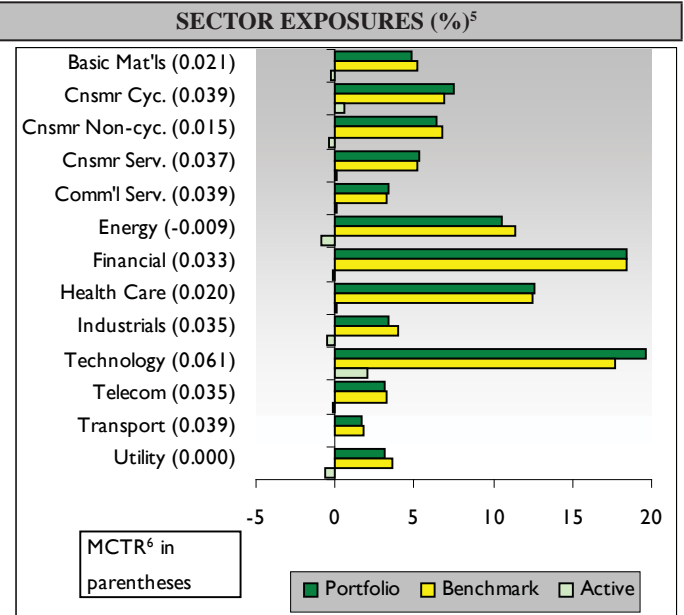
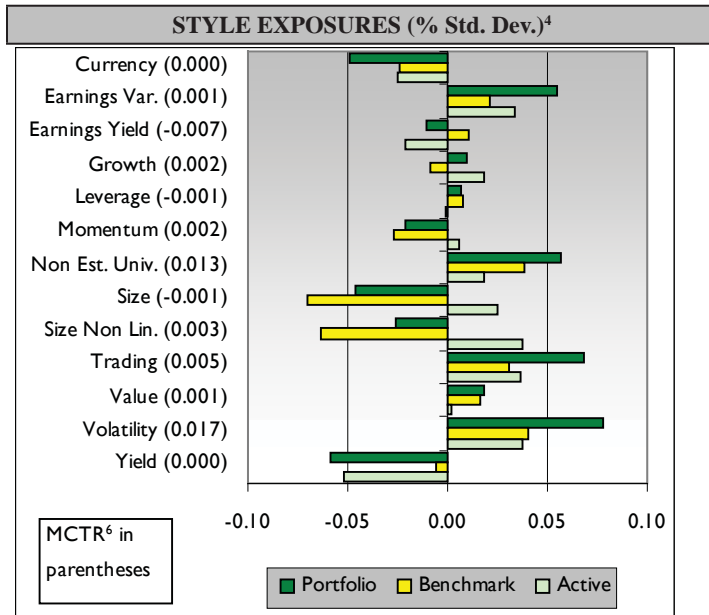
## ACTIVE U.S. EQUITY PORTFOLIO RISK, CHARACTERISTICS, AND PERFORMANCE ATTRIBUTION

December 31, 2007

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1</sup>		
	UCRP/GEP	RUSSELL 3000
Dividend Yield	1.5	1.6
Price - Earnings Ratio (historical)	15.8	15.9
Price - Book Ratio	2.9	2.8
Debt - Equity Ratio	82.6	89.3
Market Capitalization (Cap Wtd)	\$80.5	\$87.4
Number of Holdings	3,263	2,912

RISK MEASURES / DECOMPOSITION (Qtr End) <sup>2</sup>				
	TOTAL RISK		ACTIVE RISK	
	Risk	Contrib	Risk	Contrib
	%Std dev	%Total	%Std dev	%Active
Common Factor	12.80	99	0.45	48
Style Factors	0.58	0	0.31	23
Industries	12.45	94	0.34	28
Factor Interaction	N/A	5	N/A	(3)
Asset Selection	1.39	1	0.46	52
Total	12.88	100	0.64	100
Benchmark	12.71			
Beta	1.01			

PERFORMANCE ATTRIBUTION (one quarter) <sup>3</sup>		
	Return	Risk
Total Portfolio	(4.20)	12.15
Benchmark	(3.55)	11.94
Active	(0.65)	0.87
Common Factor	(0.45)	N/A
Style Factors	(0.08)	0.26
Industries	(0.37)	0.45
Asset Selection	(0.15)	0.64
Market Timing	(0.06)	0.17
Trading	0.01	0.18



\*The UCRP and GEP Active U.S. Equity Portfolios are similar in composition (managers and weightings) so this report applies to both Funds. Active U.S. Equity as of 12-31-07 includes sixteen active large capitalization and nine active small capitalization portfolios, and 57.5% in Russell style index funds.

1. The benchmark for Active US Equity is the Russell 3000 tobacco free index.
2. Risk factor exposures and risk estimates are based on actual holdings as of 12-31-07 using proprietary data and analytics from MSCI/Barra, Inc.
3. Performance covers the period 10-01-07 to 12-31-07 (single quarter, not annualized). 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.
4. Style factor exposures are expressed as % Standard Deviation (annualized).
5. Industry sector exposures are expressed in terms of percent weights.
6. 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.



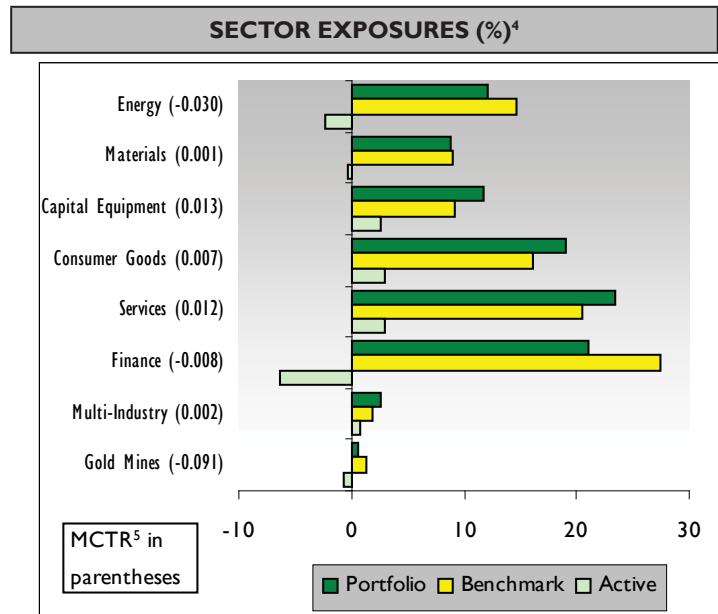
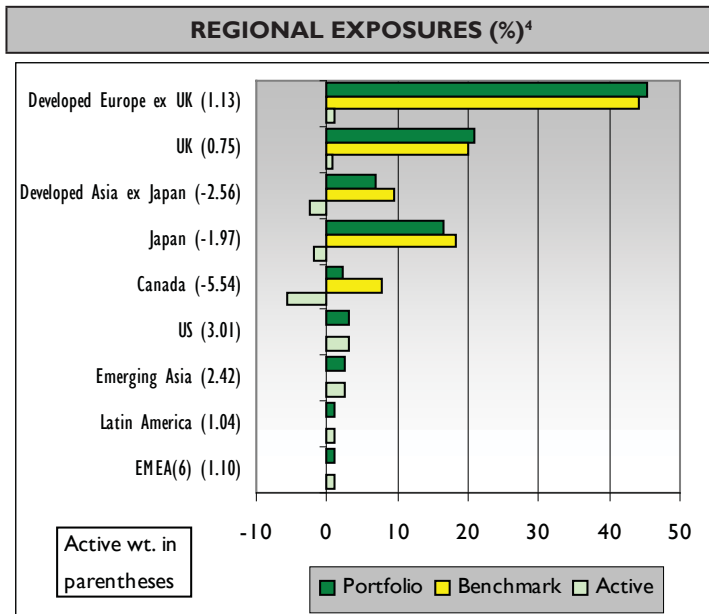
# UCRP AND GEP\*

## ACTIVE DEVELOPED NON-U.S. EQUITY PORTFOLIO RISK & CHARACTERISTICS December 31, 2007

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1</sup>		
	UCRP/GEP	MSCI WLD EX US
Dividend Yield	2.5	2.6
Price - Earnings Ratio (historical)	13.2	13.1
Price - Book Ratio	2.4	2.3
Market Capitalization (Cap Wtd)	\$61.9	\$61.6
Number of Holdings	1,986	1,314

RISK MEASURES / DECOMPOSITION (Qtr End) <sup>2</sup>				
	TOTAL RISK		ACTIVE RISK	
	Risk	Contrib	Risk	Contrib
	%Std dev	%Total	%Std dev	%Active
Common Factor	13.17	99	1.42	81
Style Factor	0.25	0	0.26	3
Sector	0.96	1	0.74	22
Country	13.20	100	0.97	38
Currency	6.07	21	0.48	9
Factor Interaction	N/A	(22)	N/A	9
Asset Selection	1.05	1	0.68	19
Total	13.21	100	1.57	100
Benchmark	13.39			
Beta	0.98			

PERFORMANCE ATTRIBUTION (one quarter) <sup>3</sup>		
	Return	Risk
Total Portfolio	(1.71)	13.15
Benchmark	(1.75)	13.47
Active	0.04	1.66
Common Factor	0.56	N/A
Style Factors	(0.20)	0.35
Industries	0.23	0.41
Country	0.45	1.18
Currency	0.08	0.52
Asset Selection	(0.25)	0.65
Local Market Timing	(0.08)	0.93
Trading	(0.19)	0.33



\*The UCRP and GEP Active Developed Non-U.S. Equity Portfolios are similar in composition (managers and weightings) so this report applies to both Funds. Active Developed Non-U.S. Equity as of 12-31-07 includes eleven actively managed portfolios. Its market value as of 12-31-07 was 40% of Total Developed Non-US Public Equity for UCRP and 52% for GEP.

- The benchmark for Active Developed Non-U.S. Equity is the MSCI World Ex US TF (Net) index.
- Risk factor exposures and risk estimates are based on actual holdings as of 12-31-07 using proprietary data and analytics from MSCI/Barra, Inc.
- Performance covers the period 10-01-07 to 12-31-07 (single quarter, not annualized). 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.
- Industry sector exposures and country/regional 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.
- EMEA = Emerging Europe, Middle East, Africa.



# UCRP AND GEP

## Performance evaluation and benchmarking of Private Equity investments

The Office of the Treasurer uses industry standard metrics (Net Internal Rate of Return, or Net IRRs) to evaluate performance of individual PE funds. Long-term (10 years) time weighted returns of the PE program are compared to relevant market indexes. The use of Net IRRs is mandated by the CFA Institute for calculating and reporting PE performance. Meaningful performance can only be evaluated at the end of a fund's life. Net IRRs cannot be compared to time weighted returns (e.g., market index).

Table 1 is provided to aid in the evaluation of UC's PE program, and to supplement the time-weighted returns which have been reported in the past (see Table 2 below). In Table 1, PE funds are grouped by Vintage Year, showing Contributions, Distributions and estimated remaining Net Asset Value (NAV). Performance is compared to the Venture Economics All Private Equity Universe fund median IRR ("Benchmark"). UC Fund and Benchmark IRRs are weighted by the dollar amount of contributions into the fund (i.e., the investment base). The column "Weighted Excess Return" is the difference between the Weighted Vintage Net IRR and the Weighted Benchmark Net IRR, and is a measure of Fund selection skill. The last column, "Multiple" shows the ratio of Distributions + NAV to Contributions, and is another measure of Fund value added.

Table 1 shows data as of December 31, 2006, the latest period for which fund information is available. This information will be updated annually.

Vintage Year	# Funds	Commitment	Contributions	Distributions	NAV	Weighted Vintage Yr Net IRR	Weighted Benchmark Net IRR	Weighted Excess Return	Multiple
1978-1985	23	\$114,131,631.00	\$(114,118,400.00)	\$306,312,686.00	\$-	15.9%	10.2%	5.7%	2.7
1986-1990	16	181,000,000	(180,238,373)	584,473,286	9,245,520	23.7%	10.0%	13.8%	3.3
1991-1995	16	416,540,000	(406,317,709)	1,590,843,253	34,315,226	28.5%	13.6%	14.9%	4.0
1996-2000	32	1,142,400,000	(1,018,961,563)	1,440,930,939	520,173,776	13.9%	3.9%	10.0%	1.9
2001-2006	84	2,601,823,000	(849,586,367)	138,159,528	863,822,790	10.0%	-1.7%	11.7%	1.2
<b>TOTAL</b>	<b>171</b>	<b>4,455,894,631</b>	<b>(2,569,222,412)</b>	<b>4,060,719,692</b>	<b>1,427,557,312</b>	<b>15.7%</b>	<b>4.3%</b>	<b>11.4%</b>	<b>2.1</b>

	10 Yr Total Return Annualized
<b>UCRP TOTAL FUND PE (incl Int'l.)</b>	<b>20.63%</b>
<b>GEP TOTAL FUND PE (incl Int'l.)</b>	<b>21.93%</b>
Custom Total PE Index <sup>1</sup> (incl Int'l.)	<b>14.26%</b>
<b>UCRP VENTURE CAPITAL</b>	<b>30.18%</b>
<b>GEP VENTURE CAPITAL</b>	<b>32.98%</b>
Cambridge Assoc. US Venture Cap Index <sup>2</sup>	<b>14.92%</b>
Venture Economics Venture Index <sup>3</sup>	<b>13.62%</b>
<b>UCRP BUY OUT</b>	<b>14.18%</b>
<b>GEP BUY OUT</b>	<b>14.72%</b>
Cambridge Assoc. US Private Equity Index <sup>2</sup>	<b>14.98%</b>
Venture Economics Buyout/Mezzanine Index <sup>3</sup>	<b>14.00%</b>
<b>UCRP INTL PRIVATE EQUITY</b>	<b>6.94%</b>
<b>GEP INTL PRIVATE EQUITY</b>	<b>6.51%</b>
MSCI Emerg Markets Index+3%	<b>15.04%</b>

UC Data reported as of September 2007 corresponding to benchmarks as of June 2007.

The benchmarks shown in Table 2 are for informational purposes only and are not The Regent's policy benchmark. There is no appropriate market based index which can be used as a meaningful performance benchmark for Private Equity. This information is provided to give additional insight into Private Equity sector performance relative to multiple performance metrics.

1. Custom Private Equity Index (including international) consists of a weighted average of 80% Russell 3000 TF Index and 20% MSCI Emerging Market Free Index, plus 3%. The Custom Index is lagged by three months since inception.
2. Source: Cambridge Assoc. Quarterly End to End Returns Net to LP. Index is preliminary and subject to periodic restatements.
3. Source: Thomson Venture Economics Pooled Average quarterly returns. Index is preliminary and subject to periodic restatements.



# GENERAL ENDOWMENT POOL (GEP)

December 31, 2007

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>GEP</b>	<b>\$6,702</b>	<b>0.06%</b>	<b>2.48%</b>	<b>11.22%</b>	<b>11.65%</b>	<b>13.74%</b>	<b>8.52%</b>
Policy Benchmark		0.43%	3.43%	10.73%	11.17%	13.37%	7.96%
Variance to Benchmark		-0.37%	-0.95%	+0.49%	+0.48%	+0.37%	+0.56%
<b>U.S. Equity<sup>1</sup></b>	<b>\$1,320</b>	<b>-4.12%</b>	<b>-2.99%</b>	<b>4.13%</b>	<b>8.28%</b>	<b>13.23%</b>	<b>5.73%</b>
Policy Benchmark		-3.48%	-1.96%	4.97%	8.73%	13.49%	6.35%
Variance to Benchmark		-0.64%	-1.03%	-0.84%	-0.45%	-0.26%	-0.62%
Active Portfolio <sup>2</sup>	\$866	-4.84%	-4.09%	3.09%	7.68%	N/A	N/A
Passive Portfolios	\$454	-3.40%	-1.67%	5.32%	8.87%	13.59%	N/A
<b>Non-U.S. Equity-Developed<sup>1</sup></b>	<b>\$1,374</b>	<b>-1.61%</b>	<b>0.34%</b>	<b>11.73%</b>	<b>17.38%</b>	<b>22.06%</b>	<b>N/A</b>
Policy Benchmark		-1.74%	0.88%	12.19%	17.26%	21.84%	N/A
Variance to Benchmark		+0.13%	-0.54%	-0.46%	+0.12%	+0.22%	N/A
Active Portfolio	\$715	-1.58%	-0.24%	10.92%	N/A	N/A	N/A
Passive Portfolio	\$659	-1.65%	1.01%	12.64%	17.69%	22.25%	N/A
<b>Non-U.S. Equity-Emerg. Mkt<sup>1</sup></b>	<b>\$397</b>	<b>1.63%</b>	<b>13.21%</b>	<b>34.32%</b>	<b>34.42%</b>	<b>34.86%</b>	<b>13.92%</b>
Policy Benchmark		3.64%	18.58%	39.39%	35.15%	37.08%	14.37%
Variance to Benchmark		-2.01%	-5.37%	-5.07%	-0.73%	-2.22%	-0.45%
<b>Core Fixed Income</b>	<b>\$652</b>	<b>2.64%</b>	<b>5.18%</b>	<b>6.23%</b>	<b>4.99%</b>	<b>5.34%</b>	<b>6.51%</b>
Policy Benchmark		3.00%	5.93%	6.97%	4.97%	5.31%	6.53%
Variance to Benchmark		-0.36%	-0.75%	-0.74%	+0.02%	+0.03%	-0.02%
<b>High Yield Bond</b>	<b>\$181</b>	<b>-1.30%</b>	<b>-0.68%</b>	<b>1.81%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		-1.14%	-0.80%	2.17%	N/A	N/A	N/A
Variance to Benchmark		-0.16%	+0.12%	-0.36%	N/A	N/A	N/A
<b>Non-U.S. Fixed Income</b>	<b>\$182</b>	<b>3.96%</b>	<b>12.21%</b>	<b>11.40%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		3.91%	12.32%	11.45%	N/A	N/A	N/A
Variance to Benchmark		+0.05%	-0.11%	-0.05%	N/A	N/A	N/A
<b>Emerging Market Debt</b>	<b>\$167</b>	<b>1.97%</b>	<b>4.82%</b>	<b>6.99%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.68%	5.83%	6.46%	N/A	N/A	N/A
Variance to Benchmark		-0.71%	-1.01%	+0.53%	N/A	N/A	N/A
<b>TIPS</b>	<b>\$413</b>	<b>5.06%</b>	<b>9.92%</b>	<b>11.76%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		4.97%	9.73%	11.63%	N/A	N/A	N/A
Variance to Benchmark		+0.09%	+0.19%	+0.13%	N/A	N/A	N/A
<b>Private Equity<sup>3</sup></b>	<b>\$424</b>	<b>6.02%</b>	<b>5.82%</b>	<b>19.60%</b>	<b>16.31%</b>	<b>18.93%</b>	<b>21.93%</b>
<b>Absolute Return</b>	<b>\$1,363</b>	<b>2.27%</b>	<b>3.20%</b>	<b>11.62%</b>	<b>10.42%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.04%	4.33%	9.27%	8.10%	N/A	N/A
Variance to Benchmark		+0.23%	-1.13%	+2.35%	+2.32%	N/A	N/A
<b>Real Estate<sup>4</sup></b>	<b>\$222</b>	<b>1.18%</b>	<b>5.39%</b>	<b>26.31%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		0.92%	5.55%	14.31%	N/A	N/A	N/A
Variance to Benchmark		+0.26%	-0.16%	+12.00%	N/A	N/A	N/A

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$5 million held in Liquidity Portfolio. 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. For 3, 5 and 10 year periods returns were reclassified to match current asset classes.

2. Inception date of Active Portfolio is April 1, 2004. Results for the internally managed equity portfolio (discontinued in November 2002) are included in the Total U.S. Equity returns for periods of 5 and 10 years.

3. See page 10 for additional comparisons.

4. The Real Estate portion of the UCRP is shown lagged one quarter, in order to fully reflect both the income return and capital gains of the Real Estate investment as of September 30, 2007. The (time weighted) return shown is a weighted sum of the Open End and Closed End actual time weighted returns, and the benchmark is a weighted sum of the NCREIF Property index and the actual time weighted return of the UC Closed End funds. This is consistent with investment guidelines and also the reporting of Private Equity performance (see also page 10). Prior to Q4 2007, the benchmark was strictly NPI.



# GENERAL ENDOWMENT POOL (GEP)

## I. Performance Objectives

- GEP annualized total return (net of manager fees and expenses) was 11.65% over the past three years and 13.74% over the past five years and outperformed its policy benchmark by 48 bp and 37 bp respectively.
- The Consumer Price Index over the past 3 year and 5 year periods was 3.35% and 3.03% respectively.

II. For information on the portfolio's risk exposures see page 13, and for information on risk limits, see the separate quarterly risk report. During the past quarter, the portfolio's total risk was modestly less than budget but within allowed ranges. The portfolio's active risk was well below the targeted range; active risk will fluctuate based on market opportunities and volatility.

III. Net investment expenses incurred by the Treasurer for managing the public securities (excluding Alternatives: Private Equity, Real Estate, and Absolute Return) of the GEP were (expressed as a percent of assets at 12/31/07) 4.0 bp for the quarter (not annualized) and 17.6 bp for the preceding 12 months.

## IV. GEP Asset Allocation and Guideline Compliance

The GEP portfolio complies with policy guidelines unless an exception is noted below.

### Asset Allocation

The GEP portfolio complies with policy guidelines unless an exception is noted below.

	Assets (\$M)	Actual%	Current Policy Allocation*	Variance from Current	Policy Range*	Range Compliance
Public Equity	\$3,091	46%	47%	-1%	40-54%	Yes
Public Fixed Income	\$1,595	24%	23%	1%	18-28%	Yes
All Alternative Inv.	\$2,010	30%	30%	-0%	25-35%	Yes
Liquidity Portfolio	\$5	0%	0%	0%	0-10%	Yes
<b>Total Assets</b>	<b>\$6,702</b>	<b>100%</b>	<b>100%</b>			

### Private Equity Sector Allocation

	Assets (\$M)	% of Private Equity Portfolio	Policy Target%	Variance	Policy Range	Range Compliance
Venture Cap.	\$175	41%	45%	-4%	30-70%	Yes
Buyouts	\$236	56%	45%	11%	30-70%	Yes
Non-U.S.	\$10	2%	10%	-8%	0-10%	Yes
Distributions	\$3	1%				
<b>Total Assets</b>	<b>\$424</b>	<b>100%</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.

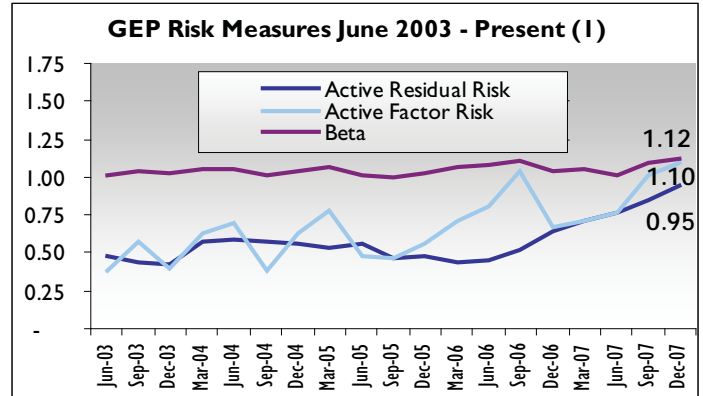
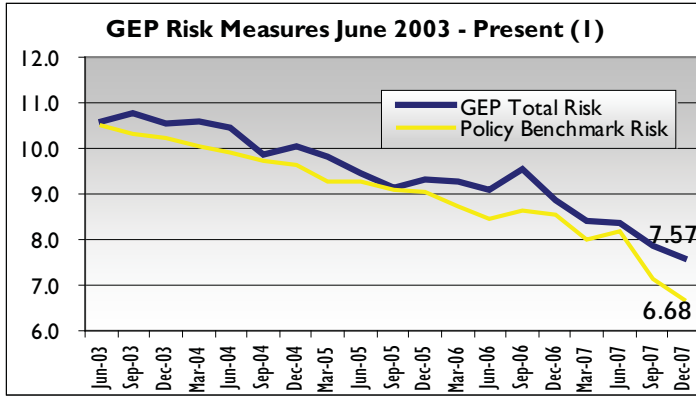
\* Policy Ranges, Targets and Allocations were approved by The Regents on May 17, 2007 and are effective July 1, 2007.



# GENERAL ENDOWMENT POOL (GEP)

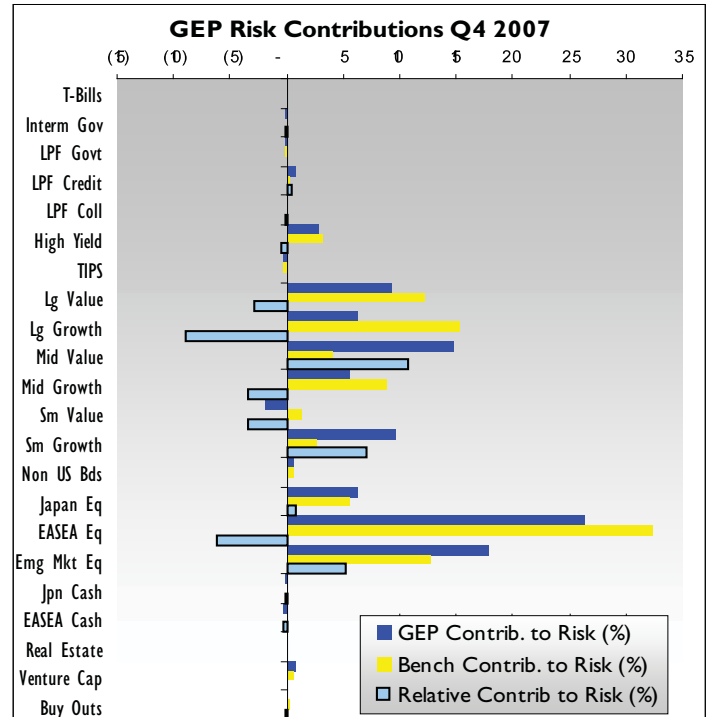
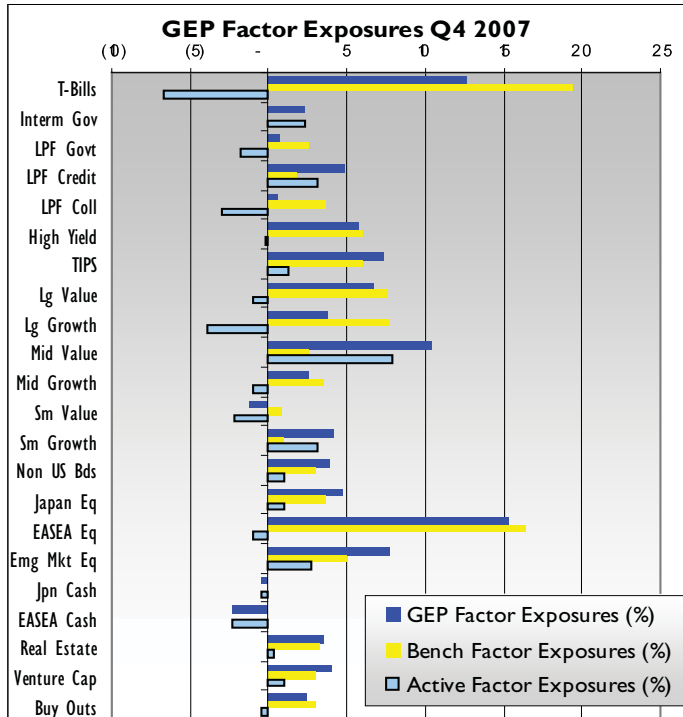
## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

December 31, 2007



Asset Allocation (3)	GEP	Benchmark (5)	Active Exposures
US Equity	26.4	23.5	2.9
US Fixed Income	21.9	20.0	1.9
Non US (all)	29.0	28.0	1.0
Alternatives	22.7	28.5	(5.8)
TOTAL	100.0	100.0	0.0

Risk Allocation (3)	GEP	Benchmark (5)	Relative Risk Contrib.
US Equity	43.6	44.5	(0.9)
US Fixed Income	3.1	3.1	0.0
Non US (all)	50.8	51.5	(0.7)
Alternatives	0.9	0.9	(0.0)
Subtotal Factor Risk	98.4	100.0	(1.6)
Residual Risk	1.6	-	1.6
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).

- Risk estimates are in units of standard deviation, annualized (range of likely results over one year horizon).
- Factor exposures for each portfolio are estimated by regressing monthly returns over all risk factors.
- Factors grouped into 4 broad categories; e.g., Domestic Equity consists of 6 risk factors. Non Marketable includes Absolute Returns.
- Risk contributions for each factor are derived by a weighted sum of the covariances of that factor with the total fund.
- Benchmark is the policy weights adjusted for illiquidity, and includes actual weights for private equity and real estate.

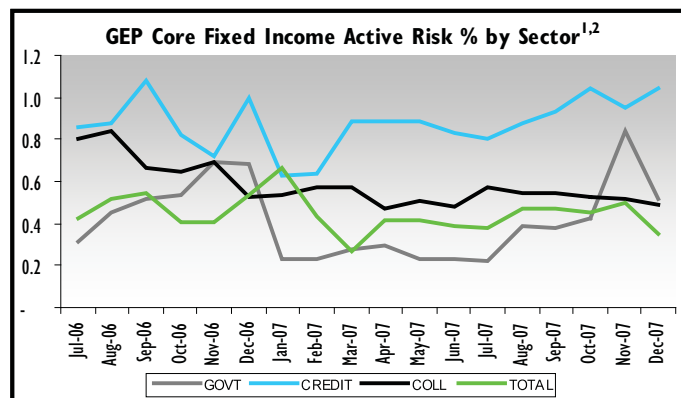
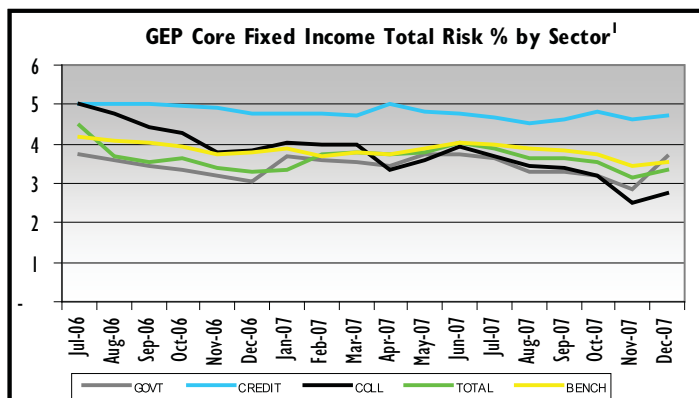
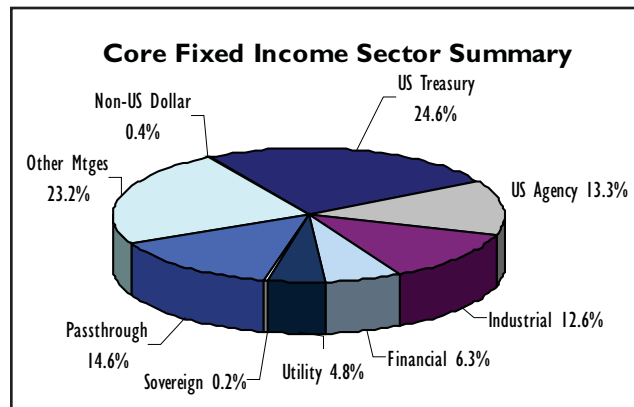
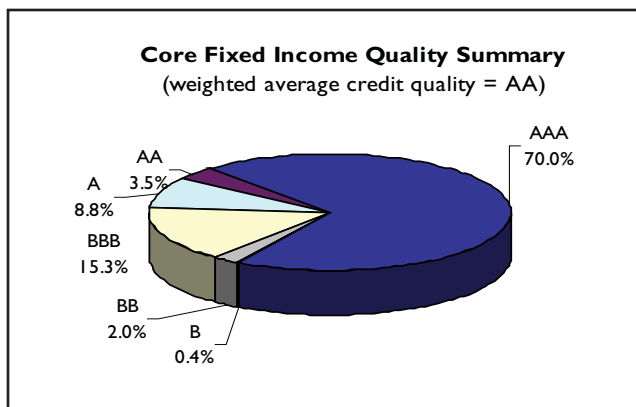


# GENERAL ENDOWMENT POOL (GEP)

## CORE U.S. FIXED INCOME PORTFOLIO CHARACTERISTICS

December 31, 2007

	GEP	Lehman Aggregate	Policy
Effective Duration	4.4	4.6	+/- 20% to Lehman Agg.
Average Quality	AA	AA+	A



### SECTOR ALLOCATION AND ATTRIBUTION ANALYSIS

3 MONTHS ENDED December 31, 2007

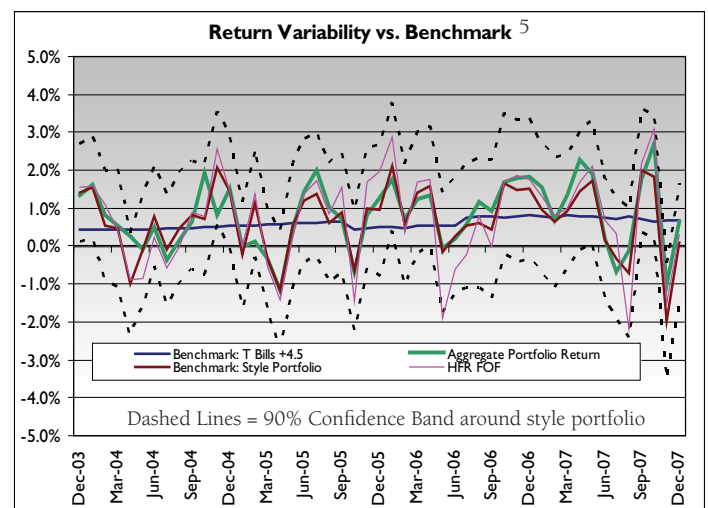
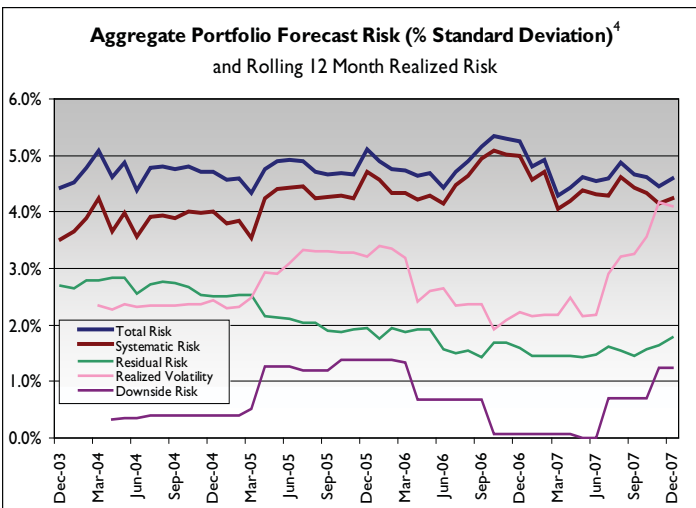
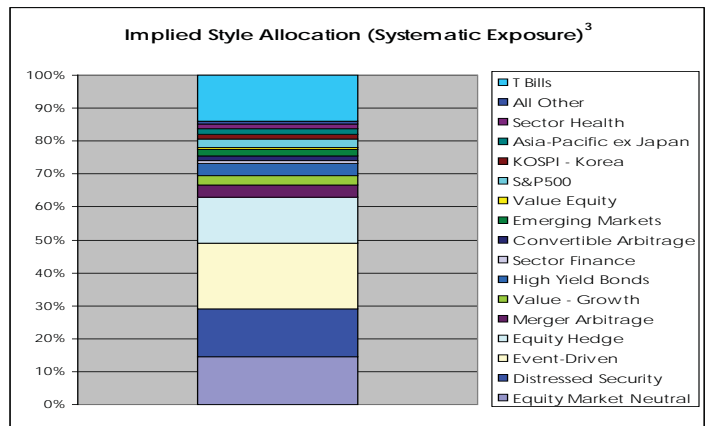
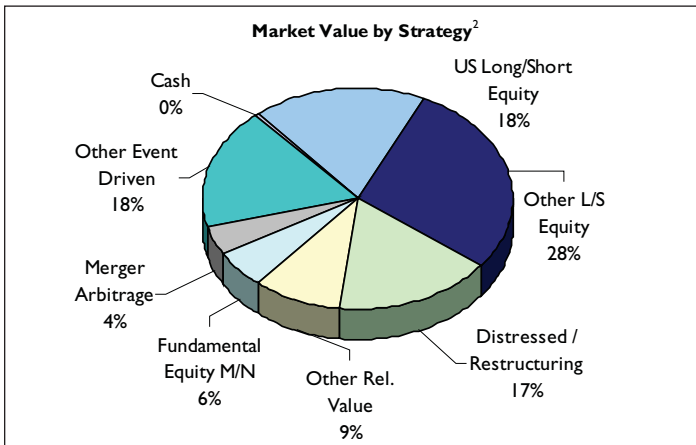
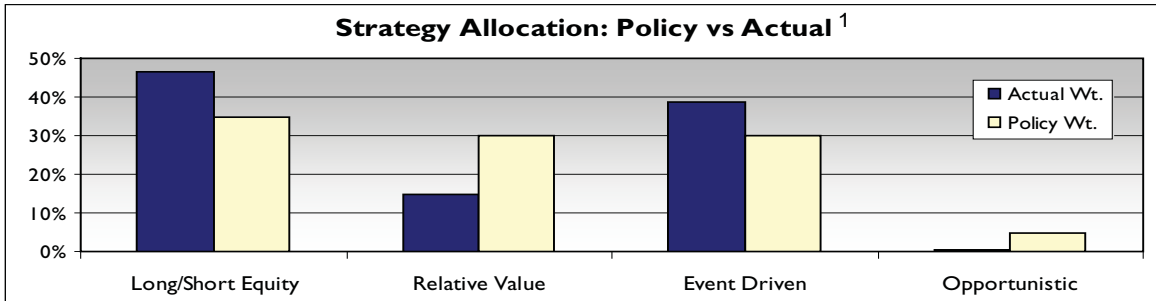
	Portfolio Sector Alloc.	Benchmark Sector Alloc.	Active Weights	Portfolio Return	Benchmark Return	Active Returns	Sector Alloc. Effect	Security Selection Effect	Interaction Effect	Total Effect
GOVERNMENT	25.60%	32.35%	-6.75%	3.69%	3.73%	-0.04%	-0.05%	-0.01%	0.02%	-0.04%
CORPORATE	30.20%	22.65%	7.55%	1.96%	2.19%	-0.23%	-0.06%	-0.05%	0.00%	-0.12%
MORTGAGE	40.16%	45.00%	-4.84%	2.54%	2.88%	-0.34%	-0.00%	-0.15%	0.04%	-0.11%
OTHER	0.54%	0.00%	0.54%	-13.46%	3.00%	-16.47%	0.00%	0.00%	-0.10%	-0.10%
CASH	3.50%	0.00%	3.50%	1.12%	0.92%	0.20%	-0.02%	0.00%	0.03%	0.00%
<b>TOTAL FIXED INCOME</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>2.64%</b>	<b>3.00%</b>	<b>-0.36%</b>	<b>-0.14%</b>	<b>-0.22%</b>	<b>-0.01%</b>	<b>-0.36%</b>

1. Month-end holdings-based portfolio data used. Data, analytics source: MSCI/Barra, Inc. Total GEP bond risk as of 12/31/07 was 3.37% (annualized standard deviation) compared to the benchmark (Lehman US Aggregate) total risk of 3.56%.
2. Fixed Income portfolio is managed in three core sectors: Government, Credit and Collateral. Total active risk is measured relative to its overall benchmark, the Lehman US Aggregate. Each core sector's active risk is assessed against the corresponding sector index. Total active risk as of 12/31/07 for the GEP Fixed Income portfolio was 35 bps (annualized standard deviation).



# GENERAL ENDOWMENT POOL (GEP)

## ABSOLUTE RETURN PORTFOLIO RISK CHARACTERISTICS December 31, 2007



Notes on Guidelines as of quarter end: Gross accounting leverage of the portfolio was 1.7x, well under the Guideline limit of 4.5x; Concentration of risk in any single manager's portfolio does not exceed the Guideline limit of 15%; and Aggregate downside risk was 1.28 vs. Guideline limit of 5.0%.

1. Market value in each of four broad strategies permitted in the Investment Guidelines (as amended May 17, 2007).
2. Additional detail of current investments by strategy.
3. Aggregate exposures to systematic risk factors as determined by statistical analysis and current holdings.
4. Forward estimate of risk, considering both current systematic exposures and the historical volatility of residual returns.
5. Monthly returns compared to official, style (systematic risk) benchmarks, and HFR Fund of Funds median return.



# SHORT TERM INVESTMENT POOL (STIP)

December 31, 2007

## I. Investment Performance

	Market Value (\$M)	Income Return			Annualized Income Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>STIP</b>	<b>\$8,706</b>	<b>1.25%</b>	<b>2.49%</b>	<b>4.92%</b>	<b>4.45%</b>	<b>4.06%</b>	<b>4.90%</b>
2-Year U.S. Treasury Notes		<b>0.96%</b>	<b>2.15%</b>	<b>4.52%</b>	<b>4.36%</b>	<b>3.38%</b>	<b>4.07%</b>
Variance		<b>+0.29%</b>	<b>+0.34%</b>	<b>+0.40%</b>	<b>+0.09%</b>	<b>+0.68%</b>	<b>+0.83%</b>

## II. Asset Allocation Plan and Guideline Compliance

The STIP portfolio complies with policy guidelines unless an exception is noted below.

The STIP invests in approved fixed income investments with a maximum maturity of 5-1/2 years.

	Assets (\$M)	% of Portfolio
Corporate Notes	\$3,197	37%
Commercial Paper	2,564	29%
Federal Agency	2,052	24%
Treasury	893	10%
Cash	0	0%
<b>Total Assets</b>	<b>\$8,706</b>	<b>100%</b>

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
	12/31/2007	9/30/2007	Change	Change	
<b>UCRP*</b>	\$47,850	\$48,943	(\$578)	(\$515)	<b>(\$1,093)</b>
<b>GEP*</b>	\$6,719	\$6,822	(\$88)	(\$15)	<b>(\$103)</b>
<b>STIP</b>	\$8,706	\$8,188	\$411	\$107	<b>\$518</b>
<b>403(b), 457(b) &amp; DC Plans' Funds</b>	\$10,589	\$10,723	(\$53)	(\$81)	<b>(\$134)</b>
<b>Other Endowments</b>	\$712	\$696	NA	NA	<b>\$16</b>
<b>Minus STIP in other Portfolios</b>	<b>(\$961)</b>	<b>(\$662)</b>	NA	NA	<b>(\$299)</b>
	<b>\$73,615</b>	<b>\$74,710</b>	<b>(\$309)</b>	<b>(\$503)</b>	<b>(\$1,095)</b>

Notes: 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 asset values is stated at amortized book value plus accrued interest.

\* Market Values do not tie to those shown on pages 3, 4 and 11 due to cash flows occurring during the quarter in Real Estate and due to late valuations and cash flows occurring during the quarter in Absolute Return.

\*\* Values do not include Other Endowments and STIP held in other portfolios.



## 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
	12/31/2007	12/31/2006	Change	Change	
<b>UCRP*</b>	\$47,850	\$47,142	(\$1,673)	\$2,381	\$708
<b>GEP*</b>	\$6,719	\$6,232	(\$50)	\$537	\$487
<b>STIP</b>	\$8,706	\$8,234	\$65	\$407	\$472
<b>403(b), 457(b) &amp; DC Plans' Funds</b>	\$10,589	\$10,019	\$3	\$567	\$570
<b>Other Endowments</b>	\$712	\$700	NA	NA	\$12
<b>Minus STIP in other Portfolios</b>	(\$961)	(\$657)	NA	NA	(\$304)
	<b>\$73,615</b>	<b>\$71,670</b>	<b>(\$1,655)</b>	<b>\$3,892</b>	<b>\$1,945</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. STIP asset value is stated at amortized book value plus accrued interest.

\* Market Values do not tie to those shown on pages 3, 4 and 11 due to cash flows occurring during the quarter in Real Estate and due to late valuations and cash flows occurring during the quarter in Absolute Return.

\*\* Values do not include Other Endowments and STIP held in other portfolios.



**Policy Benchmarks**

**UCRP** Since 10/2007

<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 TF	52% - actual wt (PE) - actual wt (RE) - actual wt (AR)
Non-U.S. Equity Developed	MSCI World ex-U.S. (net dividends) TF	18%
Emerging Market Equity	MSCI Emerging Market (net dividends)	3%
U.S. Core Fixed Income	Citigroup Large Pension Fund (LPF)	12%
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	3%
Non-U.S. Fixed Income	Citigroup World Government Bond Index ex-U.S.	3%
Emerging Market Debt	JP Morgan Emerging Market Bond Index "Plus"	3%
TIPS	Lehman Brothers TIPS	6%
Private Equity	Actual PE Returns	actual wt
Absolute Return	30-Day U.S. T-Bill + 4.5%	actual wt
Real Estate	Closed End: Actual RE Returns/Open End: NCREIF Property Index (NPI)	actual wt

**GEP** Since 10/2007

<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 TF	52% - actual wt (PE)- actual wt (RE)- actual wt (AR)
Non-U.S. Equity Developed	MSCI World ex-U.S. (net dividends) TF	20%
Emerging Market Equity	MSCI Emerging Market (net dividends)	5%
U.S. Core Fixed Income	Lehman Aggregate	8%
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	3%
Non-U.S. Fixed Income	Citigroup World Government Bond Index ex-U.S.	3%
Emerging Market Fixed Income	JP Morgan Emerging Market Bond Index "Plus"	3%
TIPS	Lehman Brothers TIPS	6%
Private Equity	Actual PE Returns	actual wt
Absolute Return	30-Day U.S. T-Bill + 4.5%	actual wt
Real Estate	Closed End: Actual RE Returns/Open End: NCREIF Property Index (NPI)	actual wt

**STIP** Since 7/2002

<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
Short Term Fixed Income	2-Year U.S. Treasury Note Income Return	100%

Policy Benchmarks prior to periods shown above are available on line at <http://www.ucop.edu/treasurer/invinfo/Benchmarks.html>