

## Office of the Treasurer

### TO MEMBERS OF THE COMMITTEE ON INVESTMENTS / INVESTMENT ADVISORY GROUP:

#### DISCUSSION ITEM

*For Meeting of February 26, 2013*

### FOURTH QUARTER 2012 AND FISCAL YEAR 2012-13 TO DATE INVESTMENT PERFORMANCE SUMMARY

#### EXECUTIVE SUMMARY

The quarter ending December 31, 2012 saw strong returns in risky assets, except for U.S. Equity and Bonds, which were flat, mostly on “fiscal cliff” concerns. In particular, European equity rebounded on European Central Bank assurance of support for the single currency, and U.S. economic data showed some improvement.

All portfolios managed by the Office of the Chief Investment Officer exceeded their policy benchmarks for the quarter, fiscal year to date (six months), and calendar year 2012. All funds had positive returns for all three periods.

In the table below, the aggregate of all assets managed by the Office of the Chief Investment Officer, which includes the University of California Retirement Plan (UCRP), General Endowment Pool (GEP), Short Term Investment Pool (STIP), Total Return Investment Pool (TRIP), and Defined Contribution Plan, is referred to as the “UC Entity.”

#### Fourth Quarter 2012

Q4 2012	Portfolio	Benchmark	Value Added
UC Entity	2.08%	1.86%	0.22%
UCRP	2.52%	2.36%	0.16%
GEP	2.75%	2.31%	0.44%
TRIP	2.02%	1.96%	0.06%
STIP	0.61%	0.06%	0.55%

Fiscal Year to Date July – December 2012

FYTD	Portfolio	Benchmark	Value Added
Entity	6.19%	5.70%	0.49%
UCRP	7.50%	7.13%	0.37%
GEP	7.27%	6.53%	0.74%
TRIP	6.06%	5.85%	0.21%
STIP	1.24%	0.10%	1.14%

Calendar Year to Date January – December 2012

CYTD	Portfolio	Benchmark	Value Added
Entity	11.46%	10.28%	1.18%
UCRP	13.68%	12.69%	0.99%
GEP	12.80%	11.03%	1.77%
TRIP	12.53%	11.85%	0.68%
STIP	2.43%	0.21%	2.22%

## BACKGROUND

The attached Quarterly Reports on Investment Performance and Risk for the Quarter Ending December 31, 2012 are submitted for discussion. They include:

1. Investment Performance Summary Slides, a set of slides which provide a summary of the market and portfolio investment results.
2. Executive Summary, a detailed narrative of investment results over the past quarter and fiscal year. It covers major asset markets, UC fund performance, and UC asset class performance.
3. Investment Performance Summary, covers in detail the results for the funds managed by the Office of the Chief Investment Officer: UCRP, GEP, STIP, and TRIP. It shows investment returns and policy benchmark returns for all asset classes for the quarter, fiscal year, and longer periods. It also includes detailed risk and performance information for the actively managed portfolios.
4. Quarterly Investment Risk Report, a set of slides showing various risk measures for UCRP and GEP, compared to their respective policy benchmarks, for the past 12 months and five years.

Attachments:

1. [Investment Performance Summary Slides](#)
2. [Executive Summary](#)
3. [Investment Performance Summary](#)
4. [Quarterly Investment Risk Report](#)