

**Office of the Chief Investment Officer of the Regents (UC Investments)**

**TO MEMBERS OF THE INVESTMENTS COMMITTEE:**

**DISCUSSION ITEM**

*For Meeting of March 21, 2024*

**REVIEW OF PERFORMANCE FOR THE SECOND QUARTER OF FISCAL YEAR  
2023–2024 OF UC PENSION, ENDOWMENT, BLUE AND GOLD POOL, WORKING  
CAPITAL, AND RETIREMENT SAVINGS**

**EXECUTIVE SUMMARY**

The University of California’s investment portfolios ended the second quarter of fiscal year 2023–2024 at \$169 billion, a \$16.2 billion increase over the previous year. The UC pension was up 4.6 percent, while the UC endowment increased 4.1 percent and working capital 4.5 percent. Since 2014, the University’s total investment assets have grown by 78.5 percent.

UC Investments manages the University’s retirement, endowment, and working capital portfolios, with each of the six financial products tailored to the needs of UC students, faculty, staff, retirees, and the ten campuses and five medical centers.

GENERAL ENDOWMENT POOL AS OF DECEMBER 31, 2023

As of December 31, 2023	Market Value in Millions (\$)	Fiscal YTD 6 Months	Annualized Returns								
			1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
<b>Endowment</b>	<b>\$21,363</b>	<b>3.3</b>	<b>11.5</b>	<b>6.0</b>	<b>10.3</b>	<b>8.0</b>	<b>8.1</b>	<b>9.1</b>	<b>7.7</b>	<b>7.0</b>	<b>8.7</b>
Policy Benchmark		6.1	16.6	5.8	10.0	7.3	7.2	8.1	7.0	6.1	8.2
Value Added		(2.8)	(5.1)	0.2	0.3	0.7	0.9	1.0	0.7	0.9	0.5
<b>Public Equity</b>	<b>\$8,413</b>	<b>8.2</b>	<b>23.8</b>	<b>4.7</b>	<b>12.7</b>	<b>8.5</b>	<b>8.2</b>	<b>10.8</b>	<b>7.7</b>	<b>6.2</b>	<b>8.5</b>
Public Equity Policy Benchmark		7.5	22.7	4.8	11.2	8.1	7.7	10.3	7.6	6.4	9.2
Value Added		0.7	1.1	(0.1)	1.5	0.4	0.5	0.5	0.1	(0.2)	(0.7)
<b>Total Fixed Income</b>	<b>\$1,485</b>	<b>3.7</b>	<b>4.9</b>	<b>(0.2)</b>	<b>2.3</b>	<b>2.1</b>	<b>2.7</b>	<b>4.3</b>	<b>4.3</b>	<b>4.8</b>	<b>5.8</b>
Fixed Income Policy Benchmark		3.7	4.9	(0.6)	2.7	2.6	2.9	4.5	4.3	4.9	5.4
Value Added		0.0	0.0	0.4	(0.4)	(0.5)	(0.2)	(0.2)	0.0	(0.1)	0.4
<b>Private Assets</b>											
<b>Private Equity</b>	<b>\$4,383</b>	<b>(5.4)</b>	<b>1.7</b>	<b>11.7</b>	<b>17.1</b>	<b>18.2</b>	<b>19.2</b>	<b>16.0</b>	<b>16.5</b>	<b>17.2</b>	<b>19.6</b>
Private Equity Policy Benchmark		10.1	29.1	11.4	17.9	16.0	17.0	14.5	13.8	10.6	13.6
Value Added		(15.5)	(27.4)	0.3	(0.8)	2.2	2.2	1.5	2.7	6.6	6.0
<b>Absolute Return</b>	<b>\$875</b>	<b>3.6</b>	<b>6.4</b>	<b>3.9</b>	<b>5.9</b>	<b>4.4</b>	<b>4.9</b>	<b>6.2</b>	<b>5.5</b>	-	-
Absolute Return Policy Benchmark		4.2	6.6	2.3	5.2	2.2	2.3	2.3	3.5	-	-
Value Added		(0.6)	(0.2)	1.6	0.7	2.2	2.6	3.9	2.0	-	-
<b>Real Estate</b>	<b>\$2,662</b>	<b>4.5</b>	<b>5.1</b>	<b>15.7</b>	<b>11.0</b>	<b>10.5</b>	<b>10.8</b>	<b>5.3</b>	-	-	-
Real Estate Policy Benchmark		(7.0)	(12.7)	4.0	3.7	6.2	6.7	3.4	-	-	-
Value Added		11.5	17.8	11.7	7.3	4.3	4.1	1.9	-	-	-
<b>Real Assets</b>	<b>\$677</b>	<b>2.1</b>	<b>3.6</b>	<b>8.8</b>	<b>8.8</b>	<b>9.3</b>	<b>4.1</b>	-	-	-	-
<b>Private Credit</b>	<b>\$1,017</b>	<b>3.0</b>	<b>8.3</b>	<b>7.4</b>	-	-	-	-	-	-	-
Private Credit Policy Benchmark		7.4	14.5	6.1	-	-	-	-	-	-	-
Value Added		(4.4)	(6.2)	1.3	-	-	-	-	-	-	-
<b>Cash</b>	<b>\$1,850</b>	<b>1.9</b>	<b>3.7</b>	<b>1.8</b>	-	-	-	-	-	-	-
Cash Policy Benchmark		2.7	5.0	2.2	-	-	-	-	-	-	-
Value Added		(0.8)	(1.3)	(0.4)	-	-	-	-	-	-	-

The UC Endowment, which comprises the General Endowment Pool and the Blue & Gold Pool, stood at a combined \$27.7 billion as of December 31, 2023, up from \$22 billion the year before. The Office of the Chief Investment Officer (CIO) has been investing the General Endowment Pool for 92 years. Since 2014, its assets have grown by 246 percent.

The General Endowment Pool was at \$21.4 billion as of December 31, 2023, up from \$19.6 billion the year before. The 30-year annualized net return was 8.7 percent, the 20-year return was 7.7 percent, the ten-year return was 8.1 percent, the five-year return was 10.3 percent, and the one-year net return was 11.5 percent.

**BLUE & GOLD POOL AS OF DECEMBER 31, 2023**

As of December 31, 2023	Market Value in Millions (\$)	Fiscal YTD 6 Months	Annualized Returns				
			1 Year	3 Year	5 Year	10 Year	15 Year
<b>Blue &amp; Gold</b>	<b>\$6,304</b>	<b>6.0</b>	<b>18.6</b>	-	-	-	-
Policy Benchmark		6.8	19.1	-	-	-	-
Value Added		(0.8)	(0.5)	-	-	-	-
<b>Public Equity</b>	<b>\$4,776</b>	<b>7.8</b>	<b>23.5</b>	-	-	-	-
Public Equity Policy Benchmark		7.5	22.7	-	-	-	-
Value Added		0.3	0.8	-	-	-	-
<b>Fixed Income</b>	<b>\$1,529</b>	<b>3.7</b>	<b>4.9</b>	-	-	-	-
Fixed Income Policy Benchmark		3.7	4.9	-	-	-	-
Value Added		0.0	0.0	-	-	-	-

The Blue & Gold Pool, which was launched on March 31, 2019 with \$250 million, stood at \$6.3 billion as of December 31, 2023, up from \$2.4 billion the year before. The one-year return was 18.6 percent, and the fiscal year net return was six percent. To increase campuses' liquidity during the COVID-19 pandemic, all assets of the Blue & Gold pool were withdrawn in April 2020. The pool, which is 100 percent passive and extremely low-cost to manage, was re-launched on March 31, 2021 with \$200 million.

**UC RETIREMENT SAVINGS PROGRAM AS OF DECEMBER 31, 2023**

The UC Retirement Savings Program, the nation's second largest public defined contribution plan behind the federal government, stood at \$35.6 billion as of December 31, 2023, up from \$30 billion the year before and \$19.8 billion in 2014. As of December 31, 2023, the program counted with 335,000 UC participants, up from 301,000 in 2014. In keeping with the ethos of the UC Investments' pillar of "Less is More," over that same period, the number of investment funds in the program fell from 75 to 14, and the management fee to participants dropped by 64 percent to 0.05 percent, the lowest in the nation.

UC PENSION AS OF DECEMBER 31, 2023

As of December 31, 2023	Market Value in Millions (\$)	Fiscal YTD 6 Months	Annualized Returns								
			1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
<b>Pension</b>	<b>\$91,416</b>	<b>4.6</b>	<b>13.6</b>	<b>4.5</b>	<b>8.7</b>	<b>6.8</b>	<b>6.8</b>	<b>8.7</b>	<b>6.7</b>	<b>6.1</b>	<b>8.0</b>
Policy Benchmark		6.0	16.4	4.8	9.4	7.0	6.9	8.4	6.5	5.7	7.8
Value Added		(1.4)	(2.8)	(0.3)	(0.7)	(0.2)	(0.1)	0.3	0.2	0.4	0.2
<b>Public Equity</b>	<b>\$48,468</b>	<b>7.8</b>	<b>23.4</b>	<b>4.6</b>	<b>11.8</b>	<b>8.5</b>	<b>8.2</b>	<b>10.8</b>	<b>7.4</b>	<b>6.0</b>	<b>8.3</b>
Public Equity Policy Benchmark		7.5	22.7	4.8	11.2	8.0	7.7	10.4	7.6	6.4	9.2
Value Added		0.3	0.7	(0.2)	0.6	0.5	0.5	0.4	(0.2)	(0.4)	(0.9)
<b>Fixed Income</b>	<b>\$12,714</b>	<b>4.3</b>	<b>6.7</b>	<b>(0.5)</b>	<b>2.7</b>	<b>2.6</b>	<b>2.8</b>	<b>4.3</b>	<b>4.3</b>	<b>4.7</b>	<b>5.9</b>
Fixed Income Policy Benchmark		4.5	6.7	(0.5)	3.0	2.7	2.9	4.2	4.3	4.7	5.4
Value Added		(0.2)	0.0	0.0	(0.3)	(0.1)	(0.1)	0.1	0.0	0.0	0.5
<b>Core</b>	<b>\$10,963</b>	<b>3.8</b>	<b>5.2</b>	<b>(0.5)</b>	<b>2.3</b>	<b>2.2</b>	<b>2.6</b>	<b>3.5</b>	<b>3.8</b>	<b>4.4</b>	<b>5.5</b>
Core Policy Benchmark		3.7	4.9	(0.6)	2.7	2.2	2.6	3.0	3.8	4.3	5.1
Value Added		0.1	0.3	0.1	(0.4)	0.0	0.0	0.5	0.0	0.1	0.4
<b>High Yield</b>	<b>\$1,748</b>	<b>7.4</b>	<b>13.8</b>	<b>2.2</b>	<b>5.2</b>	<b>4.7</b>	<b>4.6</b>	<b>8.9</b>	-	-	-
High Yield Policy Benchmark		7.7	13.4	1.8	5.0	4.6	4.4	8.9	-	-	-
Value Added		(0.3)	0.4	0.4	0.2	0.1	0.2	0.0	-	-	-
<b>Private Assets</b>											
<b>Private Equity</b>	<b>\$9,084</b>	<b>(5.4)</b>	<b>4.0</b>	<b>11.7</b>	<b>12.3</b>	<b>12.7</b>	<b>13.3</b>	<b>11.9</b>	<b>13.4</b>	<b>14.2</b>	<b>17.4</b>
Private Equity Policy Benchmark		10.1	29.1	11.4	17.9	13.7	14.2	12.5	12.6	9.6	12.8
Value Added		(15.5)	(25.1)	0.3	(5.6)	(1.0)	(0.9)	(0.6)	0.8	4.6	4.6
<b>Absolute Return</b>	<b>\$1,573</b>	<b>3.4</b>	<b>6.1</b>	<b>3.9</b>	<b>5.8</b>	<b>4.3</b>	<b>4.8</b>	<b>6.1</b>	-	-	-
Absolute Return Policy Benchmark		4.2	6.6	2.3	5.2	2.7	2.8	2.6	-	-	-
Value Added		(0.8)	(0.5)	1.6	0.6	1.6	2.0	3.5	-	-	-
<b>Real Estate</b>	<b>\$7,136</b>	<b>1.6</b>	<b>(1.6)</b>	<b>11.2</b>	<b>7.3</b>	<b>8.4</b>	<b>8.8</b>	<b>3.9</b>	-	-	-
Real Estate Policy Benchmark		(7.0)	(12.7)	4.0	3.7	6.2	6.7	2.7	-	-	-
Value Added		8.6	11.1	7.2	3.6	2.2	2.1	1.2	-	-	-
<b>Real Assets</b>	<b>\$3,658</b>	<b>2.0</b>	<b>3.1</b>	<b>8.5</b>	<b>7.5</b>	<b>2.5</b>	<b>4.0</b>	-	-	-	-
<b>Private Credit</b>	<b>\$3,071</b>	<b>4.2</b>	<b>10.1</b>	<b>7.6</b>	-	-	-	-	-	-	-
Private Credit Policy Benchmark		7.4	14.5	6.1	-	-	-	-	-	-	-
Value Added		(3.2)	(4.4)	1.5	-	-	-	-	-	-	-
<b>Cash</b>	<b>\$5,712</b>	<b>2.0</b>	<b>3.7</b>	<b>2.3</b>	-	-	-	-	-	-	-

The UC Pension stood at \$91.4 billion as of December 31, 2023, up from \$81.2 billion the year before. The 30-year annualized net return was 8 percent, the 20-year return was 6.7 percent, the ten-year return was 6.8 percent, the five-year return was 8.7 percent, and the one-year net return was 13.6 percent. UC's investment office has been investing the pension for 64 years. It is currently funded on an actuarial basis at 82 percent. The pension has 267,847 members, 141,416 of them currently active.

**WORKING CAPITAL REVIEW FOR PERIOD ENDING DECEMBER 31, 2023**

As of December 31, 2023	Market Value in Millions (\$)	Fiscal YTD 6 Months	Annualized Returns					
			1 Year	3 Year	5 Year	9 Year	10 Year	15 Year
<b>Total Return</b>	<b>\$10,416</b>	<b>5.7</b>	<b>14.2</b>	<b>2.7</b>	<b>6.5</b>	<b>4.9</b>	<b>5.1</b>	<b>7.1</b>
Policy Benchmark		5.7	13.7	2.3	6.8	5.0	5.1	7.0
Value Added		0.0	0.5	0.4	(0.3)	(0.1)	0.0	0.1
<b>Public Equity</b>	<b>\$5,249</b>	<b>7.7</b>	<b>23.5</b>	<b>5.2</b>	<b>8.6</b>	<b>6.7</b>	<b>6.6</b>	<b>9.7</b>
Public Equity Policy Benchmark		7.5	22.7	4.8	11.2	8.6	8.3	9.4
Value Added		0.2	0.8	0.4	(2.6)	(1.9)	(1.7)	0.3
<b>Fixed Income</b>	<b>\$5,112</b>	<b>3.6</b>	<b>4.9</b>	<b>(0.5)</b>	<b>2.4</b>	<b>2.4</b>	<b>2.8</b>	<b>4.7</b>
Fixed Income Policy Benchmark		3.7	4.9	(0.6)	2.7	2.2	2.6	3.2
Value Added		(0.1)	0.0	0.1	(0.3)	0.2	0.2	1.5
<b>Cash</b>	<b>\$55</b>	<b>2.7</b>	<b>5.1</b>	<b>2.3</b>	<b>2.1</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>

As of December 31, 2023	Market Value in Millions (\$)	Fiscal YTD 6 Months	Annualized Returns								
			1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
<b>Short Term</b>	<b>\$4,330</b>	<b>2.7</b>	<b>5.1</b>	<b>2.3</b>	<b>2.1</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.6</b>	<b>3.1</b>	<b>3.6</b>
Policy Benchmark		2.3	4.4	2.1	1.8	1.5	1.3	1.0	1.7	2.1	2.8
Value Added		0.4	0.7	0.2	0.3	0.3	0.5	1.0	0.9	1.0	0.8

UC Working Capital, which comprises the Total Return Investment Pool and the Short-Term Investment Pool, stood at a combined \$14.7 billion as of December 31, 2023, down from \$20 billion the year before.

The Total Return Investment Pool stood at \$10.4 billion as of December 31, 2023, down from \$12.1 billion the year before. The 15-year annualized net return was 7.1 percent, the ten-year return was 5.1 percent, the five-year return was 6.5 percent, and the one-year net return was 14.2 percent.

The **Short Term Investment Pool** stood at \$4.3 billion as of December 31, 2023, down from \$7.9 billion the year before. The 30-year annualized net return was 3.6 percent, the 20-year return was 2.6 percent, the ten-year return was 1.8 percent, the five-year return was 2.1 percent and the one-year net return was 5.1 percent.

**ATTACHMENTS:**

1. [UC Endowment](#)
2. [UC Retirement](#)
3. [Working Capital](#)