



Endowment

March 31, 2021

UC INVESTMENTS

UC Investments Way



UC Endowment

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

INVESTMENT OBJECTIVES

- 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.

UC Investments

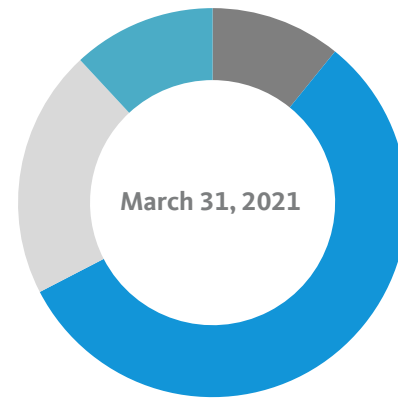
INVESTMENT PRODUCTS

- Investing **Endowment** assets since 1933 (89 years)
- Investing **Blue & Gold** assets since 2017 (2 years)

- Investing **Pension** assets since 1961 (61 years)
- Investing **Retirement Savings** assets since 1967 (55 years)

- Investing **Working Capital** since 1976 (46 years)
 - Investing Total Return since 2008 (14 years)
 - Investing Short Term since 1976 (46 years)

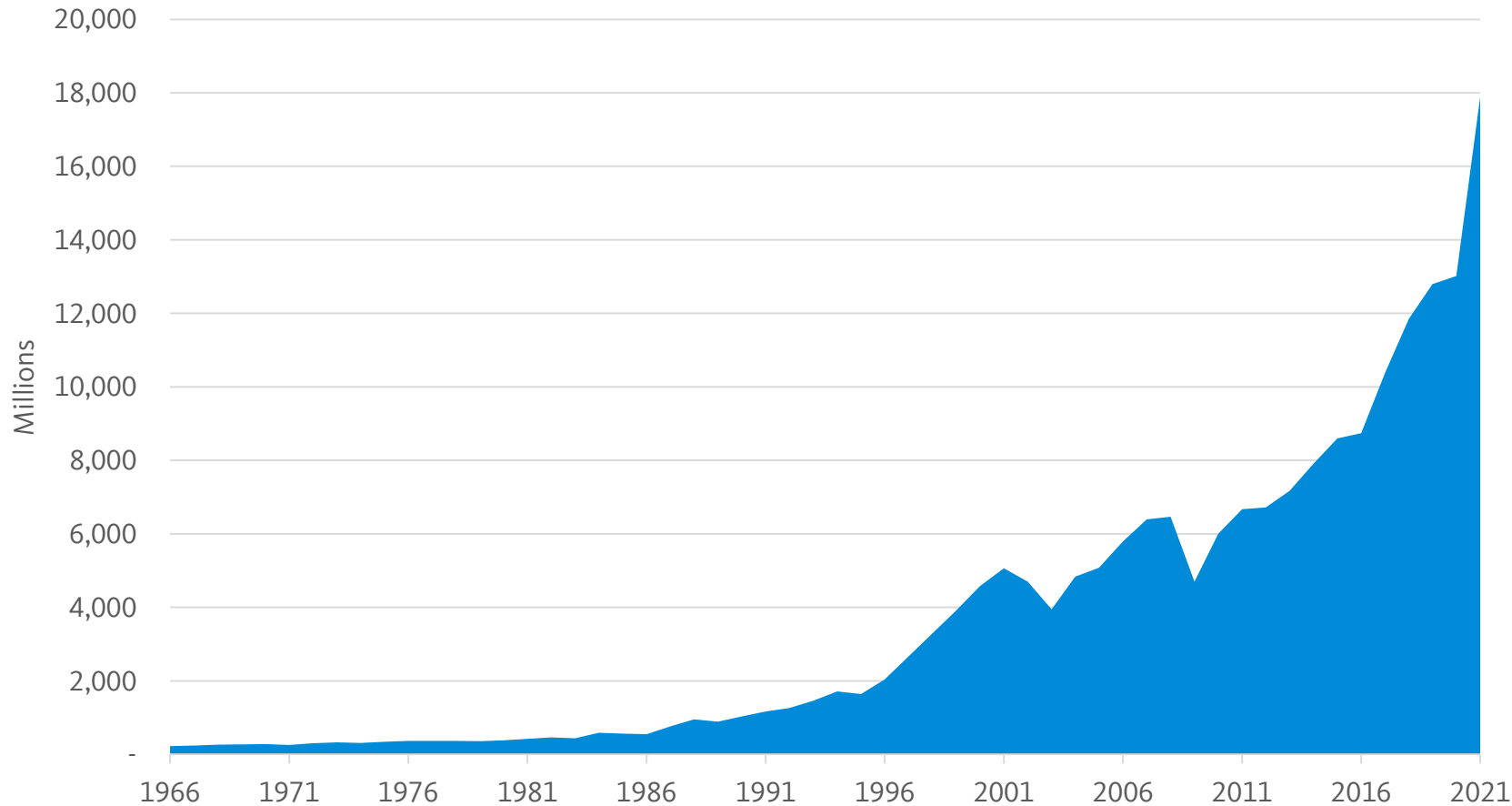
\$160,112 MILLION ACROSS 6 PRODUCTS



	<u>\$ Million</u>	<u>(%)</u>
● Endowment	17,887	12
● Blue & Gold	200	0
● Pension	85,430	53
● Retirement Savings	32,529	20
● Working Capital	24,066	15
TRIP	12,383	8
STIP	11,683	7

Endowment Assets Growth

ENDOWMENT ASSETS 1933 – 2021



ASSET GROWTH

March 31, 2021

Today	\$17,887M	Δ Change
1 Year Ago	\$13,017M	+\$4,870B
5 Years Ago	\$8,736M	+\$9,151B
10 Years Ago	\$6,672M	+\$11,215B

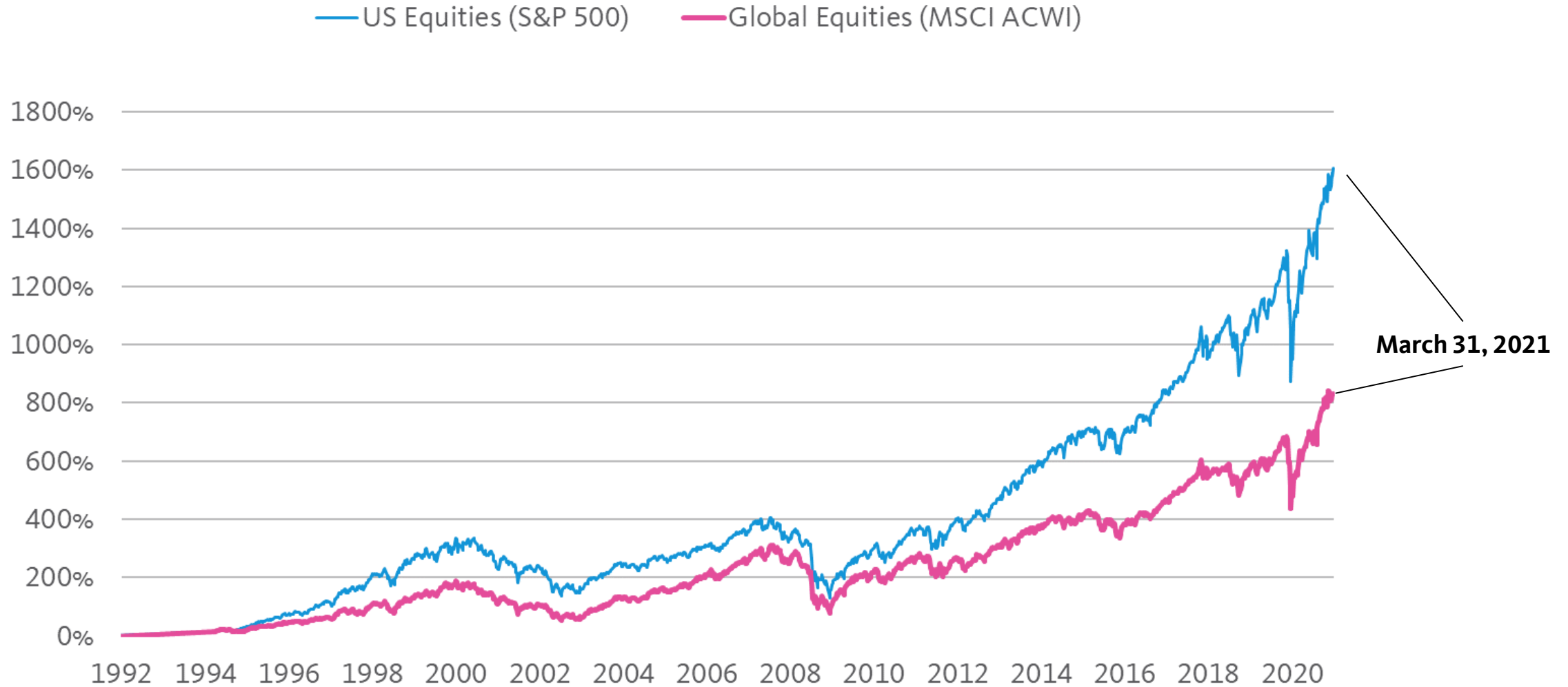
Assets Under Management

Quarter To Date (3 Months)	Market Value (\$M)	Fiscal Year To Date (9 Months)	Market Value (\$M)
December 31, 2020	16,648	June 30, 2020	14,012
Market Gains	666	Market Gains	3,245
Value Added	427	Value Added	140
Net Cash Flow	145	Net Cash Flow	490
March 31, 2021	17,887	March 31, 2021	17,887

Endowment Asset Allocation

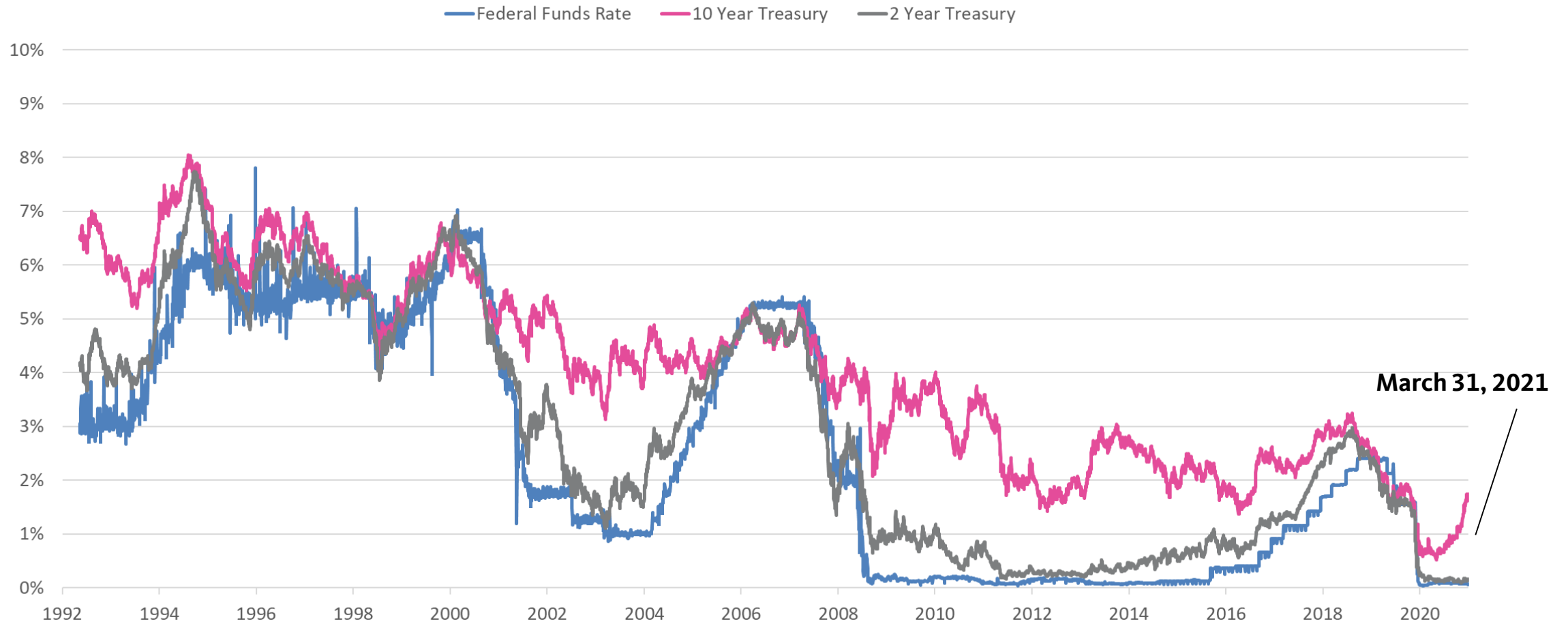
As of March 31, 2021	Market Value (\$M)	Weight (%)	Over/Underweight to Interim Policy (%)	Interim Policy (%)	Long-Term Target (%)
Global Equity	9,485	53.0	4.5	48.5	40
Fixed Income	576	3.2	(4.8)	8.0	8
Illiquid	7,598	42.5	1.0	41.5	50
Private Equity	3,243	18.1	2.6	15.5	24
Absolute Return	2,554	14.3	4.3	10.0	10
Real Estate	961	5.4	(2.6)	8.0	8
Real Assets	515	2.9	(1.1)	4.0	4
Private Credit	324	1.8	(2.2)	4.0	4
Cash	228	1.3	(0.7)	2.0	2
Total	\$17,887M	100%		100%	100%

Where Will Equities Go?



Source: Bloomberg, US (S&P 500), Global (MSCI ACWI)

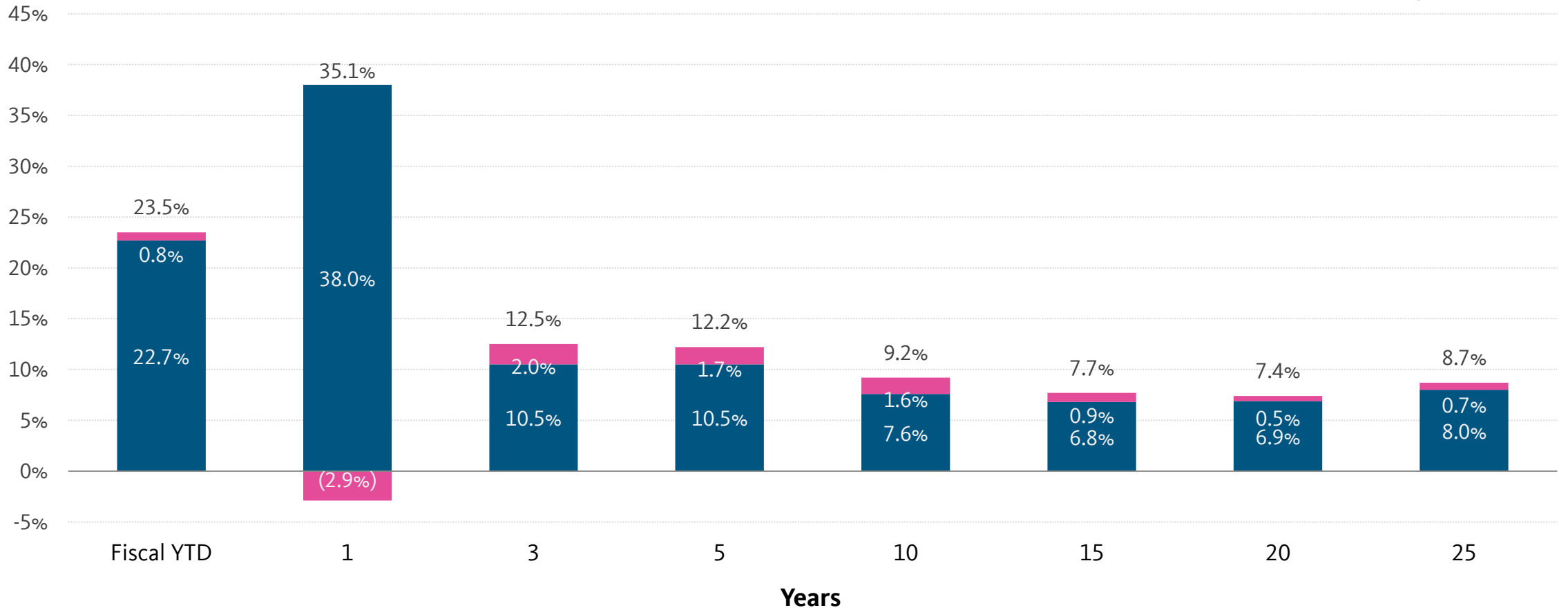
Lower Rates for Longer



Endowment Performance

Net Returns

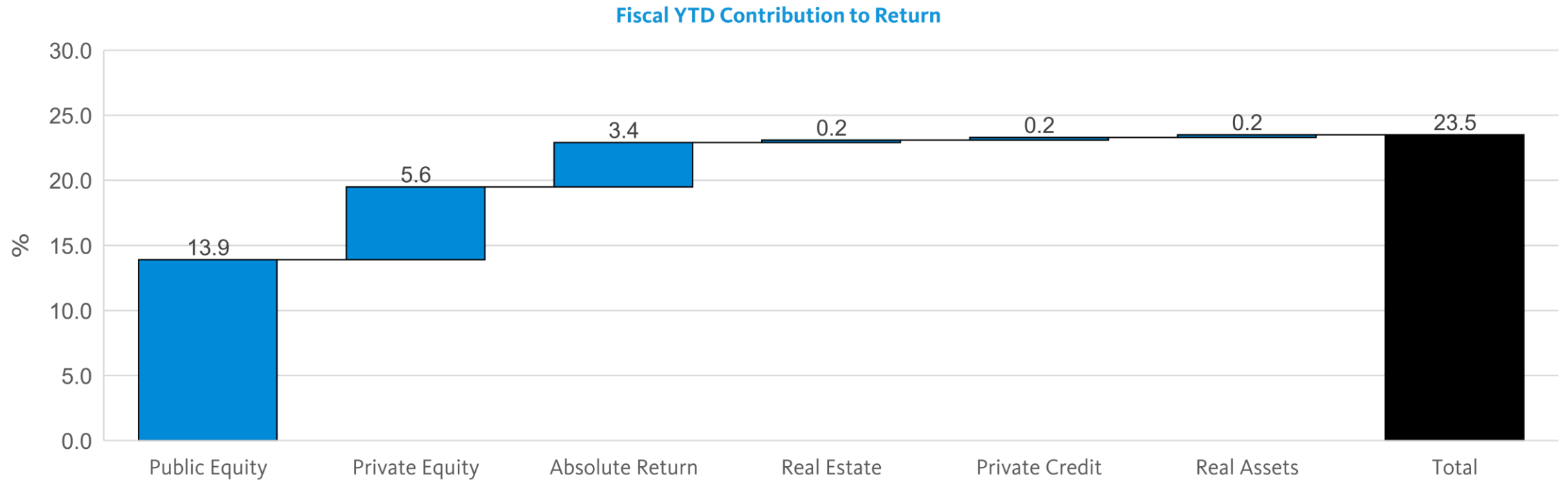
As of March 31, 2021



Endowment Performance

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					
				1 Year	3 Year	5 Year	10 Year	20 Year	25 Year
UC Endowment	17,887	6.5	23.5	35.1	12.5	12.2	9.2	7.4	8.7
Policy Benchmark*		4.0	22.7	38.0	10.5	10.5	7.6	6.9	8.0
Value Added		2.5	0.8	(2.9)	2.0	1.7	1.6	0.5	0.7

*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	31.8	31.5	(0.3)	0.1	(0.2)
Fixed Income	(0.7)	0.1	1.2	(0.1)	1.1
Other Investments	21.0	18.4	(0.3)	0.4	0.1
Private Equity	34.0	35.7	0.1	(0.2)	(0.1)
Absolute Return	18.7	15.2	(0.7)	0.5	(0.2)
Real Estate	4.1	1.5	0.3	0.2	0.5
Real Assets	5.5	5.5	(0.2)	0.0	(0.2)
Private Credit	11.4	11.5	0.2	0.0	0.2
Cash	0.6	0.1	(0.2)	0.0	(0.2)
Total	23.5	22.7	0.4	0.4	0.8

Endowment Policy Benchmark

Asset Class	Policy Benchmark Component	Interim Policy (%)	Allowable Ranges		Long-Term Target (%)	Allowable Ranges	
			Min (%)	Max (%)		Min (%)	(%)Max
Public Equity	MSCI All Country World Index (ACWI) Investable Market Index (IMI) Tobacco and Fossil Fuel Free - Net Dividends	48.5	30.0	50.0	40.0	30.0	50.0
Fixed Income	Bloomberg Barclays 1-5 Year US Government/Credit Index	8.0	5.0	15.0	8.0	5.0	15.0
Total Other Investments							
Private Equity	Russell 3000 Index + 2.5%	15.5	10.0	30.0	24.0	10.0	30.0
Absolute Return	HFRI Fund of Funds Composite	10.0	5.0	15.0	10.0	5.0	15.0
Real Estate	NCREIF ODCE Index	8.0	4.0	12.0	8.0	4.0	12.0
Real Assets	Actual Real Asset Portfolio Returns	4.0	0.0	8.0	4.0	0.0	8.0
Private Credit	75% Credit Suisse Leveraged Loan Index / 25% Bank of America Merrill Lynch U.S. High Yield BB-B Constrained + 1.5%	4.0	0.0	6.0	4.0	0.0	6.0
Cash	Bank of America 3-Month US Treasury Bill Index	2.0	1.0	5.0	2.0	1.0	5.0

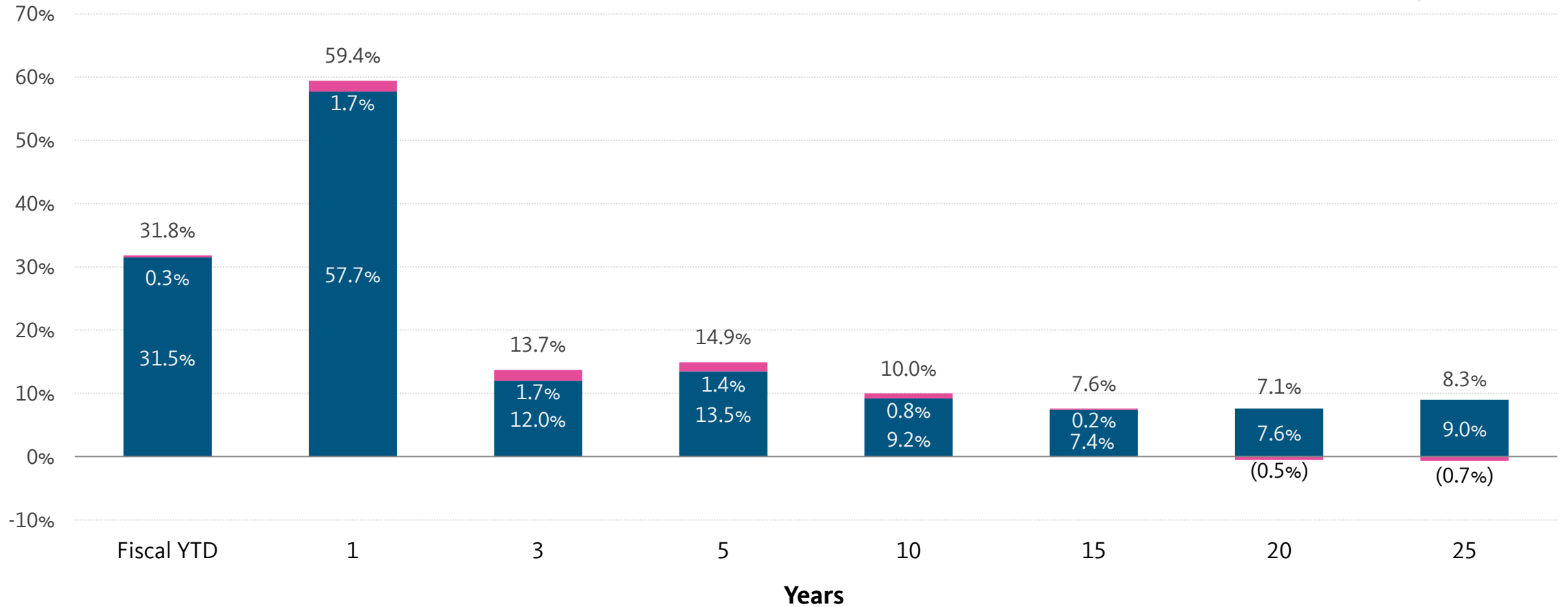
Public Equity

Net Returns

As of March 31, 2021

Portfolio

- Policy
- Value Added



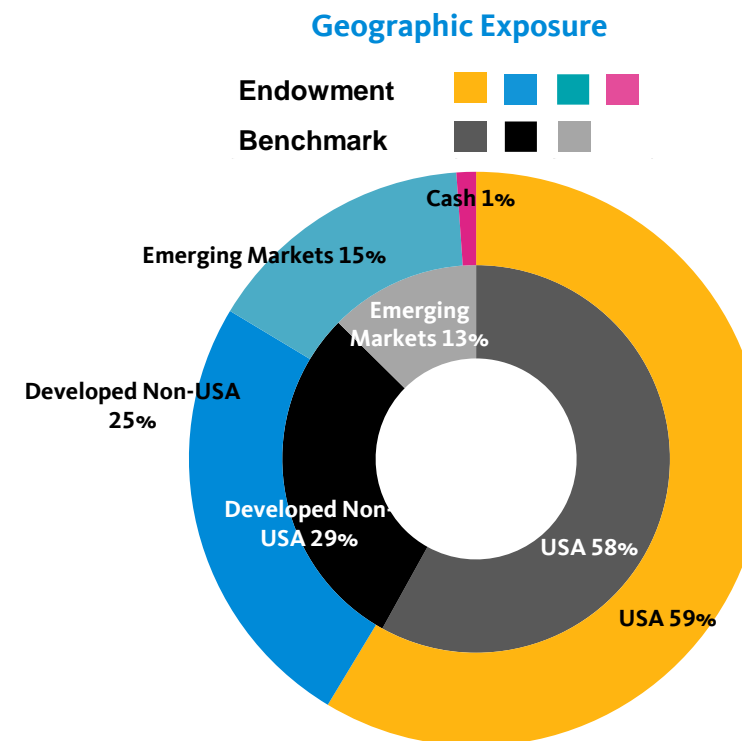
Public Equity

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					
					1 Year	3 Year	5 Year	10 Year	20 Year	25 Year
Public Equity	9,485	100	4.6	31.8	59.4	13.7	14.9	10.0	7.1	8.3
Policy Benchmark*			4.7	31.5	57.7	12.0	13.5	9.2	7.6	9.0
Value Added			(0.1)	0.3	1.7	1.7	1.4	0.8	(0.5)	(0.7)
Active	3,660	39	3.6	32.3	61.4	14.3	15.8	13.7	-	-
Passive	5,825	61	5.1	31.1	57.6	13.7	14.8	9.2	9.4	-

* From July 1, 2020 the public equity benchmark is the MSCI ACWI IMI Tobacco and Fossil Fuel Free Index.
 From July 1, 2017 to June 30, 2020 the total public equity benchmark the MSCI ACWI IMI Tobacco Free Index.
 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	3	13.6%
USA	1	5.1%
Developed Non-USA	2	8.2%
Global Sector Specialist	1	1.3%
Emerging Markets	3	10.4%
	10	38.6%

Passive Index Exposure	Strategy	Weight
S&P 500 Tobacco and Fossil Fuel Free	US Passive	20.7%
MSCI ACWI IMI Tobacco and Fossil Fuel Free	Global Passive	40.5%



Public Equity

Attribution:

GEP outperformance FYTD 2020/21 driven by positive alpha from manager stock selection, as well as overweights to India, and underweights to Japan and Consumer Staples.

Top 3 Absolute Performers FYTD	FYTD return	Weight
1. Emerging Markets Manager	40.5%	5.5%
2. Emerging Markets Manager	40.0%	3.7%
3. Global Generalist Manager	38.4%	4.6%
Bottom 3 Absolute Performers FYTD	FYTD return	Weight
1. Emerging Markets Manager*	-18.2%	0.9%
2. Global Sector Specialist	2.8%	1.3%
3. Developed Non-US Manager	23.3%	4.6%

GEP Benchmark (MSCI ACWI IMI TF/FF)

31.5%

*Manager Inception Jan 2021

Geographic Exposures	Portfolio	Benchmark
US Equity	58.7%	58.1%
Developed Non-US Equity	25.0%	29.4%
Emerging Market Equity	15.3%	12.6%
Cash	1.1%	0.0%

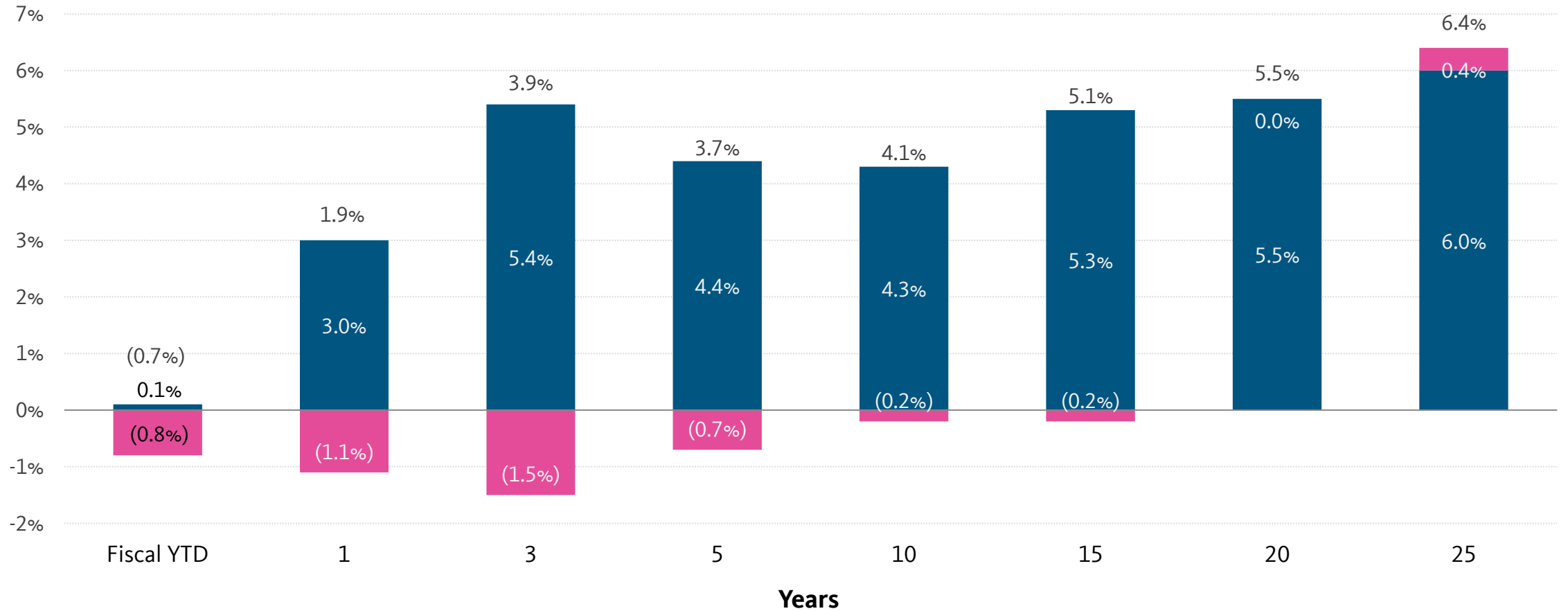
Fixed Income

Net Returns

As of March 31, 2021

Portfolio

- Policy
- Value Added



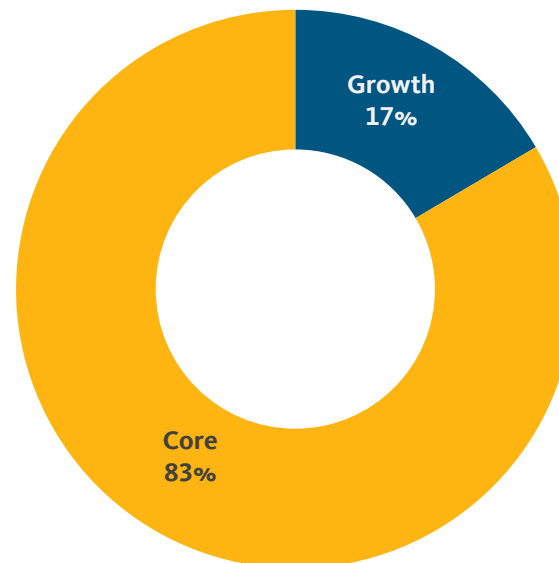
Fixed Income

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					
					1 Year	3 Year	5 Year	10 Year	20 Year	25 Year
Fixed Income	576	100	(1.4)	(0.7)	1.9	3.9	3.7	4.1	5.5	6.4
Policy Benchmark*			(0.6)	0.1	3.0	5.4	4.4	4.3	5.5	6.0
Value Added			(0.8)	(0.8)	(1.1)	(1.5)	(0.7)	(0.2)	(0.0)	0.4

* From July 1, 2020, the benchmark is the Bloomberg Barclays 1-5 Year US Government/Credit Index.

From July 1, 2017 to June 30, 2020, 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.



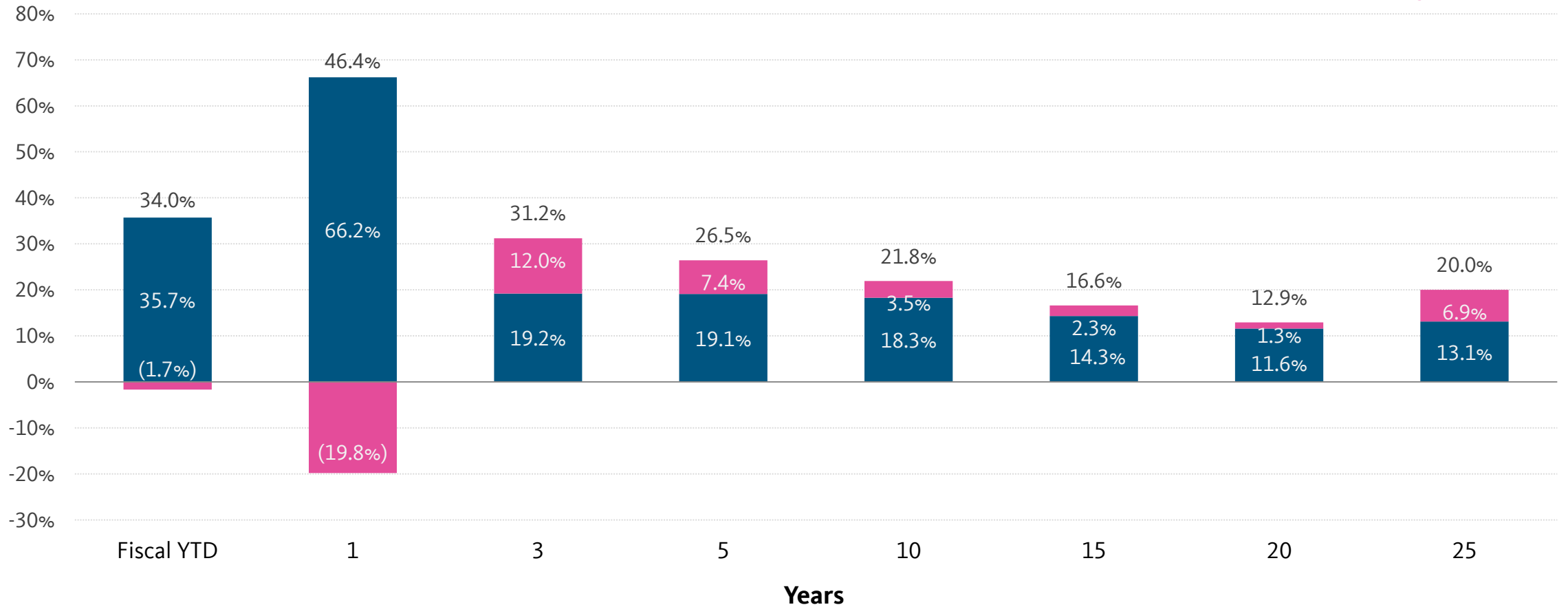
Private Equity

Net Returns

As of March 31, 2021

Portfolio

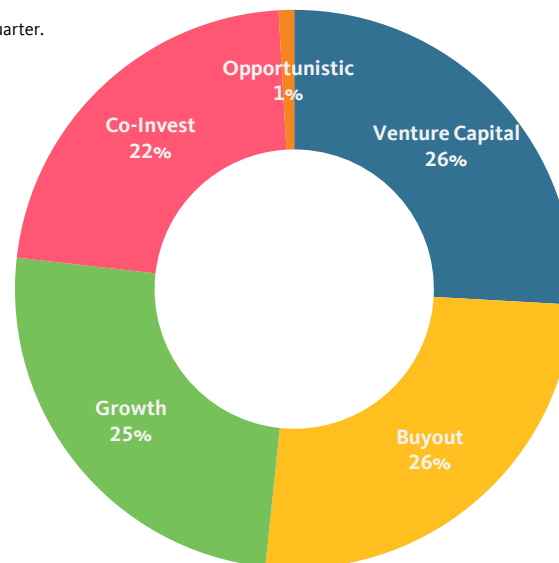
- Policy
- Value Added



Private Equity

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns					
					1 Year	3 Year	5 Year	10 Year	20 Year	25 Year
Private Equity	3,243	100	20.4	34.0	46.4	31.2	26.5	21.8	12.9	20.0
Policy Benchmark*			7.0	35.7	66.2	19.2	19.1	18.3	11.6	13.1
Value Added			13.4	(1.7)	(19.8)	12.0	7.4	3.5	1.3	6.9
Venture Capital	839	26	40.9	55.0	78.3	44.6	29.6	22.6	0.2	(0.2)
Buyout	835	26	11.1	29.0	31.5	19.1	23.2	17.8	-	-
Growth	815	25	20.4	40.9	48.5	31.5	18.4	15.2	-	-
Co-Invest	723	22	12.3	16.8	33.9	31.9	29.1	29.5	-	-
Opportunistic	29	1	15.8	14.2	20.4	18.7	10.8	16.4	-	-

* As of July 1, 2020, the Private Equity policy benchmark is the Russell 3000 Index +2.5%.
 From July 1, 2019 to June 30, 2020, the Private Equity policy benchmark is the Russell 3000 Index +2.0%.
 From July 1, 2017 to June 30, 2019, the Private Equity policy benchmark is the Russell 3000 Index +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 Index + 3% lagged one quarter.
 Prior to that, it was the S&P 500 Index + 5% lagged by a quarter.

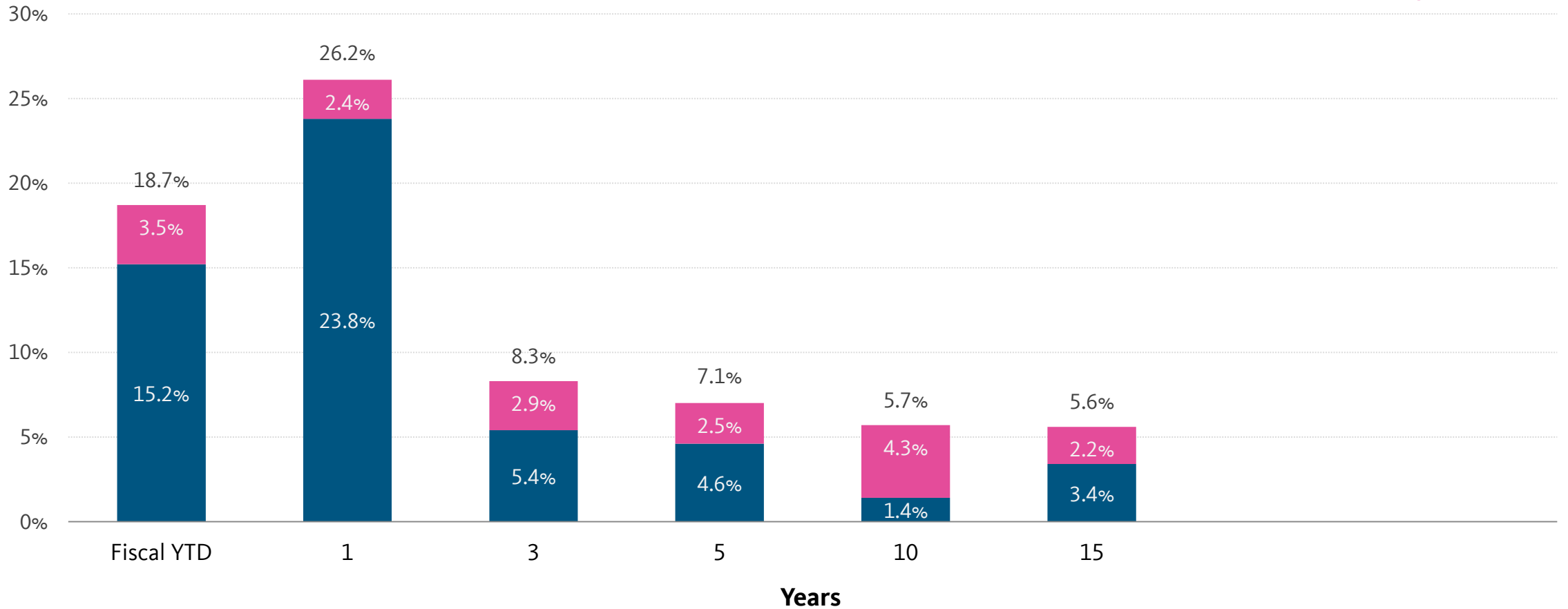


Absolute Return

Net Returns

As of March 31, 2021

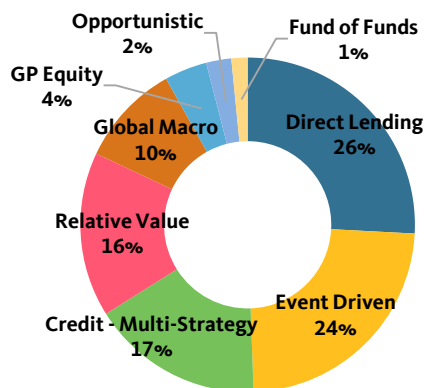
Portfolio
 ● Policy
 ● Value Added



Absolute Return

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns				
					1 Year	3 Year	5 Year	10 Year	15 Year
Absolute Return	2,554	100	4.6	18.7	26.2	8.3	7.1	5.7	5.6
Policy Benchmark*			1.9	15.2	23.8	5.4	4.6	1.4	3.4
Value Added			2.7	3.5	2.4	2.9	2.5	4.3	2.2
Direct Lending	660	26	5.3	16.9	21.6	9.3	-	-	-
Event Driven	603	24	8.1	27.9	52.0	15.5	14.3	8.5	7.4
Credit - Multi-Strategy	425	17	4.6	19.4	25.0	0.1	4.7	-	-
Relative Value	407	16	4.0	9.1	10.5	7.5	8.4	6.5	6.9
Global Macro	253	10	-	14.9	26.6	5.4	1.3	2.2	-
GP Equity	105	4	0.2	82.9	90.6	155.6	-	-	-
Opportunistic	62	2	(2.4)	(1.1)	(19.6)	(0.1)	-	-	-
Fund of Funds	40	1	(0.5)	6.7	0.3	3.4	3.7	1.7	0.5

* 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%.



External Manager	Credit Strategies	Investment Strategy	NAV (\$M)
Manager 1	Direct Lending	Consumer and small business specialty finance lending.	\$183
Manager 2	Direct Lending	U.S. residential real estate credit lending.	\$233
Manager 3	Direct Lending	U.S. upper middle market corporate direct lending. Vehicle is publicly traded.	\$244
Manager 4	Multi-Strategy	Structured credit, asset backed and mortgage securities.	\$276
Manager 5	Multi-Strategy	Structured credit, asset backed and mortgage securities.	\$148

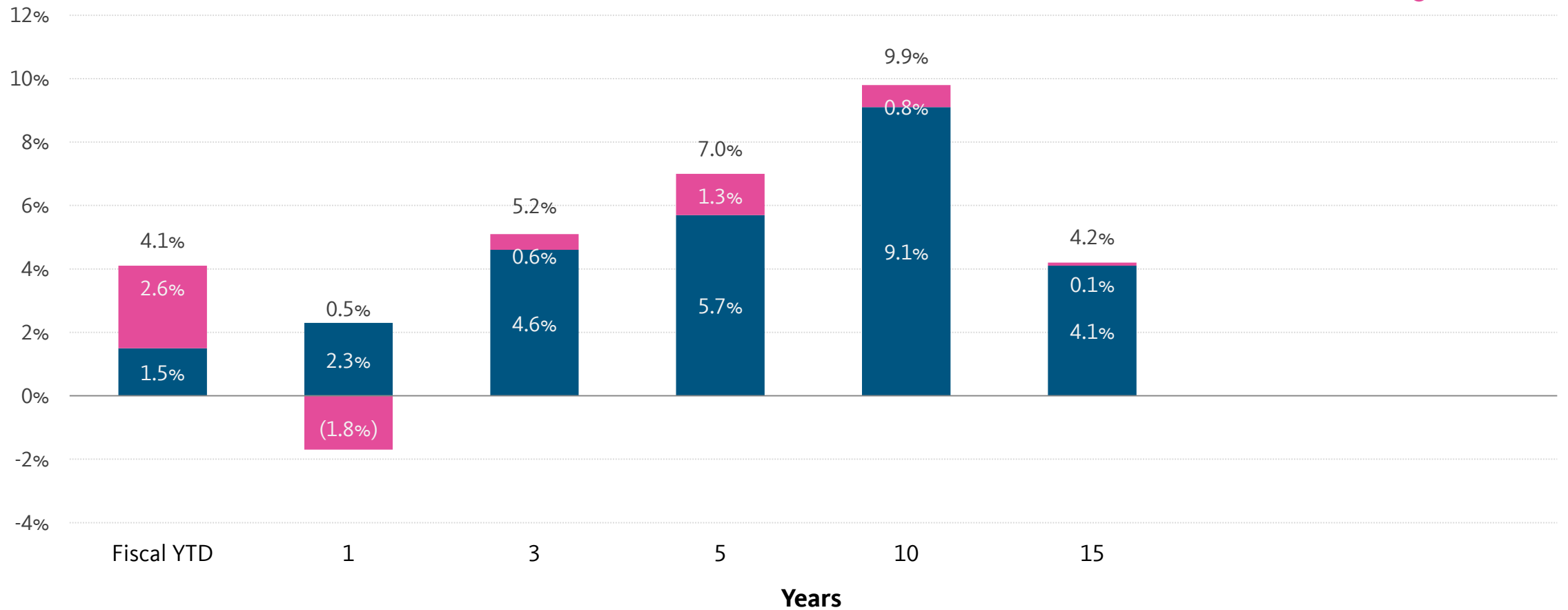
Real Estate

Net Returns

As of March 31, 2021

Portfolio

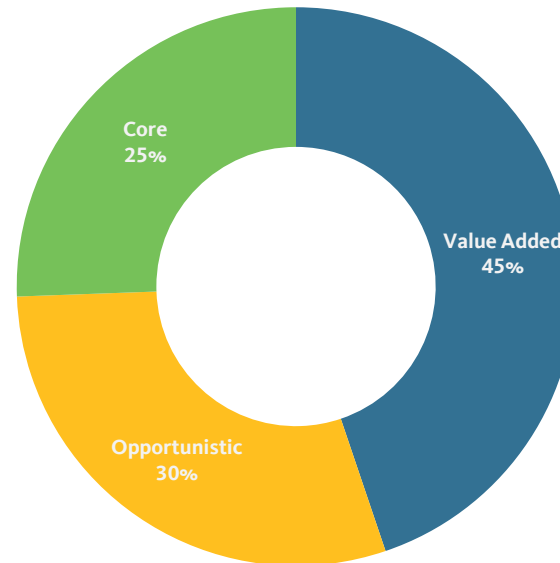
- Policy
- Value Added



Real Estate

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns			
					1 Year	3 Year	5 Year	10 Year
Real Estate	961	100	2.5	4.1	0.5	5.2	7.0	9.9
Policy Benchmark*			1.9	1.5	2.3	4.6	5.7	9.1
Value Added			0.6	2.6	(1.8)	0.6	1.3	0.8
Value Added	431	45	1.6	3.6	0.5	5.3	6.1	9.0
Opportunistic	285	30	5.7	7.8	0.4	3.8	5.2	8.7
Core	246	25	0.7	1.5	2.1	7.9	7.6	8.7

* As of July 1, 2020, the Real Estate policy benchmark is the NCREIF ODCE Index (unlagged 3 months).
 From April 1, 2011 to June 30, 2020, the Real Estate policy benchmark was the NCREIF ODCE Index (lagged 3 months).

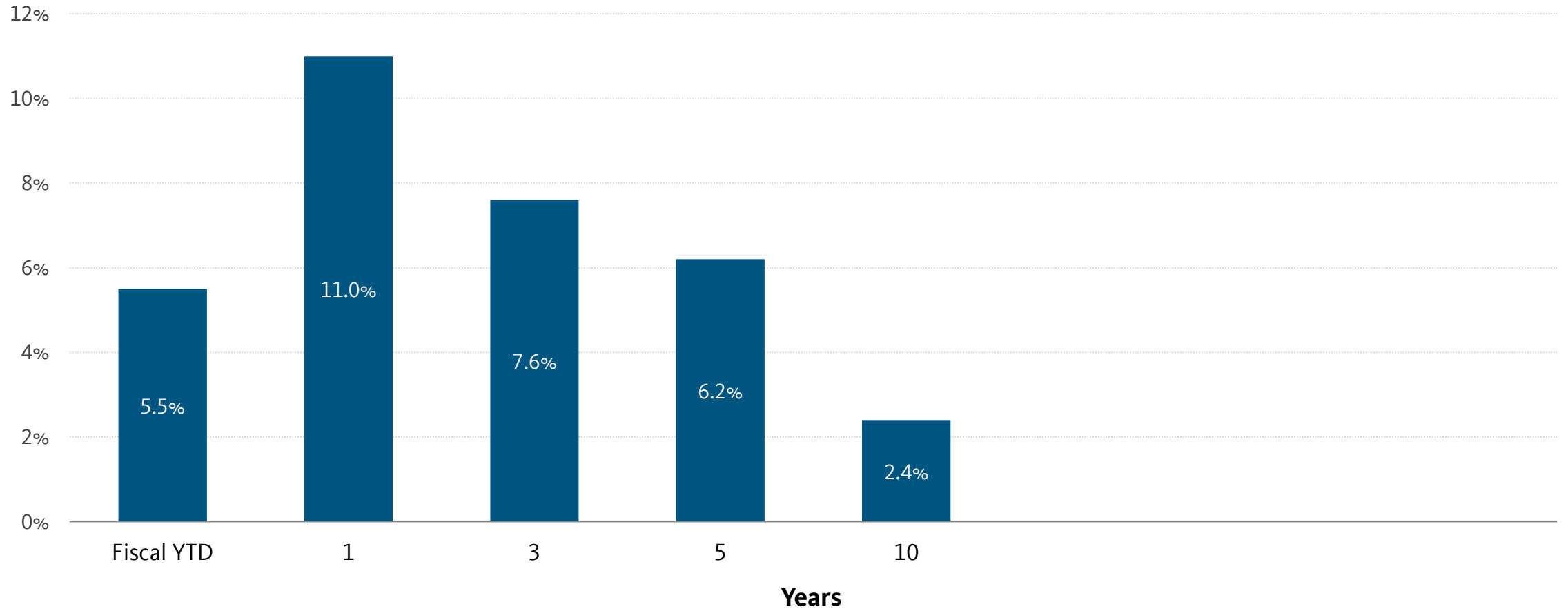


Real Assets

Net Returns

As of March 31, 2021

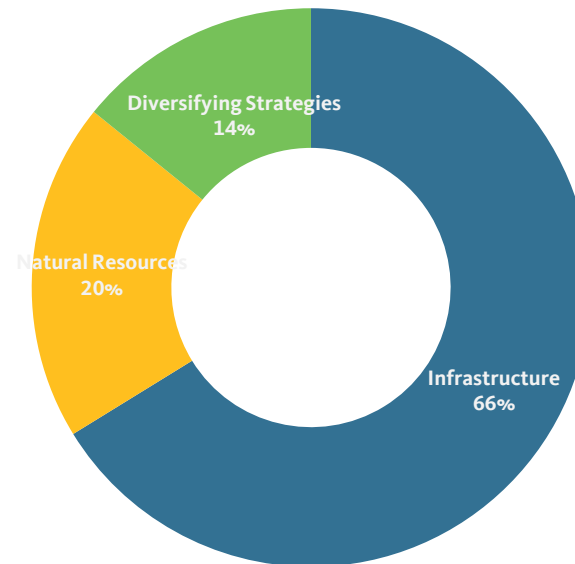
● Portfolio



Real Assets

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months	Annualized Returns			
					1 Year	3 Year	5 Year	10 Year
Real Assets	515	100	4.4	5.5	11.0	7.6	6.2	2.4
Infrastructure	341	66	6.6	7.3	13.6	9.8	11.2	11.6
Natural Resources	101	20	(1.8)	(0.1)	6.6	4.4	2.4	(1.7)
Diversifying Strategies	73	14	3.6	5.8	7.4	5.4	5.0	-

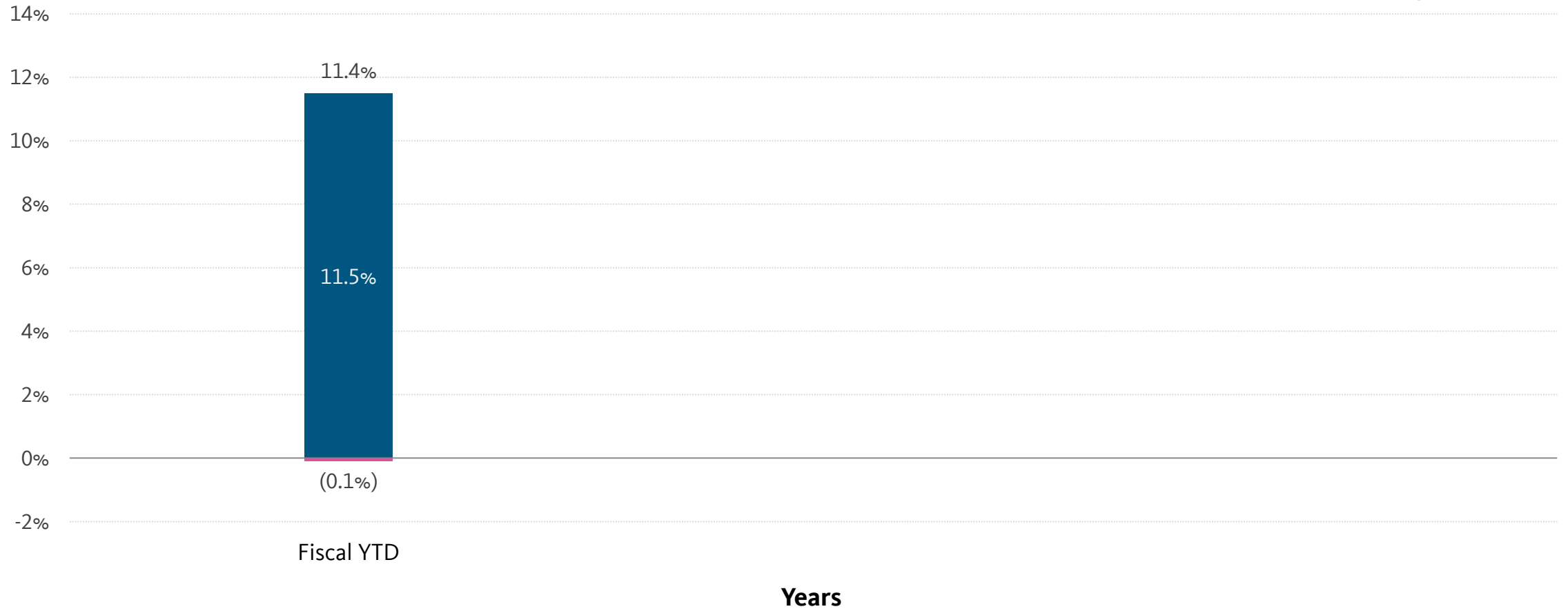
* Inception date for Real Assets is April 1, 2010.
The Real Assets policy benchmark is itself, the Real Assets portfolio.



Private Credit

Net Returns

As of March 31, 2021



Private Credit

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months
Private Credit	324	100	4.0	11.4
Policy Benchmark*			2.0	11.5
Value Added			2.0	(0.1)

* As of July 1, 2020, the Private Credit policy benchmark is 75% Credit Suisse Leveraged Loan Index / 25% Bank of America Merrill Lynch U.S. High Yield BB-B Constrained + 1.5%

Cash

As of March 31, 2021 Net Returns (%)	Market Value (\$M)	Weight (%)	QTD 3 Months	Fiscal YTD 9 Months
Cash	228	100	0.1	0.6
Policy Benchmark*			-	0.1
Value Added			0.1	0.5

* As of July 1, 2020, the Cash policy benchmark is the Bank of America 3-Month US Treasury Bill Index. Table showing cash returns since establishment of the formal policy benchmark.

Risk 1.0 : Risk Measurement

Portfolio and benchmark volatility drop quarter on quarter despite global pandemic uncertainty. Increase in product tracking error driven by increase in Private Equity overweight (new valuations). Largest contributor to active risk is Private Equity which is modeled using Public Equity proxies.

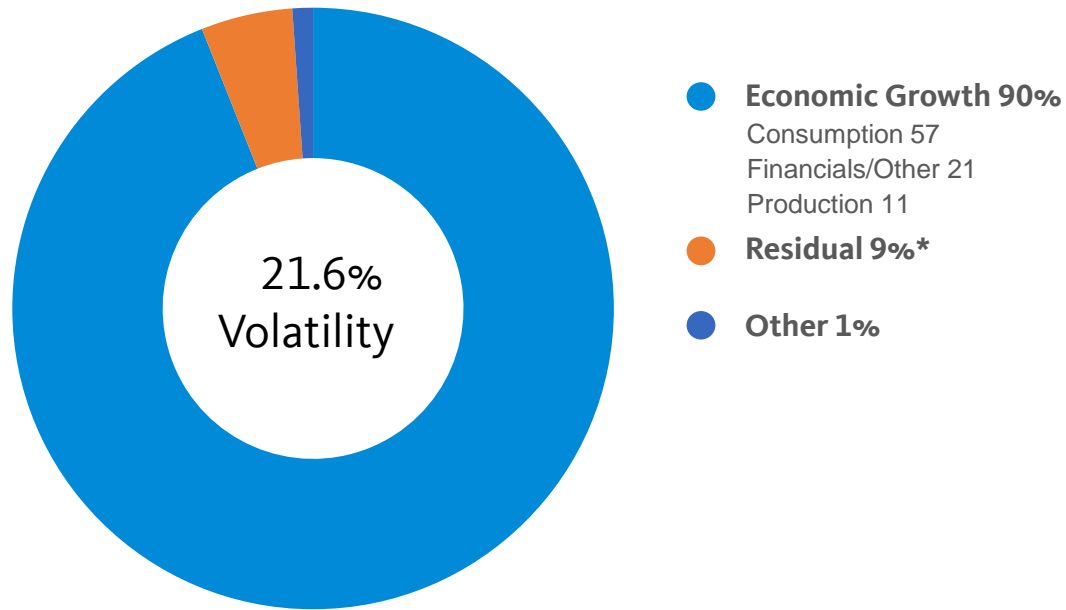
Portfolio	Benchmark	Weight (%)	Portfolio Risk (%)		Benchmark Risk (%)		Active Risk (%)	
			Standalone Volatility	QoQ Change	Standalone Volatility	QoQ Change	Tracking Error	QoQ Change
Endowment	Policy (Blend)	100	21.6	(0.3)	17.9	(1.5)	4.5	1.4
Public Equity	MSCI ACWI IMI TF FF	53	22.7	(1.1)	22.3	(2.0)	1.9	(0.1)
Fixed Income	Barclays 1-5Yr Gov/Credit	3	2.4	0.9	1.4	(0.2)	1.5	1.2
Absolute Return	HFRI FOF	14	6.7	(2.8)	6.3	0.5	4.7	(0.7)
Private Equity	Russell 3000	18	37.6	(1.7)	24.4	(1.5)	18.0	1.3
Real Estate	NFI-ODCE	5	29.6	(3.7)	21.1	(2.9)	9.5	(0.7)
Real Assets	Real Assets	3	28.9	(1.5)	28.9	(1.6)	0.0	0.0
Private Credit	Private Credit	2	11.8	(5.0)	11.9	(5.0)	0.0	0.0
Cash	BofA 3mo Treasury Bill	1	0.0	0.0	0.1	(0.0)	0.1	(0.0)

Macroeconomic Risk Factors

Portfolio systematic risk generally dominated by “Economic Growth” risk. Within Economic Growth, “Consumption” dominates.

Endowment

Portfolio Standalone Risk Factor Decomposition



Factor Name	Factor Description
Economic Growth	Proxied by broad, developed market equity index returns
Real Rates	Inflation-linked bond returns
Inflation	Return of long nominal bonds, short inflation-linked bonds portfolio
Credit	Return of long corporate bonds, short nominal bonds portfolio
Commodity	Weighted GSCI Commodity index returns
Emerging Markets (EM)	Equally weighted basket of EM Assets

* Residual Risk is any risk which is not one of the six macro economic factors or FX risk

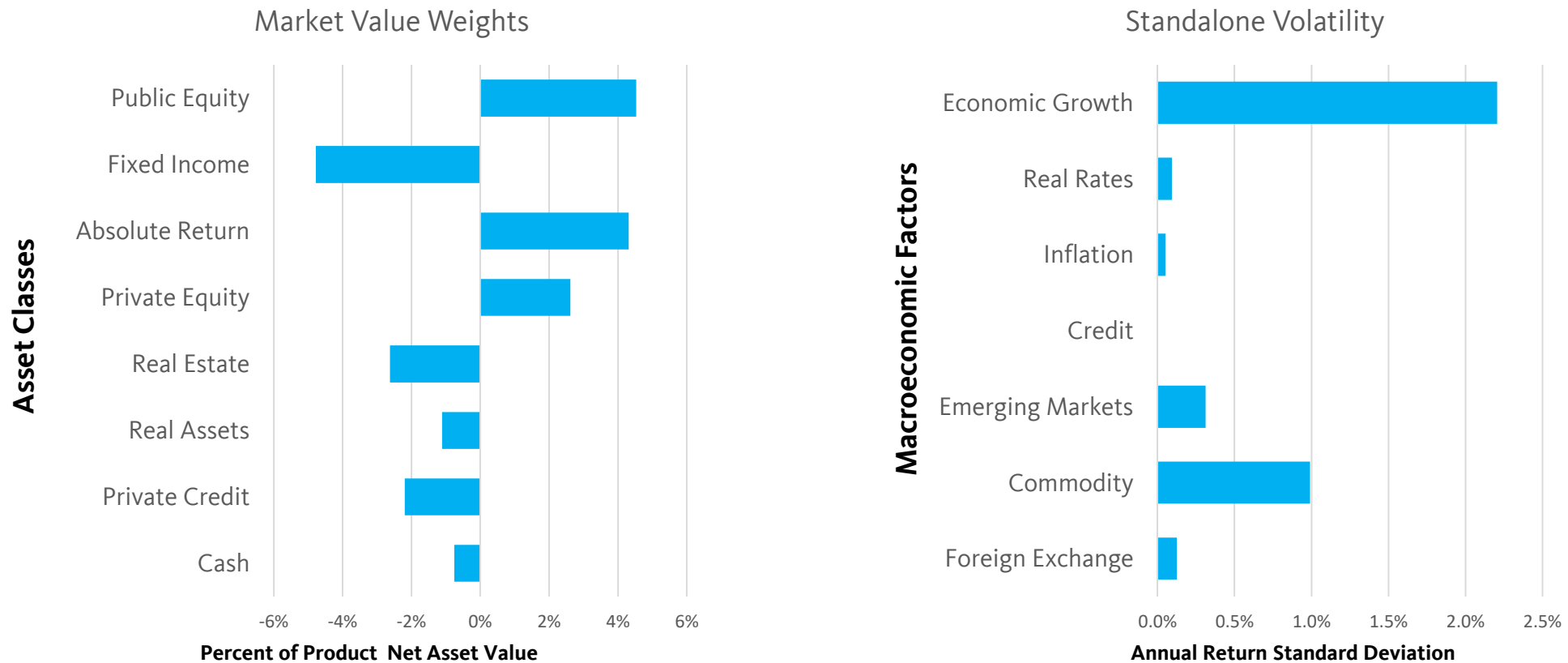
Risk 1.0: Two Views of Risk

Asset Classes versus Macroeconomic Factors

Main active overweight to the Economic Growth factor, driven mainly by asset allocation overweights in Public and Private Equity

Endowment Active Exposures

Reference scale: active risk (tracking error) : 4.5%



Risk 2.0: Scenario Analysis

US Scenarios

- Federal Reserve Rate Regimes
- Fiscal Policy Stance
- Tax Reform

European Scenarios

- Brexit Negotiations
- Europe Fragmentation/Breakup
- Eurozone Populist Elections

Emerging Markets /Asia Scenarios

- US-China Trade Relations
- Abenomics- Helicopter Money
- North Korea Tensions

Global Scenarios

- Central Bank Policy
- Pandemic Recession
- Fall 2008 Crash

Interest Rate Scenarios

- US Rates Paradigm Shift
- Reflation – Deflation
- Inflation Overshoot

Market Technical Scenarios

- Volatility Regime Change
- Tech Calamity
- Value Reversal

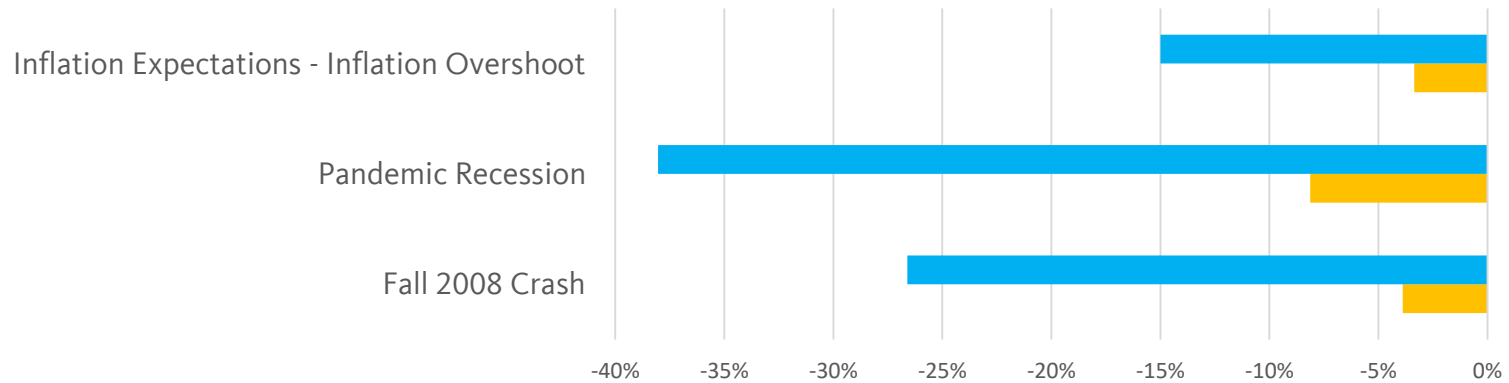
Source: BlackRock

Risk 2.0: Scenario Analysis

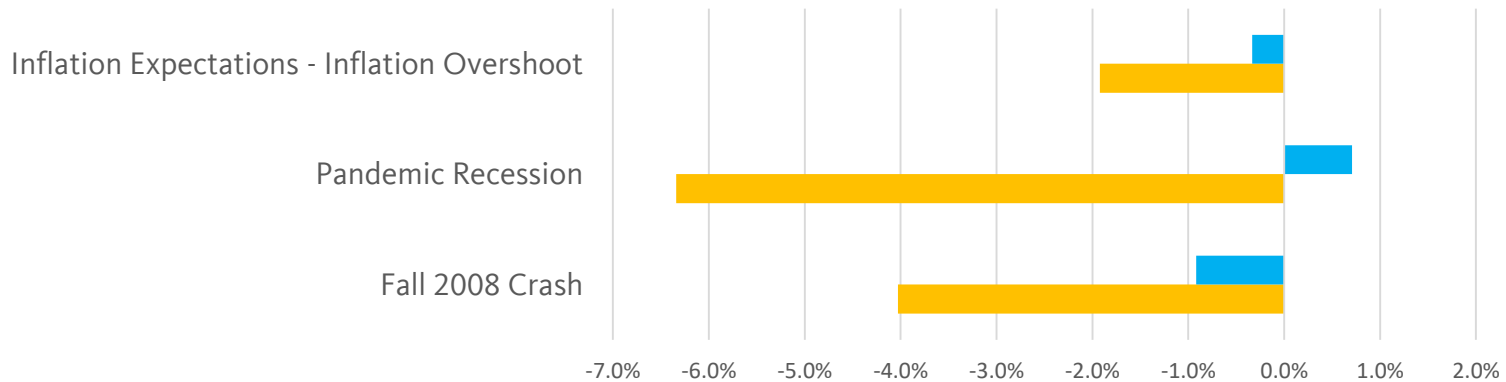
Indicative stressed P&L for public markets investments

PORTFOLIO

- Public Equity
- Fixed Income



ACTIVE



As of March 2021, Reference scale: volatility = 21.6%, tracking error 4.5%