

Office of the Treasurer

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

DISCUSSION ITEM

For Meeting of September 14, 2011

SECOND QUARTER 2011 AND FISCAL YEAR 2010 - 2011 INVESTMENT PERFORMANCE SUMMARY

EXECUTIVE SUMMARY

Asset markets posted good returns during the Quarter and Fiscal Year ending June 30, 2011. All portfolios managed by the Office of the Treasurer had positive returns and most of them exceeded their policy benchmarks.

- For the fiscal year, the aggregate of all Treasurer-managed assets (the “Entity”), 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, had an investment return of 17.63 percent, which exceeded its weighted policy benchmark by 1.13 percent.
- For the quarter, the Entity had an investment return of 1.26 percent, which exceeded its weighted policy benchmark by 0.38 percent.
- For the fiscal year, the UCRP had an investment return of 22.45 percent, which exceeded its policy benchmark by 0.81 percent.
- For the quarter, the UCRP had an investment return of 1.48 percent, which exceeded its policy benchmark by 0.36 percent.
- For the fiscal year, the GEP had an investment return of 20.49 percent, which exceeded its policy benchmark by 2.47 percent.
- For the quarter, the GEP had an investment return of 1.24 percent, which exceeded its policy benchmark by 0.90 percent.

BACKGROUND

The attached Quarterly Reports on Investment Performance and Risk for the Second Quarter and Fiscal Year 2011- 2011 are submitted for discussion. They include:

1. Investment Performance Summary, a set of slides which provides 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 Treasurer: 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: [Slides](#); [Executive Summary](#); [Investment Performance](#); [Risk Report](#))