

**Regents Policies on Investment Matters Recommended for Amendment and Rescission**

**The following Regents Policies will be significantly amended as shown in the Attachments. The current policies are available at the links, below.**

6101: [Investment Policy Statement for University of California Retirement Plan \(UCRP\)](#) (See Attachment 3 for amended Policy)

6102: [Investment Policy Statement for General Endowment Pool](#) (See Attachment 1 for amended Policy)

6108: [Total Return Investment Pool \(TRIP\) Policy Statement](#) (See Attachment 5 for amended Policy)

6109: [Short Term Investment Pool \(STIP\) Investment Guidelines](#) (See Attachment 7 for amended Policy)

6111: [Investment Policy Statement for UC Retirement Savings Program](#) (See Attachment 9 for amended Policy)

**The Regents Policies, below, will be rescinded and incorporated into the appropriate Investment Policy Statements.**

6105: Policy on Disclosure of UCRP and GEP Investments-Related Information

6106: Policy on Total Return Expenditure on Regents' General Endowment Pool Assets

6107: Policy on Endowment Administration Cost Recovery on Regents' Assets

6110: Policy on Disclosures Regarding Use of Placement Agents for the University of California Retirement System Investments

6301: Policy to Exclude Securities of Companies Manufacturing Tobacco Products from Index Funds and to Continue Existing Exclusion from Actively Managed Funds

6302: Policy on Divestment of University Holdings in Companies with Business Operations in Sudan

## **~~Regents Policy 6105: Policy on Disclosure of University of California Retirement Plan and General Endowment Pool Investment-Related Information~~**

~~Approved May 26, 2005~~

~~Amended March 29, 2012~~

~~This document sets forth the policy of The Regents on disclosure of information relating to the investments of the University of California Retirement Plan (the UCRP) and the General Endowment Pool (the GEP). The purpose of this policy statement is to make clear how and what investment related information will be routinely disclosed to participants in the UCRP and the general public.~~

- ~~1. The Chief Investment Officer provides investment related information on the UCRP and the GEP to The Regents' Committee on Investments and the Investment Advisory Committee in a manner consistent with the requirements outlined in the Investment Policy Statement for the University of California Retirement Plan approved by The Regents on November 18, 2004 and the Investment Policy Statement for the General Endowment Pool approved by The Regents on March 17, 2005. Current and historical materials are publicly available on The Regents' website within the section on Meeting Agendas and Schedule.~~
- ~~2. A report on private equity internal rates of return is publicly available on the Chief Investment Officer's website on a quarterly basis.~~
- ~~3. The Chief Investment Officer's Annual Report for the most recent fiscal year is also available on the Chief Investment Officer's website. The report provides asset allocation and performance of the UCRP, the GEP, and other UC investment funds.~~
- ~~4. As soon as practicable after each calendar year, a complete listing of all assets held by the UCRP and the GEP at calendar year end will be posted on the Chief Investment Officer's website. Each listing will include the asset's market value at the end of the year. The assets will be grouped in the standard categories used by the custodian bank to group the assets in the asset reports provided to the Chief Investment Officer.~~

**~~Regents Policy 6106: Total Return Expenditure Policy on Regents' General Endowment Pool Assets~~**

~~Approved March 20, 1998~~

~~The Regents adopt in principle a total return expenditure (spending) policy for eligible endowment gift assets in the General Endowment Pool.~~

**~~Regents Policy 6107: Policy on Endowment Administration Cost Recovery on Regents' Assets~~**

~~Approved March 20, 1998~~

~~The Regents adopt a policy to recover reasonable and actual costs related to the administration of gift assets invested in the General Endowment Pool.~~

## **~~Regents Policy 6110: Policy on Disclosures Regarding Use of Placement Agents for University of California Retirement System Investments~~**

~~Approved July 14, 2011~~

~~Amended March 29, 2012~~

~~Each External Manager proposing an investment to be made by or on behalf of the University of California Retirement System must comply with one of the following two requirements:~~

- ~~1. If the External Manager will not use any Placement Agents in connection with the proposed investment, the External Manager must provide the Chief Investment Officer with a written statement to that effect.~~
  
- ~~2. If the External Manager will use a Placement Agent in connection with the proposed investment, the External Manager must disclose the following information in writing to the Chief Investment Officer:~~
  - ~~• A description of the relationship between the External Manager and any Placement Agents for the investment for which funds are being raised.~~
  - ~~• Whether the Placement Agent's mandate includes the Regents of University of California as trustee/custodian.~~
  - ~~• A description of the services performed by the Placement Agent.~~
  - ~~• A description of any and all payments of any kind provided or agreed to be provided to a Placement Agent by the External Manager with regard to investments by the Regents as a plan trustee or custodian of retirement or savings plan assets.~~
  - ~~• Upon request, the resume for each officer, partner or principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses, and investment and work experience.~~
  - ~~• A statement as to whether the Placement Agent, or any of its affiliates, is registered with the Securities Exchange Commission.~~
  - ~~• A statement as to whether the Placement Agent, or any of its affiliates, is registered as a lobbyist under California law.~~

~~The Chief Investment Officer will only enter into agreements to invest in or through External Managers that agree to comply with the Regents' Policy on Disclosures Regarding the Use of Placement Agents for University of California Retirement System Investments. The Chief Investment Officer will rely on the written statements made by the External Manager.~~

~~For purposes of this Policy:~~

~~“External Manager” means a (i) person who is seeking to be, or is, retained by the Regents to manage a portfolio of securities or other assets for compensation or (ii) a person managing an investment fund who offers or sells, or has offered or sold, an ownership interest in the investment fund.~~

~~“Placement Agent” means a person directly or indirectly hired, engaged or retained by, or serving for the benefit of or on behalf of, an External Manager or an investment fund managed by an External Manager, who acts, or has acted, for compensation as a finder, solicitor, marketer, consultant, broker or other intermediary in connection with the offer or sale to the Regents of either the investment management services of the External Manager or an ownership interest in an investment fund managed by the External Manager. Any exceptions to this definition of “Placement Agent” available under Sections 7513.8 or Section 82047.3 of the California Government Code will apply under this Policy.~~

**~~Regent Policy 6301: Policy to Exclude Securities of Companies Manufacturing Tobacco Products from Index Funds and to Continue Existing Exclusion from Actively Managed Funds~~**

~~Adopted January 18, 2001~~

~~Amended March 29, 2012~~

- ~~1. The Chief Investment Officer, using the standards established for the Russell 3000 Tobacco Free Index and the MSCI EAFE Tobacco Free Index, shall continue the current practice of not directly investing in tobacco products companies.~~
- ~~2. The Russell 3000 Tobacco Free Index and the MSCI EAFE Tobacco Free Index, which exclude the stocks of tobacco products companies, be adopted as the index funds authorized by the Asset Allocation Plan.~~
- ~~3. Should the Chief Investment Officer determine at any time that The Regents' investment objectives are compromised by this policy, a report describing the circumstances shall be prepared by the Chief Investment Officer with appropriate recommendations.~~

## **Regents Policy 6302: Policy on Divestment of University Holdings in Companies with Business Operations in Sudan**

Approved March 16, 2006

Amended November 20, 2008, March 19, 2009 and March 29, 2012

- A. ~~Divest all shares of the following nine companies: Bharat Heavy Electricals Ltd., China Petroleum and Chemical Corp. (Sinopec), Oil & Natural Gas Co. Ltd., PECD Bhd., PetroChina Company Ltd., CNPC Hong Kong, MISC Berhad (Petronas), Lundin Petroleum, and AREF Investment Group held within separately managed equity portfolios of the University of California Retirement Plan (UCRP) and the General Endowment Pool (GEP). The proposed policy would apply to both indexed and actively managed, publicly traded equity portfolios~~
- B. ~~Prohibit future purchase of shares in the above nine companies until such time as the Chief Investment Officer reports to the Committee on Investment that either there is compelling information that a company has materially improved its operation and is no longer thought to be contributing to the suffering in the Darfur region of Sudan, or that the situation in the Darfur region has improved to such a point that the prohibition on investment is no longer thought to be in the best interests of the people of Sudan.~~
- C. ~~Condition implementation of the proposed divestment policy upon enactment by the California legislature and signature by the Governor of legislation providing indemnification for past, present, and future individual Regents, and the University, its officers, agents, and employees, for all costs and defense of any claim arising from the decision to divest.~~
- D. ~~Instruct the Chief Investment Officer to contact the management of several other companies identified by the Sudan Divestment Study Group to ask them to ensure that their business operations in Sudan, while providing beneficial effects for the people of Sudan, do not inadvertently contribute to the campaign of genocide.~~
- E. ~~Instruct the Chief Investment Officer to report on the status of this policy to the Committee on Investments as part of the annual review of the Investment Policies for the UCRP and GEP.~~
- F. ~~Divest all shares held in the nine companies within an 18-month period commencing once indemnification legislation has been enacted.~~
- G. ~~Communicate the decision to divest shares held in the nine companies to the managers of commingled accounts in which assets of the UCRP and GEP are invested, with a request~~



~~that they consider the University's stand on this issue as they make their investment decisions.~~

~~H. Communicate the decision to divest shares held in the nine companies to the Investment Committees of the Campus Foundations so that they may consider adopting similar policies for their Funds.~~