

Office of the Chief Investment Officer

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

DISCUSSION ITEM

For Meeting of November 5, 2013

PRELIMINARY THIRD QUARTER 2013 INVESTMENT PERFORMANCE UPDATE

The first fiscal quarter ending September 30, 2013 saw riskier assets outperform as the Federal Reserve Board decided to postpone its tapering. Non-U.S. Developed Equities were the strongest performers followed by U.S. Equity and Emerging Market Equities, while Fixed Income markets posted mild gains after being down for most of the quarter.

All portfolios managed by the Office of the Chief Investment Officer exceeded their policy benchmarks for the quarter, one-, three-, five-, and ten-year annualized periods. All funds had positive returns across all periods.

In the table below, the aggregate of all assets managed by the Office of the Chief Investment Officer, including 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.”

First Quarter of the 2013-14 Fiscal Year (July 2013 – September 30, 2013)

First Fiscal Quarter (FQ1)	UC Portfolio Return	Policy Benchmark	Value Added
UC Entity	4.43%	4.13%	0.30%
UCRP	5.38%	5.11%	0.27%
GEP	5.60%	4.77%	0.83%
TRIP	3.56%	3.40%	0.16%
STIP	0.43%	0.05%	0.38%

Twelve Months October 2012 – September 2013

12 Months	UC Portfolio Return	Policy Benchmark	Value Added
Entity	10.27%	9.15%	1.12%
UCRP	12.27%	11.14%	1.13%
GEP	12.90%	10.75%	2.15%
TRIP	7.89%	7.52%	0.37%
STIP	1.89%	0.19%	1.70%

The attached Reports on Preliminary Investment Performance for the Quarter Ending September 30, 2013 are submitted for discussion. They include:

1. Quarterly Investment Letter – a summary of investment results over the past quarter that covers major asset markets, UC fund performance, and UC asset class performance.
2. Preliminary Investment Performance Slides – a set of slides that provide a preliminary summary of the market and portfolio investment results.

Attachments:

1. [Quarterly Investment Letter](#)
2. [Preliminary Investment Performance Slides](#)