



Endowment

March 31, 2020

UC INVESTMENTS

UC Investments Way



UC Endowment and Blue & Gold

1. Asset Allocation
2. Performance
3. Asset Classes
4. Risk Allocation

INVESTMENT OBJECTIVES

UC Endowment

- Maximize real, long-term total returns (income plus capital appreciation adjusted for inflation), while assuming the appropriate levels of risk.
- Maintain the liquidity necessary to meet the investment goals of the Endowment, which are to provide a stable and continuously growing stream of income, all while preserving the real (inflation-adjusted) purchasing power of assets.

Blue and Gold

- Provide low cost, liquid, diversified investment vehicle for long-term excess capital reserves.
- Launched on March 31, 2019

UC Investments

INVESTMENT PRODUCTS

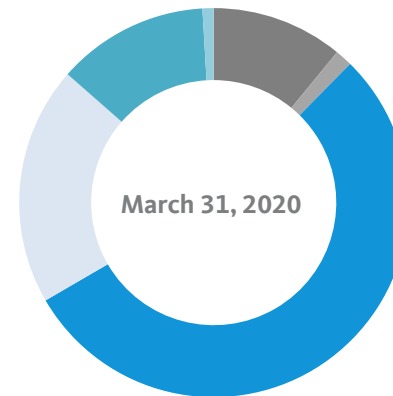
- Investing **Endowment** assets since 1933 (88 years)
- Investing **Blue & Gold** assets since 2019 (1 year)

- Investing **Pension** assets since 1961 (60 years)
- Investing **Retirement Savings** assets since 1967 (53 years)

- Investing **Working Capital** since 1976 (45 years)
 - Investing **Total Return** since 2008 (12 years)
 - Investing **Short Term** since 1976 (45 years)

- Investing **Fiat Lux Insurance** assets since 2016 (4 years)

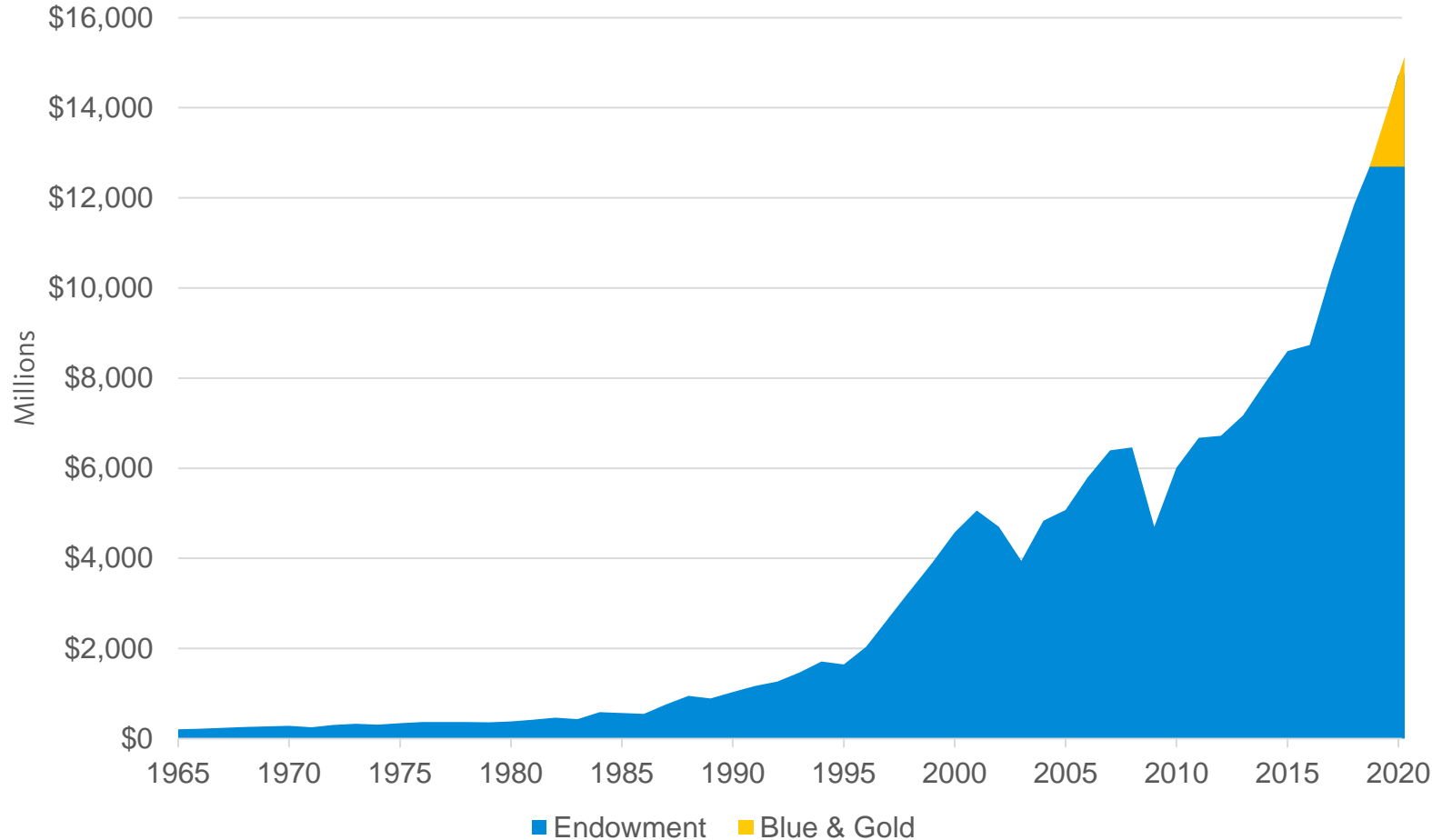
\$119.0 BILLION ACROSS 7 PRODUCTS



	<u>\$ Billion</u>	<u>(%)</u>
● Endowment	13.0	11
● Blue & Gold	1.7	1
● Pension	64.6	54
● Retirement Savings	23.6	20
● Working Capital	14.8	12
● Total Return	7.7	6
● Short Term	7.1	6
● Fiat Lux Insurance	1.1	1

Endowment and Blue & Gold Assets Growth

ENDOWMENT ASSETS 1933 – 2020



ASSET GROWTH

March 31, 2020

Today	\$14.7B	△ Change
1 Year Ago	\$13.0B	+\$1.7B
5 Years Ago	\$8.6B	+\$6.1B
6 Years Ago	\$7.9B	+\$6.8B
10 Years Ago	\$6.0B	+\$8.7B

Assets Under Management

This Quarter as of March 31, 2020

Quarter To Date (3 Months)	Endowment Market Value (\$B)	Blue & Gold Market Value (\$B)	Total Market Value (\$B)
December 31, 2019	14.2	2.0	16.2
Market Gains	(1.9)	(0.3)	(2.2)
Value Added	0.6	0.0	0.6
Net Cash Flow	0.1	0.0	0.1
March 31, 2020	13.0	1.7	14.7

Assets Under Management

Fiscal Year To Date as of March 31, 2020

Fiscal Year To Date (9 Months)	Endowment Market Value (\$B)	Blue & Gold Market Value (\$B)	Total Market Value (\$B)
June 30, 2019	13.4	1.3	14.7
Market Gains	(1.1)	(0.2)	(1.3)
Value Added	0.6	0.0	0.6
Net Cash Flow	0.2	0.6	0.8
March 31, 2020	13.0	1.7	14.7

Assets Under Management

Month To Date as of April 30, 2020

Month To Date (1 Month)	Endowment Market Value (\$B)	Blue & Gold Market Value (\$B)	Total Market Value (\$B)
March 31, 2020	13.0	1.7	14.7
Market Gains	0.8	0.1	0.9
Value Added	(0.3)	0.0	(0.3)
Net Cash Flow	(0.0)	0.0	0.0
April 30, 2020	13.5	1.8	15.3

General Endowment Pool

Endowment Assets Under Management

Quarter To Date (3 Months)	Market Value (\$B)	Fiscal Year To Date (9 Months)	Market Value (\$B)
December 31, 2019	14.2	June 30, 2019	13.4
Market Gains	(1.9)	Market Gains	(1.1)
Value Added	0.6	Value Added	0.6
Net Cash Flow	0.1	Net Cash Flow	0.2
March 31, 2020	13.0	March 31, 2020	13.0

Endowment Assets Under Management

Month To Date (1 Month)	Market Value (\$B)
March 31, 2020	13.0
Market Gains	0.8
Value Added	(0.3)
Net Cash Flow	(0.0)
April 30, 2020	13.5

Endowment Asset Allocation

As of March 31, 2020	Market Value (\$B)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Public Equity	4.3	33.4	(5.6)	39.0	30
Fixed Income	1.4	10.7	2.0	8.7	10
Other Investments	6.5	50.1	1.1	49.0	60
Absolute Return	2.8	21.2	(2.1)	23.3	25
Private Equity	2.1	16.1	1.6	14.5	23
Real Estate	1.0	7.6	(0.4)	8.0	9
Real Assets	0.7	5.0	1.8	3.2	4
Cash	0.8	5.8	2.5	3.3	0
Total	\$13.0B	100.0%		100.0%	100%

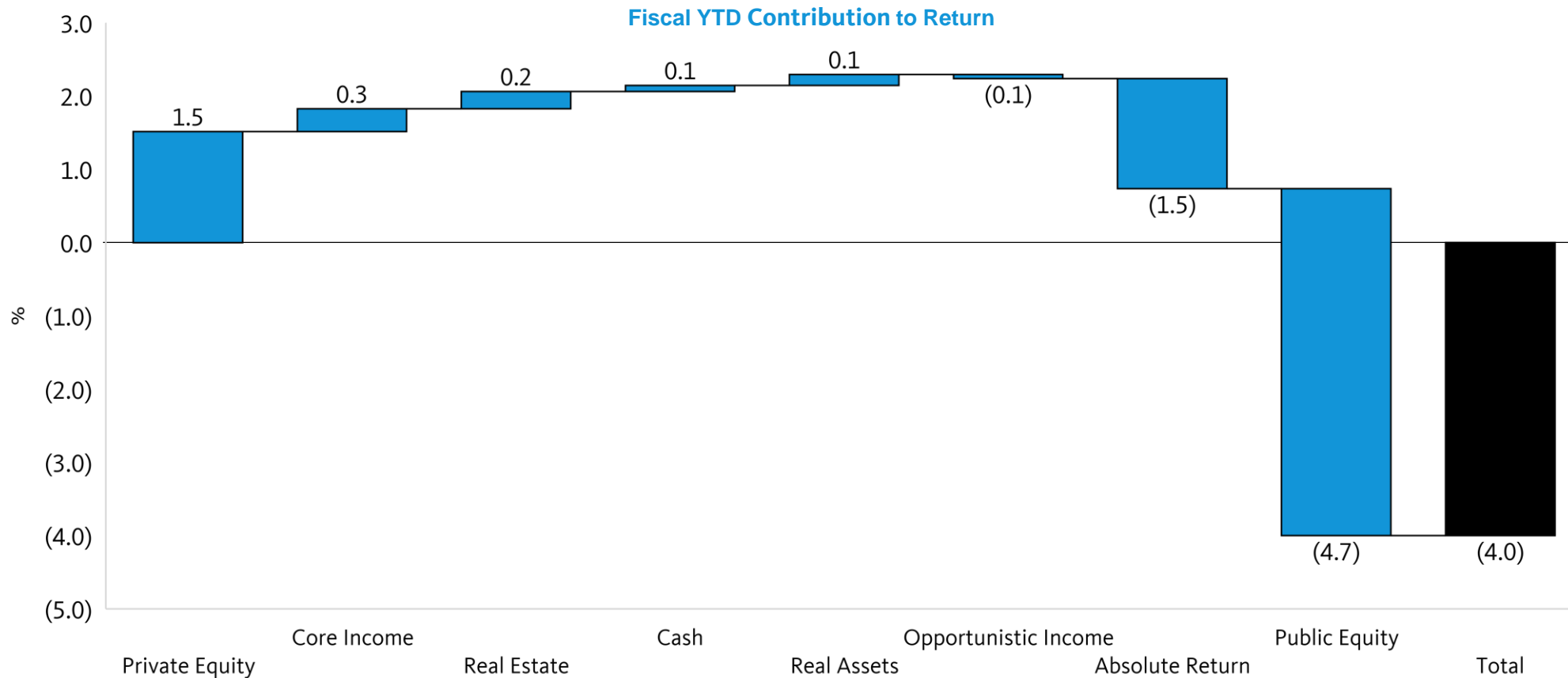
Endowment Asset Allocation

As of April 30, 2020	Market Value (\$B)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Public Equity	3.9	28.9	(10.1)	39.0	30
Fixed Income	1.3	9.9	1.2	8.7	10
Other Investments	6.6	48.9	(0.1)	49.0	60
Absolute Return	2.8	20.6	(2.7)	23.3	25
Private Equity	2.2	16.1	1.6	14.5	23
Real Estate	1	7.4	(0.6)	8.0	9
Real Assets	0.7	4.8	1.6	3.2	4
Cash	1.7	12.3	9	3.3	0
Total	\$13.5B	100.0%		100.0%	100%

Endowment Performance

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns						
					1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
UC Endowment	13.0	100	(9.3)	(4.0)	0.6	5.4	5.1	5.8	7.3	5.4	8.5
Policy Benchmark*			(13.3)	(8.1)	(5.2)	2.9	3.4	3.8	5.4	4.6	7.6
Value Added			4.0	4.1	5.8	2.5	1.7	2.0	1.9	0.8	0.9

*The UC Endowment Benchmark is a weighted average of investment policy targets.



Endowment Attribution – Fiscal Year to Date

As of March 31, 2020	Portfolio Return	Benchmark Return	Allocation Attribution	Selection Attribution	Total Attribution
Public Equity	(12.5)	(15.6)	0.2	1.1	1.3
Liquidity	2.5	5.7	0.3	(0.3)	(0.0)
Core Income*	5.7	5.7	0.2	(0.0)	0.1
Opportunistic Income	(2.4)	5.7	0.1	(0.3)	(0.2)
Other Investments	1.0	(5.1)	1.8	0.9	2.7
Absolute Return	(7.2)	(5.5)	0.1	(0.4)	(0.3)
Private Equity	11.7	(11.4)	1.7	1.2	2.9
Real Estate	3.5	3.2	(0.1)	0.0	(0.1)
Real Assets	3.7	3.8	0.2	(0.0)	0.2
Cash	1.6	1.6	0.2	(0.0)	0.2
Total	(4.0)	(8.1)	2.5	1.6	4.1

* Invested in U.S. Treasuries in Quarter 1 - 2020.

Endowment Policy Benchmark

Asset Class	Policy Benchmark Component	Interim Policy (%)	Allowable Ranges		Long-Term Target (%)	Allowable Ranges	
			Min (%)	Max (%)		Min (%)	(%)Max
Total Public Equity	MSCI All Country World Index Net IMI (Tobacco Free)	39.0	26.7	60.0	30.0	20.0	52.5
Liquidity (Income)	Barclays US Aggregate Bond Index	8.7	0.0	17.5	10.0	0.0	17.5
Total Other Investments							
Private Equity	Russell 3000 + 2.0%	23.3	13.3	30.3	22.5	10.0	32.5
Absolute Return	HFRI Fund of Funds Composite	14.5	2.0	24.5	25.0	15.0	32.0
Real Estate	NCREIF ODCE Index (lagged 3 months)	11.2	1.7	16.2	12.5	3.0	17.5
Real Assets	Actual Real Asset Portfolio Returns						
Cash		3.3	-	-	-	-	-

Public Equity

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	Annualized Returns								
			QTD 3 Months	Fiscal YTD 9 Months	1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
Public Equity	4.3	100	(20.0)	(12.5)	(9.2)	2.2	2.7	3.7	6.5	3.3	7.4
Policy Benchmark*			(22.5)	(15.6)	(12.7)	1.0	2.5	3.0	5.8	4.1	8.3
Value Added			2.5	3.1	3.5	1.2	0.2	0.7	0.7	(0.8)	(0.9)
Active	1.9	43	(19.3)	(12.1)	(8.1)	-	-	-	-	-	-
Passive	2.4	57	(20.7)	(12.3)	(9.4)	-	-	-	-	-	-

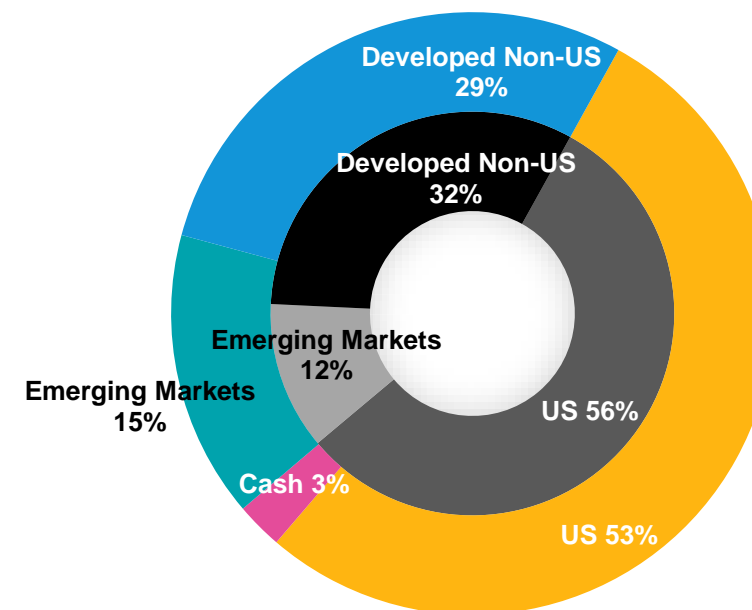
* Prior to July 1, 2017, the total public equity benchmark was an aggregate of benchmarks for underlying equity portfolios.

Active Managers	# of funds	Weight
Global Generalist	2	10.9%
US	1	6.5%
Developed Non-US	2	11.6%
Global Sector Specialist	1	2.0%
Emerging Markets	2	12.0%
	8	43.0%

Passive Index Exposure	Strategy	Weight
S&P 500 Tobacco Free	US Passive	18.1%
MSCI ACWI IMI Tobacco Free	Global Passive	38.4%

Geographic Exposure

Endowment ■ ■ ■ ■
 Benchmark ■ ■ ■



Public Equity

Attribution:

GEP outperformance FYTD 2019/20 driven by manager stock selection, as well as over weights to healthcare and China.

Top 3 Absolute Performers FYTD	FYTD return	Weight
1. Global Sector Specialist	7.9%	2.0%
2. US Manager	-11.1%	6.5%
3. Developed Non-US Manager	-11.5%	6.8%

Bottom 3 Absolute Performers FYTD	FYTD return	Weight
1. Global Generalist Manager	-17.2%	3.6%
2. Developed Non-US Manager	-16.3%	5.2%
3. Global Generalist Manager	-14.8%	7.7%
GEP Benchmark (MSCI All Country World Index Net IMI Tobacco Free)	-15.6%	

Public Equity

As of March 31, 2020

External Manager	Market Value (\$M)	Manager (%)	MSCI ACWI IMI (%)	S&P 500 (%)	Annualized Return
MSCI ACWI IMI Tobacco Free	1,668	2.9	2.9	7.7	6 Years
S&P 500 Tobacco Free	786	7.7	2.9	7.7	6 Years
Manager 3	323	6.0	2.9	7.7	6 Years
Manager 4	295	8.0	4.4	8.0	3.9 Years
Manager 5	289	9.9	2.5	7.5	5.6 Years
Manager 6	284	8.1	2.9	7.7	6 Years
Manager 7	234	13.6	2.2	7.1	5.7 Years
Manager 8	209	(16.3)	(13.9)	(9.0)	0.8 Years
Manager 9	154	7.4	2.9	7.7	6 Years
Manager 10	86	13.3	2.9	7.7	6 Years

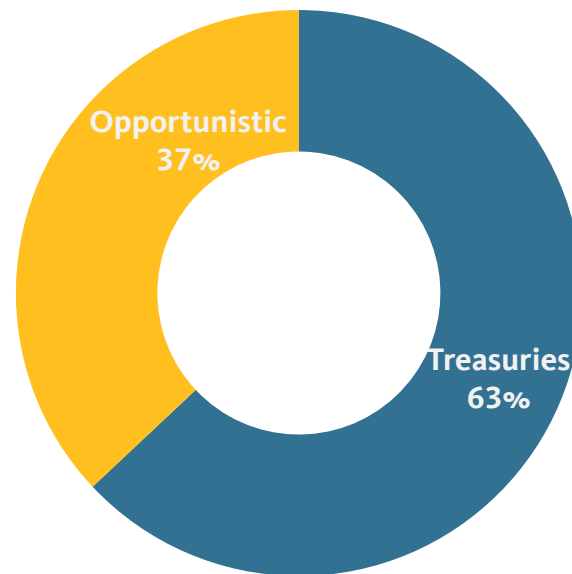
Annualized returns for 6 years since CIO Jagdeep Singh Bachher joined. Where we don't have 6 years of returns, we have used the since inception time period.

Fixed Income

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns						
					1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
Fixed Income	1.4	100	0.0	2.5	5.2	3.9	2.8	3.0	4.2	5.7	6.9
Policy Benchmark*			3.1	5.7	8.9	4.8	4.0	4.1	4.8	6.1	6.4
Value Added			(3.1)	(3.2)	(3.7)	(0.9)	(1.2)	(1.1)	(0.6)	(0.4)	0.5
Core Income	0.9	63	3.7	5.7	8.2	4.4	2.9	3.2	3.7	5.2	6.6
Opportunistic Income	0.5	37	(5.8)	(2.4)	1.2	3.2	3.8	3.7	5.6	-	-

* Starting July 1, 2017, the benchmark is the Barclay's US Aggregate Bond Index.

Policy benchmark for Liquidity (Income) prior to July 1, 2017 was a weighted average composite of the historical policy benchmarks and targets.



Cash

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns						
					1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
Cash	0.8	100	0.5	1.6	2.2	2.0	1.7	1.6	1.9	3.1	3.7

As of April 30, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 1 Month	Fiscal YTD 9 Months	Annualized Returns						
					1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
Cash	1.7	100	0.2	1.8	2.2	2.0	1.7	1.6	1.9	3.1	3.7

Absolute Return

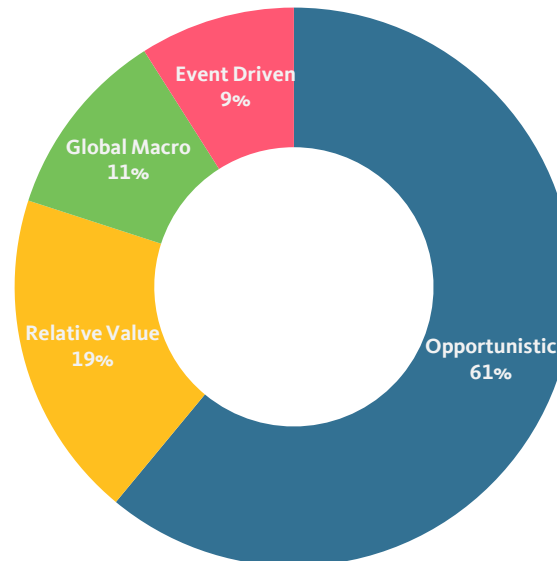
As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					Since Inception 16 Year
					1 Year	3 Year	5 Year	6 Year	10 Year	
Absolute Return	2.8	100	(10.9)	(7.2)	(4.3)	2.0	1.4	2.8	4.2	5.0
Policy Benchmark*			(7.3)	(5.6)	(4.0)	0.5	(1.3)	(0.6)	(0.2)	-
Value Added			(3.6)	(1.6)	(0.3)	1.5	2.7	3.4	4.4	-
Opportunistic	1.7	61	(14.8)	(9.1)	(6.4)	3.1	4.0	5.0	-	
Relative Value	0.5	19	3.5	3.5	6.7	7.5	7.1	6.7	6.4	
Global Macro	0.3	11	(11.6)	(14.8)	(9.9)	(4.3)	(2.6)	(0.6)	0.3	
Event Driven	0.2	9	(8.4)	(2.7)	(1.3)	5.1	2.9	3.3	5.4	

* As of July 1, 2017, the benchmark is HFRI Fund of Funds Composite.

From March 1, 2016 to June 1, 2017, the benchmark was the HFRX Absolute Return.

From April 1, 2009 to February 1, 2016, the benchmark was 50% HFRX Absolute Return/50% HFRX Market Directional.

Prior to that, benchmark was 1 Month T-Bill+4.5%.



Absolute Return

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					Since Inception 16 Year
					1 Year	3 Year	5 Year	6 Year	10 Year	
Absolute Return	2.8	100	(10.9)	(7.2)	(4.3)	2.0	1.4	2.8	4.2	5.0
Policy Benchmark			(7.3)	(5.6)	(4.0)	0.5	(1.3)	(0.6)	(0.2)	-
Value Added			(3.6)	(1.6)	(0.3)	1.5	2.7	3.4	4.4	-
Credit – Direct Lending	0.9	33	(9.7)	0.8	5.8	8.0	-	-	-	
Credit – Multi-Strategy	0.4	15	(27.5)	(26.0)	(24.7)	(4.6)	(0.9)	0.8	-	
Relative Value	0.5	19	3.5	3.5	6.7	7.5	7.1	6.7	6.4	
Event Driven	0.5	19	(9.1)	(4.7)	(3.8)	4.8	2.8	3.2	5.3	
Global Macro	0.3	11	(11.6)	(14.8)	(9.9)	(4.3)	(2.6)	(0.6)	0.3	
Opportunistic	0.1	4	0.7	(3.0)	0.3	7.1	-	-	-	



External Manager	Credit Strategies	Investment Strategy	NAV (\$M)
Manager 1	Direct Lending	European corporate lending.	\$120
Manager 2	Direct Lending	Consumer and small business specialty finance lending.	\$220
Manager 3	Direct Lending	U.S. residential real estate credit lending.	\$253
Manager 4	Direct Lending	U.S. upper middle market corporate direct lending. Vehicle is publicly traded.	\$335
Manager 5	Multi-Strategy	Structured credit, asset backed and mortgage securities.	\$282
Manager 6	Multi-Strategy	Structured credit, asset backed and mortgage securities.	\$150
Total			\$1,350

Private Equity

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns						
					1 Year	3 Year	5 Year	6 Year	10 Year	20 Year	25 Year
Private Equity	2.1	100	1.6	11.6	26.7	22.9	21.7	21.1	19.0	12.0	20.3
Policy Benchmark*			(20.5)	(11.4)	(7.5)	6.6	11.8	12.8	14.1	7.6	12.3
Value Added			22.1	23.0	34.2	16.3	9.9	8.3	4.9	4.4	8.0
Co-Invest	0.6	30	(5.0)	17.5	38.7	31.9	27.4	28.9	25.8	-	-
Buyout	0.6	26	1.4	2.1	9.5	15.8	20.7	18.8	16.3	-	-
Venture Capital	0.5	23	11.0	13.4	34.9	26.9	18.7	18.9	17.3	-	-
Growth	0.4	18	3.3	11.9	22.0	9.7	10.9	8.9	13.0	-	-
Opportunistic	0.1	3	6.0	23.3	42.6	27.5	12.9	5.9	19.6	-	-

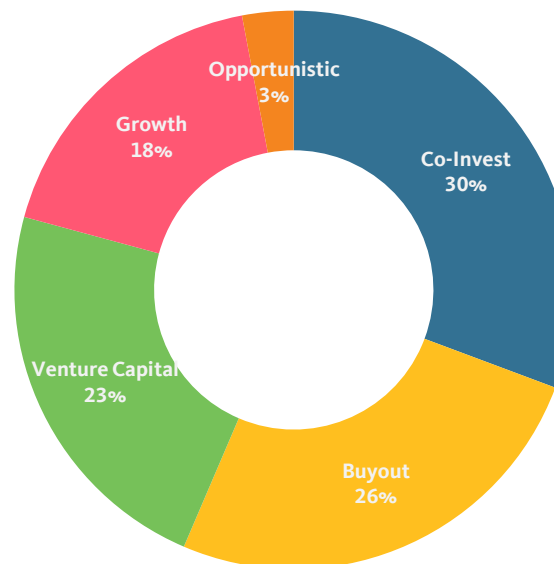
* As of July 1, 2019, the Private Equity policy benchmark is the Russell 3000 +2.0%.

From July 1, 2017 to June 30, 2019, the Private Equity policy benchmark is the Russell 3000 +1.5%.

From March 2005 to June 2017, the Private Equity benchmark was the actual private equity return.

From January 2001 to February 2005, the Private Equity benchmark was Russell 3000 + 3% lagged one quarter.

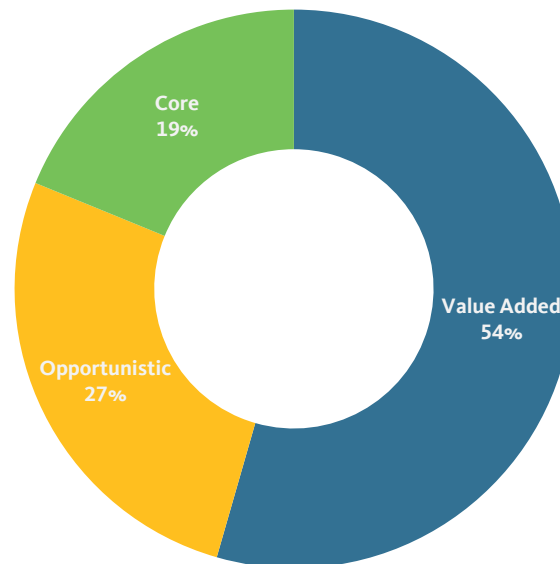
Prior to that, it was the S&P 500 + 5% lagged by a quarter.



Real Estate

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					Since Inception 14 Year
					1 Year	3 Year	5 Year	6 Year	10 Year	
Real Estate	1.0	100	2.8	3.5	6.7	8.1	8.9	10.0	11.8	5.9
Policy Benchmark*			1.3	3.2	4.4	6.1	8.1	8.6	10.9	-
Value Added			1.5	0.3	2.3	2.0	0.8	1.4	0.9	-
Value Added	0.5	54	2.6	4.3	8.1	6.7	8.8	9.0	9.1	
Opportunistic	0.3	27	2.7	1.4	1.6	3.1	5.7	7.8	10.6	
Core	0.2	19	3.8	5.3	11.4	9.7	10.1	10.6	14.3	

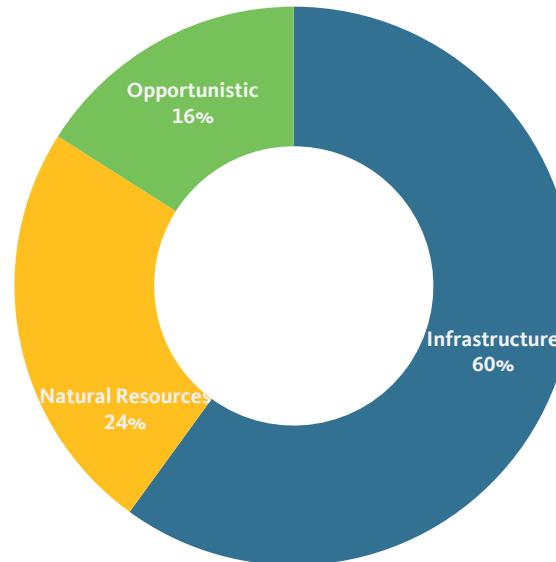
* As of April 1, 2011, the Real Estate policy benchmark is the NCREIF ODCE Index (lagged 3 months).



Real Assets

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	1 Year	Annualized Returns			Since Inception 10 Year
						3 Year	5 Year	6 Year	
Real Assets	0.7	100	1.7	3.8	11.0	5.5	(0.1)	0.8	4.4
Infrastructure	0.4	60	2.0	6.9	15.2	10.7	10.9	12.4	-
Natural Resources	0.2	24	2.1	1.3	7.5	0.9	(6.4)	(4.6)	-
Opportunistic	0.1	16	0.4	(0.2)	6.4	7.6	4.2	4.2	-

* Inception date for Real Assets is April 1, 2010.
The Real Assets policy benchmark is itself, the Real Assets portfolio.



Risk Measurement

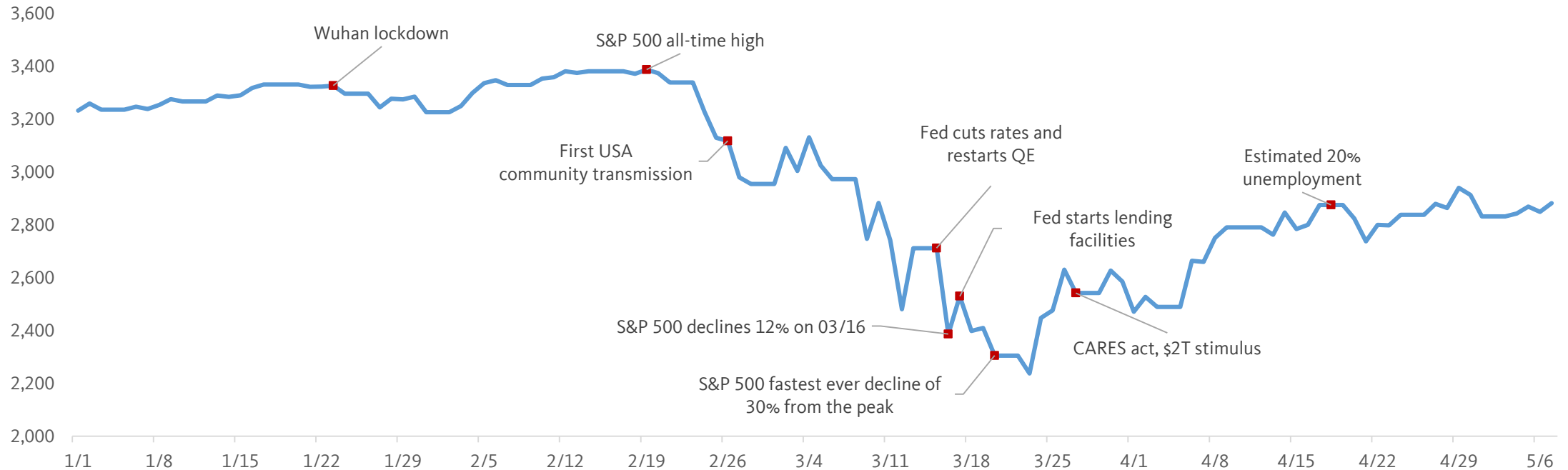
All asset classes and their benchmarks have increased risk and tracking error due to unprecedented market volatility in February and March 2020. Overall tracking error increased 1.3%.

Portfolio	Benchmark	Weight (%)	Portfolio Risk (%)		Benchmark Risk (%)		Active Risk (%)	
			Standalone Volatility	QoQ Change	Standalone Volatility	QoQ Change	Tracking Error	QoQ Change
Endowment	Policy (Blend)	100	23.6	15.2	21.1	13.5	3.2	1.3
Public Equity	MSCI ACWI ex Tobacco	33	27.8	15.5	29.5	17.4	2.5	0.8
Liquidity	Barclays Aggregate	11	11.6	8.8	7.1	3.8	8.1	5.6
Absolute Return	HFRI FOF	21	9.1	4.4	8.7	6.5	4.0	0.4
Private Equity	Russell 3000	16	46.0	26.8	30.4	16.8	17.8	8.8
Real Estate	NFI-ODCE	8	30.2	21.1	27.2	17.7	4.7	(3.4)*
Real Assets	Real Assets	5	42.2	26.5	42.2	26.5	0.0	0.0
Cash	Cash	6	0.1	(0.1)	0.1	(0.1)	0.0	0.0

* Real Estate risk model changed during 2020 Q1 hence the QoQ change is reflecting the new methodology.

Risk: Covid-19 Themes

S&P 500 from January 1, 2020



We have passed through an acute stage of market dislocation

- A month of jarring market decline and volatility.
- Aggressive and rapid Fed intervention and government stimulus.
- A surprising level of market stability in April, and a market that suggests nothing out of the ordinary in May.

And are facing a period of chronic market risk today

- A bimodal risk picture with prospects that are either very good or very bad: a return to normalcy, or a second wave.
- Asymmetric risk; greater downside potential.

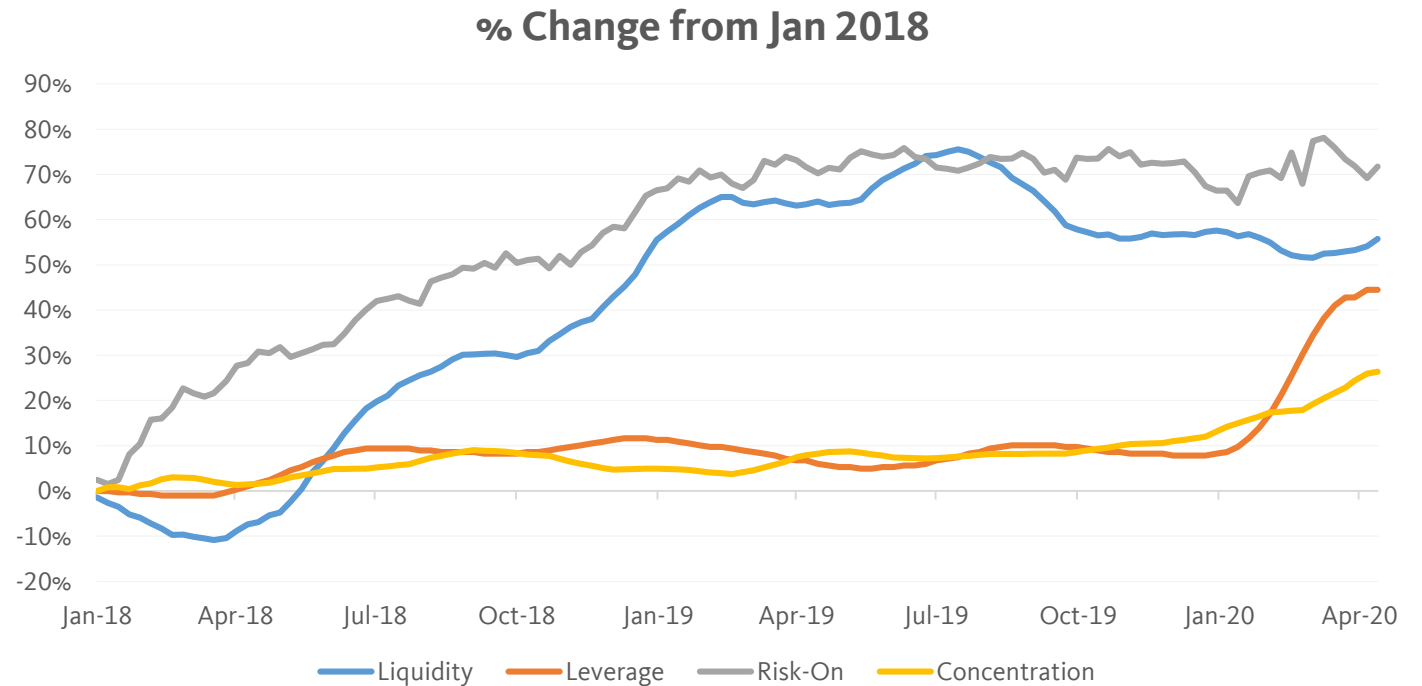
Risk 3.0: Managing the Dynamics of Market Vulnerability

Well before the Covid crisis, our Risk 3.0 framework indicated market dynamics with underlying vulnerability, e.g.:

- Growing leverage
- Constricted liquidity
- High concentration
- Aggressive risk sentiment

No one could predict when or how an event might strike that vulnerability, but we managed our risk with that in mind.

The market dislocations in March were an anticipated dynamic given the Covid-19 event, although the severity was surprising.



Blue & Gold Investment Pool

Blue & Gold Asset Allocation

As of March 31, 2020	Market Value (\$B)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Public Equity	1.1	65.3	(4.7)	70.0	70
Fixed Income	0.6	34.7	4.7	30.0	30
Total	\$1.7B	100.0%		100.0%	100%

Blue & Gold Asset Allocation

As of April 30, 2020	Market Value (\$B)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Public Equity	1.2	66.1	(3.9)	70.0	70
Fixed Income	0.6	33.9	3.9	30.0	30
Total	\$1.8B	100.0%		100.0%	100%

As of May 6, 2020	Market Value (\$B)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Public Equity	0	0	0	70.0	70
Fixed Income	0	0	0	30.0	30
Total	\$0B	0%		100.0%	100%

Blue & Gold Performance

As of March 31, 2020 Net Returns (%)	Market Value (\$B)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	1 Year
Blue & Gold	1.7	100	(15.0)	(8.9)	(5.7)
Policy Benchmark*			(15.0)	(9.1)	(6.0)
Value Added			0.0	0.2	0.3
Growth	1.1	65	(22.3)	(15.2)	(12.1)
Policy Benchmark*			(22.5)	(15.6)	(12.7)
Value Added			0.2	0.4	0.6
Income	0.6	35	3.2	5.7	8.7
Policy Benchmark*			3.2	5.7	8.9
Value Added			0.0	0.0	(0.2)

*The Blue and Gold Benchmark is a weighted average consisting of each of the monthly returns of the MSCI ACWI Net IMI Tobacco Free and Barclays US Aggregate Bond Index

Blue & Gold Policy Benchmark

Asset Class	Policy Benchmark Component	Target	Allowable Ranges	
			Min	Max
Growth	MSCI All Country World Index Net IMI (Tobacco Free)	70.0%	60.0%	80.0%
Income	Barclays US Aggregate Bond Index	30.0%	20.0%	40.0%