Office of the Chief Investment Officer of the Regents

Reflect

UNIVERSITY OF CALIFORNIA

Keep it simple.

Making things simple is complicated. But it's important.

At the Office of the Chief Investment Officer of the Regents (UC Investments), we manage close to $100 billion. Our work is complex, and explaining it can be complicated. But we see value in reducing complex theories and strategies into concepts that are simpler and easier to grasp. To us, simplifying is a way to stay focused on what's important. Doing so keeps us on track to achieve our goals and fulfill our obligations to our stakeholders. As a bonus, it also makes it easier to talk about what's happening in our office so all of our many stakeholders can understand what we're doing and how we're doing it.

Here's what's been happening.

Over the last year, we spent a lot of time taking stock. We reflected on our past 20 years of performance and asked ourselves some basic questions. "How do we earn the best returns for the university in the future?" "How do we best manage our office?" "How do we recruit and retain outstanding people?" "Are our processes working as well as they could?" "How can we make things less complicated?"

That last question really stuck with us. Because to us, doing the hard work it takes to make things simple is the most important thing we can do to set the foundation for our office — and the University of California — for the next 25 years.

So we focused on getting back to basics. We simplified. We focused on good governance. We kept an eagle eye on our costs. We cultivated an innovation mindset. And we stayed true to our core investment beliefs, even when the market threw us curve balls.

Because if there's one thing we know, it's this: Things change. It's our job to take a long-term view, learning from the past so we can adapt to the future with intelligence, creativity and agility.

We know the choices we make today have a direct impact on the lives of our staff, students and faculty for generations to come. It's a responsibility that's both profound and simple, and it's what drives us every day.

Q&A with Janet Napolitano

President,
University of California

You've now served as UC's president for two years. Could you talk about the culture you're trying to foster at the university?
The University of California is the premier public research university system in the world, and we already excel in many areas. But there are opportunities for growth and innovation at every organization. I want us to be engaged and proactive, and I want us to be committed to excellence in everything that we do. We should always be asking, "How can we do better? How do we continue to compete with peer institutions and lead the way in higher education? What's the next big challenge the University of California should tackle? What can we do to make a difference to the world around us?"

What is the relationship between the UC Office of the President and the Office of the Chief Investment Officer of the Regents (UC Investments)?
UC Investments reports to my office and the university's chief financial officer on administrative matters related to their organizational support, staff, and budget. Beyond this, we're trying to better integrate UC Investments into the operations of the Office of the President. We believe there should be more collaboration between these offices as we determine how the work of UC Investments can continue to support university initiatives and ensure a bright and stable future for UC.

Can you talk about how UC Investments is helping you implement these key initiatives, particularly your innovation and entrepreneurship programs?
The University of California has a tremendous impact on California's economy, and we have an incredibly productive pipeline of innovation and entrepreneurship. We are the number-one patent producer in the country. And we're the origin of 800 startups in the last 10 years alone.

We're exploring a variety of ways that the university can better support and encourage the development of new companies and inventions out of the research done at our campuses. Capital investment is one important avenue. That's why last year, the university announced UC Ventures, where we will provide direct investment support to the campuses and also partner with other venture capital funds to invest in UC-related research. UC Investments has committed up to $250 million to these efforts.

Partnering with UC Investments helps us think more creatively about ways to access the capital we need to support this priority, as well as other initiatives the Office of the President has launched, such as the Carbon Neutrality Initiative and the Global Food Initiative.

What do you think about what's happening in the UC Investments office?
I think they are doing excellent work. They have produced results that have supported the university's mission and helped us advance our strategic initiatives. Jagdeep Singh Bachher has a clear vision that I support. He is decisive, energetic, and creative in his approach to the issues the university is confronting. Jagdeep has successfully recruited several highly qualified senior leaders to join the UC Investments team. He has instilled a collaborative culture in his office, and members of his staff have become active and important contributors to the initiatives of the Office of the President. I look forward to continuing to work with his team.

What does UC Investments do to help you make your vision for the university a reality?
Two things are critical. First is identifying new ways to generate more operating funding from our investments — income that can be used to supplement the funding the university receives from the state. We reached a budget agreement with the governor and legislature last spring that puts UC on more solid financial footing, and we are very grateful for that support. But as the needs of our campuses evolve, and as the university continues to increase the number of Californians we educate, additional funding will be necessary. It will require us to be nimble and creative.

Another way UC Investments can support the university is by determining the ideal mix of investment products that ensure a financially viable pension program for our employees well into the future.

Q&A with Paul D. Wachter

UC Board of Regents,
Chair of the Committee on Investments

As your term comes to an end, what stands out in your decade-plus tenure?
There have been so many tremendous changes since I became chair of the Committee on Investments, but I think there are three seminal events of my tenure. The first is working with our last two chief investment officers to move our portfolio from old-school, plain-vanilla stocks and bonds to a more contemporary, active management model — some call it the Endowment Model, most associated with David Swensen of the Yale endowment — with more private equity, more absolute return and more real estate.

Second is surviving the financial crisis. Compared to most other pensions and endowments, we did extremely well — we escaped the liquidity issues and blowups that others had, and we emerged from the crisis with more confidence as a result.

Third is the hiring of Jagdeep Singh Bachher as chief investment officer. His personality is very well suited for the position. He's an excellent communicator — which was a key asset we were looking for — and he's already been proactive in shifting how we invest our different portfolios. With his leadership, we're now refining our investment model in a variety of ways to be more of what we want it to be, not trying to replicate anyone else's model. We are also looking more granularly at how the different products — the pension, endowment, retirement savings and working capital funds — should be invested.

The proof of the success of these three things lies in the numbers: We're doing a lot better now — both in absolute terms and relative to our peers — than we were doing 10 years ago. I'm proud of that.

How does your committee work with UC Investments?
The regents set asset allocation and investment policy, and pretty much everything else is done by the Office of the Chief Investment Officer of the Regents (UC Investments). For example, we don't pick the managers. The single most important thing in investing is asset allocation, but we do it at the big-picture level and give UC Investments a lot of latitude at the granular level within the asset allocation parameters, which we discuss as appropriate. I believe in the latitude, and because we have Jagdeep leading a great team at UC Investments, it works.

What's your take on the change in culture at UC Investments over the past two years?
The office is responsible for close to $100 billion — that's a lot of money, so you want to know what's happening with it. In the past, we'd have more "stilted" committee meetings with only the highest-level managers presenting. Now, we're getting the exact information we need presented in a way everyone can understand, and we're hearing from a much broader range of people on Jagdeep's team.

It makes me feel good knowing there are so many great people involved in the process, and it makes the meetings a whole lot more enjoyable. Everyone appreciates it.

Tell us about developing the system's first-ever sustainable investment framework.
This was a long, collaborative process to determine how we can protect the performance of the products — so we don't have to raise tuition, so people can depend on their UC pension and so we can have better pay across all positions — and at the same time making investment decisions that are in line with our values and those of our many constituents. Our sustainable investment framework demonstrates our commitment to not just divest, as we've done with tobacco and Sudan — decisions done with great circumspection — but also to putting our money into things that will actually move the needle on an important issue like alternative energy. I think we've done a really good job of creating a strategy that will serve us for the long term.

What advice would you have for Regent Richard Sherman, who will be taking over as chair of the Committee on Investments?
Make the meetings interesting and understandable. Try and make it so people are inspired to ask good questions. Make sure the committee has the information it needs to make sound decisions and be responsible fiduciaries. Try not to get mired in the technical stuff. Leave that to Jagdeep and his team. They're the experts. They're the investment professionals. We're covered.

Delivering value through values.

1

Invest for the long term.
Where we can, we focus on investments over 10 years and beyond. This offers many more opportunities than those available to short- and intermediate-term investors. We aim to make the most of our scale and ability to be patient.

2

Invest in people.
The contributions of talented people are among the most important drivers of success for any investment organization. So we've made the recruitment and retention of exceptional staff a cornerstone of our strategy.

3

Build a high-performance culture.
Every organization needs a clearly defined culture to make sure everyone is working towards the same ends and speaking the same language. Our culture is one of responsibility, accountability and high performance. We are proud of our achievements but try to be humble, as markets sometimes surge and fall without warning.

4

We are all risk managers.
Our aim is simple: to earn the best risk-adjusted return that meets the objectives of our various portfolios. But achieving that aim is complex. An effective risk-management function is critical, enabling the leadership to delegate authority to the investment team. Everyone on the team is in the risk-management business.

5

Allocate wisely.
The key to investing, and the most important driver of performance, is asset allocation. To make effective investment decisions and achieve the appropriate combination of risk and return, we have to maintain a clear and balanced understanding of stakeholders' unique objectives, time horizon, risk tolerances, liquidity and other constraints. As a globally significant investor, we also aim to make the most of our scale and patience when we allocate assets.

6

Costs matter.
High-quality advice comes at a cost. We get that. But we also believe fees and costs for external managers must be fully transparent and straightforward. Anything else creates potential problems — opaque fees can mask risk. Plus, cost savings can be considered a risk-free return. If we can save money through efficient, well-executed strategies, then we must. We intend to capture every dollar of this risk-free return that we can.

7
Diversify with care. Act with clarity.
Diversification is invaluable, but it’s not a cure-all. It allows us to spread risk and reduce the impact of any individual loss. But diversifying too broadly can draw investors into assets and products they don’t fully understand. We prefer a more focused portfolio of assets and risks that we know extremely well. We also need to be keenly aware of our own strengths and weaknesses in the global context in order to act decisively when we believe markets are behaving irrationally or when we have a skill or knowledge advantage. That means keeping a constant, clear-eyed check on our evolving capabilities. It’s not always an easy or painless process, but it’s an essential one.

8
Sustainability impacts investing.
Sustainability is not a “check box,” but rather, a fundamental concern that we incorporate into decision making. We focus particularly on how sustainability can improve investment performance. Sustainable businesses are often more rooted in communities and resilient to future crises, which means investing in them makes good business sense. They are bound to affect portfolios in the future, and we need to consider them in our broader lens of investment decision making.

9
Collaborate widely.
We are proud to be a part of the University of California, as well as the broader community of institutional investors. Through active collaboration, we aim to leverage the unique resources of the university. We also want to foster collaborative relationships with our peers to leverage our long-term competitive advantages.

10
Innovation counts.
The best investors recognize that markets are constantly fluctuating and that no good idea lasts forever. We must always be innovating and identifying new opportunities. Getting in early brings rewards. Just as importantly, some of the best opportunities transcend asset-class silos. There are advantages in thinking differently and partnering with peers that are willing to work with us on innovative projects. Collaboration is one of the most powerful drivers of innovation.

Investing in a better world.

As the pace of change in our world continues to accelerate, we recognize that evolving long-term risks and opportunities, such as global climate change, water scarcity, income inequality and an aging population, will influence our investment returns in the future.

So over the past year, we invited our stakeholders — students, faculty, staff, alumni and the public — to share with us their views on how best to manage our investments in a way that advances our common aspiration for a safer and better world while also improving our returns.

The result is UC Investments' first-ever sustainable investing framework, which has been crafted to guide our philosophy of long-term investing in — and for — the future, as well as provide a key metric for evaluating risk.

Sustainability impacts investing.

1
Climate change
Continued emissions of greenhouse gases will cause further warming and changes in the climate system.[1] A transition to a lower-carbon economy, including low-carbon sources of energy, is necessary to ensure the health and well-being of future generations. Given the scale of existing infrastructure and the challenge to quickly shift the transportation sector to low-carbon fuel sources, this transition requires a multi-generational effort.

2
Food and water security
Global climate change, population growth and rapid urbanization are intensifying the strain on global water and agricultural systems. Human well-being is inexorably linked to water and food security, and failure to adequately ensure these basic needs for future generations will undermine global economic welfare, human security and political stability.

3
Inequality
Addressing inequality is both a responsibility and an opportunity.[2] Solving inequality of opportunity can create new demographics that can contribute to economic progress and widen the market for goods and services, creating a more profitable and sustainable business climate.

4
Aging population
Rapid aging of populations will be a transformational force affecting society and the global economy, requiring new approaches to health systems, workforce organization, intergenerational relations and public finance.

5
Diversity
Diversity enhances economic, social and environmental outcomes for business and society.

6
Human rights
Businesses whose profits are derived from direct harm to public safety, the unlawful deprivation of human dignity or the exploitation of children or other vulnerable workers undermine universally approved principles of the United Nations and create a serious threat to the conditions needed for a well-functioning, market-based global system.

7
Circular economy
The “take, make, dispose” pattern of growth is an unsustainable economic paradigm. We must transition to a more circular economy in which intelligent design allows us to decouple economic growth and development from consumption of finite resources.

8
Ethics and governance
Our market economy system relies on trust as a fundamental cornerstone. Good corporate governance and proportionate, transparent and responsible regulation are vital to well-functioning and sustainable financial markets. As long-term investors, we seek the sustained returns associated with strong governance, rather than the rapid gains that can vanish quickly if they are rooted in corruption, fraud or falsification. Recent financial crises highlight how destructive such fraud and corruption can be to the proper functioning of credit markets and the preservation of personal and corporate wealth.

1. Intergovernmental Panel on Climate Change (IPCC), the leading informational body for the assessment of climate change. The IPCC was established in 1988 by the United Nations Environment Programme and the World Meteorological Organization (WMO) to provide a clear scientific view on the current state of knowledge on global climate change.
2. World Economic Forum (Davos)

Here today, here tomorrow.

For every product we manage, our approach is the same: We invest for the long term and don't get distracted by the daily whims of the market. This approach has served us well over the years; in fact over the past 20 years, we've tripled our assets under management: from $28.3 billion in 1995 to $98.2 billion as of June 30, 2015.

These assets are contained within our products: the UC Endowment, Pension, Retirement Savings and Working Capital. Each product is substantial on its own, and when combined, their size, scale and flexibility allow us to take advantage of unique investment opportunities.

This was a year where we did exactly that.

First, we simplified our portfolios and reduced our number of external managers to align with the risk and return objectives of each of our products. We also took profits by selling positions where available. All combined, this resulted in almost $10 billion of inflows — $6 billion of which was reinvested — ending the year with $4 billion in cash.

Our Products
Overview

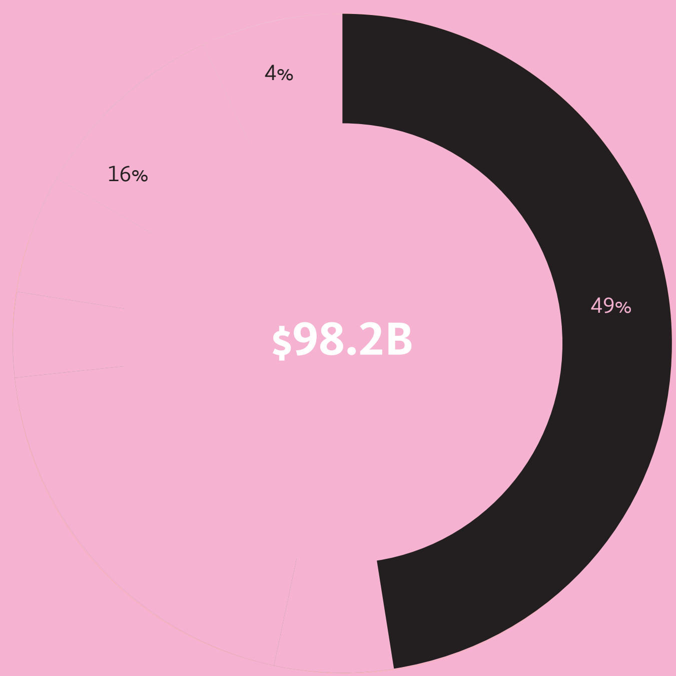
Market Value in Billions ($)

	June 30, 2015	1 year ago	5 years ago	10 years ago	20 years ago
Endowment	8.9	8.3	5.7	5.2	2.4
Pension	55.0	52.1	34.5	42.0	19.9
Retirement Savings	20.1	15.5	10.4	8.8	3.2
Working Captial Total-Return	7.4	7.6	1.8	–	–
Working Captial Short-Term	6.8	7.1	7.7	7.2	2.8
Total	$98.2B	$90.6B	$60.1B	$63.2B	$28.3B

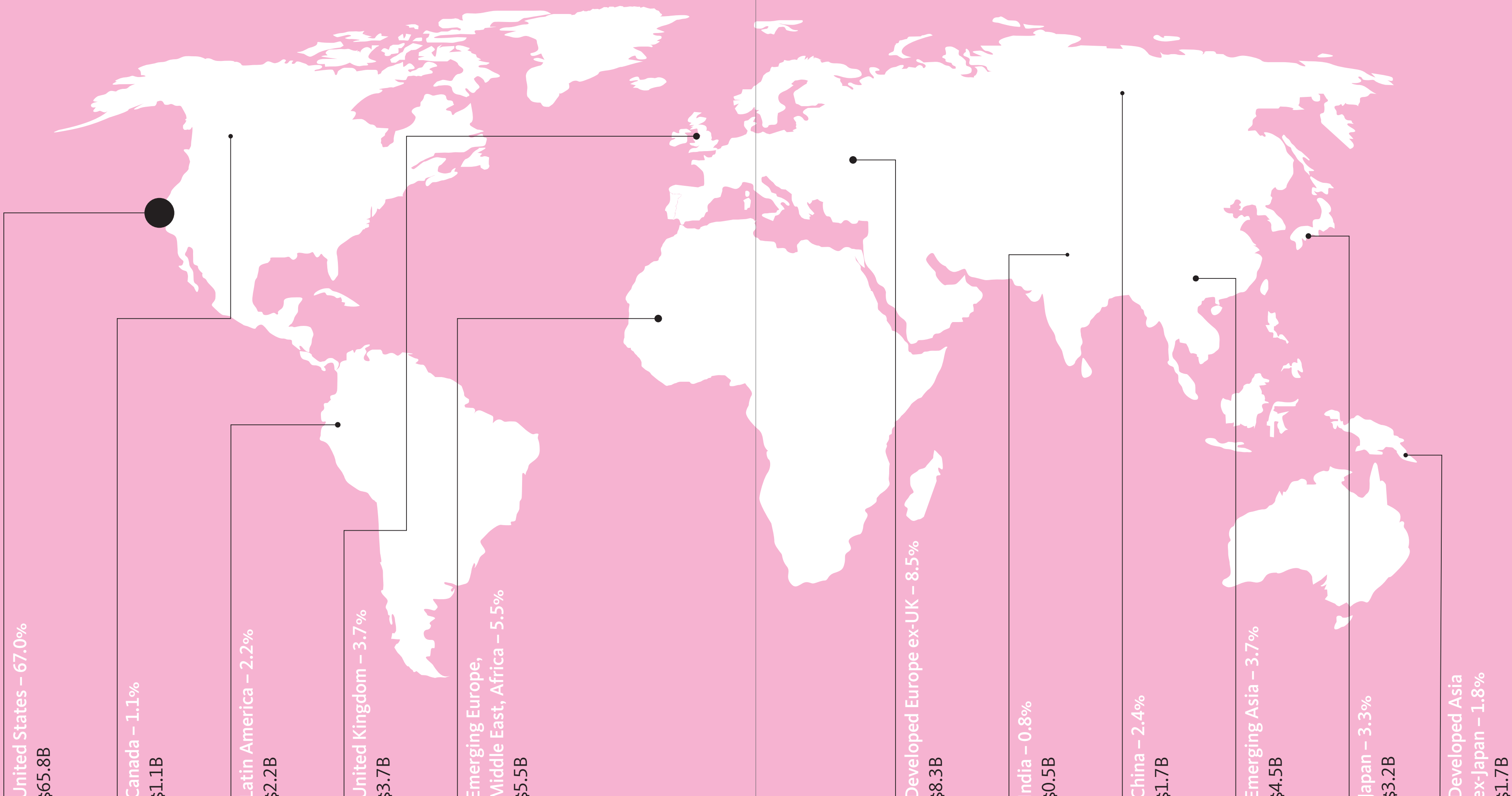
Our Products
How We Invest

Market Value in Billions ($)

Public Equity	$47.7B
Fixed Income	$30.8B
Other Investments	$16.0B
Absolute Return	$6.3B
Private Equity	$4.3B
Real Estate	$4.1B
Real Assets	$1.3B
Cash	$3.7B
Total	$98.2B

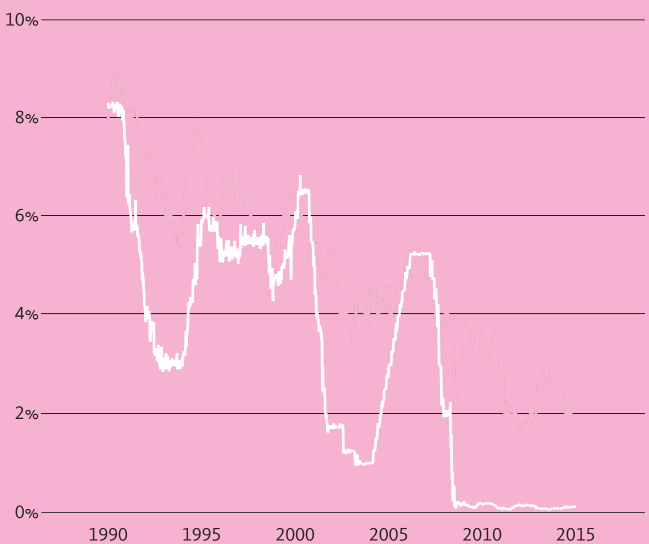


Our Products
Where We Invest



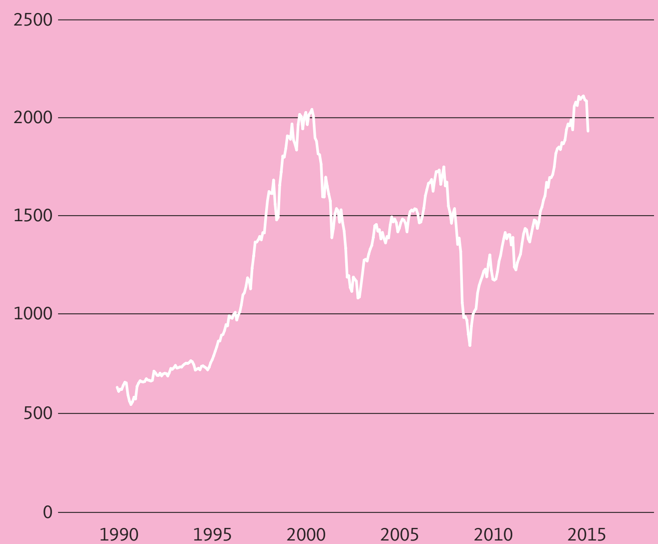
Markets
Lower interest rates longer

- Fed Fund Rate
- 10-Year Treasury



Markets
How much further can equities go?

- S&P 500 Index



A healthy endowment.

With the university's Endowment, we're focused on maximizing value while maintaining enough liquidity to support future spending and protect against a potential prolonged market downturn. We always strive to ensure that payouts from the Endowment are equal to the needs of the campuses and our affiliates that rely on it. Once that's achieved, we turn our attention to growing the value of the principal.

In the past decade, we've actively worked to shift our investment strategy to a more contemporary model, adding other types of assets such as private equity, absolute return and real assets to our traditional mix of equities and fixed income.

The shift in strategy is paying off. Our Endowment posted strong results on a risk-adjusted basis with a fiscal year net return of 7.2%. We had more than $350 million in inflows. The Endowment payout was $268 million for the year, and over the past decade, the Endowment has paid out $2.3 billion.

We've been building up liquidity to be ready for new buying opportunities, while also increasing our active management, rationalizing our portfolios, concentrating our investments and identifying opportunities where we can act as partners and collaborators with our external managers and peers.

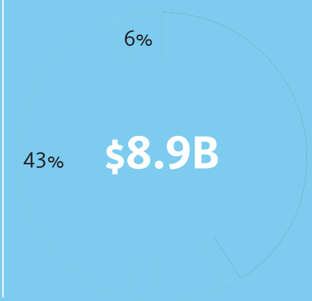
All of this is in service to our goal of creating our own unique investment model, one that allows us to take full advantage of our size and scale to generate the best risk-adjusted returns possible for the University of California.

Endowment
Asset Allocation

- Public Equity
- Fixed Income
- Other Investments
- Cash

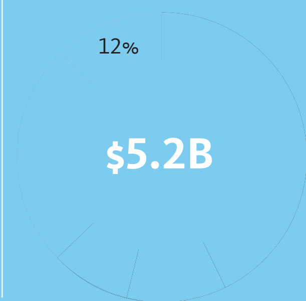
Market Value in Billions ($)

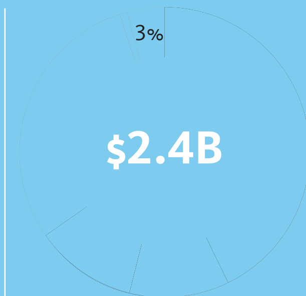
June 30, 2015



5 Years Ago

10 Years Ago





20 Years Ago

Endowment
Investment Highlights

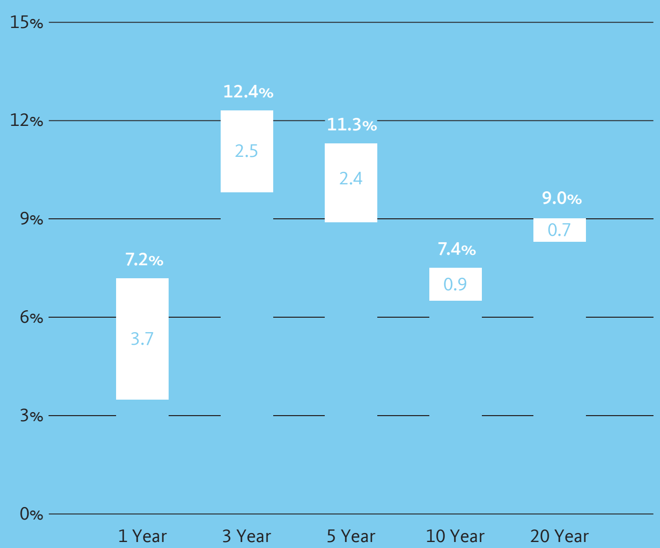
8.6%
Gross Return

Market Value in Billions ($)

June 30, 2014	$8.3B
Market Gains	$0.3B
Value Added	$0.3B
+ Cash Inflow	$0.3B
− Cash Outflow	($0.3B)
June 30, 2015	$8.9B

Endowment
Annualized Net Return

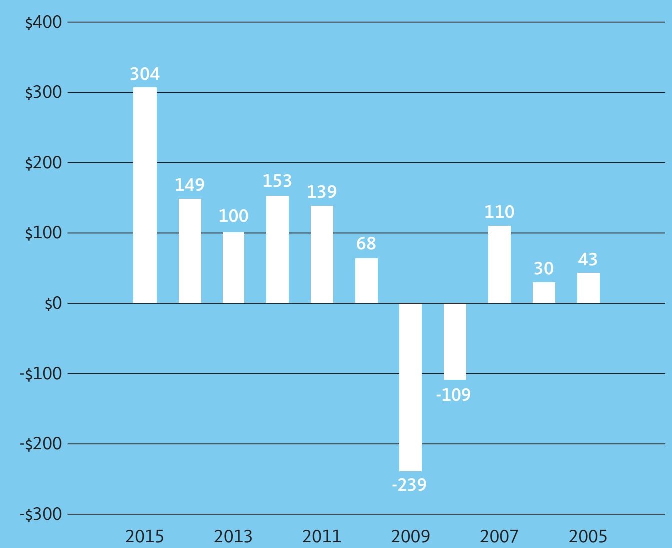
- Value Added
- Benchmark



Endowment
Dollar Value Added

- Dollar value added is what we earned beyond what we would have earned if we were passively invested in the market.

Value in Billions ($)



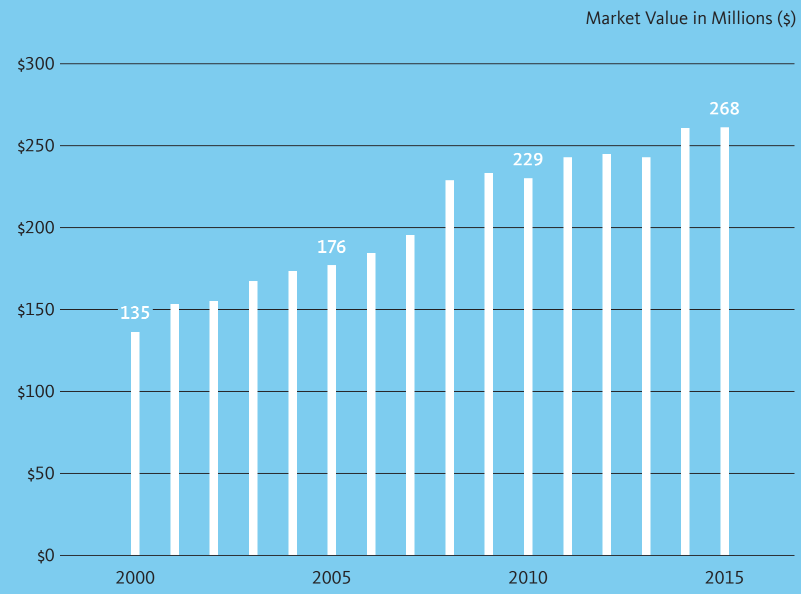
Endowment Asset Allocation

	Market Value in Billions ($)	Portfolio Weight (%)	Policy Weight (%)	Overweight / (Underweight)
Public Equity	3.6	40.5	41.5	(1.0)
Fixed Income	0.9	10.1	12.5	(2.4)
Other Investments	3.8	42.7	46.0	(3.3)
Absolute Return	2.1	23.6	23.5	0.1
Private Equity	0.8	9.0	9.0	0.0
Real Estate	0.7	7.9	6.8	1.1
Real Assets	0.2	2.2	2.7	(0.5)
Cross Asset Class	0.0	0.0	4.0	(4.0)
Cash	0.6	6.7	0.0	6.7
Total	$8.9 Billion	100.0%	100.0%	0.0%

Endowment Performance

	Market Value in Millions ($)	Annualized Performance (%)				
		1 year	3 years	5 years	10 years	20 years
Endowment	8,928	7.2	12.4	11.3	7.4	9.0
Policy Benchmark		3.5	9.9	8.9	6.5	8.3
Public Equity						
U.S.	1,142	8.3	18.3	17.8	8.0	8.5
Non-U.S. Developed	843	(2.8)	12.2	9.7	5.9	—
Emerging Markets	541	1.1	5.8	5.7	8.7	7.8
Opportunistic	1,106	11.6	—	—	—	—
MSCI All Country World Index		0.7	13.0	11.9	6.4	—
Fixed Income						
Core	327	1.7	2.7	3.8	4.3	6.8
High-Yield	218	0.1	7.3	9.0	—	—
Emerging Markets	201	(1.8)	2.3	5.2	—	—
TIPS	202	(1.4)	(0.6)	3.5	4.4	—
Barclays U.S. Aggregate Bond Index		1.9	1.8	3.3	4.4	6.2
Other Investments						
Absolute Return	2,108	6.7	10.1	8.0	6.4	—
Private Equity	769	22.6	20.9	17.5	11.8	20.2
Real Estate	717	17.7	14.1	15.6	4.1	—
Real Assets	201	(6.3)	2.9	3.1	—	—
Cash	554	1.4	1.5	2.1	—	—

Endowment
Annual Payout



Endowment
Policy Benchmarks

	Benchmark Component	Target	Ranges
Public Equity		**41.5%**	
U.S.	Russell 3000 Tobacco Free Index	15.5%	+/-5%
Non-U.S. Developed	MSCI World ex-U.S. (net dividends) Tobacco Free	10.0%	+/-5%
Emerging Markets	MSCI Emerging Markets (net dividends)	6.0%	+/-2%
Opportunistic	MSCI All Country World Index (net dividends)	10.0%	+/-3%
Fixed Income		**12.5%**	
Core	Barclays U.S. Aggregate Bond Index	5.0%	+/-3%
High-Yield	Merrill Lynch High Yield Cash Pay Index	2.5%	+/-1%
Emerging Markets	JP Morgan Emerging Markets Bond Index Global Diversified	2.5%	+/-1%
TIPS	Barclays U.S. TIPS	2.5%	+/-2%
Other Investments		**46.0%**	
Absolute Return	50% HFRX Absolute Return Index + 50% HFRX Markets Directional Index	23.5%	+/-5%
Private Equity	Actual Private Equity Returns	9.0%	+/-3%
Real Estate	NCREIF Funds Index-Open End Diversified Core Equity Index	6.8%	+/-3%
Real Assets	Commodities: S&P GSCI Reduced Energy Index; All other: Actual Real Assets Portfolio Returns	2.7%	+/-1%
Cross Asset Class	Aggregate Endowment Policy Benchmark	4.0%	+/-3%

Pension, planned.

Our core objective for the Pension is to meet the plan's liabilities within the bounds of the Board of Regents' funding policy.

We began managing the pension assets of 3,353 members — a total of $100 million — in 1961. Since then, the pension has grown 50-fold, both in members and assets, and today has more than 220,000 members and $55 billion in assets under management.

We actively manage 70% of the portfolio. Eighty percent is managed through third parties. Much of the risk in our portfolios comes from equity exposure. And while we know risk can never be eliminated, we believe it can be managed, and we take risk into account when defining expectations for return.

In fiscal year 2014–2015, the plan made benefit payments of $1.3 billion and received $1.8 billion in contributions, setting the net cash inflow at $500 million. The funded ratio on a market value basis now stands at 84%. As of June 30, 2015, our assets stood at $55 billion, which reflects a healthy gain of $2.3 billion from the markets. Over the past decade, the pension has gained $27 billion from the markets.

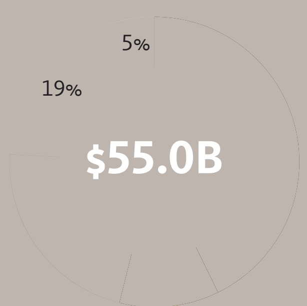
Institutional Investor recognized UC Regents as the 2015 Large U.S. Public Pension Plan of the Year.

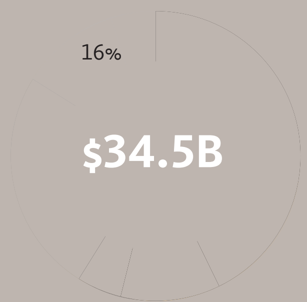
Pension
Asset Allocation

- Public Equity
- Fixed Income
- Other Investments
- Cash

Market Value in Billions ($)

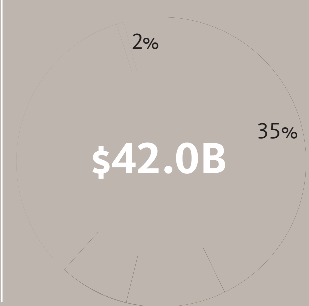
June 30, 2015





5 Years Ago

10 Years Ago



20 Years Ago

Pension
Investment Highlights

5.1%
Gross Return

Market value in Billions ($)

June 30, 2014	$52.1B
Market Gains	$1.2B
Value Added	$1.2B
+ Cash Inflow	$1.8B
− Cash Outflow	($1.3B)
June 30, 2015	$55.0B

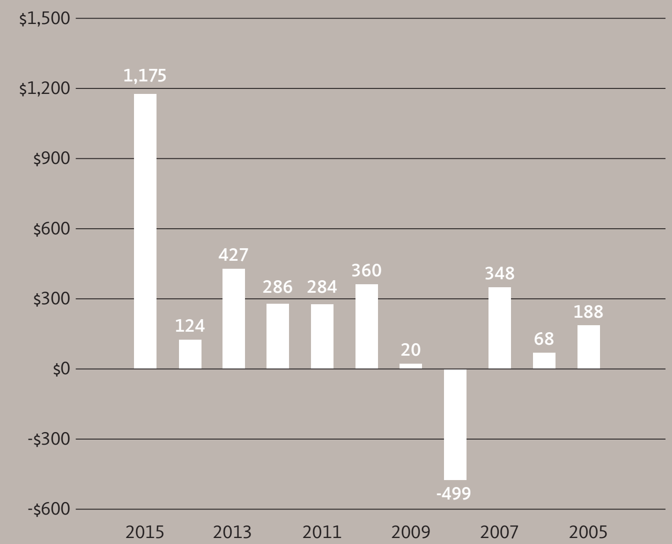
Pension
Annualized Net Return

- Value Added
- Benchmark

Pension
Dollar Value Added

- Dollar value added is what we earned beyond what we would have earned if we were passively invested in the market.

Value in Billions ($)



Pension
Asset Allocation

	Market Value in Billions ($)	Portfolio Weight (%)	Policy Weight (%)	Overweight / (Underweight)
Public Equity	29.8	54.2	53.0	1.2
Fixed Income	12.0	21.8	21.5	0.3
Other Investments	10.6	19.3	25.5	(6.2)
Absolute Return	3.4	6.2	6.0	0.2
Real Estate	3.2	5.8	5.3	0.5
Private Equity	2.9	5.3	7.7	(2.4)
Real Assets	1.1	2.0	3.0	(1.0)
Cross Asset Class	0.0	0.0	3.5	(3.5)
Cash	2.6	4.7	0.0	4.7
Total	$55.0 Billion	100.0%	100.0%	0.0%

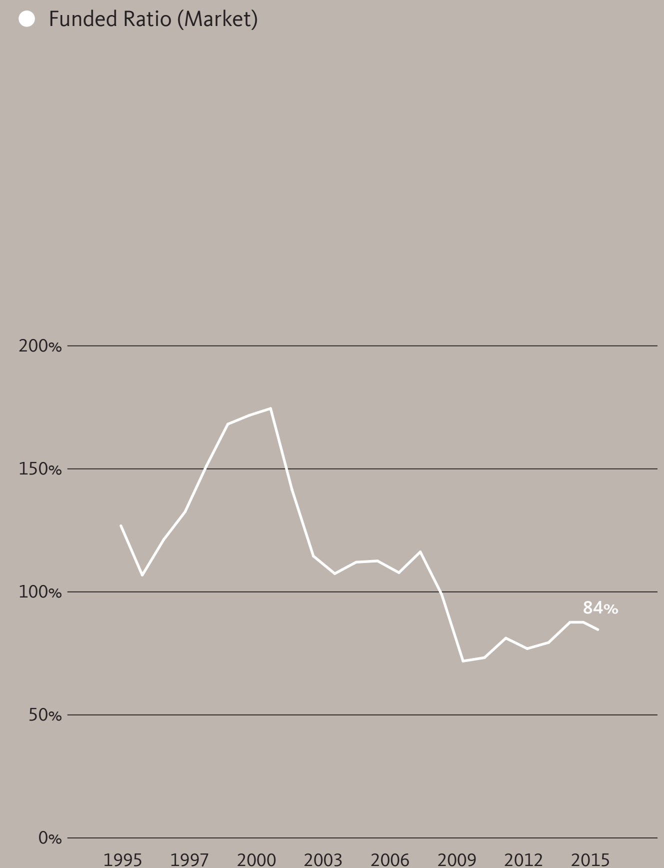
Pension Performance

	Market Value in Millions ($)	Annualized Performance (%)				
		1 year	3 years	5 years	10 years	20 years
Pension	55,041	4.5	11.0	11.0	6.3	8.4
Policy Benchmark		2.2	9.8	9.9	5.7	7.9
Equity						
U.S.	12,029	7.5	18.0	17.6	7.9	8.6
Non-U.S. Developed	7,908	(3.6)	11.9	9.5	5.6	—
Emerging Markets	3,971	(0.1)	5.5	5.4	8.6	8.0
Opportunistic	5,913	11.1	—	—	—	—
MSCI All Country World Index		0.7	13.0	11.9	6.4	—
Fixed Income						
Core	6,885	1.8	2.6	3.9	4.6	7.1
High-Yield	1,537	0.1	7.3	8.9	—	—
Emerging Markets	1,277	(1.8)	2.3	5.0	—	—
TIPS	2,343	(1.4)	(0.5)	3.5	4.4	—
Barclays U.S. Aggregate Bond Index		1.9	1.8	3.3	4.4	6.2
Other Investments						
Absolute Return	3,401	6.7	10.1	8.0	—	—
Real Estate	3,199	18.1	13.8	15.5	2.7	—
Private Equity	2,883	12.9	15.3	14.5	10.7	19.2
Real Assets	1,088	(6.6)	2.8	3.7	—	—
Cash	2,587	1.6	2.7	3.6	—	—

Pension
Retiree Member Profile

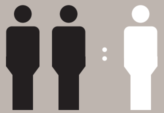
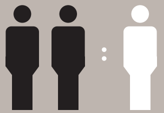
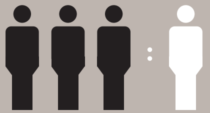
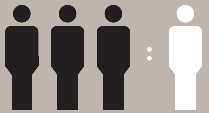
Average Monthly Benefit	$3,388
Average Service Credit at Retirement	20.9 yrs
Average Age	70.8 yrs
Average Age at Retirement	60.4 yrs

Pension
Funded Ratio



Pension Membership

	June 30, 2015	5 years ago	10 years ago	20 years ago
Active Members	123,768	118,925	124,642	91,310
Retired Members	67,321	53,902	41,477	28,441
Active to Retiree Ratio	2 Active : 1 Retiree	2 Active : 1 Retiree	3 Active : 1 Retiree	3 Active : 1 Retiree

Pension
Policy Benchmarks

	Benchmark Component	Target	Ranges
Public Equity		**53.0%**	
U.S.	Russell 3000 Tobacco Free Index	23.3%	+/-5%
Non-U.S. Developed	MSCI World ex-U.S. (net dividends) Tobacco Free	14.5%	+/-5%
Emerging Markets	MSCI Emerging Markets (net dividends)	6.7%	+/-2%
Opportunistic	MSCI All Country World Index (net dividends)	8.5%	+/-3%
Fixed Income		**21.5%**	
Core	Barclays U.S. Aggregate Bond Index	12.0%	+/-3%
High-Yield	Merrill Lynch High Yield Cash Pay Index	2.5%	+/-1%
Emerging Markets	JP Morgan Emerging Markets Bond Index Global Diversified	2.5%	+/-1%
TIPS	Barclays U.S. TIPS	4.5%	+/-2%
Other Investments		**25.5%**	
Absolute Return	50% HFRX Absolute Return Index + 50% HFRX Market Directional Index	6.0%	+/-5%
Real Estate	NCREIF Funds Index-Open End Diversified Core Equity Index	5.3%	+/-3%
Private Equity	Actual Private Equity Returns	7.7%	+/-3%
Real Assets	Commodities: S&P GSCI Reduced Energy Index; All other: Actual Real Assets Portfolio Returns	3.0%	+/-1%
Cross Asset Class	Aggregate Pension Policy Benchmark	3.5%	+/-3%

Design your retirement.

Along with our Pension, we provide a participant-directed Retirement Savings program for UC faculty, staff and retirees. This is central to the university's mission of providing a robust, flexible benefits program that gives everyone the chance to build a secure financial future. It has become an increasingly important way for us to meet the evolving needs of our workforce.

Our program is now one of the largest of its kind in the United States, and it continues to grow. A decade ago, our assets were at $8.8 billion, and today we have over $20.1 billion in total plan assets and more than 290,000 UC employees enrolled. Our participants are saving about $1 billion a year, with the largest allocations invested in the following funds: Savings ($4.3 billion), Global Equity ($4.3 billion), Target Date ($3.1 billion) and Balanced Growth ($1.6 billion).

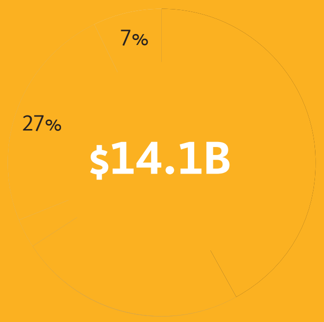
The industry trend is to move to a smaller menu of fund choices so it's easier for people to design their own retirement program. So working with our participants, we've transitioned from 192 funds just two years ago to 16 fund choices today.

Our participants are working hard to save for their retirement, and we're here to support them.

Retirement Savings
Asset Allocation

- 403(b): $14.1B
- Defined Contribution Plan: $4.1B
- 457(b): $1.9B

Retirement Savings
Asset Allocation

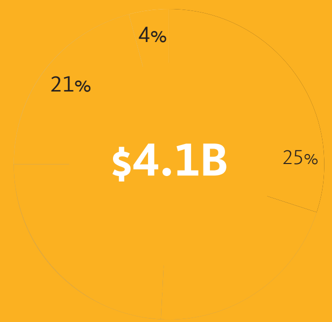


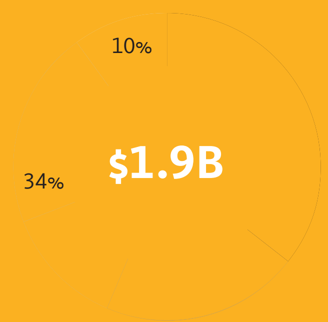
403(b)

- Public Equity: $5.9B
- Fixed Income: $3.4B
- Asset Allocation: $3.9B
- Brokerage Link: $1.0B

Defined Contribution Plan

- Public Equity: $1.2B
- Fixed Income: $1.8B
- Asset Allocation: $0.9B
- Brokerage Link: $0.2B





457(b)

- Public Equity: $0.7B
- Fixed Income: $0.4B
- Asset Allocation: $0.7B
- Brokerage Link: $0.2B

Market value in Billions ($)

Capital, working.

Our Working Capital — the money that keeps the vast university "machine" moving — is invested in two investment portfolios: the Short-Term Investment Pool and the Total-Return Investment Pool.

We now have $14 billion in Working Capital across both programs. During the year, UC campuses took advantage of the gains in the market and harvested $800 million of distributions. This money was used to fund various projects across the system such as facilities upgrades, deferred maintenance and academic programs.

The Short-Term Investment Pool (STIP) is a highly liquid cash pool available to all university groups to fund daily operating cash flows. The pool takes advantage of our institutional size by investing in a broad range of maturities, thereby maximizing income on the cash balances. This strategy has enabled STIP to invest in longer maturity, higher-yielding securities, which has kept the running yield higher than comparable money market funds even as rates have declined. With the anticipated rate hike, STIP will be managed more conservatively by investing in shorter maturity paper that could result in an annual yield of less than 1%.

The Total-Return Investment Pool (TRIP) allows all campuses, as well as the Office of the President, to maximize return on their longer-term working capital, subject to acceptable risk. Working with the investments, operations and finance teams across the university, we help shape our capital and liquidity strategy to meet the objectives that make the university work. We combine internal and external management, employing actively managed strategies where appropriate and monitoring the program relative to its guidelines.

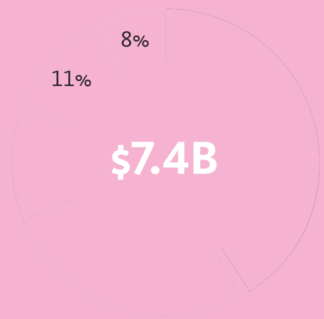
Our goal is to balance the mix between STIP and TRIP in order to maximize the risk-adjusted returns and provide the ability for the campuses to earn additional discretionary income and gains.

That's why we continue to reduce risk in the TRIP portfolio and have begun transitioning to the new approved asset allocation effective July 2015: shifting to more income producing and less growth assets. Every $1 billion invested in TRIP produces an average of $45 million versus $15 million in STIP. So on September 1, 2015, we moved $1.2 billion from STIP to TRIP, and we continue to work with campuses to enhance returns on discretionary funds.

Total-Return Investment Pool
Asset Allocation

- Public Equity
- Fixed Income
- Other Investments
- Cash

June 30, 2015



5 Years Ago

Inception
August 31, 2008

Market value in Billions ($)

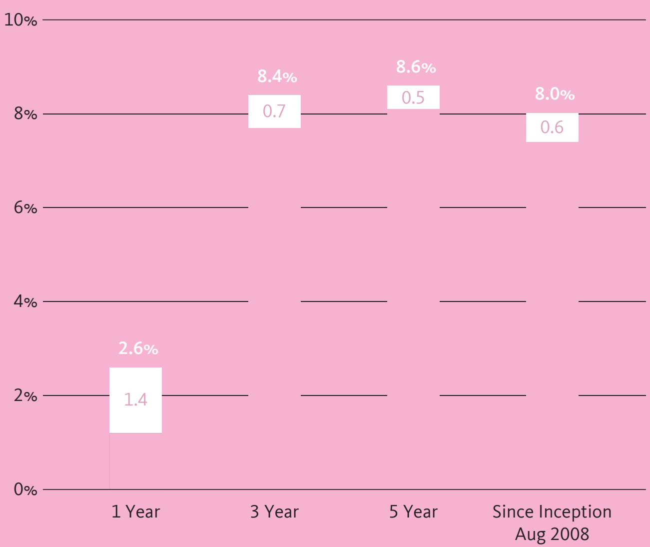
Total-Return Investment Pool
Investment Highlights

Market Value in Billions ($)

June 30, 2014	**$7.6B**
Market Gains	**$0.1B**
Value Added	**$0.1B**
+ Cash Inflow	**$0.1B**
− Cash Outflow	**($0.5B)**
June 30, 2015	**$7.4B**

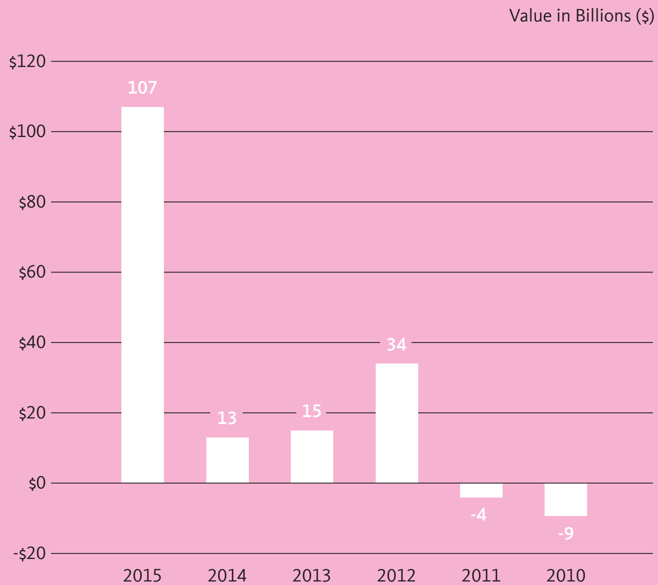
Total-Return Investment Pool
Annualized Net Return

- Value Added
- Benchmark



Total-Return Investment Pool
Dollar Value Added

- Dollar value added is what we earned beyond what we would have earned if we were passively invested in the market.



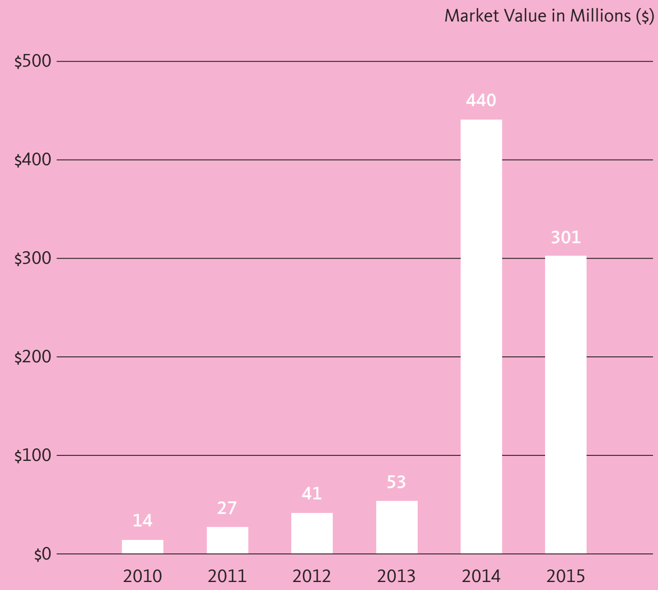
Total-Return Investment Pool
Asset Allocation

	Market Value in Billions ($)	Portfolio Weight (%)	Policy Weight (%)	Overweight / (Underweight)
Public Equity	3.0	40.5	50.0	(9.5)
Fixed Income	3.0	40.5	29.5	11.0
Other Investments	0.8	10.8	20.5	(9.7)
Absolute Return	0.8	10.8	10.0	0.8
Cross Asset Class	0.0	0.0	10.5	(10.5)
Cash	0.6	8.2	0.0	8.2
Total	$7.4 Billion	100.0%	100.0%	0.0%

Total-Return Performance

	Market Value in Millions ($)	Annualized Performance (%)				
		1 year	3 years	5 years	10 years	20 years
Total-Return Investment Pool	7,425	2.6	8.4	8.6	—	—
Policy Benchmark		1.2	7.7	8.1	—	—
Equity						
U.S.	965	7.2	17.7	17.8	—	—
Non-U.S. Developed	533	(4.9)	12.7	8.3	—	—
Emerging Markets	505	(5.4)	—	—	—	—
Real Estate – Public	170	4.7	8.6	—	—	—
Opportunistic	857	11.6	—	—	—	—
MSCI All Country World Index		0.7	13.0	11.9	6.4	—
Fixed Income						
Core	2,288	1.4	3.0	5.0	—	—
High-Yield	373	1.4	6.2	8.2	—	—
Emerging Markets	382	0.4	—	—	—	—
Barclays U.S. Aggregate Bond Index		1.9	1.8	3.3	4.4	6.2
Other Investments						
Absolute Return	753	0.0	—	—	—	—
Cash	600	1.5	—	—	—	—

Total-Return Investment Pool
Annual Payout

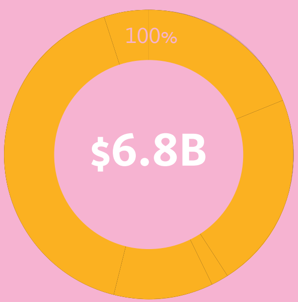


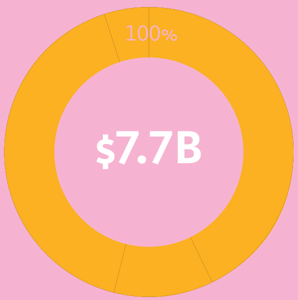
Short-Term Investment Pool
Asset Allocation

Fixed Income

Market Value in Billions ($)

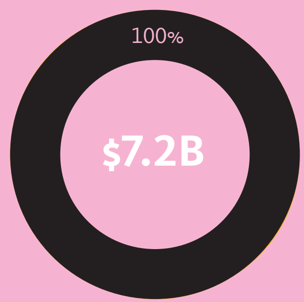
June 30, 2015

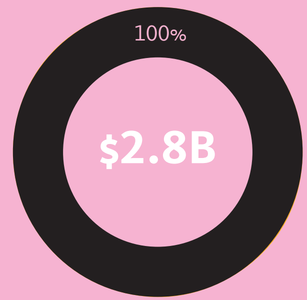




5 Years Ago

10 Years Ago





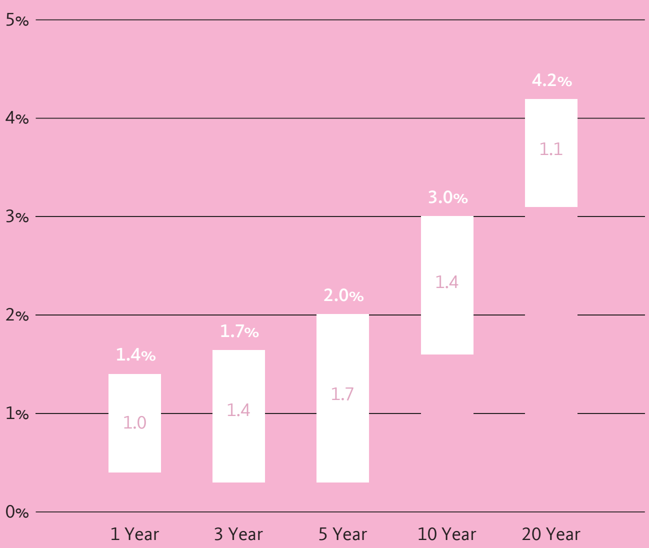
20 Years Ago

Short-Term Investment Pool
Investment Highlights

	Market Value ($)
June 30, 2014	$7.1B
Market Gains	$3.0M
Value Added	$80.0M
+ Cash Inflow	$1.4B
− Cash Outflow	($1.8B)
June 30, 2015	$6.8B

Short-Term Investment Pool
Annalized Net Return

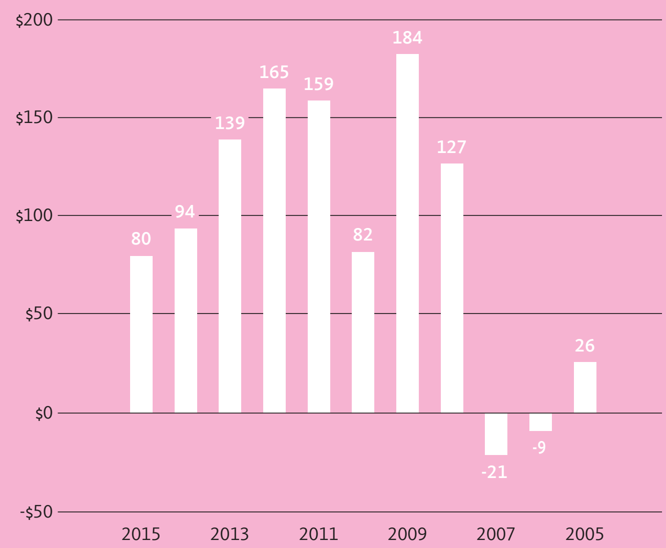
- Value Added
- Benchmark



Short-Term Investment Pool
Dollar Value Added

- Dollar value added is what we earned beyond what we would have earned if we were passively invested in the market.

Value in Millions ($)



Total-Return & Short-Term Policy Benchmarks

	Benchmark Component	Target	Ranges
Total-Return			
Public Equity		50.00%	
U.S.	Russell 3000 Tobacco Free Index	15.00%	+/-5.0%
Non-U.S. Developed	MSCI World ex-U.S. (net dividends) Tobacco Free	7.50%	+/-2.5%
Emerging Markets	MSCI Emerging Markets (net dividends)	7.50%	+/-2.5%
Real Estate – Public	FTSE EPRA NAREIT Global Index	10.00%	+/-2.5%
Opportunistic	MSCI All Country World Index (net dividends)	10.00%	+/-2.5%
Fixed Income		29.50%	
Core	90% Barclays Aggregate Credit Index + 10% Barclays Government Index	19.50%	+/-2.5%
High-Yield	Merrill Lynch High Yield Cash Pay BB/B Index	5.00%	+/-2.5%
Emerging Markets	JP Morgan Emerging Markets Bond Index Global Diversified	5.00%	+/-2.5%
Total Other Investments		20.50%	
Absolute Return	50% HFRX Absolute Return Index + 50% HFRX Markets Directional Index	10.00%	+/-2.5%
Cross Asset Class	Aggregate Total Return Policy Benchmark	10.50%	+/-5.0%
Short-Term			
Fixed Income	Constant Maturity Two-Year U.S. Treasury Note + U.S. 30-Day Treasury Bills	100%	—

Now: to embark.

What have we learned by looking back 20 years? A lot. During the past two decades, we've tripled our assets, and our shift to managing our products as separate entities has reaped substantial rewards. Each product now has a size and scale that give us tremendous advantages in the market.

It would be tempting to stay the course. But in today's rapidly evolving market landscape, we can't rest on our laurels. We must be agile. We must be strategic. And we must create our own unique investment model, one that capitalizes on our advantages and that will help us navigate the future.

We're ready to embark.

Office of the Chief Investment Officer of the Regents

Embark

UNIVERSITY
OF
CALIFORNIA

A roadmap to investing for the next 100 years.

When you boil it down, our job at UC Investments is fairly straightforward: manage the university's money to make more money.

However, straightforward doesn't necessarily mean simple. That's why many institutions — ours included — have tended to emulate proven investment strategies like the Swensen, or Yale, model.

But bolstered by the doubling of our assets under management over the last five years and managing close to $100 billion across our products, we're now in a position to create our own unique model, one that is laser-focused on producing results for our university using a long-term investing framework.

In this section, we share the 10 foundational principles of our vision. These principles are not just the "flavors of the day." They are principles we believe in and that will guide us as we embark on the next generation of investing at the University of California.

Q&A with Jagdeep Singh Bachher

Chief Investment Officer,
and Vice President of Investments

When people think of your office, they often associate it with the Endowment. Can you talk about what else your office does?
We have 1.7 million alumni who are giving generously to the UC and our 10 campuses, and we do everything we can to maximize returns so their donations have the greatest impact. And though at $9 billion, the UC Endowment is sizeable, our office also manages another $90 billion in our Pension, Retirement Savings and Working Capital programs. This is a huge differentiator and gives us a significant competitive advantage. When we find a good long-term opportunity for the Endowment, we're able to take advantage of our size and scale to capitalize on it.

How does the work of UC Investments affect the daily lives of UC students, faculty and staff?
Our staff and our faculty are saving money for their retirement, and one of our main jobs is to manage those contributions and invest their savings. Five years ago, we had $37 billion in savings across both our Pension and Retirement Savings programs, and between more money saved and the growth in the markets, this now stands at $75 billion today. By making sound investments, we're ensuring that in the future, we can provide them with the lasting income they need to enjoy their retirement.

Another area where we have a visible impact is our Working Capital. This funds the day-to-day operations of our 10 campuses, five medical centers and three national laboratories, paying for both short-term needs as well as longer-term projects and academic programs.

You've said you're not asset managers, you're risk managers. What does that mean?
Every decision we make is about risk: We assess the risks we are taking and figure out the payout for taking those risks. Whether we are looking at a product, a portfolio or an asset, we can have a range of outcomes in terms of returns, depending on how the risks play out. That's why everyone in our organization — from operations to the investment team — has to be a risk manager.

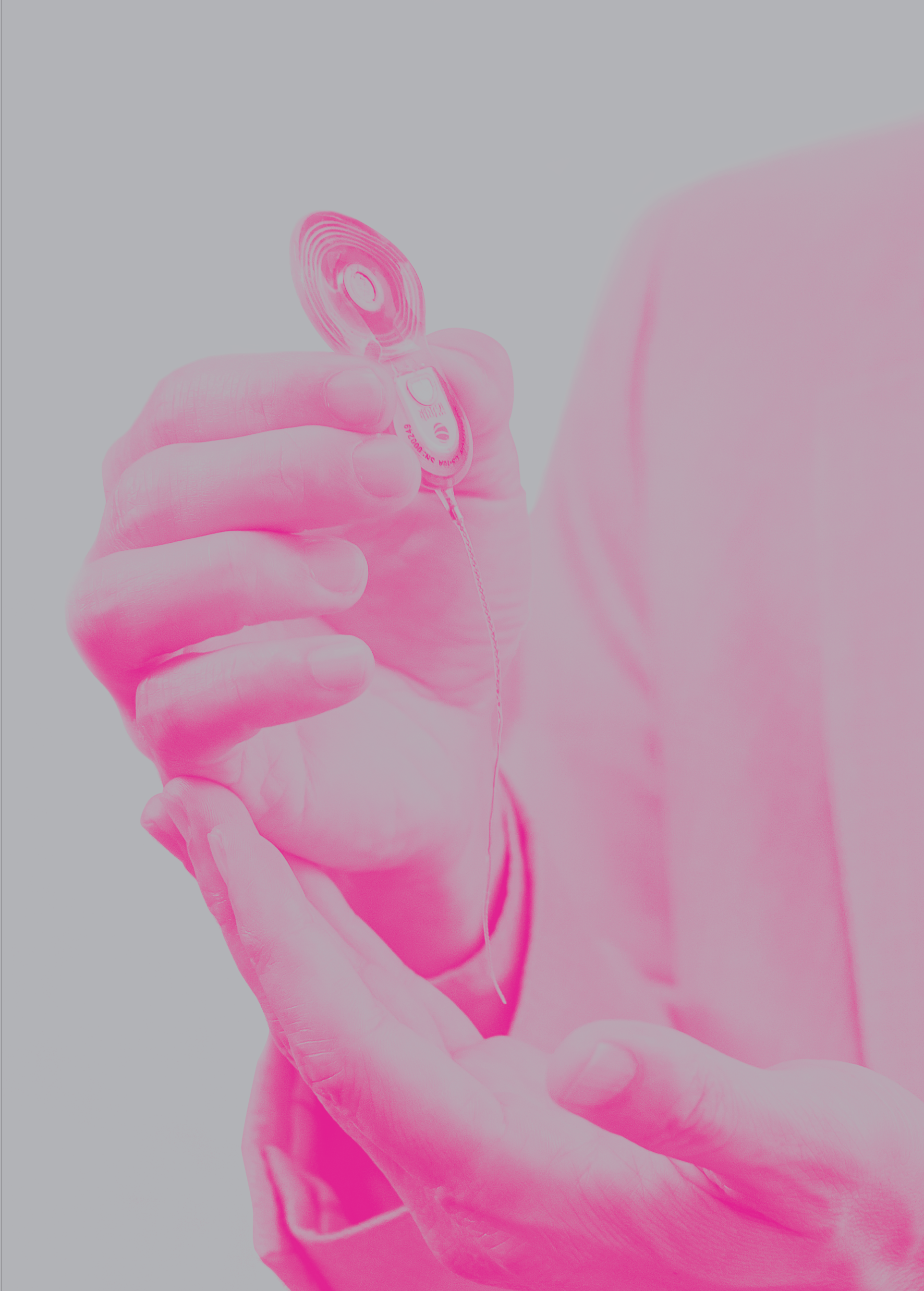
You're just over a year into your job as chief investment officer. What's one challenge you've encountered, and how did you handle it?
Because we're the largest public university in the U.S., our office — and my position in particular — is in a fishbowl atmosphere. We've got a lot of stakeholders, and they're incredibly diverse: from 18-year-old undergrads to Nobel-prize winning faculty to the Board of Regents. When you compare what we do to what a typical asset management firm in the private sector does, it's quite different. And because we have accountability for $100 billion, it's critical that our organization has a very transparent, disciplined and understandable decision-making process that's not controlled by one person, but is the result of smart and talented professionals working together to the very highest standard. That's why I've concentrated on building a culture of collaboration and trust, which means keeping people outside our organization informed about what we're doing by communicating in the simplest way possible. Changing a culture is never easy, but it's an exciting journey — one that we hope is visible through our actions and that can be measured over time.

Where do you go from here?
While we've improved our record of returns over the last five years, we're now of a size and scale where we can ask ourselves: "What do we want to do? What do we want our model to be?" This report is designed to give people a flavor of how we'll be managing our assets going forward and what the key principles are that will guide us in creating the "UC way" of investing our assets.

In building the UC way, we recognize that in just the last decade, the supply of capital has gone up and the competition for assets has risen even more. Although 10 years ago, U.S. endowments were leaders in investing, some of them are now having to rethink their approach. Today, we at UC have an edge and are poised to become the leader of the next generation of asset managers. Our strategy is to take lessons from the best-of-the-best models and figure out what our unique advantages are to build something new — and better — that works for the University of California.

We do not have to respond to every bump in the road in a quest for month-by-month, quarterly or annual returns. Instead, we can adopt a long-run perspective and do what's needed to brace ourselves for the radical uncertainty that inevitably comes with the future. We think of this as investing centennially — for the next 100 years.

Researching human communication disorders.
University of California, Irvine.



The 10 pillars of centennial investing.

Though our portfolios have been the beneficiaries of a three-decade decline in interest rates, looking to the future, we see a far more modest outlook for market returns. It is for this reason that we have decided to reconsider, revise and, where necessary, restructure the way we approach investing. In particular, we believe that the "U.S. endowment model," which has served UC Investments as a strategic guide for over a decade, will not reliably work in the years ahead.

In fact, we don't believe there is a "one size fits all" model of institutional investment. Today, becoming an effective investor demands as much self-knowledge as it does knowledge about the models of finance or economics. That's why we've devoted a lot of time to answering the question: How can our products fulfill their mandate? In the following pages, we outline the 10 "pillars of success" that emerged from our leadership team working together, our review of the literature and case studies of like-minded peers.

We recognize that the pillars are aspirational and often ambitious. But when combined with our core investment beliefs, we believe they will serve the University of California well for many decades to come.

Researching cataract surgery and intraocular lens technology.
University of California, Irvine.

1

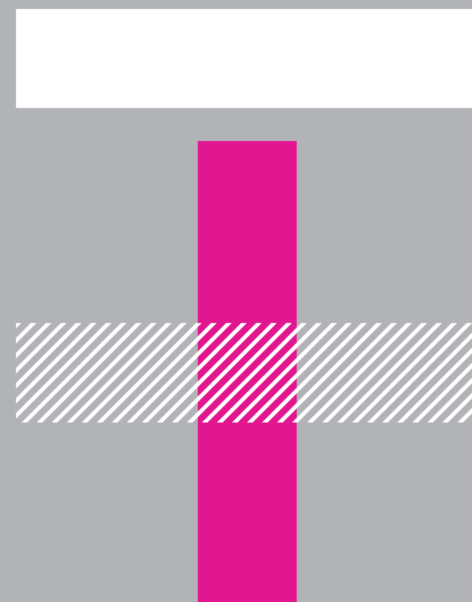
Less is more.

“You have to work hard to get your thinking clean to make it simple. But it’s worth it in the end because once you get there, you can move mountains.”
Steve Jobs

In recent years, many institutional investors have grown their own organizations so they’re better able to access markets and assets directly and reduce their reliance on the for-profit financial industry.

While this strategy offers a more-aligned access point to financial markets, we are part of an emerging new generation of institutional investors taking a different approach. We believe in high-performance teams working collaboratively to manage a concentrated portfolio of high-quality assets. And we believe in using technology to streamline processes and rapidly convert data and information into actionable knowledge.

That’s why we are working actively to reduce the number of decisions we have to make, the number of relationships we have to manage, the number of line items in our portfolio and the number of external managers we use. The result is an agile, world-class team with a laser focus on the areas where we can outperform the market.



2

Risk rules.

"In investing, what is comfortable is rarely profitable."
Robert Arnott

Today's risk tools are crucial in helping us understand increasingly complex and nuanced institutional investment portfolios. But they won't guide us through the next market crash.

We are working to shift the culture of UC Investments so that everyone on our team — from investments to risk management to operations — becomes a risk manager. By allocating assets according to the risk factors that drive returns, we expect to create more diversity compared to our benchmarks and generate more return per unit of risk. Part of this shift in strategy includes working creatively with data and analytics providers to develop new, forward-looking risk tools that, for example, crowd-source position details and help predict how a liquidity event will move through tangential markets.

By making these changes to formalize our expectations around risk, we will be able to operate as a unified team, one that can assess a single portfolio while also respecting the changing nature of each of our product lines' risks.

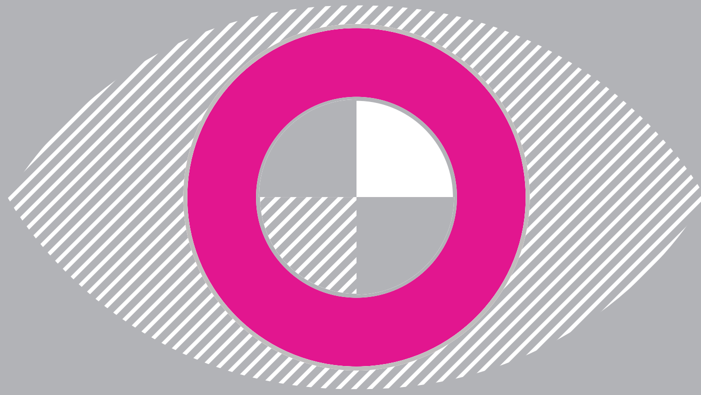
3 Concentrate.

"Wide diversification is only required when investors do not understand what they are doing."
Warren Buffett

The goal of portfolio construction is to maximize the amount of return we generate per unit of risk and per dollar of expense at the level of each product.

Our approach is to diversify our assets as much as is required, but no more. That's why we are working to construct portfolios from a concentrated set of assets that we understand deeply, as opposed to holding many assets that we barely understand, that cost us more money to manage and that we could replicate passively. By reducing the number of investments in our portfolios, we believe we can reduce unwanted risks and increase desired returns.

In order to construct portfolios in this manner, we are focusing on building a single team that is capable of assessing deals across the portfolio, balancing the need to move fast and be proactive with the diligence requirements of our organization.



Creativity pays.

4

“The person who goes farthest is generally the one who is willing to do and dare. The sure-thing boat never gets far from shore.”
Dale Carnegie

Innovation isn’t a word that often gets associated with an institutional investment organization, but we want to change that. We believe that being a successful investor requires a persistent focus on both what’s new and what’s possible.

Because financial markets are constantly changing, there are rewards for spotting new opportunities early and acting in an entrepreneurial manner. So we are focused on developing competitive portfolios, even if, at times that means taking an unconventional or uncomfortable stance.

One way we are building a culture of innovation is by developing a dedicated innovation team in our organization — a rarity in the world of institutional investment. This group will incubate, validate and develop fresh ideas, enabling us to launch more creative vehicles that leverage our competitive advantages (e.g., the UC Ventures program) and reduce the fees and costs associated with investment execution.

Researching neuromuscular control, robotics and rehabilitation.
University of California, Irvine.

5 Build knowledge.

“An investment in knowledge pays the best interest.”
Benjamin Franklin

Superior knowledge drives superior returns, and we believe that a proactive approach to the creation, maintenance and exploitation of knowledge will be critical to our success.

We are developing strategies to manage and mobilize superior knowledge in the context of our investing. We are putting an emphasis on building a culture of collaboration, encouraging internal teams to break down silos and be proactive about sharing information across the organization. We are also looking at incentive programs to encourage knowledge management, as well as investing in high-quality data infrastructure to track portfolios, risks and networks.

We consider ourselves remarkably lucky to be sitting at the heart of such a knowledge-rich university environment, and we are working to get the right systems, policies and processes in place to capitalize on it.

6 Team up.

“Talent wins games, but teamwork and intelligence wins championships.”
Michael Jordan

Human capital is one of the most valuable assets to an investment organization — outstanding people produce outstanding returns. We realize that to be successful, we must attract the highest-caliber investors and leaders — professionals who are talented, yes, but also team players who are in alignment with our culture and our long-term approach to investing. We target our recruiting where we are most likely to be successful:

The gray: Individuals who have had successful careers in the private sector (15 to 25 years of experience) and are now interested in giving back or, depending on the circumstances, escaping the rat race.

The green: Bright young recruits who will give up some current income to accelerate their career prospects and opportunities.

The grounded: The many talented and loyal UC alums and others who want to live in lovely California.

Over the past year, we’ve been quite successful in using the green, gray and grounded attributes to bring world-class people on board.

7

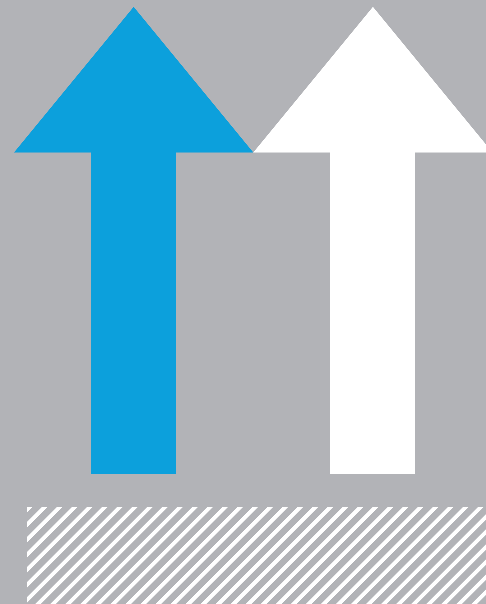
What makes UC, UC.

“If you don’t have a competitive advantage, don’t compete.”
Jack Welch

If an investment opportunity fits in a box or a silo, it’s likely overbid and over-valued. The best investors know this, so they leverage their own unique characteristics to move into markets with minimal competition to maximize their returns.

We are the investment organization for one of the premier public research institutions in the world, one where new ideas and groundbreaking technologies are commonplace. It’s clear we have an abundance of characteristics that, if cultivated appropriately, should be a persistent source of high-quality investment opportunities.

Our innovation ecosystem is unparalleled on a global scale, and because we sit at the center of it, we believe we can leverage our unique characteristics in ways that drive investment returns.



Researching silver nanowires.
University of California, Berkeley.

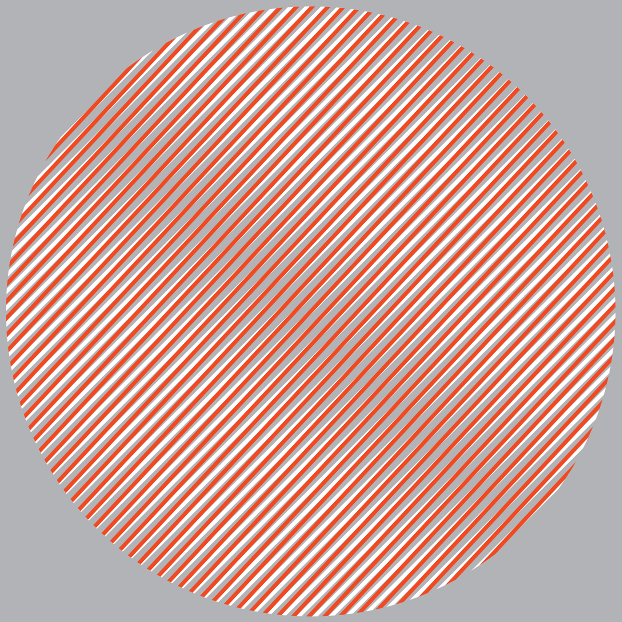
8 Perfect alignment.

> **“Control your expenses better than your competition. This is where you can always find the competitive advantage.”**
> **Sam Walton**

The financial innovations of the last decades have substantially increased the complexity of our industry’s instruments and services. And with all of this new complexity, the costs of financial intermediation are increasingly difficult to identify, rationalize and minimize.

In our view, fees and costs are nothing more than incentives for our external managers, and now more than ever, we need to fully understand what we’re paying for. If a third-party manager isn’t willing to provide a detailed breakdown of how they make their money from managing our money, then we should be willing to pull our capital and walk away.

By having complete transparency and a better understanding of our investment risks, we will reduce misalignment of interests and capture risk-free returns, which is what you get when you reduce expenses on a portfolio without changing anything else about it. We believe that paying high fees to intermediaries today is a recipe for paying even higher fees to unaligned intermediaries tomorrow, and that’s why we are focusing considerable attention on fees and costs now — and plan to do so in the decades to come.



9

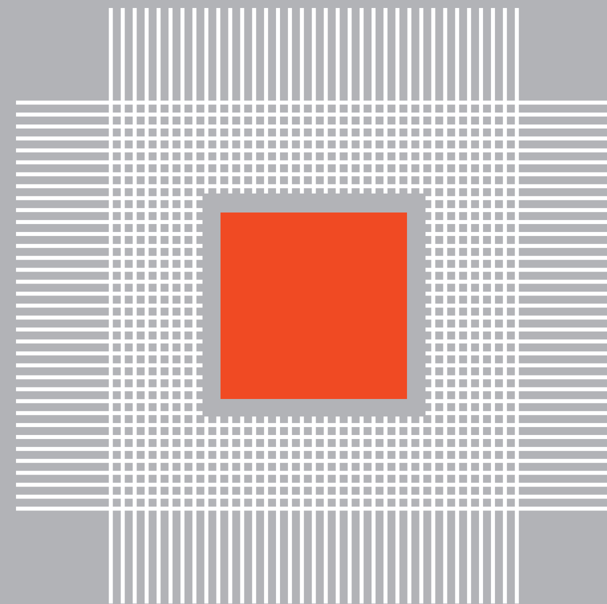
Man meets machine.

"You are cruising along, and then technology changes. You have to adapt."
Marc Andreessen

The increasing complexity of finance technologies has, until recently, served to empower and reinforce the dominance of intermediaries, such as hedge funds. However, sitting on our perch here in Silicon Valley, we can see finance technology evolving to the point where it may actually challenge the power of certain intermediaries, not reinforce it.

We believe we can use technology to help us streamline and strengthen operations to level the playing field between us and the private financial-services industry. We will be better able to both understand and manage our portfolios, and we will gain greater access to unique markets that had previously been too expensive for us to enter.

In the years ahead, we'll be working with innovative startups to ensure we are a model investment organization in the domain of technology adoption. We recognize the growing pains that come with new technologies, and we are ready to embrace them in order to change the nature of how we invest.



Centennial performance.

"We should all be concerned about the future because we have to spend the rest of our lives there."
Charles Franklin Kettering

With UC's deep history and bright future, we think of ourselves as an organization that invests for the next 100 years. This centennial orientation drives us to assess our portfolio with a lens that includes the long-term, fundamental challenges facing society.

We will continue to play an active role in developing tools and metrics for long-term risk measurement. For example, we helped create the university's first sustainable investing framework, which places a priority on the incorporation of environmental, social and governance issues (ESG) into our investment selection process.

Our centennial focus also means that we incorporate a broader set of risks into our decision-making than those organizations with shorter time horizons. We do this because we believe that long-term risks like climate change, human rights or corporate governance inevitably affect investment performance over the long run.

10

As we face a more modest outlook for returns in the coming years, it's clear to us that we must take an innovative approach to investing. Creating a culture where everyone embraces the role of risk manager. Breaking down silos so we can seize unique opportunities. Harnessing technology to move into markets with minimal competition. Leveraging the power of the UC brand wherever possible.

As we navigate the investing landscape of the future, the 10 pillars will help us better serve the university. This is UC Investments' sole mission — today and for the coming century.

Researching behavior of cleptoparasitic bees.
University of California, Davis.

Regents and Officers.

(In alphabetical order of last name)

Appointed Regents

Richard C. Blum
William De La Peña
Gareth Elliot
Russell S. Gould
Eddie R. Island
George D. Kieffer
Sherry L. Lansing
Monica Lozano
Hadi Makarechian
Eloy Ortiz Oakley
Norman J. Pattiz
John A. Pérez
Bonnie M. Reiss
Frederick R. Ruiz
Sadia Saifuddin
Richard Sherman
Bruce D. Varner
Paul Wachter
Charlene R. Zettel

Ex Officio Regents

Toni Atkins
Speaker of the Assembly
Jerry Brown
Governor of California
Karen Leong Clancy
Vice President, Alumni Associations of the University of California
Sheldon Engelhorn
President, Alumni Associations of the University of California
Janet Napolitano
President of the University of California
Gavin Newsom
Lieutenant Governor of California
Tom Torlakson
State Superintendent of Public Instruction

Office of the President

Tom Adriola
Vice President and Chief Information Officer
Jagdeep Singh Bachher
Chief Investment Officer and Vice President, Investments
Nathan Brostrom
Executive Vice President, Chief Financial Officer
Pam Brown
Vice President, Institutional Research and Academic Planning
Kimberly Budil
Vice President, Office of the National Laboratories
Aimée Dorr
Provost and Executive Vice President, Academic Affairs
Dwaine B. Duckett
Vice President, Human Resources
Julie Henderson
Senior Vice President, Public Affairs
Glenda Humiston
Vice President of Agriculture and Natural Resources
Janet Napolitano
President of the University of California
Rachael Nava
Executive Vice President, Chief Operating Officer
Nelson Peacock
Senior Vice President, Government Relations
Charles F. Robinson
General Counsel and Vice President, Legal Affairs
Judy K. Sakaki
Vice President, Student Affairs
John D. "Jack" Stobo
Executive Vice President, UC Health
William Tucker
Interim Vice President, Innovation Alliance Services
Sheryl Vacca
Senior Vice President, Chief Compliance and Audit Officer

Regents Designate

Rodney Davis
Treasurer, Alumni Associations of the University of California
Yolanda Gorman
Secretary, Alumni Associations of the University of California
Abraham "Avi" Oved
Student Regent Designate

Officers of the Regents

Jagdeep Singh Bachher
Chief Investment Officer and Vice President, Investments
Charles F. Robinson
General Counsel and Vice President, Legal Affairs
Anne Shaw
Secretary and Chief of Staff to the Regents
Sheryl Vacca
Senior Vice President, Chief Compliance and Audit Officer

Regents and Officers.

Faculty Representatives (Non-voting)

Mary Gilly
Chair, Assembly of the Academic Senate
Daniel Hare
Vice Chair, Assembly of the Academic Senate

Chancellors

Gene D. Block *Los Angeles*
George R. Blumenthal *Santa Cruz*
Nicholas B. Dirks *Berkeley*
Howard Gillman *Irvine*
Sam Hawgood *San Francisco*
Linda Katehi *Davis*
Pradeep K. Khosla *San Diego*
Dorothy Leland *Merced*
Henry T. Y. Yang *Santa Barbara*
Kim Wilcox *Riverside*

Directors of DOE Laboratory

A. Paul Alivisatos
Director, Lawrence Berkeley National Laboratory

Committee on Investments.

Committee on Investments, Membership

William De La Peña
George D. Kieffer
Monica Lozano
Hadi Makarechian
Norman J. Pattiz
John A. Pérez
Sadia Saifuddin
Van Schultz
Richard Sherman *Vice-chair*
Paul Wachter *Chair*
Charlene R. Zettel

Ex Officio Members

Jerry Brown
Janet Napolitano
Bruce D. Varner

Advisory Members

Daniel Hare
Yolando Gorman
Abraham "Avi" Oved

Staff Advisors

Deidre Acker
Donna Coyne

Investment Advisory Group

David Crane
Charles Martin
Gary Rogers
Bob Samuels

Consultants

Steve Klosterman
Bruce Lehmann

University of California
1111 Broadway, Suite 2100
Oakland, CA 94607
CIO.Regents@UCOP.edu
www.UCOP.edu