

INVESTMENTS SUBCOMMITTEE

March 14, 2017

**GENERAL ENDOWMENT POOL ASSET ALLOCATION REVIEW AND
RECOMMENDATIONS**

The Chief Investment Officer and Cambridge Associates recommend that the Investments Subcommittee approve amendment of Section A of Appendix 1 of the University of California General Endowment Pool Investment Policy Statement as shown in Attachment 1, effective July 1, 2017.

Committee vote: Regents Elliott, Kieffer, Makarechian, Sherman, and Zettel voting “aye.”

Additions shown by underscoring; deletions shown by strikethrough.

APPENDIX 1

Effective: ~~May 12, 2016~~ July 1, 2017

Replaces Version Effective: ~~July 19, 2012~~ May 12, 2016

ASSET ALLOCATION, PERFORMANCE BENCHMARKS, AND REBALANCING POLICY

A. Strategic Asset Allocation and Ranges

	<u>Target Allocation</u>	<u>Allowable Ranges</u>	
		<u>Minimum</u>	<u>Maximum</u>
<u>Global Equity</u>	<u>30.0%</u>	<u>20.0%</u>	<u>52.5%</u>
US Equity	21.0 <u>15.7</u>	16.0	26.0
Developed Non US Equity	14.0 <u>11.0</u>	9.0	19.0
Emerging Mkt Equity	7.5 <u>3.3</u>	5.0	10.0
US Fixed Income	5.0	2.0	8.0
High Yield Fixed Income	2.5	0.0	5.0
Emerging Mkt Fixed Income	2.5	0.0	5.0
TIPS	2.5	0.0	5.0
Private Equity	11.5 <u>22.5</u>	6.5 <u>10.0</u>	16.5 <u>32.5</u>
Absolute Return (<u>Strategic Opportunities</u>)	23.0 <u>25.0</u>	18 <u>15.0</u>	28.0 <u>32.0</u>
Real Assets	3.0 <u>12.5</u>	0.0 <u>30</u>	6.0 <u>17.5</u>
Real Estate	7.5	4.5	10.5
Liquidity	0.0 <u>10.0</u>	0.0	15 <u>17.5</u>
TOTAL	100%		
Combined Public Equity	42.5	32.5	52.5
Combined Fixed Income	12.5	7.5	17.5
Combined other Investments*	45.0	30.0	60.0

* Other Investments category including, but not limited to: Real Estate, Private Equity, Real Assets, and Absolute Return Strategies
