ITS Town Hall
May 15, 2015
Today’s Agenda

Submit questions during the live session: ITSTownHall@ucop.edu

10:00 Welcome and Agenda Review – Tom Andriola, CIO
10:05 Office of the Chief Investment Officer – Arthur Guimaraes, Associate Chief Investment Officer
10:20 Role of the Chief Operating Officer – Rachael Nava, COO
10:35 IT Shared Services – Tom Andriola, CIO
10:45 UCOP Efficiency Review Update – Shirley Bittlingmeier, Co-Chair, Efficiency Review Working Group
10:55 Questions
11:00 Meeting Adjourns
Office of the Chief Investment Officer – Arthur Guimaraes

- Governance and mandate
- Overview of UC entity
- Investment beliefs
- UC ventures
Governance and Mandate

• Operate under policies established by the Regents Committee on Investments (COI)
  – Regents establish and approve asset allocation, objectives/benchmarks, and investment policy and guidelines
  – Office of the CIO implements, monitors, and advises

• Office of the CIO manages all investments of the University
  – Five different Plans and custom alternative pools available for Foundations
    • UC Retirement Plan (UCRP)
    • General Endowment Pool (GEP)
    • Short-Term Investment Pool (STIP)
    • Total-Return Investment Pool (TRIP)
    • UC Retirement Savings Program (UCRSP)
UC Entity - $99.5 Billion

- Equity: 44%  
  $43.9B

- Fixed Income & Cash: 38%  
  $37.5B

- Alternatives: 18%  
  $18.1B

- Pension Plan: 55%  
  $54.7B

- Endowment: 9%  
  $8.6B

- Participant Directed: 20%  
  $20.3B

- Working Capital: 16%  
  $15.9B

Working Capital includes TRIP and STIP;

As of March 31, 2015
## Performance

**Entity**  | **Performance**  | **Market Value**  | **In $ Million**  | **3 Month**  | **6 Month**  | **9 Month**  | **1 Year**  | **3 Year**  | **5 Year**  | **7 Year**  | **10 Year**  | **20 Year**  |
---|---|---|---|---|---|---|---|---|---|---|---|---|
Endowment  |  |  |  | 8,598 | 2.7 | 4.8 | 5.0 | 9.8 | 10.9 | 9.7 | 6.1 | 7.4 | 9.3 |
| Benchmark |  |  |  | 2.0 | 2.6 | 2.3 | 6.2 | 8.7 | 7.5 | 5.1 | 6.7 | 8.7 | |
| Value-added |  |  |  | 0.7 | 2.3 | 2.7 | 3.6 | 2.2 | 2.2 | 1.0 | 0.8 | 0.6 | |
Pension  |  |  |  | 54,706 | 2.7 | 4.1 | 3.5 | 7.8 | 10.0 | 9.4 | 6.0 | 6.5 | 8.8 |
| Benchmark |  |  |  | 2.0 | 2.7 | 1.9 | 6.0 | 9.0 | 8.4 | 5.2 | 6.0 | 8.4 | |
| Value-added |  |  |  | 0.6 | 1.4 | 1.6 | 1.7 | 1.1 | 1.0 | 0.8 | 0.5 | 0.4 | |
Participants Directed  |  |  |  | 20,254 |  |  |  |  |  |  |  |  |  |
Total-Return  |  |  |  | 7,642 | 2.7 | 4.4 | 3.0 | 7.6 | 8.8 | 8.6 |  |  |  |
| Benchmark |  |  |  | 2.6 | 3.9 | 2.3 | 6.6 | 8.3 | 8.2 |  |  |  |
| Value-added |  |  |  | 0.2 | 0.5 | 0.7 | 1.0 | 0.5 | 0.4 | 0.0 | 0.0 | 0.0 | |
Short-Term  |  |  |  | 8,263 | 0.3 | 0.7 | 1.1 | 1.4 | 1.8 | 2.1 | 2.5 | 3.1 | 4.2 |
| Benchmark |  |  |  | 0.1 | 0.2 | 0.3 | 0.4 | 0.3 | 0.3 | 0.6 | 1.7 | 3.1 | |
| Value-added |  |  |  | 0.2 | 0.5 | 0.8 | 1.0 | 1.5 | 1.8 | 1.3 | 1.1 |  | |
Entity  |  |  |  | 94,760 | 2.3 | 3.9 | 3.3 | 7.1 | 8.8 | 8.2 | 5.5 | 6.0 |  |
| Benchmark |  |  |  | 1.9 | 2.7 | 2.0 | 5.5 | 7.7 | 7.1 | 4.6 | 5.4 |  | |
| Value-added |  |  |  | 0.5 | 1.1 | 1.3 | 1.5 | 1.1 | 1.1 | 0.9 | 0.7 | 0.0 | |
Investment Beliefs

• Invest for the long term.
• Invest in people.
• Build a high-performance culture.
• We are all risk managers.
• Allocate wisely.
Investment Beliefs

• Costs matter.
• Diversity with care. Act with clarity.
• Sustainability impacts investing.
• Collaborate widely.
• Innovation counts.
Our Approach

Clients | Products | Building Blocks | Platform | Ideas
UC Ventures – Investment Strategy

Key Fund Parameters:
• Bulk of the Fund will invest directly in early stage investments; 10% in local funds.
• Objective is to generate an attractive return on investment.
• Expect to deploy $30M-$50M of capital per year.

Three-pronged investment strategy will be used to drive returns:

- **LOCAL FUND STRATEGY**
  - Up to 10%, or $25M, will target local campus-based seed stage venture funds
  - Will help drive deal flow for UC Ventures
  - Promotes innovation ecosystem
  - Strengthens ties with campuses

- **SYNDICATE STRATEGY**
  - UC Ventures must syndicate deals with pre-approved set of venture capitalists
  - Validates quality of deal
  - Brings additional expertise into ecosystem
  - Mitigates political risks

- **ON-RAMP STRATEGY**
  - Deals that exceed UC Ventures investment capacity will be offered to OCIO
  - OCIO would need to bring in an institutional quality co-investor
Sourcing Channels

The UC ecosystem generates at least 200 investable opportunities per year. UC Ventures will work across six sourcing channels to identify the most attractive investment opportunities.

* UC Tech Transfer Offices are the only channel where the University is currently monetizing its research and innovation.
Chief Operating Officer
Rachael Nava
Nick Kamboj – Accountability & Responsibility

- Since July 2014, Nick has been the IT Shared Services Lead for the UCPath project.

- As of April 27, 2015, Nick became Director of Shared Services for HR & Payroll Applications (current scope).
  - Works closely with the UCPath Delivery Lead and Operational Readiness Lead to coordinate UCPath and ITS activities.
  - Ensures that ITS is operationally ready to support the UCPath UCOP go-live.
  - Leads service management activities after the UCOP go-live, working closely with ITS teams responsible for high quality service delivery.
  - Coordinates between ITS, the UCPath Center, and campus locations to deliver end-to-end services for UCPath.
  - Serves as the ultimate point of escalation for any issues related to UCPath IT services delivery and being accountable to resolve with the respective service and process owners.
Shared Service Scope

Level 2 Process View has 47 Processes

Business Customers and End-Users

Business/Customer Relationship Management

Business Demand Management
Business Impact Management

Business Service Level Management

Supplier Relationship Management

3rd Party Suppliers

Targeted in scope for UCOP Pilot

UCPath
Shared Services Focused Work Streams

- IT Process Design & Validation
  - Designed 12 IT Shared Service processes
  - Recommendations made to Senior & Executive Leadership
  - Conducting process testing utilizing Use Cases

- Post Production Support
  - Responsible for management of Post Production Support after UCOP go-live

- Service Design
  - Implementing Configuration Management Database (CMDB)
  - Creating Service Partnership Agreements (SPAs), SLAs, OLAs

- Operational Governance
  - Create operational governance model for HR and Payroll applications
Shared Service Work Recent Outcomes

IT Process Design

- Refined 12 best-practice IT processes to fit UCOP
- Defined roles and responsibilities for each process
- Identified the As-Is state for each process in ITS
- Identified activities currently performed manually where efficiencies could be gained by automating

Recommendations

- Identified top process enhancements needed
- Prioritized the activities and roles that need to be implemented and established before UCOP’s UCPath go-live
Shared Service Focus Prior to UCOP Go-Live

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendations</th>
<th>Priority</th>
<th>Cost</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Implement CMS/CMDB for consistent service asset and configuration tracking.</td>
<td>High</td>
<td>Med</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Implement the Service Asset &amp; Configuration Management process.</td>
<td>High</td>
<td>Low</td>
<td>Med</td>
</tr>
<tr>
<td>3</td>
<td>Establish a SACM team to manage the SACM process. Includes the SACM Manager and</td>
<td>High</td>
<td>Med</td>
<td>Med</td>
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<tr>
<td></td>
<td>SACM Analyst roles.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>Document service agreements for UCPath services and applications.</td>
<td>High</td>
<td>Med</td>
<td>High</td>
</tr>
</tbody>
</table>

Priority: Low, Medium, High

Cost: High, Medium, Low

Complexity: High, Medium, Low
UCOP Efficiency Review Update – Shirley Bittlingmeier

• Launched October 2013. Led by employees.
Goals of the Efficiency Review

• Reduce costs
• Streamline processes
• Eliminate duplication

• Improve customer service
• Increase transparency
• Enhance the work environment
800 ideas – what’s happening with them?
All ideas are considered
A sampling of implemented ideas
 Implemented IT ideas

• April 2014
  – Data Center move
  – Administrative support names added to UCOP Outlook directory information

• May 18
  – Cloud computing
  – FUZE desktop and mobile device video conferencing

• July 14
  – Simpler, more effective support for Mac users

• October 2014
  – Hoteling workstations for UCOP and campus mobile workers
How can you help?

• Submit ideas!
• Keep informed - read the monthly ER updates
• Encourage colleagues to participate
  – http://www.ucop.edu/efficiency
Your Questions
ITSTownHall@ucop.edu