The Regents of the University of California

COMMITTEE ON INVESTMENTS
March 18, 2004

The Committee on Investments met on the above date at UCSF-Laurel Heights, San Francisco.

Members present: Regents Connerly, Dynes, Kozberg, Montoya, Moores, Parsky, and Preuss; Advisory members Anderson, Ornellas, and Blumenthal

In attendance: Regents Bodine, Bustamante, Hopkinson, Johnson, Lozano, Marcus, Murray, Sayles, and Seigler, Regent-designate Novack, Faculty Representative Pitts, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Doby, Drake, Foley, Gomes, and Hershman, Chancellors Córdova, Tomlinson-Keasey, and Yang, Executive Vice Chancellor Gray representing Chancellor Berdahl, and Recording Secretary Nietfeld

The meeting convened at 11:55 a.m. with Committee Chair Parsky presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Upon motion duly made and seconded, the minutes of the meetings of November 5, 2003 and February 11, 2004 were approved.

2. **U.S. EQUITY ASSET CLASS GUIDELINES**

The Treasurer and Wilshire Associates recommended that The Regents approve the attached portfolio investment guidelines for the U.S. Public Equity Asset Class within the University Funds of the retirement, general endowment, and 403 (b) plans.

It was recalled that in November 2002, The Regents approved the Treasurer’s recommendation that the equity assets managed by internal staff within the Office of the Treasurer should be reallocated to external equity managers who would be identified, hired, and monitored by staff within the Office of the Treasurer. A staffing plan for the Externally Managed Investment Group within the Treasurer’s Office was approved, and the group has initiated the first of a series of Requests For Proposal in order to identify and select the external manager firms. The approval of asset class portfolio guidelines is required prior to the hiring of the initial external managers. The existing asset class guidelines for U.S. Equity were approved in March 2000 and were written specifically for the portfolio then managed by the UC Treasurer. Hence, they are no longer appropriate for the implementation of multiple strategies, each focused on a particular segment of the broad equity market. The guidelines proposed by the Treasurer amend the existing guidelines to allow for multiple strategies, while controlling risk for the aggregate of actively managed U.S. Equity assets.
Upon motion duly made and seconded, the Committee approved the Treasurer’s recommendation and voted to present it to the Board.

The meeting adjourned at 11:56 a.m.

Attest:

Secretary