

ANNUAL ENDOWMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2012

University of California, Berkeley Foundation

UC Davis Foundation

University of California, Irvine Foundation

The UCLA Foundation

University of California, Merced Foundation

UC Riverside Foundation

UC San Diego Foundation

The University of California, San Francisco Foundation

UC Santa Barbara Foundation

UC Santa Cruz Foundation



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1 Introduction

BACKGROUND

The history of reporting total University and Foundation endowments dates back to October 1978 when The Regents' Committee on Educational Policy adopted a policy for University Support Groups. In subsequent years, The Regents charged the Treasurer's Office with obtaining pertinent information regarding the UC Foundations' investments and presenting an annual report to The Regents. The annual report includes the investment philosophy, policies and performance of each Foundation's endowment assets, as well as the performance of The Regents' endowment assets. In compliance with The Regents Policy 6201 Investment Policy for the University of California Campus Foundations, this report incorporates the investment review by the General Investment Consultant to The Regents. Quarterly reports will only include discretionary assets under management as recorded by State Street.

PURPOSE

The Regents' policy on Support Groups articulates the permissible activities by affiliated fund-raising organizations to be:

"Gifts to a University Support Group for the benefit of the University may be accepted and administered only in accordance with University policies and, except as otherwise specified in this policy, may not be invested as endowments and shall be transferred to the University in an expeditious manner to fulfill the intentions of the donor for allocation and disbursement by the University."

The Treasurer's Office is the designated recipient and investment manager of The Regents' endowment assets.

However, in October 1978, The Regents included an exception in this policy for Foundations only that states:

"A Campus Foundation may hold and invest endowments and funds functioning as endowments on a long-term basis. Such investments must be consistent with the terms of the gift instrument. Investment operations shall be conducted in accordance with prudent, sound practices to insure that gift assets are protected and enhanced and that a reasonable return is achieved, and with due regard for the fiduciary responsibilities of the Foundation's governing board...."

As a result of the above exception, donors can designate either The Regents or the Campus Foundations as the recipient of their gift assets. Foundations may then choose The Regents (the Treasurer's Office) and/or external investment managers to manage their endowment investments. The Treasurer's Office acts as a resource to the Foundations and offers its investment management services and counsel on endowment fund management issues. The goal of this report is to provide The Regents with a comprehensive overview of the University's endowment assets.

2 Data Sources and Responsibilities

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

DATA SOURCES and RESPONSIBILITIES

State Street Bank is the University's official "book of record" and calculates performance net of fees using the same methodology across all the Foundations. Foundation performance results in this document prior to 2006 were provided by each Foundation and were neither audited nor calculated by the Treasurer's Office or State Street Bank. Returns for 2006 and later were provided by State Street Bank. On a quarterly basis, State Street Bank reports Foundation performance to The Regents and those quarterly reports serve as official "book of record" to The Regents. Policy benchmark composition was provided by the Foundations.

Mercer, as the General Investment Consultant to The Regents, has been directed by the Committee on Investments to review the Foundations' investments to ensure that they are consistent with industry best practices and in compliance with The Regents Policy 6201 Investment Policy for the University of California Campus Foundations. In this role, Mercer assesses performance and investment policies based on the performance information provided by State Street and the investment policies submitted by the Foundations. Findings are reported quarterly to The Regents.

For the purpose of reporting investment performance, each Foundation received the same exhibit formats and guidance, and any inconsistencies in definition and reporting are noted in the charts, tables and discussion. The Mercer Trust – Foundation & Endowment Universe data cannot be reproduced or redistributed without the express written consent of Mercer.

PERFORMANCE PRESENTATION

This report focuses primarily on the Foundations' endowment assets and their investment performance. Managed assets are provided in Section 3 – Consolidated Endowment Review. Section 4 – Individual Foundation Reports – displays the analysis of endowed assets. The consolidated review by the General Consultant to The Regents is provided in Section 5. The glossary at the end of this report includes definitions for these asset categories.

PERFORMANCE COMPARISONS

Mercer Trust- Foundation & Endowment Universe: this universe is comprised of 236 observations from a substantial endowment and foundations client base which includes information submitted by industry-leading consulting and trust/custody organizations as compiled by BNY Mellon.

Benchmark: For details regarding each individual Foundation's benchmark, see Section 6.

3 Consolidated Endowment Review

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

Performance, assets under management and fee information were provided by State Street Bank which is the University's official "book of record."

Information on assets not included in State Streets performance reporting was provided by The Regents and individual Foundations.

Information about gifts and recurring charges, endowment spending and investment statements are based on the Foundations' specific policies.

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3.1 Total University Endowment Assets by Donor Designation to Regents and Foundation

This table outlines the University's total endowment assets by donor designation to either The Regents for the benefit of the campus or to the campus Foundation.

Overall, total endowment assets decreased by 3.6% over the last fiscal year, with The Regents' endowment assets decreasing by 5.5% and Foundation endowment assets decreasing by 0.7%. These changes incorporate both new gifts accepted during the fiscal year and the return on total endowed assets.

The Treasurer's Office also manages endowment assets of about \$1.04 billion for the benefit of systemwide programs and administration, including education and research programs, support services and administration. These assets appear in the table as part of The Regents' endowment assets.

Total University Endowment Assets by Donor Designation to Regents and Foundation (Excluding Pledges) (Market Value \$000)						
Campus	June 30, 2012			June 30, 2011		
	Regents*	Foundation	Total	Regents*	Foundation	Total
Berkeley	\$1,905,074	\$1,126,822	\$3,031,896	\$1,991,932	\$1,091,985	\$3,083,917
Davis	502,124	211,056	713,180	523,502	207,782	731,284
Irvine	57,805	235,375	293,180	58,985	235,880	294,865
Los Angeles	1,204,862	1,389,892	2,594,754	1,309,302	1,473,388	2,782,690
Merced	21,130	5,772	26,902	21,717	6,034	27,751
Riverside	43,560	95,256	138,816	43,884	96,644	140,528
San Diego	186,219	373,902	560,122	187,145	381,553	568,698
San Francisco	871,210	675,683	1,546,893	906,148	643,785	1,549,933
Santa Barbara	93,362	112,671	206,033	93,227	118,216	211,443
Santa Cruz	60,844	56,520	117,364	63,250	55,725	118,975
Total Campus Endowments	4,946,190	4,282,950	9,229,139	5,199,092	4,310,991	9,510,083
Systemwide Programs and Administration	1,044,387	0	1,044,387	1,143,125	0	1,143,125
Total Endowment Assets	\$5,990,577	\$4,282,950	\$10,273,527	\$6,342,217	\$4,310,991	\$10,653,208

* Includes General Endowment Pool (GEP), Short Term Investment Pool (STIP), and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable.

3.2 Total Managed Endowment Assets by Foundation

This report focuses on the managed endowment assets held by The Regents and the Foundations, which include assets managed by The Regents (Treasurer's Office) or external managers. Managed endowment assets do not include assets categorized as "other endowment assets," such as separately invested assets, mortgages, real estate, and receivables.

Total Managed Endowment Assets by Foundation (Excluding Pledges) (Market Value \$000)						
Campus	June 30, 2012			June 30, 2011		
	Managed*	Other**	Total	Managed	Other**	Total
Berkeley	1,089,411	37,411	1,126,822	1,053,661	38,324	1,091,985
Davis	204,131	6,925	211,056	201,135	6,647	207,782
Irvine	233,935	1,440	235,375	235,332	548	235,880
Los Angeles	1,382,381	7,510	1,389,892	1,466,154	7,234	1,473,388
Merced	5,772	0	5,772	6,034	0	6,034
Riverside	95,234	22	95,256	96,623	21	96,644
San Diego	371,109	2,794	373,902	378,506	3,047	381,553
San Francisco	675,002	681	675,683	642,781	1,004	643,785
Santa Barbara	109,022	3,650	112,671	116,048	2,168	118,216
Santa Cruz	55,916	604	56,520	55,031	694	55,725
Regents***	5,768,191	222,386	5,990,577	6,006,541	335,676	6,342,217
Totals	9,990,104	\$283,423	\$10,273,527	\$10,257,846	\$395,362	\$10,653,208

* As reflected in State Street's performance reporting.

** Includes separately invested assets, mortgages, real estate, operational accounts, receivables, and other.

*** Includes GEP, STIP, and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable. This figure is only available on a fiscal annual basis.

3.3 Managed Endowment Funds by Asset Class

Because asset allocation is the primary driver of a portfolio's total return over the long run – with sector and individual security selection the primary drivers over the short term – any comparison of endowment fund performance should be viewed in the context of the portfolio's asset class holdings.

As of June 30, 2012, the asset allocations of managed endowment funds for endowment investment portfolios held by each Foundation are shown below. Investments in the General Endowment Pool (GEP) are mapped into the specific sub asset classes. This table also includes an overall weighted average allocation of all endowment funds by asset class, as well as the net fiscal year total returns by campus.

Section 4, beginning on page 11, contains detailed information for each Foundation. These exhibits include a detailed list of the Foundation's investment managers and the type of funds they manage.

Allocation of Managed Endowment Funds by Asset Class												
As of June 30, 2012												
Asset Class Allocation												
Campus	U.S. Equity	Non-U.S. Equity	Global Equity	U.S. Fixed Income	Non-U.S. Fixed Income	Absolute Return*	Real Estate	Private Equity	Com-modities	Cash Equiv.	Total	Fiscal Year 2012
Berkeley	16.3%	18.6%	4.9%	6.7%	0.0%	21.9%	1.4%	13.9%	2.6%	13.5%	100.0%	-1.0%
Davis	23.0%	16.3%	0.3%	16.5%	0.8%	23.8%	4.8%	8.1%	3.9%	2.4%	100.0%	-0.4%
Irvine	24.3%	15.1%	0.5%	13.2%	2.7%	22.6%	6.2%	12.3%	2.9%	0.1%	100.0%	0.4%
Los Angeles	14.7%	14.3%	0.0%	12.4%	0.0%	26.2%	8.6%	15.1%	8.9%	-0.2%	100.0%	-1.5%
Merced**	19.1%	20.8%	1.7%	11.3%	2.9%	27.8%	6.8%	9.5%	0.0%	0.1%	100.0%	-0.7%
Riverside***	35.0%	15.6%	0.0%	25.0%	1.3%	2.8%	0.9%	0.0%	10.5%	8.9%	100.0%	-2.6%
San Diego**	18.8%	20.1%	1.2%	11.3%	2.1%	28.7%	7.6%	9.8%	0.0%	0.4%	100.0%	-0.6%
San Francisco	19.8%	18.8%	0.0%	14.3%	5.7%	22.7%	2.2%	5.8%	5.5%	5.3%	100.0%	-0.9%
Santa Barbara	24.1%	19.5%	0.0%	20.8%	1.0%	22.5%	2.5%	6.6%	1.7%	1.3%	100.0%	-3.4%
Santa Cruz**	19.1%	20.8%	1.7%	11.3%	2.9%	27.8%	6.8%	9.5%	0.0%	0.1%	100.0%	-0.7%
Weighted Avg.	18.0%	17.0%	1.5%	11.9%	1.4%	23.8%	4.9%	11.7%	5.1%	4.7%	100.0%	-1.1%

* Absolute return consists of hedge funds and other asset types.

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

*** The liquidity allocation reflects cash held by the managers.

Note that the method of rounding may produce the appearance of minor inconsistencies in various totals and percentages; however, the differences do not affect the accuracy of the data.

3.4 Endowment Fund Investment Performance

Investment performance for University endowment assets is presented on a net basis, defined as total return after investment management fees but before any gift fees and administrative charges. While investment management fees vary across managers and asset classes, the net total return represents the annual experience of a donor's gift. This table displays net total returns for fiscal year 2012 for each Foundation, and the median of the Mercer Trust – Foundations & Endowments Universe, reported for various periods. For comparison, the table also includes the weighted average returns for all University endowment assets.

Average Annualized Total Returns *						
Periods ending June 30, 2012						
Campus	2Q 2012	Calendar YTD	1 Year	3 Years	5 Years	10 Years
Berkeley	-2.0%	4.1%	-1.0%	9.5%	0.8%	6.9%
Davis	-2.4%	4.5%	-0.4%	9.6%	1.3%	6.6%
Irvine	-1.4%	5.8%	0.4%	10.0%	0.5%	6.0%
Los Angeles	-2.0%	4.3%	-1.5%	8.7%	0.3%	6.0%
Merced	-1.8%	5.3%	-0.7%	9.9%	1.4%	N/A
Riverside	-2.5%	5.1%	-2.6%	11.1%	1.9%	7.6%
San Diego	-1.7%	5.2%	-0.6%	10.9%	1.3%	6.6%
San Francisco	-2.2%	4.7%	-0.9%	10.3%	0.7%	5.9%
Santa Barbara	-1.9%	4.7%	-3.4%	10.2%	-0.8%	5.5%
Santa Cruz	-1.8%	5.3%	-0.7%	9.9%	1.5%	6.7%
Weighted Average	-2.0%	4.5%	-1.1%	9.6%	0.7%	N/A
Mercer Median	-1.7%	5.4%	0.2%	10.5%	1.5%	6.6%

* Returns prior to 2006 were provided by the individual Foundations. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances.

3.5 Gift and Recurring Charges

A synopsis of The Regents' and each campus' practices for assessing fees on new gifts, as well as any recurring administrative charges, are provided in the table below. As noted in the table, gift fees apply to endowment gifts whether given to the Foundation or The Regents and to current fund gifts (for use by the campus in the near term). At most campuses, gift fees and recurring charges support discretionary funds available to the Chancellor, for such efforts as fund-raising, communications, government and community relations and administrative services associated with these efforts.

In March 1998, The Regents adopted a policy to allow the campuses to recover the reasonable and actual costs related to campus administration of The Regents' endowments, with the amount to be determined by historical cost data. Each campus listed below collected endowment cost recovery fees on The Regents' gifts of 55 basis points (effective July 1, 2011) of the 60-month rolling average market value of funds invested in GEP. The Campus Foundations may also assess an administrative endowment cost recovery fee on funds they administer.

Gifts Fees and Recurring Charges *		
	Fees	Recurring Charges
Berkeley	One-time charge of 2.5% of the initial value of all non-research gifts to the Regents and Foundation (including endowments); fee is taken from the gift principal unless the specified department elects to pay the fee from another allowable source.	STIP income on non-endowed gifts is 100% to an unrestricted fund administered by the Chancellor. STIP income earned on new endowment gifts kept in suspense for six months is paid to the Chancellor's fund to benefit campus development. An annual administrative fee of 50 basis points is charged on endowment funds administered by the Foundation.
Davis	The campus assesses a 6% gift fee on all gifts pledged to UC Davis whether through the UCOP Regents or the Foundation.	The purpose of the Endowment Cost Recovery Fee (ECRF) is to provide reimbursement to the Foundation for direct costs of administering endowments as allowed by the California Attorney General and the UC Office of the President. The current approved ECRF is 30 basis points (0.30%) of the 60 month average of month-end market values for each endowment fund.
Irvine	5% of initial value of all gifts.	There is also a recurring charge of 0.5% of the market value of Foundation endowment funds used to offset the operating costs of managing the endowment for the Foundation.
Los Angeles	6.5% of initial value of all gifts.	Recurring fees include 100% of all short-term interest on campus current fund balances, with some exceptions and annual endowment cost recovery fee of 0.5% of the fair market value, calculated monthly from July 1, 2011 to December 31, 2011. The endowment cost recovery rate was changed to 0.65% effective January 1, 2012.
Merced	5% of initial value of all gifts.	STIP income earned on endowment earnings held on campus and on current use gifts shall be deposited into a Chancellor's Discretionary Fund. There is also a recurring charge of 0.40% for endowment administration costs and it is taken from the annual endowment payout. The fee covers the costs of administering and carrying out the terms of the endowments.
Riverside	5% of initial value of all gifts.	Annual charge of 0.5% against all existing endowments and endowment-related gift funds; the campus charges 100% of short-term ordinary income on campus and Foundation current fund balances.
San Diego	6% of the initial value of all gifts.	100% assessment of all short-term investment earnings on current use gift and private grant balances held in both the campus and the Foundation. Annual recurring fee of 0.40% on the market value of the Foundation's endowment funds.
San Francisco	4% of initial value of all gifts. No fees are charged on gifts for student aid and capital.	100% of interest income earned on current funds (STIP income). Annual fee of 0.4% on all endowment fund assets. A 1% spending fee is charged when funds are spent for purpose.
Santa Barbara	For FYE June 30, 2012, 2% of initial value of all gifts. This will increase to 6% for FYE June 30, 2013.	For FYE June 30, 2012, the Annual Investment Management fee is 60 basis points of the fair market value as of December 31, 2010.
Santa Cruz	The UC Santa Cruz Foundation allocates STIP earnings to uninvested endowment balances when it is earned. The UCSC campus assesses a gift fee of 6% of initial value of gifts.	Of the 4.65% endowment expenditures, .45% is allocated for administrative expenses of the Foundation. There are no additional annual recurring fees (0%) on the market value of the Foundation's endowments.

* For more information on Foundation policies regarding gift fees and recurring charges, see the individual Foundation reports in Section 4. Note: Updates provided by the Foundations are reflected above up to the time this report was produced.

3.6 Endowment Spending Policies

A summary of the endowment spending policies for each university Foundation is shown in the table below. It is important to note that a Foundation choosing to invest in The Regents' GEP, Private Equity Vintage Year Program, Real Estate Vintage Year Program and/or Absolute Return Unitized Program funds may apply its Foundation spending policy to those gift assets.

Endowment Spending Policies by Foundation*	
Berkeley	The Foundation's proposed payout policy is 4.5% of a twelve-quarter (three year) moving average market value of the endowment pool. The Finance and Administration Committee, at its discretion, may recommend to the Executive Committee an alternative payout percentage, within a range of 4.0% to 5.0% for a specific payout year. The actual payout for the 2012 fiscal year was 4.27%.
Davis	The primary objective of the UC Davis Foundation's endowment spending policy is to achieve a proper balance between present and future needs of endowed units at UC Davis in order to maximize long-term impact. The current approved spending rate is 4.25% of the 60 month average of month end market values for each endowment fund. Payouts may be reduced on endowments that are more than 5% underwater as of the close of the fiscal year.
Irvine	The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. Income available for expenditure is calculated according to a predetermined formula.
Los Angeles	The UCLA Foundation Endowment Pool made available for expenditure by fund holders an amount equal to 5.3% of a rolling 36-month average market value in fiscal year 2012, calculated monthly. The spending policy for fiscal 2013 is 5.25% of a rolling 36-month average market value, calculated monthly.
Merced	Long-term total return target spending rate of 4.75% of a 60-month (5-year) rolling average market value. A spending rate of 4.75% was adopted in May 2006.
Riverside	The endowment spending policy applicable to FYE 2012 was to pay out 4.25% of the average endowment fund market value calculated using the closing market values on the last day of the 72 contiguous months the last of which ended on the December 31 of such fiscal year.
San Diego	Endowment spending during fiscal year 2011-12 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.
San Francisco	The Foundation policy is to distribute 5% of the market value of the endowment pool calculated on a 36-month rolling average of the market value, subject to a 6% cap and a 3.5% floor as a percent of the end of year endowment pool market value. The payout rate is reviewed annually, which may result in modification. The payout is distributed once a year following the close of the fiscal year.
Santa Barbara	Endowment spending during fiscal year 2011-12 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio as of December 31, 2010. Spending is allocated to fund holders in September (40%) and April (60%).
Santa Cruz	The UC Santa Cruz Foundation endowment expenditure rate approved June, 2011, is 4.65% times a three-year moving average of December 31 market values. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions. In no event will the corpus be reduced below the amount of the original gift, adjusted by the Gross Domestic Product (GDP) price index, unless specific language of the endowment agreement so allows.

* For more information on Foundation spending policies, see the individual Foundation reports in Section 4. Note: Updates provided by the Foundations are reflected above up to the time this report was produced.

3.7 Total Foundation Gift Assets

This table provides total Foundation gift assets by campus, split into endowed, non-endowed assets and pledges, for fiscal year 2012 and fiscal year 2011. Endowed assets include current gift assets (i.e., assets for use in the current year). Non-endowed assets include trust/life income assets, but exclude pledges. Note, pledges introduce potential volatility to the asset growth rates.

The Foundations held \$4.28 billion in endowment gift assets at June 30, 2012, a 0.7% decrease from the \$4.31 billion held at the end of fiscal year 2011. Including all assets (endowed, non-endowed, and pledges), the Foundations' total assets were \$5.90 billion, a 1.2% increase over the total of \$5.83 billion for fiscal year 2011.

Total Foundation Gift Assets by Campus (Market Value \$000; totals rounded)								
Campus	June 30, 2012				June 30, 2011			
	Endowed	Non-Endowed	Pledges	Total	Endowed	Non-Endowed	Pledges	Total
Berkeley	\$1,126,822	\$175,414	\$126,554	\$1,428,790	\$1,091,985	\$186,811	\$95,411	\$1,374,207
Davis	211,056	6,925	10,345	228,327	207,782	6,647*	5,735	220,164
Irvine	235,375	16,193	40,148	291,716	235,880	23,649	42,967	302,496
Los Angeles	1,389,892	302,222	277,375	1,969,488	1,473,388	327,674	221,657	2,022,719
Merced	5,772	194	1,608	7,573	6,034	140	2,392	8,566
Riverside	95,256	13,905	1,762	110,923	96,644	16,411	1,508	114,563
San Diego	373,902	132,746	96,913	603,562	381,553	133,505	105,856	620,914
San Francisco	675,683	317,038	69,788	1,062,509	643,785	260,815	67,855	972,455
Santa Barbara	112,671	10,648	11,164	134,483	118,216	9,316	8,660	136,191
Santa Cruz	56,520	2,666	5,478	64,664	55,725	2,680	1,860	60,265
Total Foundation Assets	\$4,282,950	\$977,951	\$641,135	\$5,902,036	\$4,310,991	\$967,648	\$553,901	\$5,832,540

* Figure amended from \$52,170 to reflect correct data per UC Davis

4 Individual Foundation Reports

BENCHMARKS

- The most important determinant of fund performance and risk is the asset allocation policy established by Fund fiduciaries.
- A fund performance benchmark is usually stated in terms of percentages (adding to 100%) of a number of market indexes, such as the Russell 3000 Index for U.S. stocks or the Barclays Aggregate Index for U.S. bonds. A performance benchmark may change over time as policy changes both the asset mix and the performance objectives, or benchmarks, for each asset class.
- The Foundations provided the asset allocation and benchmark information summarized in Section 6.3. Annual and cumulative benchmark returns were computed based on the Foundations' reported policy. They are shown in Section 6.1, along with the Foundations' annual and cumulative returns. In some cases, detailed information on investment policy in earlier years was not available, and the Treasurer approximated benchmark composition based on the available information supplied by the Foundations.
- In addition, the Active Return, or difference between Fund and benchmark return, is shown in Section 6.2. Active return is a measure of the value added by Fund fiduciaries and managers over the policy objective.

The following section of the report contains a summary for each Foundation which includes:

- Endowment Investment Objective
- Endowment Spending Policy
- Policy for Gift Fees and Administrative Expenses
- Actual vs. Target Allocation and Policy Benchmark
- Graph showing annual fiscal and current period net total returns for each Foundation and benchmark
- Graph showing historical performance of a hypothetical \$10,000 gift invested with the Foundation and the Benchmark
- Graph showing managed endowment funds by asset class
- Graph showing the rolling 1-year excess net return of the Foundation versus benchmark

Updates provided by the Foundations are reflected in this section up to the time this report was produced.

UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION

Endowment Investment Objective

There are three intersecting goals for the UC Berkeley Foundation endowment pool:

- 1) Inflation - Adjusted Spending. Generate returns sufficient to meet UCBF's desired payout target over rolling ten year periods, while maintaining real purchasing power, sufficient liquidity and acceptable volatility.
- 2) Market Returns - Generate results after all relevant expenses, that match or exceed the returns of a representative mix of investable assets over rolling ten year periods.
- 3) Manager Selection - Demonstrate success in selecting investments, as measured by comparing performance after all relevant expenses versus the return and volatility measures of other investable options at the manager and asset class level, over rolling five year periods.

Endowment Spending Policy

The UC Berkeley Foundation payout policy is 4.5% of a twelve-quarter (three years) moving average market value of the endowment. The Trustees at their discretion may approve an alternative payout percentage within a range of 4.00% to 5.00% for a specific year. In fiscal year 2011-12, the actual payout rate is 4.27%

Policy for Gift Fees and Administrative Expenses

- 1) One time charge of 2.5% of the initial value of all non-research gifts to the Regents and Foundation (including endowments). The fee is taken from the gift principal unless the specified department elects to pay the fee from another allowable source.
- 2) STIP income on non-endowed gifts is 100% to an unrestricted fund administered by the Chancellor.
- 3) STIP income earned on new endowment gifts kept in suspense for six months is paid to the Chancellor's fund to benefit campus development.
- 4) An annual administrative fee of 50 basis points is charged on endowment funds administered by the Foundation.

University of California, Berkeley Foundation Portfolio

Asset Allocation

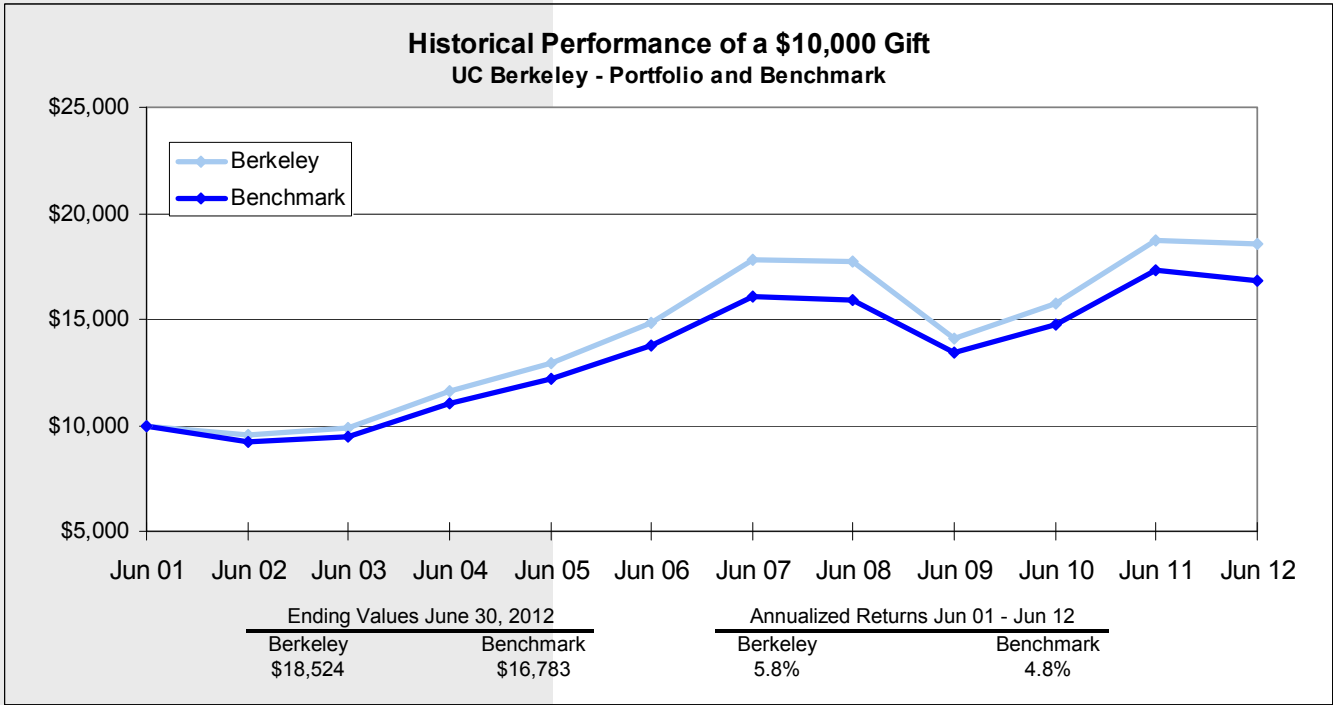
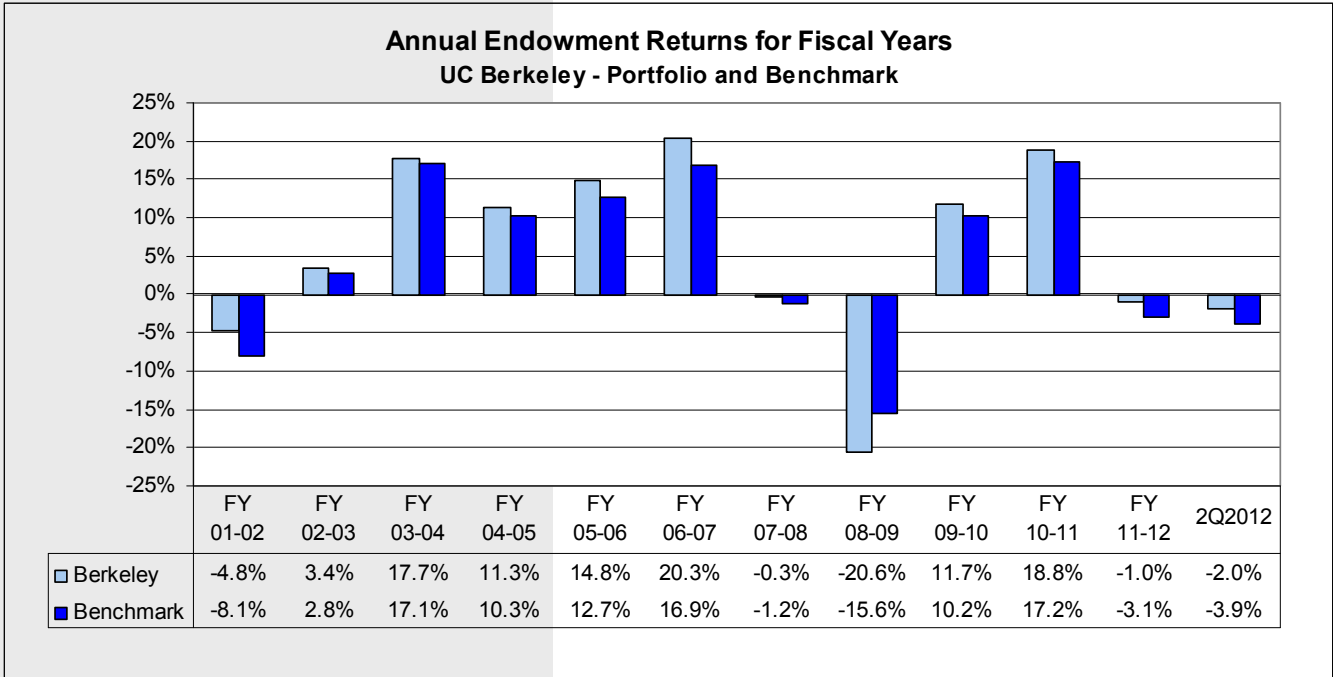
June 30, 2012

	Assets (\$M)	Actual Allocation	Target Policy Allocation	Variance from Target Policy Allocation	Policy Range		Policy Range Compliance (Actual Allocation)
Global Equities	\$503	46.2%	39.5%	6.7%	30.0%	50.0%	Yes
Diversifying Assets	\$190	17.5%	28.0%	-10.5%	20.0%	35.0%	-2.5%
Excess Return	\$175	16.1%	15.0%	1.1%	0.0%	20.0%	Yes
Defensive	\$221	20.3%	17.5%	2.8%	15.0%	35.0%	Yes
Total Assets	\$1,089	100.0%	100.0%				

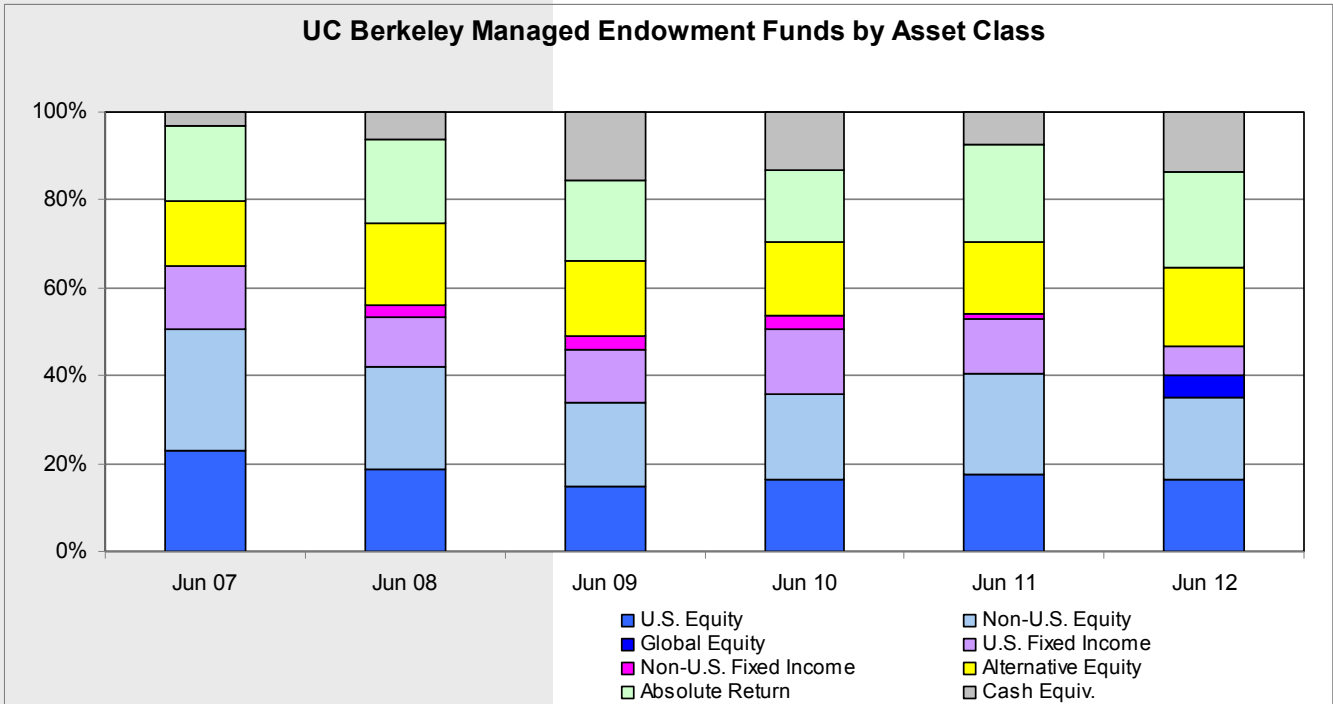
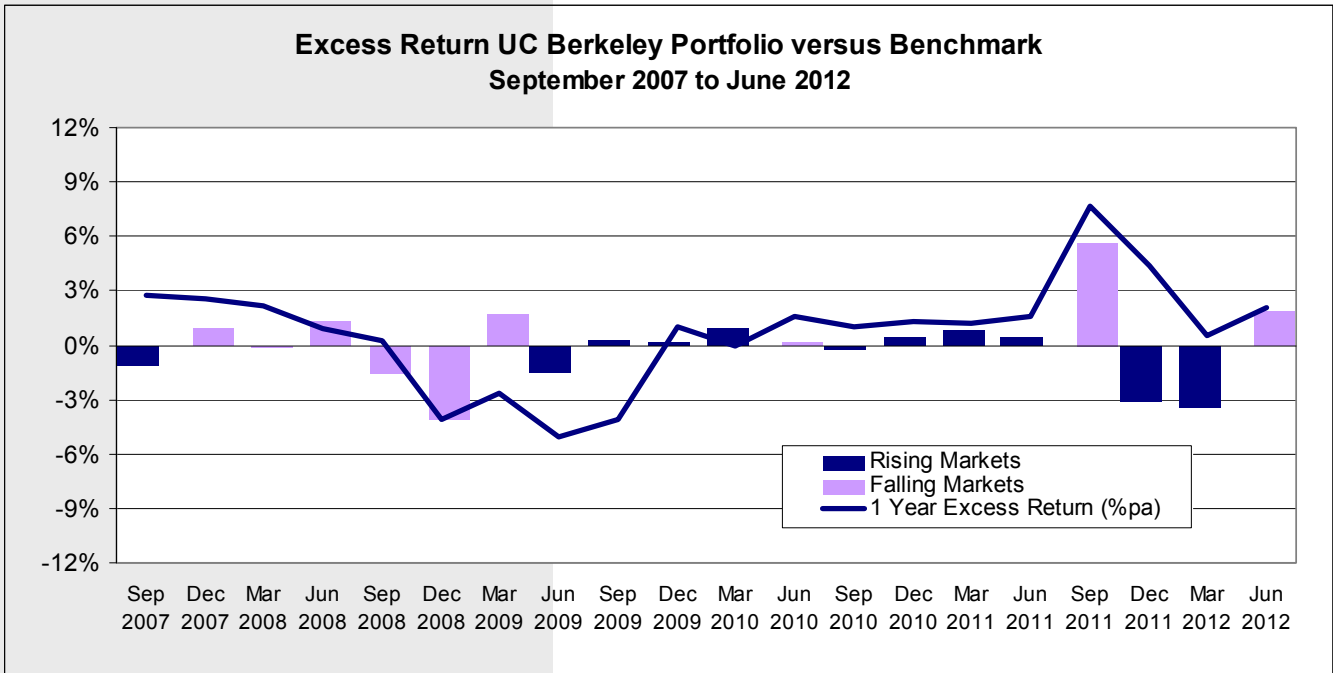
As of March 1, 2011 UCB implemented a new Investment Policy moving to a multi-asset class portfolio approach. The policy targets and ranges are reported on the level of the employed asset categories.

UCB is in the process of implementing the new investment structure.

UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION



UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION



UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION

University of California, Berkeley Foundation Portfolio June 30, 2012									
Core Endowment Model Risk Focus	Market Value		Total Return				Annualized Total Return		
			Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCB Foundation Aggregate	\$1,089,411,143	100%	-1.98%	-1.02%	4.11%	-1.02%	9.54%	0.79%	6.88%
Policy Benchmark ¹⁾			-3.87%	-3.07%	5.37%	-3.07%	7.77%	0.86%	6.21%
Variance to Policy Benchmark			+1.89%	+2.05%	-1.26%	+2.05%	+1.77%	-0.07%	+0.67%
U.S. Equity	\$177,731,802	16%	-2.60%	5.74%	10.77%	5.74%	17.69%	1.27%	
RUSSELL 3000			-3.15%	3.84%	9.32%	3.84%	16.73%	0.39%	
Variance to Benchmark			+0.55%	+1.90%	+1.45%	+1.90%	+0.96%	+0.88%	
Non-U.S. Developed Equity	\$153,808,548	14%	-6.85%	-13.57%	4.02%	-13.57%	7.76%	-3.70%	
MSCI EAFE (GROSS)			-6.85%	-13.38%	3.38%	-13.38%	6.45%	-5.63%	
Variance to Benchmark			+0.00%	-0.19%	+0.64%	-0.19%	+1.31%	+1.93%	
Global Equity	\$53,710,311	5%	-3.44%		7.42%				
MSCI AC WORLD (GROSS)			-5.36%		6.01%				
Variance to Benchmark			+1.92%		+1.41%				
Emerging Market Equity	\$49,332,071	5%	-8.22%	-17.35%	2.20%	-17.35%	9.88%	-2.77%	
MSCI EMERGING MARKETS (NET)			-8.89%	-15.95%	3.93%	-15.95%	9.77%	-0.09%	
Variance to Benchmark			+0.67%	-1.40%	-1.73%	-1.40%	+0.11%	-2.68%	
Core Fixed Income	\$73,525,026	7%	1.58%	5.59%	1.01%	5.59%	5.00%	6.33%	
Barclays Aggregate Bond			2.06%	7.47%	2.37%	7.47%	6.93%	6.79%	
Variance to Benchmark			-0.48%	-1.88%	-1.36%	-1.88%	-1.93%	-0.46%	
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Citigroup WGBI (All Maturities)									
Variance to Benchmark									
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity	\$151,576,031	14%	1.92%	5.88%	3.71%	5.88%	11.99%	5.00%	
TOTAL NON-MARKETABLE ALTERNATIVES			1.92%	5.88%	3.71%	5.88%	11.99%	5.00%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	
Abs. Ret./Mktable Alts./Hedge Fds.	\$238,561,340	22%	-3.10%	-2.77%	1.93%	-2.77%	6.28%	1.14%	
91 DAY TBILL+4%			1.01%	4.06%	2.02%	4.13%	5.02%		
Variance to Benchmark			-4.11%	-6.83%	-0.09%	-6.83%	+2.15%	-3.88%	
Marketable Energy/Comm/Nat Res	\$9,838,164	1%	-3.38%	-9.47%	-0.30%	-9.47%	11.12%	0.58%	
MARKETABLE ENERGY/COMM/OTHER BENCHMARK			-7.74%	-16.10%	-5.02%	-16.10%	6.10%	-0.93%	
Variance to Benchmark			+4.36%	+6.63%	+4.72%	+6.63%	+5.02%	+1.51%	
Private Energy/Comm/Nat Res	\$18,664,822	2%	4.77%	6.01%	5.96%	6.01%	8.91%	6.13%	
TOTAL PRIVATE ENERGY COMM./OTHER			4.77%	6.01%	5.96%	6.01%	8.91%	6.13%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	
Marketable Real Estate	N/A								
Benchmark									
Variance to Benchmark									
Private Real Estate	\$15,051,417	1%	4.31%	12.85%	6.89%	12.85%	-4.27%	-10.34%	
TOTAL PRIVATE REAL ESTATE			4.31%	12.85%	6.89%	12.85%	-4.27%	-10.34%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	
Liquidity Accounts²⁾	\$147,611,612	14%	0.40%	1.64%	0.86%	1.64%	2.03%	2.55%	
91 DAY T-BILL			0.03%	0.05%	0.04%	0.05%	0.12%	0.98%	
Variance to Benchmark			+0.37%	+1.59%	+0.82%	+1.59%	+1.91%	+1.57%	
UC Regents Mgd Funds									
Regents STIP	\$132,077,114	12%	0.57%	2.38%	1.15%	2.38%	2.53%		

Notes:

Returns are net of all fees.

Private asset valuations typically lag between 60 and 90 days.

Private asset benchmarks use actual returns.

¹⁾ The UC Berkeley policy benchmark is a blend of the MSCI All Country World Index (ACWI) and Barclays Treasury. The asset class benchmarks do not roll up into the policy benchmark.²⁾ The Liquidity Accounts asset class performance and market value includes Regents STIP which is also broken out separately under UC Regents Managed Funds to reflect those managed by the UC Regents.

UNIVERSITY OF CALIFORNIA, BERKELEY FOUNDATION

University of California, Berkeley Foundation Portfolio June 30, 2012									
			Total Return				Annualized Total Return		
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCB Foundation Aggregate	\$1,089,411,143	100%							
Policy Benchmark			-1.98%	-1.02%	4.11%	-1.02%	9.54%	0.79%	6.88%
Variance to Policy Benchmark			-3.87%	-3.07%	5.37%	-3.07%	7.77%	0.86%	6.21%
			+1.89%	+2.05%	-1.26%	+2.05%	+1.77%	-0.07%	+0.67%
Global Equity	\$502,766,799	46%							
Benchmark			-4.76%	-5.10%	6.39%	-5.10%			
Variance to Benchmark									
Diversifying Assets	\$190,486,160	17%							
Benchmark			-1.81%	-2.01%	2.23%	-2.01%			
Variance to Benchmark									
Excess Return	\$175,021,546	16%							
Benchmark			2.00%	6.34%	3.89%	6.34%			
Variance to Benchmark									
Defensive	\$221,136,639	20%							
Benchmark			1.06%	3.59%	1.08%	3.59%			
Variance to Benchmark									

Notes:

Returns are net of all fees

Private asset valuations are typically lagged between 60 and 90 days

Private asset benchmarks use actual returns

UC DAVIS FOUNDATION

Endowment Investment Objective

The Fund seeks future long-term growth of investments, at an acceptable risk level, sufficient to offset reasonable spending plus normal inflation, thereby preserving the purchasing power of the Fund for future generations. It also seeks partial protection from potentially severe adverse effects of extended deflationary environments.

Endowment Spending Policy

The primary objective of the UC Davis Foundation's endowment spending policy is to achieve a proper balance between present and future needs of endowed units at UC Davis in order to maximize long-term impact. The current approved spending rate is 4.25% of the 60 month average of month end market values for each endowment fund. Payouts may be reduced on endowments that are more than 5% underwater as of the close of the fiscal year.

Policy for Gift Fees and Administrative Expenses

The campus assesses a 6 percent gift fee on all gifts pledged to UC Davis whether through the UCOP Regents or the Foundation. The gift fee will be assessed and collected at the time the gift or pledge payment is received in cash or converted to cash. The gift fee may be paid by

- 1) deducting the fee from the gift principal
- 2) deducting the fee from funds provided by the donor specifically for purposes of paying the fee
- 3) deducting the fee from the campus account designated for this purpose by the benefitting unit, school, or
- 4) If the gift is \$100,000 or more, deposit and hold the complete gift in an interest earning account until sufficient earnings have accrued to pay the fee.

Policy for Endowment Cost Recovery Fee (ECRF)

The purpose of the Endowment Cost Recovery Fee (ECRF) is to provide reimbursement to the Foundation for direct costs of administering endowments as allowed by the California Attorney General and the UC Office of the President. The current approved ECRF is 30 basis points (0.30%) the 60 month average of month-end market values for each endowment fund. The ECRF will be deducted from the amount calculated under the spending policy described above.

University of California, Davis Foundation Portfolio

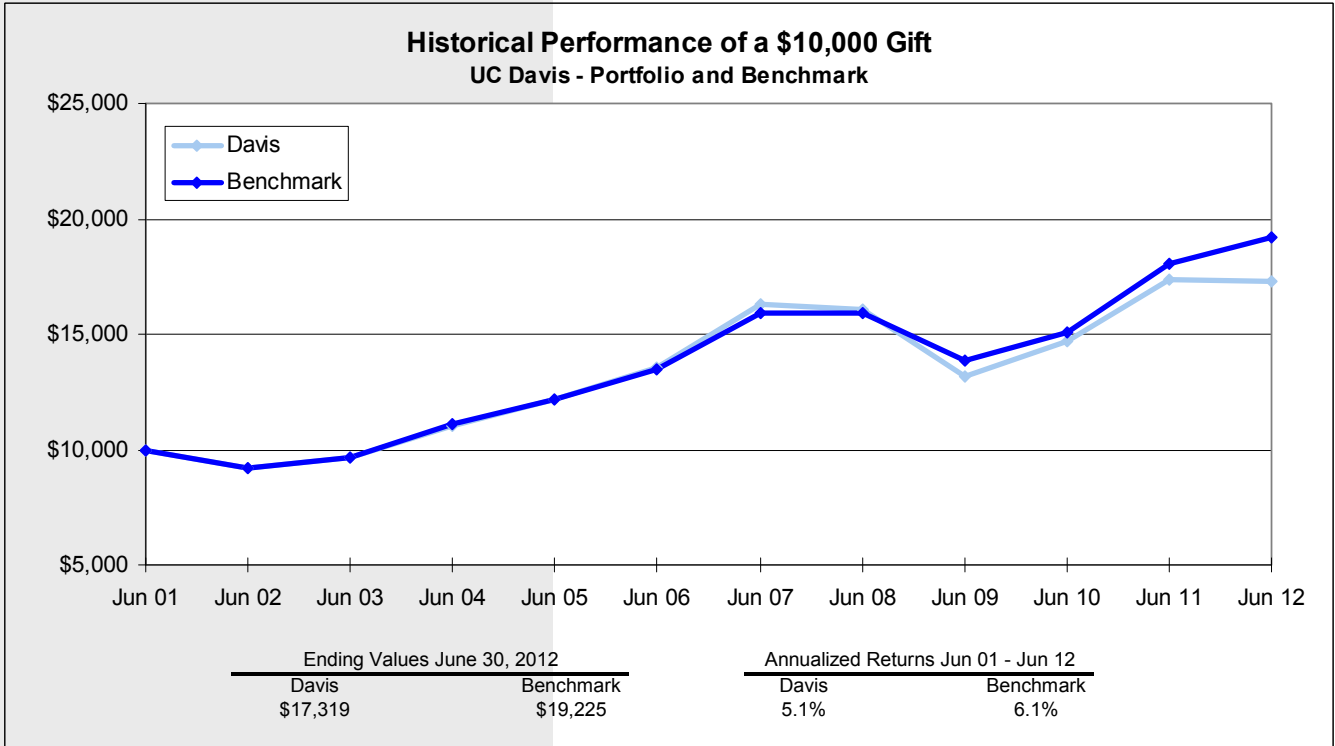
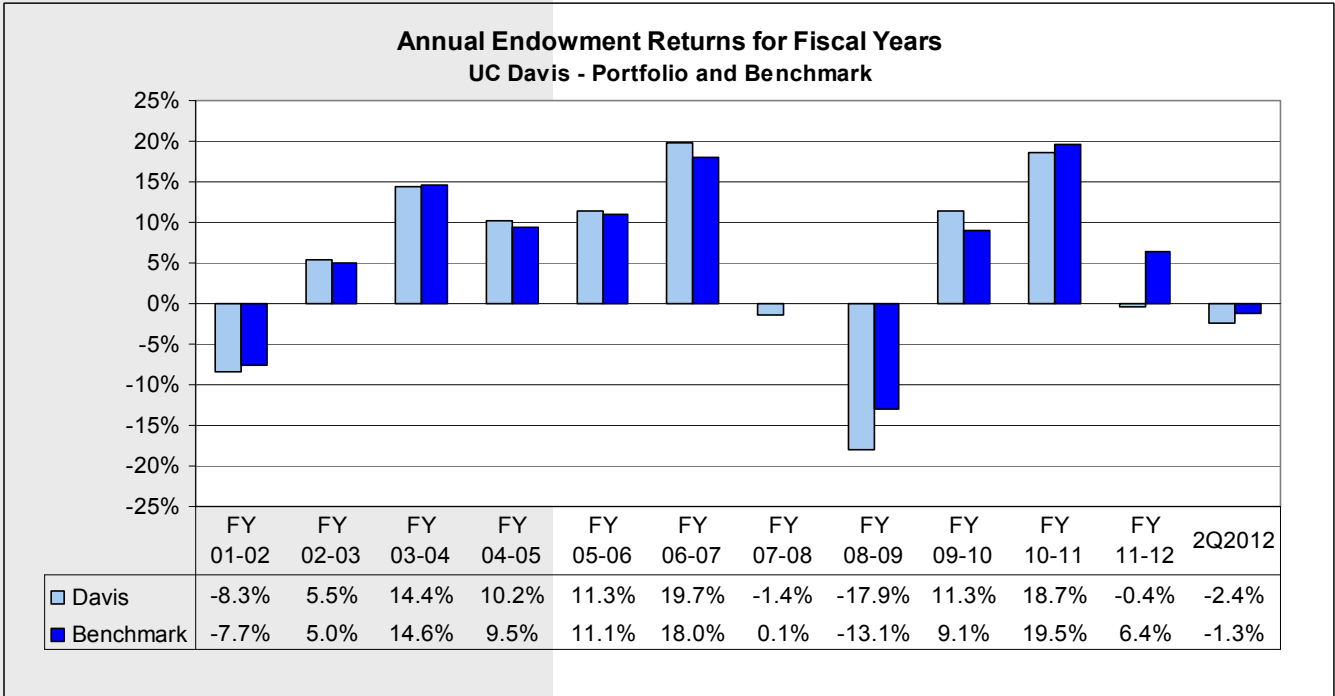
Asset Allocation

June 30, 2012

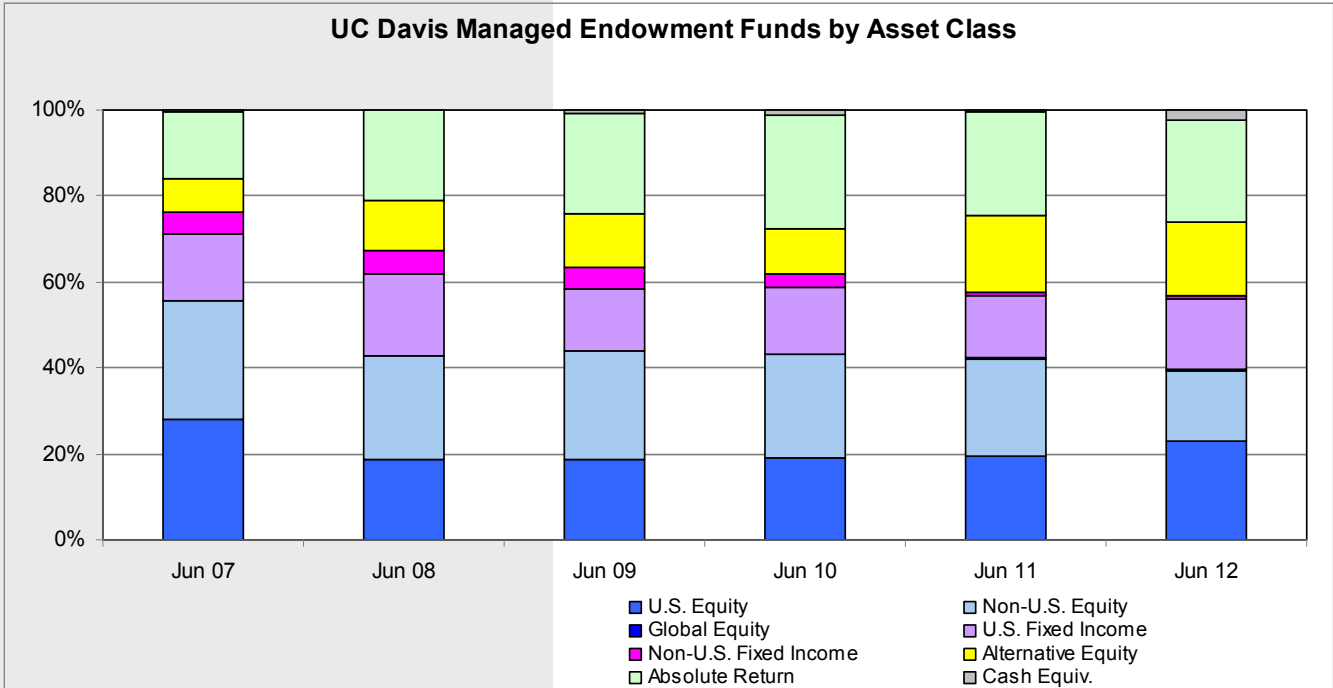
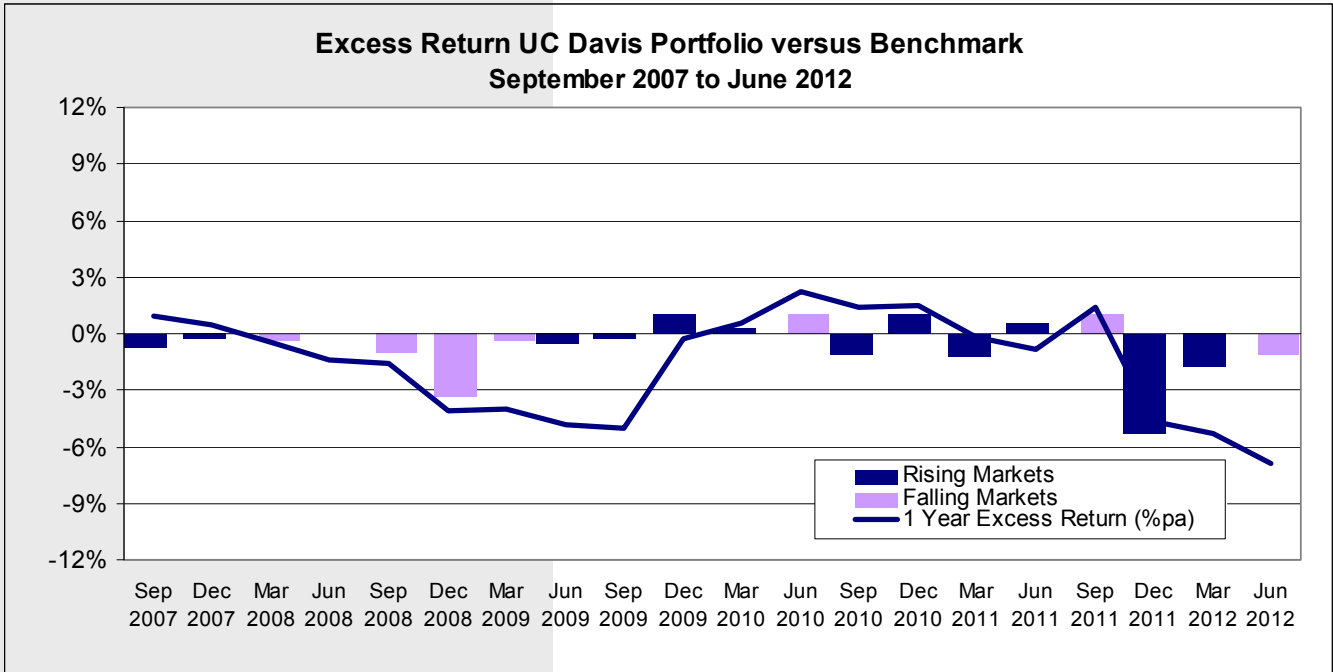
	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Core Endowment	\$97	47.6%	47.0%	0.6%	37.0%	57.0%	Yes
Risk Focus	\$39	19.2%	21.0%	-1.8%	15.0%	27.0%	Yes
Broad Mkt Exposure	\$37	18.0%	19.0%	-1.0%	7.0%	31.0%	Yes
L/T US Eq Growth	\$16	7.9%	6.5%	1.4%	3.0%	10.0%	Yes
L/T non-US Growth	\$15	7.3%	6.5%	0.8%	3.0%	10.0%	Yes
Total Assets	\$204	100.0%	100.0%				

As of January 1, 2011, UCD implemented a new Investment Policy moving to a multi-asset class portfolio approach. Prior to January 1, 2011, UCD was invested 100% in GEP. The policy targets and ranges are reported on the level of the employed asset categories.

UC DAVIS FOUNDATION



UC DAVIS FOUNDATION



UC DAVIS FOUNDATION

University of California, Davis Foundation Portfolio									
June 30, 2012									
		Total Return				Annualized Total Return			
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCD Foundation Aggregate	\$204,130,648	100%	-2.38%	-0.43%	4.48%	-0.43%	9.56%	1.27%	6.56%
Policy Benchmark ¹⁾			-1.26%	6.44%	7.43%	6.44%	11.54%	3.83%	7.61%
Variance to Benchmark			-1.12%	-6.87%	-2.95%	-6.87%	-1.98%	-2.56%	-1.05%
U.S. Equity	\$47,008,367	23%							
Benchmark									
Variance to Benchmark									
Non-U.S. Developed Equity	\$26,906,743	13%							
Benchmark									
Variance to Benchmark									
Global Equity	\$619,884	0%							
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$6,379,990	3%							
Benchmark									
Variance to Benchmark									
Core Fixed Income	\$16,128,881	8%							
Benchmark									
Variance to Benchmark									
TIPS	\$2,593,331	1%							
Benchmark									
Variance to Benchmark									
High Yield Debt	\$2,497,405	1%							
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	\$1,579,590	1%							
Benchmark									
Variance to Benchmark									
Private Equity	\$16,634,638	8%							
Benchmark									
Variance to Benchmark									
Abs. Ret./Mktable Alts./Hedge Fds.	\$48,570,991	24%							
Benchmark									
Variance to Benchmark									
Commodities/Natural Res./Energy	\$7,891,305	4%							
Benchmark									
Variance to Benchmark									
Opportunistic Distressed Credit	\$12,548,887	6%							
Benchmark									
Variance to Benchmark									
Real Estate	\$9,861,061	5%							
Benchmark									
Variance to Benchmark									
Liquidity Accounts	\$4,909,575	2%							
Benchmark									
Variance to Benchmark									

Note:

Returns are net of all fees

¹⁾ The UC Davis policy benchmark is a blend of the S&P 500 Index and Barclays Aggregate. The asset class benchmarks do not roll up into the policy benchmark.

UC DAVIS FOUNDATION

University of California, Davis Foundation Portfolio									
June 30, 2012									
			Total Return				Annualized Total Return		
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCD Foundation Aggregate	\$204,130,648	100%	-2.38%	-0.43%	4.48%	-0.43%	9.56%	1.27%	6.56%
UCD TOTAL POLICY BENCHMARK			-1.26%	6.44%	7.43%	6.44%	11.54%	3.83%	7.61%
Variance to Benchmark			-1.12%	-6.87%	-2.95%	-6.87%	-1.98%	-2.56%	-1.05%
Core Endowment	\$97,103,269	48%	-1.70%	1.60%	4.34%	1.60%			
70% S&P 500/30% BC Agg			-1.26%	6.44%	7.43%	6.44%			
Variance to Benchmark			-0.44%	-4.84%	-3.09%	-4.84%			
Risk Focus	\$39,221,509	19%	-2.38%	-1.89%	2.84%	-1.89%			
60% S&P 500/40% BC Agg			-0.77%	6.70%	6.73%	6.70%			
Variance to Benchmark			-1.61%	-8.59%	-3.89%	-8.59%			
Broad Market Exposure¹⁾	\$36,657,574	18%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%
BLENDED Benchmark			-1.26%	6.44%	7.43%	6.44%	11.54%	3.83%	6.53%
Variance to Benchmark			-0.57%	-7.11%	-2.16%	-7.11%	-1.60%	-2.45%	+0.14%
L/T US Eq Growth	\$16,196,505	8%	-3.24%	3.73%	9.29%	3.73%			
RUSSELL 3000			-3.15%	3.84%	9.32%	3.84%			
Variance to Benchmark			-0.09%	-0.11%	-0.03%	-0.11%			
L/T non-US Growth	\$14,951,791	7%	-7.06%	-14.14%	2.66%	-14.14%			
MSCI WORLD EX US (NET)			-7.20%	-14.13%	2.43%	-14.13%			
Variance to Benchmark			+0.14%	-0.01%	+0.23%	-0.01%			

Note:

Returns are net of all fees.

¹⁾ The 10-Year return reflects the actual GEP unitized return as reported by the UC Regents.

UNIVERSITY OF CALIFORNIA, IRVINE FOUNDATION

Endowment Investment Objective

The Irvine Foundation's investment objective for its endowment portfolio is to maximize long-term total return, with a total return objective (net of fees), measured over a full market cycle, of not less than the rate of inflation as measured by the CPI, plus 500 basis points. Ideally, total return should exceed market performance. The investment policy is 22% US Equity, 22% Non-US Equity, 20% Hedge Funds, 15% Fixed Income, 8% Private Equity and Venture Capital, 8% Real Estate, 5% Commodities, and 0% Cash.

Endowment Spending Policy

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

Policy for Gift Fees and Administrative Expenses

The Irvine Campus charges a one-time fee of 5% of the initial value of all Foundation and Regents' gifts. The fee may be taken

- (1) from the principal if specified by the donors
- (2) by holding gift in a suspense account until fee is earned, or
- (3) from another acceptable fund source.

There is also a recurring charge of 0.5% of the market value of Foundation endowment funds used to offset the operating costs of managing the endowment for the Foundation.

All interest earned on the balances of current use private gifts and private grants is credited to the Chancellor's Discretionary Fund and used to support ongoing fundraising efforts at UC Irvine.

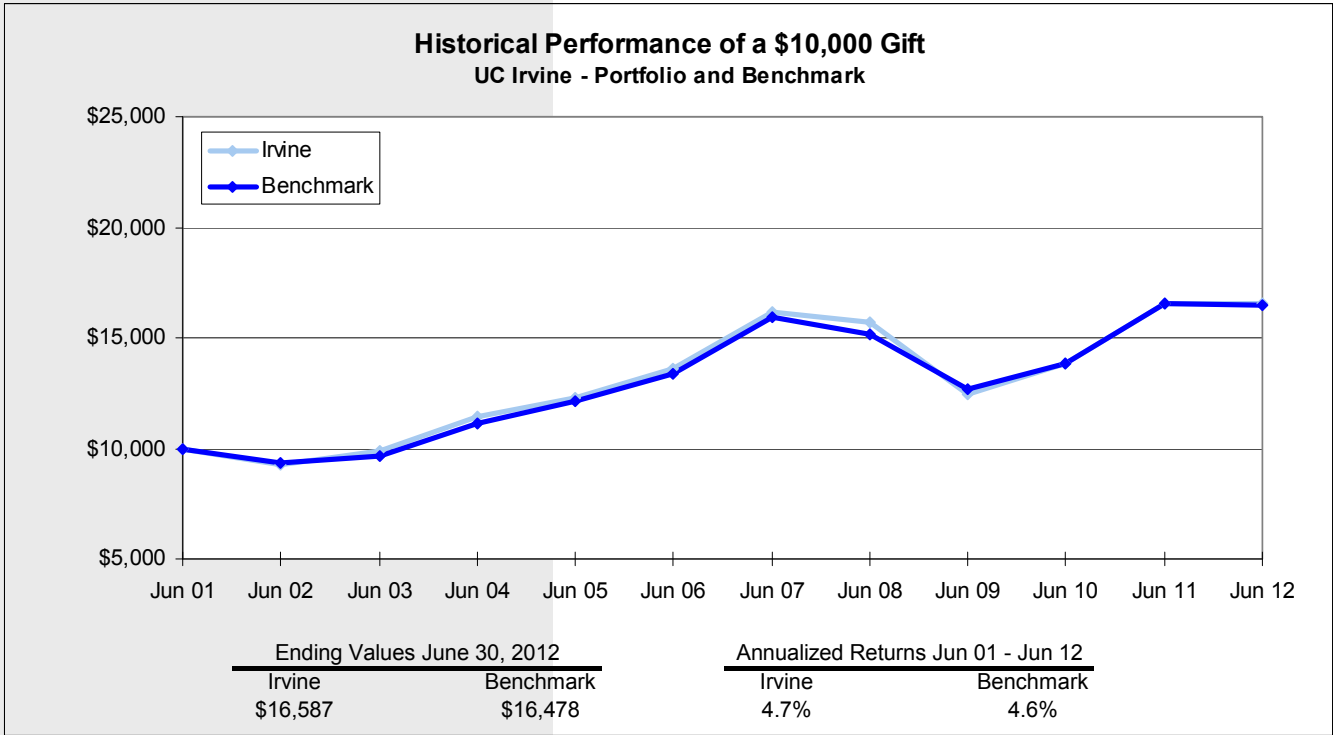
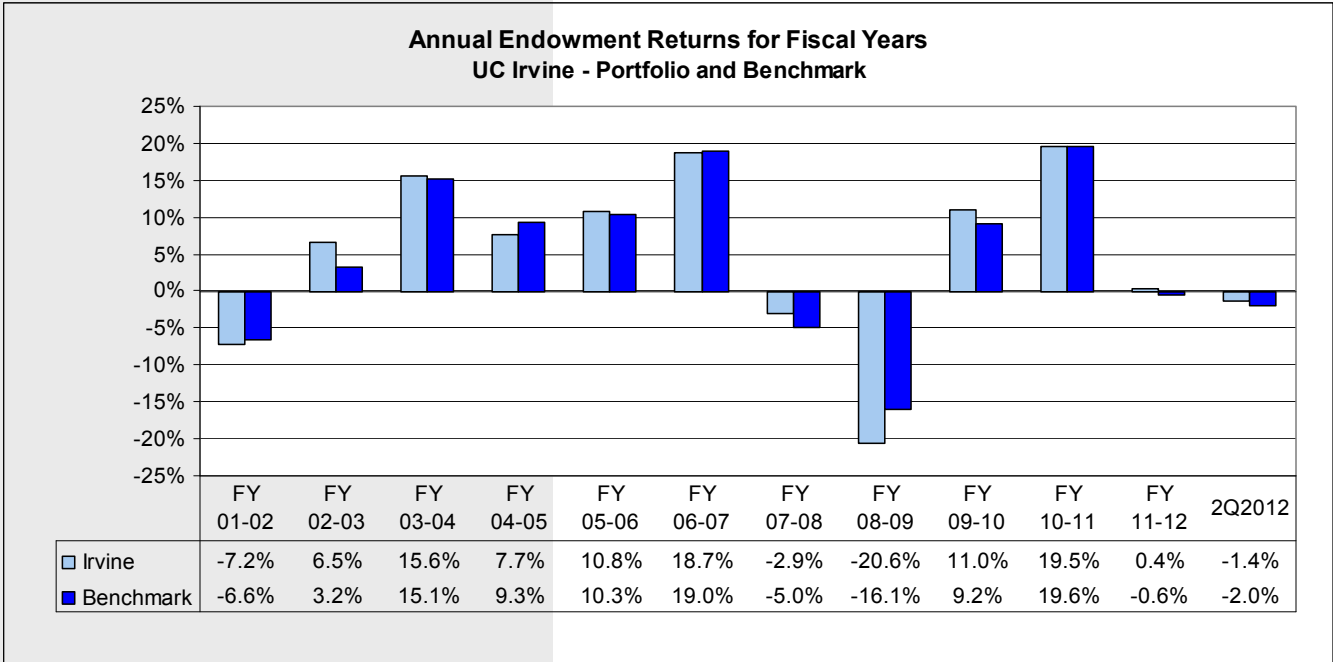
University of California, Irvine Foundation Portfolio

Asset Allocation

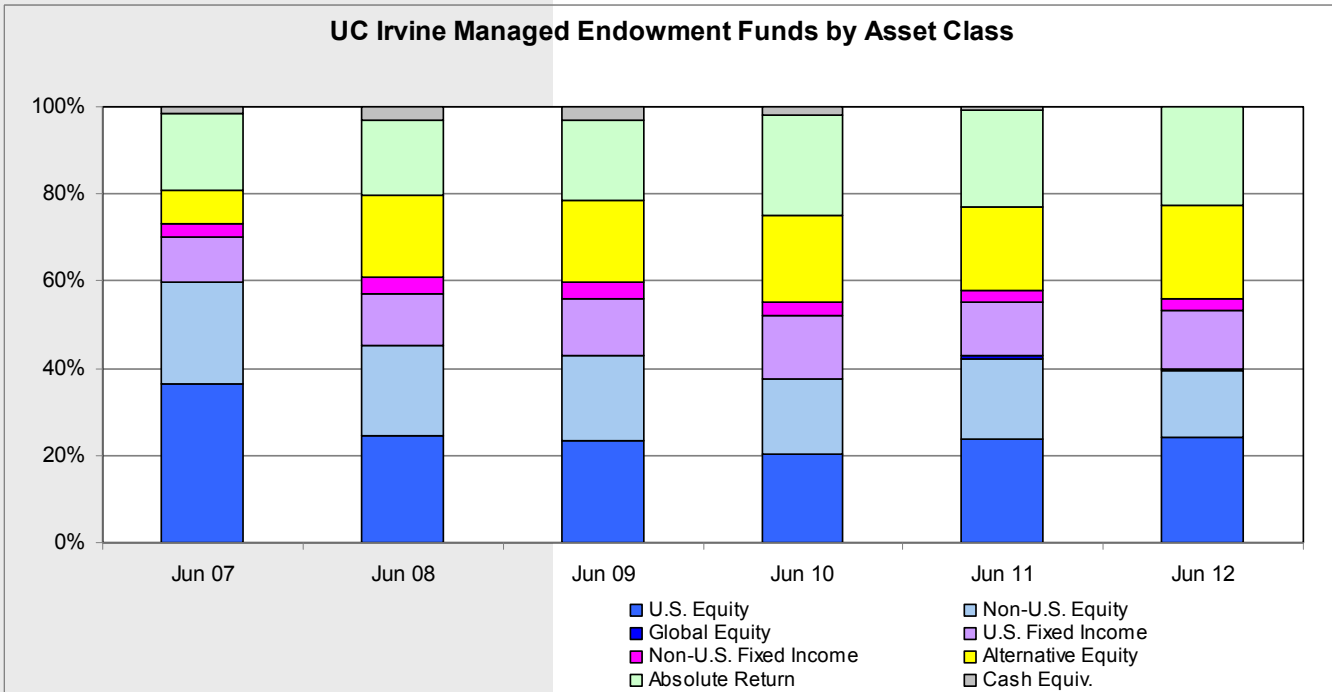
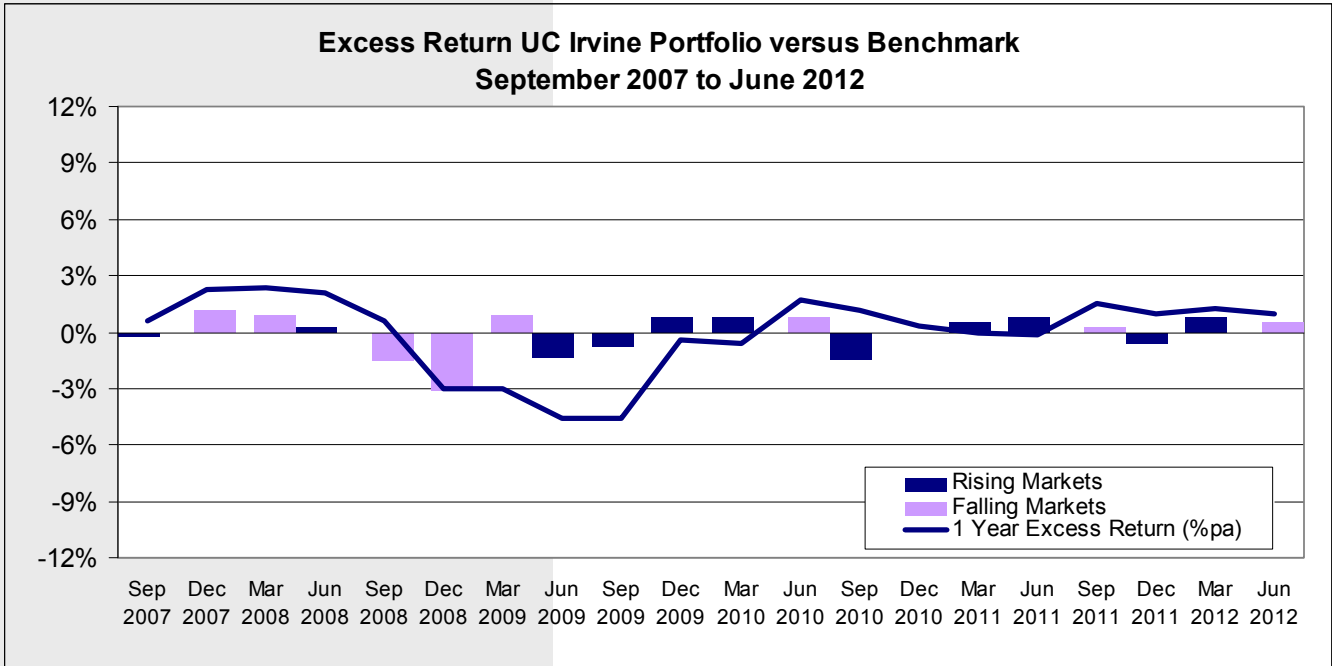
June 30, 2012

	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$93	40%	44%	-4%	32%	52%	Yes
Public Fixed Income	\$37	16%	15%	1%	10%	20%	Yes
All Alternative Inv.	\$103	44%	41%	3%	21%	61%	Yes
Liquidity Portfolio	\$0	0%	0%	0%	0%	2%	Yes
Total Assets	\$234	100%	100%				

UNIVERSITY OF CALIFORNIA, IRVINE FOUNDATION



UNIVERSITY OF CALIFORNIA, IRVINE FOUNDATION



UNIVERSITY OF CALIFORNIA, IRVINE FOUNDATION

University of California, Irvine Foundation Portfolio									
June 30, 2012									
			Total Return				Annualized Total Return		
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCI Foundation Aggregate	\$233,935,428	100%	-1.44%	0.36%	5.79%	0.36%	9.99%	0.50%	5.98%
Policy Benchmark			-1.99%	-0.58%	4.46%	-0.58%	9.09%	0.70%	5.85%
Variance to Policy Benchmark			+0.55%	+0.94%	+1.33%	+0.94%	+0.90%	-0.20%	+0.13%
U.S. Equity	\$42,812,047	18%	-5.19%	-0.31%	7.26%	-0.31%	14.72%	-0.83%	
RUSSELL 3000			-3.15%	3.84%	9.32%	3.84%	16.73%	0.39%	
Variance to Benchmark			-2.04%	-4.15%	-2.06%	-4.15%	-2.01%	-1.22%	
Non-U.S. Developed Equity	\$15,759,457	7%	-6.67%	-9.97%	5.24%	-9.97%	6.73%	-5.57%	
MSCI AC WORLD ex US (NET)			-7.61%	-14.57%	2.77%	-14.57%	6.97%	-4.62%	
Variance to Benchmark			+0.94%	+4.60%	+2.47%	+4.60%	-0.24%	-0.95%	
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$4,469,785	2%	-7.71%	-10.70%	8.27%	-10.70%			
MSCI EMERGING MARKETS-NET (EUR)			-4.39%	-3.98%	6.32%	-3.98%			
Variance to Benchmark			-3.32%	-6.72%	+1.95%	-6.72%			
Core Fixed Income	\$17,956,166	8%	2.32%	6.57%	5.05%	6.57%	7.89%	8.09%	
Barclays Aggregate Bond			2.06%	7.47%	2.37%	7.47%	6.93%	6.79%	
Variance to Benchmark			+0.26%	-0.90%	+2.68%	-0.90%	+0.96%	+1.30%	
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	\$4,722,416	2%	1.67%	5.68%	8.31%	5.68%	16.91%	7.76%	
BofAML HYCP BB/B			2.03%	7.19%	6.54%	7.19%	14.40%	7.56%	
Variance to Benchmark			-0.36%	-1.51%	+1.77%	-1.51%	+2.51%	+0.20%	
Non-U.S./Global Fixed - Dev. Mkt.	\$2,953,311	1%	0.61%	-0.45%	0.69%	-0.45%	6.50%	7.94%	
CITIGROUP NON-US WGBI			0.20%	0.44%	-0.02%	0.44%	5.13%	7.39%	
Variance to Benchmark			+0.41%	-0.89%	+0.71%	-0.89%	+1.37%	+0.55%	
Emerging Market Debt	\$1,227,610	1%	-1.08%	-0.04%	6.95%	-0.04%			
JP Morgan GBI-EM (GD Composite)			-1.21%	-1.69%	6.99%	-1.69%			
Variance to Benchmark			+0.13%	+1.65%	-0.04%	+1.65%			
Private Equity	\$16,601,000	7%	5.68%	14.50%	10.26%	14.50%	19.18%	7.04%	
UCIF- PRIVATE EQUITIES			5.68%	14.50%	10.26%	14.50%	19.18%	3.43%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+3.61%	
Abs. Ret./Mktable Alts./Hedge Fds.	\$18,165,824	8%	-0.22%	-0.49%	2.46%	-0.49%	8.98%	0.96%	
HFRI Fund of Funds Composite Index			-2.30%	-4.50%	0.99%	-4.50%	2.17%	-2.04%	
Variance to Benchmark			+2.08%	+4.01%	+1.47%	+4.01%	+6.81%	+3.00%	
Commodities/Natural Res./Energy	\$6,816,569	3%	0.92%	-3.97%	6.16%	-3.97%	4.49%		
Dow Jones-UBS Commodity Index TR			-4.55%	-14.32%	-3.70%	-14.32%	3.49%		
Variance to Benchmark			+5.47%	+10.35%	+9.86%	+10.35%	+1.00%		
Real Estate	\$9,492,491	4%	2.96%	10.67%	6.48%	10.67%	3.96%	-3.63%	
NCREIF PROPERTY INDEX			2.68%	12.04%	5.34%	12.04%	8.82%	2.51%	
Variance to Benchmark			+0.28%	-1.37%	+1.14%	-1.37%	-4.86%	-6.14%	
Liquidity Accounts	N/A								
Benchmark									
Variance to Benchmark									
UC Regents Mgd Funds									
Regents GEP ¹⁾	\$73,114,411	31%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%
Regents STIP ¹⁾	\$200,012	0%	0.57%	2.38%	1.15%	2.38%	2.53%	3.17%	3.59%
Regents Absolute Return	\$14,388,796	6%	-1.09%	-2.81%	3.03%	-2.81%	6.55%	1.56%	
Regents Vintage Private Equity	\$5,255,533	2%	4.37%	8.31%	8.41%	8.31%	17.08%	8.35%	

Notes:

Returns are net of all fees.

Prior to July 1, 2007, Core Fixed Income included Common fund Multi-Strategy and Absolute Return.

Private asset valuations are typically lagged between 60 and 90 days.

¹⁾ The 10-Year return reflects the actual GEP/STIP unitized return as reported by the UC Regents.

THE UCLA FOUNDATION

Endowment Investment Objective

The Foundation's investment objective is to maximize long-term total returns consistent with prudent levels of risk. Investment returns are expected to preserve or enhance the real value of the endowment to provide adequate funds to sufficiently support designated University activities. The endowment's portfolio is expected to generate a total annualized rate of return, net of fees and spending, greater than the rate of inflation over a rolling five-year period. The investment policy consists of: 13% U.S. Equity, 14% Non-U.S. Equity, 8% Real Estate, 27% Marketable Alternative Investments, 15% Non-marketable Alternative Investments, 12% Natural Resources and 11% Fixed Income.

Endowment Spending Policy

The UCLA Foundation Endowment Pool made available for expenditure by fund holders an amount equal to 5.3% of a rolling 36-month average market value in fiscal year 2012, calculated monthly. The spending policy for fiscal 2013 is 5.25% of a rolling 36-month average market value, calculated monthly.

Policy for Gift Fees and Administrative Expenses

The UCLA Foundation charges a one-time fee of 6.5% of the initial value of all gifts. Recurring fees include 100% of all short-term interest on campus current fund balances, with some exceptions and annual endowment cost recovery fee of 0.5% of the fair market value, calculated monthly from July 1, 2011 to December 31, 2011. The endowment cost recovery rate was changed to 0.65% effective January 1, 2012.

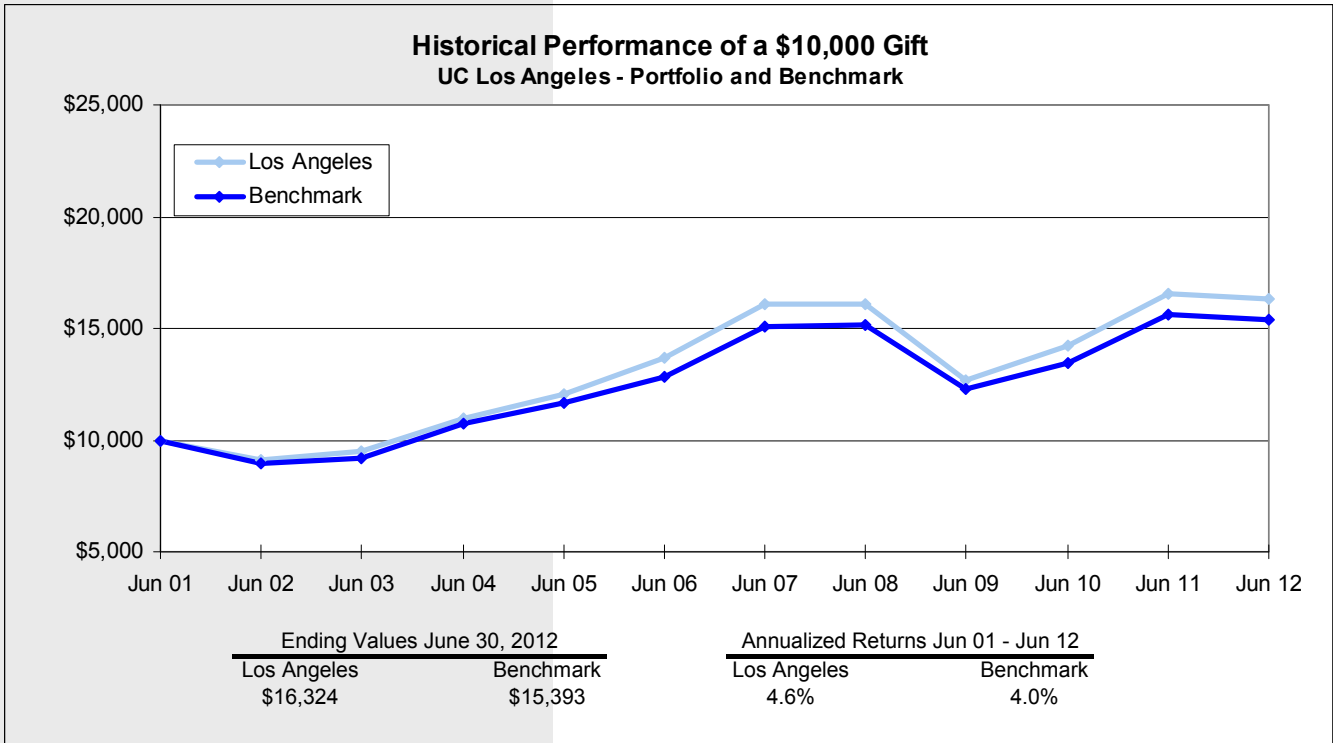
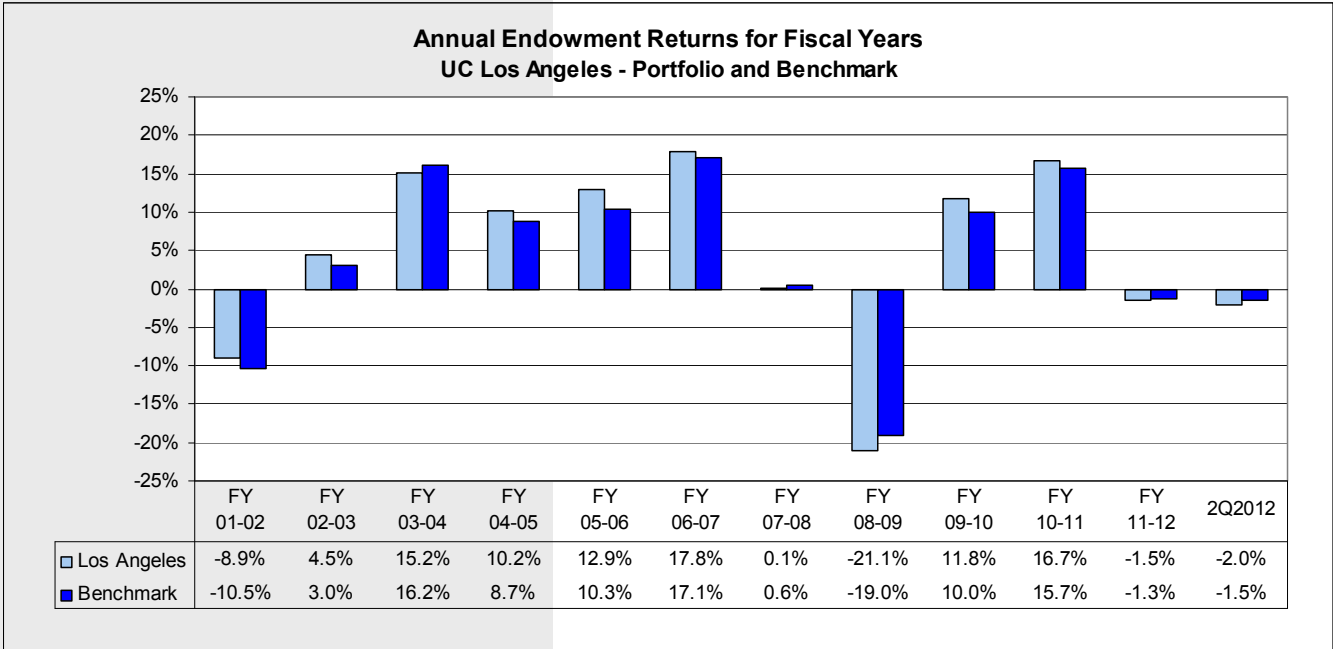
University of California, Los Angeles Foundation Portfolio Asset Allocation June 30, 2012

	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$401	29%	27%	2%	15%	41%	Yes
Public Fixed Income	\$172	12%	11%	1%	9%	21%	Yes
All Alternative Inv.	\$812	59%	62%	-3%	33%	88%	Yes
Liquidity Portfolio	(\$3)	0%	0%	0%	0%	0%	-0.2%
Total Assets	\$1,382	100%	100%				

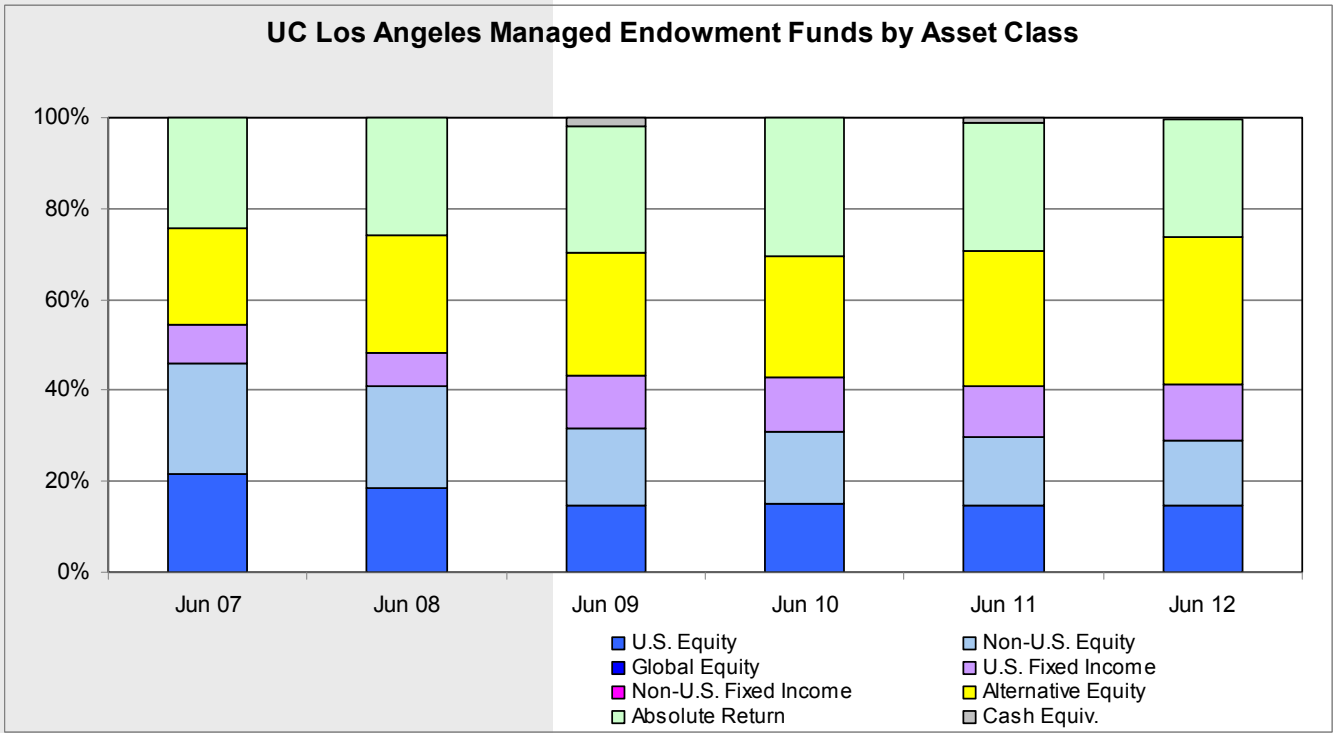
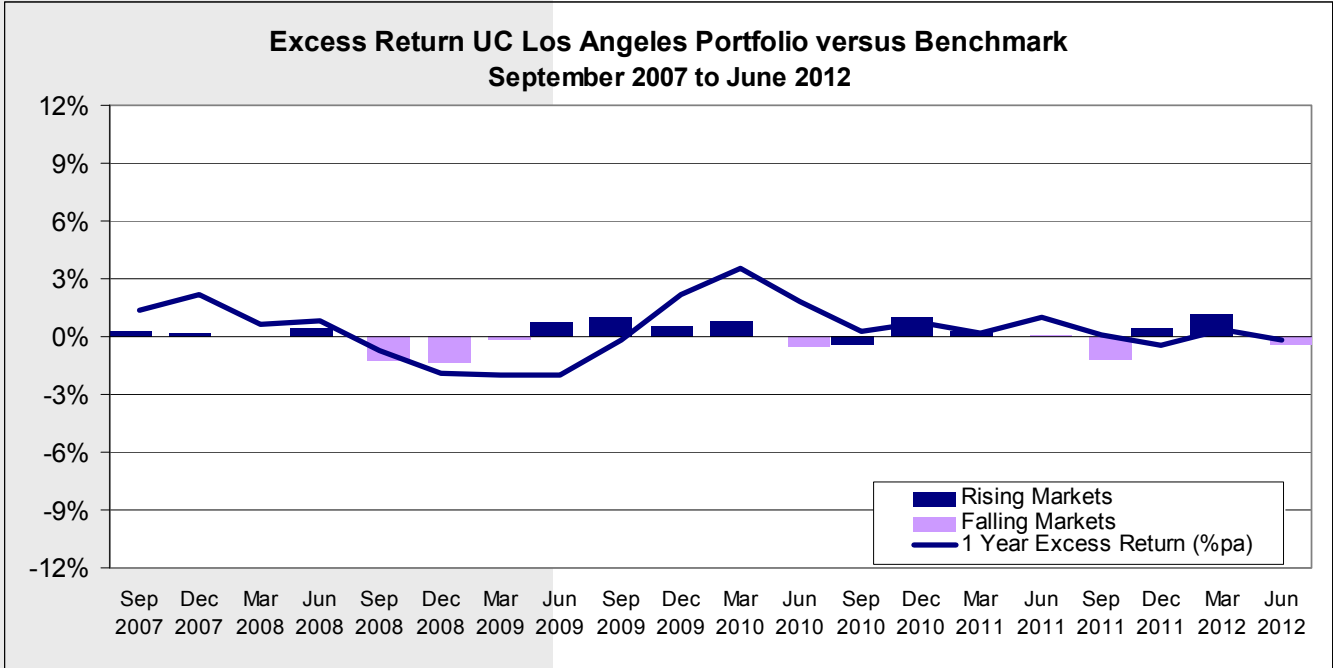
The calculation of the UCLA Foundation Policy Benchmark reflects actual weights which deviate from their long-term target weights. The asset class weights utilized in the calculation of the benchmark for quarter-end are as follows: 29.2% Public Equities, 12.2% Public Fixed Income and 58.6% Alternative Investments.

UCLA's policy has a target of 0% to cash and has no delimitative range.

THE UCLA FOUNDATION



THE UCLA FOUNDATION



THE UCLA FOUNDATION

University of California, Los Angeles Foundation Portfolio									
June 30, 2012									
		Total Return				Annualized Total Return			
Core Endowment Model	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
Risk Focus									
UCLA Foundation Aggregate	\$1,382,381,360	100%	-1.99%	-1.50%	4.32%	-1.50%	8.73%	0.31%	6.01%
Policy Benchmark			-1.55%	-1.32%	3.62%	-1.32%	7.90%	0.18%	5.49%
Variance to Policy Benchmark			-0.44%	-0.18%	+0.70%	-0.18%	+0.83%	+0.13%	+0.52%
U.S. Equity	\$202,871,348	15%	-1.45%	5.54%	11.01%	5.54%	21.00%	3.27%	
RUSSELL 3000			-3.15%	3.84%	9.32%	3.84%	16.73%	0.39%	
Variance to Benchmark			+1.70%	+1.70%	+1.69%	+1.70%	+4.27%	+2.88%	
Non-U.S. Developed Equity	\$83,443,074	6%	-5.91%	-15.12%	6.26%	-15.12%	7.21%	-4.80%	
MSCI AC WORLD ex US (NET)			-7.61%	-14.57%	2.77%	-14.57%	6.97%	-4.62%	
Variance to Benchmark			+1.70%	-0.55%	+3.49%	-0.55%	+0.24%	-0.18%	
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$112,880,455	8%	-9.18%	-18.13%	4.22%	-18.13%	9.96%	-0.07%	
MSCI AC WORLD ex US (NET)			-7.61%	-14.57%	2.77%	-14.57%	6.97%	-4.62%	
Variance to Benchmark			-1.57%	-3.56%	+1.45%	-3.56%	+2.99%	+4.55%	
Core Fixed Income	\$171,481,550	12%	1.45%	6.47%	5.08%	6.47%	8.01%	7.91%	
Barclays Aggregate Bond			2.06%	7.47%	2.37%	7.47%	6.93%	6.79%	
Variance to Benchmark			-0.61%	-1.00%	+2.71%	-1.00%	+1.08%	+1.12%	
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity ¹⁾	\$208,501,063	15%	4.04%	6.67%	6.41%	6.67%	12.10%	3.41%	
TOTAL NON-MARKETABLE ACTUAL RETURN			4.04%	6.67%	6.41%	6.67%	12.10%	3.41%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	
Abs. Ret./Mktable Alts./Hedge Fds. ²⁾	\$361,155,116	26%	-3.30%	-4.23%	1.17%	-4.23%	2.38%	-0.79%	
HFRX ABSOLUTE MKT BLENDED INDEX			-2.33%	-9.32%	-0.49%	-9.32%	-0.61%	-3.61%	
Variance to Benchmark			-0.97%	+5.09%	+1.66%	+5.09%	+2.99%	+2.82%	
Commodities/Natural Res./Energy	\$122,427,259	9%	-5.78%	-8.08%	-0.96%	-8.08%	5.55%	3.07%	
TOTAL INFLATION HEDGE ACTUAL RETURN			-5.78%	-8.08%	-0.96%	-8.08%	5.55%	3.07%	
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	+0.00%	
Real Estate ³⁾	\$118,637,441	9%	2.44%	9.50%	5.72%	9.50%	4.32%	-6.00%	
REAL ESTATE COMPOSITE BENCHMARK			2.49%	11.41%	5.76%	11.41%	6.60%	1.25%	
Variance to Benchmark			-0.05%	-1.91%	-0.04%	-1.91%	-2.28%	-7.25%	
Liquidity Accounts ⁴⁾	(\$2,781,952)	0%	-0.16%	-1.47%	0.01%	-1.47%			
LIPPER INSTL MONEY MARKET			0.04%	0.12%	0.07%	0.12%			
Variance to Benchmark			-0.20%	-1.59%	-0.06%	-1.59%			
Custody/Consultant Fees Account⁵⁾	(\$75,000)	0%							
UC Regents Mgd Funds									
Regents GEP ⁶⁾	\$3,841,005	0%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%
Regents Private Real Estate	\$6,971,542	1%	1.77%	14.05%	8.88%	14.05%	-25.71%		
Regents Vintage Private Equity	\$6,882,620	0%	4.50%	9.14%	8.25%	9.14%	14.71%	6.67%	

Notes:

Returns are net of all fees.

Private asset valuations typically lag between 60 and 90 days.

¹⁾ The 'Misc Assets' line item was moved from Liquidity to Private Equity for the period Q2 2009 and before. The Private Equity asset class performance and market value includes the Regents Vintage Private Equity which is also broken out separately under UC Regents Managed Funds to reflect those funds managed by the UC Regents.

²⁾ The HFRX Absolute Return Marketable Blended Index is a 50/50 blend of the HFRX Absolute Return Strategies Index and the HFRX Market Directional Index.

³⁾ The Real Estate asset class performance and market value includes the Regents Private Real Estate which is also broken out separately under UC Regents Managed Funds to reflect those funds managed by the UC Regents.

⁴⁾ State Street consistently uses an Internal Rate of Return (IRR) methodology to calculate monthly performance for all UC Foundation Endowments. IRR is an industry accepted approximation of a true Time Weighted Return (TWR), but can be significantly impacted by excessive cash flows (>10% of the fund). In the case of UCLA's Liquidity portfolio, there are several months where Net Cash Flows (NCF) exceeded the composite's assets by 100% and more. This significant flow activity is impacting the IRR of the composite and being reflected as a substantial negative return, not indicative of typical short-term performance. Due to a lack of daily valuation data, a TWR calculation is not possible.

The Liquidity composite had contained a fee paying account which was significantly impacting the composite's returns to the downside. To mitigate the impact of the fee account, it was removed from the Liquidity composite as of Q4 2011 and now rolls directly to the Total Plan. As a result, the sum of the asset class composites does not match the Total Plan market value by the amount of the fee paying account.

⁵⁾ This Fees account is not part of any of the strategies and it rolls directly to the Total Plan.

⁶⁾ The GEP is not broken out by investments; therefore, the sub asset class information is not shown above. Also, the 10-Year return reflects the actual GEP unitized return as reported by the UC Regents

UNIVERSITY OF CALIFORNIA, MERCED FOUNDATION

Endowment Investment Objective

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

Endowment Spending Policy

Long-term total return target spending rate of 4.75% of a 60-month (5-year) rolling average market value. A spending rate of 4.75% was adopted in May 2006.

Policy for Gift Fees and Administrative Expenses

The University expects that funds privately raised shall support the development activities of the Chancellor and his staff. Currently, the University policy to accomplish this principle is the following: Upon the receipt of all gifts to UCM or the UCM Foundation, a fee of 5% of the initial value of the gift shall be assessed and deposited in a Chancellor's Discretionary Fund and shall support the necessary operations for the development function within the Chancellor's campus administration. The fee may be taken

- (1) from the principal if specified by the donor
- (2) by holding the gift in a suspense account until fee is earned
- (3) from another acceptable fund source

Any waiver of the 5% fee shall be communicated in writing from the Chancellor to the Vice Chancellor for Administration. It is the responsibility of the Vice Chancellor for Advancement to establish an appropriate method for notifying donors to the University and the University Foundation of the fee assessment and its purposes. Additionally, all of the STIP income earned on endowment earnings held on campus and on current use gifts shall be deposited into a Chancellor's Discretionary Fund. There is also a recurring charge of 0.40% for endowment administration costs and it is taken from the annual endowment payout. The fee covers the costs of administering and carrying out the terms of the endowments.

University of California, Merced Foundation Portfolio

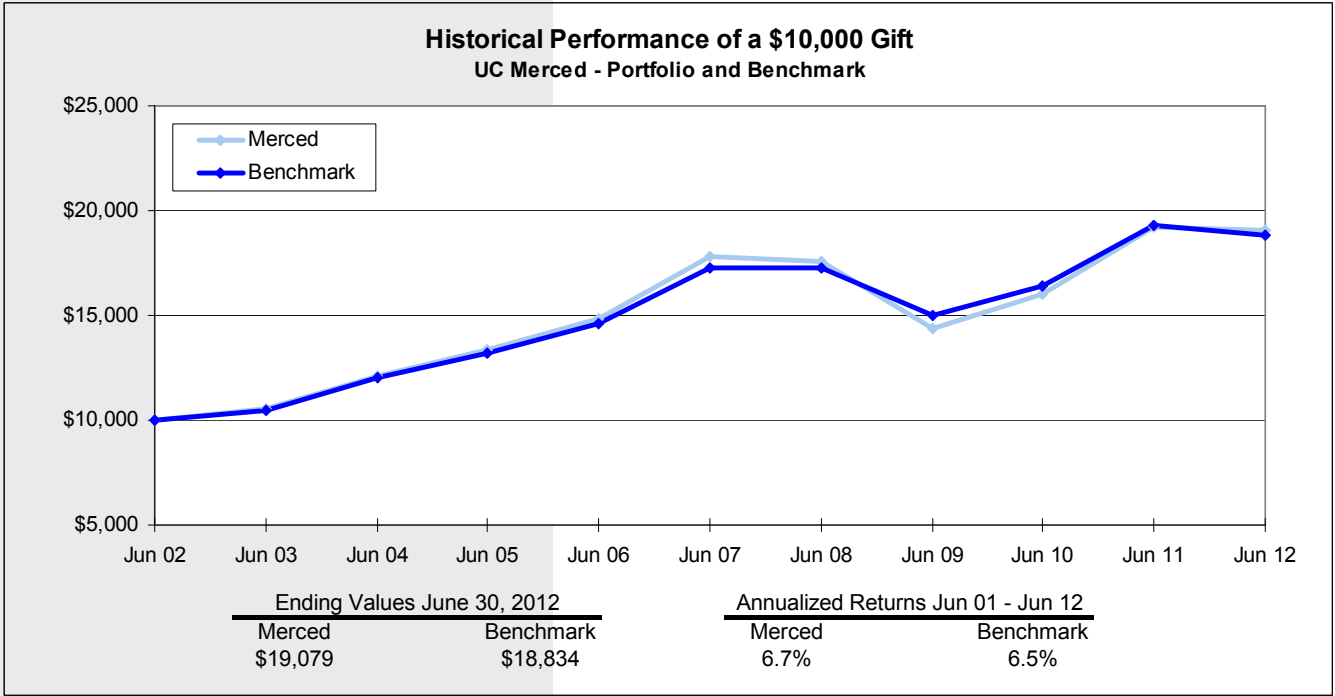
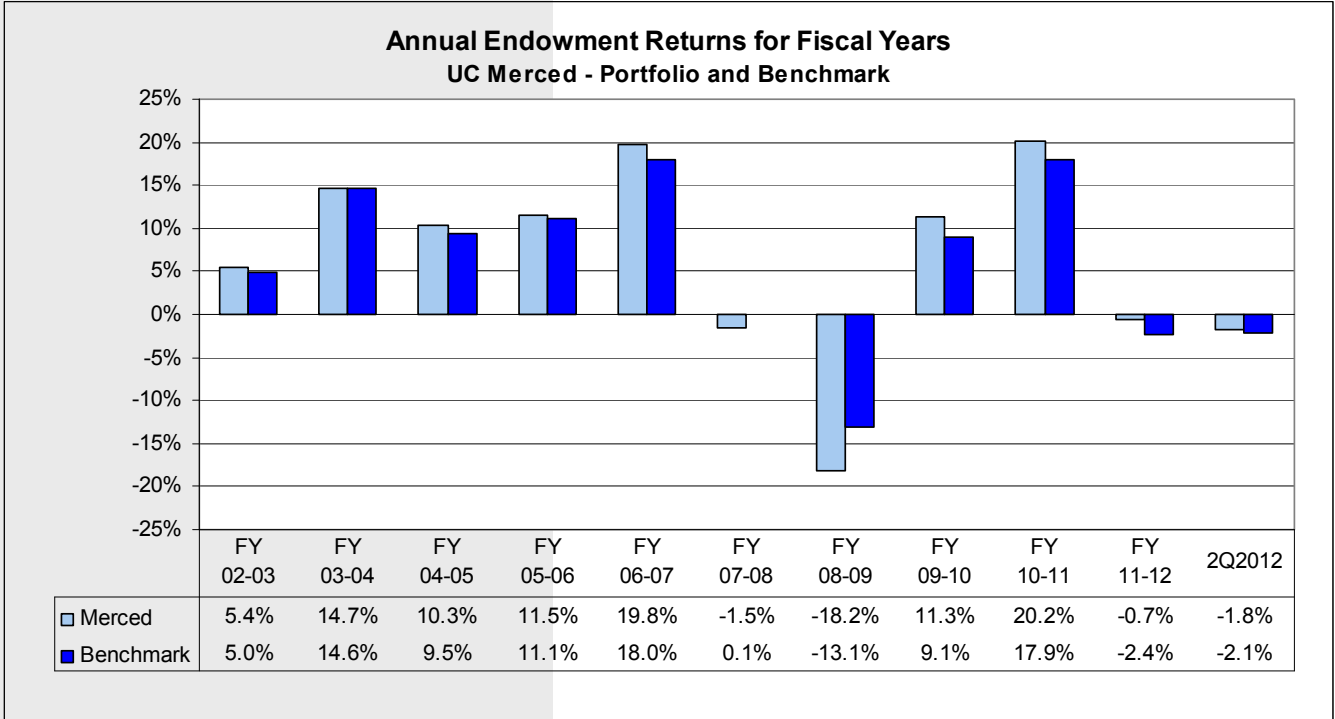
Asset Allocation

June 30, 2012

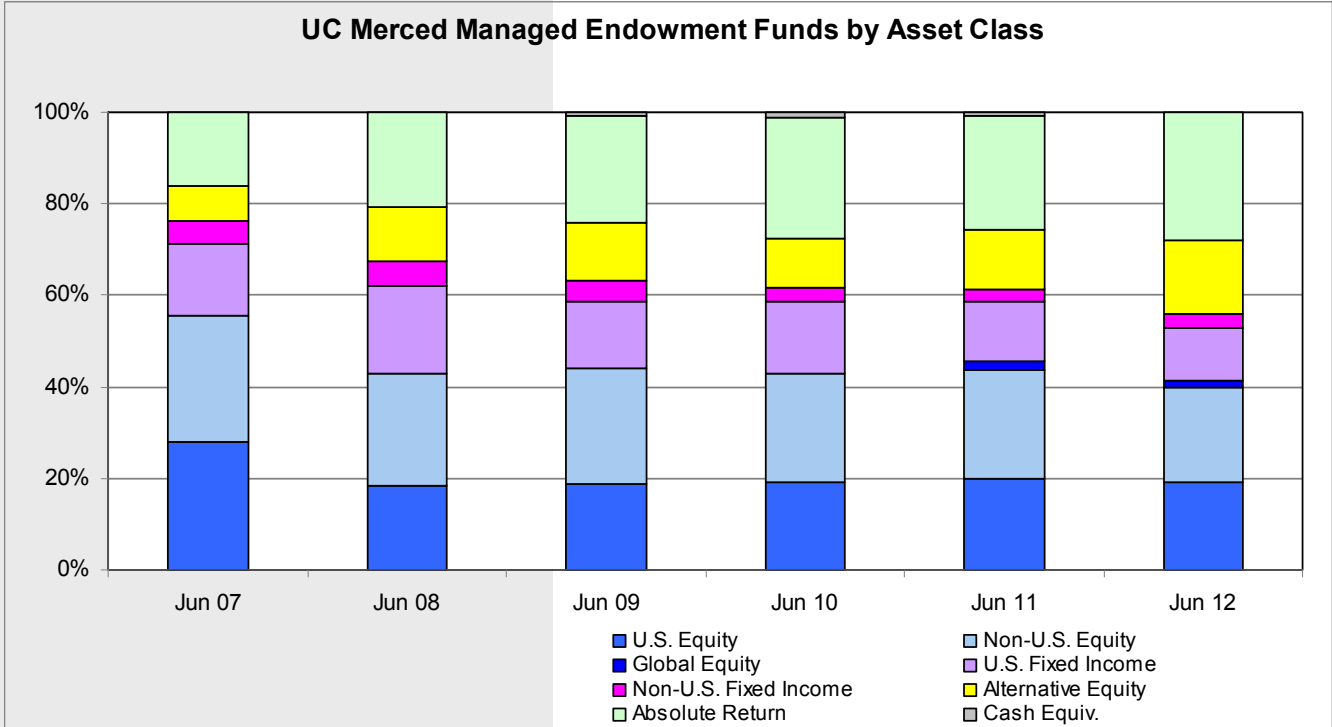
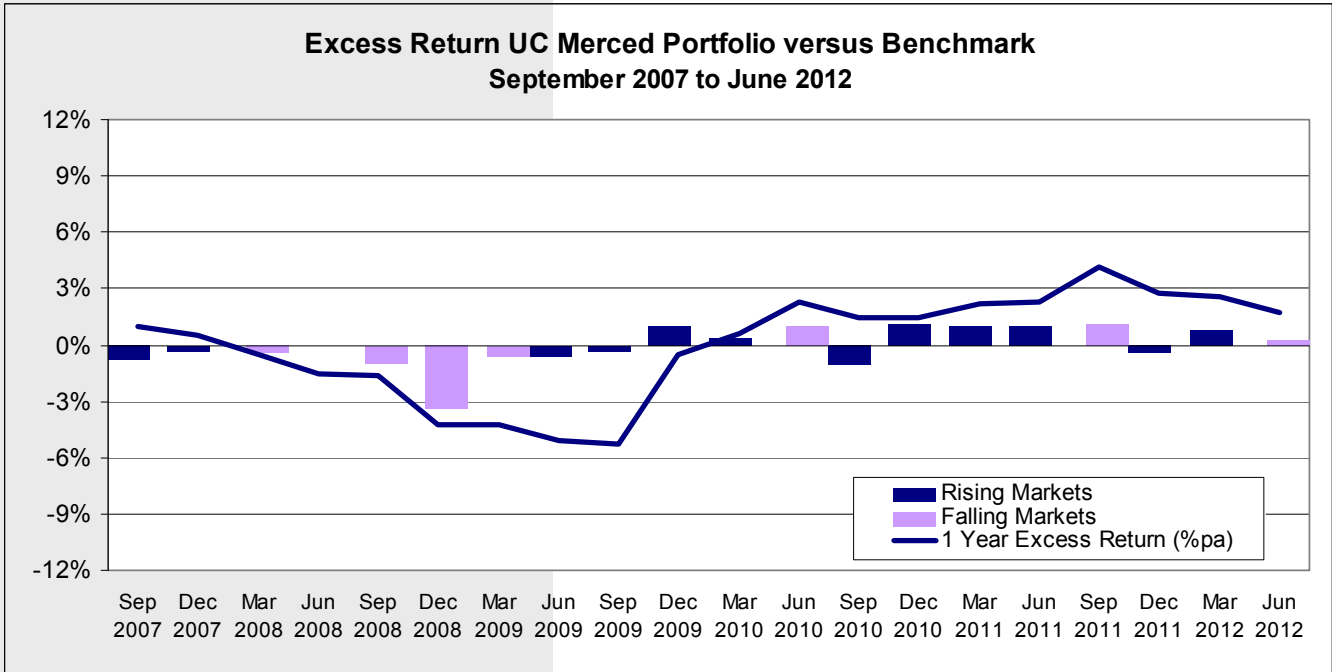
	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$2	42%	43%	-1%	36%	56%	Yes
Public Fixed Income	\$1	14%	16%	-1%	13%	23%	Yes
All Alternative Inv.	\$3	44%	42%	2%	27%	47%	Yes
Liquidity Portfolio	\$0	0%	0%	0%	0%	10%	Yes
Total Assets	\$6	100%	100%				

The UC Merced Foundation utilizes the GEP Policy Benchmark. Policy Benchmark Allocations shown are the GEP Current Policy Allocation.

UNIVERSITY OF CALIFORNIA, MERCED FOUNDATION



UNIVERSITY OF CALIFORNIA, MERCED FOUNDATION



UNIVERSITY OF CALIFORNIA, MERCED FOUNDATION

University of California, Merced Foundation Portfolio									
June 30, 2012									
		Total Return				Annualized Total Return			
Core Endowment Model	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
Risk Focus									
UCM Foundation Aggregate	\$5,771,797	100%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	
Policy Benchmark			-2.09%	-2.43%	4.25%	-2.43%	7.85%	1.76%	
Variance to Policy Benchmark			+0.26%	+1.76%	+1.02%	+1.76%	+2.09%	-0.38%	
U.S. Equity	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S. Developed Equity	N/A								
Benchmark									
Variance to Benchmark									
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	N/A								
Benchmark									
Variance to Benchmark									
Core Fixed Income	N/A								
Benchmark									
Variance to Benchmark									
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity	N/A								
Benchmark									
Variance to Benchmark									
Abs. Ret./Mktable Alts./Hedge Fds.	N/A								
Benchmark									
Variance to Benchmark									
Commodities/Natural Res./Energy	N/A								
Benchmark									
Variance to Benchmark									
Real Estate	N/A								
Benchmark									
Variance to Benchmark									
Liquidity Accounts	N/A								
Benchmark									
Variance to Benchmark									
UC Regents Mgd Funds									
Regents GEP ¹⁾	\$5,771,797	100%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%

Notes:

Returns are net of all fees

¹⁾The 10-Year return reflects the actual GEP unitized return as reported by the UC Regents.

UC RIVERSIDE FOUNDATION

Endowment Investment Objective

The investment objective of the endowment fund is to generate returns net of all fees that will support the spending objectives. To do this, the Foundation seeks to maximize the investment return within a level of risk deemed appropriate taking all these objectives into account. The spending objectives of the endowment fund are to pay out amounts that are relatively predictable and stable, sustainable in real terms (i.e., on an inflation-adjusted basis), and as large as possible. The amount paid out annually should approximate, as closely as practicable given the other objectives, the long-term expected real (i.e., inflation-adjusted) investment return.

Endowment Spending Policy

The endowment spending policy applicable to FYE 2012 was to pay out 4.25% of the average endowment fund market value calculated using the closing market values on the last day of the 72 contiguous months the last of which ended on the December 31 of such fiscal year.

Policy for Gift Fees and Administrative Expenses

A one-time Gift Service Fee of 5% is charged on all cash gifts received by the University based on the principal value of the gift. The fee is collected either from the initial interest/income earned by the gift, directly from the gift principal or the recipient of the gift may provide the fee from another acceptable fund source. An Administration Cost Recovery Fee is charged against all existing endowments and endowment-related gift funds at an annual rate of .50% (50 basis points) of the average rolling market value as calculated per the UCR Foundation spending policy. Campus collects 100% of short term ordinary income on campus and Foundation current fund balances. All proceeds from fees become a Chancellorial resource intended to help defray development and gift administration costs.

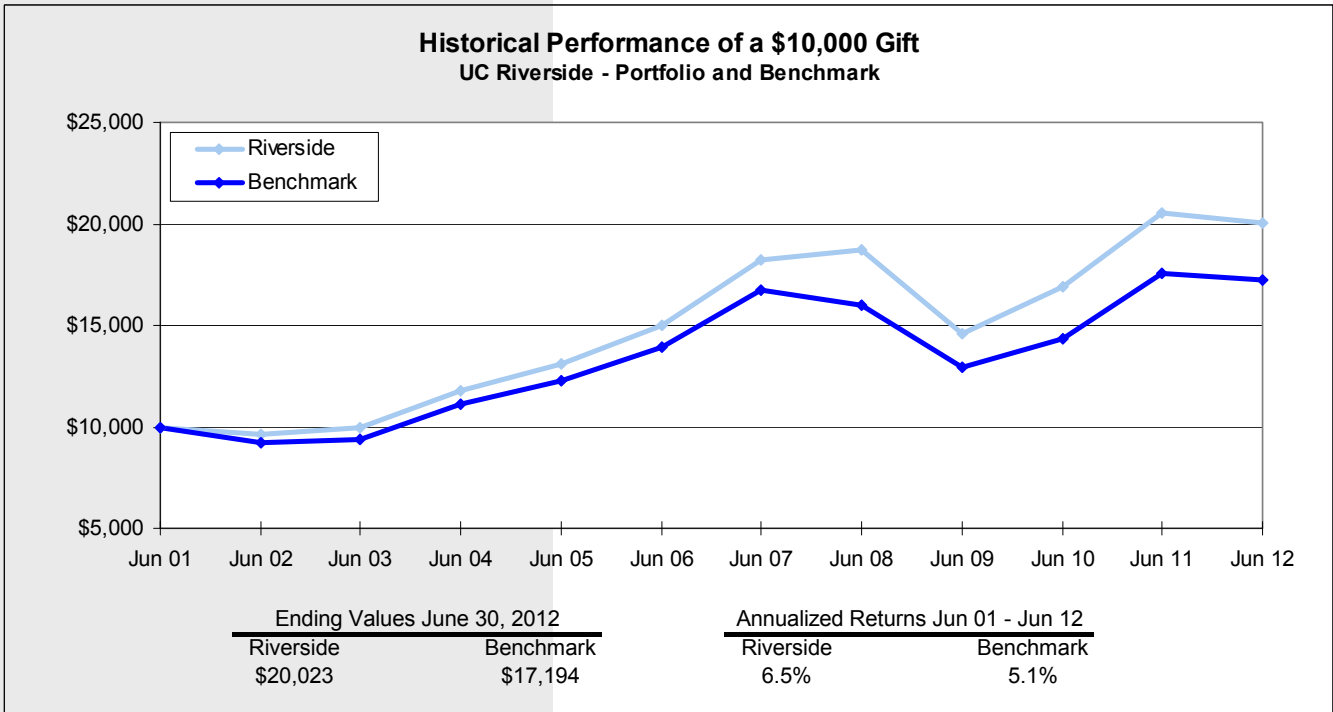
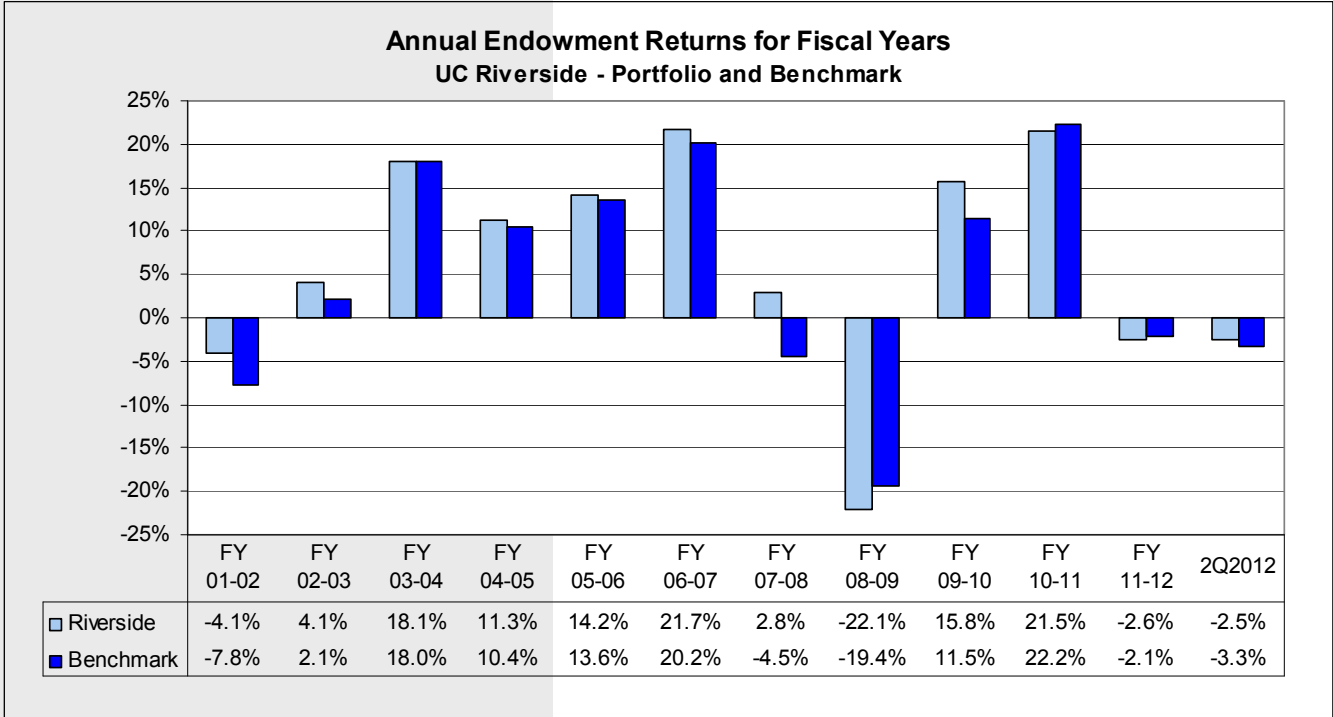
University of California, Riverside Foundation Portfolio							
Asset Allocation							
June 30, 2012							
	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$52	55%	62%	-7%	0%	100%	Yes
Public Fixed Income	\$27	29%	27%	2%	0%	52%	Yes
All Alternative Inv.	\$15	16%	12%	4%	0%	31%	Yes
Liquidity Portfolio	\$0	0%	0%	0%	0%	25%	Yes
Total Assets	\$95	100%	100%				

Notes:

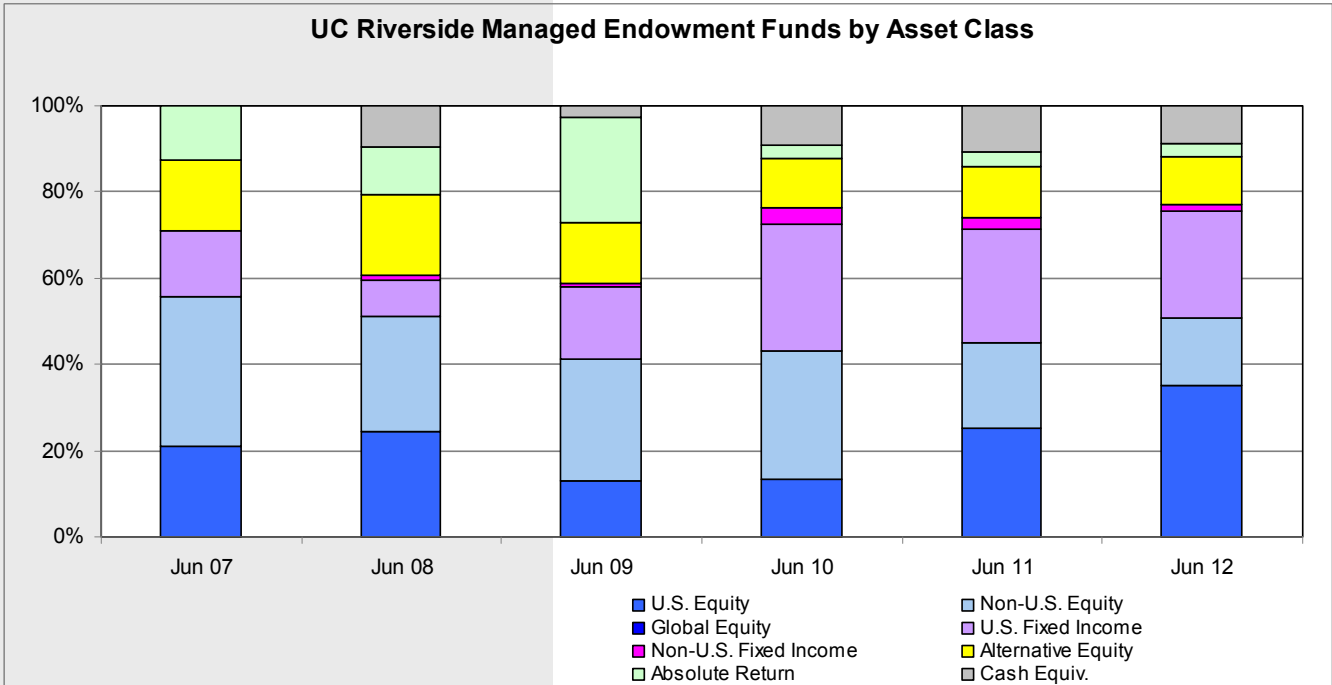
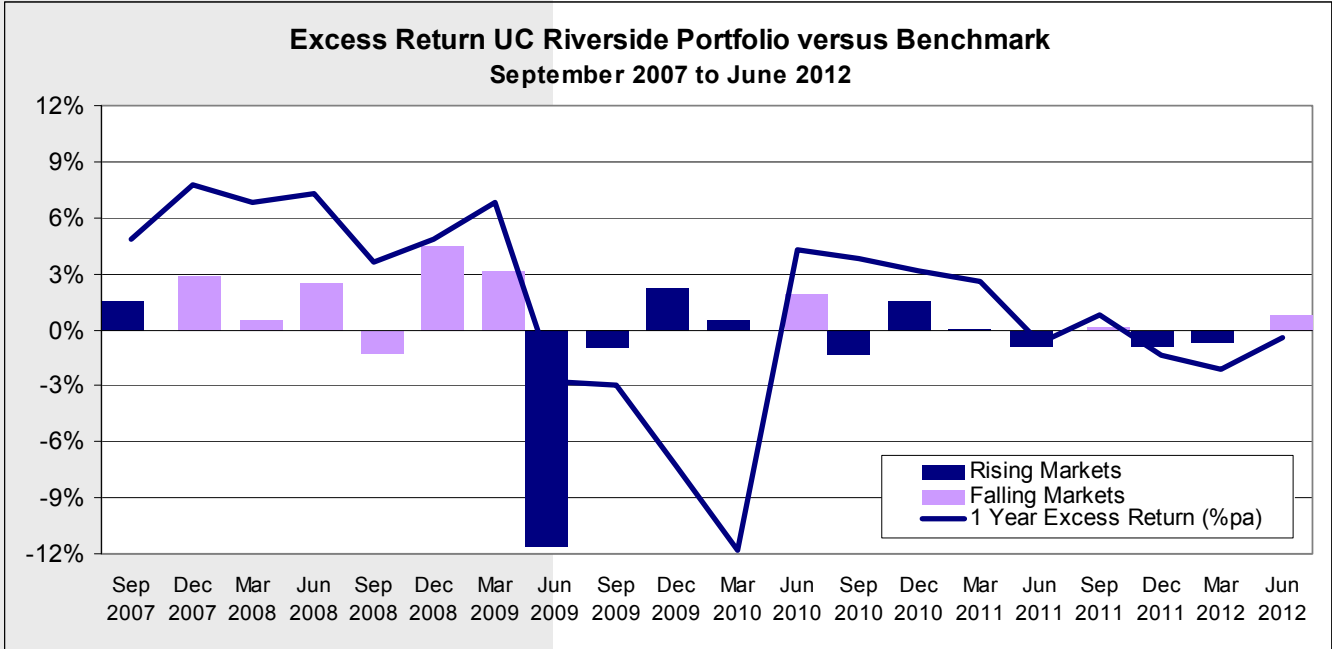
The asset class benchmarks do not roll up into the policy benchmark.

The total fund benchmark reflects 71% MSCI AC World and 29% Barclays Aggregate.

UC RIVERSIDE FOUNDATION



UC RIVERSIDE FOUNDATION



UC RIVERSIDE FOUNDATION

University of California, Riverside Foundation Portfolio June 30, 2012									
		Total Return					Annualized Total Return		
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCR Foundation Aggregate	\$95,233,538	100%							
Policy Benchmark ¹⁾			-2.46%	-2.56%	5.08%	-2.56%	11.09%	1.89%	7.64%
Variance to Policy Benchmark			+0.82%	-0.43%	+0.19%	-0.43%	+1.03%	+1.36%	+1.20%
U.S. Equity	\$20,409,917	21%							
BLENDED US EQUITY BENCHMARK			-2.69%	-0.70%	5.11%	-0.70%			
Variance to Benchmark			+0.06%	-1.89%	-4.38%	-1.89%			
Non-U.S. Developed Equity	N/A								
Benchmark									
Variance to Benchmark									
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$2,090,688	2%							
MSCI EMERGING MARKETS (NET)			-3.73%	-3.67%	9.99%	-3.67%	12.47%		
Variance to Benchmark			+5.16%	+12.28%	+6.06%	+12.28%	+2.70%		
Global Balanced	\$51,757,143	54%							
GLOBAL BALANCED INDEX			-3.21%	-1.59%	5.08%	-1.59%	10.81%	1.69%	
Variance to Benchmark			+1.07%	+2.94%	+0.31%	+2.94%	+1.59%	+1.40%	
Core Fixed Income	\$7,610,393	8%							
Barclays GNMA Index			1.57%		2.02%				
Variance to Benchmark			+0.34%		+0.39%				
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	\$10,206,535	11%							
BofAML HIGH YIELD MASTER II			-0.51%	0.72%	6.48%	0.72%	17.17%		
Variance to Benchmark			-2.34%	-5.80%	-0.60%	-5.80%	+1.01%		
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	\$2,515,420	3%							
JPMORGAN GLOBAL DIVERSIFIED			0.35%	4.28%	8.72%	4.28%			
Variance to Benchmark			-2.41%	-5.49%	+1.60%	-5.49%			
Private Equity	N/A								
Benchmark									
Variance to Benchmark									
Abs. Ret./Mktable Alts./Hedge Fds.	N/A								
Benchmark									
Variance to Benchmark									
Commodities/Natural Res./Energy	\$389,291	0%							
LIPPER NATURAL RESOURCES FD INDEX			2.89%	-27.16%	4.91%	-27.16%	8.95%	0.49%	
Variance to Benchmark			+12.16%	-9.28%	+9.43%	-9.28%	+0.38%	+3.77%	
Real Estate	N/A								
Benchmark									
Variance to Benchmark									
Liquidity Accounts	\$254,150	0%							
91 DAY T-BILL			0.49%	1.59%	0.78%	1.59%	1.73%	1.98%	
Variance to Benchmark			+0.46%	+1.54%	+0.74%	+1.54%	+1.61%	+1.00%	

Notes:

Returns are net of all fees

¹⁾ The UC Riverside policy benchmark is a blend of the MSCI All Country World Index (ACWI) and Barclays Aggregate. The asset class benchmarks do not roll up into the policy benchmark. The Total Plan Aggregate market value excludes "other" endowed assets.

UC SAN DIEGO FOUNDATION

Endowment Investment Objective

The UC San Diego Foundation's primary investment goal for its endowment is to maximize long-term total return, utilizing a diversified portfolio consistent with prudent levels of risk. Endowment portfolio performance is expected to preserve or enhance the real value of the endowment and the purchasing power of the spending. The portfolio return goal is to achieve an annualized total net return at least equivalent to, and preferably exceeding, the endowment spending rate plus inflation, over rolling five and ten year periods. The investment policy target asset allocation is 19% U.S. Equity, 24% Non-U.S. Equity, 7.5% Private Equity, 25% Absolute Return, 7.5% Real Estate, 3% Opportunistic, and 14% Fixed Income.

Endowment Spending Policy

Endowment spending during fiscal year 2011-12 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.

Policy for Gift Fees and Administrative Expenses

During fiscal year 2011-12, the San Diego campus assessed a one-time fee of 6% on the initial value of all gifts made to either the Foundation or The Regents. There was also a recurring charge of 0.40% annually on the market value of the Foundation's endowment funds. All of the gift fees and the endowment fees were used to provide funding for the centrally managed fundraising and related operations of the campus. During fiscal 2011-12, the campus assessed all interest earned on the balances of current use gift and private grant funds held by both the Foundation and the campus, which became a chancellorial resource.

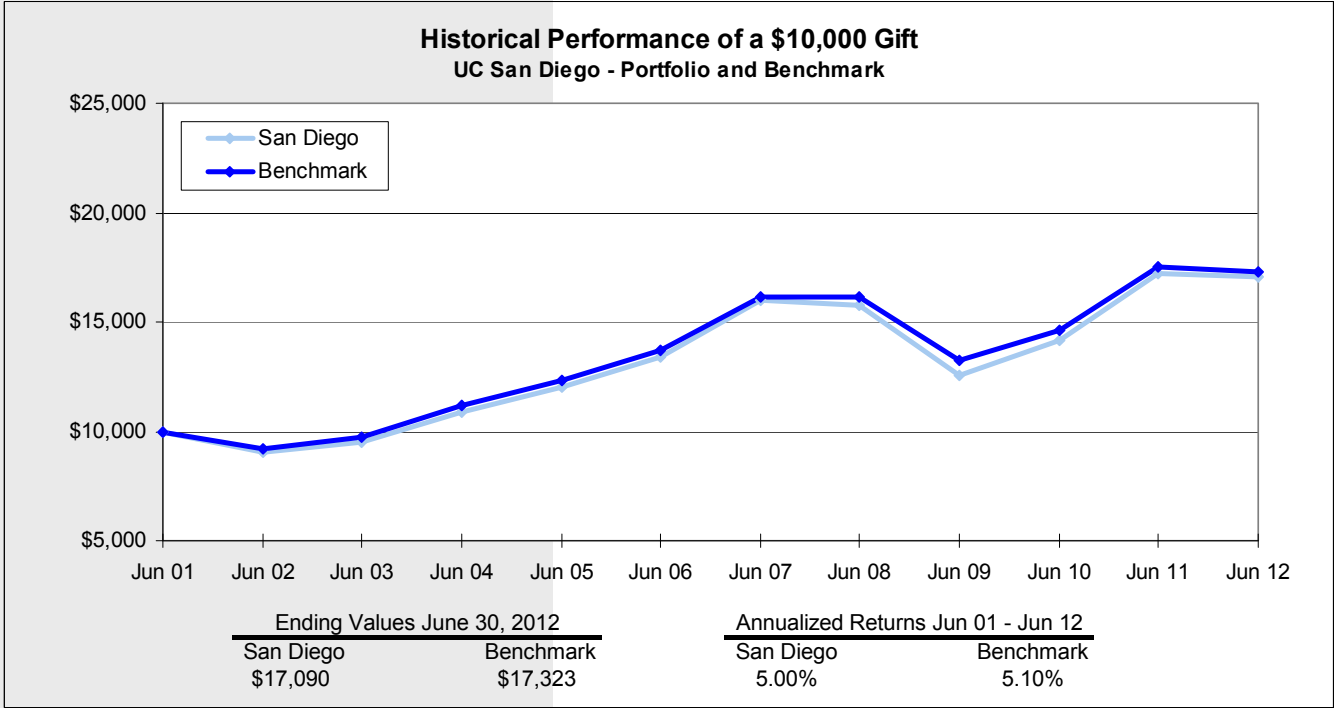
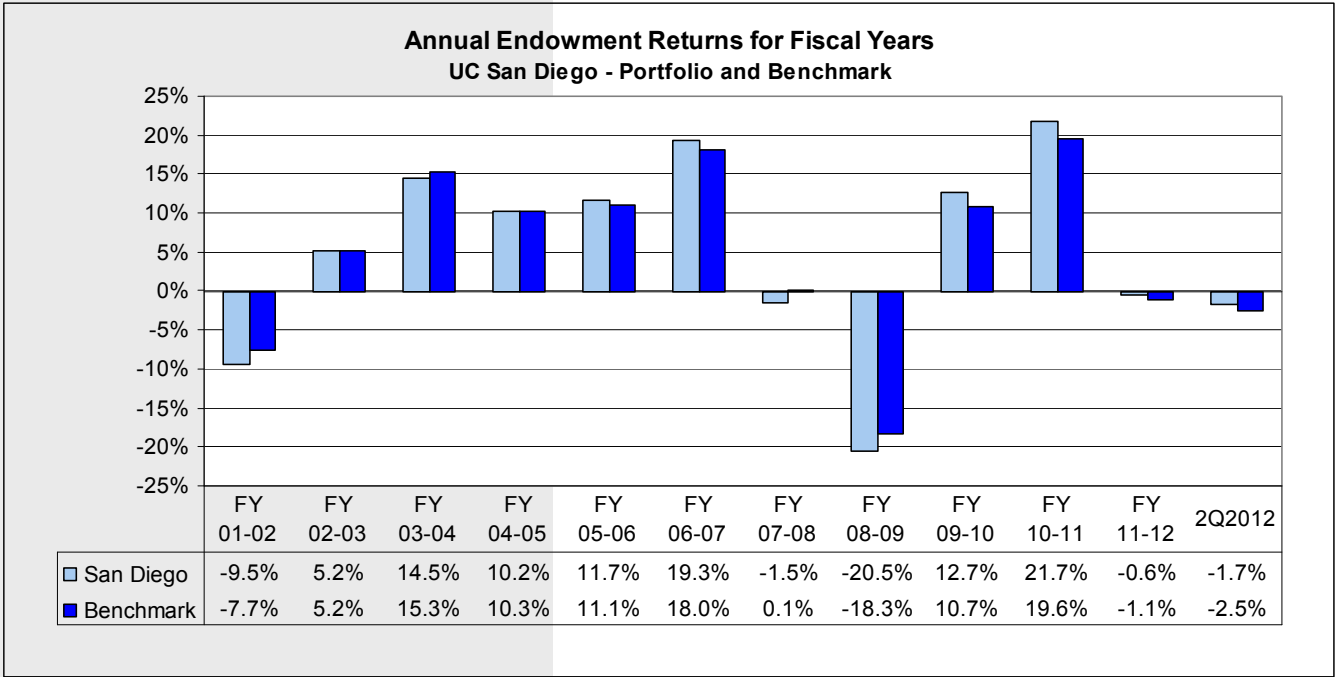
University of California, San Diego Foundation Portfolio

Asset Allocation

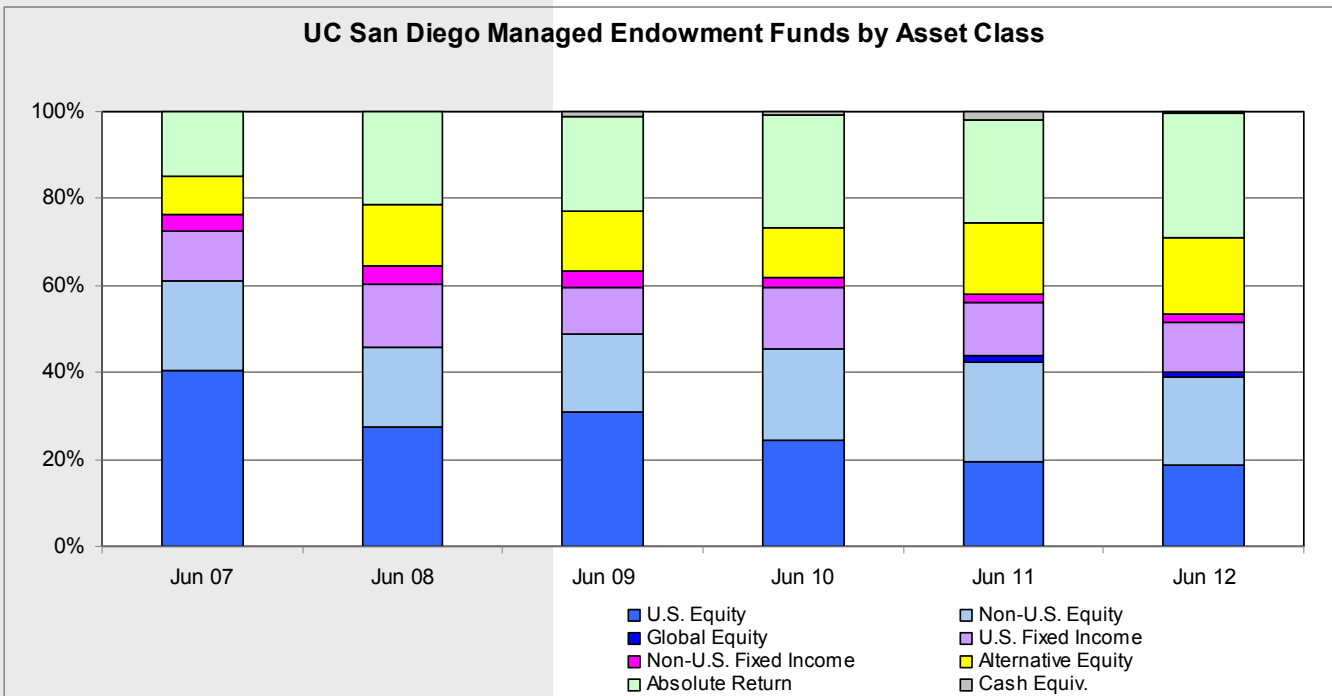
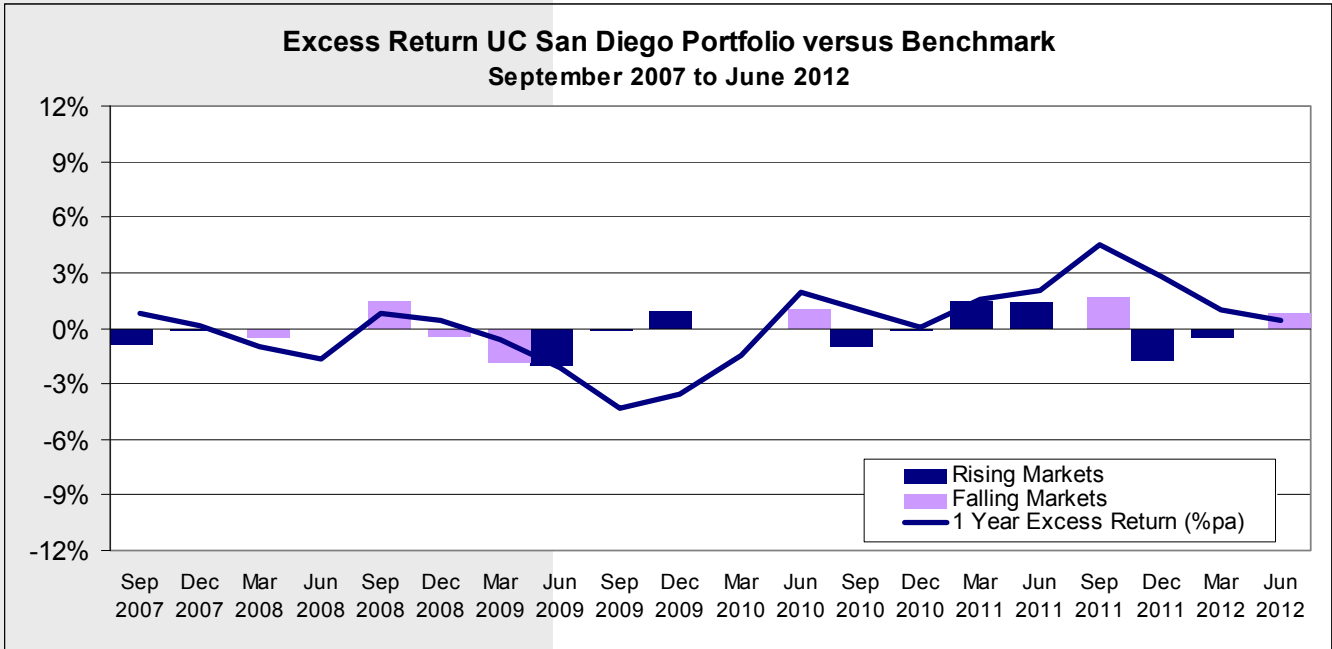
June 30, 2012

	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$149	40%	43%	-3%	35%	55%	Yes
Public Fixed Income	\$50	13%	14%	-1%	5%	20%	Yes
All Alternative Inv.	\$171	46%	43%	3%	30%	55%	Yes
Liquidity Portfolio	\$2	0%	0%	0%	0%	2%	Yes
Total Assets	\$371	100%	100%				

UC SAN DIEGO FOUNDATION



UC SAN DIEGO FOUNDATION



UC SAN DIEGO FOUNDATION

University of California, San Diego Foundation Portfolio June 30, 2012									
			Total Return				Annualized Total Return		
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCSD Foundation Aggregate	\$371,108,931	100%							
Policy Benchmark			-1.68%	-0.60%	5.25%	-0.60%	10.88%	1.31%	6.56%
Variance to Policy Benchmark			+0.80%	+0.46%	+0.34%	+0.46%	+1.44%	-0.07%	+0.22%
U.S. Equity	\$18,090,493	5%							
RUSSELL 3000			-3.13%	2.55%	8.93%	2.55%	17.99%	2.03%	
Variance to Benchmark			+0.02%	-1.29%	-0.39%	-1.29%	+1.26%	+1.64%	
Non-U.S. Developed Equity	\$15,816,329	4%							
MSCI AC WORLD ex US (NET)			-7.14%	-13.93%	2.90%	-13.93%	5.81%		
Variance to Benchmark			+0.47%	+0.64%	+0.13%	+0.64%	-1.16%		
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$2,577,202	1%							
MSCI EMERGING MARKETS (NET)			-8.14%	-15.90%	4.50%	-15.90%	9.83%	-0.61%	
Variance to Benchmark			+0.75%	+0.05%	+0.57%	+0.05%	+0.06%	-0.52%	
Core Fixed Income	N/A								
Benchmark									
Variance to Benchmark									
TIPS	\$8,128,987	2%							
Barclays US TIPS Index			3.25%	11.95%	4.00%	11.95%			
Variance to Benchmark			-0.14%	-0.29%	-0.23%	-0.29%			
High Yield Debt	\$3,015,411	1%							
Barclays Corp High Yield			2.15%						
Variance to Benchmark			+0.32%						
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity	N/A								
Benchmark									
Variance to Benchmark									
Opportunistic	\$1,139,447	0%							
S&P500 + 5%			1.42%	1.71%	5.56%	1.71%			
Variance to Benchmark			+2.98%	-9.01%	-6.63%	-9.01%			
Abs. Ret./Mktable Alts./Hedge Fds.	N/A								
Benchmark									
Variance to Benchmark									
Commodities/Natural Res./Energy	N/A								
Benchmark									
Variance to Benchmark									
Real Estate	\$3,535,985	1%							
NCREIF PROPERTY INDEX			3.94%	16.11%	11.87%	16.11%	22.04%	0.54%	
Variance to Benchmark			+1.26%	+4.07%	+6.53%	+4.07%	+13.22%	-1.97%	
Liquidity Accounts	N/A								
Benchmark									
Variance to Benchmark									
UC Regents Mgd Funds									
Regents STIP ¹⁾	\$1,242,213	0%	0.57%	2.38%	1.15%	2.38%	2.53%	3.17%	3.59%
Regents GEP ¹⁾	\$270,277,563	73%	-1.83%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%
Regents Real Estate	\$6,392,334	2%	4.58%	9.24%	6.07%	9.24%	4.21%	-7.68%	
Regents Absolute Return	\$30,106,613	8%	-1.09%	-2.81%	3.03%	-2.81%	6.55%	1.57%	
Regents Vintage Private Equity	\$10,786,355	3%	3.18%	6.69%	5.55%	6.69%	14.24%	5.45%	

Notes:

Returns are net of all fees.

Aggregate market value excludes "other" endowed assets.

Private asset valuations are typically lagged between 60 and 90 days.

¹⁾ The 10-Year return reflects the actual GEP/STIP unitized return as reported by the UC Regents.

THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO FOUNDATION

Endowment Investment Objective

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

Endowment Spending Policy

A portion of the endowment pool will be expended annually. The amount of the distribution will be determined by the payout policy of the Foundation, modified by donors' wishes where applicable. The Foundation policy is to distribute 5% of the market value of the endowment pool calculated on a 36-month rolling average of the market value, subject to a 6% cap and a 3.5% floor as a percent of the end of year endowment pool market value. The payout rate is reviewed annually, which may result in modification. The payout is distributed once a year following the close of the fiscal year. Undistributed income and gains from investment activities are reinvested in the Endowment Pool.

Policy for Gift Fees and Administrative Expenses

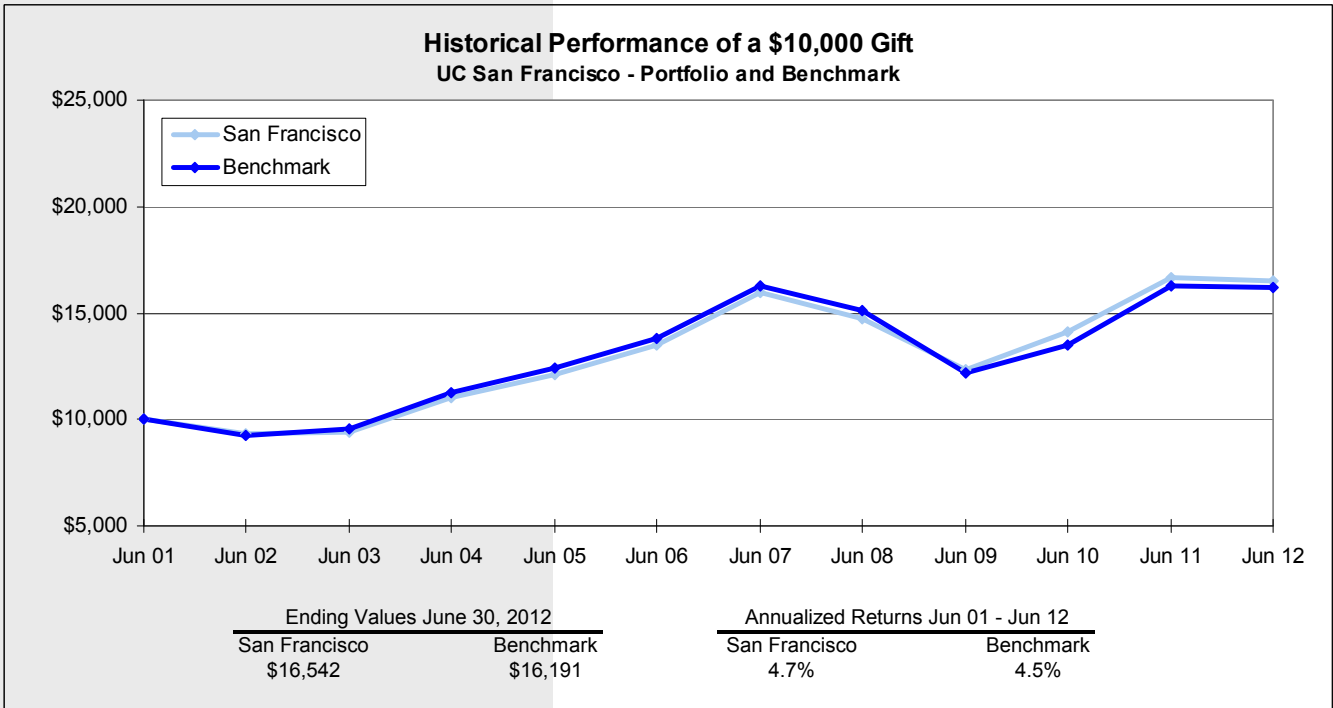
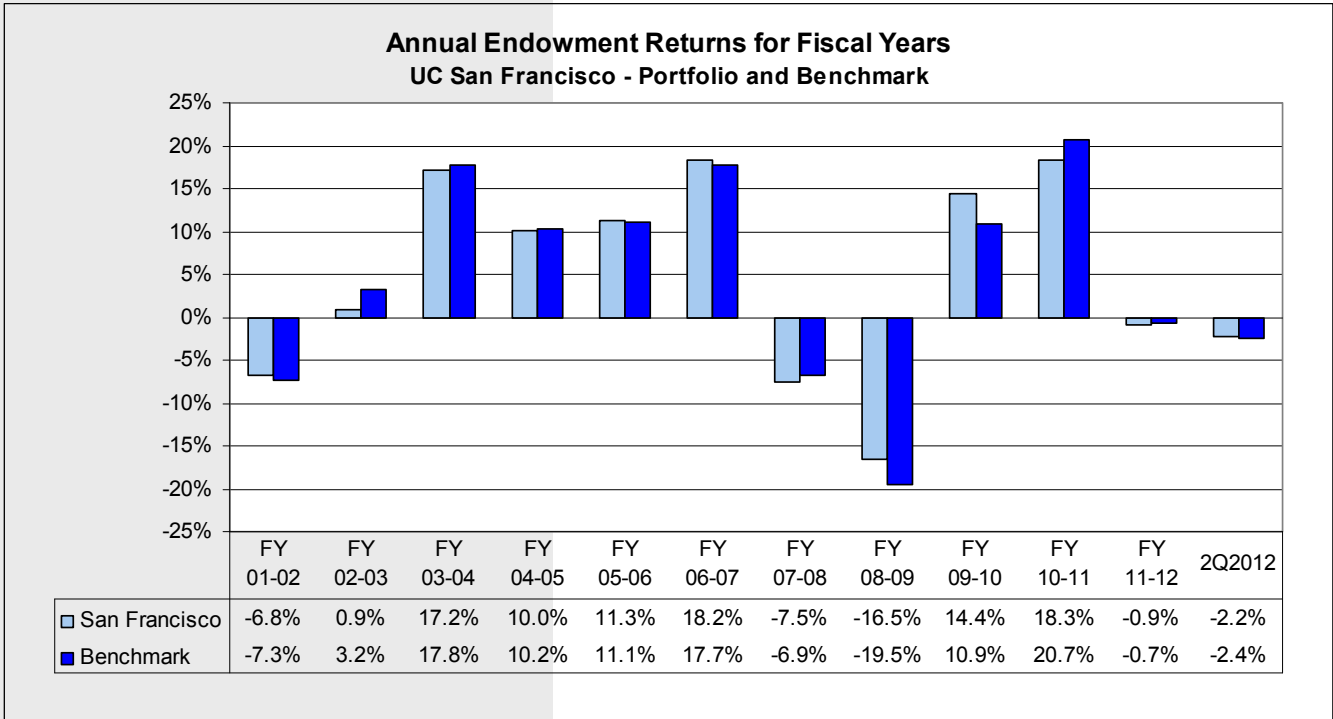
The University of California, San Francisco Foundation assesses a one-time fee of 4% of the initial value of gifts. The University also assesses a 1% spending fee at the time that funds are spent for purpose. Gifts for student aid and capital gifts are exempted from these fees. An annual administrative fee of 40 basis points is charged on endowment funds administered by the Foundation. In addition, the University assesses a recurring charge of 100% of interest income earned on current funds (STIP income). Fees are used by the University to fund central infrastructure costs, including development and gift and endowment administration.

University of California, San Francisco Foundation Portfolio Asset Allocation June 30, 2012

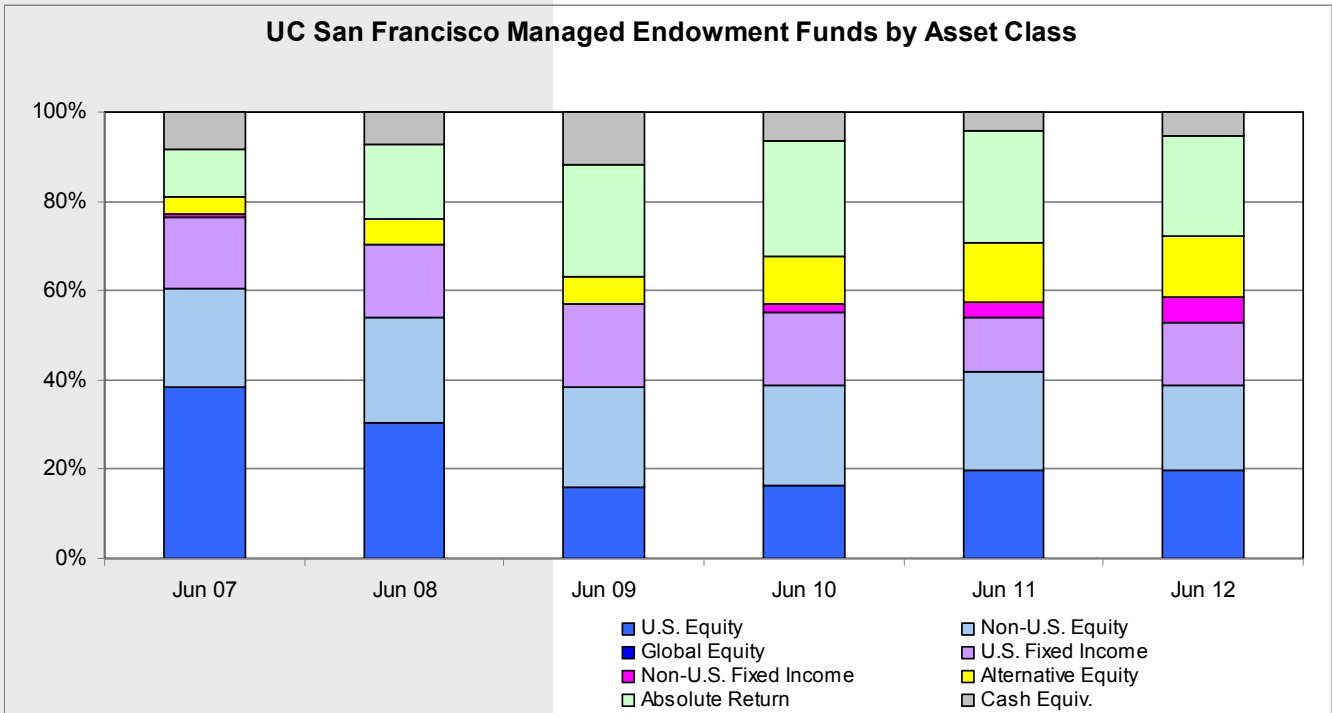
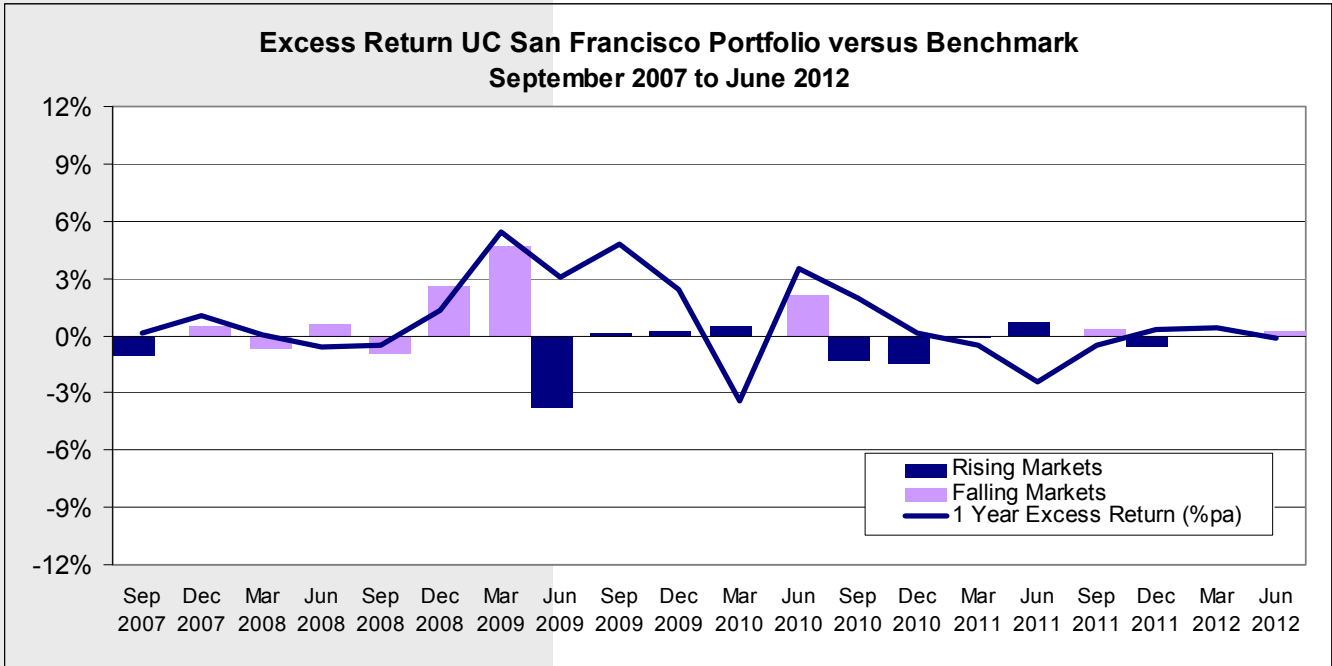
	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$261	39%	40%	-1%	20%	60%	Yes
Public Fixed Income	\$135	20%	20%	0%	10%	30%	Yes
All Alternative Inv.	\$244	36%	40%	-4%	18%	78%	Yes
Liquidity Portfolio	\$36	5%	0%	5%	0%	10%	Yes
Total Assets	\$675	100%	100%				

Note: Per UCSF's direction, the Policy Benchmark composition was retroactively revised to include the Hedge Funds, Real Estate and Hard Assets.

THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO FOUNDATION



THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO FOUNDATION



THE UNIVERSITY OF CALIFORNIA, SAN FRANCISCO FOUNDATION

University of California, San Francisco Foundation Portfolio									
June 30, 2012									
		Total Return				Annualized Total Return			
Core Endowment Model	Market Value	Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year	
Risk Focus									
UCSF Foundation Aggregate	\$675,002,129	100%	-2.23%	-0.86%	4.74%	-0.86%	10.28%	0.72%	5.91%
Policy Benchmark ¹⁾			-2.44%	-0.72%	4.60%	-0.72%	9.94%	-0.07%	5.73%
Variance to Policy Benchmark			+0.21%	-0.14%	+0.14%	-0.14%	+0.34%	+0.79%	+0.18%
U.S. Equity	\$133,857,981	20%	-2.48%	4.45%	8.77%	4.45%	18.79%	0.63%	6.66%
RUSSELL 3000			-3.15%	3.84%	9.32%	3.84%	16.73%	0.39%	5.81%
Variance to Benchmark			+0.67%	+0.61%	-0.55%	+0.61%	+2.06%	+0.24%	+0.85%
Non-U.S. Developed Equity	\$90,279,752	13%	-7.27%	-11.08%	3.32%	-11.08%	9.96%	-1.38%	7.26%
MSCI AC WORLD ex US (NET)			-7.61%	-14.57%	2.77%	-14.57%	6.97%	-4.62%	6.74%
Variance to Benchmark			+0.34%	+3.49%	+0.55%	+3.49%	+2.99%	+3.24%	+0.52%
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$36,878,509	5%	-5.94%	-7.37%	6.47%	-7.37%	13.77%	0.90%	
S&P/IFC EM INVESTABLE COMPOSITE			-8.77%	-15.99%	4.48%	-15.99%	10.27%	0.18%	
Variance to Benchmark			+2.83%	+8.62%	+1.99%	+8.62%	+3.50%	+0.72%	
Core Fixed Income	\$72,151,222	11%	1.54%	6.62%	4.67%	6.62%	8.78%	7.42%	6.44%
Barclays Aggregate Bond			2.06%	7.47%	2.37%	7.47%	6.93%	6.79%	5.63%
Variance to Benchmark			-0.52%	-0.85%	+2.30%	-0.85%	+1.85%	+0.63%	+0.81%
TIPS	\$24,283,707	4%	3.24%	11.95%	4.00%	11.95%			
Barclays Global Inflation Linked:US TIPS			3.15%	11.66%	4.04%	11.66%			
Variance to Benchmark			+0.09%	+0.29%	-0.04%	+0.29%			
High Yield Debt	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	\$38,262,632	6%	1.73%	8.15%	3.88%	8.15%			
Citigroup WGBI (All Maturities)			0.92%	2.68%	0.41%	2.68%			
Variance to Benchmark			+0.81%	+5.47%	+3.47%	+5.47%			
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity	\$38,845,344	6%	2.31%	3.31%	4.67%	3.31%	10.19%	3.52%	4.75%
S&P 500 + 7%			-1.09%	12.83%	13.26%	12.83%	24.53%	7.28%	12.81%
Variance to Benchmark			+3.40%	-9.52%	-8.59%	-9.52%	-14.34%	-3.76%	-8.06%
Abs. Ret./Mktable Alts./Hedge Fds. ²⁾	\$153,002,647	23%	-1.64%	0.84%	5.02%	0.84%	9.67%	1.26%	
HFRI Fund Weighted Composite Index			-2.79%	-4.29%	1.79%	-4.29%	5.20%	1.12%	
Variance to Benchmark			+1.15%	+5.13%	+3.23%	+5.13%	+4.47%	+0.14%	
Commodities/Natural Res./Energy	\$37,381,572	6%	-6.76%	-17.72%	-3.69%	-17.72%	4.99%	3.39%	
Dow Jones-UBS Commodity Index TR			-4.55%	-14.32%	-3.70%	-14.32%	3.49%	-3.65%	
Variance to Benchmark			-2.21%	-3.40%	+0.01%	-3.40%	+1.50%	+7.04%	
Real Estate	\$14,531,877	2%	0.96%	12.79%	4.20%	12.79%	0.27%	-6.41%	
REAL ESTATE BENCHMARK			2.68%	12.04%	5.34%	12.04%	8.82%	-9.08%	
Variance to Benchmark			-1.72%	+0.75%	-1.14%	+0.75%	-8.55%	+2.67%	
Liquidity Accounts	\$35,526,885	5%	-0.09%	-0.59%	-0.23%	-0.59%	-0.44%	0.41%	
91 DAY T-BILL			0.03%	0.05%	0.04%	0.05%	0.12%	0.98%	
Variance to Benchmark			-0.12%	-0.64%	-0.27%	-0.64%	-0.56%	-0.57%	

Notes:

Returns are net of all fees

¹⁾ Per UCSF's direction, the Policy Benchmark composition was retroactively revised to include the Hedge Funds, Real Estate and Hard Assets.²⁾ The Absolute Return/Marketable Alternatives/Hedge Fund asset class includes the sub composite for the Opportunistic asset class.

UC SANTA BARBARA FOUNDATION

Endowment Investment Objective

A. The primary long-term financial objective for the Foundation's Long Term Investment Policy (LTIP) is to preserve the purchasing power of the LTIP's principal, while providing a relatively stable and growing source of funding for endowment and trust beneficiaries.

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

Endowment Spending Policy

Endowment spending during fiscal year 2011-12 was calculated using a predetermined formula at an amount equal to 4.75% of the 60-month average unit market value of the endowment portfolio as of December 31, 2010. Spending is allocated to fund holders in September (40%) and April (60%).

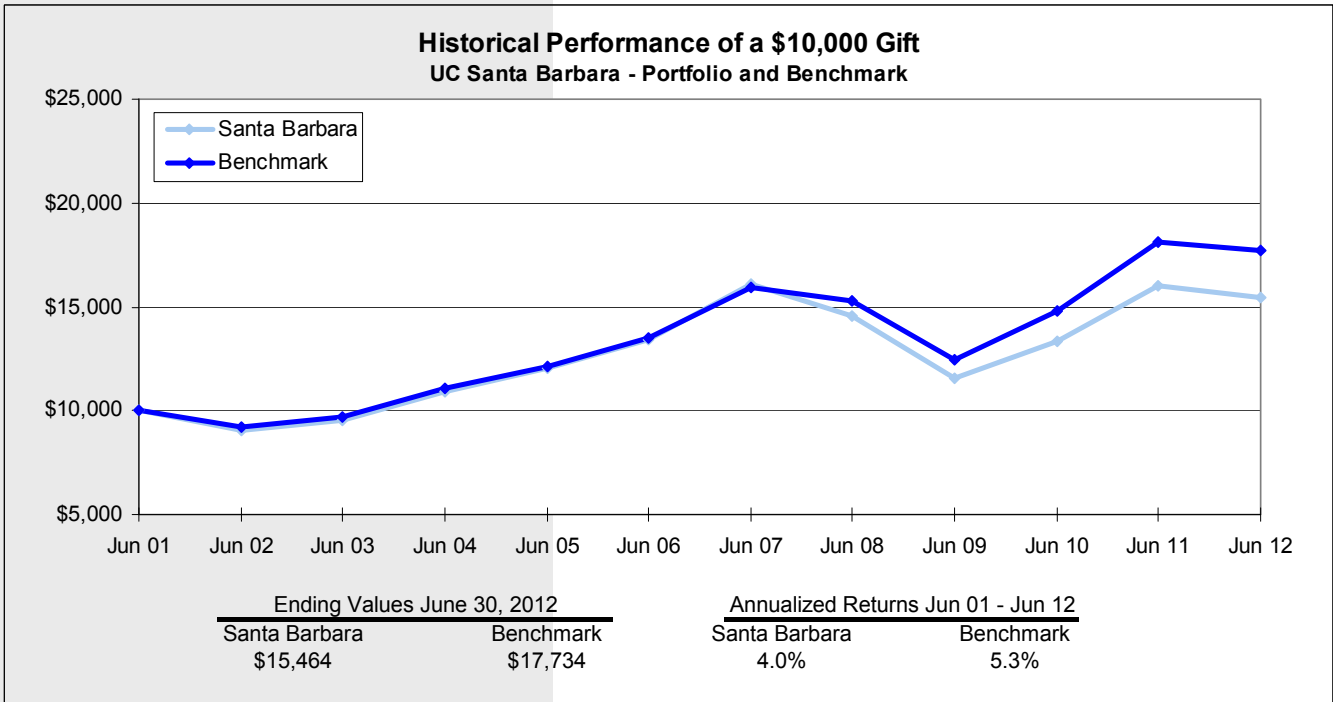
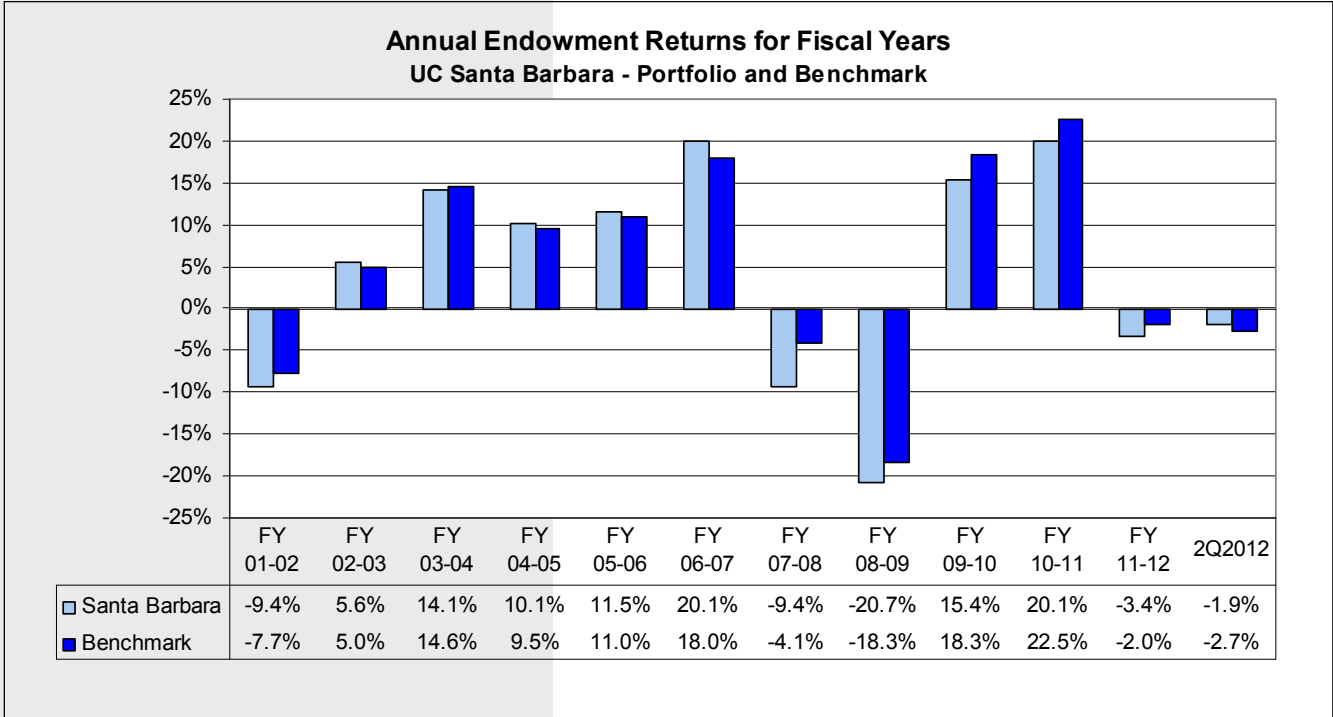
Policy for Gift Fees and Administrative Expenses

During fiscal year 2011-12, the Santa Barbara campus assessed a one-time fee of 2% on the initial value of all gifts made to either the Foundation or The Regents. There was also a recurring charge of 0.60% annually on the market value of the Foundation's endowment funds as of December 31, 2010. All of the gift fees and the endowment fees were used to provide funding for the centrally managed fundraising and related operations of the campus. During fiscal 2011-12, the campus assessed all interest earned on the balances of current use gift and private grant funds held by both the Foundation and the campus, which was allocated through the campus budget process.

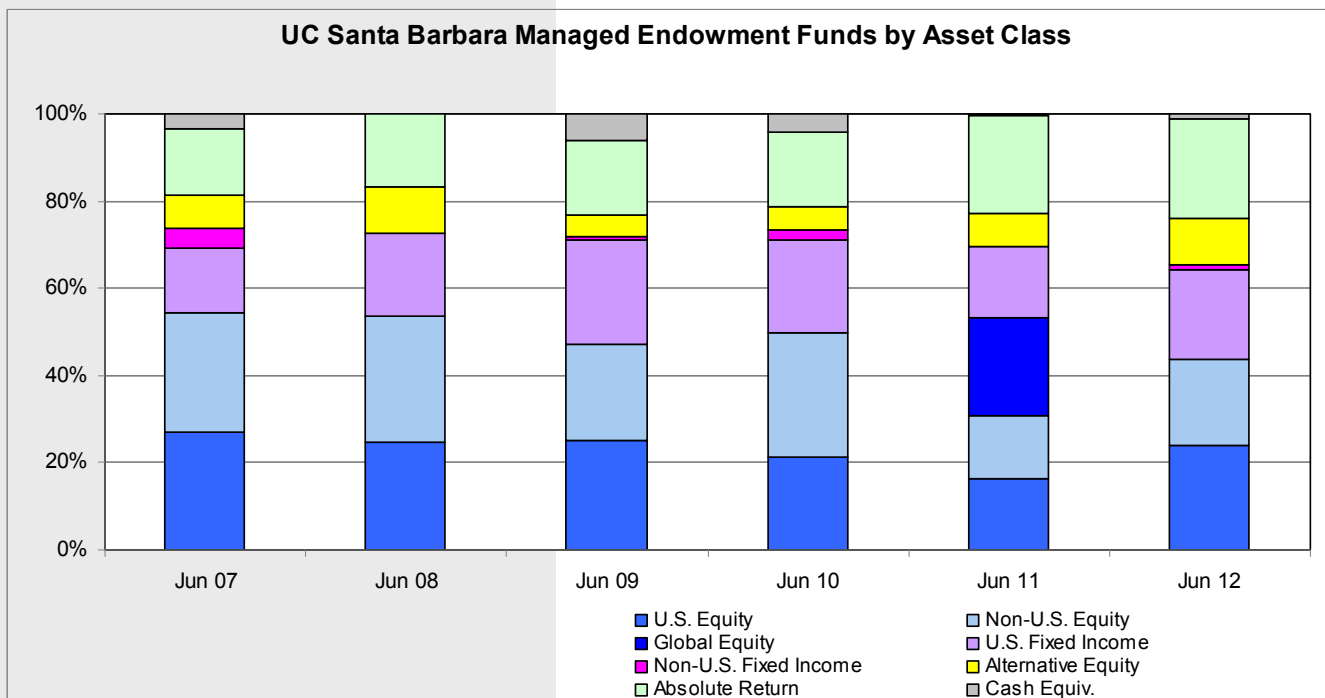
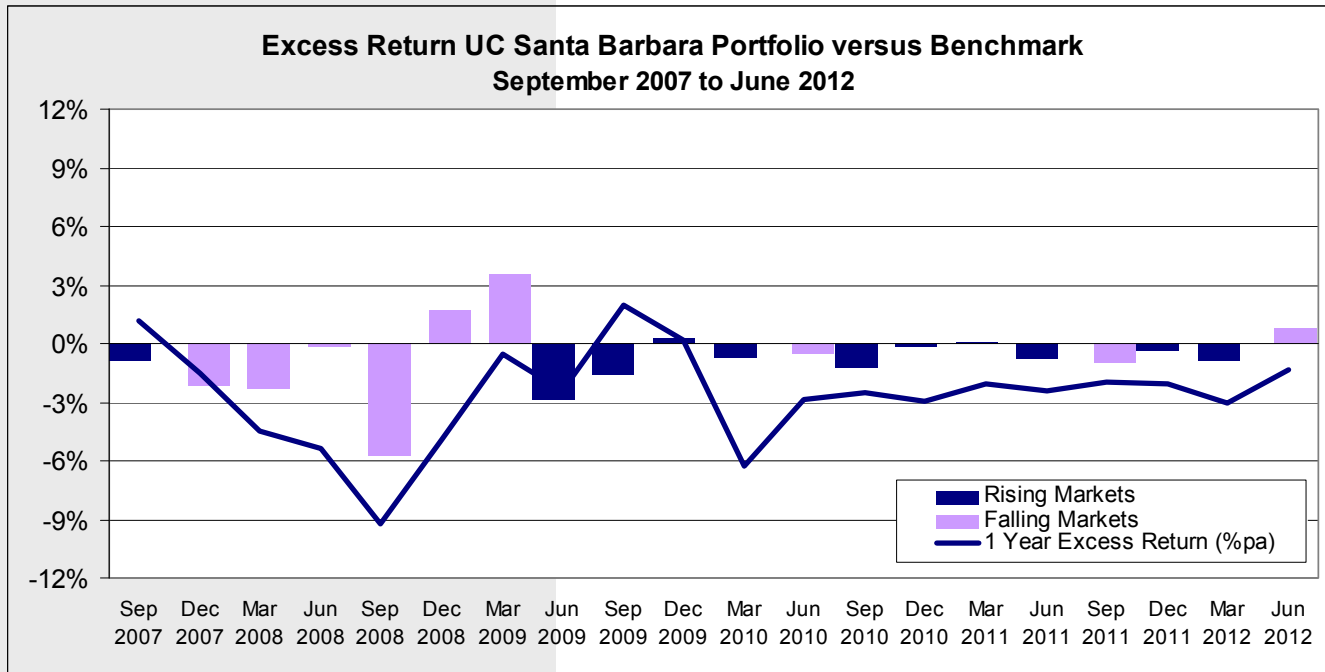
University of California, Santa Barbara Foundation Portfolio Asset Allocation June 30, 2012

	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$48	44%	55%	-11%	36%	56%	Yes
Public Fixed Income	\$24	22%	17%	5%	13%	23%	Yes
All Alternative Inv.	\$36	33%	27%	6%	27%	47%	Yes
Liquidity Portfolio	\$1	1%	1%	0%	0%	10%	Yes
Total Assets	\$109	100%	100%				

UC SANTA BARBARA FOUNDATION



UC SANTA BARBARA FOUNDATION



UC SANTA BARBARA FOUNDATION

University of California, Santa Barbara Foundation Portfolio									
June 30, 2012									
Core Endowment Model Risk Focus	Market Value		Total Return				Annualized Total Return		
			Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCSB Foundation Aggregate	\$109,021,605	100%	-1.91%	-3.37%	4.70%	-3.37%	10.22%	-0.79%	5.49%
Policy Benchmark			-2.74%	-1.99%	4.70%	-1.99%	12.41%	2.17%	6.75%
Variance to Policy Benchmark			+0.83%	-1.38%	+0.00%	-1.38%	-2.19%	-2.96%	-1.26%
U.S. Equity	\$26,258,240	24%	-3.44%	-0.83%	8.36%	-0.83%	13.45%		
S&P 500			-2.75%	5.45%	9.49%	5.45%	16.40%		
Variance to Benchmark			-0.69%	-6.28%	-1.13%	-6.28%	-2.95%		
Non-U.S. Developed Equity	\$16,460,373	15%	-6.74%	-13.23%	2.57%	-13.23%	4.60%		
MSCI EAFE (NET)			-7.13%	-13.83%	2.96%	-13.83%	5.96%		
Variance to Benchmark			+0.39%	+0.60%	-0.39%	+0.60%	-1.36%		
Global Equity¹⁾	NA								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	\$4,795,793	4%	-8.14%	-16.00%	4.50%	-16.00%	8.72%		
MSCI EMERGING MARKETS (NET)			-8.89%	-15.95%	3.93%	-15.95%	9.77%		
Variance to Benchmark			+0.75%	-0.05%	+0.57%	-0.05%	-1.05%		
Core Fixed Income	\$15,616,839	14%	2.79%	6.98%	5.75%	6.98%	8.69%		
Barclays Aggregate Bond			2.06%	7.47%	2.37%	7.47%	6.93%		
Variance to Benchmark			+0.73%	-0.49%	+3.38%	-0.49%	+1.76%		
TIPS	NA								
Benchmark									
Variance to Benchmark									
High Yield Debt	\$7,025,040	6%	1.46%	6.35%	6.65%	6.35%	15.97%		
BofAML US HY BB-B Rated Constrained Ind			1.91%	7.01%	6.42%	7.01%	14.25%		
Variance to Benchmark			-0.45%	-0.66%	+0.23%	-0.66%	+1.72%		
Non-U.S./Global Fixed - Dev. Mkt.	\$1,121,269	1%							
Benchmark									
Variance to Benchmark									
Emerging Market Debt	NA								
Benchmark									
Variance to Benchmark									
Private Equity	\$7,220,320	7%	5.05%	4.61%	6.33%	4.61%	27.30%		
TOTAL PRIVATE EQUITY			5.05%	4.61%	6.33%	4.61%	27.30%		
Variance to Benchmark			+0.00%	+0.00%	+0.00%	+0.00%	+0.00%		
Abs. Ret./Mktable Alts./Hedge Fds.	\$24,529,767	22%	-1.37%	-2.68%	0.96%	-2.68%	7.19%		
HFRI FUND OF FUNDS: DIVERSIFIED INDEX			-1.83%	-3.78%	1.17%	-3.78%	2.43%		
Variance to Benchmark			+0.46%	+1.10%	-0.21%	+1.10%	+4.76%		
Commodities/Natural Res./Energy	\$1,880,397	2%	-4.15%	-12.25%	-5.32%	-12.25%			
GOLDMAN SACHS COMMODITIES INDEX (USD)			-12.38%	-10.74%	-7.23%	-10.74%			
Variance to Benchmark			+8.23%	-1.51%	+1.91%	-1.51%			
Real Estate	\$2,704,131	2%	3.52%	10.16%	14.50%	10.16%	29.75%		
FTSE EPRA/NAREIT United States Index			3.62%	12.50%	14.89%	12.50%	32.57%		
Variance to Benchmark			-0.10%	-2.34%	-0.39%	-2.34%	-2.82%		
Liquidity Accounts	\$1,409,437	1%	-0.13%	-0.12%	-0.12%	-0.12%	1.00%		
CITIGROUP 1 MONTH T-BILL			0.01%	0.04%	0.02%	0.04%	0.08%		
Variance to Benchmark			-0.14%	-0.16%	-0.14%	-0.16%	+0.92%		

Notes:

Returns are net of all fees.

¹⁾ UCSB's Policy has no Global Equity mandate. Their current investment in Global Equity has been re-allocated to both US and Non-US Developed Equity.

UC SANTA CRUZ FOUNDATION

Endowment Investment Objective

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

Endowment Spending Policy

The UC Santa Cruz Foundation endowment expenditure rate approved June, 2011, is 4.65% times a three-year moving average of December 31 market values. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions. In no event will the corpus be reduced below the amount of the original gift, adjusted by the Gross Domestic Product (GDP) price index, unless specific language of the endowment agreement so allows.

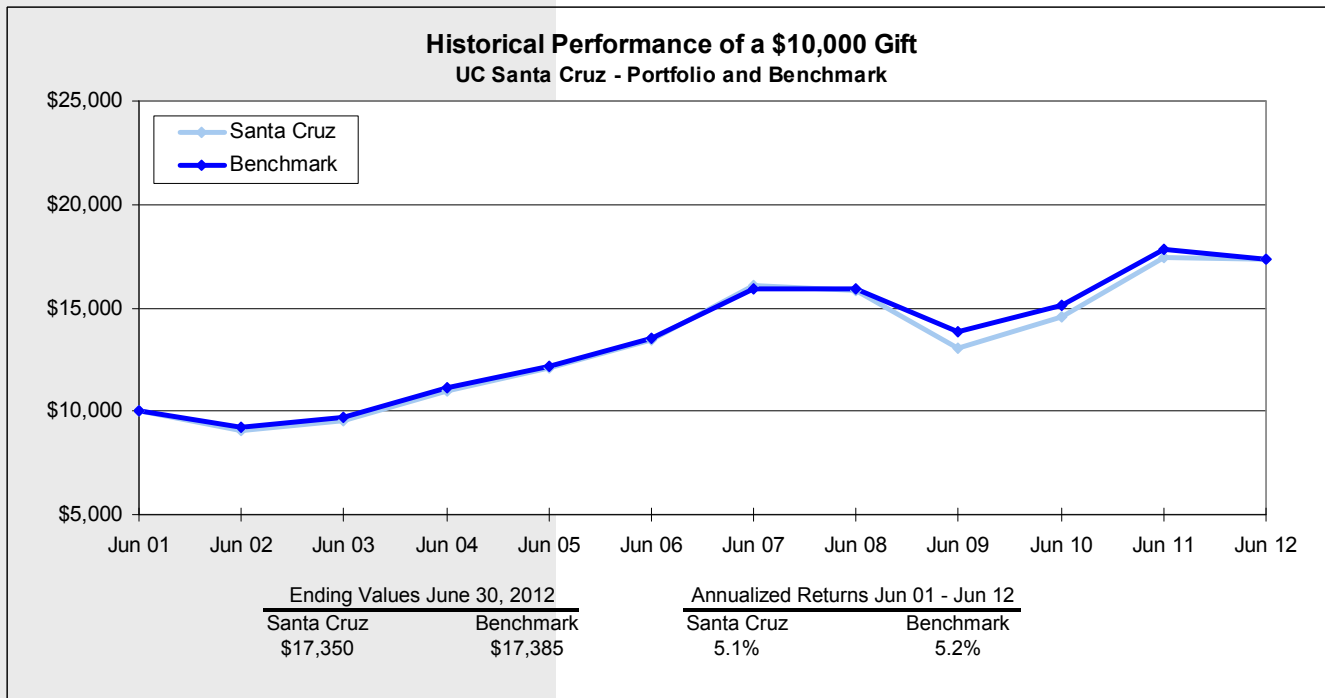
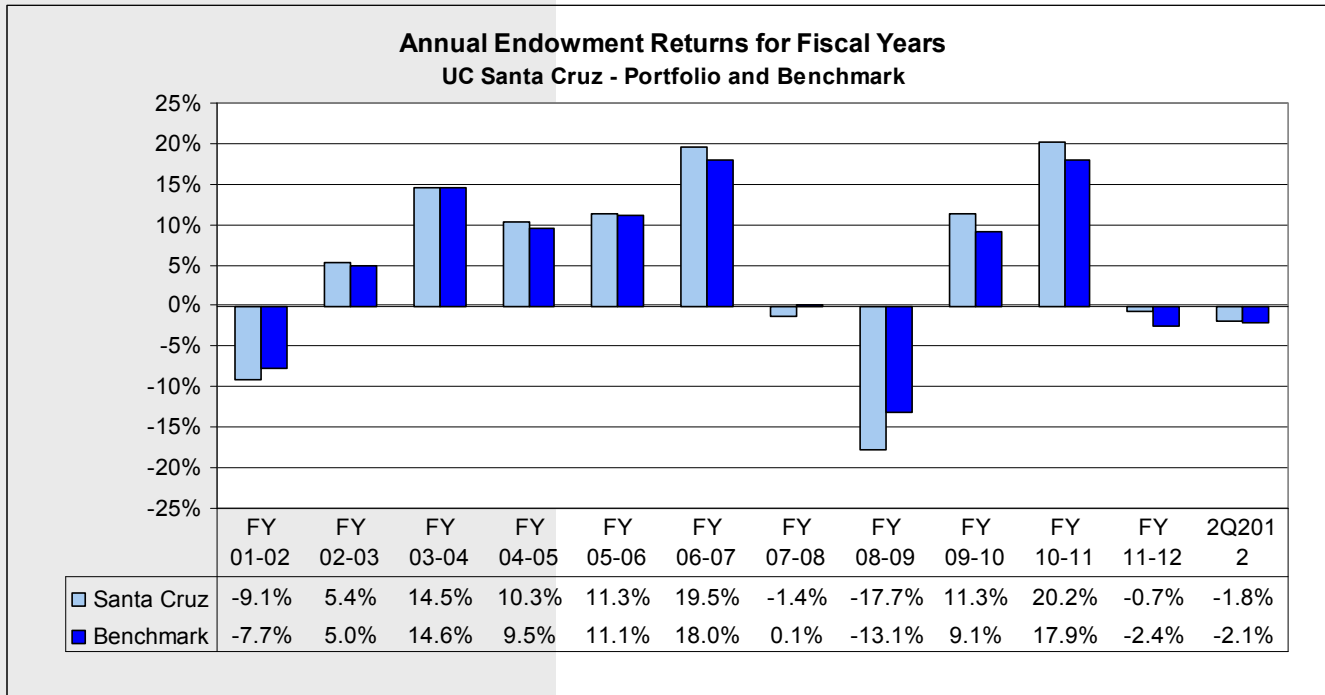
Policy for Gift Fees and Administrative Expenses

The UC Santa Cruz Foundation allocates STIP earnings to uninvested endowment balances when it is earned. The UCSC campus assesses a gift fee of 6% of initial value of gifts. Of the 4.65% endowment expenditures, 0.45% is allocated for administrative expenses of the Foundation. There are no additional annual recurring fees (0%) on the market value of the Foundation's endowments.

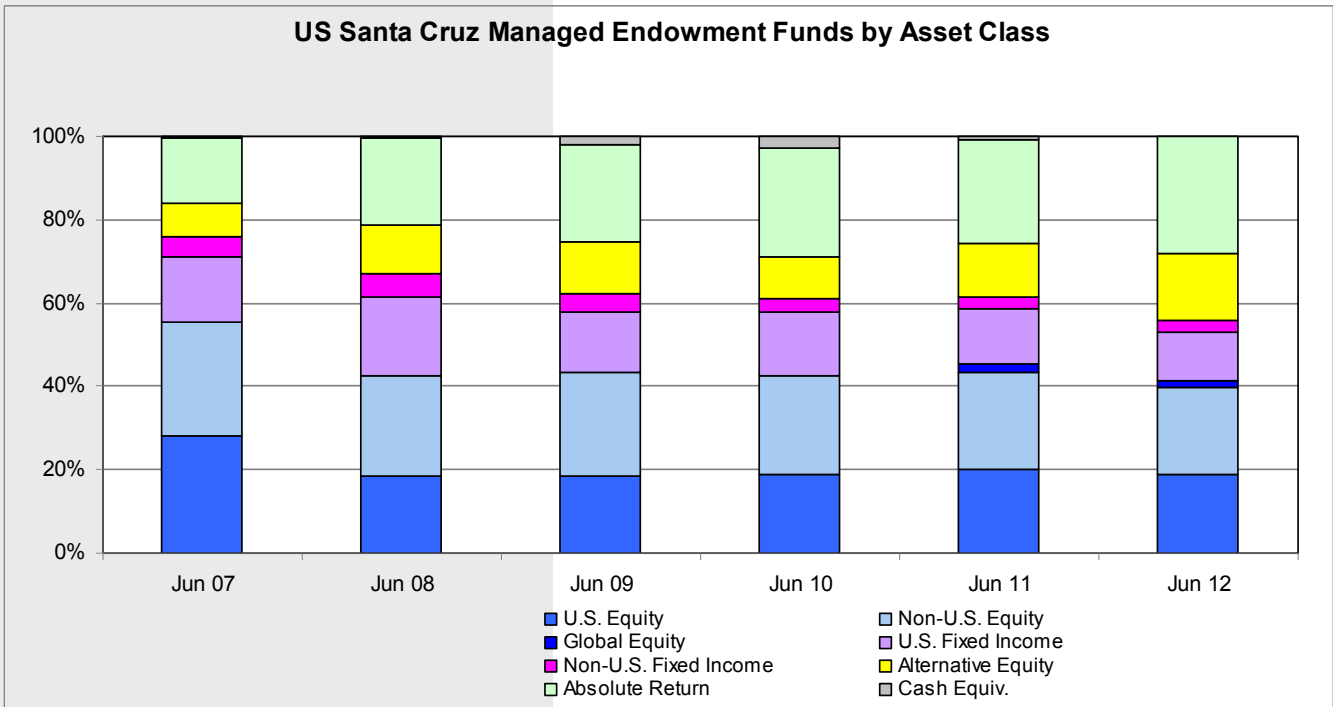
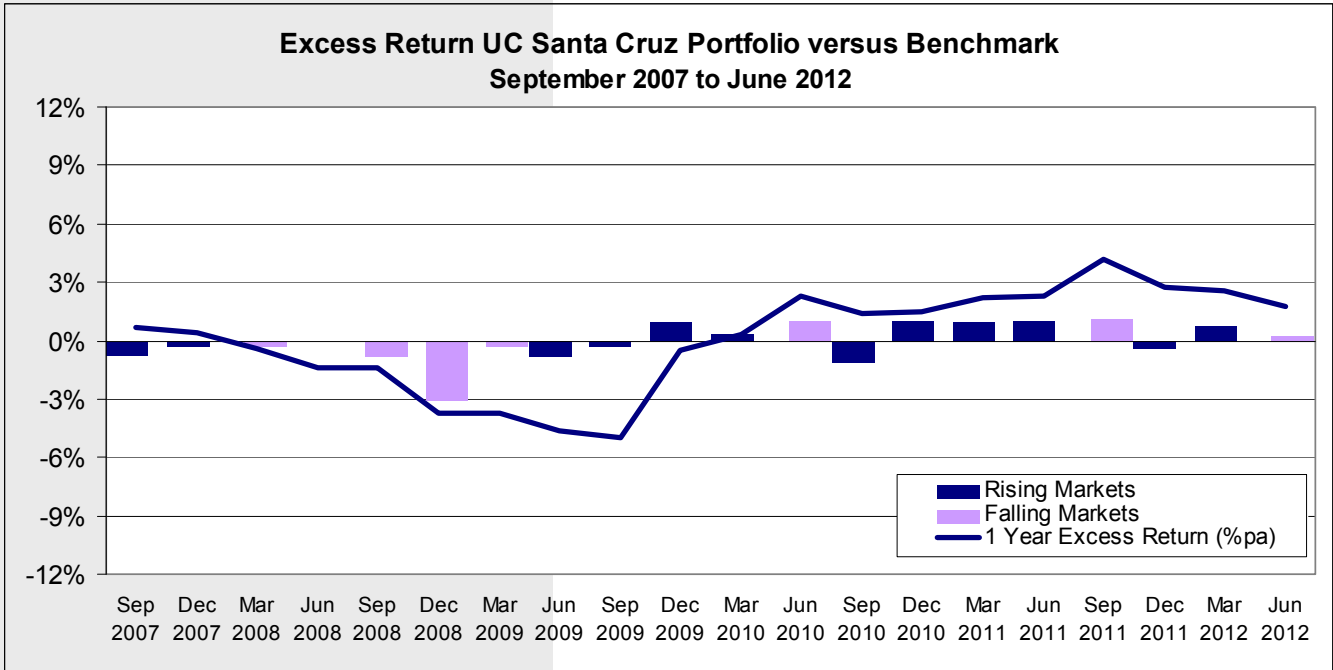
University of California, Santa Cruz Foundation Portfolio							
Asset Allocation							
June 30, 2012							
	Assets (\$M)	Actual Allocation	Benchmark Policy Allocation	Variance from Benchmark Policy	Policy Range		Policy Range Compliance (Actual Allocation)
Public Equity	\$23	42%	43%	-1%	36%	56%	Yes
Public Fixed Income	\$8	14%	16%	-1%	13%	23%	Yes
All Alternative Inv.	\$25	44%	42%	2%	27%	47%	Yes
Liquidity Portfolio	\$0	0%	0%	0%	0%	10%	Yes
Total Assets	\$56	100%	100%				

The UC Santa Cruz Foundation utilizes the GEP Policy Benchmark. Policy Benchmark Allocations shown are the GEP Current Policy Allocation.

UC SANTA CRUZ FOUNDATION



UC SANTA CRUZ FOUNDATION



UC SANTA CRUZ FOUNDATION

University of California, Santa Cruz Foundation Portfolio									
June 30, 2012									
		Total Return				Annualized Total Return			
Core Endowment Model Risk Focus	Market Value		Recent Quarter	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Ten Year
UCSC Foundation Aggregate	\$55,916,472	100%	-1.82%	-0.67%	5.27%	-0.67%	9.94%	1.52%	6.68%
Policy Benchmark			-2.09%	-2.43%	4.25%	-2.43%	7.85%	1.76%	6.53%
Variance to Policy Benchmark			+0.27%	+1.76%	+1.02%	+1.76%	+2.09%	-0.24%	+0.15%
U.S. Equity	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S. Developed Equity	N/A								
Benchmark									
Variance to Benchmark									
Global Equity	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Equity	N/A								
Benchmark									
Variance to Benchmark									
Core Fixed Income	N/A								
Benchmark									
Variance to Benchmark									
TIPS	N/A								
Benchmark									
Variance to Benchmark									
High Yield Debt	N/A								
Benchmark									
Variance to Benchmark									
Non-U.S./Global Fixed - Dev. Mkt.	N/A								
Benchmark									
Variance to Benchmark									
Emerging Market Debt	N/A								
Benchmark									
Variance to Benchmark									
Private Equity	N/A								
Benchmark									
Variance to Benchmark									
Abs. Ret./Mktable Alts./Hedge Fds.	N/A								
Benchmark									
Variance to Benchmark									
Commodities/Natural Res./Energy	N/A								
Benchmark									
Variance to Benchmark									
Real Estate	N/A								
Benchmark									
Variance to Benchmark									
Liquidity Accounts	N/A								
Benchmark									
Variance to Benchmark									
UC Regents Mgd Funds									
Regents GEP ¹⁾	\$55,916,472	100%	-1.82%	-0.67%	5.27%	-0.67%	9.94%	1.38%	6.67%

Notes:

Returns are net of all fees.

¹⁾ The 10-Year return reflects the actual GEP unitized return as reported by the UC Regents.

5 Consultant of The Regents Report

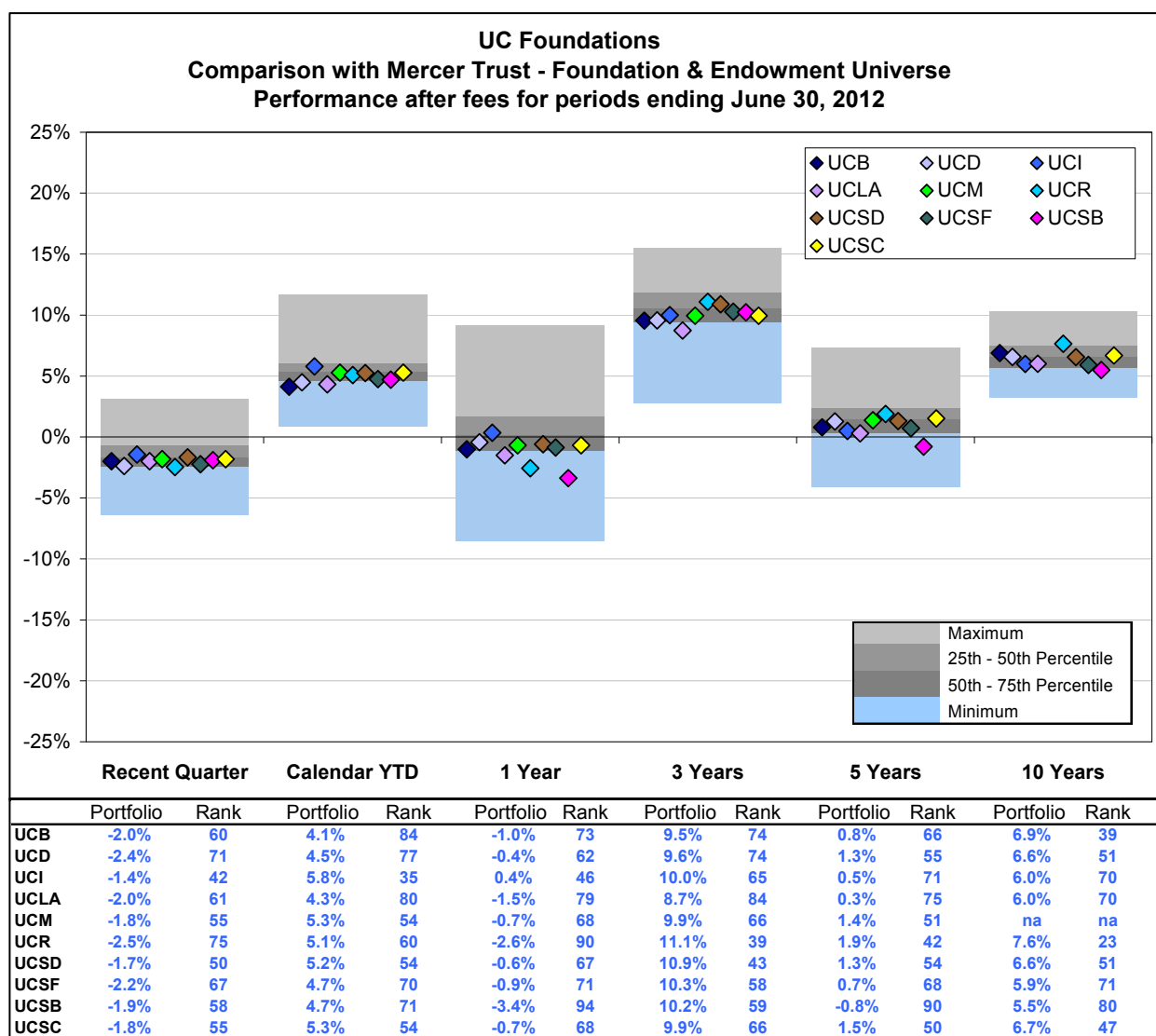
This section presents Mercer’s review of the investment performance and asset allocation of the University of California Campus Foundations for the periods ending June 30, 2012. The report is based on the investment information provided by State Street and reflects the reconciled and signed-off results of each Foundation.

5.1 Investment Performance Summary	55
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5.3 Analysis and Recommendations	64

5.1 Investment Performance Summary

The global economy slowed during the fiscal year as financial contraction, private sector deleveraging and policy uncertainty continued to constrain growth and the Eurozone debt crisis deepened. Additional monetary easing programs by central banks, coupled with a flight to Treasuries, sent bond rates to record lows and compelled investors to move to riskier assets. While global equity markets stumbled with the developed and developing markets shedding north of 13%, the broad US equity market managed to post a small positive gain for the 1-year period ending June 30, 2012. Fixed income, particularly long duration bonds, and REITs provided strong returns and outperformed stocks. Private equity contributed to performance while hedge funds, commodities futures and natural resources lagged.

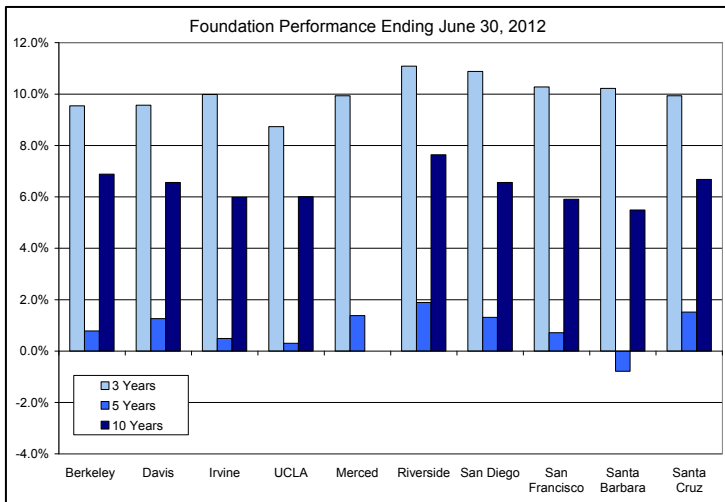
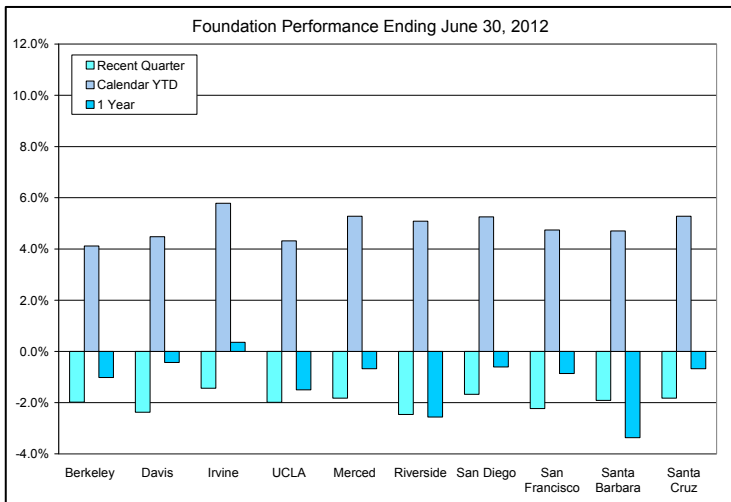
The ranges of the Campus Foundations' total return investment performance for periods ending June 30, 2012, are shown in the following graph:



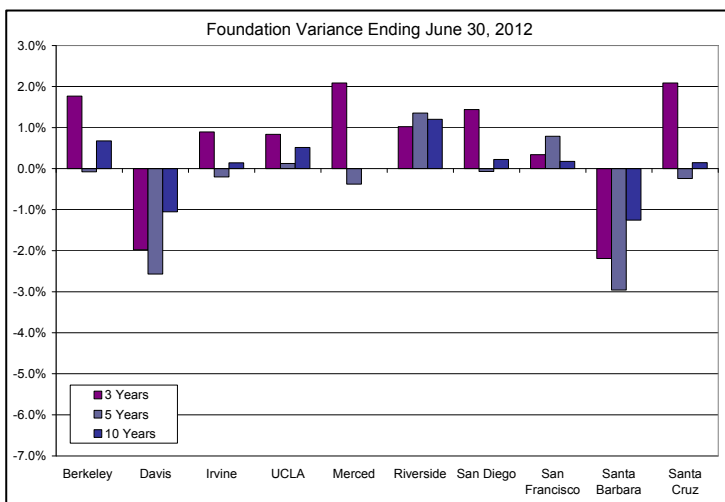
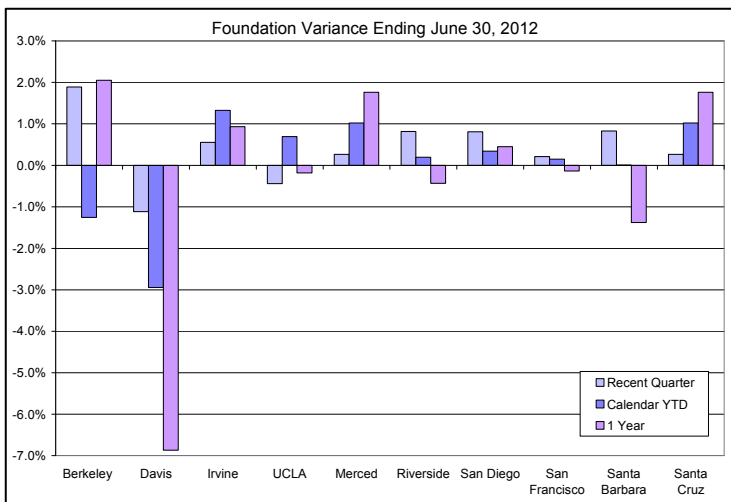
Market volatility and a high degree of macroeconomic uncertainty made the investment environment challenging and weighed on the Foundations' quarter and 1-year performance results. Long-term performance, 5 years, is also well below market return expectations but the rebound of the public markets helped the Foundations achieve positive performance for calendar year-to-date and also helped them meet expectations for the 3- and 10-year periods.

The Foundations absolute returns ranged from -1.4% to -2.5% for the quarter and 0.4% to -3.4% for the 1-year period. Relative to each Foundation's policy benchmark, 80% of the Foundations managed to outpace the benchmark for the quarter and 50% for the 1-year period. The outperformance is generally attributed to underweight in equities and/or manager selection. Over the periods evaluated, two Foundations consistently underperformed their respective policy benchmarks.

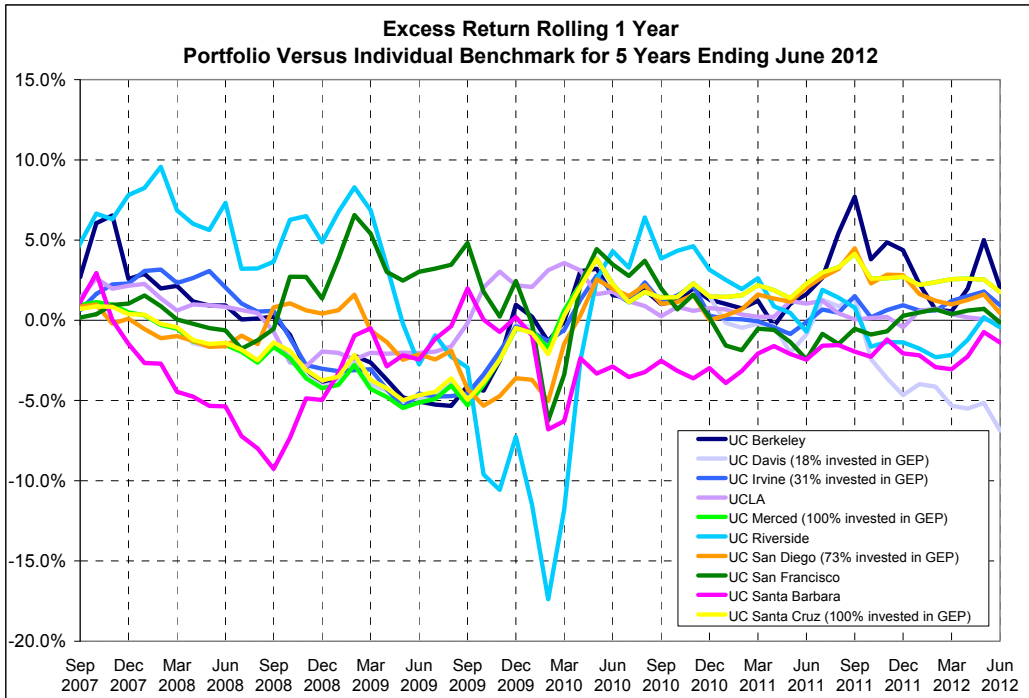
The graphs below show the absolute returns of each Foundation for periods ending June 30, 2012.



The graphs below show the excess returns of the Foundations versus their respective benchmarks for periods ending June 30, 2012.

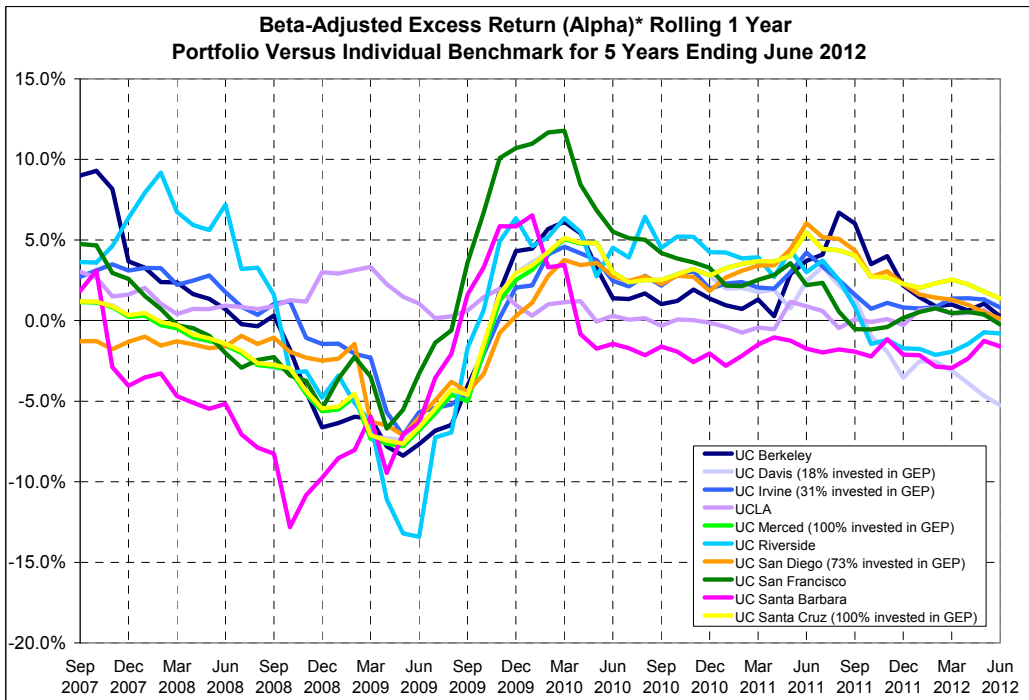


The following graph shows the performance trend of the Foundations' excess returns over 1-year rolling periods. After a wider divergence of excess returns starting from the early market turmoil in September 2007 through June 2010, the excess returns of the ten Foundations are now ranging between 2.1% and -6.9% for the 1-year period ending June 30, 2012.



Note: GEP exposure is as of June 2012.

The next graph shows the Foundations' excess returns after adjusting for beta, or level of market exposure (relative to each Foundation's individual benchmark). The results are shown in the beta-adjusted excess return rolling 1-year chart below:



Note: GEP exposure is as of June 2012.

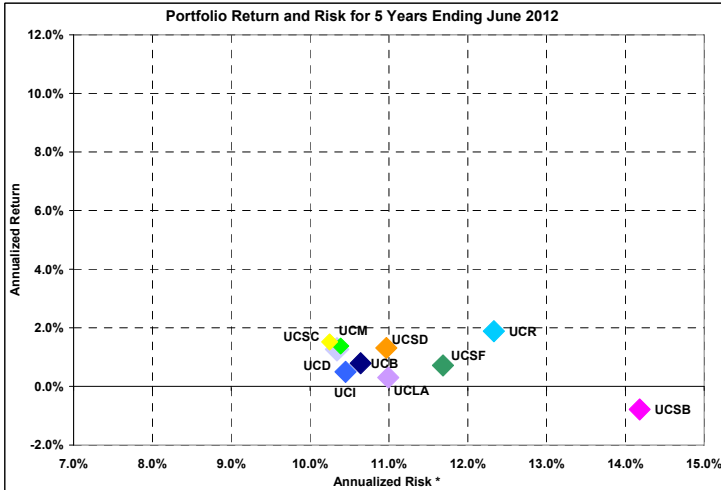
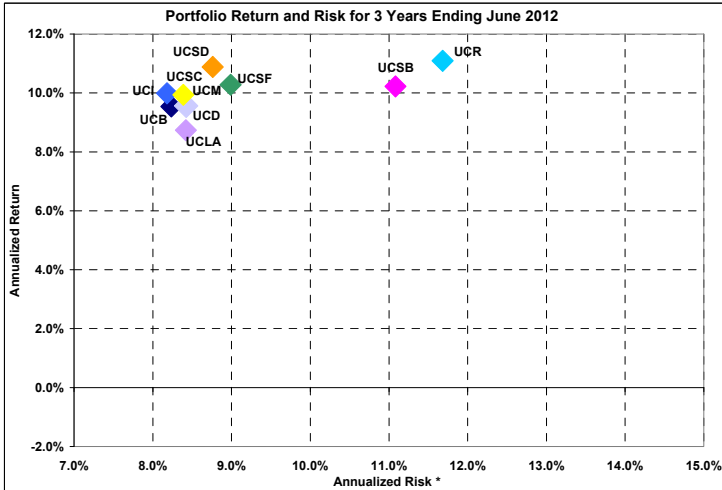
* Beta is calculated by taking the slope coefficient of the linear regression of the prior 12 month returns of the Foundations versus their respective benchmarks. Beta-adjusted excess return (alpha calculated by Mercer's performance analytic system) is the residual additional to the Foundation's return, when the effect of a beta different from one has been removed. A positive alpha would imply that the Foundation was able to add value through sources other than taking on a particular level of market risk. Note that the alpha may vary from historical excess return because it makes an allowance for the historical level of risk. Alpha is calculated using the following formula:

$$\text{Alpha} = \alpha = 100 * (\bar{r} - \beta \bar{p}) = 100 * \left(\frac{1}{n} \sum_{i=1}^n r_i - \beta \sum_{i=1}^n p_i \right)$$

Mercer will annualize the alpha by compounding it for the number of periods in a year.

Over the last 3 years, a majority of the Foundations applied an average beta exposure below 1 which resulted in higher risk-adjusted returns due to the heightened volatility experienced during this period.

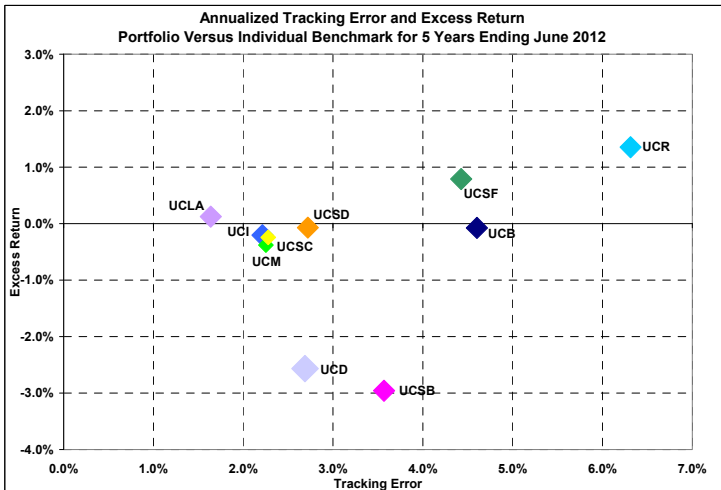
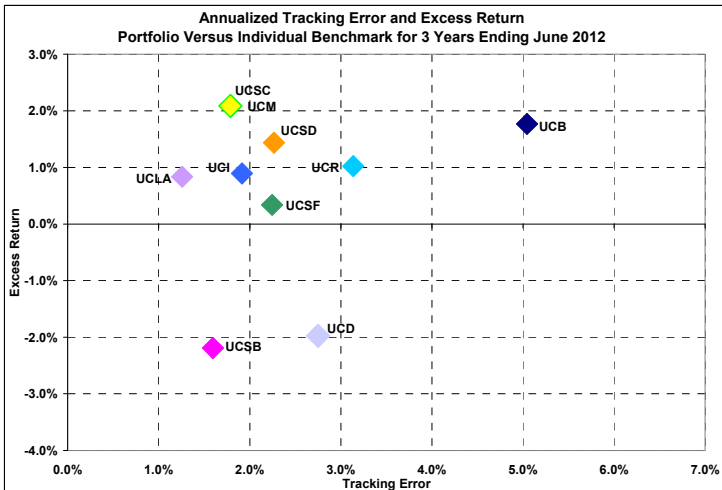
Next, we analyzed the risk levels taken by the Foundations in achieving their returns. The graphs below are snapshots of each Foundation’s risk-return profile for 3- and 5-years calculated on a monthly basis:



* (Annualized) Risk is defined as the annualized standard deviation calculated using monthly observations.

Although performance has been weak for the recent quarter and 1-year period, the risk-return profile shows strong results for 3 years propelled by the equity rebound since the lows in 2009 and the dive to ultra low interest rates. The Foundations achieved returns ranging from 8.7% to 11.1% and risks that ranged from 8.2% to 11.7% for the 3-year period. However, the annualized 5-year returns remained well below the long-term capital market return expectations with returns ranging from -0.8% to 1.9% and risks in the range of 10.2% to 14.2%. We noted that Santa Barbara and Riverside took on higher risk for both periods; however, only Riverside achieved higher return than the median for the 3- and 5-year periods.

In addition, we evaluated the portfolios’ active risk, which measures how closely the portfolio follows a specified benchmark:



The previous graphs reflect the active risks and excess returns of the individual portfolios when compared to their respective benchmarks over 3- and 5-years.

We found that Merced and Santa Cruz (both 100% invested in GEP) achieved the highest excess returns of 2.1% for the 3-year period and tracked the benchmark closely for the 5-year period by employing a moderate active risk for both periods.

For the 3-year period Berkeley, San Diego, Riverside, Irvine and San Francisco posted excess returns of 1.8%, 1.4%, 1.0%, 0.9% and 0.3%, respectively. Berkeley employed an active risk well above the median of all other Foundations.

For the 5-year period Riverside and San Francisco outpaced their benchmarks by 1.4% and 0.8%. Riverside achieved this result with a higher tracking error.

UCLA outperformed its benchmark moderately by 0.8% and 0.1% respectively for the 3- and 5-year periods and employed less active risk than the other Foundations. However, UCLA's total fund benchmark reflects the actual sub-asset class weights, which reduces tracking error.

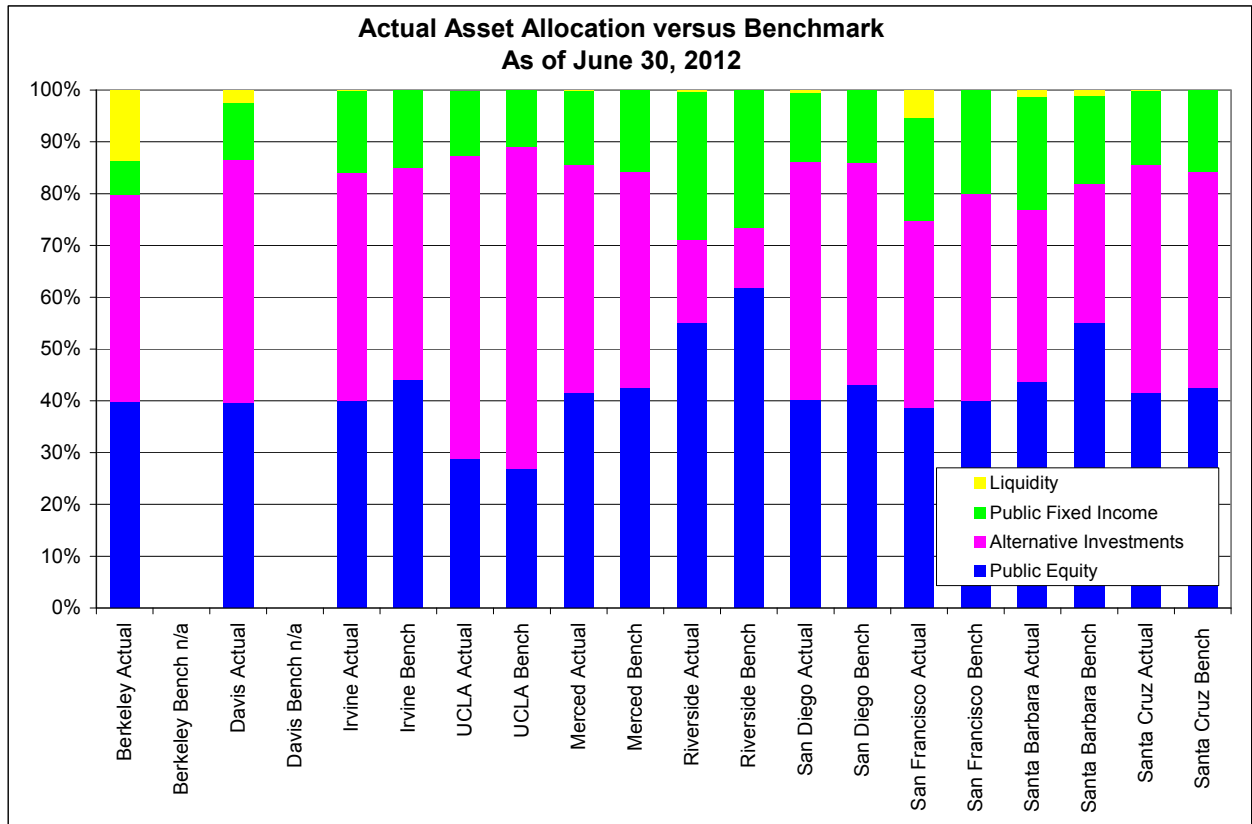
For Santa Barbara and Davis we observed generally a median tracking error coupled with an excess return of -2.2% and -2.0% respectively for 3 years and -3.0% and -2.6% respectively for 5 years. Santa Barbara started to invest outside the GEP in October 2007 and prior to July 1, 2011, measured their results against its long-term target benchmark which does not reflect the ongoing funding of private equities. In January 2011 Davis implemented a strategy-based investment structure which invests in about 85% in multi-asset strategies.

5.2 Policy Compliance

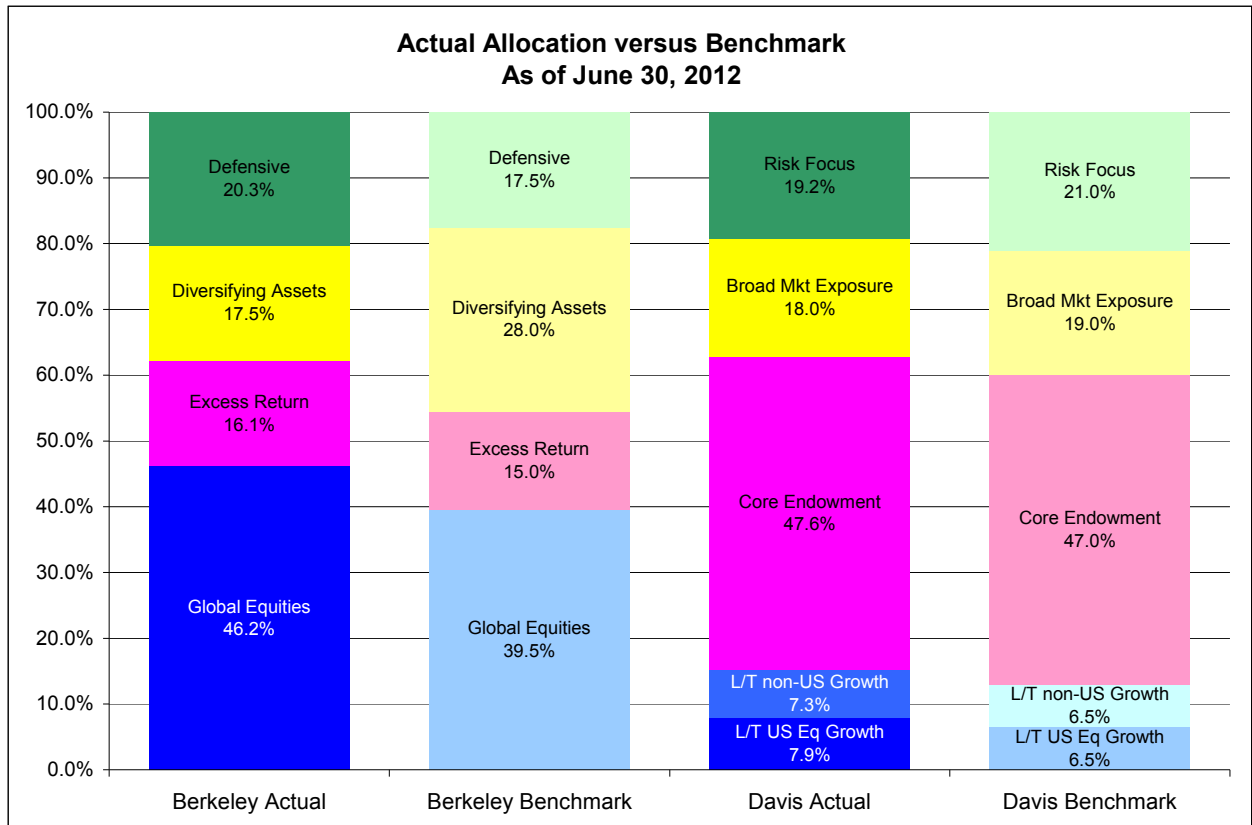
Merced and Santa Cruz are invested 100% in GEP. The other 8 Foundations have implemented their own individual investment policies. As of June 30, 2012, San Diego, Irvine and Davis allocated 73%, 31% and 18% respectively to the GEP. The overview of the Foundations' asset allocation versus the individual benchmark is presented below.

We observed the following benchmark anomalies:

- The calculation of the UCLA benchmark reflects actual weights that deviate from its long-term target.
- Riverside uses a secondary blended benchmark (71% MSCI ACWI and 29% Barclays Capital Aggregate) for its total fund benchmark, which is not reflected in the chart.



Berkeley and Davis moved to a strategy-based investment structure and implemented multi-asset class portfolios. The actual asset allocation versus benchmark is presented below:



The following benchmarks are implemented on total fund level:

- Berkeley
 - 82.5% MSCI AC World
 - 17.5% Barclays Treasury
- Davis
 - 70.0% S&P 500
 - 30.0% Barclays Aggregate

During the fiscal year, the following Foundations changed their investment policy statements:

- UC Santa Barbara
 - June 23, 2011 – reflected in the reporting as of July 1, 2011
- UC Riverside
 - October 1, 2011 – reflected in the reporting as of October 1, 2011
 - November 1, 2011 – reflected in the reporting as of November 1, 2011
 - January 1, 2012 – reflected in the reporting as of January 1, 2012
 - February 1, 2012 – reflected in the reporting as of February 1, 2012
- UC Irvine
 - November 23, 2011 – reflected in the reporting as of November 1, 2011
- UC San Francisco
 - December 8, 2011 – reflected in the reporting as of December 1, 2011
 - May 23, 2012 – reflected in the reporting as of May 1, 2012
- UC Davis
 - February 3, 2012 – reflected in the reporting as of February 3, 2012
- UC San Diego
 - June 7, 2012 – reflected in the reporting as of June 1, 2012

The following table reflects the difference between the asset allocation as of June 30, 2012, and the allocation defined in the investment policy statement for each Foundation. Any exposure outside the individual policy ranges is shaded, and the heat map on the right side shows by how much.

Over-/Underweight to Individual Foundation Policy as of June 30, 2012					
	Public Equity	Alternative Investments	Public Fixed Income	Liquidity	
Irvine	-4.1%	3.0%	0.9%	0.1%	
UCLA	2.0%	-3.2%	1.4%	-0.2%	
Merced	-0.9%	2.3%	-1.5%	0.1%	
Riverside	-6.8%	4.5%	2.1%	0.3%	
San Diego	-2.9%	3.1%	-0.6%	0.4%	
San Francisco	-1.3%	-3.9%	0.0%	5.3%	
Santa Barbara	-11.4%	6.3%	4.8%	0.3%	
Santa Cruz	-0.9%	2.3%	-1.5%	0.1%	
	Global Equities	Excess Return	Diversifying Assets	Defensive	
Berkeley	6.7%	1.1%	-10.5%	2.8%	
	L/T US Eq Growth	L/T non-US Growth	Core Endowment	Broad Mkt Exposure	Risk Focus
Davis	1.4%	0.8%	0.6%	-1.0%	-1.8%

Legend
**% Outside the Individual
Policy Range**

- > 5%
- + 4% to + 5%
- + 3% to + 4%
- + 2% to + 3%
- + 0% to + 2%
- Within policy ranges
- 0% to -2%
- 2% to -3%
- 3% to -4%
- 4% to -5%
- < -5%

UCLA's policy has a target of 0% to cash and has no definitive range.

5.3 Analysis and Recommendations

Mercer Investments as the General Investment Consultant to The Regents of the University of California has been directed by the Committee on Investments to review the Campus Foundations' investment policies to ensure that they are consistent with industry best practices.

In compliance with the Regents Policy 6201 Investment Policy for the University of California Campus Foundations, Mercer has reviewed for each Foundation:

- Investment policy and asset allocation relative to its policy
- Performance by asset class and relative to its benchmarks
- Asset allocation target percentages
- Ranges for each asset class
- Policy benchmarks for each asset class and in total
- Investment guidelines for each asset class as applicable

Based on our review of the UC Campus Foundations' investment policies above, Mercer Investments has no issues of concern to address as of June 30, 2012.

Mercer supports the Regents' investment policy for the Campus Foundations. This policy satisfies the Regents' fiduciary responsibilities and allows the Campus Foundations to manage their assets in a manner consistent with industry best practices.

6 Appendix

6.1 Historical Foundation Investment Performance	66
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6.1 Historical Foundation Investment Performance

Historical Fiscal Year Foundation Investment Performance											
Annual Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP*
2012	-1.0%	-0.4%	0.4%	-1.5%	-0.7%	-2.6%	-0.6%	-0.9%	-3.4%	-0.7%	-0.7%
2011	18.8%	18.7%	19.5%	16.7%	20.2%	21.5%	21.7%	18.3%	20.1%	20.2%	20.2%
2010	11.7%	11.3%	11.0%	11.8%	11.3%	15.8%	12.7%	14.4%	15.4%	11.3%	11.3%
2009	-20.6%	-17.9%	-20.6%	-21.1%	-18.2%	-22.1%	-20.4%	-16.5%	-20.7%	-17.7%	-18.2%
2008	-0.3%	-1.4%	-2.9%	0.1%	-1.5%	2.9%	-1.6%	-7.5%	-9.4%	-1.4%	-1.5%
2007	20.3%	19.7%	18.7%	17.8%	19.8%	21.7%	19.3%	18.2%	20.1%	19.5%	19.8%
2006	14.8%	11.3%	10.8%	12.9%	11.5%	14.2%	11.7%	11.3%	11.5%	11.3%	11.5%
2005	11.3%	10.2%	7.7%	10.2%	10.3%	11.3%	10.2%	10.0%	10.1%	10.3%	10.3%
2004	17.7%	14.4%	15.6%	15.2%	14.7%	18.1%	14.5%	17.2%	14.1%	14.5%	14.7%
2003	3.4%	5.5%	6.5%	4.5%	5.4%	4.1%	5.2%	0.9%	5.6%	5.4%	5.4%
2002	-4.8%	-8.3%	-7.2%	-8.9%		-4.1%	-9.5%	-6.8%	-9.4%	-9.1%	-9.5%
Average Annualized Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2012	-1.0%	-0.4%	0.4%	-1.5%	-0.7%	-2.6%	-0.6%	-0.9%	-3.4%	-0.7%	-0.7%
('11-'12)	8.5%	8.7%	9.5%	7.2%	9.3%	8.8%	10.0%	8.3%	7.7%	9.3%	9.3%
('10-'12)	9.5%	9.6%	10.0%	8.7%	9.9%	11.1%	10.9%	10.3%	10.2%	9.9%	9.9%
('09-'12)	1.1%	1.9%	1.4%	0.4%	2.1%	1.6%	2.0%	2.9%	1.5%	2.2%	2.1%
('08-'12)	0.8%	1.3%	0.5%	0.3%	1.4%	1.9%	1.3%	0.7%	-0.8%	1.5%	1.4%
('07-'12)	3.8%	4.1%	3.3%	3.0%	4.2%	5.0%	4.1%	3.4%	2.4%	4.3%	4.2%
('06-'12)	5.3%	5.1%	4.4%	4.4%	5.2%	6.2%	5.2%	4.5%	3.7%	5.3%	5.3%
('05-'12)	6.0%	5.8%	4.8%	5.1%	5.9%	6.8%	5.8%	5.2%	4.4%	5.9%	5.9%
('04-'12)	7.3%	6.7%	5.9%	6.2%	6.8%	8.0%	6.7%	6.5%	5.5%	6.8%	6.8%
('03-'12)	6.9%	6.6%	6.0%	6.0%	6.7%	7.6%	6.6%	5.9%	5.5%	6.7%	6.7%
('02-'12)	5.8%	5.1%	4.7%	4.6%		6.5%	5.0%	4.7%	4.0%	5.1%	5.1%
Cumulative Total Returns - Foundations											
# Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP*
2012	-1.0%	-0.4%	0.4%	-1.5%	-0.7%	-2.6%	-0.6%	-0.9%	-3.4%	-0.7%	-0.7%
('11-'12)	17.6%	18.2%	19.9%	15.0%	19.4%	18.4%	20.9%	17.2%	16.0%	19.4%	19.4%
('10-'12)	31.4%	31.5%	33.1%	28.6%	32.9%	37.1%	36.3%	34.1%	33.9%	32.9%	32.9%
('09-'12)	4.3%	8.0%	5.6%	1.5%	8.7%	6.8%	8.4%	12.0%	6.1%	9.3%	8.7%
('08-'12)	4.0%	6.5%	2.5%	1.5%	7.1%	9.8%	6.7%	3.6%	-3.9%	7.8%	7.1%
('07-'12)	25.1%	27.5%	21.7%	19.6%	28.3%	33.7%	27.3%	22.5%	15.4%	28.9%	28.3%
('06-'12)	43.6%	42.0%	34.9%	35.1%	43.1%	52.6%	42.2%	36.4%	28.7%	43.4%	43.1%
('05-'12)	59.9%	56.5%	45.2%	48.8%	57.8%	69.8%	56.7%	50.1%	41.7%	58.2%	57.9%
('04-'12)	88.2%	79.0%	67.8%	71.5%	81.0%	100.6%	79.4%	75.9%	61.6%	81.1%	81.0%
('03-'12)	94.6%	88.9%	78.7%	79.2%	90.8%	108.8%	88.8%	77.5%	70.7%	90.9%	90.7%
('02-'12)	85.2%	73.2%	65.9%	63.2%		100.2%	70.8%	65.4%	54.6%	73.5%	72.6%

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

Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances.

* Performance represents the GEP unit value which is derived by the Office of the Treasurer and used by the participating Foundations to calculate their performance. These unit values are based on lagged information with respect to the absolute return pool and private real estate.

6.2 Historical Benchmark and Active Performance

Historical Fiscal Year Benchmark and Active Performance											
Annual Total Returns - Benchmarks											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2012	-3.1%	6.4%	-0.6%	-1.3%	-2.4%	-2.1%	-1.1%	-0.7%	-2.0%	-2.4%	-2.4%
2011	17.2%	19.5%	19.6%	15.7%	17.9%	22.2%	19.6%	20.7%	22.5%	17.9%	17.9%
2010	10.2%	9.1%	9.2%	10.0%	9.1%	11.5%	10.7%	10.9%	18.3%	9.1%	9.1%
2009	-15.6%	-13.1%	-16.1%	-19.0%	-13.1%	-19.4%	-18.3%	-19.5%	-18.3%	-13.1%	-13.1%
2008	-1.2%	0.1%	-5.0%	-0.8%	0.1%	-4.5%	0.1%	-6.9%	-4.1%	0.1%	0.1%
2007	16.9%	18.0%	19.0%	17.7%	18.0%	20.2%	18.0%	17.7%	18.0%	18.0%	18.0%
2006	12.7%	11.1%	10.3%	10.4%	11.1%	13.6%	11.1%	11.1%	11.0%	11.0%	11.0%
2005	10.3%	9.5%	9.3%	8.7%	9.5%	10.4%	10.3%	10.2%	9.5%	9.5%	9.5%
2004	17.1%	14.6%	15.1%	16.2%	14.6%	18.0%	15.2%	17.8%	14.6%	14.6%	14.6%
2003	2.8%	5.0%	3.2%	3.0%	5.0%	2.1%	5.2%	3.2%	5.0%	5.0%	5.0%
2002	-8.1%	-7.7%	-6.6%	-10.5%		-7.8%	-7.7%	-7.3%	-7.7%	-7.7%	-7.7%
Annual Active Returns (Foundation minus Benchmark) ¹											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2012	2.1%	-6.9%	0.9%	-0.2%	1.8%	-0.4%	0.5%	-0.1%	-1.4%	1.8%	1.8%
2011	1.6%	-0.9%	-0.1%	1.0%	2.3%	-0.7%	2.0%	-2.4%	-2.5%	2.3%	2.3%
2010	1.6%	2.3%	1.8%	1.8%	2.3%	4.3%	2.0%	3.5%	-2.9%	2.3%	2.3%
2009	-5.1%	-4.9%	-4.6%	-2.0%	-5.1%	-2.8%	-2.1%	3.0%	-2.4%	-4.7%	-5.1%
2008	0.9%	-1.4%	2.0%	0.8%	-1.5%	7.3%	-1.6%	-0.6%	-5.4%	-1.4%	-1.5%
2007	3.4%	1.7%	-0.3%	0.1%	1.7%	1.5%	1.2%	0.5%	2.0%	1.5%	1.8%
2006	2.2%	0.3%	0.5%	2.5%	0.5%	0.5%	0.6%	0.2%	0.5%	0.2%	0.5%
2005	1.0%	0.8%	-1.6%	1.5%	0.9%	0.9%	-0.1%	-0.1%	0.6%	0.8%	0.9%
2004	0.6%	-0.2%	0.5%	-1.0%	0.1%	0.1%	-0.7%	-0.6%	-0.5%	-0.1%	0.1%
2003	0.6%	0.5%	3.3%	1.5%	0.4%	2.0%	0.0%	-2.3%	0.6%	0.4%	0.4%
2002	3.3%	-0.6%	-0.6%	1.6%		3.7%	-1.8%	0.5%	-1.7%	-1.4%	-1.8%
Average Annualized Active Returns (Foundation minus Benchmark) ²											
# Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2012	2.1%	-6.9%	0.9%	-0.2%	1.8%	-0.4%	0.5%	-0.1%	-1.4%	1.8%	1.8%
('11-'12)	1.9%	-4.1%	0.5%	0.4%	2.0%	-0.6%	1.2%	-1.2%	-1.9%	2.0%	2.0%
('10-'12)	1.8%	-2.0%	0.9%	0.8%	2.1%	1.0%	1.4%	0.3%	-2.2%	2.1%	2.1%
('09-'12)	-0.3%	-2.9%	-0.8%	-0.1%	-0.1%	-0.2%	0.3%	1.2%	-2.3%	0.1%	-0.1%
('08-'12)	-0.1%	-2.6%	-0.2%	0.1%	-0.4%	1.4%	-0.1%	0.8%	-3.0%	-0.2%	-0.4%
('07-'12)	0.4%	-1.9%	-0.2%	0.1%	-0.1%	1.4%	0.1%	0.8%	-2.2%	0.0%	-0.1%
('06-'12)	0.7%	-1.6%	-0.1%	0.4%	0.0%	1.3%	0.2%	0.7%	-1.9%	0.0%	0.0%
('05-'12)	0.7%	-1.3%	-0.3%	0.6%	0.1%	1.2%	0.2%	0.6%	-1.6%	0.1%	0.1%
('04-'12)	0.7%	-1.2%	-0.2%	0.4%	0.1%	1.1%	0.1%	0.5%	-1.5%	0.1%	0.1%
('03-'12)	0.7%	-1.1%	0.1%	0.5%	0.1%	1.2%	0.1%	0.2%	-1.3%	0.1%	0.1%
('02-'12)	0.9%	-1.0%	0.1%	0.6%		1.5%	-0.1%	0.2%	-1.3%	0.0%	-0.1%

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

Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances.

1) Arithmetic difference

2) Annualized geometric difference

6.3 Investment Policies

Campus	Asset Class	Benchmark Component	Percentage
UC Berkeley	Global Equity	MSCI AC World (gross)	82.5%
	Fixed Income	Barclays Treasury	17.5%
UC Davis	U.S. Equity	S&P 500	70.0%
	Fixed Income	Barclays Aggregate	30.0%
UC Irvine	U.S. Equity	Russell 3000	22.0%
	Non U.S. Equity	MSCI AC World ex U.S. (Net)	22.0%
	US Fixed Income	Barclays Aggregate	15.0%
	Private Equity	UCIF-Private Equities (Russell 3000 + 3%)	8.0%
	Hedge Funds	HFR1 Fund of Funds Index	20.0%
	Commodities	Dow Jones-UBS Commodity Index TR	5.0%
	Real Estate	NCREIF Property Index	8.0%
UC Los Angeles *	U.S. Equity	Russell 3000	15.0%
	Non-U.S. Equity	MSCI AC World ex U.S. (Net)	6.0%
	Emerging Markets	MSCI AC World ex U.S. (Net)	8.2%
	Fixed Income	Barclays Aggregate	12.2%
	Private Equity	Total Non-Marketable Actual Return	15.1%
	Real Assets	Total Inflation Hedge Actual Return	8.9%
	Absolute Return	HFRX Absolute Return Market Blended Index	26.1%
	Real Estate	Blended Real Estate Benchmark	8.6%
UC Merced	GEP **	GEP Benchmark	100.0%
UC Riverside	Global Equity	MSCI AC World	71.0%
	Fixed Income	Barclays Aggregate	29.0%
UC San Diego	U.S. Equity	Russell 3000	19.0%
	Non-U.S. Equity	MSCI ACWI World ex U.S. (Net)	24.0%
	Fixed Income	Barclays US Aggregate Bond Index	14.0%
	Private Equity	S&P 500 + 5%	7.5%
	Absolute Return	HFRX Global Hedge Fund Index	25.0%
	Real Estate	NCREIF Property Index	7.5%
	Other	S&P500 + 5%	3.0%
UC San Francisco	U.S. Equity	Russell 3000	20.0%
	Non-U.S. Equities	MSCI All Country World ex U.S. (Net)	20.0%
	Fixed Income	Custom Benchmark	20.0%
	Private Equity	S&P 500 + 7%	7.5%
	Hedge Funds	HFR1 Fund Weighted Composite	20.0%
	Hard Assets	Dow Jones-UBS Commodity Index TR	6.3%
	Real Estate	Real Estate Benchmark (NCREIF Property Index)	6.3%
UC Santa Barbara***	U.S. Equity	S&P 500	24.0%
	Non-U.S. Equity Developed	MSCI EAFE (Net)	24.0%
	Emerging Market Equity	MSCI Emerging Market (Net)	7.0%
	Fixed Income	Barclays Aggregate	15.0%
		BoA/ML US High Yield B-BB Constrained	2.0%
	Absolute Return	HFR1 FoF Diversified	17.0%
	Private Equity	UCSB - Private Equity/Venture Capital	6.0%
	Real Estate	FTSE NAREIT US Real Estate Index	2.0%
	Energy/Commodities/Other	Goldman Sachs Commodities Index	2.0%
	Cash & Equivalents	30-Day US Treasury Bill	1.0%
	UC Santa Cruz	GEP **	GEP Benchmark

* UCLA's benchmark reflects actual weights which is different than its long-term target weights

** GEP	U.S. Equity	Russell 3000 TF Index	18.5%
	Non-U.S. Equity Developed	MSCI World Ex-U.S. (Net) TF	16.0%
	Emerging Market Equity	MSCI Emerging Market (Net)	6.0%
	Global Equity	MSCI All Country World Index (Net) - IMI - TF	2.0%
	U.S. Core Fixed Income	Barclays U.S. Aggregated Bond Index	5.8%
	High Yield Debt	Merrill Lynch High Yield Cash Pay Index	3.0%
	Emerging Market Debt	33% J.P. Morgan EM Bond Index Global Diversified + 67% Morgan Government Bond Index EM Global	3.0%
	TIPS	Barclays U.S. TIPS Index	4.0%
	Private Equity	Actual PE Returns	9.0%
	Absolute Return-Diversified	50% HFRX Absolute Return Index + 50% HFRX Market Directional Index	23.5%
	Absolute Return-Cross Asset Class	Aggregate GEP Policy Benchmark	2.0%
	Real Assets	Commodities: S&P GSCI Reduced Energy Index: All Other: Actual Portfolio Return	1.3%
	Real Estate (Public and Private)	Public: FTSE EPRA NAREIT Global Index and Private: NCREIF Funds Index-Open End Diversified Core Equity Index (lagged 3 months)	6.0%

*** UCSB's benchmark reflects the current policy target weights which is different than its long-term target weights

6.4 Glossary

CURRENT ASSETS

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

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

ENDOWMENT ASSETS

True endowments, established by donor-restricted gifts to provide a permanent source of income, and Funds Functioning as Endowments (FEEs), established by donor-restricted gifts to provide income but principal may also be expended.

GENERAL ENDOWMENT POOL (GEP)

Established in 1933, and unitized in 1958, the GEP is The Regents' primary investment vehicle for endowed gift funds. The GEP is comprised of over 4,909 individual endowments that support the University's mission. The GEP is a balanced portfolio of equities, fixed-income securities, and alternative investments in which all endowment funds participate, unless payout needs require otherwise.

NON-ENDOWED ASSETS

Current gift and trust/life income assets, excluding pledges.

OTHER ENDOWED ASSETS

Separately invested assets, mortgages, real estate, operational accounts, account receivables, and others.

SHORT TERM INVESTMENT POOL (STIP)

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

TRUSTS/LIFE ANNUITIES

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

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