The Regents of the University of California

INVESTMENTS COMMITTEE
May 5, 2026

The Investments Committee met on the above date at the UCLA Luskin Conference Center, Los Angeles campus.

Members present: Regents Anguiano, Cohen, Komoto, Makarechian, Matosantos, and Robinson; Ex officio members Milliken and Reilly; Advisory members Craven, Melton, and Scott; Chancellors Hawgood and Muñoz; Staff Advisor Frías

In attendance: Regents Areias, Chu, Dominguez, Hernandez, Hueston, Robertson, Sarris, and Sures, Regent-designate Tokita, Faculty Representative Palazoglu, Staff Advisor Hanson, Secretary and Chief of Staff Lyall, General Counsel Robinson, Chief Investment Officer Bachher, Provost Newman, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Senior Vice President Turner, Vice Presidents Brown, Kao, and Yu, Chancellors Hu and Larive, and Recording Secretary Li

The meeting convened at 5:00 p.m. with Committee Vice Chair Makarechian presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 17, 2026 were approved, Regents Anguiano, Cohen, Komoto, Makarechian, and Reilly voting "aye."[1]

2. **REVIEW OF THIRD QUARTER 2025–26 FISCAL YEAR PERFORMANCE FOR UC RETIREMENT, ENDOWMENT, AND WORKING CAPITAL ASSETS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chief Investment Officer Bachher presented fiscal year 2025–26 returns as of March 31. The endowment had a 7.2 percent return, the pension had a 6.4 percent return, and working capital had a 2.7 percent return. The one-year returns were as follows: 18.9 percent for the Blue and Gold Endowment Pool, 15.4 percent for the General Endowment Pool (GEP), 15.7 percent for the pension, 9.5 percent for the Total Return Investment Pool (TRIP), and 4.3 percent for the Short Term Investment Pool (STIP). On a 30-year basis, the GEP had a return of 8.6 percent, and the pension had a return of 7.8 percent. Mr. Bachher attributed investment performance over the 12 years he has served the University to increasing the allocation to public equity and decreasing the allocation to fixed income.

[1] Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code §11123(b)(1)(D)] for all meetings held by teleconference.

Mr. Bachher presented total assets under management. The endowment, which did not include assets held by outside management companies, totaled $32.9 billion, working capital totaled $11.1 billion, and retirement assets totaled $163.2 billion. Citing the market fluctuation between March 30 and 31 as an example, he stressed the importance of long-term investment. At the last meeting, Mr. Bachher had noted war, artificial intelligence, and private credit as areas of concern. Currently, private credit no longer presented such a concern. The war with Iran has persisted, and he believed that energy prices would stay high, which could increase inflation and affect consumer behavior. Of these factors, artificial intelligence (AI) was having the most significant impact. One needed to rethink AI infrastructure and the way business operations would change. Mr. Bachher expressed optimism about the potential of technologies such as AI, robotics, gene editing, and life sciences, and he continued to be optimistic about investing in the United States, particularly in a university.

Regent Anguiano asked Mr. Bachher to share his observations of AI companies. Mr. Bachher foresaw a new wave of adoption and application of artificial intelligence in the coming months. AI agents were replacing many functions in workflows at large AI companies in the last quarter. In his view, recent corporate layoffs could be attributed to the increased productivity that AI agents could offer.

Regent Makarechian asked about the difference in returns in the Blue and Gold Endowment Pool and the GEP. Mr. Bachher replied that the Blue and Gold Endowment Pool was a fully liquid portfolio with a target asset allocation of 80 percent in stocks, investing in a global equity index, and 20 percent in bonds, investing in short-duration government and corporate bonds. This portfolio cost one basis point to manage. The target asset allocation of the GEP was 50 percent in stocks, ten percent in fixed income and cash, and 40 percent private assets. Mr. Bachher attributed private equity returns to the difference in total returns between the GEP and the Blue and Gold Endowment Pool.

Regent Makarechian observed that employing a simpler approach to investing the Blue and Gold Endowment Pool has yielded better three- and five-year returns. He asked if UC should focus more on this type of asset allocation. Mr. Bachher responded in the affirmative; he also preferred a simpler approach.

The meeting adjourned at 5:20 p.m.

Attest:

Secretary and Chief of Staff