



OFFICE OF THE TREASURER

November 26, 2002

University of California's Equity Management

After extensive consultation with outside investment professionals, as well as the UC Regents' Investment Advisory Committee and the Committee on Investments, Treasurer Russ has recommended that the University transfer the internal management of its U.S. equity investments to multiple external managers. Treasurer Russ has also recommended that UC diversify its equity holdings by moving from a single actively managed large capitalization strategy to a range of equity strategies. This recommendation was approved by UC Regents at their November 13, 2002 meeting.

This equity strategy revision is being undertaken in order to improve equity investment performance, reduce overall portfolio risk exposure, and to better conform UC's practices to the national industry norm of institutional external equity management. It is both an extension of, and consistent with, the University's overall asset allocation investment strategy approved by the Regents in 2000. This adjustment affects the portfolios of the University of California Retirement Plan (UCRP), the General Endowment Pool (GEP), the UC-Managed Equity Fund and the UC-Managed Multi-Asset Fund.

To initiate this transition, the University has transferred, at a very low cost, all of its U.S. equity investments into the Russell 3000 Tobacco-free Index Fund under the management of State Street Global Advisors, a leading institutional investment manager and UC's current passive index manager. Subsequently, and in close consultation with the UC Regents' Investment Advisory Committee and its Committee on Investments, UC will hire additional external managers to complete the diversification of these holdings. The UC Board of Regents, through the Treasurer's office, will retain full control and authority over these investments and external managers.

For further questions click [here](#).

For the UC Newswire statement click [here](#).

For information about UC investments, go to www.ucop.edu/treasurer/.

For more information about UC's 2000 asset allocation strategy, go to <http://atyourservice.ucop.edu/news/retirement/revisedasset.html>