



# INVESTMENT PERFORMANCE SUMMARY

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

March Quarter 2014



## Investment Performance Summary TABLE OF CONTENTS

Consolidated Assets .....	3
University of California Retirement Plan (UCRP) .....	4
General Endowment Pool (GEP) .....	16
Short Term Investment Pool (STIP) .....	20
Total Return Investment Pool (TRIP) .....	21
Appendix 1	
UC Regents Portfolio Market Value Changes .....	22
Appendix 2	
Policy Benchmarks .....	24



# CONSOLIDATED ASSETS

March 31, 2014

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

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$49,855</b>	<b>1.80%</b>	<b>12.68%</b>	<b>11.90%</b>	<b>8.64%</b>	<b>14.61%</b>	<b>6.44%</b>
Policy Benchmark		2.17%	12.42%	11.50%	7.73%	13.85%	5.99%
Variance to Benchmark		-0.37%	+0.26%	+0.40%	+0.91%	+0.76%	+0.45%
<b>GEP</b>	<b>\$7,896</b>	<b>1.89%</b>	<b>13.49%</b>	<b>12.90%</b>	<b>8.52%</b>	<b>13.29%</b>	<b>7.24%</b>
Policy Benchmark		2.36%	12.23%	11.76%	6.52%	11.61%	6.69%
Variance to Benchmark		-0.47%	+1.26%	+1.14%	+2.00%	+1.68%	+0.55%
<b>STIP</b>	<b>\$9,407</b>	<b>0.37%</b>	<b>1.25%</b>	<b>1.63%</b>	<b>2.12%</b>	<b>2.38%</b>	<b>3.28%</b>
Policy Benchmark		0.06%	0.16%	0.20%	0.22%	0.41%	1.95%
Variance to Benchmark		+0.31%	+1.09%	+1.43%	+1.90%	+1.97%	+1.33%
<b>TRIP</b>	<b>\$7,123</b>	<b>1.98%</b>	<b>9.72%</b>	<b>8.19%</b>	<b>8.78%</b>	<b>11.92%</b>	<b>N/A</b>
Policy Benchmark		2.15%	9.88%	8.28%	8.36%	12.11%	N/A
Variance to Benchmark		-0.17%	-0.16%	-0.09%	+0.42%	-0.19%	N/A
<b>UCRSP</b>	<b>\$15,050</b>	Individual fund returns available on pages 22-23.					
<b>Total Entity<sup>1</sup></b>	<b>\$88,502</b>	<b>1.65%</b>	<b>10.78%</b>	<b>10.20%</b>	<b>7.62%</b>	<b>12.01%</b>	<b>5.98%</b>
Entity Benchmark <sup>2</sup>		1.88%	10.38%	9.69%	6.58%	11.03%	5.39%
Variance to Benchmark		-0.23%	+0.40%	+0.51%	+1.04%	+0.98%	+0.59%

Notes:

Policy benchmarks are defined in Appendix 2. Returns for periods less than one year are not annualized. Market values include accrued income except for STIP's asset value, which is stated at amortized book value plus accrued interest. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data.

1. Total Entity include Other Endowments and Planned Giving Investment assets and is net of the STIP balances in other portfolios.
2. UC Entity benchmark is a blend of the benchmarks of the funds in the table above, each weighted by the percentage it represents of the total assets.



# UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)

March 31, 2014

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$49,855</b>	<b>1.80%</b>	<b>12.68%</b>	<b>11.90%</b>	<b>8.64%</b>	<b>14.61%</b>	<b>6.44%</b>
Policy Benchmark		2.17%	12.42%	11.50%	7.73%	13.85%	5.99%
Variance to Benchmark		-0.37%	+0.26%	+0.40%	+0.91%	+0.76%	+0.45%
<b>U.S. Equity</b>	<b>\$12,069</b>	<b>1.93%</b>	<b>19.91%</b>	<b>23.32%</b>	<b>14.95%</b>	<b>22.11%</b>	<b>7.64%</b>
Policy Benchmark		2.02%	19.61%	22.89%	14.59%	21.89%	7.74%
Variance to Benchmark		-0.09%	+0.30%	+0.43%	+0.36%	+0.22%	-0.10%
<b>Developed Equity</b>	<b>\$7,762</b>	<b>0.40%</b>	<b>18.22%</b>	<b>16.96%</b>	<b>6.70%</b>	<b>16.30%</b>	<b>7.05%</b>
Policy Benchmark		0.69%	18.44%	16.50%	6.14%	15.76%	6.60%
Variance to Benchmark		-0.29%	-0.22%	+0.46%	+0.56%	+0.54%	+0.45%
<b>Emerging Market Equity</b>	<b>\$3,639</b>	<b>-0.91%</b>	<b>5.45%</b>	<b>-3.30%</b>	<b>-1.93%</b>	<b>15.71%</b>	<b>10.33%</b>
Policy Benchmark		-0.43%	7.24%	-1.43%	-2.86%	14.48%	10.11%
Variance to Benchmark		-0.48%	-1.79%	-1.87%	+0.93%	+1.23%	+0.22%
<b>Core Fixed Income</b>	<b>\$5,462</b>	<b>1.99%</b>	<b>2.89%</b>	<b>0.41%</b>	<b>4.42%</b>	<b>5.90%</b>	<b>4.97%</b>
Policy Benchmark		1.84%	2.28%	-0.10%	3.75%	4.62%	4.77%
Variance to Benchmark		+0.15%	+0.61%	+0.51%	+0.67%	+1.28%	+0.20%
<b>High Yield Bond</b>	<b>\$1,499</b>	<b>3.19%</b>	<b>9.47%</b>	<b>8.22%</b>	<b>9.37%</b>	<b>17.65%</b>	<b>N/A</b>
Policy Benchmark		2.99%	9.00%	7.51%	8.71%	17.95%	N/A
Variance to Benchmark		+0.20%	+0.47%	+0.71%	+0.66%	-0.30%	N/A
<b>Emerging Market Debt</b>	<b>\$1,149</b>	<b>2.49%</b>	<b>3.08%</b>	<b>-3.01%</b>	<b>4.96%</b>	<b>9.95%</b>	<b>N/A</b>
Policy Benchmark		3.73%	6.56%	0.56%	6.12%	11.08%	N/A
Variance to Benchmark		-1.24%	-3.48%	-3.57%	-1.16%	-1.13%	N/A
<b>TIPS</b>	<b>\$2,771</b>	<b>1.86%</b>	<b>0.71%</b>	<b>-6.23%</b>	<b>3.76%</b>	<b>5.18%</b>	<b>4.81%</b>
Policy Benchmark		1.95%	0.61%	-6.49%	3.50%	4.91%	4.53%
Variance to Benchmark		-0.09%	+0.10%	+0.26%	+0.26%	+0.27%	+0.25%
<b>Private Equity<sup>1</sup></b>	<b>\$3,434</b>	<b>8.06%</b>	<b>19.52%</b>	<b>23.40%</b>	<b>14.63%</b>	<b>14.01%</b>	<b>13.91%</b>
<b>Absolute Return Strategies<sup>2</sup></b>	<b>\$2,939</b>	<b>0.96%</b>	<b>9.86%</b>	<b>8.32%</b>	<b>5.26%</b>	<b>8.75%</b>	<b>N/A</b>
Policy Benchmark		1.89%	5.66%	5.75%	-0.80%	2.49%	N/A
Variance to Benchmark		-0.93%	+4.20%	+2.57%	+6.06%	+6.26%	N/A
<b>Cross-Asset Class Strategy<sup>3</sup></b>	<b>\$1,304</b>	<b>2.00%</b>	<b>10.57%</b>	<b>8.61%</b>	<b>11.30%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.17%	12.42%	11.50%	7.74%	N/A	N/A
Variance to Benchmark		-0.17%	-1.85%	-2.89%	+3.56%	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$3,662</b>	<b>0.41%</b>	<b>19.53%</b>	<b>21.94%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.08%	17.05%	16.55%	N/A	N/A	N/A
Variance to Benchmark		-0.67%	+2.48%	+5.39%	N/A	N/A	N/A
<b>Real Assets<sup>3</sup></b>	<b>\$1,102</b>	<b>1.10%</b>	<b>3.11%</b>	<b>3.83%</b>	<b>3.04%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.36%	3.79%	3.96%	2.53%	N/A	N/A
Variance to Benchmark		-0.26%	-0.68%	-0.13%	+0.51%	N/A	N/A
<b>Public Real Estate</b>	<b>\$228</b>	<b>4.45%</b>	<b>4.71%</b>	<b>0.58%</b>	<b>8.48%</b>	<b>21.12%</b>	<b>N/A</b>
Policy Benchmark		3.99%	4.98%	0.43%	7.51%	23.41%	N/A
Variance to Benchmark		+0.46%	-0.27%	+0.15%	+0.97%	-2.29%	N/A
<b>Private Real Estate</b>	<b>\$2,568</b>	<b>3.25%</b>	<b>10.26%</b>	<b>12.56%</b>	<b>13.50%</b>	<b>0.38%</b>	<b>N/A</b>
Policy Benchmark		2.94%	10.21%	12.90%	12.53%	0.33%	N/A
Variance to Benchmark		+0.31%	+0.05%	-0.34%	+0.97%	+0.05%	N/A

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$267 million held in Liquidity Portfolio. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. See Private Equity Performance information on page 13 for comparison of Private Equity to multiple performance metrics.
2. Benchmark for Absolute Return (AR) class was changed effective March 1, 2009, from TBills + 450 bp to 50% HFRX-AR Index + 50% HFRX-MD Index.
3. Inception date for Real Assets and Cross-Asset Class Strategy was April 1, 2010.
4. Inception date for Opportunistic Equity was March 31, 2013.



## I. Performance Objectives

1. UCRP annualized total return (net of manager fees and expenses) was 8.64% over the past three years and 14.61% over the past five years, in comparison to the Plan's actuarial rate of return of 7.5%. UCRP annualized total return outperformed its policy benchmark by 91 bp and 76 bp over the three- and five-year periods, respectively.
  2. The Consumer Price Index over the past three-year and five-year periods was 1.88% and 2.13%, respectively.
- II. For information on the portfolio's risk exposures, see page 6. During the past quarter, the portfolio's total risk was similar to the budget and within allowed ranges. The portfolio's active realized risk was 64 bp, well below the budgeted level of 300 bps. The projected active risk at March 31, 2014, was 104 bp. (See next page.)
- III. Net investment expenses incurred by the Office of the Chief Investment Officer for managing the public securities (excluding Alternatives) of the UCRP were (expressed as a percent of assets at March 31, 2014) 6.5 bp for the quarter (not annualized) and 26.2 bp for the preceding 12 months. Earnings from the Securities Lending program are added back to the portfolios from which the securities were lent, contributing to higher performance and offsetting other costs.

## IV. UCRP Asset Allocation and Guideline Compliance

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

### Asset Allocation

	Assets (\$M)	Actual %	Current Policy Allocation (%)	Variance from Current (%)	Policy Range*	Range Compliance
U.S. Equity	12,069	24.21	23.25	0.96	18.25-28.25%	Yes
Developed Equity	7,762	15.57	16.00	-0.43	11.00-21.00%	Yes
Emerging Market Equity	3,639	7.30	6.75	0.55	4.75-8.75%	Yes
Core Fixed Income	5,462	10.96	12.00	-1.04	9.00-15.00%	Yes
High Yield Bond	1,499	3.01	2.50	0.51	1.50-3.50%	Yes
Emerging Market Debt	1,149	2.30	2.50	-0.20	1.50-3.50%	Yes
TIPS	2,771	5.56	6.50	-0.94	4.50-8.50%	Yes
Private Equity	3,434	6.89	7.75	-0.86	4.75-10.75%	Yes
Absolute Return Strategies	2,939	5.90	6.00	-0.10	1.00-11.00%	Yes
Cross Asset Class Strategy	1,304	2.62	3.50	-0.88	1.50-5.50%	Yes
Opportunistic Equity	3,662	7.34	5.50	-0.40	2.50-8.50%	Yes
Real Assets	1,102	2.21	3.00	-0.79	2.00-4.00%	Yes
Real Estate	2,797	5.61	4.75	0.50	1.75-7.75%	Yes
Liquidity Portfolio	267	0.54	0.00	0.54	0.00-10.00%	Yes
<b>Total Assets</b>	<b>\$49,855</b>	<b>100.00%</b>	<b>100.00%</b>			

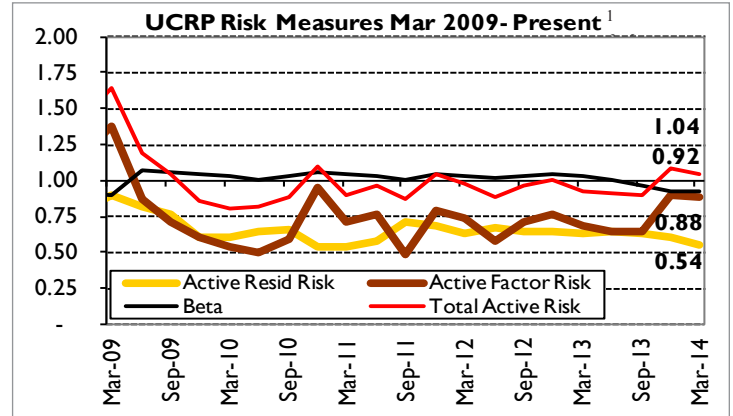
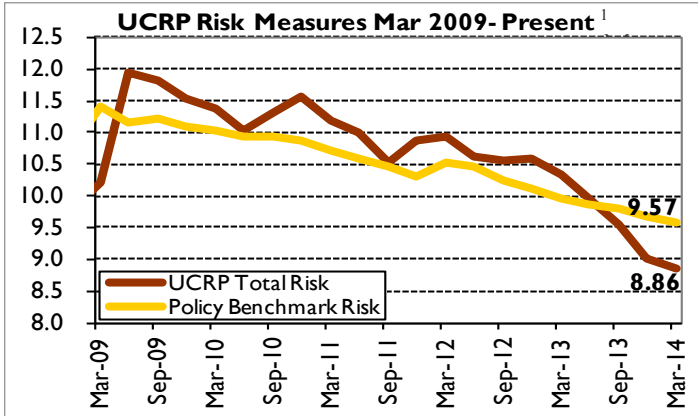
Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

\* Policy Ranges, Targets and Allocations were approved by The Regents in March 2013, and were effective on April 1, 2013, with adjustments toward long-term targets. Combined Policy Ranges: Public Equity 36.00-56.00%, Fixed Income 18.50-28.50%, and Alternatives 23.50-37.50%.



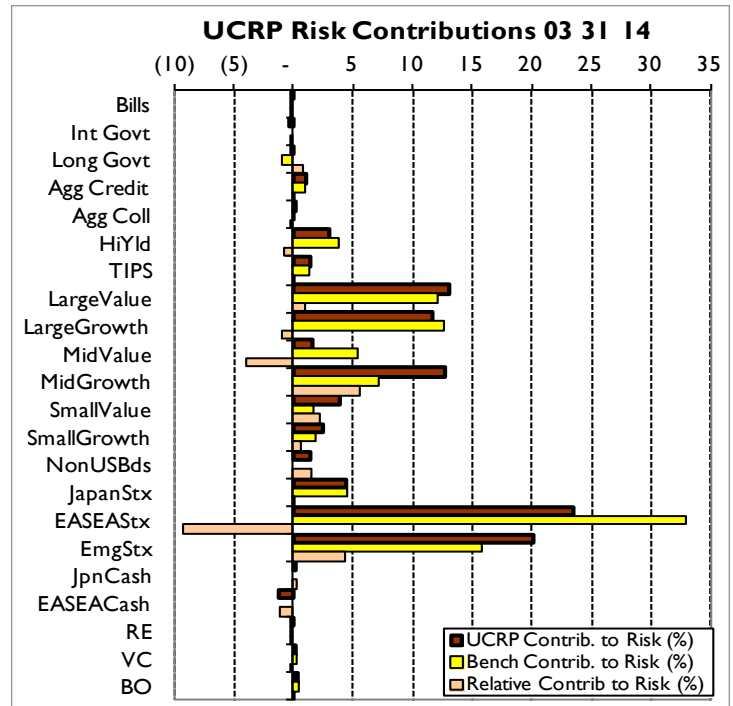
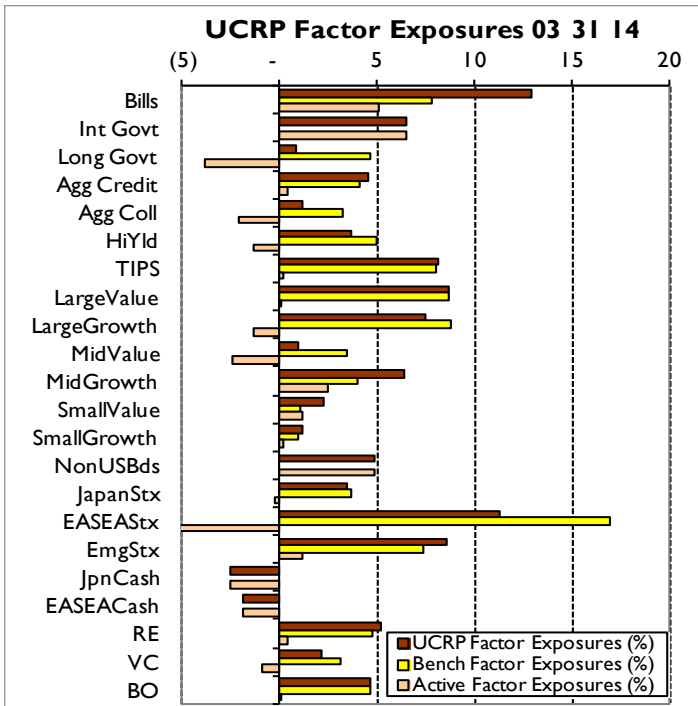
## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

March 31, 2014



FACTOR EXPOSURES <sup>2</sup>			
Asset Allocation <sup>3</sup>	UCRP	Benchmark <sup>5</sup>	Active Exposures
U.S. Equity	26.8	26.8	(0.0)
Non U.S. Equity	23.4	28.0	(4.6)
Global Fixed Income	25.1	25.0	0.1
Non Marketable	12.0	12.5	(0.5)
Cash (Abs Ret)	12.8	7.8	5.1
TOTAL	100.0	100.0	0.0

RISK CONTRIBUTIONS <sup>4</sup>			
Risk Allocation <sup>3</sup>	UCRP	Benchmark <sup>5</sup>	Relative Risk Contrib.
U.S. Equity	45.5	41.1	4.4
Non U.S. Equity	48.2	53.3	(5.0)
Global Fixed Income	5.4	5.1	0.4
Non Marketable	0.5	0.6	(0.1)
Cash (Abs Ret)	(0.0)	(0.0)	(0.0)
Subtotal Factor Risk	99.6	100.0	(0.4)
Residual Risk	0.4	-	0.4
TOTAL	100.0	100.0	0.0



Results shown are based on (a) total fund composition as of quarter-end and (b) long-term volatility and correlation estimates for 22 risk factors (market benchmarks).

1. Risk estimates are in units of standard deviation, annualized (range of likely results over one year horizon).

2. Factor exposures for each portfolio are estimated by regressing monthly returns over all risk factors.

3. Factors grouped into five broad categories, e.g., Domestic Equity consists of six risk factors. Non Marketable includes PE and RE factors.

4. Risk contributions for each factor are derived by a weighted sum of the covariances of that factor with the total fund.

5. Benchmark is the "current" policy weight adjusted for illiquidity.

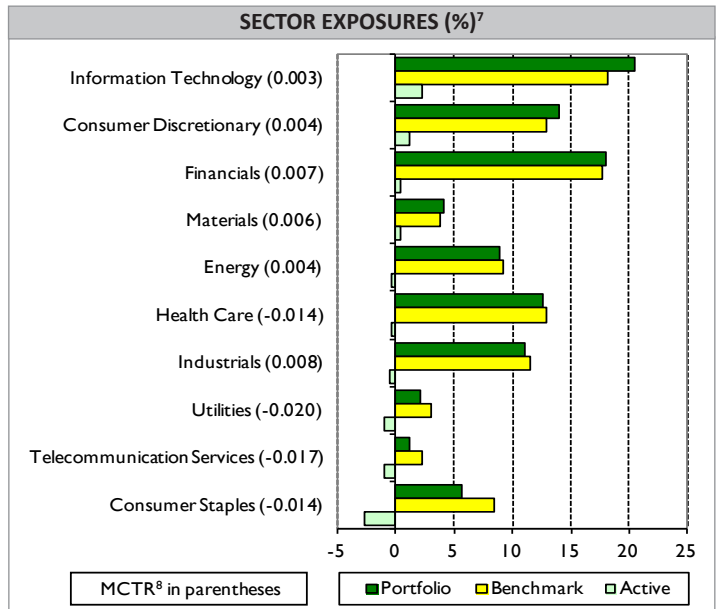
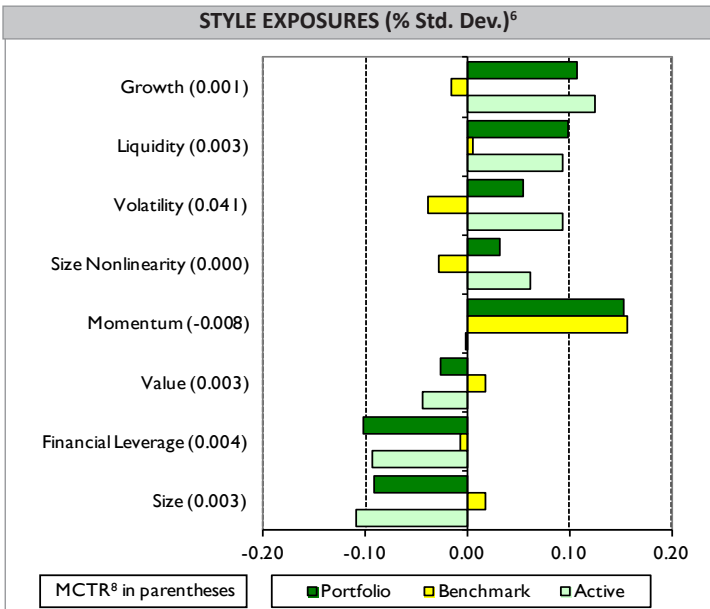


ACTIVE U.S. PUBLIC EQUITY PORTFOLIO RISK AND CHARACTERISTICS  
March 31, 2014

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	RUSSELL 3000
Dividend Yield	1.4	1.7
Price - Earnings Ratio (historical)	18.0	16.5
Price - Book Ratio	2.6	2.7
Market Capitalization (Cap Wtd)	\$62.6	\$94.7
Number of Holdings	1,231	2,992

RISK MEASURES/DECOMPOSITION (Qtr End) <sup>2,4</sup>				
	Total Risk		Active Risk	
	Risk	Contrib	Risk	Contrib
	% Std Dev	% Total	% Std Dev	% Active
Local Market Factors	14.28	99.68	0.80	96.15
Common Factors	14.25	99.24	0.52	42.15
World Equity	12.78	85.30	0.26	-8.51
Industry Factors	0.83	0.48	0.25	12.72
Style Factors	0.45	0.46	0.50	32.97
Country Factors	4.09	13.00	0.19	4.98
Specific Risk	0.95	0.44	0.60	54.01
Currency Risk	0.12	0.32	0.12	3.85
Total Risk	14.33	100.00	0.82	100.00
Benchmark Risk	14.18			
Beta to Benchmark	1.01			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	Return	Risk
Total Portfolio Return	1.90	5.85
Benchmark Return	2.02	6.33
Active Return	-0.12	0.98
Country Allocation	0.02	0.07
Selection within Country	0.20	NA
Common Factor	-0.47	0.81
World Factor	-0.15	0.87
Industry Sector	-0.22	0.10
Style Factors	0.00	0.16
Country Factors	-0.10	0.35
Specific Return	0.68	0.85
Currency	-0.02	0.04
Trading Effect	-0.32	NA



\* The UCRP and GEP Active U.S. Public Equity Portfolios are similar in composition (managers and weightings); therefore, this report applies to both Funds but represents the UCRP.

- Portfolio and benchmark characteristics are from Style Research, Inc.
- Risk factor exposures, risk estimates, and performance attribution uses proprietary data and analytics from MSCI/Barra, Inc.
- The benchmark for Active U.S. Equity is the Russell 3000 tobacco free index.
- Risk factor exposures and risk estimates are based on actual holdings as of 03/31/14. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
- Performance attribution covers the period 12/31/13 to 03/31/14 (single quarter, not annualized). It is based on monthly holdings using a buy-hold methodology so calculated returns might differ slightly from the official performance report (returns are shown net of fees). The risk values are historical (ex-post) values using MSCI's GEM2 factor attribution model.
- Style factor exposures are expressed in units of Standard Deviation.
- Industry sector exposures and country/regional exposures are expressed in terms of percent weights. Sector exposures for U.S. Equity are based on GICS (Global Industry Classification Standards), consistent with Non-U.S.(Developed) Equity. Totals may not add to 100% due to managers' cash holdings.
- MCTR = Marginal Contribution to Total Risk is a risk sensitivity measure. It approximates the change in portfolio total risk that results from a 1% change in the factor exposure.



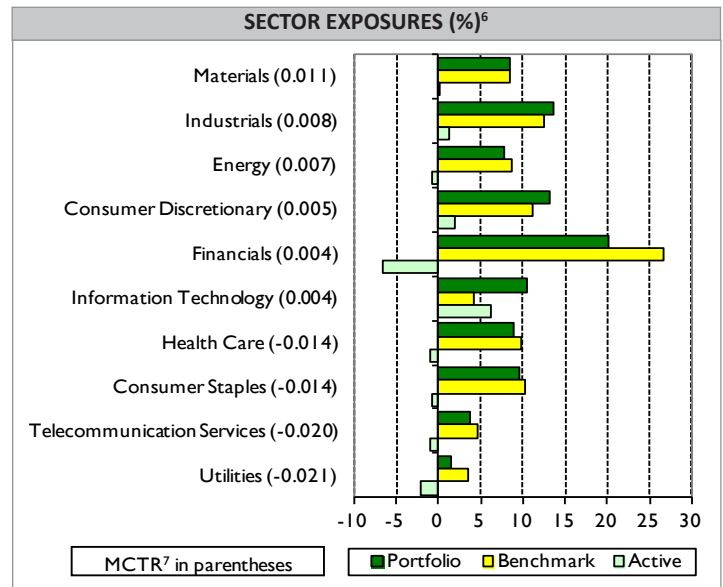
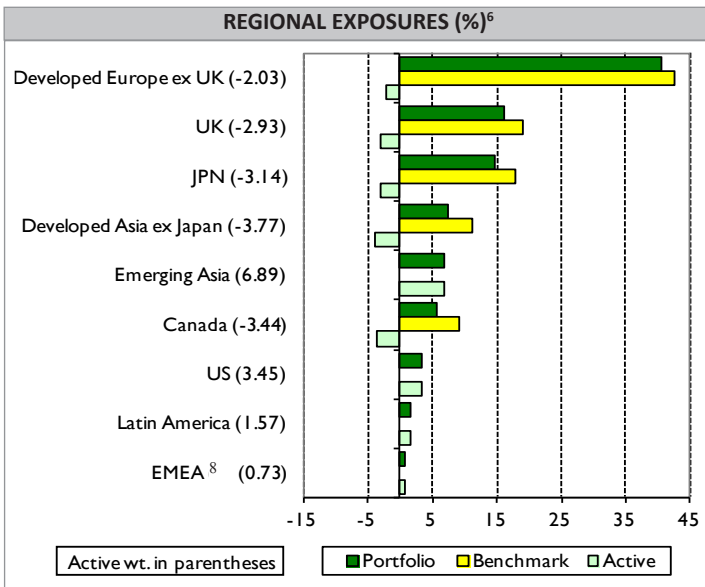
## ACTIVE DEVELOPED EQUITY PORTFOLIO RISK AND CHARACTERISTICS

March 31, 2014

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	MSCI WLD EX US
Dividend Yield	2.6	3.0
Price - Earnings Ratio (historical)	14.4	13.5
Price - Book Ratio	1.7	1.7
Market Capitalization (Cap Wtd)	\$46.1	\$58.2
Number of Holdings	796	1,002

RISK MEASURES/DECOMPOSITION (Qtr End) <sup>2,4</sup>				
	Total Risk		Active Risk	
	Risk	Contrib	Risk	Contrib
	% Std Dev	% Total	% Std Dev	% Active
Local Market Factors	13.22	78.42	1.40	85.23
Common Factors	13.19	78.08	1.19	58.91
World Equity	12.69	74.88	0.35	3.77
Industry Factors	0.74	0.59	0.55	14.55
Style Factors	0.55	2.45	0.41	10.43
Country Factors	2.82	0.16	0.93	30.18
Specific Risk	0.92	0.34	0.75	26.33
Currency Risk	5.84	21.58	0.68	14.77
Total Risk	15.73	100.00	1.46	100.00
Benchmark Risk	16.13			
Beta to Benchmark	0.97			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	Return	Risk
Total Portfolio Return	0.15	6.75
Benchmark Return	0.69	6.87
Active Return	-0.54	0.75
Country Allocation	0.04	0.48
Selection within Country	0.00	NA
Common Factor	-0.06	0.22
World Sector	0.00	0.00
Industry Sector	-0.11	0.12
Style Factors	0.05	0.15
Country Factors	0.00	0.00
Specific Return	0.06	0.47
Currency	-0.06	0.23
Trading Effect	-0.52	NA



\* The UCRP and GEP Active Developed Equity Portfolios are similar in composition (managers and weightings); therefore, this report applies to both Funds but represents UCRP.

- Portfolio and benchmark characteristics are from Style Research, Inc.
- Risk factor exposures, risk estimates, and performance attribution uses proprietary data and analytics from MSCI/Barr, Inc.
- The benchmark for Active Developed Equity is the MSCI World Ex US (Net) tobacco free index.
- Risk factor exposures and risk estimates are based on actual holdings as of 03/31/14. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
- Performance attribution covers the period 12/31/13 to 03/31/14 (single quarter, not annualized). It is based on monthly holdings using a buy-hold methodology so calculated returns might differ slightly from the official performance report (returns are shown net of fees). The benchmark return is net dividends (adjusted for withholding taxes), and is ex-tobacco stocks. The risk values are historical (ex-post) values using MSCI's GEM2 factor attribution model.
- Industry sector exposures and country/regional exposures are expressed in terms of percent weights. Totals may not add to 100% due to managers' cash holdings.
- MCTR = Marginal Contribution to Total Risk, is a risk sensitivity measure. It approximates the change in portfolio total risk that results from a 1% change in the factor exposure.
- EMEA = Emerging Europe, Middle East, Africa





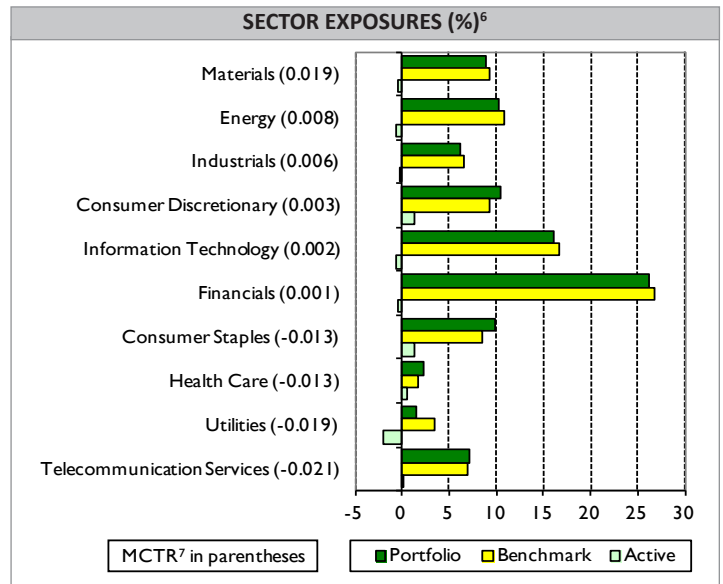
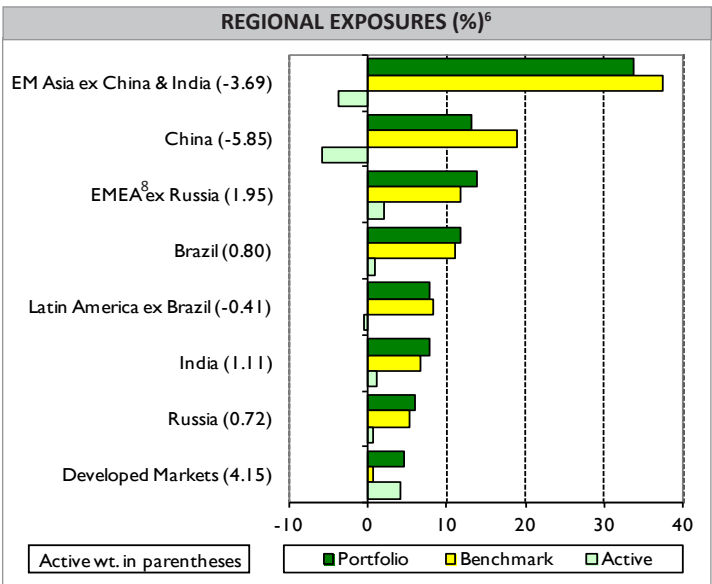
## ACTIVE EMERGING MARKETS EQUITY PORTFOLIO RISK AND CHARACTERISTICS

March 31, 2014

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	MSCI EMF
Dividend Yield	2.4	2.6
Price - Earnings Ratio (historical)	13.2	11.4
Price - Book Ratio	1.8	1.6
Market Capitalization (Cap Wtd)	\$24.8	\$34.8
Number of Holdings	2,804	818

RISK MEASURES/DECOMPOSITION (Qtr End) <sup>2,4</sup>				
	Total Risk		Active Risk	
	Risk	Contrib	Risk	Contrib
	% Std Dev	% Total	% Std Dev	% Active
Local Market Factors	13.39	72.50	1.53	89.01
Common Factors	13.31	71.80	1.23	58.74
World Equity	12.88	61.64	0.16	-0.26
Industry Factors	0.80	0.19	0.24	3.06
Style Factors	1.29	-0.11	0.31	4.07
Country Factors	6.17	10.06	1.13	51.78
Specific Risk	1.52	0.70	0.91	30.27
Currency Risk	5.66	27.50	0.44	10.99
<b>Total Risk</b>	<b>18.09</b>	<b>100.00</b>	<b>1.66</b>	<b>100.00</b>
Benchmark Risk	18.07			
Beta to Benchmark	1.00			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	Return	Risk
Total Portfolio Return	-0.93	7.53
Benchmark Return	-0.43	7.35
Active Return	-0.50	1.31
Country Allocation	0.35	0.85
Selection within Country	-0.36	NA
Common Factor	0.25	0.14
World Factors	0.00	0.00
Industry Sector	0.01	0.10
Style Factors	0.22	0.15
Country Factors	0.03	0.03
Specific Return	-0.61	0.62
Currency	0.34	0.14
Trading Effect	-0.83	NA



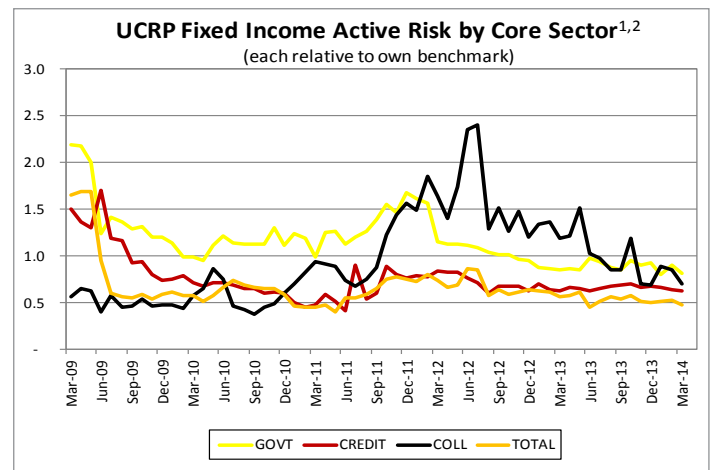
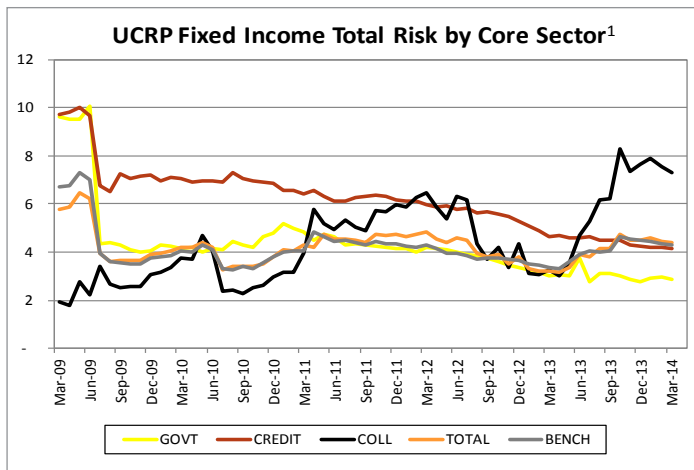
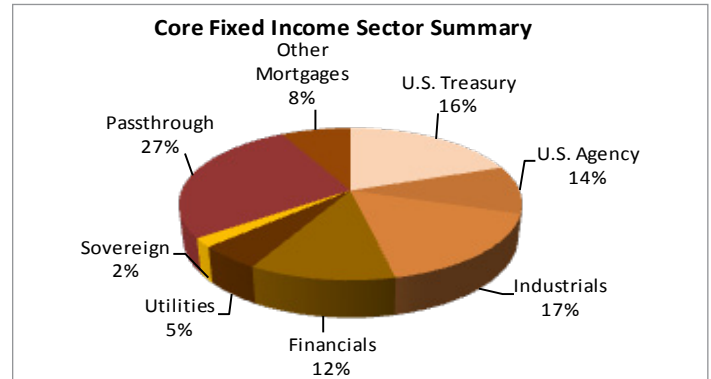
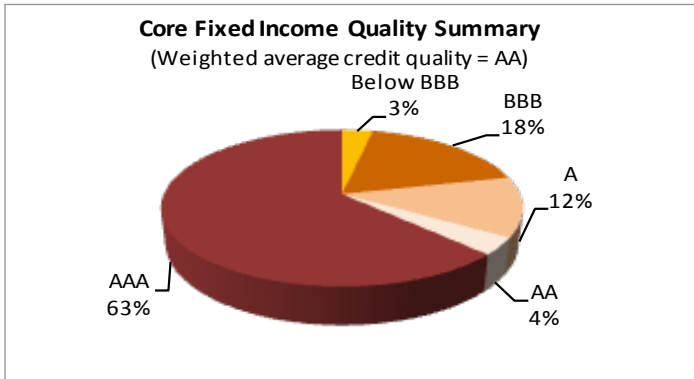
\* The UCRP and GEP Equity Emerging Market Portfolios are similar in composition (managers and weightings); therefore, this report applies to both Funds but represents UCRP.

1. Portfolio and benchmark characteristics are from Style Research, Inc.
2. Risk factor exposures, risk estimates, and performance attribution uses proprietary data and analytics from MSCI/Barra, Inc.
3. The benchmark for Active Emerging Market Equity is the MSCI Emerging Markets Index.
4. Risk factor exposures and risk estimates are based on actual holdings as of 03/31/14. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
5. Performance attribution covers the period 12/31/13 to 03/31/14 (single quarter, not annualized). It is based on monthly holdings using a buy-hold methodology so calculated returns might differ slightly from the official performance report (returns are shown net of fees). The benchmark return is net dividends (adjusted for withholding taxes). The risk values are historical (ex-post) values using MSCI's GEM2 factor attribution model.
6. Industry sector exposures and country/regional exposures are expressed in terms of percent weights. Totals do not add to 100% due to managers' cash holdings.
7. MCTR = Marginal Contribution to Total Risk, is a risk sensitivity measure. It approximates the change in portfolio total risk that results from a 1% change in the factor exposure.
8. EMEA = Emerging Europe, Middle East, Africa



**CORE FIXED INCOME PORTFOLIO CHARACTERISTICS**  
March 31, 2014

	UCRP	Barclays Aggregate	Policy
Effective Duration	5.49	5.46	0.03
Average Quality	AA/A	AA/A	A



**UCRP Sector Allocation and Attribution Analysis**  
3 Months, Quarter Ended March 31, 2014

	Portfolio Sector Alloc.	Benchmark Sector Alloc.	Active Weights	Portfolio Return	Benchmark Return	Active Returns	Sector Alloc. Effect	Security Selection Effect	Interaction Effect	Total Effect
Government	30.03%	39.41%	-9.38%	1.32%	1.31%	0.01%	0.05%	0.00%	0.00%	0.05%
Credit	34.89%	28.82%	6.07%	2.90%	2.91%	-0.01%	0.06%	0.00%	0.00%	0.06%
Collateral	35.08%	31.77%	3.31%	1.74%	1.55%	0.19%	-0.01%	0.06%	0.01%	0.06%
<b>Total Fixed Income</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>2.02%</b>	<b>1.84%</b>	<b>0.17%</b>	<b>0.10%</b>	<b>0.06%</b>	<b>0.01%</b>	<b>0.17%</b>

\* The UCRP and GEP Core Fixed Income Portfolios are similar in composition; therefore, this report applies to both Funds but represents the UCRP.

1. Risk estimates are in units of Standard Deviation, annualized (%). Month-end holdings-based portfolio data used. Data, analytics source: MSCI/Barra, Inc. Effective July 1, 2009, UCRP Core Fixed Income Benchmark was changed to Barclays U.S. Aggregate from Citigroup LPF. Total UCRP bond risk as of 03/31/14 was 4.48% compared to the benchmark total risk of 4.41%.

2. Core Fixed Income portfolio is managed in three core sectors: Government, Credit and Collateral. Total active risk is measured relative to its overall benchmark, the Barclays U.S. Aggregate. Each core sector's active risk is assessed against the corresponding Barclays U.S. Aggregate sector index. Total active risk as of 03/31/14 for the UCRP Core Fixed Income portfolio was 48 bp (annualized standard deviation).



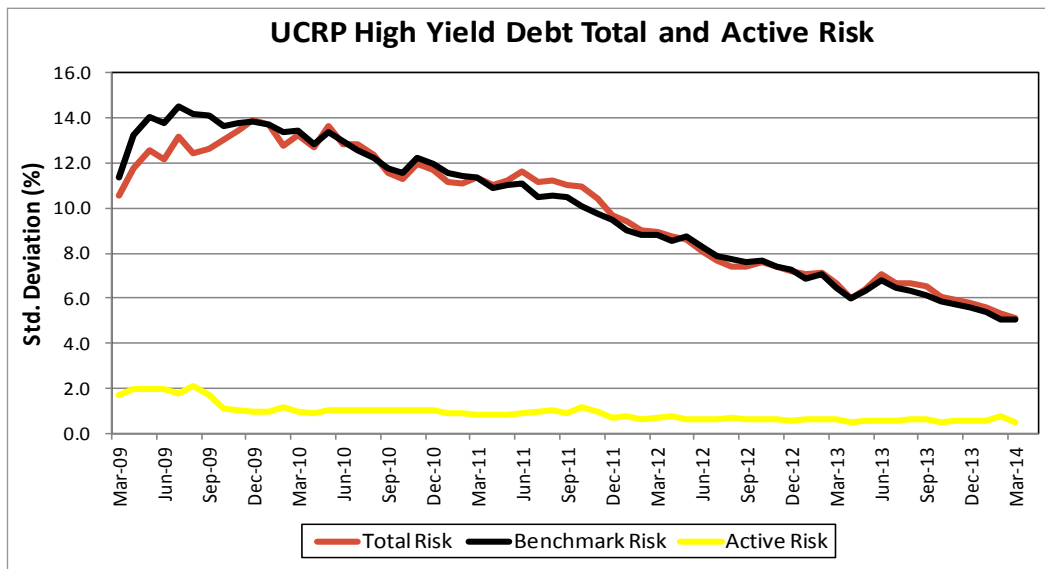
## HIGH YIELD BOND PORTFOLIO CHARACTERISTICS

March 31, 2014

	UCRP	Bank of America Merrill Lynch High Yield Cash Pay Index	Policy
Effective Duration	3.85	3.95	-0.10
Average Quality	BB/B	BB/B	B

Credit Quality Exposures			
Credit Quality	UCRP Weight	Benchmark Weight	Active Weight
A	0.30%	0.10%	0.19%
BBB	0.46%	0.75%	-0.29%
BB	30.12%	41.60%	-11.47%
B	40.55%	39.65%	0.90%
CCC	22.11%	17.81%	4.30%
CC	0.11%	0.00%	0.11%
C	0.05%	0.07%	-0.03%
D	0.23%	0.00%	0.23%
N/A	6.07%	0.02%	6.05%

Top Industry Exposures			
Top Industries	UCRP Weight	Benchmark Weight	Active Weight
Energy	9.98%	11.67%	-1.69%
Telecommunication Services	7.54%	7.86%	-0.32%
Materials	6.71%	7.36%	-0.65%
Capital Goods	5.95%	6.91%	-0.96%
Media	5.31%	5.10%	0.21%
Health Care Equipment & Services	4.36%	5.28%	-0.91%
Consumer Services	4.24%	3.84%	0.40%
Consumer Durables & Apparel	3.89%	2.56%	1.34%
Retailing	3.09%	2.55%	0.54%
Software & Services	2.92%	2.65%	0.27%



\* The UCRP and GEP High Yield Bond Portfolios are similar in composition; therefore, this report applies to both Funds but represents the UCRP.

Month-end holdings-based portfolio data used. Data, analytics source: MSCI/Barra, Inc. UCRP High Yield total risk as of 03/31/14 was 5.25% (annualized standard deviation) compared to the benchmark (Bank of America Merrill Lynch High Yield Cash Pay) total risk of 5.15%. Active risk as of 03/31/14 for the UCRP High Yield portfolio was 48 bps (annualized standard deviation).

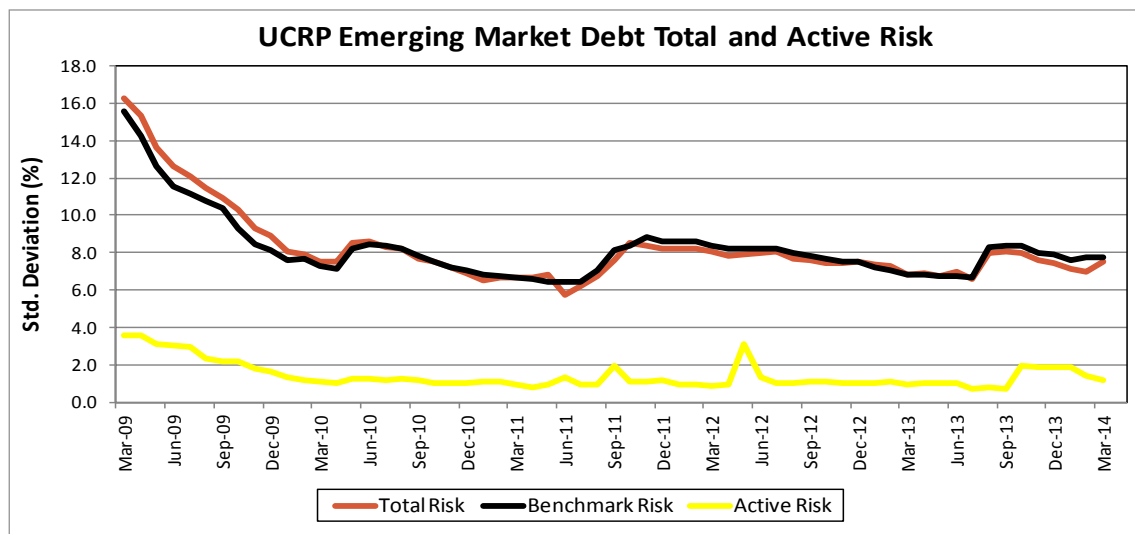


EMERGING MARKET DEBT PORTFOLIO CHARACTERISTICS  
March 31, 2014

	UCRP	JP Morgan EM-BI Global Diversity	Policy
Effective Duration	6.15	6.61	-0.46
Average Quality	BBB/BB	BBB/BB	BB

Credit Quality Exposures			
Credit Quality	UCRP Weight	Benchmark Weight	Active Weight
AAA	0.01%	0.00%	0.01%
AA	2.52%	2.61%	-0.08%
A	8.56%	9.49%	-0.93%
BBB	55.00%	47.30%	7.70%
BB	18.85%	17.85%	1.00%
B	9.21%	13.93%	-4.72%
CCC	4.00%	6.93%	-2.93%
N/A	1.85%	1.89%	-0.05%

Top Country Exposures			
Top Countries	UCRP Weight	Benchmark Weight	Active Weight
Mexico	9.03%	4.74%	4.29%
Brazil	7.51%	4.88%	2.63%
Russia	6.01%	4.77%	1.25%
Turkey	5.87%	4.77%	1.10%
Columbia	4.97%	3.89%	1.09%
Hungary	4.73%	3.19%	1.53%
Philippines	4.62%	4.89%	-0.27%
Indonesia	4.55%	4.58%	-0.03%
South Africa	4.16%	3.34%	0.82%
Poland	4.01%	3.58%	0.43%



\* The UCRP and GEP Emerging Debt Portfolios are similar in composition; therefore, this report applies to both Funds.

Month-end holdings-based portfolio data used. Data, analytics source: MSCI/Barras, Inc. UCRP Emerging Markets debt total risk as of 03/31/14 was 7.59% (annualized standard deviation) compared to the benchmark total risk of 7.86%. Active risk as of 03/31/14 for the Emerging Markets debt portfolio was 118 bps (annualized standard deviation).



# UCRP AND GEP

## Performance evaluation and benchmarking of Private Equity investments

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

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

Table 1 shows data, as of December 31, 2012, the latest period for which fund information is available. This information will be updated annually.

**Portfolio Summary for University of California Regents, as of 12/31/2012**

<b>Table 1</b> Vintage Year	# Funds	Commitment (\$M)	Contributions (\$M)	Distributions (\$M)	Net Asset Value (\$M)	Vintage Yr Net IRR (weighted)	Benchmark IRR (weighted)	Excess Return (weighted)	Multiple
1978-1985	18	\$86.3	-\$89.3	\$241.3	-	13.9%	9.3%	4.6%	2.7
1986-1990	12	\$161.0	-\$139.7	\$439.3	\$11.4	22.8%	8.9%	14.0%	3.2
1991-1995	12	\$368.0	-\$354.8	\$742.0	\$0.3	18.1%	10.7%	7.4%	2.1
1996-2000	24	\$777.0	-\$921.5	\$1,149.2	\$144.1	7.0%	4.0%	3.1%	1.4
2001-2005	66	\$1,949.1	-\$1,791.6	\$1,021.9	\$1,408.4	7.1%	3.3%	3.8%	1.4
2006-2012	124	\$4,881.8	-\$2,773.5	\$803.0	\$2,631.9	10.0%	1.9%	8.1%	1.2
<b>TOTAL</b>	<b>256</b>	<b>\$8,223.3</b>	<b>-\$6,070.3</b>	<b>\$4,396.6</b>	<b>\$4,196.0</b>	<b>9.5%</b>	<b>3.4%</b>	<b>6.1%</b>	<b>1.4</b>

<b>Table 2</b>	As of March 31, 2014	Annualized 10-Year Total Return
UCRP Total Fund PE		13.91%
GEP Total Fund PE		14.54%
UCRP Venture Capital		16.89%
GEP Venture Capital		18.60%
Cambridge Assoc. LLC U.S. Venture Cap Fund Index <sup>1</sup>		9.69%
UCRP Buy Out		11.96%
GEP Buy Out		11.95%
Cambridge Assoc. LLC U.S. Private Equity Fund Index <sup>1</sup>		13.97%

Table 2: Both reported UC and benchmark returns are lagged by one-quarter.

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

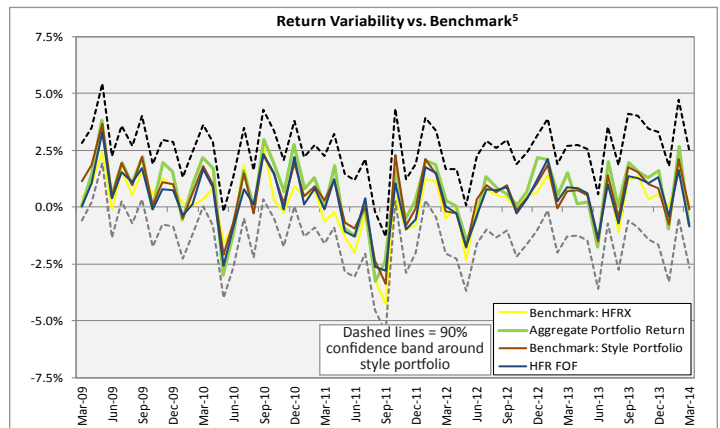
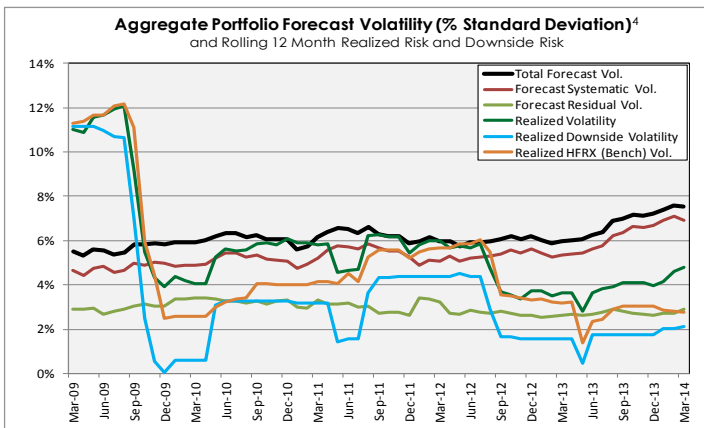
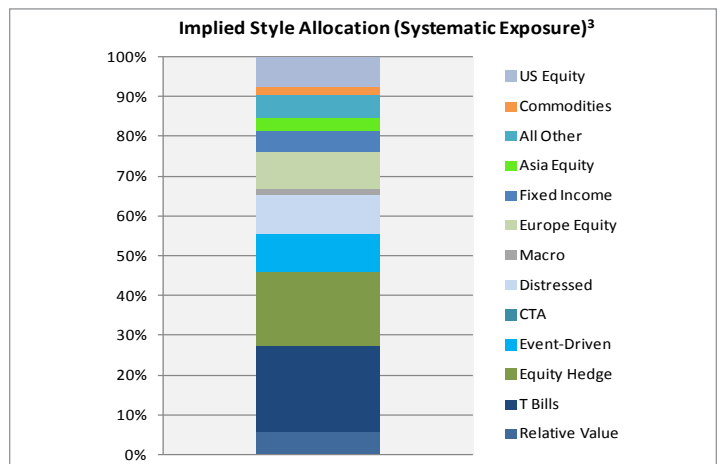
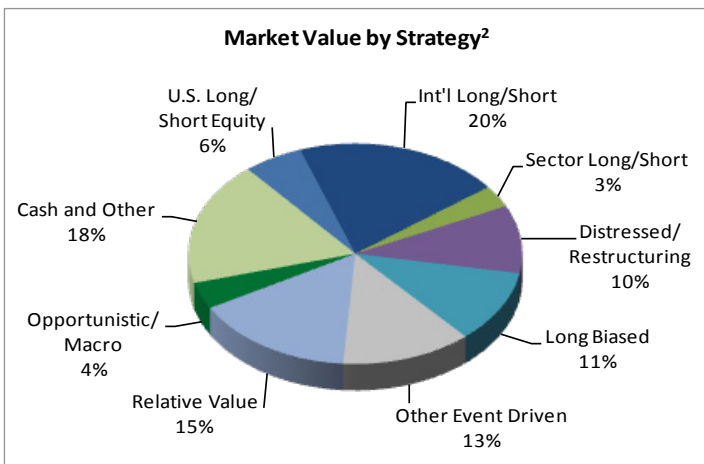
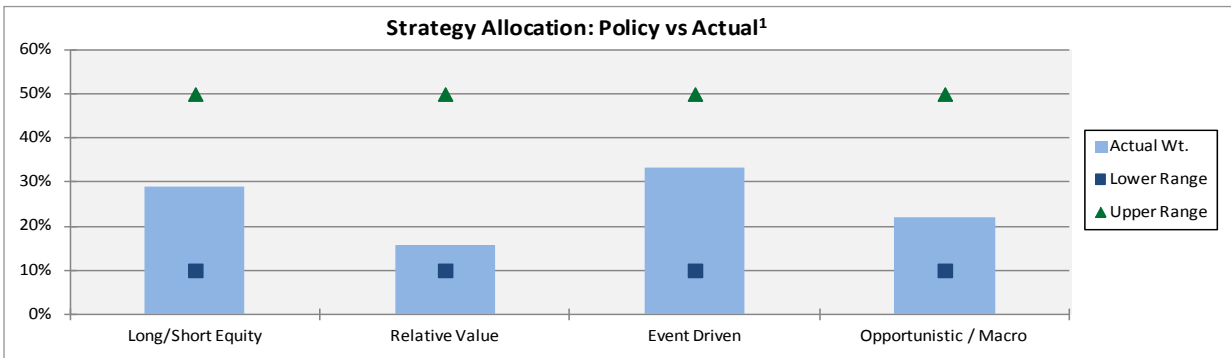
Private Equity Returns are as of 12/31/13 (one-quarter lagged).

1. Source: Cambridge Associates LLC. The returns of the indexes are pooled end-to-end returns, net of fees, expenses, and carried interest.



## ABSOLUTE RETURN PORTFOLIO RISK CHARACTERISTICS

March 31, 2014



\* The UCRP and GEP Absolute Return Portfolios are identical in composition; therefore, this report applies to both Funds.

Notes on guidelines as of quarter end: Gross accounting leverage of the portfolio was 3.06x, well under the guideline limit of 4.5x.

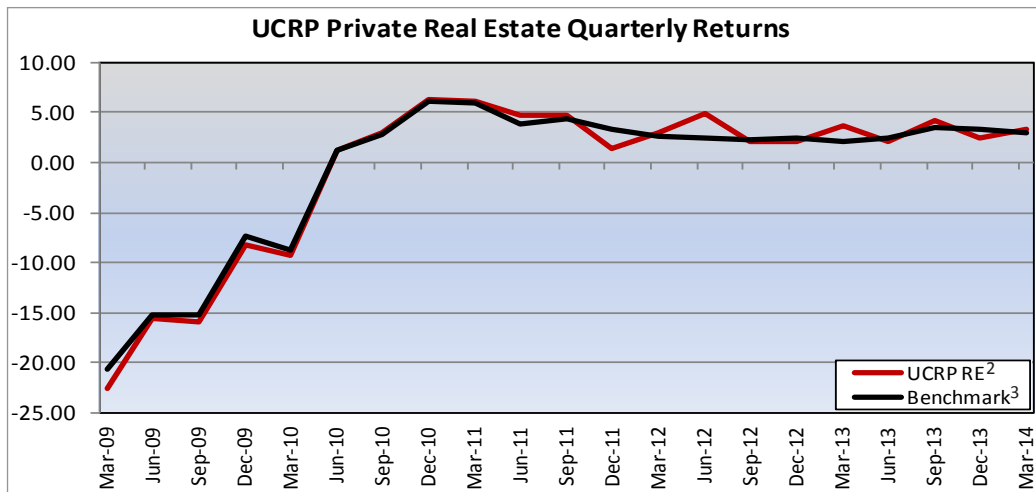
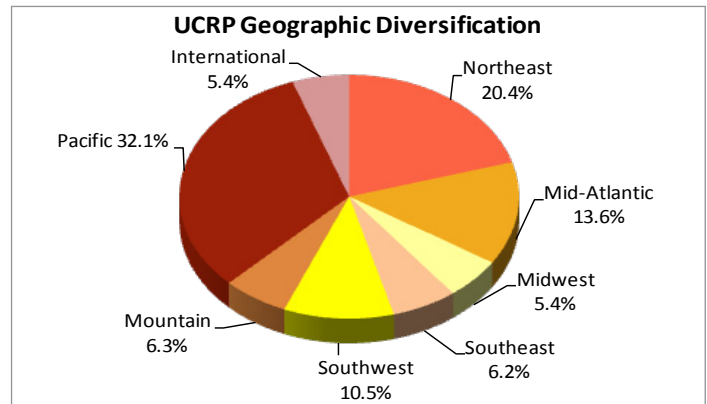
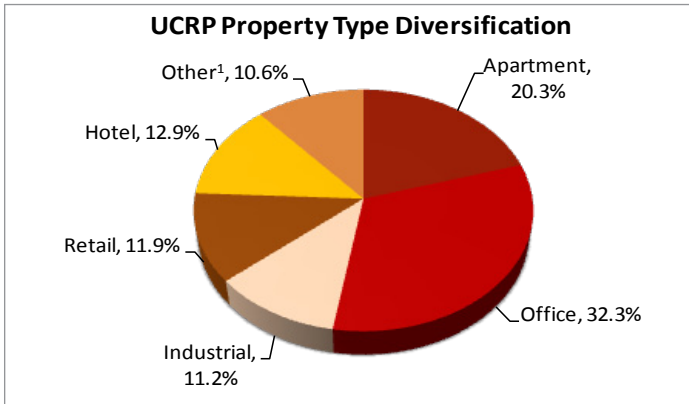
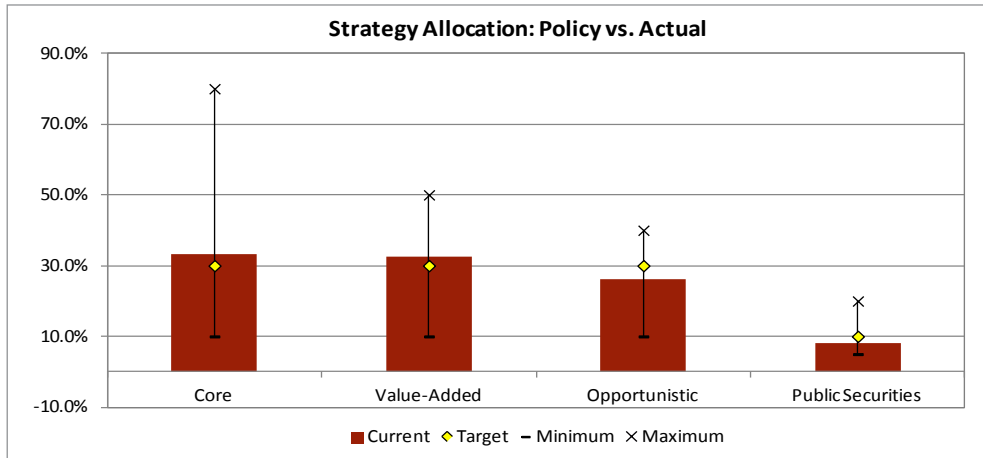
- Investment in any single manager does not exceed 10% of the entire portfolio NAV.
- Concentration of risk in any single manager's portfolio does not exceed the guideline limit of 15% of the total portfolio forecast risk.
- Aggregate portfolio forecast risk at 03/31/14 was 7.50% vs. guideline limit of 8.0% of total invested capital.

1. Market value in each of the four broad strategies permitted in the Investment Guidelines (as amended July 19, 2012).
2. Additional detail of current investments by strategy.
3. Aggregate exposures to systematic risk factors as determined by statistical analysis and current holdings.
4. First three lines (labeled "Forecast") is a forward estimate of risk, considering both current systematic exposures and the historical volatility of residual returns. "Realized" volatility is based on prior 12 months' returns.
5. Monthly returns compared to official, style (systematic risk) benchmarks, and HFR Fund of Funds median return.

Note: Performance benchmark changed March 1, 2009, from Tbills +450 bp to 50% HFRX AR Index + 50% HFRXMD Index. The new benchmark is shown in Charts 4 and 5 as if it had been in place during the entire period.



PRIVATE REAL ESTATE PORTFOLIO RISK CHARACTERISTICS  
March 31, 2014



Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

UCRP Property Type Diversification:

1. "Other" includes student housing, senior housing, self-storage, debt investments, land, and entity investments.

2. Real Estate Return is as of 12/31/13 (one-quarter lagged). UCRP Performance includes private investments in open-end and closed-end funds, and separate accounts with core, enhanced and opportunistic strategies.

3. Performance benchmark: The NCREIF Property Index is the benchmark from October 1, 2004, through September 30, 2008. Performance benchmark changed in October 1, 2008, with the NFI-ODCE index and the UCRP closed-end portfolio return, weighted in proportion to UC's open-end and closed-end components of UCRP's Portfolio. As of April 1, 2011: The benchmark for all Private RE was changed to NFI-ODCE index. Note that both the closed-end fund returns and the NFI-ODCE index are lagged three months.



March 31, 2014

I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>GEP</b>	<b>\$7,896</b>	<b>1.89%</b>	<b>13.49%</b>	<b>12.90%</b>	<b>8.52%</b>	<b>13.29%</b>	<b>7.24%</b>
Policy Benchmark		2.36%	12.23%	11.76%	6.52%	11.61%	6.69%
Variance to Benchmark		-0.47%	+1.26%	+1.14%	+2.00%	+1.68%	+0.55%
<b>U.S. Equity</b>	<b>\$1,296</b>	<b>1.81%</b>	<b>19.78%</b>	<b>23.03%</b>	<b>14.72%</b>	<b>21.98%</b>	<b>7.55%</b>
Policy Benchmark		2.02%	19.61%	22.89%	14.59%	21.89%	7.74%
Variance to Benchmark		-0.21%	+0.17%	+0.14%	+0.13%	+0.09%	-0.19%
<b>Developed Equity</b>	<b>\$899</b>	<b>0.36%</b>	<b>18.18%</b>	<b>17.02%</b>	<b>6.87%</b>	<b>16.41%</b>	<b>7.23%</b>
Policy Benchmark		0.69%	18.44%	16.50%	6.14%	15.76%	6.60%
Variance to Benchmark		-0.33%	-0.26%	+0.52%	+0.73%	+0.65%	+0.63%
<b>Emerging Market Equity</b>	<b>\$495</b>	<b>-1.51%</b>	<b>4.65%</b>	<b>-4.13%</b>	<b>-1.89%</b>	<b>15.73%</b>	<b>10.13%</b>
Policy Benchmark		-0.43%	7.24%	-1.43%	-2.86%	14.48%	10.11%
Variance to Benchmark		-1.08%	-2.59%	-2.70%	+0.97%	+1.25%	+0.02%
<b>Core Fixed Income</b>	<b>\$290</b>	<b>2.02%</b>	<b>2.90%</b>	<b>0.17%</b>	<b>4.24%</b>	<b>5.28%</b>	<b>4.66%</b>
Policy Benchmark		1.84%	2.28%	-0.10%	3.75%	4.80%	4.69%
Variance to Benchmark		+0.18%	+0.62%	+0.27%	+0.49%	+0.48%	-0.03%
<b>High Yield Bond</b>	<b>\$183</b>	<b>3.15%</b>	<b>9.53%</b>	<b>8.34%</b>	<b>9.57%</b>	<b>17.31%</b>	<b>N/A</b>
Policy Benchmark		2.99%	9.00%	7.51%	8.71%	17.95%	N/A
Variance to Benchmark		+0.16%	+0.53%	+0.83%	+0.86%	-0.64%	N/A
<b>Emerging Market Debt</b>	<b>\$188</b>	<b>2.49%</b>	<b>3.11%</b>	<b>-3.21%</b>	<b>5.24%</b>	<b>10.09%</b>	<b>N/A</b>
Policy Benchmark		3.73%	6.56%	0.56%	6.12%	11.08%	N/A
Variance to Benchmark		-1.24%	-3.45%	-3.77%	-0.88%	-0.99%	N/A
<b>TIPS</b>	<b>\$152</b>	<b>1.88%</b>	<b>0.71%</b>	<b>-6.56%</b>	<b>3.64%</b>	<b>5.17%</b>	<b>N/A</b>
Policy Benchmark		1.95%	0.61%	-6.49%	3.50%	4.91%	N/A
Variance to Benchmark		-0.07%	+0.10%	-0.07%	+0.14%	+0.26%	N/A
<b>Private Equity<sup>1</sup></b>	<b>\$819</b>	<b>8.63%</b>	<b>24.55%</b>	<b>28.62%</b>	<b>16.20%</b>	<b>14.51%</b>	<b>14.54%</b>
<b>Absolute Return Strategies<sup>2</sup></b>	<b>\$1,761</b>	<b>0.96%</b>	<b>9.86%</b>	<b>8.32%</b>	<b>5.26%</b>	<b>8.75%</b>	<b>5.84%</b>
Policy Benchmark		1.89%	5.66%	5.75%	-0.80%	2.49%	4.80%
Variance to Benchmark		-0.93%	+4.20%	+2.57%	+6.06%	+6.26%	+1.04%
<b>Cross-Asset Class Strategy<sup>3</sup></b>	<b>\$216</b>	<b>2.00%</b>	<b>10.35%</b>	<b>7.51%</b>	<b>11.11%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.36%	12.23%	11.76%	6.52%	N/A	N/A
Variance to Benchmark		-0.36%	-1.88%	-4.25%	+4.59%	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$729</b>	<b>-0.19%</b>	<b>20.59%</b>	<b>22.54%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.08%	17.05%	16.55%	N/A	N/A	N/A
Variance to Benchmark		-1.27%	+3.54%	+5.99%	N/A	N/A	N/A
<b>Real Assets<sup>3</sup></b>	<b>\$194</b>	<b>1.10%</b>	<b>3.11%</b>	<b>3.83%</b>	<b>1.85%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.36%	3.79%	3.96%	2.37%	N/A	N/A
Variance to Benchmark		-0.26%	-0.68%	-0.13%	-0.52%	N/A	N/A
<b>Public Real Estate</b>	<b>\$32</b>	<b>4.45%</b>	<b>4.71%</b>	<b>0.26%</b>	<b>8.18%</b>	<b>20.92%</b>	<b>N/A</b>
Policy Benchmark		3.99%	4.98%	0.43%	7.51%	23.41%	N/A
Variance to Benchmark		+0.46%	-0.27%	-0.17%	+0.67%	-2.49%	N/A
<b>Private Real Estate</b>	<b>\$577</b>	<b>3.80%</b>	<b>10.93%</b>	<b>13.11%</b>	<b>12.82%</b>	<b>1.32%</b>	<b>N/A</b>
Policy Benchmark		2.94%	10.21%	12.90%	12.53%	2.41%	N/A
Variance to Benchmark		+0.86%	+0.72%	+0.21%	+0.29%	-1.09%	N/A

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$64 million held in Liquidity Portfolio. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. See Private Equity Performance information on page 13 for comparison of Private Equity to multiple performance metrics.
2. Benchmark for Absolute Return (AR) class was changed effective March 1, 2009, from TBills + 450 bp to 50% HFRX-AR Index + 50% HFRX-MD Index.
3. Inception date for Real Assets and Cross-Asset Class Strategies was April 1, 2010.
4. Inception date for Opportunistic Equity was December 31, 2012.





**I. Performance Objectives**

1. GEP annualized total return (net of manager fees and expenses) was 8.52% over the past three years and 13.29% over the past five years and outperformed the three-year policy benchmark return by 200 bp and the five-year by 168 bp.
  2. The Consumer Price Index over the past three-year and five-year periods was 1.88% and 2.13%, respectively.
- II.** For information on the portfolio's risk exposures see page 18. During the past quarter, the portfolio's total risk was similar to the budget and within allowed ranges. The portfolio's active realized risk was 109 bp, well below the budgeted level of 300 bps. The projected active risk at March 31, 2014, was 114 bp (see next page).
- III.** Net investment expenses incurred by the Chief Investment Officer for managing the public securities (excluding Alternatives) of the GEP were (expressed as a percent of assets at March 31, 2014) 9.1 bp for the quarter (not annualized) and 48.8 bp for the preceding 12 months. Earnings from the Securities Lending program are added back to the portfolios from which the securities were lent, contributing to higher performance and offsetting other costs.

**IV. GEP Asset Allocation and Guideline Compliance**

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

**Asset Allocation**

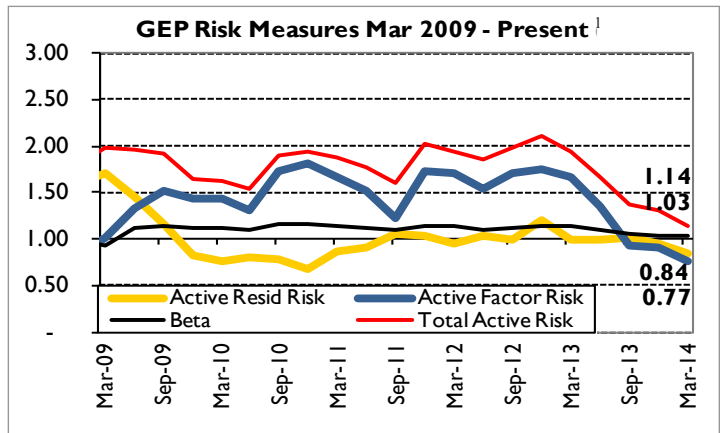
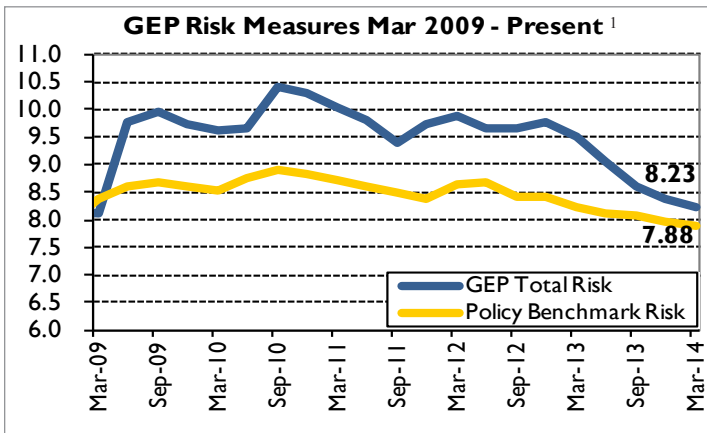
	Assets (\$M)	Actual %	Current Policy Allocation (%)	Variance from Current (%)	Policy Range*	Range Compliance
U.S. Equity	1,296	16.41	15.50	0.91	10.50-20.50%	Yes
Developed Equity	899	11.38	12.00	-0.62	7.00-17.00%	Yes
Emerging Market Equity	495	6.27	6.00	0.27	4.00-8.00%	Yes
Core Fixed Income	290	3.67	5.00	-1.33	2.00-8.00%	Yes
High Yield Bond	183	2.32	2.50	-0.18	1.50-3.50%	Yes
Emerging Market Debt	188	2.39	3.00	-0.61	2.00-4.00%	Yes
TIPS	152	1.92	2.50	-0.58	0.50-4.50%	Yes
Private Equity	819	10.37	9.00	1.37	6.00-12.00%	Yes
Absolute Return Strategies	1,761	22.30	23.50	-1.20	18.50-28.50%	Yes
Cross-Asset Class Strategy	216	2.74	4.00	-1.26	2.00-6.00%	Yes
Opportunistic Equity	729	9.24	7.50	1.74	4.50-10.50%	Yes
Real Assets	194	2.46	2.75	-0.29	1.75-3.75%	Yes
Real Estate	609	7.71	6.75	0.96	3.75-9.75%	Yes
Liquidity Portfolio	64	0.82	0.00	0.82	0.00-10.00%	Yes
<b>Total Assets</b>	<b>\$7,896</b>	<b>100.00%</b>	<b>100.00%</b>			

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data.  
 \* Policy Ranges, Targets and Allocations were approved by The Regents on June 19, 2012, and are effective July 15, 2012, with adjustments toward long-term targets. Combined Policy Ranges: Public Equity 23.50-43.50%, Fixed Income 8.00-18.00%, and Alternatives 38.50-68.50%.



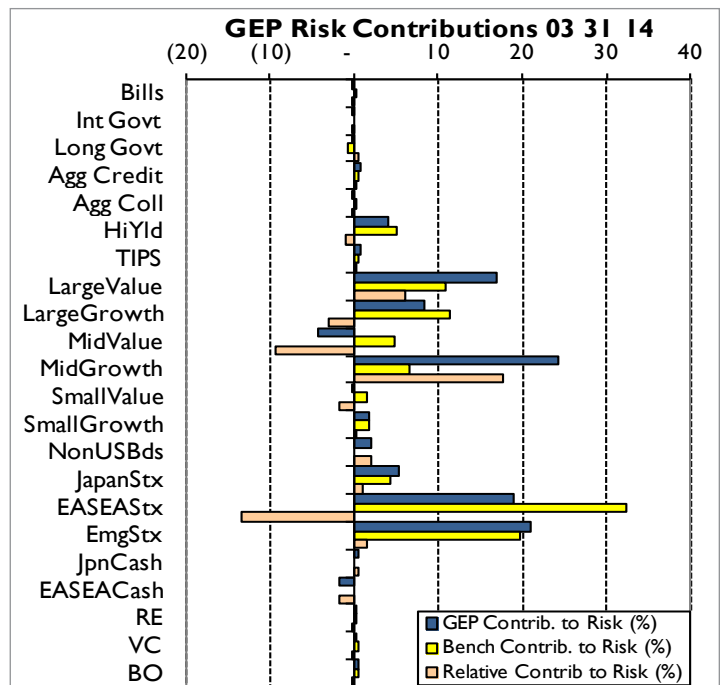
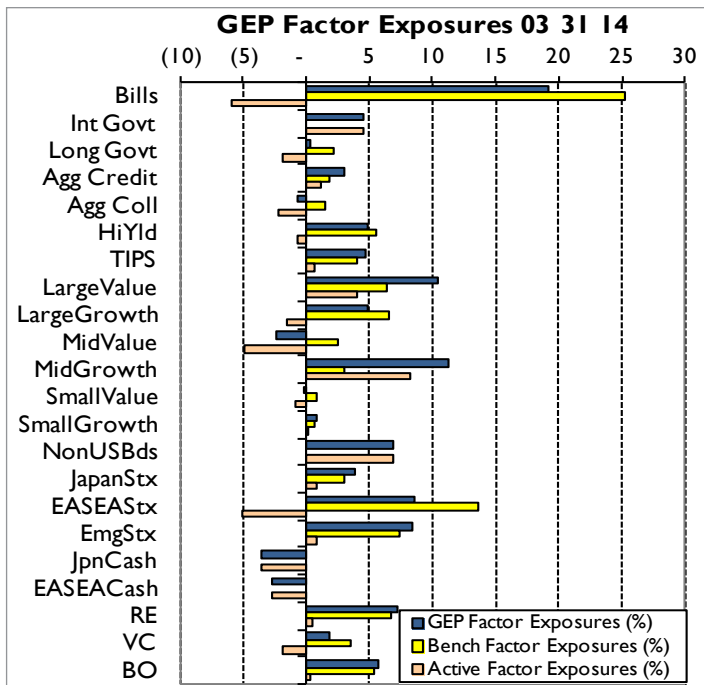
# GENERAL ENDOWMENT POOL (GEP)

## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL) March 31, 2014



FACTOR EXPOSURES <sup>2</sup>			
Asset Allocation <sup>3</sup>	GEP	Benchmark <sup>5</sup>	Active Exposures
U.S. Equity	25.0	20.0	5.0
Non U.S. Equity	20.8	24.0	(3.3)
Global Fixed Income	17.3	15.0	2.3
Non Marketable	14.9	15.8	(0.8)
Cash (Abs Ret)	22.0	25.3	3.3
TOTAL	100.0	100.0	0.0

RISK CONTRIBUTIONS <sup>4</sup>			
Risk Allocation <sup>3</sup>	GEP	Benchmark <sup>5</sup>	Relative Risk Contrib.
U.S. Equity	46.9	37.1	9.8
Non U.S. Equity	45.5	56.3	(10.8)
Global Fixed Income	5.8	5.5	0.3
Non Marketable	0.7	1.1	(0.3)
Cash (Abs Ret)	(0.0)	0.0	(0.0)
Subtotal Factor Risk	99.0	100.0	(1.0)
Residual Risk	1.0	-	1.0
TOTAL	100.0	100.0	0.0

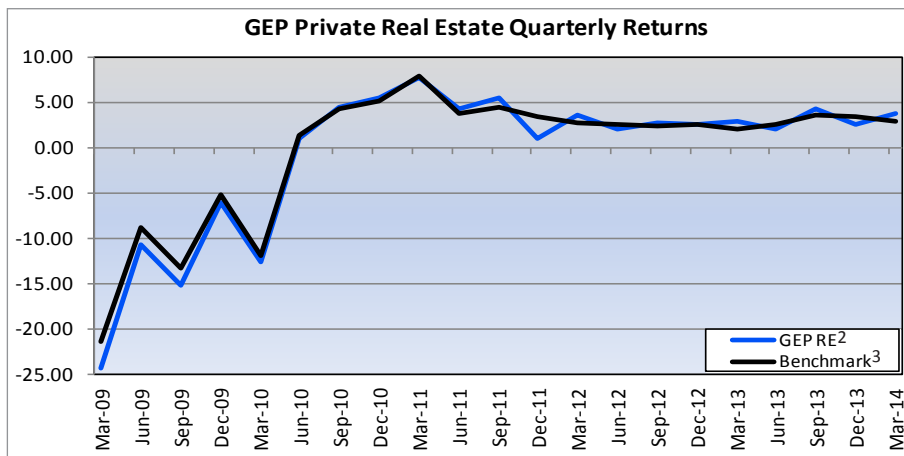
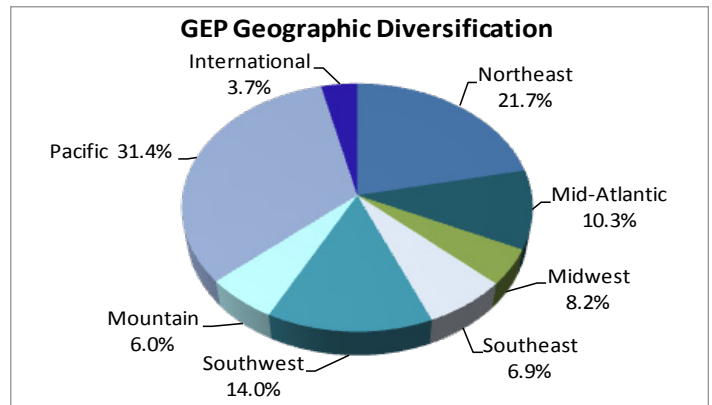
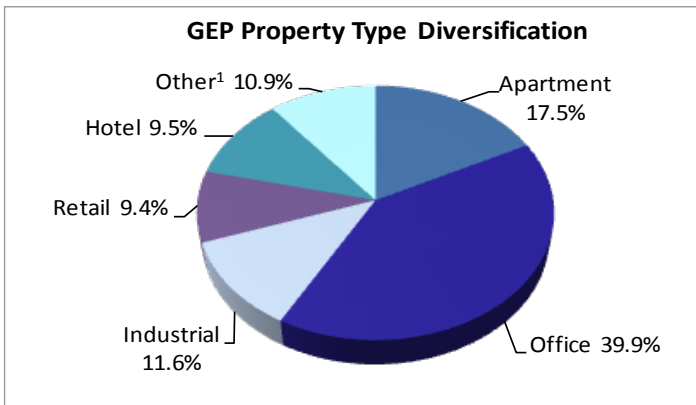
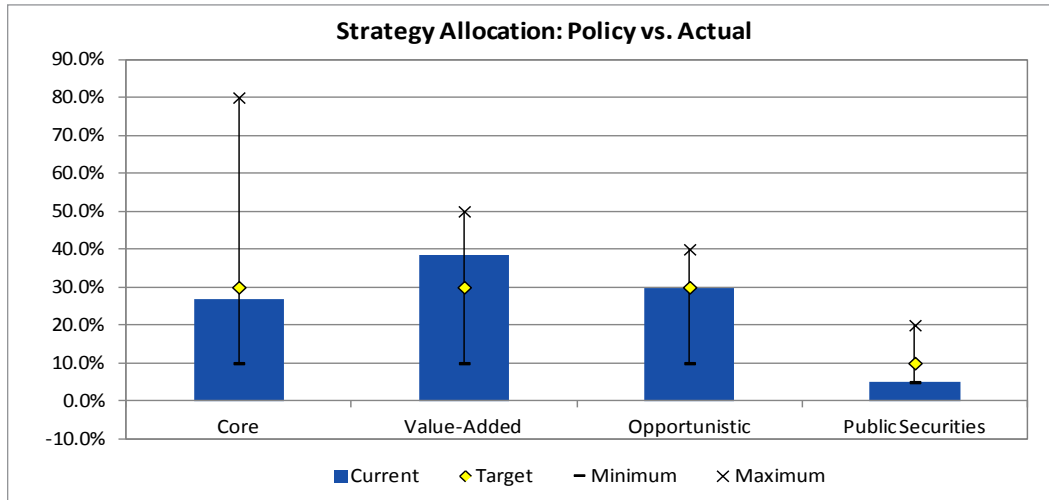


Results shown are based on (a) total fund composition as of quarter end and (b) long-term volatility and correlation estimates for 22 risk factors (market benchmarks).

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



REAL ESTATE PORTFOLIO CHARACTERISTICS  
March 31, 2014



Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data.

- GEP Property Type Diversification: "Other" includes student housing, senior housing, self-storage, debt investments, land and entity investments.
- Real Estate Return is as of 12/31/13 (one-quarter lagged). GEP Performance includes private investments in open-end and closed-end funds with core, enhanced and opportunistic strategies.
- Performance Benchmark: The NCREIF Property Index is the benchmark from October 1, 2004, through September 30, 2008. Performance benchmark changed in October 1, 2008, with the NFI-ODCE and the GEP's closed-end portfolio return, weighted in proportion to UC's open-end and closed-end components of GEP's Portfolio. As of April 1, 2011: The benchmark for all Private RE was changed to NFI-ODCE index. Note that both the closed-end fund returns and the NFI-ODCE index are lagged three months.



# SHORT TERM INVESTMENT POOL (STIP)

March 31, 2014

## I. Investment Performance

	Market Value (\$M)	Income Return			Annualized Income Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>STIP</b>	<b>\$9,407</b>	<b>0.37%</b>	<b>1.25%</b>	<b>1.63%</b>	<b>2.12%</b>	<b>2.38%</b>	<b>3.28%</b>
Policy Benchmark <sup>1</sup>		0.06%	0.16%	0.20%	0.22%	0.41%	1.95%
Variance		+0.31%	+1.09%	+1.43%	+1.90%	+1.97%	+1.33%

## II. Asset Allocation Plan and Guideline Compliance

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

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

	Assets (\$M)	% of Portfolio
Corporate Notes	4,524	48%
Corporate Bond	381	4%
Commercial Paper	3,153	34%
Federal Agency	362	4%
Treasury Notes/Bills	987	10%
<b>Total Assets</b>	<b>\$9,407</b>	<b>100%</b>

Note: STIP's asset value is stated at amortized book value plus accrued interest. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data. Total Market Value includes \$3,154 million held in Liquidity Portfolio. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

1. The STIP Policy Benchmark is a weighted average of the income return on a constant maturity two-year Treasury note and the return on U.S. 30-day Treasury bills. The weights for the two constituents is the actual average weights of the bond and cash equivalent components of the pool and weights are re-balanced monthly. This benchmark was effective October 1, 2009.



# TOTAL RETURN INVESTMENT POOL (TRIP)

March 31, 2014

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year	Ten Year
<b>TRIP</b>	<b>\$7,123</b>	<b>1.98%</b>	<b>9.72%</b>	<b>8.19%</b>	<b>8.78%</b>	<b>11.92%</b>	N/A
Policy Benchmark		2.15%	9.88%	8.28%	8.36%	12.11%	N/A
Variance		-0.17%	-0.16%	-0.09%	+0.42%	-0.19%	N/A
<b>U.S. Equity</b>	<b>\$1,116</b>	<b>2.06%</b>	<b>19.56%</b>	<b>22.82%</b>	<b>14.75%</b>	<b>22.95%</b>	N/A
Policy Benchmark		2.02%	19.61%	22.89%	14.59%	22.74%	N/A
Variance		+0.04%	-0.05%	-0.07%	+0.16%	+0.21%	N/A
<b>Developed Equity</b>	<b>\$533</b>	<b>0.73%</b>	<b>16.28%</b>	<b>17.31%</b>	<b>8.99%</b>	<b>14.35%</b>	N/A
Policy Benchmark		0.69%	17.14%	17.87%	9.05%	14.22%	N/A
Variance		+0.04%	-0.86%	-0.56%	-0.06%	+0.13%	N/A
<b>Emerging Market Equity</b>	<b>\$551</b>	<b>-0.61%</b>	N/A	N/A	N/A	N/A	N/A
Policy Benchmark		-0.43%	N/A	N/A	N/A	N/A	N/A
Variance		-0.18%	N/A	N/A	N/A	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$710</b>	<b>0.50%</b>	N/A	N/A	N/A	N/A	N/A
Policy Benchmark		1.08%	N/A	N/A	N/A	N/A	N/A
Variance		-0.58%	N/A	N/A	N/A	N/A	N/A
<b>Public Real Estate</b>	<b>\$716</b>	<b>4.48%</b>	<b>4.44%</b>	<b>2.95%</b>	<b>9.94%</b>	N/A	N/A
Policy Benchmark		3.99%	5.02%	3.53%	10.15%	N/A	N/A
Variance		+0.49%	-0.58%	-0.58%	-0.21%	N/A	N/A
<b>U.S. Core Fixed Income</b>	<b>\$1,443</b>	<b>2.51%</b>	<b>3.98%</b>	<b>0.81%</b>	<b>5.96%</b>	<b>8.10%</b>	N/A
Policy Benchmark		2.71%	4.06%	0.78%	5.30%	7.44%	N/A
Variance		-0.20%	-0.08%	+0.03%	+0.66%	+0.66%	N/A
<b>U.S. High Yield Bond</b>	<b>\$360</b>	<b>2.93%</b>	<b>8.31%</b>	<b>6.34%</b>	<b>8.63%</b>	<b>13.83%</b>	N/A
Policy Benchmark		2.98%	8.64%	6.91%	8.51%	17.47%	N/A
Variance		-0.05%	-0.33%	-0.57%	+0.12%	-3.64%	N/A
<b>Emerging Market Debt</b>	<b>\$363</b>	<b>3.11%</b>	N/A	N/A	N/A	N/A	N/A
Policy Benchmark		3.73%	N/A	N/A	N/A	N/A	N/A
Variance		-0.62%	N/A	N/A	N/A	N/A	N/A
<b>Absolute Return Strategies</b>	<b>\$650</b>	<b>1.17%</b>	N/A	N/A	N/A	N/A	N/A
Policy Benchmark		1.89%	N/A	N/A	N/A	N/A	N/A
Variance		-0.72%	N/A	N/A	N/A	N/A	N/A
<b>Cross-Asset Class Strategy</b>	<b>\$668</b>	<b>2.01%</b>	N/A	N/A	N/A	N/A	N/A
Policy Benchmark		2.15%	N/A	N/A	N/A	N/A	N/A
Variance		-0.14%	N/A	N/A	N/A	N/A	N/A

## II. Asset Allocation Plan and Guideline Compliance

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

	Assets (\$M)	Actual %	Current Policy Allocation (%)	Variance from Current (%)	Policy Range	Range Compliance
Public Equity	3,626	50.9	50.0	0.9	35.00-65.00%	Yes
Fixed Income	2,166	30.4	29.5	0.9	19.50-39.50%	Yes
Alternatives	1,318	18.5	20.5	-2.0	13.00-28.00%	Yes
Liquidity	12	0.2	0.0	0.2	0.00-10.00%	Yes
<b>Total Assets</b>	<b>\$7,123</b>	<b>100.0%</b>	<b>100.0%</b>			

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$12 million held in Liquidity Portfolio. The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.



# UC RETIREMENT SAVINGS PROGRAM (UCRSP)

March 31, 2014

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return	
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year
<i>Single, Diversified Investments</i>						
<b>UC Retirement Savings Program (UCRSP)</b>	<b>\$15,050</b>					
<b>UC Balanced Growth Fund</b>	<b>\$1,486</b>	<b>2.18%</b>	<b>11.81%</b>	<b>11.03%</b>	<b>8.64%</b>	<b>14.40%</b>
Policy Benchmark		2.16%	11.75%	10.95%	8.35%	14.11%
Variance		+0.02%	+0.06%	+0.08%	+0.29%	+0.29%
<b>UC Pathway Income Fund</b>	<b>\$279</b>	<b>0.85%</b>	<b>1.45%</b>	<b>-1.86%</b>	<b>3.05%</b>	<b>6.31%</b>
Policy Benchmark		0.70%	1.04%	-2.16%	2.49%	5.48%
Variance		+0.15%	+0.41%	+0.30%	+0.56%	+0.83%
<b>UC Pathway Fund 2015</b>	<b>\$211</b>	<b>1.18%</b>	<b>2.74%</b>	<b>-0.73%</b>	<b>4.24%</b>	<b>9.83%</b>
Policy Benchmark		1.05%	2.38%	-0.94%	3.89%	9.25%
Variance		+0.13%	+0.36%	+0.21%	+0.35%	+0.58%
<b>UC Pathway Fund 2020</b>	<b>\$486</b>	<b>1.71%</b>	<b>5.16%</b>	<b>1.75%</b>	<b>5.32%</b>	<b>11.11%</b>
Policy Benchmark		1.62%	4.90%	1.65%	5.09%	10.76%
Variance		+0.09%	+0.26%	+0.10%	+0.23%	+0.35%
<b>UC Pathway Fund 2025</b>	<b>\$282</b>	<b>1.82%</b>	<b>6.31%</b>	<b>3.26%</b>	<b>5.77%</b>	<b>12.10%</b>
Policy Benchmark		1.74%	6.08%	3.16%	5.56%	11.71%
Variance		+0.08%	+0.23%	+0.10%	+0.21%	+0.39%
<b>UC Pathway Fund 2030</b>	<b>\$433</b>	<b>1.94%</b>	<b>7.39%</b>	<b>4.73%</b>	<b>6.16%</b>	<b>12.93%</b>
Policy Benchmark		1.86%	7.19%	4.62%	5.99%	12.63%
Variance		+0.08%	+0.20%	+0.11%	+0.17%	+0.30%
<b>UC Pathway Fund 2035</b>	<b>\$200</b>	<b>2.06%</b>	<b>8.48%</b>	<b>6.22%</b>	<b>6.58%</b>	<b>13.73%</b>
Policy Benchmark		1.99%	8.30%	6.10%	6.41%	13.40%
Variance		+0.07%	+0.18%	+0.12%	+0.17%	+0.33%
<b>UC Pathway Fund 2040</b>	<b>\$276</b>	<b>2.18%</b>	<b>9.59%</b>	<b>7.71%</b>	<b>6.94%</b>	<b>14.16%</b>
Policy Benchmark		2.12%	9.43%	7.59%	6.78%	13.86%
Variance		+0.06%	0.16%	+0.12%	+0.16%	+0.30%
<b>UC Pathway Fund 2045</b>	<b>\$97</b>	<b>2.29%</b>	<b>10.72%</b>	<b>9.22%</b>	<b>7.32%</b>	<b>14.76%</b>
Policy Benchmark		2.23%	10.58%	9.09%	7.13%	14.45%
Variance		+0.06%	+0.14%	+0.13%	+0.19%	+0.31%
<b>UC Pathway Fund 2050</b>	<b>\$106</b>	<b>2.35%</b>	<b>11.81%</b>	<b>10.53%</b>	<b>7.67%</b>	<b>15.69%</b>
Policy Benchmark		2.29%	11.69%	10.39%	7.49%	15.43%
Variance		+0.06%	+0.12%	+0.14%	+0.18%	+0.26%
<b>UC Pathway Fund 2055</b>	<b>\$30</b>	<b>2.32%</b>	<b>12.80%</b>	<b>11.63%</b>	<b>7.99%</b>	<b>16.60%</b>
Policy Benchmark		2.27%	12.71%	11.50%	7.79%	16.32%
Variance		+0.05%	+0.09%	+0.13%	+0.20%	+0.28%
<b>UC Pathway Fund 2060</b>	<b>\$59</b>	<b>2.27%</b>	<b>13.77%</b>	<b>12.71%</b>	<b>8.27%</b>	<b>17.33%</b>
Policy Benchmark		2.23%	13.72%	12.61%	8.07%	17.06%
Variance		+0.04%	+0.05%	+0.10%	+0.20%	+0.27%



I. Investment Performance *continued*

	Market Value (\$M)	Total Return			Annualized Total Return	
		Recent Quarter	Fiscal YTD	One Year	Three Year	Five Year
<i>Primary Asset Class Options</i>						
<b>UC Savings Fund</b>	<b>\$3,760</b>	<b>0.22%</b>	<b>0.73%</b>	<b>0.98%</b>	<b>1.26%</b>	<b>1.72%</b>
Policy Benchmark		0.07%	0.20%	0.25%	0.28%	0.50%
Variance		+0.15%	+0.53%	+0.73%	+0.98%	+1.22%
<b>UC ICC Fund</b>	<b>\$1,012</b>	<b>0.44%</b>	<b>1.71%</b>	<b>2.32%</b>	<b>2.99%</b>	<b>3.61%</b>
Policy Benchmark		0.37%	1.03%	1.20%	1.08%	1.46%
Variance		+0.07%	+0.68%	+1.12%	+1.91%	+2.15%
<b>UC TIPS Fund</b>	<b>\$199</b>	<b>2.11%</b>	<b>0.80%</b>	<b>-6.32%</b>	<b>3.65%</b>	<b>5.16%</b>
Policy Benchmark		1.95%	0.61%	-6.49%	3.50%	4.91%
Variance		+0.16%	+0.19%	+0.17%	+0.15%	+0.25%
<b>UC Short Term TIPS Fund</b>	<b>\$17</b>	<b>0.11%</b>	<b>0.68%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		0.08%	0.55%	N/A	N/A	N/A
Variance		+0.03%	+0.13%	N/A	N/A	N/A
<b>UC Bond Fund</b>	<b>\$1,006</b>	<b>1.88%</b>	<b>2.61%</b>	<b>0.16%</b>	<b>4.34%</b>	<b>5.65%</b>
Policy Benchmark		1.84%	2.28%	-0.10%	3.75%	4.80%
Variance		+0.04%	+0.33%	+0.26%	+0.59%	+0.85%
<b>UC Domestic Equity Index Fund</b>	<b>\$174</b>	<b>2.00%</b>	<b>19.66%</b>	<b>22.93%</b>	<b>14.70%</b>	<b>22.01%</b>
Policy Benchmark		2.02%	19.61%	22.89%	14.59%	21.89%
Variance		-0.02%	+0.05%	+0.04%	+0.11%	+0.12%
<b>UC Equity Fund</b>	<b>\$4,208</b>	<b>2.02%</b>	<b>19.31%</b>	<b>21.88%</b>	<b>13.53%</b>	<b>20.84%</b>
Policy Benchmark		2.06%	19.36%	21.90%	13.36%	20.65%
Variance		-0.04%	-0.05%	-0.02%	+0.17%	+0.19%
<b>UC International Equity Index Fund</b>	<b>\$195</b>	<b>0.71%</b>	<b>18.50%</b>	<b>16.87%</b>	<b>6.52%</b>	<b>16.20%</b>
Policy Benchmark		0.69%	18.50%	16.56%	6.16%	15.77%
Variance		+0.02%	+0.00%	+0.31%	+0.36%	+0.43%
<i>Specialized Asset Class Options</i>						
<b>Vanguard Small Cap Index Fund</b>	<b>\$208</b>	<b>2.61%</b>	<b>21.92%</b>	<b>25.30%</b>	<b>14.35%</b>	<b>26.84%</b>
Policy Benchmark		2.62%	21.94%	25.33%	14.29%	26.74%
Variance		-0.01%	-0.02%	-0.03%	+0.06%	+0.10%
<b>Vanguard REITS Index Fund</b>	<b>\$107</b>	<b>9.96%</b>	<b>5.99%</b>	<b>4.24%</b>	<b>10.56%</b>	<b>28.72%</b>
Policy Benchmark		9.98%	5.96%	4.28%	10.65%	28.74%
Variance		-0.02%	+0.03%	-0.04%	-0.09%	-0.02%
<b>Vanguard FTSE Social Index Fund</b>	<b>\$58</b>	<b>2.67%</b>	<b>20.19%</b>	<b>25.68%</b>	<b>16.40%</b>	<b>23.24%</b>
Policy Benchmark		2.79%	20.45%	25.88%	16.59%	23.37%
Variance		-0.12%	-0.26%	-0.20%	-0.19%	-0.13%
<b>Dreyfus Treasury Prime Cash Management Fund</b>	<b>\$26</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Policy Benchmark		0.01%	0.03%	0.05%	0.06%	0.10%
Variance		-0.01%	-0.03%	-0.05%	-0.06%	-0.10%
<b>DFA Emerging Markets Portfolio</b>	<b>\$135</b>	<b>-0.27%</b>	<b>7.75%</b>	<b>-1.28%</b>	<b>-2.32%</b>	<b>15.03%</b>
Policy Benchmark		-0.43%	7.24%	-1.43%	-2.86%	14.48%
Variance		+0.16%	+0.51%	+0.15%	+0.54%	+0.55%



## APPENDIX I

### UC Regents Portfolio Market Value Changes Quarterly Change

	Market Value in Millions		Due to Cash In/Out Flows	Due to Investing Activities	NET CHANGE
	03/31/2014	12/31/2013	Change	Change	
UCRP*	50,037	49,309	(219)	947	728
GEP*	7,942	7,743	37	162	199
STIP	9,407	8,470	906	31	937
TRIP	7,124	6,608	372	144	516
UCRSP	15,050	14,938	(205)	317	112
Other Endowments	1,002	884	N/A	N/A	118
Minus STIP in other Portfolios	(2,060)	(2,073)	N/A	N/A	13
	\$88,502	\$85,879	\$891	\$1,601	\$2,623

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data. STIP asset value is stated at amortized book value plus accrued interest.

\* Market Values do not tie to those shown on pages 3, 4, and 16 due to cash flows occurring during the quarter in Real Estate, and late valuations and cash flows occurring during the quarter in Absolute Return.





## APPENDIX I

### UC Regents Portfolio Market Value Changes One-Year Change

	Market Value in Millions		Due to Cash In/Out Flows	Due to Investing Activities	NET CHANGE
	03/31/2014	03/31/2013	Change	Change	
UCRP*	50,037	45,614	(945)	5,368	4,423
GEP*	7,942	7,163	(82)	861	779
STIP	9,407	10,337	(1,067)	137	(930)
TRIP	7,124	4,651	1,983	490	2,473
UCRSP	15,050	13,231	410	1,409	1,819
Other Endowments	1,002	911	N/A	N/A	91
Minus STIP in other Portfolios	(2,060)	(1,659)	N/A	N/A	(401)
	\$88,502	\$80,248	\$299	\$8,265	\$8,254

Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages but the differences do not affect the accuracy of the data. STIP asset value is stated at amortized book value plus accrued interest.

\* Market Values do not tie to those shown on pages 3, 4, and 16 due to cash flows occurring during the quarter in Real Estate, and late valuations and cash flows occurring during the quarter in Absolute Return.



## APPENDIX 2

### Policy Benchmarks as of March 31, 2014

<b>UCRP</b>		
<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 TF Index	23.25%
Developed Equity	MSCI World ex-U.S. (net dividends) TF	16.00
Emerging Market Equity	MSCI Emerging Market (net dividends)	6.75
U.S. Core Fixed Income	Barclays U.S. Aggregate Bond Index	12.00
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	2.50
Emerging Market Debt	JP Morgan Emerging Markets Bond Index Global Diversified	2.50
TIPS	Barclays U.S. TIPS	6.50
Private Equity	Actual PE Returns	7.75
Absolute Return Strategies	50% HFRX Absolute Return Index + 50% HFRX Market Directional Index	6.00
Cross-Asset Class Strategy	Aggregate UCRP Policy Benchmark	3.50
Opportunistic Equity	MSCI All Country World Index (net dividends)	5.50
Real Assets	Commodities: S&P GSCI Reduced Energy Index; All Other: Actual Portfolio Return	3.00
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)	4.75

<b>GEP</b>		
<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 TF Index	15.50%
Developed Equity	MSCI World ex-U.S. (net dividends) TF	12.00
Emerging Market Equity	MSCI Emerging Market (net dividends)	6.00
U.S. Core Fixed Income	Barclays U.S. Aggregate Bond Index	5.00
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	2.50
Emerging Market Debt	JP Morgan Emerging Markets Bond Index Global Diversified	3.00
TIPS	Barclays U.S. TIPS	2.50
Private Equity	Actual PE Returns	9.00
Absolute Return Strategies	50% HFRX Absolute Return Index + 50% HFRX Market Directional Index	23.50
Cross-Asset Class Strategy	Aggregate GEP Policy Benchmark	4.00
Opportunistic Equity	MSCI All Country World Index (net dividends)	7.50
Real Assets	Commodities: S&P GSCI Reduced Energy Index; All Other: Actual Portfolio Return	2.75
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)	6.75

<b>STIP</b>		
<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
Short Term Fixed Income	Weighted Average of Income Return on a Constant Maturity Two-Year U.S. Treasury Note and the return on U.S. 30-Day Treasury Bills	Actual weights of bond and cash equivalent components

<b>TRIP</b>		
<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 Index TF	15.00%
Developed Equity	MSCI World ex-U.S. (net dividends) TF	7.50
Emerging Market Equity	MSCI Emerging Market (net dividends)	7.50
Opportunistic Equity	MSCI All Country World Index (net dividends)	10.00
Public Real Estate	FTSE EPRA NAREIT Global Index	10.00
U.S. Core Fixed Income	Barclays Aggregate Credit Index + Government Index	19.50
U.S. High Yield Debt	Merrill Lynch High Yield Cash Pay BB/B Index	5.00
Emerging Market Debt	JP Morgan Emerging Markets Bond Index Global Diversified	5.00
Absolute Return Strategies	50% HFRX Absolute Return Index + 50% HFRX Market Directional Index	10.00
Cross-Asset Class Strategy	Aggregate TRIP Policy Benchmark	10.50