UNIVERSITY OF CALIFORNIA RETIREMENT SAVINGS PROGRAM

INVESTMENT POLICY STATEMENT

Effective: July 1, 2020
Replaces the UCRSP Investment Policy Statement effective March 15, 2018

POLICY SUMMARY/BACKGROUND

The purpose of this Investment Policy Statement ("Policy" or "IPS") is to define the objectives, policies, and guidelines for the management and oversight of the University of California ("UC") Retirement Savings Program ("UCRSP"). UCRSP is comprised of the 401(a) Defined Contribution Plan, Tax-Deferred 403(b) Plan, and 457(b) Deferred Compensation Plan. The management of UCRSP is subject to state and federal regulations and laws, and all other University investment policies, which may not be listed in this document.

The Policy consists of the following sections:

1. Roles and Responsibilities
2. Objectives
3. Investment Guidelines
4. Monitoring and Reporting
5. Policy Maintenance
6. No Right of Action
7. Disclosures

1. ROLES AND RESPONSIBILIES

Board of Regents

The Board of Regents ("Board") defines the goals and objectives of UCRSP and is responsible for establishing and approving changes to this Policy. The Board may delegate the implementation of this policy to sub-committees, the Chief Investment Officer and investment advisors.

Chief Investment Officer

The Chief Investment Officer (Office of the Chief Investment Officer", "OCIO", "UC Investments") is responsible for implementing the approved investment policies and developing investment processes and procedures for asset allocation, risk management, investment manager selection and termination, monitoring and evaluation, and the identification of management strategies that will improve the investment efficiency of UCRSP assets.

Retirement Savings Program Advisory Committee

The Retirement Savings Program Advisory Committee ("RSPAC") obtains feedback from the University community on RSP and to discuss coordination of issues that arise between the administrative and investment functions. RSPAC is comprised of the Chief Investment Officer, the Plan Administrator (UC Human Resources), and other members who serve at the request of the Executive Vice President – Chief Operating Officer (COO). RSPAC is responsible to assess services provided by vendors, reviews fees and expenses, provides input on the annual report and may retain consultants to review administrative and investment performance.

Investment Managers

The OCIO may delegate to external Investment Managers responsibility for managing all or a portion of the assets. The Investment Manager will accept assets and invest in compliance with all relevant laws, the Investment Manager's individual investment management agreement(s), and as applicable, the stated investment guidelines in this Policy.

Trustee/Custodian
The role of the Trustee/Custodian is to provide safekeeping, accounting and valuation of Trust assets.

Recordkeeper
The role of the recordkeeper is to process and track participants' transactions, investment selections, and account information. The recordkeeper may also help the UC with participant communications, website access to account information, and customer service.

2. OBJECTIVES

Overall Objective
The objective of UCRSP is to ensure the Program provides participants the opportunity to invest their assets among a broad range of investment alternatives in order to create portfolios appropriate to their investment and savings needs. The fund options shall enable participants and beneficiaries to achieve a diversified portfolio with aggregate risk and return characteristics appropriate for them.

Sustainability Objective
The OCIO shall incorporate environmental sustainability, social responsibility, and governance (ESG) into the investment evaluation process as part of its overall risk assessment in its investments decision making. ESG factors are considered with the same weight as other material risk factors influencing investment decision making.

The OCIO uses a proprietary sustainability framework to provide core universal principles that inform the decisions and assist in the process of investment evaluation. The OCIO manages the UCRSP consistent with these sustainability principles. The Framework can be found on the OCIO website in the sustainability section.

3. INVESTMENT GUIDELINES

To achieve the foregoing objectives, the Program offers participants and beneficiaries a broad range of investment options spanning the following three tiers.

TIER 1: UC Pathway Funds (Target Date Funds)
UCRSP will offer target date funds that may invest in a mix of actively and/or passively managed underlying investment strategies, with each target date fund addressing a different time-horizon. The UC Pathway Funds should have a glidepath profile that is appropriate for the Plan based on certain characteristics of the Plan. The construction and implementation of the glidepath may be delegated to an external Investment Manager.

TIER 2: Core Fund Options
UCRSP may offer passively and actively managed fund options in a range of asset classes that provide diversification opportunities, with appropriate fees and risk levels. Participants may select one or more of these investment options to build a portfolio that reflects their desired risk and return profile.

TIER 3: Self Directed Brokerage
The Self Directed Brokerage option available through UC's selected recordkeeper platform allows participants or beneficiary to invest in investment options outside the UCRSP fund options.

4. MONITORING AND REPORTING

The OCIO is responsible for monitoring the portfolio and investment managers within the Target Date Funds and Core Fund Options on an ongoing basis. The OCIO should monitor and report to the Committee on Investments, Finance and Capital Strategies Committee and Board of Regents on the following items:

1. Investment Performance and Attribution
2. Material Changes to Organization and Investment Strategy
3. Potential Material Issues and Risks
4. Compliance of UCRSP with this Policy

5. POLICY MAINTENANCE

The Policy should be reviewed at least annually and updated as necessary. The Committee on Investments may recommend action which will be placed on the ~~Consent~~ Agenda for approval by the Board.

6. NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

7. DISCLOSURES

The OCIO provides investment-related information on UCRSP to the Board's Committee on Investments in a manner consistent with the requirements outlined in this policy. Current and historical materials are publicly available on The Regents' website within the section on Meeting Agendas and Schedule. The Chief Investment Officer's Annual Report for the most recent fiscal year is also available on the Chief Investment Officer's website.