



# INVESTMENT PERFORMANCE SUMMARY

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

September Quarter 2013



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# CONSOLIDATED ASSETS

September 30, 2013

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

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Calendar YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$47,013</b>	<b>5.38%</b>	<b>9.47%</b>	<b>12.27%</b>	<b>9.82%</b>	<b>8.05%</b>	<b>6.92%</b>
Policy Benchmark		5.11%	8.57%	11.14%	8.73%	7.22%	6.45%
Variance to Benchmark		+0.27%	+0.90%	+1.13%	+1.09%	+0.83%	+0.47%
<b>GEP</b>	<b>\$7,319</b>	<b>5.60%</b>	<b>9.88%</b>	<b>12.90%</b>	<b>9.25%</b>	<b>7.49%</b>	<b>7.68%</b>
Policy Benchmark		4.77%	8.25%	10.75%	6.91%	6.27%	7.14%
Variance to Benchmark		+0.83%	+1.63%	+2.15%	+2.34%	+1.22%	+0.54%
<b>STIP</b>	<b>\$8,375</b>	<b>0.43%</b>	<b>1.27%</b>	<b>1.89%</b>	<b>2.26%</b>	<b>2.59%</b>	<b>3.37%</b>
Policy Benchmark		0.05%	0.13%	0.19%	0.27%	0.53%	2.04%
Variance to Benchmark		+0.38%	+1.14%	+1.70%	+1.99%	+2.06%	+1.33%
<b>TRIP</b>	<b>\$5,874</b>	<b>3.56%</b>	<b>5.76%</b>	<b>7.89%</b>	<b>8.02%</b>	<b>9.53%</b>	<b>N/A</b>
Policy Benchmark		3.40%	5.46%	7.52%	7.57%	9.09%	N/A
Variance to Benchmark		+0.16%	+0.30%	+0.37%	+0.45%	+0.44%	N/A
<b>UC Retirement Savings Program</b>	<b>\$14,626</b>	Fund performance available to Plan Participants through Netbenefits.com.					
<b>Total Assets<sup>1</sup></b>	<b>\$82,360</b>	<b>4.43%</b>	<b>8.00%</b>	<b>10.27%</b>	<b>8.37%</b>	<b>6.97%</b>	<b>6.37%</b>
Entity Benchmark <sup>2</sup>		4.13%	7.16%	9.15%	7.15%	5.94%	5.75%
Variance to Benchmark		+0.30%	+0.84%	+1.12%	+1.22%	+1.03%	+0.62%

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 Assets include Other Endowments and Planned Giving Investment assets (formerly Charitable Asset Management 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)

September 30, 2013

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Calendar YTD	One Year	Three Year	Five Year	Ten Year
<b>UCRP</b>	<b>\$47,013</b>	<b>5.38%</b>	<b>9.47%</b>	<b>12.27%</b>	<b>9.82%</b>	<b>8.05%</b>	<b>6.92%</b>
Policy Benchmark		5.11%	8.57%	11.14%	8.73%	7.22%	6.45%
Variance to Benchmark		+0.27%	+0.90%	+1.13%	+1.09%	+0.83%	+0.47%
<b>U.S. Equity</b>	<b>\$11,446</b>	<b>6.84%</b>	<b>22.05%</b>	<b>22.65%</b>	<b>17.04%</b>	<b>10.81%</b>	<b>7.89%</b>
Policy Benchmark		6.43%	21.46%	21.87%	16.71%	10.47%	7.97%
Variance to Benchmark		+0.41%	+0.59%	+0.78%	+0.33%	+0.34%	-0.08%
<b>Developed Equity</b>	<b>\$7,944</b>	<b>11.12%</b>	<b>15.30%</b>	<b>22.06%</b>	<b>8.33%</b>	<b>6.71%</b>	<b>8.51%</b>
Policy Benchmark		11.34%	14.66%	21.59%	7.74%	5.99%	8.06%
Variance to Benchmark		-0.22%	+0.64%	+0.47%	+0.59%	+0.72%	+0.45%
<b>Emerging Market Equity</b>	<b>\$3,521</b>	<b>4.54%</b>	<b>-4.31%</b>	<b>1.22%</b>	<b>0.28%</b>	<b>7.47%</b>	<b>12.86%</b>
Policy Benchmark		5.77%	-4.35%	0.98%	-0.33%	7.22%	12.80%
Variance to Benchmark		-1.23%	+0.04%	+0.24%	+0.61%	+0.25%	+0.06%
<b>Core Fixed Income</b>	<b>\$5,349</b>	<b>0.79%</b>	<b>-1.44%</b>	<b>-0.95%</b>	<b>3.56%</b>	<b>6.37%</b>	<b>5.15%</b>
Policy Benchmark		0.57%	-1.89%	-1.68%	2.86%	5.74%	5.00%
Variance to Benchmark		+0.22%	+0.45%	+0.73%	+0.70%	+0.63%	+0.15%
<b>High Yield Bond</b>	<b>\$1,401</b>	<b>2.30%</b>	<b>4.42%</b>	<b>7.96%</b>	<b>9.53%</b>	<b>12.93%</b>	<b>N/A</b>
Policy Benchmark		2.28%	3.77%	7.03%	8.83%	13.22%	N/A
Variance to Benchmark		+0.02%	+0.65%	+0.93%	+0.70%	-0.29%	N/A
<b>Emerging Market Debt</b>	<b>\$1,013</b>	<b>0.34%</b>	<b>-7.26%</b>	<b>-4.45%</b>	<b>3.82%</b>	<b>9.09%</b>	<b>N/A</b>
Policy Benchmark		1.19%	-6.67%	-3.65%	3.99%	9.44%	N/A
Variance to Benchmark		-0.85%	-0.59%	-0.80%	-0.17%	-0.35%	N/A
<b>TIPS</b>	<b>\$2,773</b>	<b>0.80%</b>	<b>-6.45%</b>	<b>-5.76%</b>	<b>4.35%</b>	<b>5.71%</b>	<b>5.52%</b>
Policy Benchmark		0.70%	-6.74%	-6.10%	4.02%	5.31%	5.23%
Variance to Benchmark		+0.10%	+0.29%	+0.34%	+0.33%	+0.40%	+0.25%
<b>Private Equity<sup>1</sup></b>	<b>\$3,249</b>	<b>3.86%</b>	<b>9.61%</b>	<b>12.78%</b>	<b>13.28%</b>	<b>6.54%</b>	<b>12.85%</b>
<b>Absolute Return Strategies<sup>2</sup></b>	<b>\$2,609</b>	<b>4.07%</b>	<b>6.93%</b>	<b>10.11%</b>	<b>5.98%</b>	<b>5.76%</b>	<b>N/A</b>
Policy Benchmark		1.36%	4.14%	5.14%	-1.64%	2.13%	N/A
Variance to Benchmark		+2.71%	+2.79%	+4.97%	+7.62%	+3.63%	N/A
<b>Cross-Asset Class Strategy<sup>3</sup></b>	<b>\$1,326</b>	<b>4.32%</b>	<b>4.87%</b>	<b>6.39%</b>	<b>10.73%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		5.11%	8.57%	11.14%	6.65%	N/A	N/A
Variance to Benchmark		-0.79%	-3.70%	-4.75%	+4.08%	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$2,524</b>	<b>8.73%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		7.90%	N/A	N/A	N/A	N/A	N/A
Variance to Benchmark		+0.83%	N/A	N/A	N/A	N/A	N/A
<b>Real Assets<sup>3</sup></b>	<b>\$981</b>	<b>1.64%</b>	<b>3.98%</b>	<b>3.78%</b>	<b>3.89%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.93%	2.62%	2.17%	3.12%	N/A	N/A
Variance to Benchmark		-0.29%	+1.36%	+1.61%	+0.77%	N/A	N/A
<b>Public Real Estate</b>	<b>\$221</b>	<b>1.39%</b>	<b>2.30%</b>	<b>8.21%</b>	<b>10.55%</b>	<b>11.72%</b>	<b>N/A</b>
Policy Benchmark		2.07%	3.37%	9.89%	10.01%	7.19%	N/A
Variance to Benchmark		-0.68%	-1.07%	-1.68%	+0.54%	+4.53%	N/A
<b>Private Real Estate</b>	<b>\$2,396</b>	<b>4.18%</b>	<b>10.29%</b>	<b>12.61%</b>	<b>15.95%</b>	<b>-7.36%</b>	<b>N/A</b>
Policy Benchmark		3.60%	8.34%	11.08%	14.68%	-6.73%	N/A
Variance to Benchmark		+0.58%	+1.95%	+1.53%	+1.27%	-0.63%	N/A

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$260 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 9.82% over the past three years and 8.05% 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 109 bp and 83 bp over the three- and five-year periods, respectively.
  2. The Consumer Price Index over the past three-year and five-year periods was 2.34% and 1.37%, respectively.
- II. For information on the portfolio's risk exposures, see page 6; for details about risk limits, see the separate quarterly risk report, slides 10 and 11. 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 46 bp, well below the budgeted level of 300 bps. The projected active risk at September 30, 2013, was 90 bp. (See next page.)
- III. Net investment expenses incurred by the Chief Investment Officer for managing the public securities (excluding Alternatives) of the UCRP were (expressed as a percent of assets at September 30, 2013) 5.7 bp for the quarter (not annualized) and 15.8 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. 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	\$11,446	24.35%	23.75%	0.60%	18.75-28.75%	Yes
Developed Equity	\$7,944	16.90	16.00	0.90	11.00-21.00	Yes
Emerging Market Equity	\$3,521	7.49	6.75	0.74	4.75-8.75	Yes
Core Fixed Income	\$5,349	11.38	12.00	-0.62	9.00-15.00	Yes
High Yield Bond	\$1,401	2.98	2.50	0.48	1.50-3.50	Yes
Emerging Market Debt	\$1,013	2.15	2.50	-0.35	1.50-3.50	Yes
TIPS	\$2,773	5.90	6.50	-0.60	4.50-8.50	Yes
Private Equity	\$3,249	6.91	7.75	-0.84	4.75-10.75	Yes
Absolute Return Strategies	\$2,609	5.55	6.00	-0.45	1.00-11.00	Yes
Cross Asset Class Strategy	\$1,326	2.82	3.50	-0.68	1.50-5.50	Yes
Opportunistic Equity	\$2,524	5.37	5.00	-0.37	2.00-8.00	Yes
Real Assets	\$981	2.09	3.00	-0.91	2.00-4.00	Yes
Real Estate	\$2,617	5.57	4.75	0.82	1.75-7.75	Yes
Liquidity Portfolio	\$260	0.55	0.00	0.55	0.00-10.00	Yes
<b>Total Assets</b>	<b>\$47,013</b>	<b>100.00%</b>	<b>100.00%</b>			

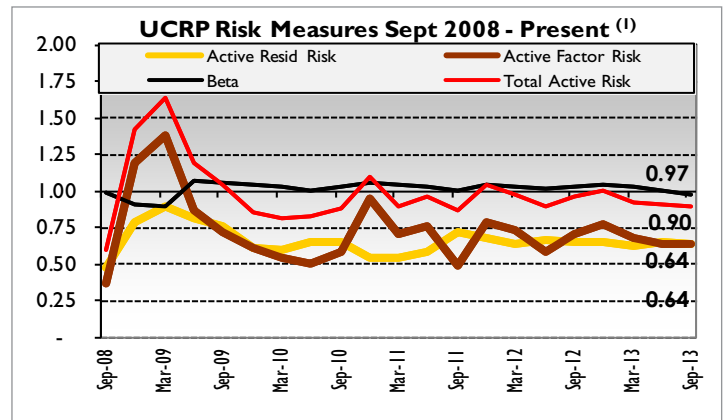
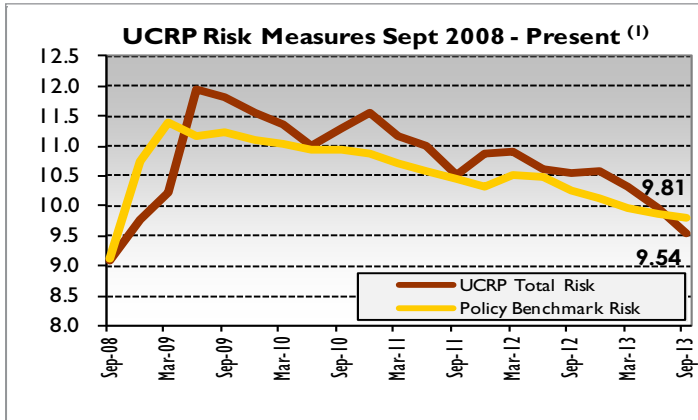
Note: The method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

\* 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 36.50-56.50%, Fixed Income 18.50-28.50%, and Alternatives 23.00-37.00%.



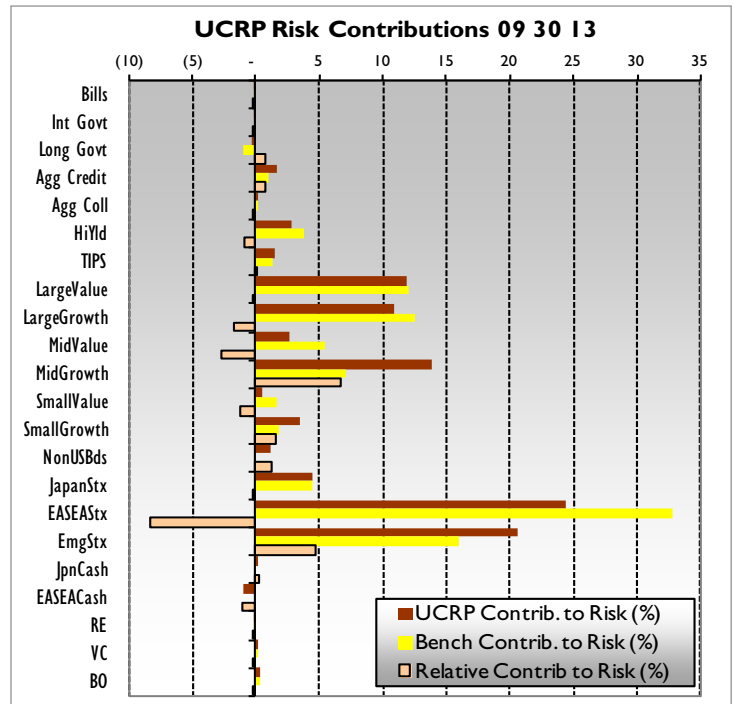
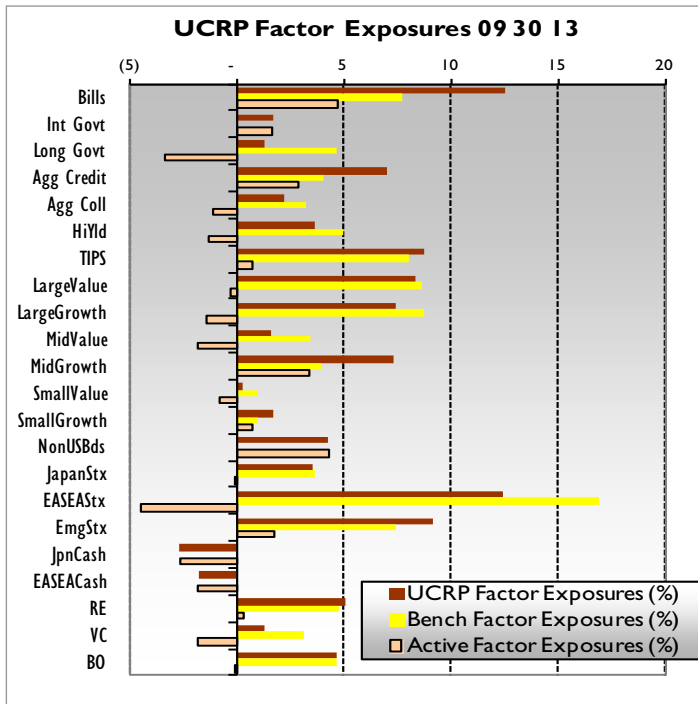
## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL)

September 30, 2013



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	25.2	28.0	(2.8)
Global Fixed Income	24.4	25.0	(0.6)
Non Marketable	11.1	12.5	(1.4)
Cash (Abs Ret)	12.5	7.8	4.7
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	43.4	40.9	2.5
Non U.S. Equity	49.6	53.2	(3.6)
Global Fixed Income	6.1	5.2	0.9
Non Marketable	0.4	0.6	(0.2)
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).

- 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 weight adjusted for illiquidity.



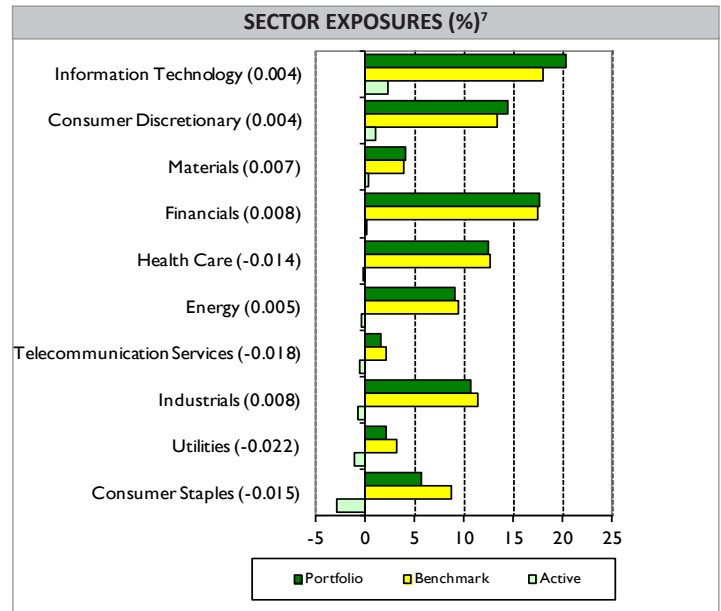
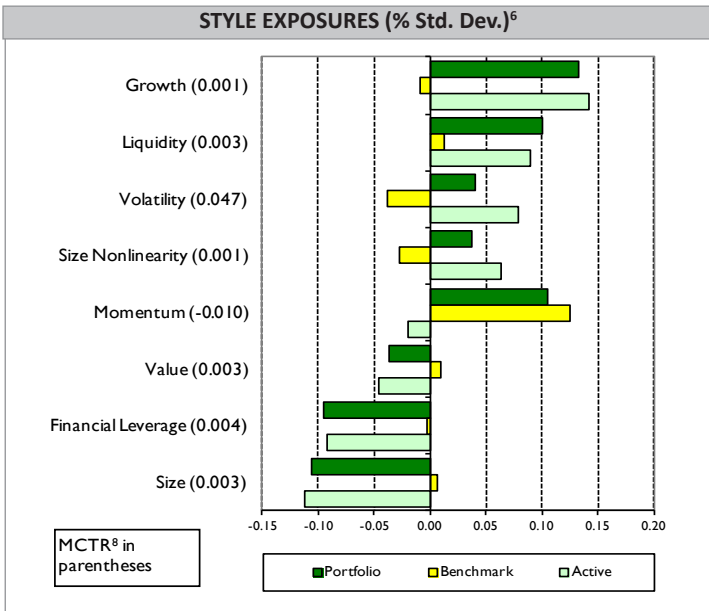
# ACTIVE U.S. PUBLIC EQUITY PORTFOLIO RISK, CHARACTERISTICS, AND PERFORMANCE ATTRIBUTION

September 30, 2013

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	RUSSELL 3000
Dividend Yield	1.4	1.7
Price - Earnings Ratio (historical)	16.2	15.8
Price - Book Ratio	2.5	2.5
Debt - Equity Ratio	87.9%	91.0%
Market Capitalization (Cap Wtd)	\$62.5	\$83.8
Number of Holdings	3,148	3,090

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	15.95	99.66	0.81	95.48
Common Factors	15.92	99.31	0.55	44.83
World Equity	14.25	85.16	0.31	-7.22
Industry Factors	0.85	0.62	0.24	11.81
Style Factors	0.41	0.31	0.52	32.42
Country Factors	4.62	13.22	0.23	7.83
Specific Risk	0.95	0.36	0.59	50.65
Currency Risk	0.15	0.34	0.15	4.52
Total Risk	16.01	100.00	0.83	100.00
Benchmark Risk	15.93			
Beta to Benchmark	1.00			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	RETURN	RISK
Total Portfolio Return	7.53	5.54
Benchmark Return	6.43	5.94
Active Return	1.10	1.53
Country Allocation	-0.01	0.06
Selection within Country	0.98	NA
Common Factor	-0.74	0.93
World Factor	-1.08	0.73
Industry Sector	0.22	0.11
Style Factors	0.18	0.14
Country Factors	-0.05	0.39
Specific Return	1.72	1.29
Currency	0.08	0.06
Trading Effect	0.05	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 09/30/13. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
- Performance attribution covers the period 06/30/13 to 09/30/13 (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. 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.



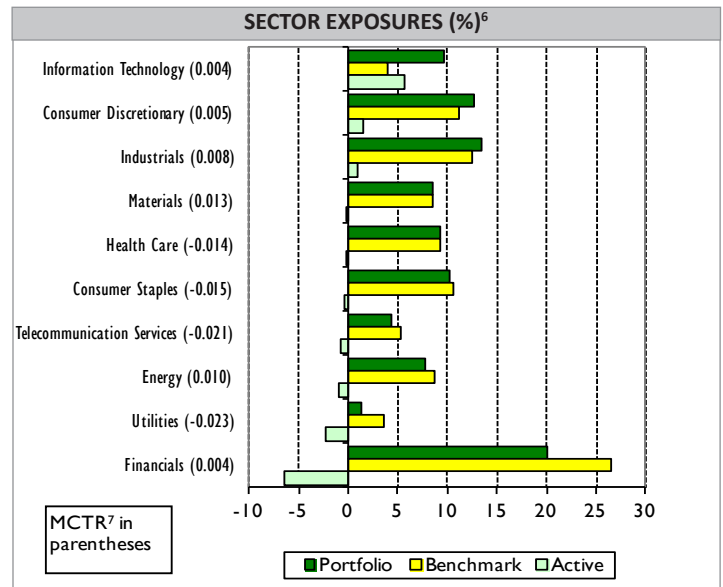
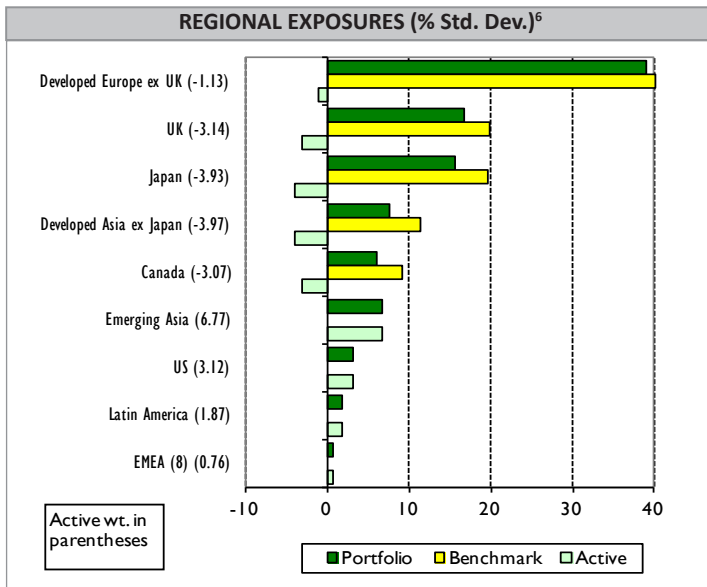
## ACTIVE DEVELOPED EQUITY PORTFOLIO RISK & CHARACTERISTICS

September 30, 2013

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	MSCI WLD EX US
Dividend Yield	2.6	3.0
Price - Earnings Ratio (historical)	13.6	12.7
Price - Book Ratio	1.7	1.6
Market Capitalization (Cap Wtd)	\$45.9	\$56.0
Number of Holdings	1,585	999

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	14.33	78.33	1.50	86.10
Common Factors	14.30	78.03	1.30	62.37
World Equity	14.16	77.14	0.40	4.54
Industry Factors	0.75	0.46	0.54	14.13
Style Factors	0.29	0.65	0.40	9.99
Country Factors	3.02	-0.23	1.04	33.72
Specific Risk	0.94	0.30	0.75	23.74
Currency Risk	6.39	21.67	0.74	13.90
Total Risk	17.04	100.00	1.54	100.00
Benchmark Risk	17.50			
Beta to Benchmark	0.97			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	Return	Risk
Total Portfolio Return	10.83	5.71
Benchmark Return	11.34	5.59
Active Return	-0.51	0.71
Country Allocation	-0.67	0.58
Selection within Country	0.26	NA
Common Factor	0.40	0.26
World Sector	0.00	0.00
Industry Sector	0.25	0.14
Style Factors	0.16	0.21
Country Factors	0.00	0.00
Specific Return	-0.14	0.38
Currency	-0.37	0.38
Trading Effect	0.27	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/Barra, 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 09/30/13. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
- Performance attribution covers the period 06/30/13 to 09/30/13 (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





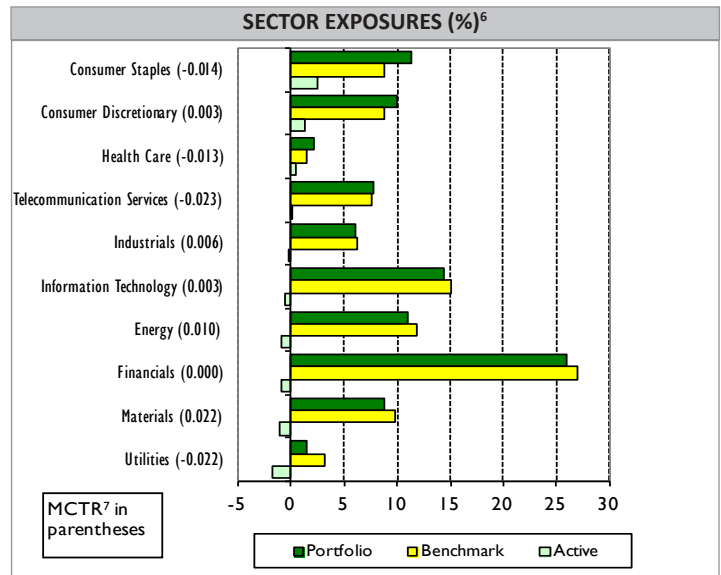
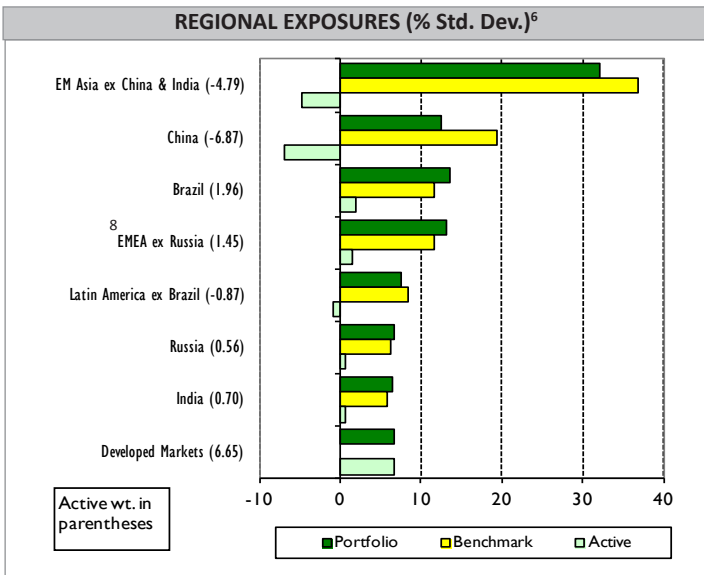
## ACTIVE EMERGING MARKET EQUITY PORTFOLIO RISK & CHARACTERISTICS

September 30, 2013

PORTFOLIO CHARACTERISTICS VS BENCHMARK <sup>1,3</sup>		
	UCRP/GEP	MSCI EMF
Dividend Yield	2.5	2.7
Price - Earnings Ratio (historical)	12.7	11.4
Price - Book Ratio	1.8	1.6
Market Capitalization (Cap Wtd)	\$29.8	\$35.8
Number of Holdings	2,079	814

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	15.23	74.50	1.73	89.11
Common Factors	15.15	73.91	1.46	63.96
World Equity	14.38	63.65	0.17	0.31
Industry Factors	0.80	0.09	0.27	3.07
Style Factors	1.19	1.67	0.35	4.40
Country Factors	6.30	8.49	1.35	56.16
Specific Risk	1.54	0.59	0.94	25.14
Currency Risk	5.85	25.50	0.52	10.89
Total Risk	20.09	100.00	1.87	100.00
Benchmark Risk	20.34			
Beta to Benchmark	0.98			

PERFORMANCE ATTRIBUTION (One Quarter) <sup>5</sup>		
	Return	Risk
Total Portfolio Return	4.20	8.58
Benchmark Return	5.77	9.03
Active Return	-1.57	1.45
Country Allocation	-0.99	0.91
Selection within Country	0.38	NA
Common Factor	-0.17	0.28
World Factors	0.00	0.00
Industry Sector	0.03	0.17
Style Factors	-0.20	0.28
Country Factors	0.00	0.00
Specific Return	0.54	0.85
Currency	-0.41	0.32
Trading Effect	-0.55	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.

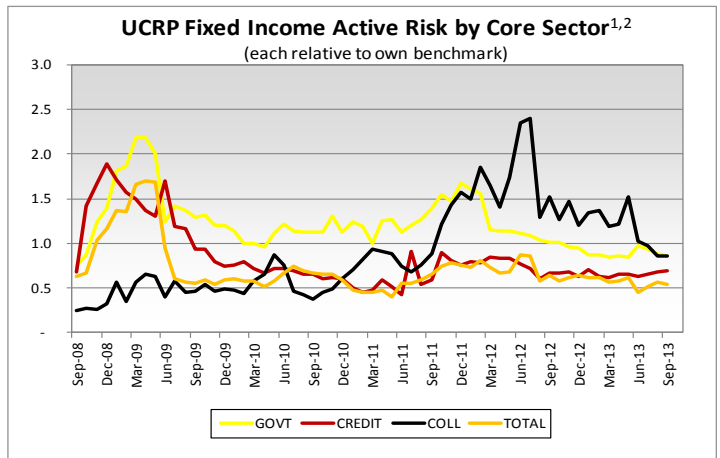
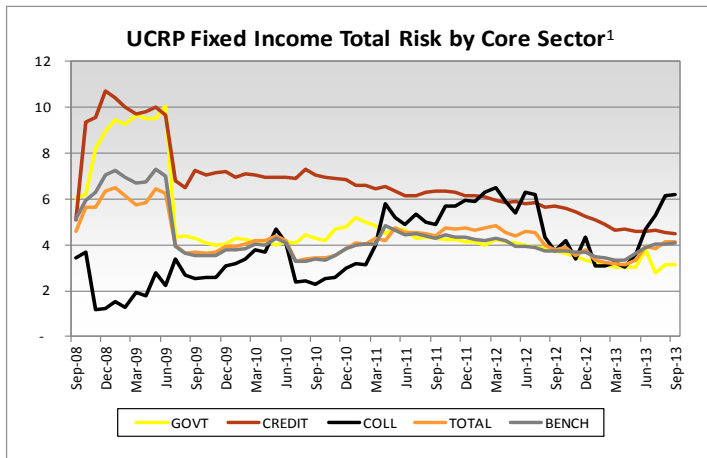
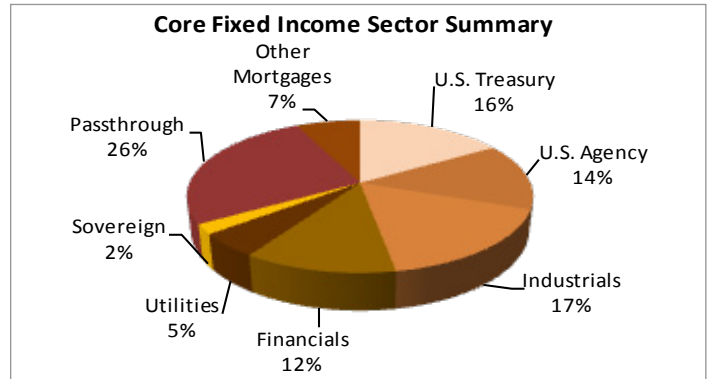
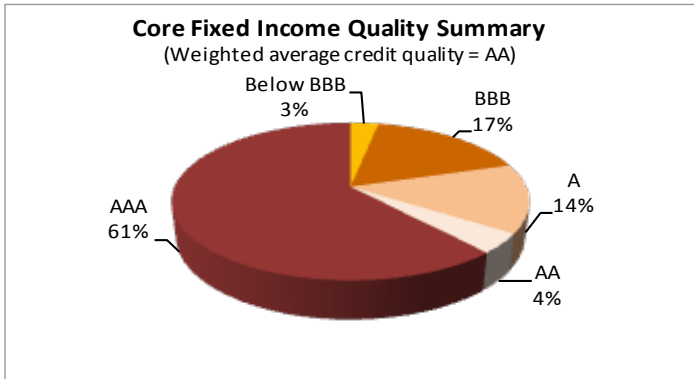
- Portfolio and benchmark characteristics are from Style Research, Inc.
- Risk factor exposures, risk estimates, and performance attribution uses proprietary data and analytics from MSCI/Barra, Inc.
- The benchmark for Active Emerging Market Equity is the MSCI Emerging Markets Index.
- Risk factor exposures and risk estimates are based on actual holdings as of 09/30/13. These are forecast (ex-ante) values using MSCI's BIM301L/GEM2 risk model.
- Performance attribution covers the period 06/30/13 to 09/30/13 (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.
- 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.
- 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



CORE FIXED INCOME PORTFOLIO CHARACTERISTICS

September 30, 2013

	UCRP	Barclays Aggregate	Policy
Effective Duration	5.11	4.99	+/- 20% Barclays Agg
Average Quality	AA/A	AA/A	A



UCRP Sector Allocation and Attribution Analysis  
Quarter Ended September 30, 2013

	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	31.41%	40.79%	-9.37%	0.27%	0.12%	0.15%	0.04%	0.06%	-0.01%	0.09%
Credit	34.51%	27.64%	6.87%	0.99%	0.72%	0.26%	-0.02%	0.07%	0.02%	0.07%
Collateral	34.08%	31.58%	2.50%	1.30%	1.01%	0.28%	0.00%	0.09%	0.01%	0.10%
<b>Total Fixed Income</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.83%</b>	<b>0.57%</b>	<b>0.26%</b>	<b>0.02%</b>	<b>0.22%</b>	<b>0.02%</b>	<b>0.26%</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 09/30/13 was 4.10% compared to the benchmark total risk of 4.01%.
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 09/30/13 for the UCRP Core Fixed Income portfolio was 55 bps (annualized standard deviation).



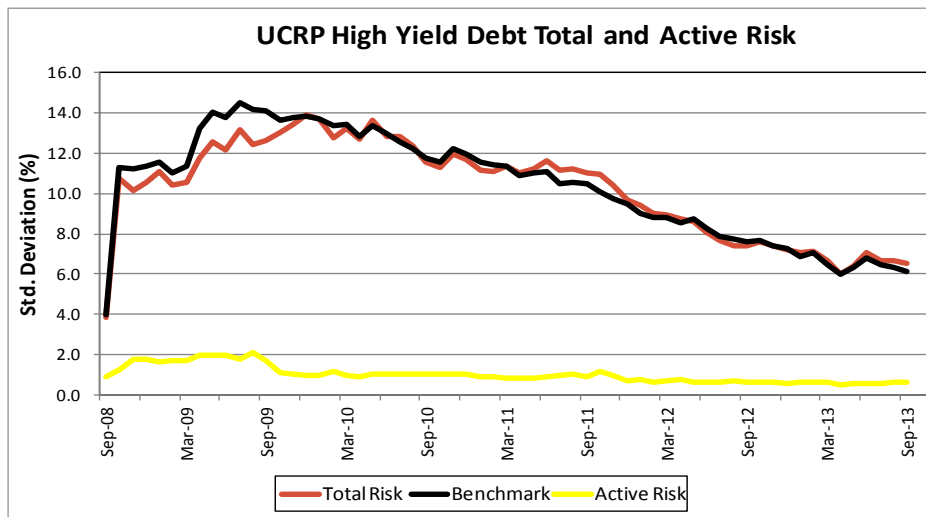
## HIGH YIELD BOND PORTFOLIO CHARACTERISTICS

September 30, 2013

	UCRP	Bank of America Merrill Lynch High Yield Cash Pay Index	Policy
Effective Duration	4.23	4.13	+/- 20% to Benchmark
Average Quality	BB/B	BB/B	B

Credit Quality Exposures			
Credit Quality	UCRP Weight	Benchmark Weight	Active Weight
A	0.41%	0.28%	0.13%
BBB	1.10%	1.38%	-0.29%
BB	26.35%	36.65%	-10.30%
B	45.14%	45.45%	-0.31%
CCC	21.64%	16.17%	5.46%
CC	0.05%	0.00%	0.05%
N/A	5.31%	0.06%	5.24%

Top Industry Exposures			
Top Industries	UCRP Weight	Benchmark Weight	Active Weight
Energy	10.06%	11.79%	-1.73%
Telecommunication Services	7.81%	7.74%	0.07%
Materials	6.84%	7.85%	-1.01%
Capital Goods	6.56%	7.09%	-0.53%
Media	5.48%	5.42%	0.06%
Consumer Services	4.82%	4.15%	0.67%
Health Care Equipment & Services	4.72%	5.41%	-0.69%
Consumer Durables & Apparel	3.92%	2.53%	1.38%
Retailing	3.06%	2.52%	0.54%
Software & Services	3.05%	2.86%	0.19%



\* 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 09/30/13 was 6.67% (annualized standard deviation) compared to the benchmark (Bank of America Merrill Lynch High Yield Cash Pay) total risk of 6.26%. Active risk as of 09/30/13 for the UCRP High Yield portfolio was 66 bps (annualized standard deviation).

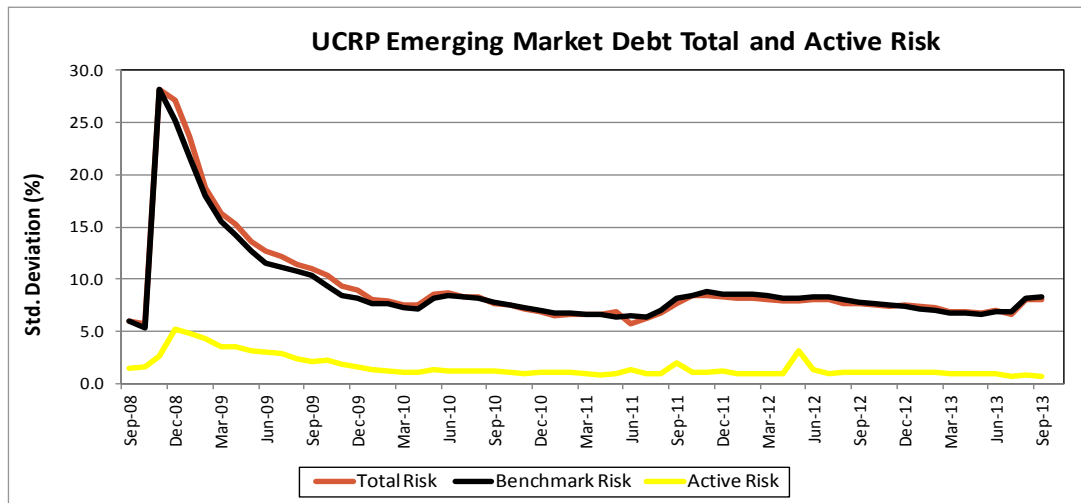


EMERGING MARKET DEBT PORTFOLIO CHARACTERISTICS  
September 30, 2013

	UCRP	JP Morgan EM-BI Global Diversified Index	Policy
Effective Duration	5.75	6.41	+/- 20% to Benchmark
Average Quality	BBB/BB	BBB/BB	BB

Credit Quality Exposures			
Credit Quality	UCRP Weight	Benchmark Weight	Active Weight
AAA	0.18%	0.00%	0.18%
AA	0.94%	2.20%	-1.26%
A	11.62%	11.17%	0.45%
BBB	53.45%	50.85%	2.60%
BB	19.54%	18.33%	1.21%
B	9.91%	14.05%	-4.14%
CCC	0.72%	1.90%	-1.19%
N/A	3.64%	1.50%	2.14%

Top Country Exposures			
Top Countries	UCRP Weight	Benchmark Weight	Active Weight
Brazil	9.10%	9.15%	-0.05%
Mexico	6.98%	7.30%	-0.32%
Turkey	6.68%	5.13%	1.55%
Russia	6.61%	5.76%	0.85%
Poland	5.57%	5.14%	0.43%
Columbia	5.45%	3.65%	1.79%
Indonesia	5.16%	4.60%	0.56%
South Africa	4.91%	4.27%	0.64%
Venezuela	3.93%	3.16%	0.77%
Hungary	3.92%	3.18%	0.75%



\* 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/Barra, Inc. UCRP Emerging Markets debt total risk as of 09/30/13 was 8.08% (annualized standard deviation) compared to the benchmark total risk of 8.26%. Active risk as of 09/30/13 for the Emerging Markets debt portfolio was 76 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 September 30, 2013	Annualized 10-Year Total Return
UCRP Total Fund PE		12.85%
GEP Total Fund PE		13.23%
UCRP Venture Capital		15.07%
GEP Venture Capital		17.02%
Cambridge Assoc. LLC U.S. Venture Cap Fund Index <sup>1</sup>		7.80%
UCRP Buy Out		11.61%
GEP Buy Out		11.35%
Cambridge Assoc. LLC U.S. Private Equity Fund Index <sup>1</sup>		14.12%

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

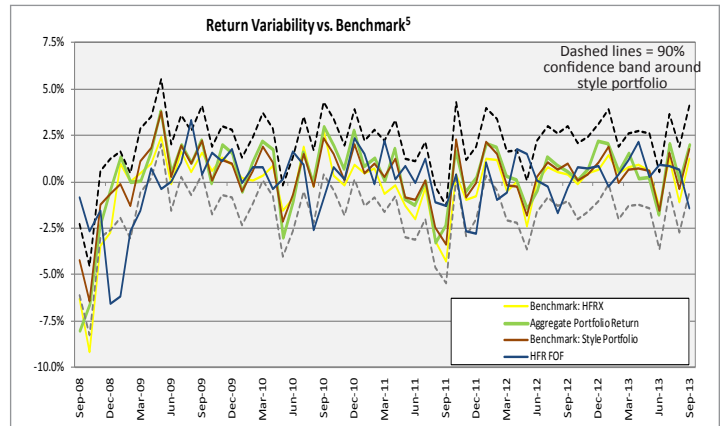
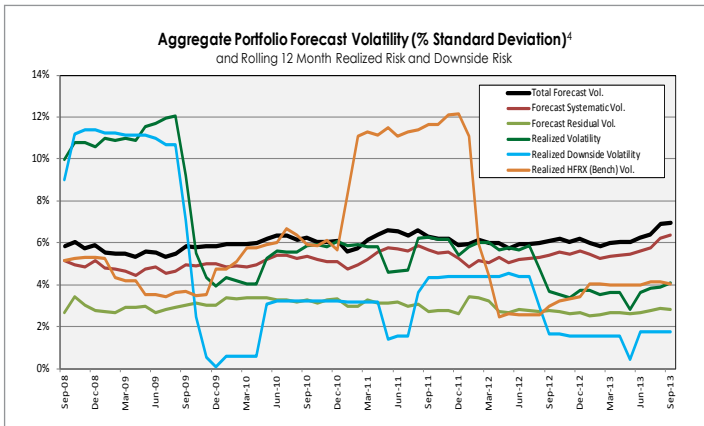
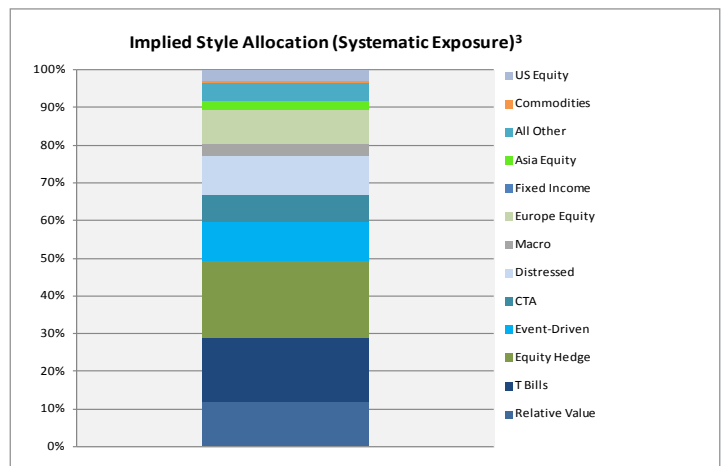
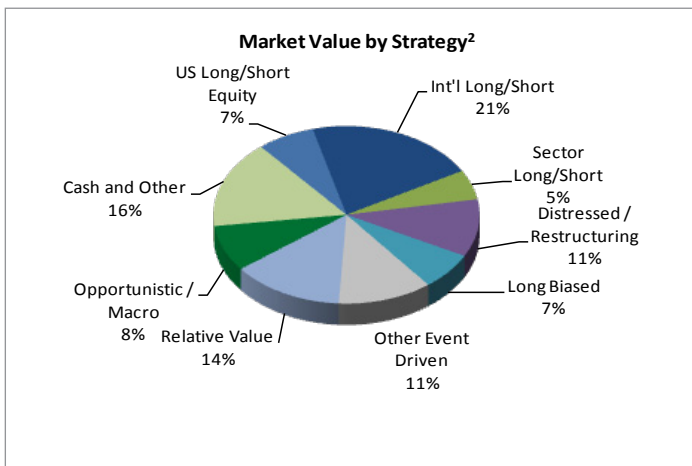
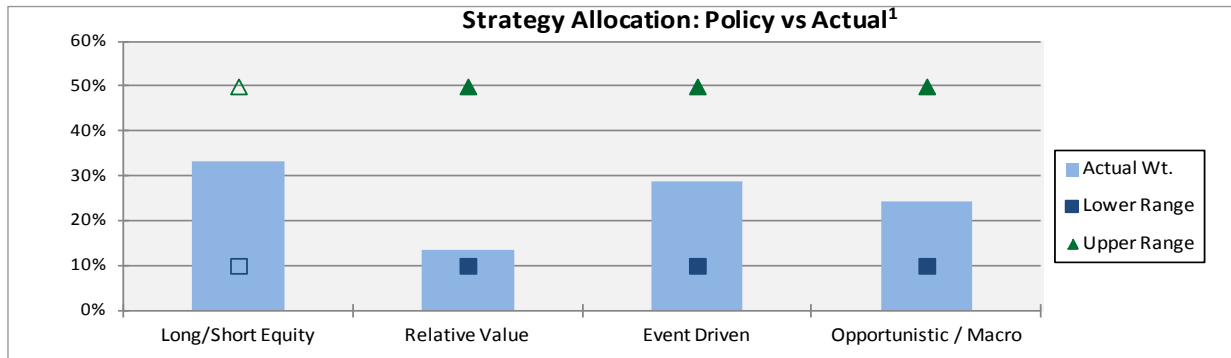
The indexes shown in Table 2 are for informational purposes only and are not The Regent's policy benchmark. There is no appropriate market-based index that can be used as a meaningful performance benchmark for Private Equity. This information is provided to give additional insight into Private Equity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

Private Equity Returns are as of 06/30/13 (one-quarter lagged). UCRP Performance includes private investments in open-end and closed-end funds, and separate accounts with core, enhanced and opportunistic strategies.

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

September 30, 2013



\* 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 2.7x, well under the guideline limit of 4.5x.

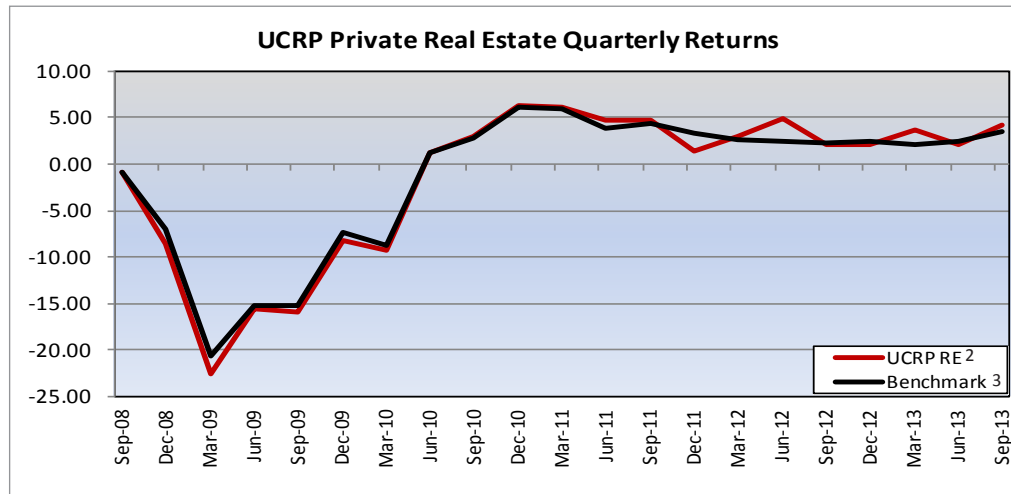
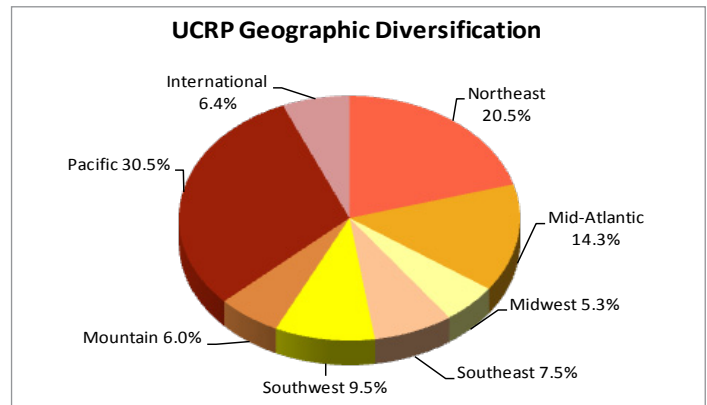
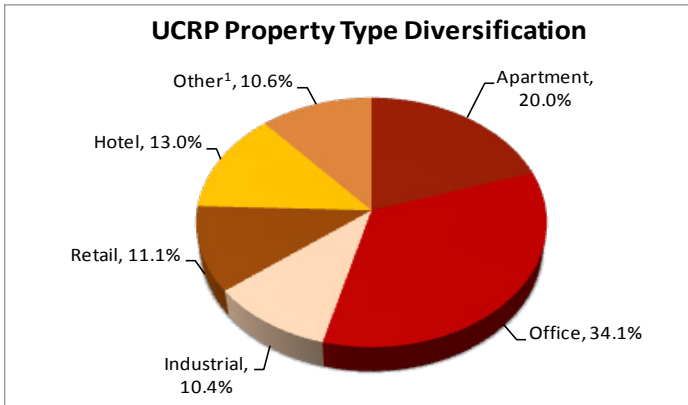
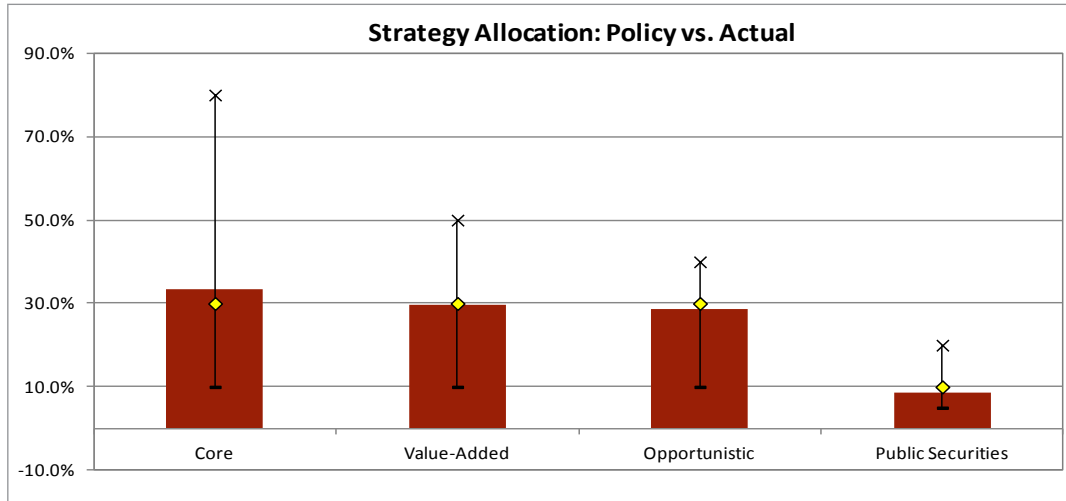
- Investment in any single manager does not exceed 10% of the entire portfolio NAV.
- Concentration of risk in any single manager's portfolio does not exceed the guideline limit of 15% of the total portfolio forecast risk.
- Aggregate portfolio forecast risk at 09/30/13 was 6.95% vs. guideline limit 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 September 30, 2013



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 06/30/13 (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.



I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Calendar YTD	One Year	Three Year	Five Year	Ten Year
<b>GEP</b>	<b>\$7,319</b>	<b>5.60%</b>	<b>9.88%</b>	<b>12.90%</b>	<b>9.25%</b>	<b>7.49%</b>	<b>7.68%</b>
Policy Benchmark		4.77%	8.25%	10.75%	6.91%	6.27%	7.14%
Variance to Benchmark		+0.83%	+1.63%	+2.15%	+2.34%	+1.22%	+0.54%
<b>U.S. Equity</b>	<b>\$1,117</b>	<b>6.96%</b>	<b>21.99%</b>	<b>22.48%</b>	<b>16.89%</b>	<b>10.84%</b>	<b>7.83%</b>
Policy Benchmark		6.43%	21.46%	21.87%	16.71%	10.47%	7.97%
Variance to Benchmark		+0.53%	+0.53%	+0.61%	+0.18%	+0.37%	-0.14%
<b>Non-U.S. Equity-Developed</b>	<b>\$913</b>	<b>11.02%</b>	<b>15.38%</b>	<b>22.10%</b>	<b>8.46%</b>	<b>6.94%</b>	<b>8.69%</b>
Policy Benchmark		11.34%	14.66%	21.59%	7.74%	5.99%	8.06%
Variance to Benchmark		-0.32%	+0.72%	+0.51%	+0.72%	+0.95%	+0.63%
<b>Emerging Market Equity</b>	<b>\$479</b>	<b>4.39%</b>	<b>-4.25%</b>	<b>1.45%</b>	<b>0.52%</b>	<b>7.53%</b>	<b>12.57%</b>
Policy Benchmark		5.77%	-4.35%	0.98%	-0.33%	7.22%	12.80%
Variance to Benchmark		-1.38%	+0.10%	+0.47%	+0.85%	+0.31%	-0.23%
<b>Core Fixed Income</b>	<b>\$288</b>	<b>0.79%</b>	<b>-1.38%</b>	<b>-0.88%</b>	<b>3.21%</b>	<b>5.32%</b>	<b>4.85%</b>
Policy Benchmark		0.57%	-1.89%	-1.68%	2.86%	5.41%	4.92%
Variance to Benchmark		+0.22%	+0.51%	+0.80%	+0.35%	-0.09%	-0.07%
<b>High Yield Bond</b>	<b>\$177</b>	<b>2.39%</b>	<b>4.52%</b>	<b>8.07%</b>	<b>9.66%</b>	<b>12.84%</b>	<b>N/A</b>
Policy Benchmark		2.28%	3.77%	7.03%	8.83%	13.22%	N/A
Variance to Benchmark		+0.11%	+0.75%	+1.04%	+0.83%	-0.38%	N/A
<b>Emerging Market Debt</b>	<b>\$146</b>	<b>0.31%</b>	<b>-7.42%</b>	<b>-4.58%</b>	<b>3.98%</b>	<b>9.18%</b>	<b>N/A</b>
Policy Benchmark		1.19%	-6.67%	-3.65%	3.99%	9.44%	N/A
Variance to Benchmark		-0.88%	-0.75%	-0.93%	-0.01%	-0.26%	N/A
<b>TIPS</b>	<b>\$153</b>	<b>0.85%</b>	<b>-6.69%</b>	<b>-6.04%</b>	<b>4.26%</b>	<b>5.74%</b>	<b>N/A</b>
Policy Benchmark		0.70%	-6.74%	-6.10%	4.02%	5.31%	N/A
Variance to Benchmark		+0.15%	+0.05%	+0.06%	+0.24%	+0.43%	N/A
<b>Private Equity<sup>1</sup></b>	<b>\$742</b>	<b>5.99%</b>	<b>11.87%</b>	<b>15.10%</b>	<b>13.16%</b>	<b>7.04%</b>	<b>13.23%</b>
<b>Absolute Return Strategies<sup>2</sup></b>	<b>\$1,648</b>	<b>4.07%</b>	<b>6.93%</b>	<b>10.11%</b>	<b>5.98%</b>	<b>5.76%</b>	<b>5.99%</b>
Policy Benchmark		1.36%	4.14%	5.14%	-1.64%	2.13%	4.65%
Variance to Benchmark		+2.71%	+2.79%	+4.97%	+7.62%	+3.63%	+1.34%
<b>Cross-Asset Class Strategy<sup>3</sup></b>	<b>\$221</b>	<b>4.14%</b>	<b>3.46%</b>	<b>5.03%</b>	<b>10.05%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		4.77%	8.25%	10.75%	5.05%	N/A	N/A
Variance to Benchmark		-0.63%	-4.79%	-5.72%	+5.00%	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$615</b>	<b>9.80%</b>	<b>21.85%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		7.90%	14.43%	N/A	N/A	N/A	N/A
Variance to Benchmark		+1.90%	+7.42%	N/A	N/A	N/A	N/A
<b>Real Assets<sup>3</sup></b>	<b>\$173</b>	<b>1.64%</b>	<b>3.98%</b>	<b>4.42%</b>	<b>2.69%</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		1.93%	2.62%	2.28%	2.96%	N/A	N/A
Variance to Benchmark		-0.29%	+1.36%	+2.14%	-0.27%	N/A	N/A
<b>Public Real Estate</b>	<b>\$31</b>	<b>1.39%</b>	<b>1.88%</b>	<b>7.85%</b>	<b>10.25%</b>	<b>11.55%</b>	<b>N/A</b>
Policy Benchmark		2.07%	3.37%	9.89%	10.01%	7.19%	N/A
Variance to Benchmark		-0.68%	-1.49%	-2.04%	+0.24%	+4.36%	N/A
<b>Private Real Estate</b>	<b>\$539</b>	<b>4.16%</b>	<b>9.30%</b>	<b>12.03%</b>	<b>15.26%</b>	<b>-7.00%</b>	<b>N/A</b>
Policy Benchmark		3.60%	8.34%	11.08%	14.97%	-4.95%	N/A
Variance to Benchmark		+0.56%	+0.96%	+0.95%	+0.29%	-2.05%	N/A

Note: Policy benchmarks are defined in Appendix 2. Total Market Value includes \$76 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 9.25% over the past three years and 7.49% over the past five years and outperformed the three-year policy benchmark return by 234 bp and the five-year by 122 bp.
  2. The Consumer Price Index over the past three-year and five-year periods was 2.34% and 1.37%
- II.** For information on the portfolio’s risk exposures see page 18, and for information on risk limits, see the separate quarterly risk report slides 20 and 21. 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 75 bp, well below the budgeted level of 300 bps. The projected active risk at September 30, 2013, was 141 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 September 30, 2013) 8.9 bp for the quarter (not annualized) and 26.9 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**

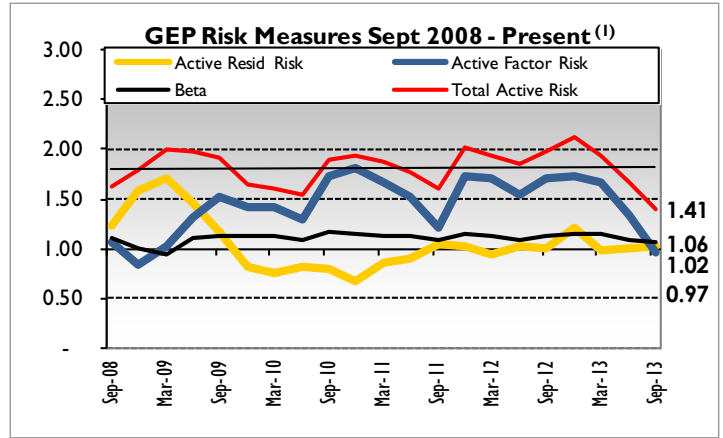
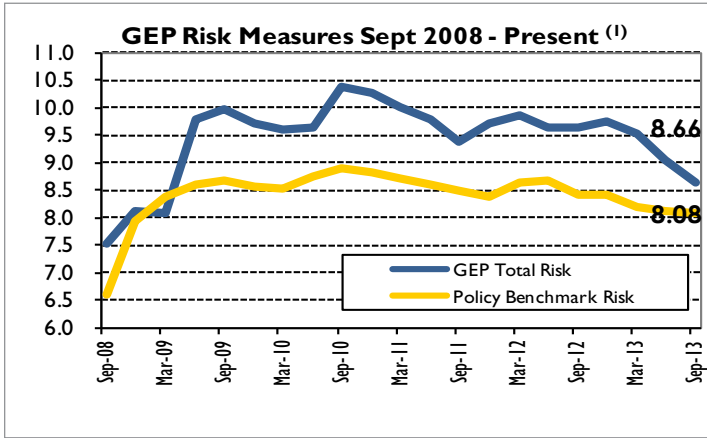
	Assets (\$M)	Actual%	Current Policy Allocation	Variance from Current	Policy Range*	Range Compliance
U.S. Equity	\$1,117	15.26%	15.50%	-0.24%	10.50-20.50%	Yes
Developed Equity	\$913	12.48	12.00	0.48	7.00-17.00	Yes
Emerging Market Equity	\$479	6.55	6.00	0.55	4.00-8.00	Yes
Core Fixed Income	\$288	3.93	5.00	-1.07	2.00-8.00	Yes
High Yield Bond	\$177	2.42	2.50	-0.08	1.50-3.50	Yes
Emerging Market Debt	\$146	2.00	3.00	-1.00	2.00-4.00	Yes
TIPS	\$153	2.09	2.50	-0.41	0.50-4.50	Yes
Private Equity	\$742	10.13	9.00	1.13	6.00-12.00	Yes
Absolute Return Strategies	\$1,648	22.52	23.50	-0.98	18.50-28.50	Yes
Cross-Asset Class Strategy	\$221	3.02	4.00	-0.98	2.00-6.00	Yes
Opportunistic Equity	\$615	8.41	7.50	0.91	4.50-10.50	Yes
Real Assets	\$173	2.37	2.75	-0.38	1.75-3.75	Yes
Real Estate	\$570	7.79	6.75	1.04	3.50-10.00	Yes
Liquidity Portfolio	\$76	1.04	0.00	1.04	0.00-10.00	Yes
<b>Total Assets</b>	<b>\$7,319</b>	<b>100.0%</b>	<b>100.0%</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 23.50-43.5%, Fixed Income 8.00-18.00%, and Alternatives 38.50-68.50%.



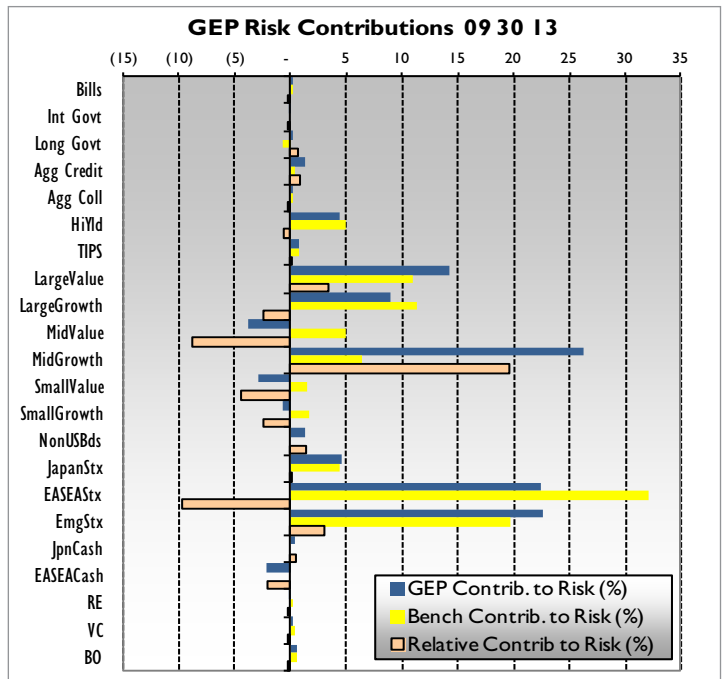
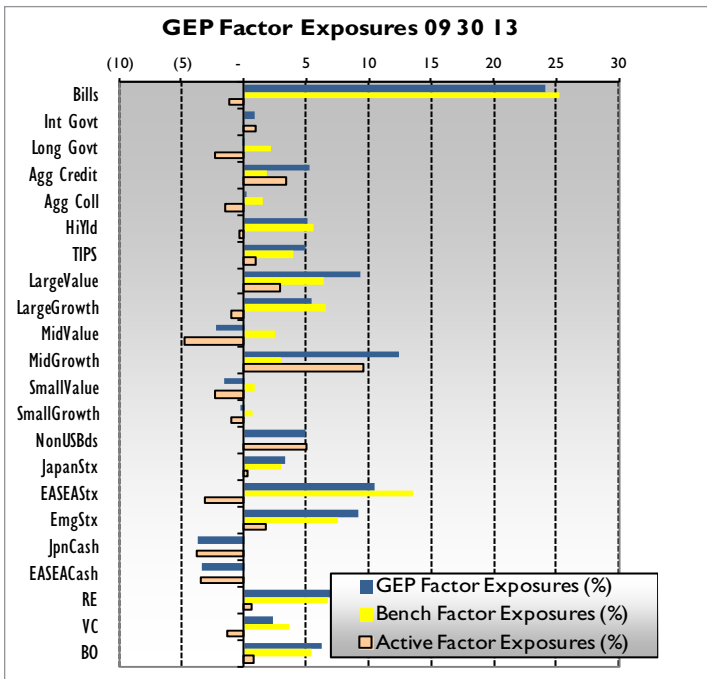
# GENERAL ENDOWMENT POOL (GEP)

## PORTFOLIO RISK DECOMPOSITION (RISK FACTOR MODEL) September 30, 2013



FACTOR EXPOSURES <sup>2</sup>			
Asset Allocation <sup>3</sup>	GEP	Benchmark <sup>5</sup>	Active Exposures
U.S. Equity	23.1	20.0	3.1
Non U.S. Equity	22.9	24.0	(1.1)
Global Fixed Income	14.0	15.0	(1.0)
Non Marketable	15.8	15.8	0.1
Cash (Abs Ret)	24.1	25.3	(1.2)
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	42.1	37.0	5.0
Non U.S. Equity	49.7	56.3	(6.6)
Global Fixed Income	6.1	5.6	0.4
Non Marketable	0.8	1.0	(0.3)
Cash (Abs Ret)	0.0	0.0	(0.0)
Subtotal Factor Risk	98.6	100.0	(1.4)
Residual Risk	1.4	-	1.4
TOTAL	100.0	100.0	(0.0)



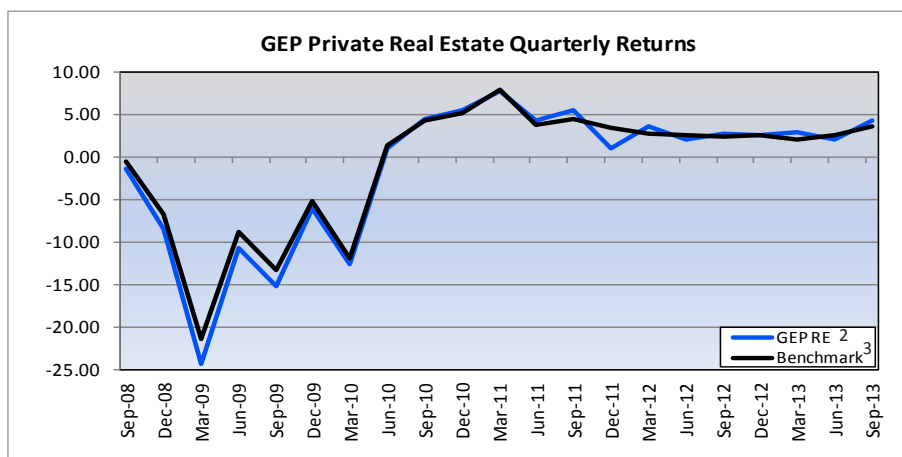
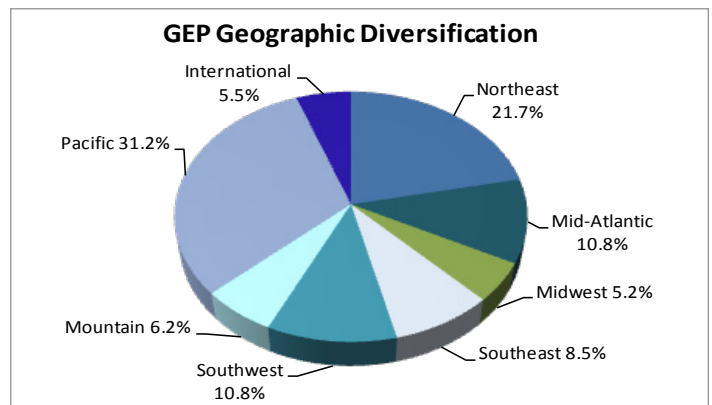
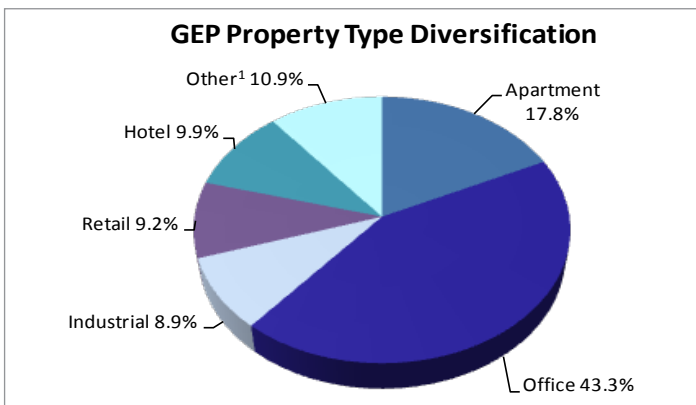
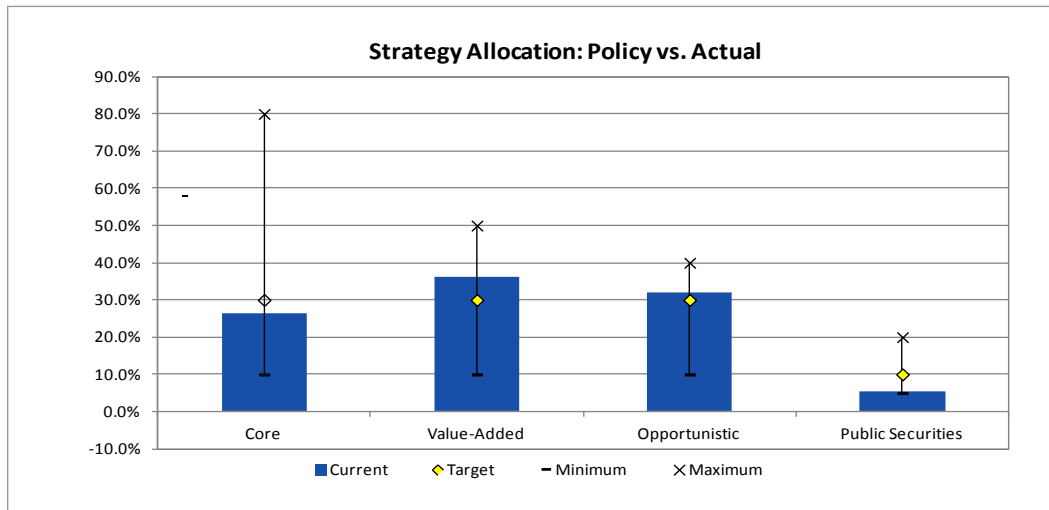
Results shown are based on (a) total fund composition as of quarter end and (b) long-term volatility and correlation estimates for 22 risk factors (market benchmarks).

- 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

September 30, 2013



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 06/30/13 (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)

September 30, 2013

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Calendar YTD	One Year	Three Year	Five Year	Ten Year
<b>STIP</b>	<b>\$8,375</b>	<b>0.43%</b>	<b>1.27%</b>	<b>1.89%</b>	<b>2.26%</b>	<b>2.59%</b>	<b>3.37%</b>
Policy Benchmark <sup>1</sup>		<b>0.05%</b>	<b>0.13%</b>	<b>0.19%</b>	<b>0.27%</b>	<b>0.53%</b>	<b>2.04%</b>
Variance		<b>+0.38%</b>	<b>+1.14%</b>	<b>+1.70%</b>	<b>+1.99%</b>	<b>+2.06%</b>	<b>+1.33%</b>

## 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
CDs	50	1%
Corporate Notes	4,890	58%
Corporate Bond	391	5%
Commercial Paper	1,448	17%
Federal Agency	1,165	14%
Treasury Notes/Bills	418	5%
<b>Total Assets</b>	<b>\$8,362</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.

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)

September 30, 2013

## I. Investment Performance

	Market Value (\$M)	Total Return			Annualized Total Return		
		Recent Quarter	Calendar YTD	One Year	Three Year	Five Year	Ten Year
<b>TRIP</b>	<b>\$5,874</b>	<b>3.56%</b>	<b>5.76%</b>	<b>7.89%</b>	<b>8.02%</b>	<b>9.53%</b>	<b>N/A</b>
Policy Benchmark		3.40%	5.46%	7.52%	7.57%	9.09%	N/A
Variance		+0.16%	+0.30%	+0.37%	+0.45%	+0.45%	N/A
<b>U.S. Equity</b>	<b>\$876</b>	<b>6.36%</b>	<b>21.35%</b>	<b>21.80%</b>	<b>17.36%</b>	<b>10.94%</b>	<b>N/A</b>
Policy Benchmark		6.43%	21.46%	21.87%	17.14%	10.71%	N/A
Variance		-0.07%	-0.11%	-0.07%	+0.22%	+0.23%	N/A
<b>Developed Equity</b>	<b>\$445</b>	<b>9.30%</b>	<b>20.12%</b>	<b>29.12%</b>	<b>9.32%</b>	<b>6.68%</b>	<b>N/A</b>
Policy Benchmark		10.12%	20.63%	28.83%	9.42%	6.52%	N/A
Variance		-0.82%	-0.51%	+0.29%	-0.10%	+0.16%	N/A
<b>Emerging Market Equity</b>	<b>\$445</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		N/A	N/A	N/A	N/A	N/A	N/A
Variance		N/A	N/A	N/A	N/A	N/A	N/A
<b>Opportunistic Equity</b>	<b>\$580</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		N/A	N/A	N/A	N/A	N/A	N/A
Variance		N/A	N/A	N/A	N/A	N/A	N/A
<b>REITS</b>	<b>\$587</b>	<b>0.78%</b>	<b>7.14%</b>	<b>9.88%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		2.12%	8.64%	11.41%	N/A	N/A	N/A
Variance		-1.34%	-1.50%	-1.53%	N/A	N/A	N/A
<b>U.S. Core Fixed Income</b>	<b>\$1,284</b>	<b>0.62%</b>	<b>-2.49%</b>	<b>-1.70%</b>	<b>4.47%</b>	<b>8.32%</b>	<b>N/A</b>
Policy Benchmark		0.59%	-2.73%	-1.93%	3.80%	7.41%	N/A
Variance		+0.03%	+0.24%	+0.23%	+0.67%	+0.91%	N/A
<b>U.S. High Yield Bond</b>	<b>\$295</b>	<b>2.04%</b>	<b>2.13%</b>	<b>4.98%</b>	<b>8.17%</b>	<b>11.63%</b>	<b>N/A</b>
Policy Benchmark		2.07%	2.85%	6.02%	8.41%	12.79%	N/A
Variance		-0.03%	-0.72%	-1.04%	-0.24%	-1.16%	N/A
<b>Emerging Market Debt</b>	<b>\$287</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		N/A	N/A	N/A	N/A	N/A	N/A
Variance		N/A	N/A	N/A	N/A	N/A	N/A
<b>Absolute Return Strategies</b>	<b>\$403</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		N/A	N/A	N/A	N/A	N/A	N/A
Variance		N/A	N/A	N/A	N/A	N/A	N/A
<b>Cross-Asset Class Strategy</b>	<b>\$669</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Policy Benchmark		N/A	N/A	N/A	N/A	N/A	N/A
Variance		N/A	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	\$2,933	49.9%	50.0%	-0.1%	35.00-65.00%	Yes
Fixed Income	\$1,865	31.7%	32.5%	-0.8%	22.50-42.50	Yes
Alternatives	\$1,072	18.3%	17.5%	0.8%	10.00-25.00	Yes
Liquidity	\$5	0.1%	0.0%	0.1%	0.00-10.00	Yes
<b>Total Assets</b>	<b>\$5,874</b>	<b>100.0%</b>	<b>100.0%</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.



## 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
	09/30/2013	06/30/2013	Change	Change	
UCRP*	\$47,037	\$45,217	(271)	2,091	1,820
GEP*	7,307	7,178	(158)	287	129
STIP	8,375	9,212	(872)	35	(837)
TRIP	5,863	4,561	1,121	181	1,302
UCRSP	14,626	13,317	721	588	1,309
Other Endowments	743	734	N/A	N/A	9
Minus STIP in other Portfolios	(1,590)	(1,610)	N/A	N/A	20
	\$82,361	\$78,609	541	3,182	3,752

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
	09/30/2013	9/30/2012	Change	Change	
UCRP*	\$47,037	\$43,075	(1,019)	4,981	3,962
GEP*	7,307	6,666	(87)	728	641
STIP	8,375	8,440	(224)	159	(65)
TRIP	5,863	4,444	1,082	337	1,419
UCRSP	14,626	12,632	811	1,183	1,994
Other Endowments	743	617	N/A	N/A	126
Minus STIP in other Portfolios	(1,590)	(1,430)	N/A	N/A	(160)
	\$82,361	\$74,444	563	7,388	7,917

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 September 30, 2013

<b>UCRP</b>		
<i>Asset Class</i>	<i>Benchmark Component</i>	<i>Percentage</i>
U.S. Equity	Russell 3000 TF Index	23.75%
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)	5.00
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 - Passive	Russell 3000 Index TF	15.00%
Developed Equity - Passive	MSCI World ex-U.S. Net Index (Hedged) TF	7.50
Opportunistic Equity	MSCI All Country World Index (net dividends)	10.00
REITS	FTSE/NAREIT Global REIT Index	10.00
U.S. Core Fixed Income	Barclays Aggregate Credit Index + Government Index	20.00
U.S. High Yield Debt	Merrill Lynch High Yield Cash Pay BB/B Index	2.50
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	7.00
Cross-Asset Class Strategy	Aggregate TRIP Policy Benchmark	10.50