



Office of the Chief Investment Officer
of the Regents

University of California

I-2

TRIP Transition and Implementation Update

Committee on Investments/
Investment Advisory Group

November 5, 2013

TRIP Transition and Implementation Update

- TRIP transition began on August 1, 2013
 - New long-term policy allocations
 - \$500 million transfer from STIP
- Most significant allocation changes
 - Core IG Credit reduced allocation to 7.5%, was 45%
 - Creation of new Alternatives and Opportunistic Equity allocations
 - 10% Absolute return
 - 20% Cross Asset Class (CAC)
 - 10% Opportunistic Equity
- Transition 80% complete as of September 30, 2013
 - CAC at 10%, goal is 20%
 - Total of \$1.7 billion transferred from STIP to TRIP through November 1, 2013
- Cost of transition for the quarter ending September?
 - TRIP actually outperformed its benchmark by 16 bps

TRIP Transition and Implementation Update

TRIP	Prior Policy (%)	Long Term Policy (%)	Actual* (%)	Actual less Long Term Policy (%)	November Pro-Forma Allocation (%)	Pro-Forma less Long Term Policy (%)
US Equity - Passive	15.00%	15.00%	15.31%	0.31%	15.00%	0.00%
Non-US Developed Equity - Passive	15.00%	7.50%	7.61%	0.11%	7.50%	0.00%
Emerging Market Equity - Passive	0.00%	7.50%	7.44%	-0.06%	7.50%	0.00%
US REITS	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Global REITS	0.00%	10.00%	10.09%	0.09%	10.00%	0.00%
Opportunistic Equity	0.00%	10.00%	10.12%	0.12%	10.00%	0.00%
Total Public Equity	35.00%	50.00%	50.58%	0.58%	50.00%	0.00%
Investment Grade - Credit	45.00%	7.50%	17.16%	9.66%	17.00%	9.50%
Investment Grade - Collateral	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Grade - Government	5.00%	2.50%	3.67%	1.17%	2.50%	0.00%
High Yield	10.00%	5.00%	4.81%	-0.19%	5.00%	0.00%
Emerging Market Debt	0.00%	5.00%	4.82%	-0.18%	5.00%	0.00%
Total Fixed Income	65.00%	20.00%	30.46%	10.46%	29.50%	9.50%
Hedge Funds	0.00%	10.00%	8.06%	-1.94%	10.00%	0.00%
Cross Asset Class	0.00%	20.00%	10.65%	-9.35%	10.50%	-9.50%
Total Alternatives	0.00%	30.00%	18.71%	-11.29%	20.50%	-9.50%
Liq. A/C	0.00%	0.00%	0.25%	0.25%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	0.00%	100.00%	0.00%

*Actual as of October 24, 2013