

ANNUAL ENDOWMENT REPORT

Fiscal Year Ended June 30, 2010

University of California, Berkeley Foundation

UC Davis Foundation

The University of California, Irvine Foundation

The UCLA Foundation

University of California, Merced Foundation

UC Riverside Foundation

U.C. San Diego Foundation

University of California, San Francisco Foundation

UC Santa Barbara Foundation

U.C. Santa Cruz Foundation



Compiled by the Office of the Treasurer of The Regents

UNIVERSITY OF CALIFORNIA ANNUAL ENDOWMENT REPORT

Table of Contents

	Introduction	4
I.	Total University Endowment Assets	6
	<i>Table 1: Total University Endowment Assets by Donor Designation</i>	
	<i>Table 2: Total Managed Endowment Assets by Foundation</i>	
II.	Managed Endowment Funds by Asset Class	8
	<i>Table 3: Allocation of Managed Endowment Funds by Asset Class</i>	
III.	Endowment Fund Investment Performance	9
	<i>Table 4: Average Annualized Total Returns</i>	
IV.	Endowment Fund Investment Management	10
	<i>Table 5: Foundation Endowment Assets by Investment Manager</i>	
V.	Endowment Fund Investment Management Fees	11
	<i>Table 6: Endowment Management Fees by Foundation</i>	
VI.	Gift Fees and Recurring Charges	12
	<i>Table 7: Gift Fees and Recurring Charges by Regents and Foundation</i>	
VII.	Endowment Spending Policies	13
	<i>Table 8: Endowment Spending Policies by Regents and Foundation</i>	
VIII.	Total Foundation Gift Assets	14
	<i>Table 9: Total Foundation Gift Assets by Campus</i>	
IX.	Individual Foundation Reports	15
	Berkeley	16
	Davis	18
	Irvine	20
	Los Angeles	22
	Merced	26
	Riverside	28
	San Diego	30
	San Francisco	32
	Santa Barbara	34
	Santa Cruz	36
	General Endowment Pool (GEP)	38
XI.	10-Year Historical Performance	
	<i>Table 10: 10-Year Historical Investment Performance</i>	42
	<i>Table 11: 10-Year Historical Benchmark Performance</i>	43
VI.	Supplemental	44
XII.	Investment Policies	46
XIII.	Glossary	48

BACKGROUND

The history of reporting total University and Foundation endowments dates back to October 1978 when The Regents' Committee on Educational Policy adopted a policy for University Support Groups. In subsequent years, The Regents charged the Treasurer's Office with obtaining pertinent information regarding the UC Foundations' investments and presenting an annual report to The Regents. The annual report includes the investment philosophy, policies and performance of each Foundation's endowment assets, as well as those of The Regents' endowment assets.

PURPOSE

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

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

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

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

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

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

DATA SOURCES

State Street Bank is the University's official "book of record" and calculates performance of the General Endowment Pool (GEP) supplemented with data from the University of California Office of the President's (UCOP) Endowment and Investment Accounting office. Annual Foundation performance results in this document prior to 2006 were provided by each Foundation and were neither audited nor calculated by the Treasurer's Office or State Street Bank. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances. On a quarterly basis, State Street Bank reports Foundation performance to The Regents and those quarterly reports serve as official "book of record" to The Regents. Policy benchmark composition was provided by the Foundations. All annual benchmark returns used in this report were calculated by The Regents' Investment Consultant, Mercer, LLC. Each Foundation supplied a copy of its audited annual financial report. For the purpose of reporting investment performance, each Foundation received the same exhibit formats and guidance, and any inconsistencies in definition and reporting are noted in the charts, tables and discussion.

The Cambridge Associates Endowment Pool Median cannot be reproduced or redistributed without the express written consent of Cambridge Associates LLC.

PERFORMANCE PRESENTATION

This report focuses primarily on the Foundations' endowment assets and their investment performance. Section IX—Individual Foundation Reports—displays endowed assets by investment manager. Totals for non-endowed assets and pledges are provided in Section VIII—Total Foundation Gift Assets. The glossary at the end of this report includes definitions for these asset categories.

PERFORMANCE COMPARISONS

General Endowment Pool: The General Endowment Pool (GEP), established in 1933 and unitized in 1958, is The Regents' primary investment vehicle for endowed gift funds. GEP is a balanced portfolio of equities, fixed-income securities and alternative investments in which all Regental endowment funds participate, unless payout needs require otherwise. The GEP's return is based on unit value.

Cambridge Endowment Pool Median: Cambridge Associates measures returns on 148 college and university endowment pools in its endowment study.

Benchmark: For details regarding each individual Foundation's benchmark, see sections IX and XII.



I. Total University Endowment Assets

Table 1 outlines the University's total endowment assets by donor designation to either The Regents for the benefit of the campus or to the campus Foundation.

Overall, total endowment assets increased by 12.3% over the last fiscal year, with The Regents' endowment assets increasing by 10.2% and Foundation endowment assets increasing by 15.8%. These changes incorporate both new gifts accepted during the fiscal year and the return on total endowed assets.

The Treasurer's Office also manages endowment assets of almost \$1.1 billion for the benefit of systemwide programs and administration, including education and research programs, support services and administration. These assets appear in the table as part of The Regents' endowment assets.

Table 1 Total University Endowment Assets by Donor Designation to Regents and Foundation (Excluding Pledges) (Market Value \$000)						
Campus	June 30, 2010			June 30, 2009		
	Regents*	Foundation	Total	Regents*	Foundation	Total
Berkeley	\$1,704,527	\$895,456	\$2,599,983	\$1,559,033	\$785,758	\$2,344,791
Davis	435,081	162,569	597,650	401,579	137,198	538,777
Irvine	50,213	191,147	241,360	45,167	161,036	206,203
Los Angeles	1,102,732	1,058,679	2,161,411	982,212	898,838	1,881,050
Merced	17,791	5,080	22,871	16,251	4,339	20,590
Riverside	37,261	72,771	110,032	32,456	62,692	95,148
San Diego	161,026	316,728	477,754	148,969	282,748	431,717
San Francisco	743,411	510,030	1,253,441	671,904	438,738	1,110,642
Santa Barbara	79,166	98,929	178,095	66,183	87,632	153,815
Santa Cruz	54,987	46,968	101,955	51,407	42,330	93,737
Total Campus Endowments	4,386,195	3,358,357	7,744,552	3,975,161	2,901,309	6,876,470
Systemwide Programs and Administration	1,055,030	-	1,055,030	962,322	-	962,322
Total Endowment Assets	\$5,441,225	\$3,358,357	\$8,799,582	\$4,937,483	\$2,901,309	\$7,838,792

* Includes GER, STIP, and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable.

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

Table 2 Total Managed Endowment Assets by Foundation (Excluding Pledges) (Market Value \$000)						
June 30, 2010				June 30, 2009		
Campus	Managed	Other*	Total	Managed	Other*	Total
Berkeley	\$875,764	\$19,692	\$895,456	\$693,582	\$92,176	\$785,758
Davis	162,399	170	162,569	132,639	4,559	137,198
Irvine	192,331	(1,184)	191,147	163,173	(2,137)	161,036
Los Angeles**	1,051,401	7,278	1,058,679	894,907	3,931	898,838
Merced	5,080	0	5,080	4,339	0	4,339
Riverside	72,749	22	72,771	62,670	22	62,692
San Diego	315,376	1,352	316,728	281,251	1,497	282,748
San Francisco	510,030	0	510,030	438,513	0	438,513
Santa Barbara	98,929	0	98,929	87,632	0	87,632
Santa Cruz	46,968	0	46,968	42,330	0	42,330
Regents***	4,976,985	464,240	5,441,225	4,527,824	409,659	4,937,483
Totals	\$8,308,012	\$491,570	\$8,799,582	\$7,328,860	\$509,707	\$7,838,567

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

** Includes net receivables, real estate, securities, and other assets.

*** Includes GER STIP, and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable.

II

II. Managed Endowment Funds by Asset Class

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

As of June 30, 2010, the allocation of managed endowment funds by asset class for endowment investment portfolios held by each Foundation, as well as for The Regents' GEP, are shown below. Table 3 also includes an overall weighted average allocation of all endowment funds by asset class, as well as the net total returns by campus.

Section IX, beginning on page 15, contains detailed information for each Foundation. These exhibits include a detailed list of the Foundation's investment managers and the type of funds they manage.

Table 3
Allocation of Managed Endowment Funds by Asset Class
 As of June 30, 2010

Asset Class Allocation									
Campus	U.S. Equity	Non-U.S. Equity	Alternative Equities*	U.S. Fixed Inc.	Non-U.S. Fixed Inc.	Cash Equiv.	Absolute Return	Total	Net Total Return
Berkeley	15.9%	19.1%	17.1%	15.0%	3.2%	13.2%	16.5%	100.0%	11.7%
Davis **	18.8	23.5	10.3	15.3	3.1	2.9	26.1	100.0	11.3
Irvine	20.5	17.2	19.7	14.2	3.4	1.9	23.1	100.0	11.0
Los Angeles	15.0	15.8	26.7	12.1	0.0	0.0	30.4	100.0	11.8
Merced **	19.2	23.9	10.5	15.6	3.1	1.2	26.5	100.0	11.3
Riverside	13.5	29.8	11.5	29.4	3.5	9.2	3.1	100.0	15.8
San Diego **	24.3	21.2	11.3	13.9	2.4	0.9	26.0	100.0	12.7
San Francisco	16.3	22.5	10.5	16.3	2.0	6.4	26.0	100.0	14.4
Santa Barbara	21.4	28.5	5.5	21.1	2.1	4.3	17.0	100.0	15.0
Santa Cruz **	18.9	23.5	10.3	15.4	3.1	2.7	26.1	100.0	11.3
Regents' GEP	19.2	23.9	7.7	18.7	0.0	1.2	29.3	100.0	11.3
Weighted Avg.	18.4%	22.3%	11.4%	17.2%	0.7%	2.7%	27.4%	100.0%	11.7%

* Alternative Equities consist of private equity funds, real estate, natural resources and other asset types.

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

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

III

III. Endowment Fund Investment Performance

Investment performance for University endowment assets is presented on a net basis, defined as total return after investment management fees but before any gift fees and administrative charges. While investment management fees vary across managers and asset classes, the net total return represents the annual experience of a donor's gift. Table 4 displays net total returns for fiscal 2010 for The Regents, each Foundation, and the Cambridge Endowment Pool Median for Colleges and Universities, reported for periods of one, three, five and 10 years. For comparison, the table also includes the overall one-, three-, five-, and 10-year weighted average returns for all University endowment assets.

Table 4 Average Annualized Total Returns Fiscal Year ended June 30, 2010				
Campus	1 Year	3 Years	5 Years	10 Years
Berkeley	11.7%	-4.0%	4.1%	4.1%
Davis	11.3	-3.4	3.7	3.3
Irvine	11.0	-5.1	2.4	2.9
Los Angeles	11.8	-4.1	3.3	3.4
Merced	11.3	-3.6	3.7	N/A
Riverside	15.8	-2.5	5.2	5.4
San Diego	12.7	-4.1	3.3	2.8
San Francisco	14.4	-4.0	3.1	3.3
Santa Barbara	15.0	-6.6	1.8	2.0
Santa Cruz	11.3	-3.3	3.7	3.1
Regents' GEP	11.3	-3.6	3.7	3.0
Weighted Average	11.7	-3.8	3.6	3.2
Cambridge Median	12.4	-3.8	4.0	3.9

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

IV

IV. Endowment Fund Investment Management

Each Foundation selects the investment manager(s) for its endowment assets. Their choices may include The Regents (GEP, STIP, UC Private Equity and Real Estate Vintage Equity Programs, and UC Absolute Return Unitized Program), external managers, and/or the Foundation. Table 5 (below) provides the percentage of endowment assets managed by The Regents, external managers, the Foundation (Internal), or “Other” (usually assets held separately at the donor’s request).

Table 5 Foundation Endowment Assets by Investment Manager at June 30, 2010 (Market Value \$000)									
Campus/Foundation	Regents		External		Internal		Other		
Berkeley	\$107,164	12.0%	\$768,600	85.8%	\$0	0.0%	\$19,692	2.2%	
Davis	162,399	99.9	0	0.0	0	0.0	170	0.1	
Irvine	85,592	44.8	106,739	55.8	0	0.0	-1,184	-0.6	
Los Angeles	15,210	1.4	1,040,486	98.3	0	0.0	2,983	0.3	
Merced	5,080	100.0	0	0.0	0	0.0	0	0.0	
Riverside	966	1.3	71,783	98.6	0	0.0	22	0.0	
San Diego	244,140	77.1	70,271	22.2	964	0.3	1,353	0.4	
San Francisco	0	0.0	510,030	100.0	0	0.0	0	0.0	
Santa Barbara	1,169	1.2	97,760	98.8	0	0.0	0	0.0	
Santa Cruz	46,968	100.0	0	0.0	0	0.0	0	0.0	
Overall	\$668,689	19.9%	\$2,665,669	79.4%	\$964	0.0%	\$23,036	0.7%	

At the end of fiscal 2010, the Treasurer’s Office managed the majority of the endowment gift assets for four of the 10 UC Foundations and 19.9% of the UC Foundations’ total endowment gift assets.

* Negative amount represents endowment payout not yet withdrawn from endowment assets.



V. Endowment Fund Investment Management Fees

As noted in Section III, investment performance for endowment assets should be presented on a net basis, after investment management costs but before gift and administration fees. (See Section VI for gift fees and recurring charges.) Each Foundation was asked to provide an investment management fee schedule for each external manager. State Street Bank verified the reasonableness of each Foundations' fee data and the fee data of the GEP and STIP. The last line in the table below is a weighted average fee based on the information provided and the assets under management at June 30, 2010.

An itemization of each Foundation's investment management fees—between externally managed endowment gift assets and assets managed by The Regents—is provided in Table 6.

Table 6 Endowment Management Fees by Foundation as a Percentage of Market Value at June 30, 2010			
Campus	Regents	External	Wtd. Average
Berkeley	0.06	1.08	0.97
Davis	1.38	-	1.38
Irvine	1.57	0.61	1.04
Los Angeles	1.59	2.21	2.20
Merced	1.40	-	1.40
Riverside	-	1.12	1.12
San Diego	1.51	0.22	1.25
San Francisco	-	0.76	0.76
Santa Barbara	0.06	0.62	0.61
Santa Cruz	1.38	-	1.38
Overall	1.22	1.41	1.38

The total cost of managing the GEP is 140 basis points of average market value. This consists of approximately 1.31% (131 basis points) attributable to external managers (evidenced as the difference between their gross and net returns), plus 0.03% (3 basis points) attributable to investment management and custodial expenses, and 0.06% (6 basis points) attributable to administrative costs.

For funds invested in STIP, approximately 0.06% (6.0 basis points) of average market value is charged to the pool, with 0.03% (3.0 basis points) attributable to investment management and custodial expenses, and 0.03% (3.0 basis points) attributable to administrative costs associated with the pool.

* For those fees not provided by the Foundation, the report used the same as estimates used by Treasurer's Office for GEP.

VI

VI. Gift Fees and Recurring Charges

A synopsis of The Regents' and each campus' practices for assessing fees on new gifts, as well as any recurring administrative charges, are provided in Table 7. As noted in the table, gift fees apply to endowment gifts whether given to the Foundation or The Regents and to current fund gifts (for use by the campus in the near term). At most campuses, gift fees and recurring charges support discretionary funds available to the Chancellor, for such efforts as fund-raising, communications, government and community relations and administrative services associated with these efforts.

In March 1998, The Regents adopted a policy to allow the campuses to recover the reasonable and actual costs related to campus administration of Regents' endowments, with the amount to be determined by historical cost data. As noted on the following chart, each campus listed below collected endowment cost recovery fees on Regents' gifts of 45 basis points of the 60-month rolling average market value of funds invested in GEP. The Campus Foundations may also assess an administrative endowment cost recovery fee on funds they administer.

Table 7 Gift Fees and Recurring Charges by Regents and Foundation		
	Fees	Recurring Charges
The Regents	None	A cost recovery fee of 45 basis points (0.45%) on the market value of the GEP is taken out of the endowment payout annually.
Berkeley	One-time charge of 2.5% of the initial value of all non-research gifts to the Regents and Foundation (including endowments); fee is taken from the gift principal unless the specified department elects to pay the fee from another allowable source.	STIP income on non-endowed gifts is 100% to an unrestricted fund administered by the chancellor. STIP income earned on new endowment gifts kept in suspense for six months is paid to the chancellor's fund to benefit campus development. An annual administrative fee of 50 basis points is charged on endowment funds administered by the Foundation.
Davis	6% on all gifts given on or after October 1, 2004.	The campus and Foundation charge up to 100% of STIP income on current fund balances. Endowment funds and funds functioning as endowments are charged an annual administration fee of 30 basis points (0.30%).
Irvine	5% of initial value of all gifts.	Annual charge of 0.5% of the market value, plus all interest on current use private gifts and grants.
Los Angeles	6.5% of initial value of all gifts.	100% of all short-term interest on campus current fund balances, with some exceptions. Annual endowment cost recovery fee of .5% of the fair market value, calculated monthly.
Merced	5% of initial value of all gifts.	100% of STIP income on current fund balances.
Riverside	5% of initial value of all gifts.	Annual charge of .5% against all existing endowments and endowment-related gift funds; the campus charges 100% of short-term ordinary income on campus and Foundation current fund balances.
San Diego	6% of initial value of all gifts.	100% assessment of all short-term investment earnings on current use gift and private grant balances held in both the campus and the Foundation. Annual recurring fee of 0.40% on the market value of the Foundation's endowment.
San Francisco	4% of initial value of all gifts.	100% of interest income earned on current funds (STIP income). Annual fee of .40% on all endowment fund assets. A 1% spending fee is charged when funds are spent for purpose. No fees are charged on gifts for student aid and capital.
Santa Barbara	2% of initial value of all gifts, as of June 30, 2010.	Annual endowment cost recovery fee is .45% of the fair market value. 100% of STIP income on current fund balances.
Santa Cruz	3% of initial value of endowment gifts and 5% of initial value of current use gifts.	Annual recurring fee of 0.30% on the 3-year average market value of the Foundation's endowment.

* For more information on Foundation policies on gift fees and recurring charges, see the individual Foundation reports in Section IX.

VII

VII. Endowment Spending Policies

A summary of the endowment spending policies for The Regents' and each university Foundation is shown in Table 8. It is important to note that a Foundation choosing to invest in The Regents' GEP, Private Equity Vintage Year Program, Real Estate Vintage Year Program and/or Absolute Return Unitized Program funds may apply its Foundation spending policy to those gift assets.

**Table 8
Endowment Spending Policies by Regents and Foundation***

The Regents (GEP)	Long-term target spending rate of 4.75% of a 60-month (five-year) rolling average market value. In May 2010, The Regents concurred to continue a rate of 4.75% for expenditure in fiscal year 2010-2011.
Berkeley	The UC Berkeley Foundation endowment payout policy is a range of 4.75% to 5.5% of the 12-quarter moving average market value of the endowment for a specific payout year. In fiscal year 2009-10, the actual payout rate was 4.75%.
Davis	Long-term target spending rate of 4.35% of a 60-month (5-year) rolling average market value. Effective spending rate of 4.50% of a 60-month rolling average market value was used in fiscal 2009-2010.
Irvine	The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. Income available for expenditure is calculated according to a predetermined formula.
Los Angeles	The spending policy for fiscal year 2009-10 was 4.8% of a rolling 36-month average market value calculated monthly.
Merced	Long-term total return target spending rate of 4.75% of a 60-month (5-year) rolling average market value. A spending rate of 4.75% was adopted in May 2006 for expenditures in fiscal year 2006-2007, 2007-2008, 2008-2009, and 2009-2010.
Riverside	The endowment fund payout policy is 4.75% of the average endowment fund market value computed using the previous 12 quarters of portfolio activity the last of which ended on the March 31 of such fiscal year.
San Diego	Endowment spending during fiscal year 2009-10 was calculated using a predetermined formula at an amount equal to 3.75% of the five-year average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.
San Francisco	A portion of the endowment pool will be expended annually. The amount of the distribution will be determined by the payout policy of the Foundation, modified by donors' wishes where applicable. The Foundation policy is to distribute 5% of the market value of the endowment pool calculated on a 36-month rolling average of the market value, subject to a 6% cap and a 3.5% floor as a percent of the end of year endowment pool market value. The payout rate is reviewed annually, which may result in modification. The payout is distributed once a year following the close of the fiscal year. Undistributed income and gains from investment activities are reinvested in the Endowment Pool.
Santa Barbara	The UC Santa Barbara Foundation adopted a total return spending policy for the 2009-2010 fiscal year of 4.75% of the 60-month rolling average share value, as of December 31, 2008, for the Long Term Endowment Pool/General Endowment Pool.
Santa Cruz	The UC Santa Cruz Foundation endowment expenditure rate is 4.5% times a three-year moving average of June 30 market values. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions. In no event will the corpus be reduced below the amount of the original gift, adjusted by the Gross Domestic Product (GDP) price index, unless specific language of the endowment agreement so allows.

* For more information on Foundation spending policies, see the individual Foundation reports in Section IX.

VIII

VIII. Total Foundation Gift Assets

Table 9 provides total Foundation gift assets by campus, split into endowed, non-endowed assets and pledges, for fiscal 2010 and fiscal 2009. Non-endowed assets include current gift assets (i.e., assets for use in the current year) and trust/life income assets, but exclude pledges. Note, pledges introduce potential volatility to the asset growth rates.

As Table 9 shows, the Foundations held \$3.36 billion in endowment gift assets at June 30, 2010, a 15.8% increase from the \$2.90 billion held at the end of fiscal 2009. Including all non-endowed assets (current assets and trusts/life income assets) and pledges, the Foundations' total assets were \$4.58 billion, a 10.0% increase over the total of \$4.17 billion for fiscal year 2009.

Campus	June 30, 2010				June 30, 2009			
	Endowed	Non-Endowed	Pledges	Total	Endowed	Non-Endowed	Pledges	Total
Berkeley	\$895,456	\$170,097	\$13,110	\$1,078,664	\$785,758	\$148,198	\$25,721	\$959,677
Davis	162,569	49,880	8,726	221,175	137,198	90,709	12,233	240,140
Irvine	191,147	12,417	42,390	245,954	161,036	29,152	66,112	256,300
Los Angeles	1,058,679	291,989	204,546	1,555,214	898,838	280,840	173,229	1,352,907
Merced	5,080	174	1,818	7,073	4,339	53	1,146	5,538
Riverside	72,771	16,345	1,283	90,399	62,692	17,457	1,020	81,169
San Diego	316,728	116,037	40,860	473,625	282,748	108,404	44,962	436,114
San Francisco	510,030	170,540	59,325	739,895	438,738	180,301	62,247	681,286
Santa Barbara	98,929	9,402	13,116	121,447	87,632	7,673	13,898	109,203
Santa Cruz	46,968	2,302	1,734	51,004	42,330	2,606	1,201	46,137
Total Foundation Assets	\$3,358,358	\$839,184	\$386,908	\$4,584,450	\$2,901,309	\$865,393	\$401,770	\$4,168,472

IX

IX. Individual Foundation Reports

The following section of the report contains a summary for each Foundation. Each summary includes the Foundation's Investment Objectives, Spending Policy and Gift Fee Policy, Total Assets, and Performance Data.

Foundation assets are categorized as endowed or non-endowed, with endowed assets further broken down by investment manager. Non-endowed assets include life income and annuity funds, current funds and pledges. Only endowed assets are shown, and investment results for all Foundations exclude non-endowed assets. The glossary in Section XIII provides definitions of these asset categories.

In order to provide more meaningful performance comparisons and enable The Regents and other fiduciaries to better perform their investment oversight responsibilities, the Treasurer, with the Regents' Investment Consultant, has augmented the Annual Endowment Report with investment policy and performance benchmarks for each Foundation, as well as for the GEP.

We have included 10 years of annual fiscal net total returns for each Foundation both in graphical presentation and tabular form (seven years for Merced). In addition, we have included a chart of the performance of a hypothetical \$10,000 gift invested with the Foundation, the Benchmark and in GEP, at the beginning of the 10-year period, and have outlined the ending gift values and annualized net total returns for the period. The bottom graph assumes all income is reinvested in the fund (or benchmark) and no distributions are made from it.

Benchmarks

- The most important determinant of fund performance and risk is the asset allocation policy established by Fund fiduciaries.
- A fund performance benchmark is usually stated in term of percentages (adding to 100%) of a number of market indexes, such as the Russell 3000 Index for U.S. stocks or the Barclays Capital Index for U.S. bonds. A performance benchmark may change over time as policy changes both the asset mix and the performance objectives, or benchmarks, for each asset class.
- The Foundations provided the asset allocation and benchmark information summarized in Section XII. Based on the Foundations' reported policy, the Regents' Investment Consultant computed annual and cumulative benchmark returns. They are shown in Section X, Table II, along with the Foundations' annual and cumulative returns, Table 10. In some cases, detailed information on investment policy in earlier years was not available, and the Treasurer approximated benchmark composition based on the available information supplied by the Foundations.
- In addition, the *Active Return*, or difference between Fund and benchmark return, is shown in Table II. Active return is a measure of the value added by Fund fiduciaries and managers over the policy objective.
- The accompanying measures of risk and risk-adjusted returns in Section IX are approximate. In investment analysis, risk is often measured as volatility, or the variability in returns. It is customary to use monthly returns for these computations. Because only annual Fund returns were available, these measures of risk and risk-adjusted returns should be viewed as indicative only; relative rankings may change slightly if monthly returns were used.

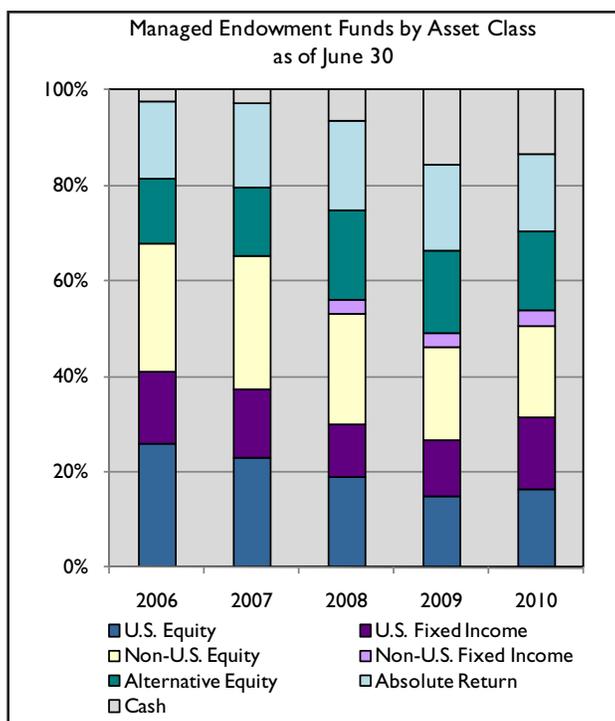
University of California, Berkeley Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
U.S. Equity		
Dodge & Cox-Equity	\$32,016	3.6%
TimesSquare Asset Mgmt.	9,420	1.1
Wellington Trust Appreciation	14,456	1.6
Wellington Energy	13,959	1.6
Van Eck	9,686	1.1
Adage Capital	42,150	4.7
DSM Large Cap Growth	12,602	1.4
Advisory Research	7,164	0.8
International Equity Funds		
Harbor International Fund	39,094	4.4
Newport Asia Institutional Fund	7,385	0.8
Litman/Gregory Masters' Select Intl	39,737	4.4
Sanderson International Value	27,092	3.0
Acadian - Old Mutual Asset Mgmt	6,427	0.7
Emerging Markets		
Grantham, Mayo, Van Otterloo & Co	24,233	2.7
City of London	26,879	3.0
Real Estate		
Adelante Capital	14,111	1.6
LBA Realty Fund IV	445	0.0
Lone Star Real Estate Fund	2,116	0.2
Metropolitan Real Estate	4,102	0.5
E I I Int'l Property	12,148	1.4
Fixed Income		
PIMCO Commodity Real Return	8,950	1.0
Dodge & Cox-Bond	14,198	1.6
Income Research & Management	86,911	9.7
Eaton Vance High Yield	12,126	1.4
OCM High Yield Limited Partnership	11,425	1.3
Brandywine Global	16,898	1.9
Mondrian Global Fixed Income	11,267	1.3
Private Equity/Venture Capital		
Common Fund (VC II - VIII)	9,534	1.1
TCV IV, LP	1,383	0.2
TCV VII, LP	1,026	0.1
Horsely Bridge, VII	3,156	0.4
Summit Venture VI B	3,304	0.4
Sequoia Cap Seed Fund II	859	0.1
Sequoia Cap India Growth Fund II	663	0.1
Sequoia Cap U.S. Growth Fund IV	1,124	0.1
Horsely Bridge, VIII	8,502	0.9
Horsely Bridge Growth, VIII	4,815	0.5
Horsely Bridge International III	7,335	0.8
Horsely Bridge International IV	4,009	0.4
Horsely Bridge International V	181	0.0
Horsely Bridge, IX	1,331	0.1
CF Endowment Venture II - VI	6,833	0.8
TPG Partners V & VI	3,655	0.4
Blackstone Capital Partners V	2,983	0.3
OCM Opportunities Fund VII	5,487	0.6
Legacy Venture IV & V	7,144	0.8
Cerberus Institutional Partners Ser	8,673	1.0
Foundation Capital VI LP	1,998	0.2
CA Resources-Ser Bain Europe III	597	0.1
Kayne Anderson Energy Fund V (QP), LP	98	0.0
Charlesbank Equity Fund VII	328	0.0
Goldman Sachs Vintage V	2,771	0.3
August Capital V	652	0.1
Lone Star Fund VI (US) LP	3,817	0.4
Varde Fund IX/Varde Fund IX-A	9,819	1.1
Commonfund Natural Resources VI	1,433	0.2
Commonfund Natural Resources VII	2,433	0.3
Natural Gas Partners IX LP	1,303	0.1
Park Street Cap Nat Resources III	7,115	0.8
Absolute Returns	147,242	16.4
Total Externally Managed Funds	\$768,599	85.8%
Regentally Managed Funds		
Short Term Investment Pool	107,164	12.0
Total Regentally Managed Funds	\$107,164	12.0%
Other Endowed Assets		
Cash/Cash Equivalent	11,158	1.2
Other Receivables	1,982	0.2
Separately Invested Funds	6,026	0.7
SAM Mortgages	527	0.1
Total Other Endowed Assets	\$19,692	2.2%
TOTAL ENDOWED ASSETS	\$895,456	100.0%

Endowment Investment Objectives: Maintain the purchasing power of the current assets and all future contributions; maximize return within reasonable and prudent levels of risk; maintain an appropriate asset allocation policy that is compatible with the objectives of GEP, while still having the potential to produce positive real returns; control costs of administering the GEP assets and managing the investments; provide investment results equal or superior to an appropriate peer universe; limit the risk of large losses by diversification among broad asset classes (e.g., domestic stocks, international stocks, fixed income) and among the various styles within individual asset classes (e.g., "growth" and "value" within domestic equity); achieve a rate of return which exceeds that of a target-weighted composite index based on the target asset allocation policy adopted as follows: 40% Global Equity, 20% Marketable Alternatives, 10% Private Equity, 9% Real Estate, 9% Energy/Commodities/Other and 12% Fixed Income; and produce a sufficient total fund return to provide a range of an annual 4.75% to 5.5% payout (based on a 12-quarter moving average of market value of endowment principal) to GEP beneficiaries.

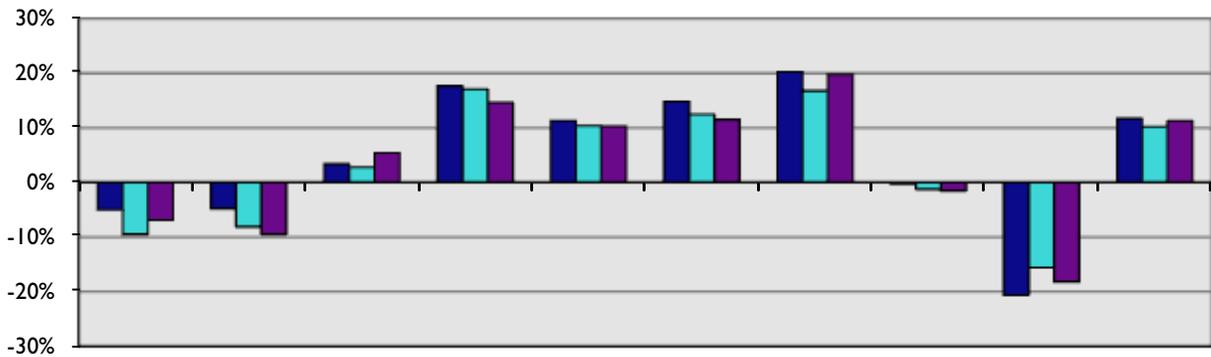
Endowment Spending Policy: The UC Berkeley Foundation endowment payout policy is a range of 4.75% to 5.5% of the 12-quarter moving average market value of the endowment for a specific payout year. In fiscal year 2009-10, the actual payout rate is 4.75%.

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



Annual Endowment Returns for Years Ending June 30

Berkeley Foundation, Foundation Benchmark and GEP

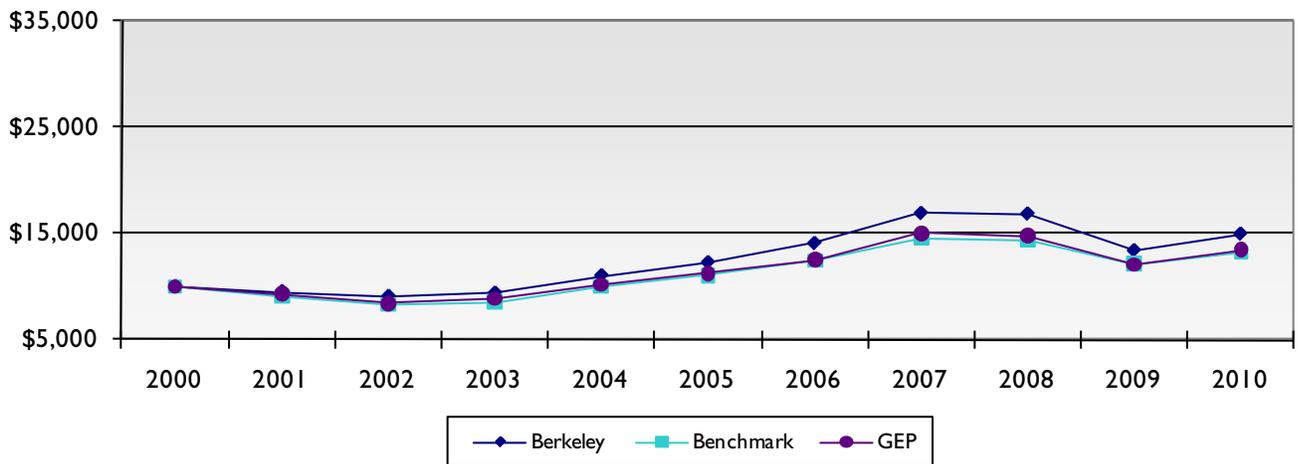


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ Berkeley ¹	-5.0%	-4.8%	3.4%	17.7%	11.3%	14.8%	20.3%	-0.3%	-20.6%	11.7%
■ Benchmark	-9.5	-8.1	2.8	17.1	10.3	12.7	16.9	-1.2	-15.6	10.2
■ GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹ The UC Berkeley Foundation's net total return data excludes the High Income Endowment Pool (a separately managed asset) and Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

Berkeley Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Berkeley	Benchmark	GEP	Berkeley	Benchmark	GEP
\$14,959	\$13,374	\$13,467	4.1%	2.9%	3.0%

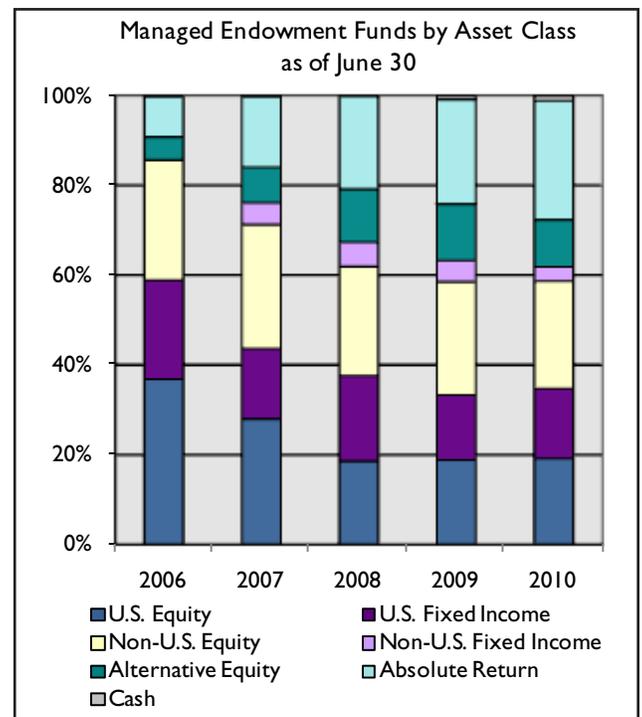
UC Davis Foundation

	6/30/10 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Regentally Managed Funds</u>		
General Endowment Pool	\$159,636	98.2%
Short Term Investment Pool	<u>2,762</u>	<u>1.71</u>
Total Regentally Managed Funds	\$162,399	99.9%
Total Other Endowed Assets	\$170	0.1%
TOTAL ENDOWED ASSETS	\$162,569	100.0%

Endowment Investment Objectives: The investment objective of The UC Davis Foundation is to maximize the long-term total return, while assuming an appropriate level of risk, and to provide spendable income to sufficiently support the University activities designated by the endowed funds. The investment policy matches that of GEP.

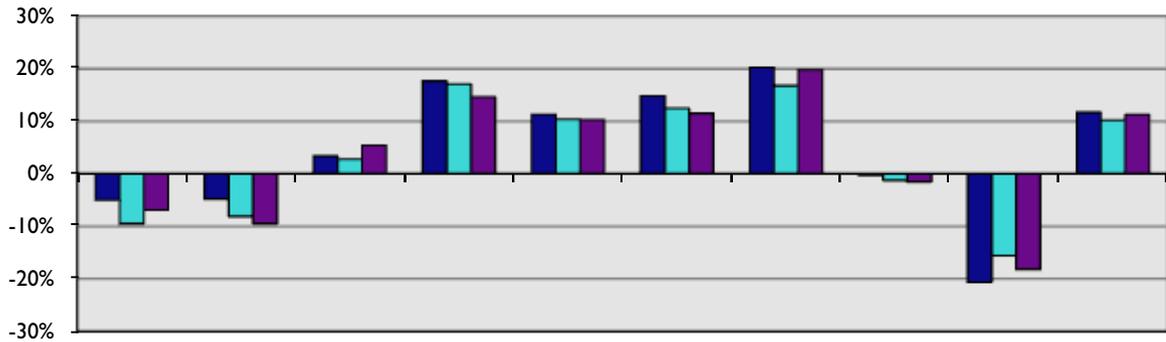
Endowment Spending Policy: Long-term target spending rate of 4.35% of a 60-month (5-year) rolling average market value. Effective spending rate of 4.50% of a 60-month rolling average market value was used in fiscal 2009.

Policy for Gift Fees and Administrative Expenses: UC Davis assesses a one-time fee of 6% on all gifts given on or after October 1, 2004. The campus and Foundation charge up to 100% of STIP income on current fund balances. Endowment funds and funds functioning as endowments are charged an annual administration fee of 30 basis points (0.30%).



Annual Endowment Returns for Years Ending June 30

UC Davis Foundation, Foundation Benchmark and GEP

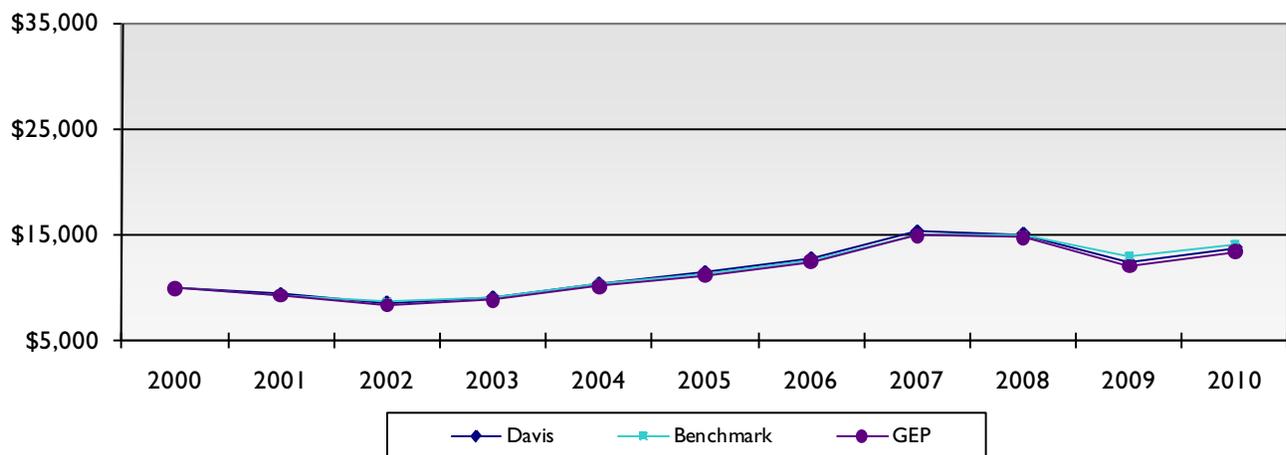


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Davis ¹	-5.6%	-8.3%	5.5%	14.4%	10.2%	11.3%	19.7%	-1.4%	-17.9%	11.3%
Benchmark	-5.9	-7.7	5.0	14.6	9.5	11.1	18.1	0.0	-13.1	9.1
GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹The UC Davis Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Davis Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Davis	Benchmark	GEP	Davis	Benchmark	GEP
\$13,837	\$14,213	\$13,467	3.3%	3.6%	3.0%

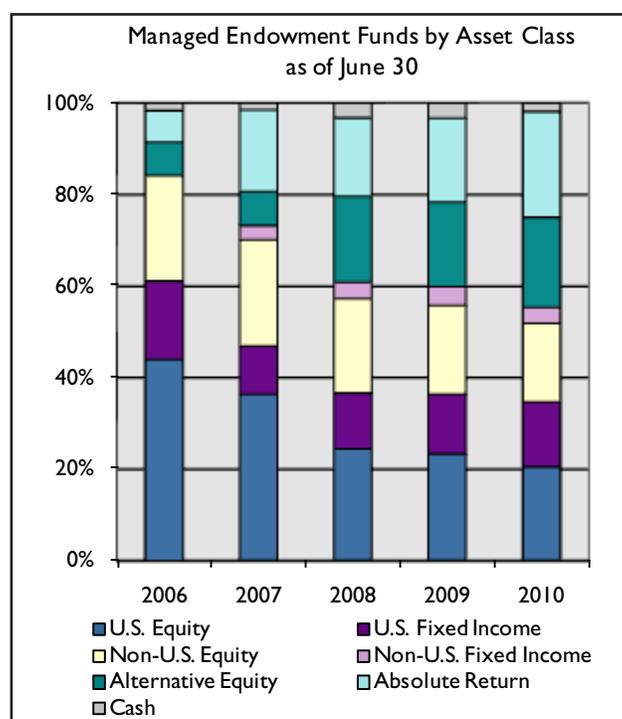
University of California, Irvine Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
Large-Cap Equity Funds		
Vanguard Windsor II Fund	\$6,422	3.4%
JPMorgan	7,768	4.1
Cadence Capital Mgmt	6,696	3.5
Small-Cap Equity Funds		
Thompson, Siegel & Walmesley	2,951	1.5
Palisade Capital Management	3,491	1.8
Balanced Equity Funds		
Berkshire Hathaway	1,434	0.8
I-Shares	4,115	2.2
Global Equity Funds		
Brandes	8,800	4.6
William Blair	9,012	4.7
Bond Funds		
Pimco Instl.Total Return	9,773	5.1
Pimco Instl.High Yield	618	0.3
Pimco Instl.Low Duration	6,163	3.2
Pimco Emerging Markets	1,042	0.5
Evergreen	3,788	2.0
Real Estate		
TIAA-CREF	6,813	3.6
Alternative Equity		
Common Fund	21,337	11.2
PIMCO Bank Loan Opportunities	4,243	2.2
Drum Capital Mgmt	2,273	1.2
Total Externally Managed Funds	\$106,739	55.8%
Regentally Managed Funds		
UC Vintage Year 2003	1,063	0.6
UC Vintage Year 2007	735	0.4
UC Vintage Year 2008	1,588	0.8
UC Real Estate	716	0.4
UC Absolute Return	12,991	6.8
UC Viking Global	10,000	5.2
General Endowment Pool	55,587	29.1
Short Term Investment Pool	2,912	1.5
Total Regentally Managed Funds	85,592	44.8%
Other Endowment Assets	\$-1,184	-0.6%
TOTAL ENDOWED FUNDS	\$191,147	100.0%

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

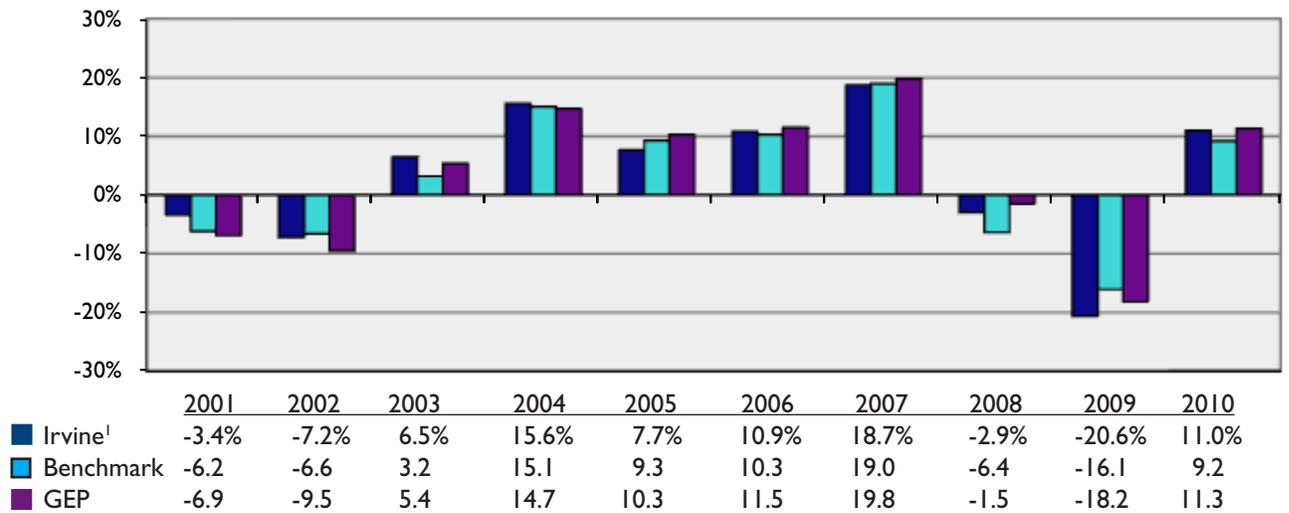
Endowment Spending Policy: The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending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

Policy for Gift Fees and Administrative Expenses: The Irvine Campus charges a one-time fee of 5% of the initial value of all Foundation and Regents' gifts. The fee may be taken (1) from the principal if specified by the donor, (2) by holding gift in a suspense account until fee is earned or (3) from another acceptable fund source. There is also a recurring charge of 0.5% of the market value of Foundation endowment funds used to offset the operating costs of managing the endowment for the Foundation. All interest earned on the balances of current use private gifts and private grants is credited to the Chancellor's Discretionary Fund and used to support ongoing fundraising efforts at UC Irvine.



Annual Endowment Returns for Years Ending June 30

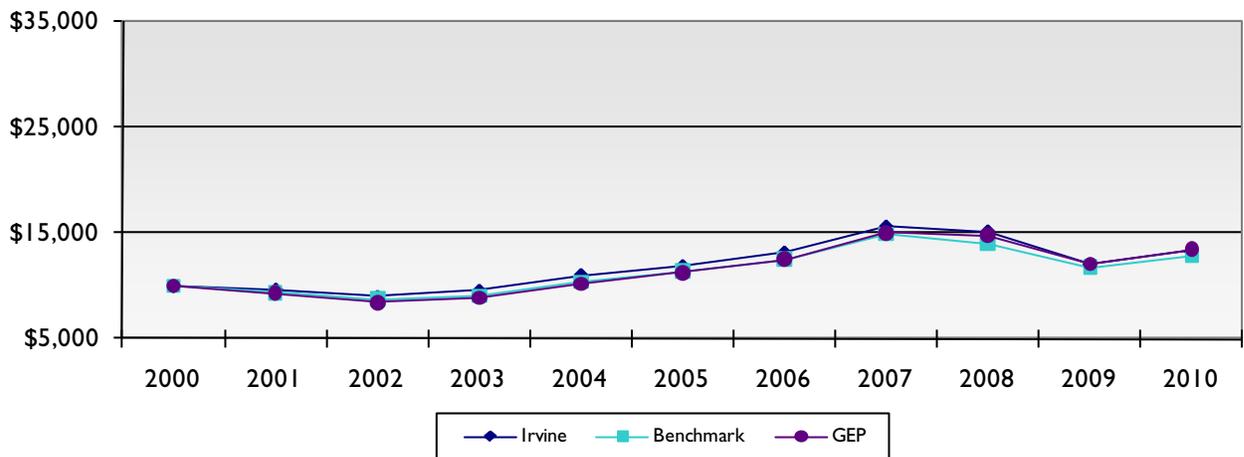
Irvine Foundation, Foundation Benchmark and GEP



¹The UC Irvine Foundation's net total return data includes a portion of Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

Irvine Foundation, Foundation Benchmark and GEP



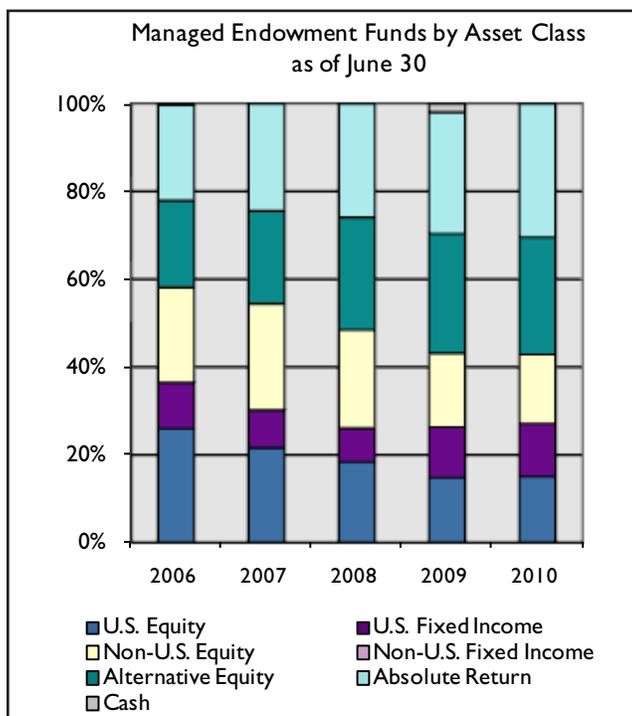
Ending Values 2010			Annualized Returns 2001-2010		
Irvine	Benchmark	GEP	Irvine	Benchmark	GEP
\$13,371	\$12,810	\$13,467	2.9%	2.5%	3.0%

The UCLA Foundation

Endowment Investment Objective: The Foundation's investment objective is to maximize long-term total returns consistent with prudent levels of risk. Investment returns are expected to preserve or enhance the real value of the endowment to provide adequate funds to sufficiently support designated University activities. The endowment's portfolio is expected to generate a total annualized rate of return, net of fees and spending, greater than the rate of inflation over a rolling five-year period. The investment policy consists of: 13% U.S. Equity, 14% Non-U.S. Equity, 23% Private Equity, 7% Real Estate, 32% Absolute Return, and 11% Fixed Income.

Endowment Spending Policy: The UCLA Foundation Endowment Pool made available for expenditure by fund holders an amount equal to 4.8% of a rolling 36-month average market value in fiscal year 2010, calculated monthly. The spending policy for fiscal 2011 is 5.20% of a rolling 36-month average market value, calculated monthly.

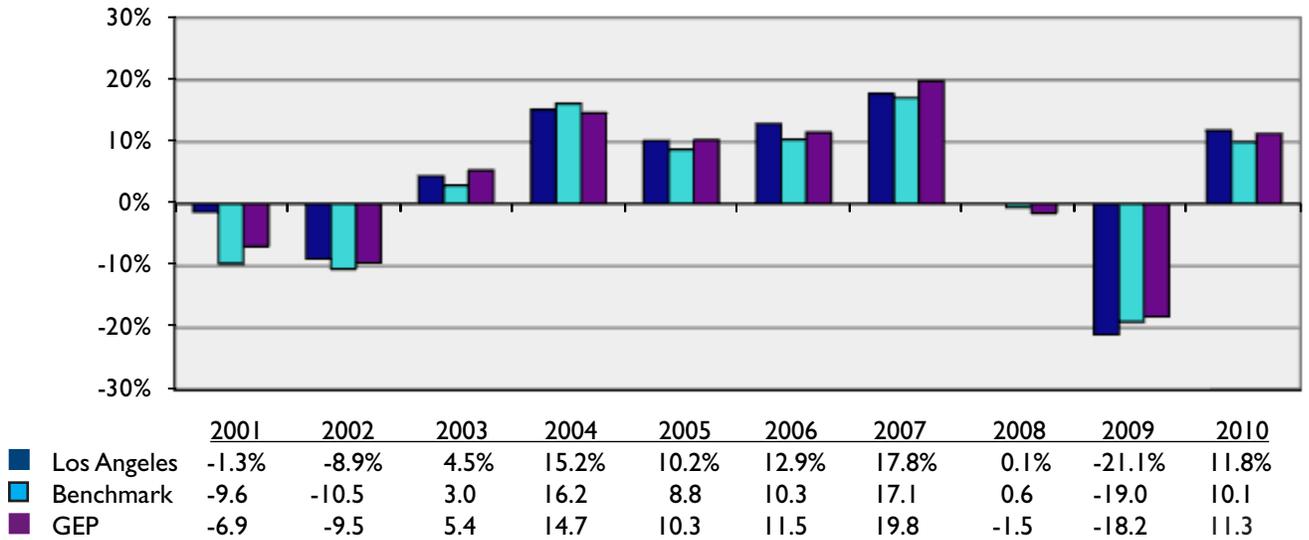
Policy for Gift Fees and Administrative Expenses: The UCLA Foundation charges a one-time fee of 6.5% of the initial value of all gifts.



Note: Balanced fund decomposed into constituent asset classes.

Annual Endowment Returns for Years Ending June 30

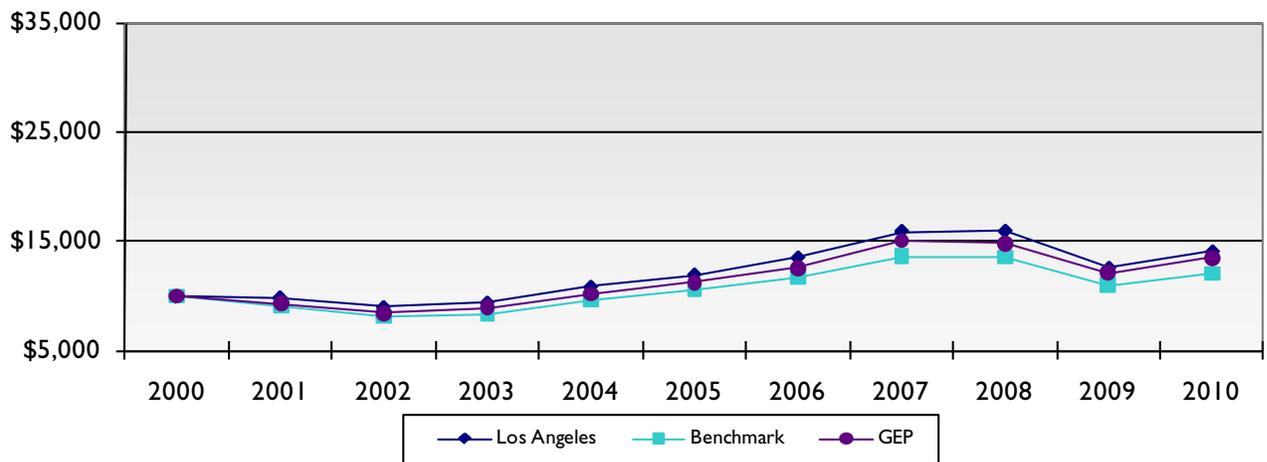
The UCLA Foundation, Foundation Benchmark and GEP



¹The UCLA Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

The UCLA Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Los Angeles	Benchmark	GEP	Los Angeles	Benchmark	GEP
\$14,014	\$12,205	\$13,467	3.4%	2.0%	3.0%

This page intentionally left blank.

University of California, Merced Foundation

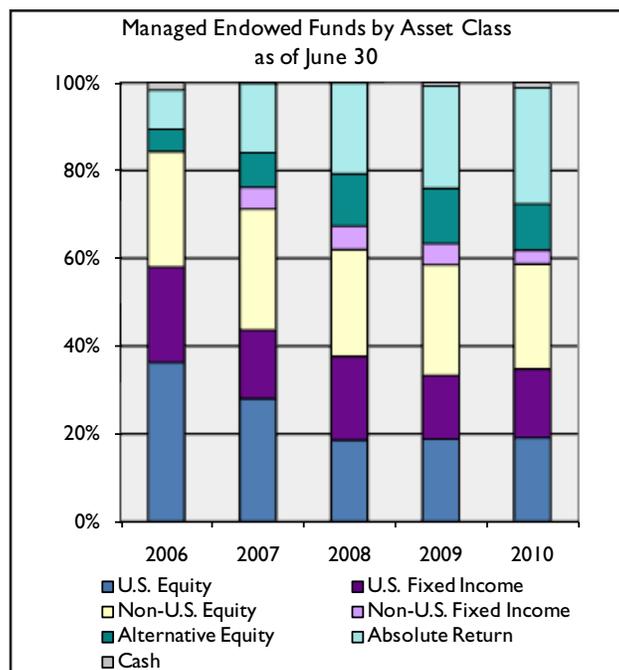
	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Regentally Managed Funds		
General Endowment Pool	\$5,080	100.0%
Total Regentally Managed Funds	\$5,080	100.0%
TOTAL ENDOWED ASSETS	\$5,080	100.0%

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

Endowment Spending Policy: Long-term total return target spending rate of 4.75% of a 60-month (five-year) rolling average market value. A spending rate of 4.75% was adopted in May 2006 for expenditures in fiscal year 2006-2007, 2007-2008, 2008-2009, and 2009-2010.

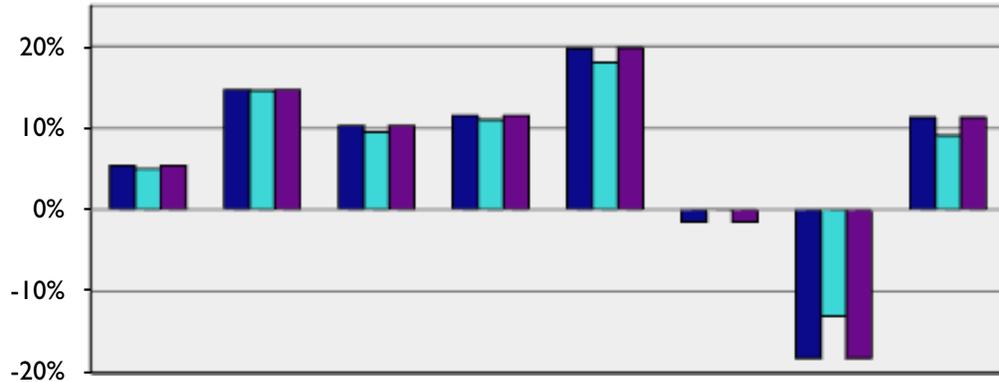
Policy for Gift Fees and Administrative Expenses: The University expects that funds privately raised shall support the development activities of the Chancellor and his staff. Currently, the University policy to effectuate this principle is the following: Upon the receipt of all gifts to UCM or the UCM Foundation, a fee of 5% of the initial value of the gift shall be assessed and deposited in the Chancellor's Discretionary Fund and shall support the necessary operations for the development function within the Chancellor's campus administration. The fee may be taken (1) from the principal if specified by the donor, (2) by holding the gift in a suspense account until fee is earned or (3) from another acceptable fund source. Additionally, all of the STIP income earned on endowments, funds functioning as endowments and non-endowment gifts shall also be deposited into the Chancellor's Discretionary Fund. The Vice President for Administration shall provide for a scheduled annual distribution of income and shall assess initial fees on gifts for deposit in the Chancellor's Discretionary Fund. The Chancellor shall waive the assessment of the off-the-top fee on ongoing interest earnings only in the event that a donor organization has a written policy which prohibits such fees.

Any waiver shall be communicated in writing from the Chancellor to the Vice Chancellor for Administration. It is the responsibility of the Vice Chancellor for Advancement to establish an appropriate method for notifying donors to the University and the University Foundation of the fee assessment and its purposes.



Annual Endowment Returns for Years Ending June 30

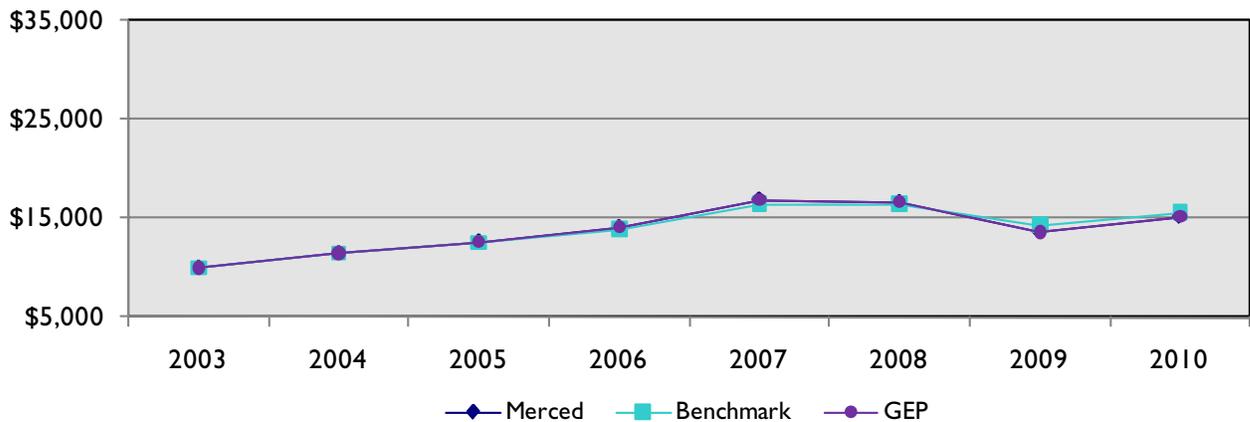
University of California, Merced Foundation, Foundation Benchmark and GEP



	2003	2004	2005	2006	2007	2008	2009	2010
Merced	5.4%	14.7%	10.3%	11.5%	19.8%	-1.5%	-18.2%	11.3%
Benchmark	5.0	14.6	9.5	11.0	18.1	0.0	-13.1	9.1
GEP	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

Seven-Year Performance of a \$10,000 Gift

University of California, Merced Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2003-2010		
Merced	Benchmark	GEP	Merced	Benchmark	GEP
\$15,165	\$15,586	\$15,164	6.1%	6.5%	6.1%

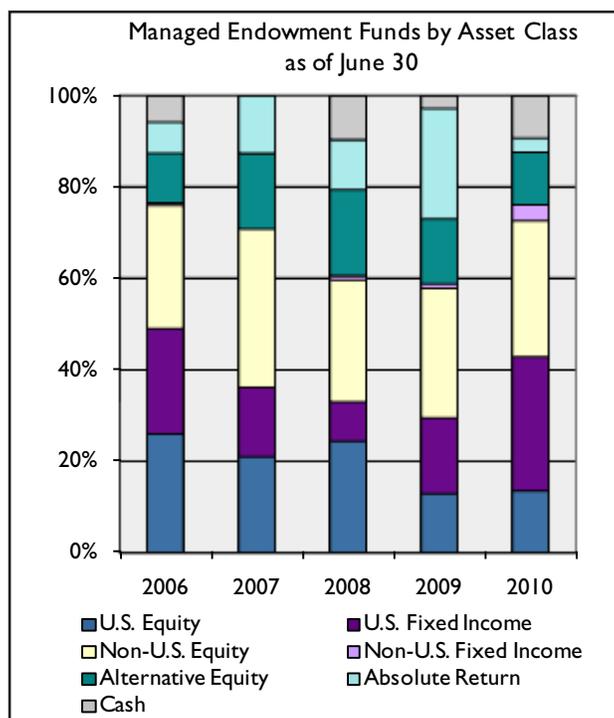
UC Riverside Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
International Equity Funds		
Oberweis China Opportunities	\$1,941	2.7%
Janus Overseas	3,814	5.2
Goldman Sachs BRIC	886	1.2
Balanced Funds		
TIFF Multi Asset Fund	30,827	42.4
Ivy Asset Strategy	4,191	5.8
First Eagle Global	6,290	8.6
Blackrock Global Allocation	4,089	5.6
Other Equities		
Park Street Natural Resources	450	0.6
U.S. Global Resources	4,181	5.7
High Yield Bonds		
Fidelity Capital & Income	7,525	10.3
Pioneer Global High Yield	7,589	10.4
Total Externally Managed Funds	\$71,783	98.6%
Regentally Managed Funds		
Short Term Investment Pool	966	1.3
Total Regentally Managed Funds	\$966	1.3%
Other Endowed Assets	\$22	0.0%
(primarily real estate, art and receivables)		
TOTAL ENDOWED ASSETS	\$72,771	100.0%

Endowment Investment Objective: The Riverside Foundation's long-term investment objectives of the endowment fund are to produce a relatively predictable and stable payout stream each year and to grow both the payout stream and the corpus over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. The investment policy consists of allowable ranges: 50-90% Global Equity and 10-50% Global Bonds.

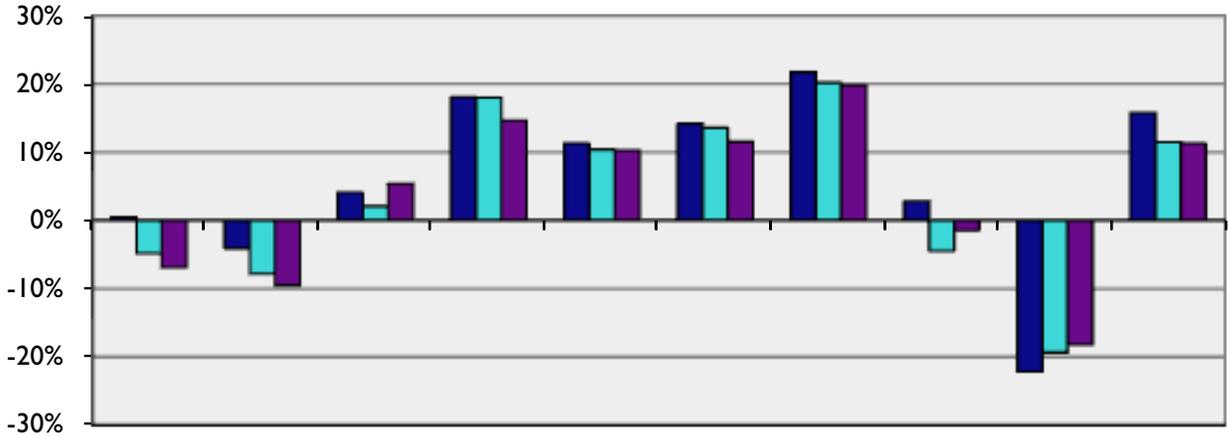
Endowment Spending Policy: The endowment fund payout policy is 4.75% of the average endowment fund market value computed using the previous 12 quarters of portfolio activity the last of which ended on the March 31 of such fiscal year.

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



Annual Endowment Returns for Years Ending June 30

UC Riverside Foundation, Foundation Benchmark and GEP

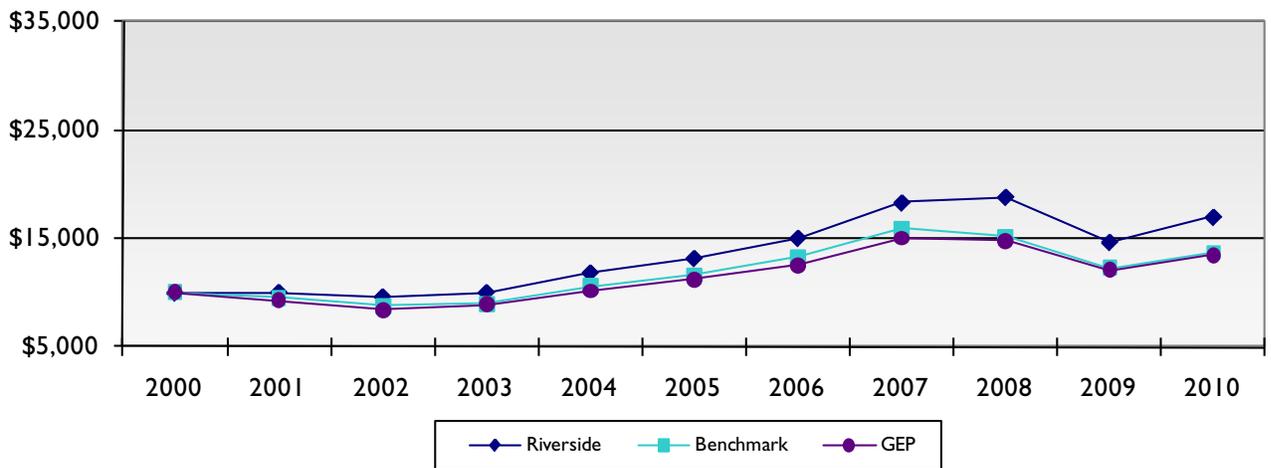


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ Riverside ¹	0.5%	-4.1%	4.1%	18.1%	11.3%	14.2%	21.7%	2.8%	-22.1%	15.8%
■ Benchmark	-4.8	-7.8	2.1	18.0	10.4	13.6	20.2	-4.5	-19.4	11.5
■ GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹The Riverside Foundation's net total return data excludes a portion of Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Riverside Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Riverside	Benchmark	GEP	Riverside	Benchmark	GEP
\$16,992	\$13,690	\$13,467	5.4%	3.2%	3.0%

U.C. San Diego Foundation

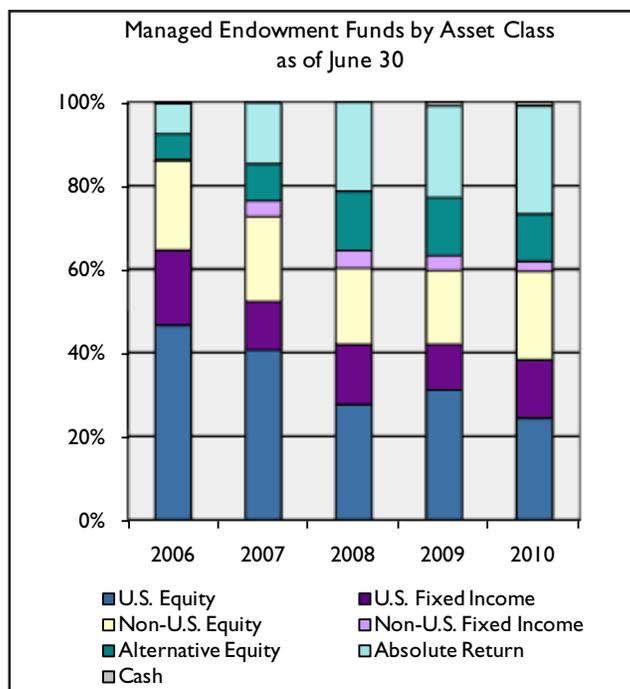
	6/30/10 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
Externally Managed Funds		
Large-Cap U.S. Equity Funds		
iShares S&P 500 Index	\$20,255	6.4%
Mid & Small-Cap U.S. Equity Funds		
Vanguard MidCap Index Institutional	6,753	2.1
Vanguard SmallCap Index Fund Institutional	7,489	2.4
International Equity Funds		
SSgA MSCI EAFE Index Fund	8,651	2.7
Emerging Market Equity Funds		
Vanguard Emerging Market	5,488	1.7
Other Equities		
Vanguard Inflation Protected Securities	9,151	2.9
iShares Cohen & Steers Realty Majors REIT	6,559	2.1
Fixed Income		
America Movil Bond	341	0.1
U.S. Mex Bond	381	0.1
Real Estate		
Prudential PRISA Fund	5,201	1.7
Cash		
Cash equivalents held in managed accounts	<u>2</u>	<u>0.0</u>
Total Externally Managed Funds	\$70,271	22.2%
Internally Managed Funds		
Individual Securities	109	0.0%
Real Property	<u>855</u>	<u>0.3</u>
Total Internally Managed Funds	\$964	0.3%
Regentally Managed Funds		
General Endowment Pool	220,014	69.5%
UC Absolute Return Fund	13,020	4.1
UC Real Estate Fund	3,354	1.0
Short Term Investment Pool	594	0.2
UC Vintage Equity Fund 2003	3,487	1.1
UC Vintage Equity Fund 2007	<u>3,671</u>	<u>1.2</u>
Total Regentally Managed Funds	\$244,140	77.1%
Other Endowed Assets		
Art Work	19	0.0%
Partnership	1,297	0.4%
Other	<u>37</u>	<u>0.0%</u>
Total Other Endowed Assets	\$1,353	0.4%
TOTAL ENDOWED ASSETS	\$316,728	100.0%*

* The method of rounding may produce the appearance of a minor inconsistency in the percentage but the difference does not affect the accuracy of the data.

Endowment Investment Objective: The U.C. San Diego Foundation's primary investment goal for its endowment is to maximize long-term total return, utilizing a diversified portfolio consistent with prudent levels of risk. Endowment portfolio performance is expected to preserve or enhance the real value of the endowment and the purchasing power of the spending. The portfolio return goal is to achieve an annualized total net return at least equivalent to, and preferably exceeding, the endowment spending rate plus inflation, over rolling five and ten year periods. The investment policy target asset allocation is 24% U.S. Equity, 22% Non-U.S. Equity, 7% Private Equity, 20% Absolute Return, 10% Real Estate, 7% TIPS/Real Return, and 10% Fixed Income.

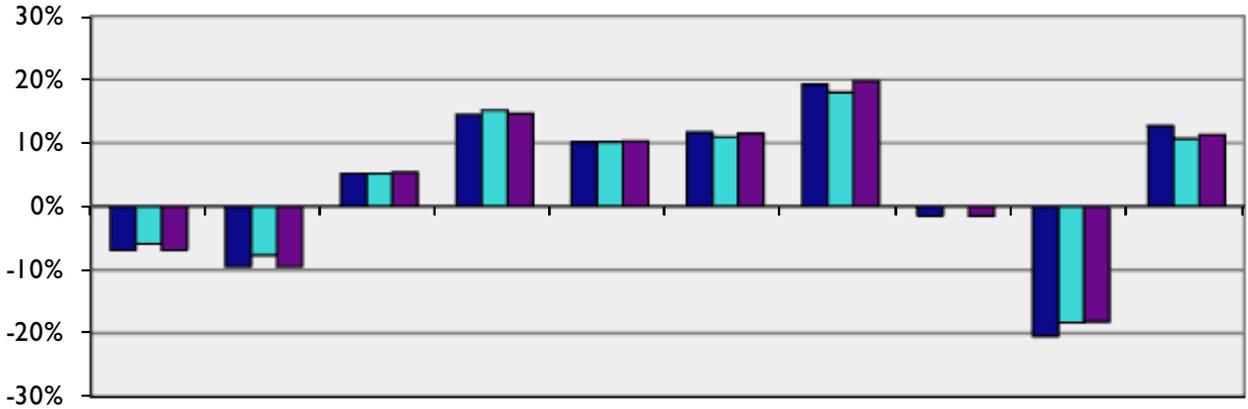
Endowment Spending Policy: Endowment spending during fiscal year 2009-10 was calculated using a predetermined formula at an amount equal to 3.75% of the five-year average unit market value of the endowment portfolio. Spending is allocated to fund holders monthly.

Policy for Gift Fees and Administrative Expenses: During fiscal year 2009-10, the San Diego campus assessed a one-time fee of 6% on the initial value of all gifts made to either the Foundation or The Regents. There was also a recurring charge of 0.40% annually on the market value of the Foundation's endowment funds. All of the gift fees and the endowment fees were used to provide funding for the centrally managed fundraising and related operations of the campus. During fiscal 2009-10, the campus assessed all interest earned on the balances of current use gift and private grant funds held by both the Foundation and the campus, which became a chancellorial resource.



Annual Endowment Returns for Years Ending June 30

U.C. San Diego Foundation, Foundation Benchmark and GEP

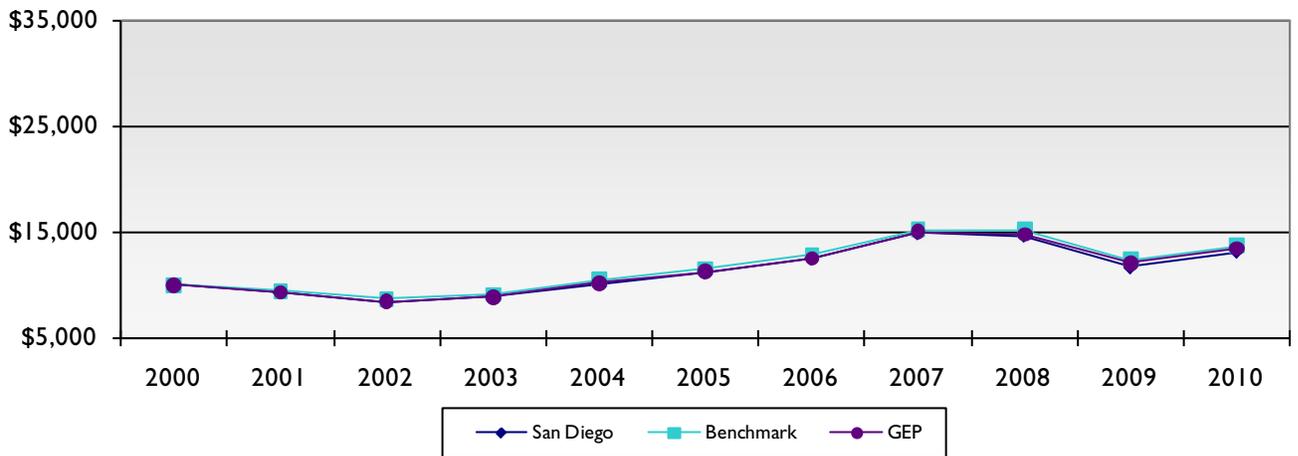


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
San Diego ¹	-6.9%	-9.5%	5.2%	14.5%	10.2%	11.7%	19.3%	-1.5%	-20.5%	12.7%
Benchmark	-5.9	-7.7	5.2	15.3	10.3	11.1	18.1	0.0	-18.3	10.7
GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹The U.C. San Diego Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

U.C. San Diego Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
San Diego	Benchmark	GEP	San Diego	Benchmark	GEP
\$13,158	\$13,762	\$13,467	2.8%	3.2%	3.0%

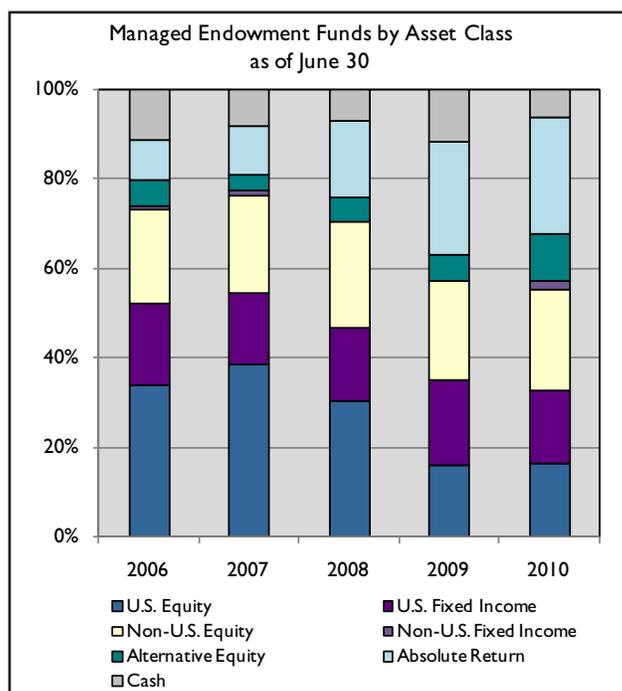
University of California, San Francisco Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
Large Cap Value		
Dodge & Cox	\$30,251	5.9%
Vanguard S&P 500 Index	22,208	4.4
Mid Cap		
ValueAct Capital Intl II	10,911	2.1
All Cap		
Eagle Capital Management	19,531	3.8
International Equity Funds		
Capital Guardian Trust	3	0.0
Gryphon International	25,752	5.0
Silchester	29,152	5.7
Dodge & Cox International Fund	22,618	4.4
International Emerging Equity		
Tiedemann Long Duration	6,447	1.3
Westwood Global Invest. Emerging Mkts	17,389	3.4
Aberdeen Emerging Markets	13,601	2.7
Real Estate & Hard Assets		
Metropolitan RE Partners III	2,659	0.5
Metropolitan RE Partners Intl II	829	0.2
Shorenstein SRI Nine REIT	1,009	0.2
CommonFund Capital Natural Res.V	1,625	0.3
Denham Commodity Fund V	1,512	0.3
LBA Realty IV	548	0.1
Cambrian Capital Natural Resources	9,508	1.9
PIMCO Commodity Real Return	10,258	2.0
Private Equity--Venture Capital, Distressed Debt		
Oaktree Principal Opportunity Fnd III	3,821	0.7
Oaktree Principal Opportunity Fnd IV	2,841	0.6
CommonFund Capital EVP IV	1,282	0.3
CommonFund Capital EVP V	2,227	0.4
CommonFund Capital CVP VI	2,605	0.5
Burrill Biotech Capital Fund LP	767	0.2
TIFF Private Equity Partners 2007	2,097	0.4
TIFF Private Equity Partners 2008	1,457	0.3
Friedman Fleisher & Lowe Cap. Partn. III	556	0.1
Varde Partners Fund IX-A	6,464	1.3
Varde Partners Fund X-B	1,498	0.3
Hedge Fund		
Protégé Partners LTD	7,180	1.4
TIFF Absolute Return Fund II	14,891	2.9
Farallon Capital Partners	11,841	2.3
Canyon Value Realization Fund	14,085	2.8
Forrester Offshore - Long/Short	16,494	3.2
Watershed Institutional Partners	11,488	2.3
Sankaty-Prospect Harbor Fund	8,666	1.7
Regiment Capital Special Situations IV	1,839	0.4
Brookside Capital Partners Fund	10,360	2.0
Baupost Value Partners IV	35,670	7.0
Bond Fund		
Dodge & Cox	63,033	12.4
Vanguard Inflation Protected	20,219	4.0
Non-U.S. Bond Fund		
Colchester Global	10,213	2.0
Cash	32,625	6.4
Total Externally Managed Funds	\$510,030	100.0%
TOTAL ENDOWED ASSETS	\$510,030	100.0%

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

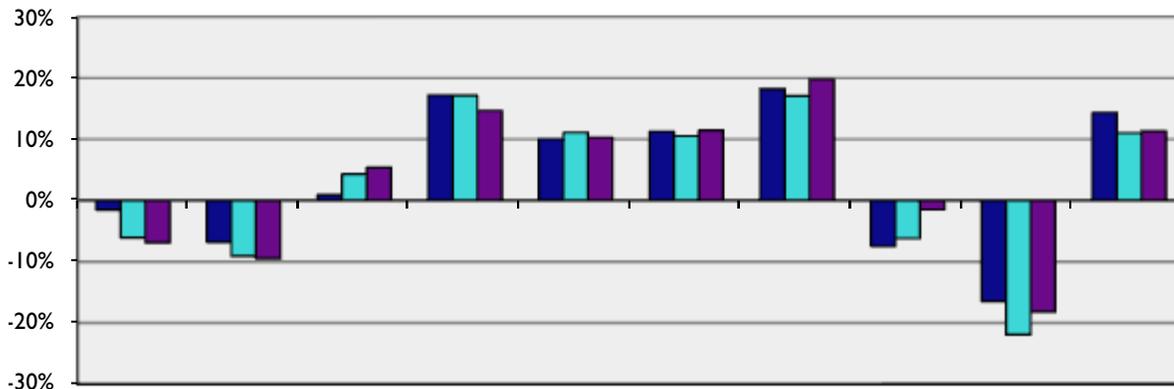
Endowment Spending Policy: A portion of the endowment pool will be expended annually. The amount of the distribution will be determined by the payout policy of the Foundation, modified by donors' wishes where applicable. The Foundation policy is to distribute 5% of the market value of the endowment pool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

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



Annual Endowment Returns for Years Ending June 30

San Francisco Foundation, Foundation Benchmark and GEP

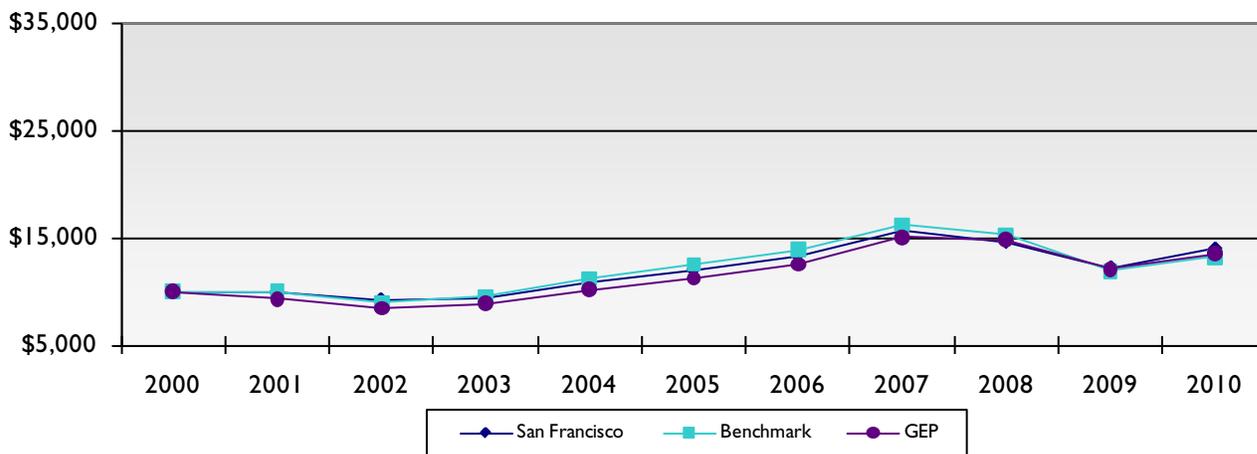


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ San Francisco ¹	-1.5%	-6.8%	0.9%	17.2%	10.1%	11.3%	18.2%	-7.5%	-16.5%	14.4%
■ Benchmark	-6.1	-9.1	4.3	17.2	11.1	10.5	17.1	-6.2	-21.9	11.0
■ GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹The UC San Francisco Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

San Francisco Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
San Francisco	Benchmark	GEP	San Francisco	Benchmark	GEP
\$13,894	\$12,203	\$13,467	3.3%	2.0%	3.0%

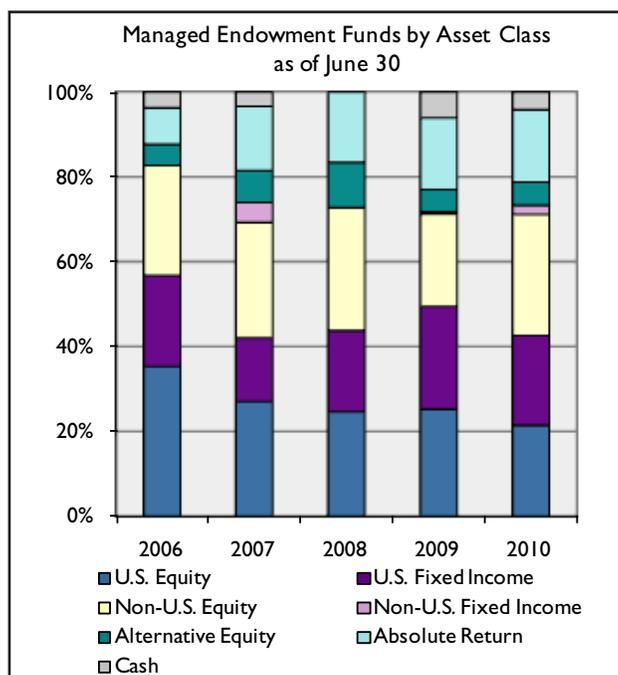
UC Santa Barbara Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
Equity Funds		
American Fund	\$160	0.2%
Andron Fund	1,165	1.2
Long Term Investment Pool	<u>96,435</u>	<u>97.5</u>
Total Externally Managed Funds	\$97,760	98.8%
Regentally Managed Funds		
General Endowment Pool	0	0.0
Short Term Investment Pool	<u>1,169</u>	<u>1.2</u>
Total Regentally Managed Funds	\$1,169	1.2
TOTAL ENDOWED ASSETS	\$98,929	100.0%

Endowment Investment Objective: All new endowment gifts are deposited into the Foundation's Long Term Investment Pool (LTIP), held primarily at Goldman Sachs with State Street Bank & Trust serving as master custodian. Endowment funds are invested in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Endowment Investment Spending Policies and Guidelines, as adopted by the Board of Trustees. The Foundation's investment objects are: 1) Preserve investment capital and its purchasing power; 2) Generate sufficient resources to meet spending needs (payouts); and 3) Attain reasonable capital appreciation through prudent acceptance of risk to enhance the future purchasing power of the investment capital.

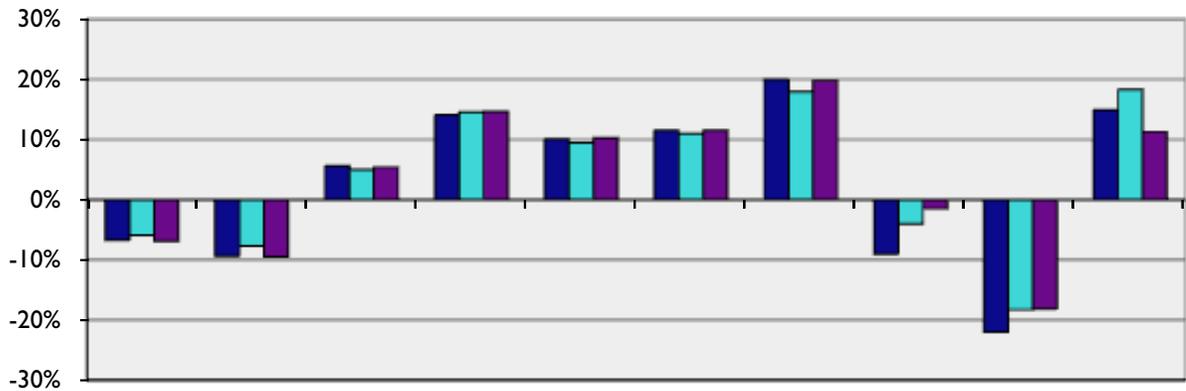
Endowment Spending Policy: The UC Santa Barbara Foundation adopted UMIFA at the Board meeting in October 1997. In February 2009, the Board adopted UPMIFA. At their February 2008 Board meeting, the Foundation adopted a total return spending policy for the 2009-2010 Fiscal Year of 4.75% of the 60-month rolling average share value as of December 31, 2008, for the Long Term Endowment Pool/General Endowment Pool.

Policy for Gift Fees and Administrative Expenses: During fiscal year 2009-10, the Santa Barbara campus did not assess a one-time fee on the initial value of all gifts made to either the Foundation or The Regents. The campus implemented a 2% one-time fee on the initial value of all gifts made to either the Foundation or The Regents effective July 1, 2010. During fiscal year 2009-10, the campus charged an Endowment Cost Recovery fee of 0.45% based upon the market value of the Foundation's (and The Regents') endowment funds that was used to partially offset the direct operating costs of managing the endowment. During fiscal 2009-10, the campus assessed all STIP interest earned on the expendable balances of gift and private grant funds held by both the Foundation and the campus. All of these recurring charges were used to provide funding for centrally managed fundraising and related operations.



Annual Endowment Returns for Years Ending June 30¹

UC Santa Barbara Foundation, Foundation Benchmark and GEP



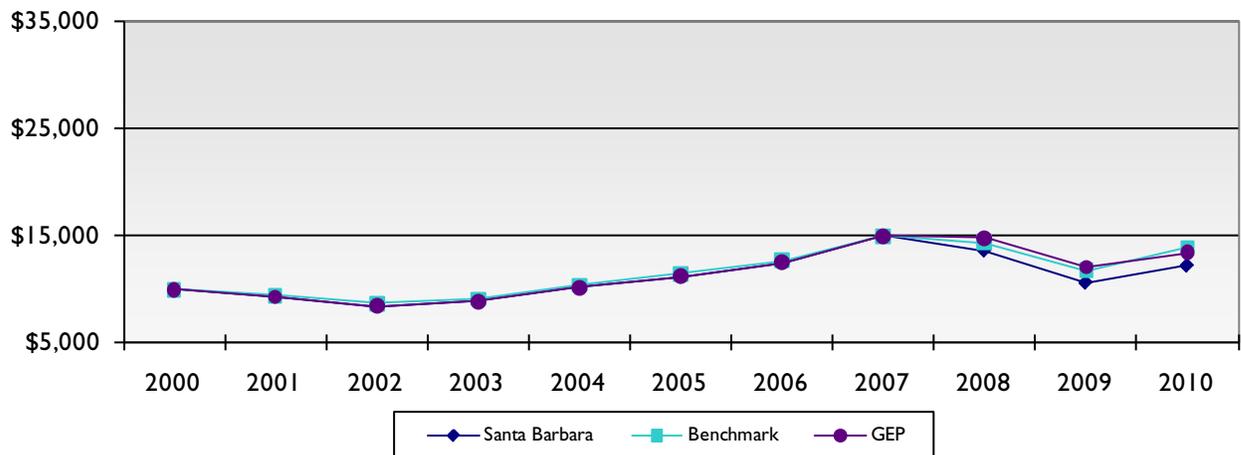
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ Santa Barbara ²	-6.7%	-9.4%	5.6%	14.1%	10.1%	11.5%	20.1%	-9.0%	-22.0%	15.0%
■ Benchmark	-5.9	-7.7	5.0	14.6	9.5	11.1	18.1	-4.0	-18.3	18.3
■ GEP	-6.9	-9.5	5.4	14.7	10.3	11.5	19.8	-1.5	-18.2	11.3

¹ UCSB Endowments were invested 60% in the High Income Pool through 2000.

² The UCSB Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Santa Barbara Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Santa Barbara	Benchmark	GEP	Santa Barbara	Benchmark	GEP
\$12,243	\$13,900	\$13,467	2.0%	3.3%	3.0%

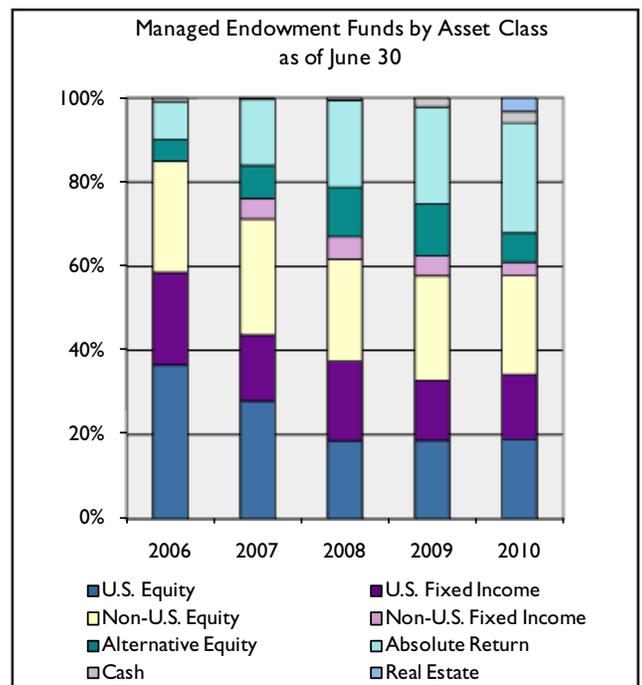
U.C. Santa Cruz Foundation

	6/30/10 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Regentally Managed Funds		
General Endowment Pool	\$46,245	98.5%
Short Term Investment Pool	709	1.5
Total Regentally Managed Funds	\$46,954	100.0%
Cash in Operating (unprocessed gifts)	\$14	0.0
TOTAL ENDOWED ASSETS	\$46,968	100.0%

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

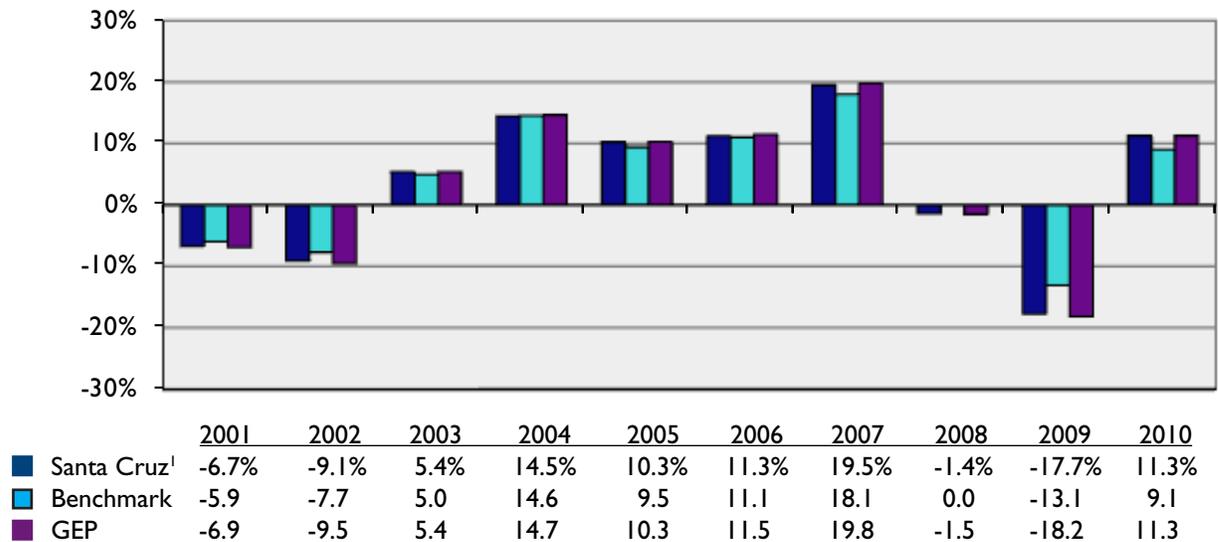
Endowment Spending Policy: The UC Santa Cruz Foundation endowment expenditure rate is 4.5% times a three-year moving average of June 30 market values. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions. In no event will the corpus be reduced below the amount of the original gift, adjusted by the Gross Domestic Product (GDP) price index, unless specific language of the endowment agreement so allows.

Policy for Gift Fees and Administrative Expenses: The UC Santa Cruz Foundation allocates STIP earnings to uninvested endowment balances when it is earned. The UCSC campus assesses a gift fee of 3% of initial value of endowment gifts and 5% of initial value of current use gifts. Of the 4.5% endowment expenditures, .3% is allocated for administrative expenses of the Foundation.



Annual Endowment Returns for Years Ending June 30

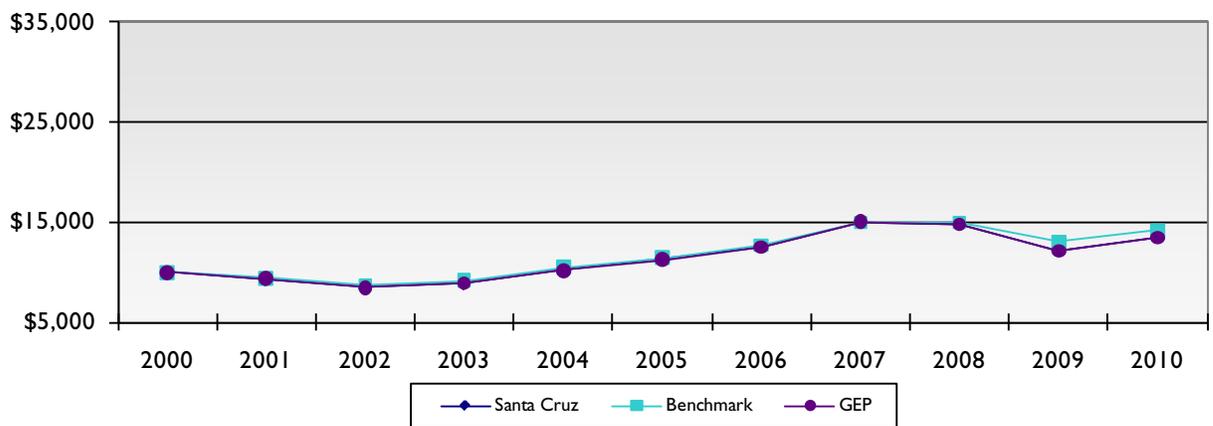
U.C. Santa Cruz Foundation, Foundation Benchmark and GEP



¹ The Santa Cruz Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

U.C. Santa Cruz Foundation, Foundation Benchmark and GEP



Ending Values 2010			Annualized Returns 2001-2010		
Santa Cruz	Benchmark	GEP	Santa Cruz	Benchmark	GEP
\$13,559	\$14,207	\$13,467	3.1%	3.6%	3.0%

The General Endowment Pool (GEP)

The General Endowment Pool (GEP), established in 1933 and unitized in 1958, is The Regents' primary investment vehicle for endowed gift funds. GEP is a balanced portfolio of equities and fixed-income securities in which all Regental endowment funds participate, unless payout needs require otherwise.

In March 1998, GEP payout policy moved from income-only to a set expenditure rate. In May 2009, The Regents approved the continuance of a rate of 4.75% for expenditure in fiscal year 2009-2010. The average annual unit value total return for GEP for the 10-year period ending June 30, 2010, was 3.01%.

Investment Strategy

The Regents adopted the following asset allocation policy effective April 2010:

Asset Class	Current Policy	Minimum	Maximum
Public Equity	45.5%	35.5%	55.5%
Public Fixed Income	18.0	13.0	23.0
All Alternatives*	36.5	26.5	46.5
Liquidity	0.0	0.0	10.0

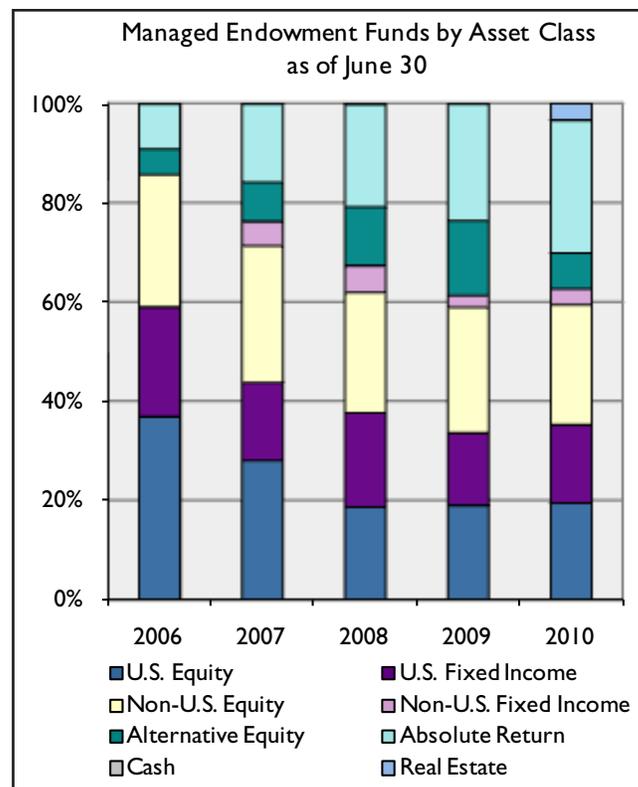
*Including, but not limited to: Real Estate, Private Equity, Real Assets, Opportunistic, and Absolute Return Strategies

The asset allocation benchmarks and portfolio guidelines are designed to manage risk and ensure portfolio diversification. The benchmarks for the individual asset classes are: Russell 3000 Tobacco Free (TF) Index for U.S. Equity; MSCI World Index ex-U.S. TF (Net) Index for Non-U.S. Equity-Developed Markets; MSCI Emerging Markets (Net) Index for Non-U.S. Equity-Emerging Markets; MSCI All Country World Index Net Investable Market Index (IMI) TF for Global Equity; Barclays Aggregate Bond Index for U.S. Core Fixed Income; Merrill Lynch High-Yield Cash Pay Index for High Yield Fixed Income; JP Morgan Emerging Market Bond Index-Global Diversified for Emerging Market Fixed Income; Barclays Capital TIPS Index for TIPS; HFRX Absolute Return Index and HFRX Market Directional Index for Absolute Return; Real Estate Public: Public: FTSE EPRA NAREIT U.S. Index and FTSE EPRA NAREIT Global ex-U.S. Index and Private: NCREIF Funds Index-Open-End Diversified Core Equity. The Real Assets benchmark includes Timberland, Energy, Infrastructure, Opportunistic Benchmarks: Internal Rate of Return (IRR)-Based Benchmark and Commodities: S&P GSCI Reduced Energy Index. For the Opportunistic benchmark, the Regents' general investment consultant will establish an appropriate individual benchmark after the investment is chosen but before funding the investment. Long-term Private Equity portfolio returns will be compared to investable public-equity alternatives as well as non-investable peer group indices. There is no appropriate market benchmark to use for short-term Private Equity performance evaluation or decision making. The total fund benchmark is a policy-weighted average of the individual asset-class benchmarks.

During the 2009-2010 fiscal year, a Real Assets and Opportunistic portfolio were added to the GEP portfolio. The current GEP Investment Policy Statement is available on the Treasurer's Office website (http://www.ucop.edu/treasurer/invpol/GEP_investment_policy.html).

Asset Mix

The following represents GEP's asset mix as of each of the past five fiscal-year ends.



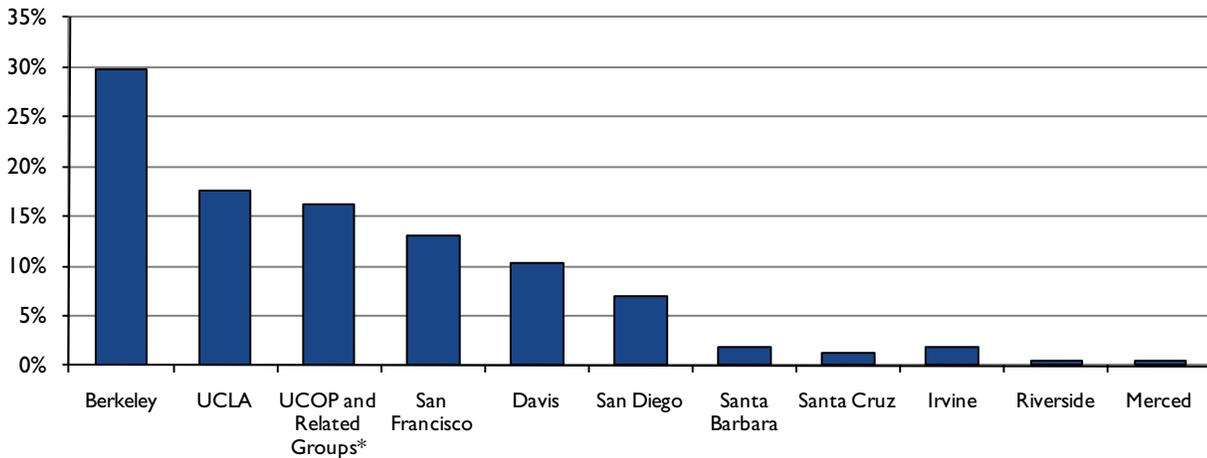
The General Endowment Pool (GEP)

Asset Designation by Campus and Purpose

A donor has two avenues for making a gift to or establishing an endowment at the University: either directly to The Regents for a specific campus and/or purpose, or directly to a campus through its Foundation. The campus Foundation trustees have discretion in their choice of investment managers and may use the Treasurer's Office or external investment managers.

The Regents' endowment pools include assets that were gifted directly to The Regents, as well as Foundation assets where the Treasurer was retained as the investment manager. The chart below illustrates the breakdown of GEP's assets among the campuses. Not surprisingly, a higher proportion of the assets is dedicated to the older campuses, which have a more established alumni and donor base. Development efforts at the younger campuses aim to leverage the growth of their alumni base, as well as cultivate donors.

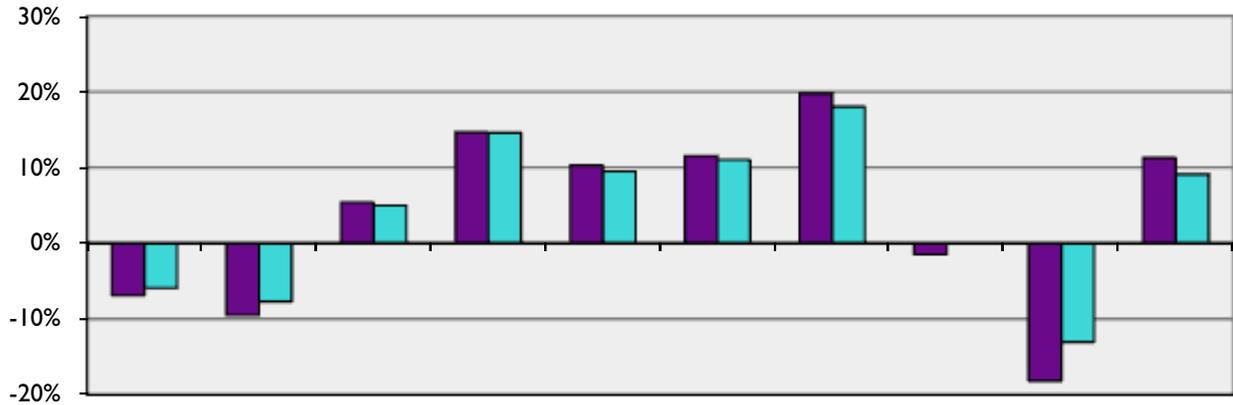
GEP Assets Designated by Campus
June 30, 2010



* University of California Office of the President (UCOP) administered programs and multi-campus gifts.

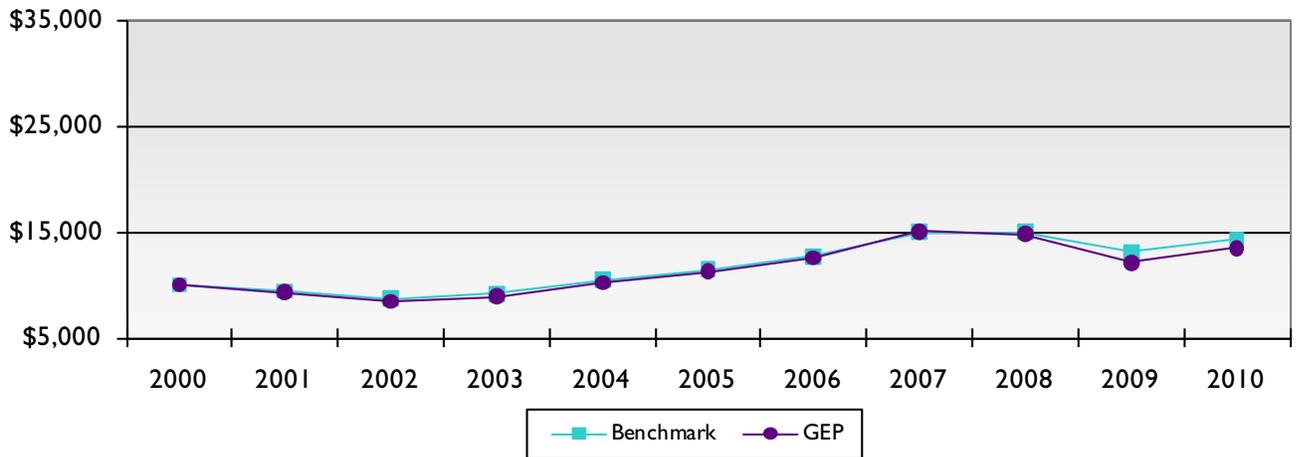
The General Endowment Pool (GEP)

Annual Endowment Returns for Years Ending June 30
GEP and Benchmark



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ GEP*	-6.9%	-9.5%	5.4%	14.7%	10.3%	11.5%	19.8%	-1.5%	-18.2%	11.3%
■ Benchmark	-5.9	-7.7	5.0	14.6	9.5	11.1	18.1	0.0	-13.1	9.1

Ten-Year Performance of a \$10,000 Gift
GEP and Benchmark



Ending Values 2010		Annualized Returns 2001-2010	
GEP	Benchmark	GEP	Benchmark
\$13,467	\$14,207	3.0%	3.6%

* Unit value total return.

This page intentionally left blank.



X. 10-Year Historical Performance

Table 10 10-Year Foundation Investment Performance (periods ending June 30)											
Annual Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	11.7%	11.3%	11.0%	11.8%	11.3%	15.8%	12.7%	14.4%	15.0%	11.3%	11.3%
2009	-20.6	-17.9	-20.6	-21.1	-18.2	-22.1	-20.5	-16.5	-22.0	-17.7	-18.2
2008	-0.3	-1.4	-2.9	0.1	-1.5	2.8	-1.5	-7.5	-9.0	-1.4	-1.5
2007	20.3	19.7	18.7	17.8	19.8	21.7	19.3	18.2	20.1	19.5	19.8
2006	14.8	11.3	10.9	12.9	11.5	14.2	11.7	11.3	11.5	11.3	11.5
2005	11.3	10.2	7.7	10.2	10.3	11.3	10.2	10.1	10.1	10.3	10.3
2004	17.7	14.4	15.6	15.2	14.7	18.1	14.5	17.2	14.1	14.5	14.7
2003	3.4	5.5	6.5	4.5	5.4	4.1	5.2	0.9	5.6	5.4	5.4
2002	-4.8	-8.3	-7.2	-8.9		-4.1	-9.5	-6.8	-9.4	-9.1	-9.5
2001	-5.0	-5.6	-3.4	-1.3		0.5	-6.9	-1.5	-6.7	-6.7	-6.9
Average Annualized Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	11.7%	11.3%	11.0%	11.8%	11.3%	15.8%	12.7%	14.4%	15.0%	11.3%	11.3%
('09-'10)	-5.8	-4.4	-6.1	-6.0	-4.6	-5.0	-5.3	-2.3	-5.3	-4.3	-4.6
('08-'10)	-4.0	-3.4	-5.1	-4.1	-3.6	-2.5	-4.1	-4.0	-6.6	-3.3	-3.6
('07-'10)	1.5	1.9	0.4	1.0	1.8	3.1	1.3	1.1	-0.5	1.9	1.8
('06-'10)	4.1	3.7	2.4	3.3	3.7	5.2	3.3	3.1	1.8	3.7	3.7
('05-'10)	5.2	4.8	3.3	4.4	4.8	6.2	4.4	4.2	3.1	4.8	4.8
('04-'10)	6.9	6.1	4.9	5.9	6.1	7.8	5.8	6.0	4.6	6.1	6.1
('03-'10)	6.5	6.0	5.1	5.7		7.3	5.7	5.3	4.7	6.0	6.0
('02-'10)	5.2	4.3	3.7	4.0		6.0	3.9	3.9	3.1	4.2	4.2
('01-'10)	4.1	3.3	2.9	3.4		5.4	2.8	3.3	2.0	3.1	3.0
Cumulative Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	11.7%	11.3%	11.0%	11.8%	11.3%	15.8%	12.7%	14.4%	15.0%	11.3%	11.3%
('09-'10)	-11.3	-8.6	-11.9	-11.7	-8.9	-9.8	-10.3	-4.5	-10.4	-8.4	-8.9
('08-'10)	-11.6	-9.9	-14.5	-11.7	-10.3	-7.3	-11.7	-11.6	-18.5	-9.7	-10.3
('07-'10)	6.3	7.9	1.5	4.1	7.5	12.9	5.3	4.5	-2.1	8.0	7.5
('06-'10)	22.1	20.1	12.5	17.5	19.9	28.9	17.6	16.3	9.2	20.1	19.9
('05-'10)	35.9	32.4	21.1	29.5	32.2	43.4	29.6	28.0	20.2	32.5	32.2
('04-'10)	60.0	51.5	40.0	49.1	51.7	69.4	48.4	50.0	37.2	51.7	51.6
('03-'10)	65.4	59.8	49.1	55.9		76.3	56.2	51.4	44.8	59.9	59.8
('02-'10)	57.5	46.6	38.4	42.0		69.1	41.3	41.1	31.2	45.3	44.7
('01-'10)	49.6	38.4	33.7	40.1		69.9	31.6	38.9	22.4	35.6	34.7

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

Table 11
10-Year Benchmark and Active Performance
 (periods ending June 30)

Annual Total Returns - Benchmarks											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	10.2%	9.1%	9.2%	10.0%	9.1%	11.5%	10.7%	11.0%	18.3%	9.1%	9.1%
2009	-15.6	-13.1	-16.1	-19.0	-13.1	-19.4	-18.3	-21.9	-18.3	-13.1	-13.1
2008	-1.2	0.0	-6.4	0.6	0.0	-4.5	0.0	-6.2	-4.0	0.0	0.0
2007	16.9	18.0	19.0	17.1	18.0	20.2	18.0	17.1	18.0	18.0	18.0
2006	12.7	11.1	10.3	10.3	11.1	13.6	11.1	10.5	11.1	11.1	11.1
2005	10.3	9.5	9.3	8.7	9.5	10.4	10.3	11.1	9.5	9.5	9.5
2004	17.1	14.6	15.1	16.2	14.6	18.0	15.2	17.2	14.6	14.6	14.6
2003	2.8	5.0	3.2	3.0	5.0	2.1	5.2	4.3	5.0	5.0	5.0
2002	-8.1	-7.7	-6.6	-10.5		-7.8	-7.7	-9.1	-7.7	-7.7	-7.7
2001	-9.5	-5.9	-6.2	-9.6		-4.8	-5.9	-6.1	-5.9	-5.9	-5.9
Annual Active Returns (Foundation minus Benchmark) ¹											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	1.6%	2.3%	1.8%	1.8%	2.3%	4.3%	2.0%	3.3%	-3.3%	2.3%	2.3%
2009	-5.1	-4.9	-4.6	-2.0	-5.1	-2.7	-2.1	5.4	-3.7	-4.7	-5.1
2008	0.9	-1.3	3.4	-0.5	-1.5	7.3	-1.5	-1.3	-5.0	-1.3	-1.5
2007	3.4	1.7	-0.2	0.7	1.7	1.5	1.2	1.2	2.0	1.5	1.8
2006	2.2	0.3	0.6	2.6	0.5	0.6	0.6	0.7	0.4	0.2	0.4
2005	1.0	0.8	-1.6	1.4	0.9	0.9	-0.1	-1.1	0.7	0.8	0.9
2004	0.6	-0.2	0.5	-1.0	0.1	0.1	-0.7	0.1	-0.5	-0.1	0.1
2003	0.6	0.5	3.3	1.5	0.4	2.0	0.0	-3.4	0.6	0.4	0.4
2002	3.3	-0.6	-0.6	1.6		3.7	-1.8	2.3	-1.7	-1.4	-1.8
2001	4.5	0.3	2.8	8.3		5.3	-1.0	4.6	-0.8	-0.8	-1.0
Average Annualized Active Returns (Foundation minus Benchmark) ²											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2010	1.4%	2.1%	1.6%	1.6%	2.1%	3.9%	1.8%	3.0%	-2.8%	2.1%	2.1%
('09-'10)	-2.4	-1.8	-2.0	-0.5	-2.0	0.2	-0.4	5.0	-3.7	-1.7	-2.0
('08-'10)	-1.3	-1.7	-0.1	-0.5	-1.8	2.6	-0.8	2.8	-4.2	-1.6	-1.8
('07-'10)	-0.3	-0.9	-0.1	-0.2	-1.0	2.3	-0.3	2.4	-2.8	-0.9	-1.0
('06-'10)	0.2	-0.7	-0.0	0.3	-0.7	1.9	-0.2	2.0	-2.1	-0.7	-0.7
('05-'10)	0.3	-0.4	-0.3	0.5	-0.5	1.7	-0.1	1.5	-1.7	-0.4	-0.5
('04-'10)	0.3	-0.4	-0.2	0.3	-0.4	1.5	-0.2	1.3	-1.5	-0.4	-0.4
('03-'10)	0.4	-0.3	0.3	0.4	-0.3	1.6	-0.2	0.7	-1.2	-0.3	-0.3
('02-'10)	0.7	-0.3	0.2	0.6		1.8	-0.4	0.9	-1.3	-0.4	-0.5
('01-'10)	1.1	-0.3	0.4	1.4		2.2	-0.4	1.3	-1.3	-0.5	-0.5

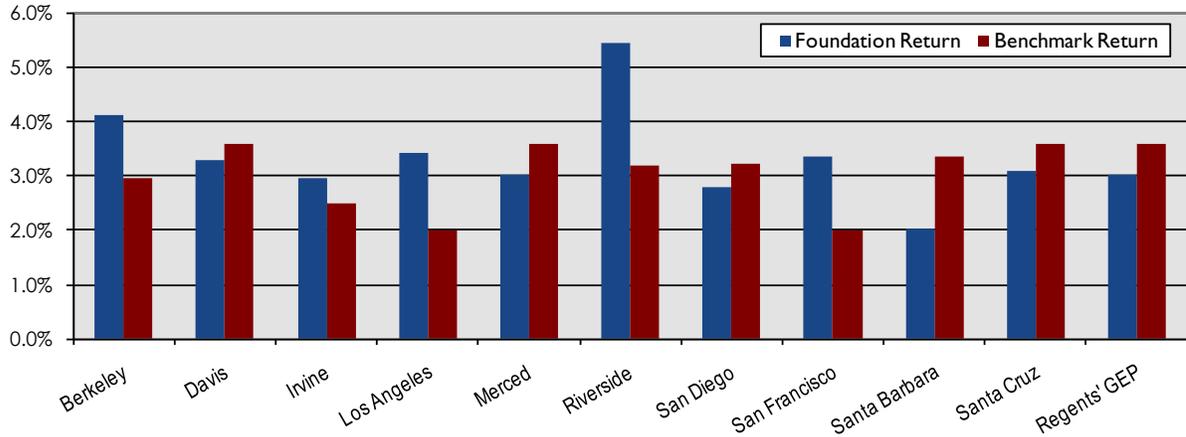
¹ Arithmetic difference

² Annualized geometric difference

XI

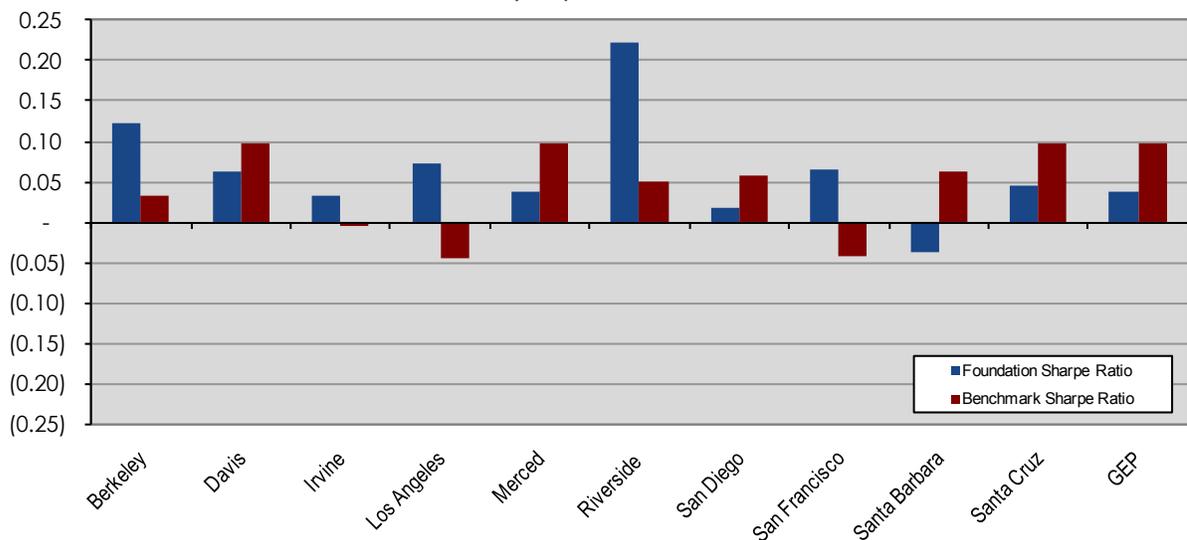
XI. Supplemental

Foundation and Benchmark Annualized Return
for the 10-year period 7/2000 - 6/2010

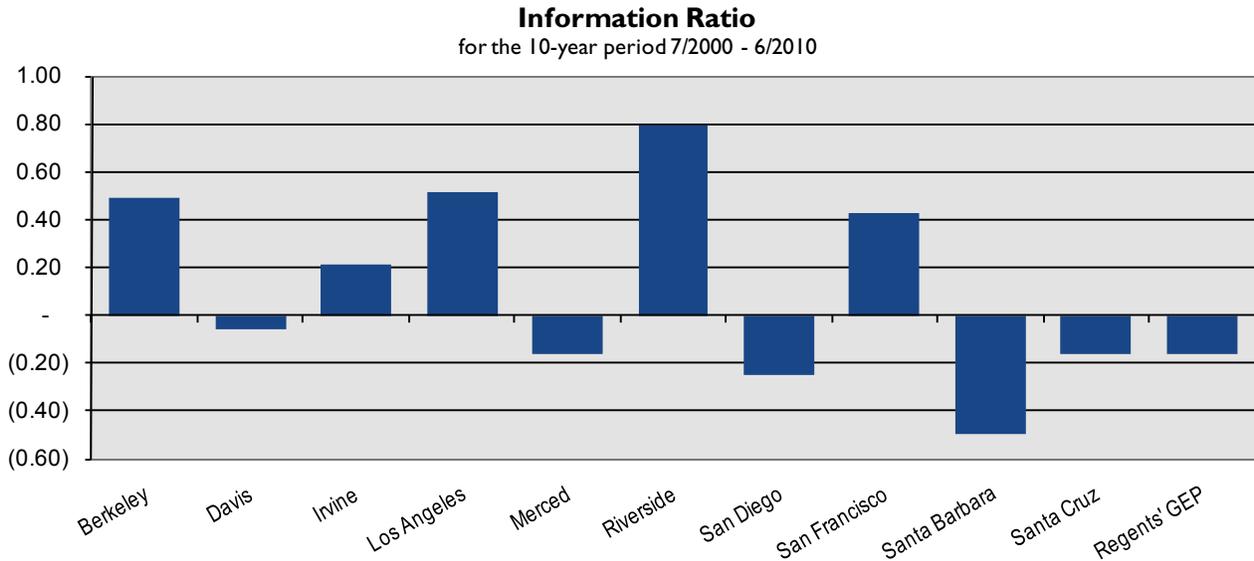


The chart above compares the investment return for each Foundation with its benchmark, for the entire 10-year period June 2000–June 2010 (Merced uses GEP for full period). This information answers two questions: how well did the Fund perform relative to its stated policy, and how well did the choice of asset classes meet the fiduciaries’ expectations for return and appetite for risk.

Foundation and Benchmark Sharpe Ratios
for the 10-year period 7/2000 - 6/2010



The chart above shows the Sharpe ratio for each Foundation and its respective benchmark, for the 10-year period, June 2000–June 2010. This measure of risk adjusted performance divides excess return (total return in excess of the risk free rate or cash return) by total volatility (standard deviation of returns). The results show how well each Foundation and the GEP outperformed their respective benchmarks on a risk-adjusted basis.



The Information Ratio, a measure of risk-adjusted active return, is shown in the graph above. It is defined as the ratio of Active Return to Active Risk. Active return is the difference between the annual Fund return and the Benchmark return for that year, and is here calculated as the arithmetic average of the ten one-year active returns shown in the middle panel of Table 11 in Section X. Active risk is the volatility of active returns, and is here calculated as the standard deviation of the 10 one-year active returns. The Information Ratio is positive (good) if on average the fund return exceeds the benchmark over the period, and negative otherwise. It is larger (good) if the active return was produced with some consistency, i.e., if the volatility (in the denominator) is lower.

Note: As the second and third charts were computed with annual, rather than monthly returns (as is customary), they present approximations of risk and risk-adjusted returns.

Sources: Returns prior to 2006 were provided by the individual Foundations. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances. The Foundations also provided their investment policy and benchmark policy allocations, which are summarized in Section XII. Based on this information, the Regents' Investment Consultant computed annual benchmark returns and the measures of risk and risk-adjusted returns shown in the charts above.

XIII

XII. Investment Policies as of June 30, 2010

Asset Class	Benchmark Component	Percentage
UC Berkeley		
U.S. Equity	Russell 3000	16.3%
Non-U.S. Equity	MSCI EAFE	15.3
	MSCI EMF	7.0
Marketable Alternatives	91-Day T-Bill + 5%	20.0
Private Equity/Venture Capital	Benched against itself	11.5
Private Real Estate	Benched against itself	0.7
Private Energy/Commodities	Benched against itself	1.4
Real Estate	Dow Jones-Wilshire REIT	2.0
	FTSE/EPRA NAREIT GLOBAL RE	1.3
Energy/Commodities/Other	DJAIGTR	1.5
	MSCI World Natural Resources	3.1
U.S. Fixed Income	Barclays Capital Aggregate	2.0
	BC 3-10-Year Treasury	10.0
Global Fixed Income	Citigroup World Govt Bond	3.0
Cash	T Bill	5.0
Total		100.0%
UC Davis		
GEP	GEP Benchmark	100.0%
Total		100.0%
UC Irvine		
U.S. Equity	Russell 3000	22.0%
Non U.S. Equity	MSCI EAFE	22.0
Private Equity	Russell 3000 + 3%	8.0
Hedge Funds	HFRI Fund of Funds Index	20.0
Commodities	DJ AIG Commodity Index	5.0
Real Estate	Total Property Index	8.0
US Fixed Income	Barclays Capital Aggregate	15.0
Total		100.0%
UC Los Angeles		
U.S. Equity	Russell 3000	13.0%*
Non-U.S. Equity	MSCI World ex U.S.	14.0*
Private Equity	Actual PE Returns	23.0*
Real Estate	NCREIF	7.0*
Absolute Return	HFRX Absolute Return	32.0*
Fixed Income	Barclays Capital Aggregate	11.0*
Total		100.0%
UC Merced		
GEP	GEP Benchmark	100.0%
Total		100.0%
UC Riverside		
Global Equity	MSCI AC World	71.0%
Fixed Income	Barclays Capital Aggregate	29.0
Total		100.0%

* Percentages represent targeted holdings, the Benchmark applied is based on actual asset class mix.

Asset Class	Benchmark Component	Percentage
UC San Diego		
U.S. Equity	S&P 500	16.0
	Russell 2500	8.0
Non-U.S. Equity	MSCI ACWI ex-U.S.	17.0
	MSCI Emerging Mkts Index	5.0
Private Equity	S&P 500 + 5%	7.0
Absolute Return	HFN FOF Multi-Strat. Index	20.0
Real Estate	NCREIF Property Index	10.0
Fixed Income	Barclays Capital U.S. Aggregate Bond Index	10.0
	Consumer Price Index + 5%	7.0
Total		100.0%
UC San Francisco		
U.S. Equity	Russell 3000	20.0%
Non-U.S. Equities	MSCI All Country World ex USA	20.0
Hedge Funds	8% Return (Hedge Funds)	25.0
Private Equity	S&P 500 + 7% (Private Equity)	7.5
REITS	NAREIT	7.5
U.S. Fixed Income	Barclays Capital Aggregate	20.0
Total		100.0%
UC Santa Barbara		
U.S. Equity	S&P 500	21.0%
Non-U.S. Equity Developed	MSCI World Ex-U.S. (Net)	13.0
Emerging Market Equity	MSCI Emerging Markets (Net)	6.0
Fixed Income	Barclays Capital Aggregate	13.0
	Barclays Capital High Yield	5.0
Absolute Return	Libor + 4.5%	16.5
Inflation Hedge	NAREIT All Share Price Index	16.0
Private Equity	Russell 3000 + 3%	9.5
Total		100.0%
UC Santa Cruz		
GEP	GEP Benchmark	100.0%
Total		100.0%
GEP		
U.S. Equity	Russell 3000 Tobacco Free Index	20.0%
Non-U.S. Equity Developed	MSCI World ex-U.S. Net Tobacco Free	18.5
Emerging Market Equity	MSCI Emerging Market Free Net	5.0
Global Equity	MSCI All Country World Index Net – IMI – Tobacco Free	2.0
U.S. Core Fixed Income	Barclays Capital Aggregate Bond Index	8.0
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	3.0
Emerging Market Debt	JP Morgan Emerging Market Bond Index – Global Diversified	3.0
TIPS	Barclays Capital TIPS Index	4.0
Absolute Return	50% x HFRX Absolute Return Index + 50% HFRX Market Directional Index	23.5
Real Assets	Timberland, Energy, Infrastructure, Opportunistic Benchmarks: Internal Rate of Return (IRR)-Based Benchmark; Commodities: S&P GSCI Reduced Energy Index	0.5
Opportunistic	The Regents' general investment consultant will establish an appropriate individual benchmark after the investment is chosen but before funding the investment	0.5
Private Equity	Actual return of private equity portfolio	7.0
Real Estate	Public: 50% times the FTSE EPRA NAREIT U.S. Index plus 50% times the FTSE EPRA NAREIT Global ex-U.S. Index. Private: Open End = NCREIF Funds Index–Open-End Diversified Core Equity (lagged three months); Closed End = Actual Closed End Return	5.0
Total		100.0%

XIII

XIII. Glossary

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

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

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

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

Non-Endowed Assets: Current gift and trust/life income assets, excluding pledges.

Other Endowed Assets: Separately invested assets, mortgages, real estate, and receivables.