UCRS AB
UCRP Asset Transfer
Financial Analysis

November 10, 2011

Implemented the Following UCRP Financing Plan

FY 2010 - 2011 ARC Funding

On April 1, 2011, UC transferred $1.1 billion of assets from STIP to UCRP, which equals the unfunded portion of modified ARC for FY2010-11

FY 2011 – 2012 ARC Funding

On July 27th, UC plans to close on $935 million of external debt and use the proceeds to transfer assets to UCRP, which equals the unfunded portion of modified ARC for FY2011-12.

* Repayment of both the STIP note and the external borrowing will be based on an assessment of all University fund sources making UCRP payments, including an additional amount for principal and interest payments divided proportionally based on covered compensation

Borrowing Plan

The Regents of the University of California

General Revenue Bonds (Taxable)

$500M Series Y (Floating Rate Notes)
$150M Series Z (VRDBs)
$550M Series AA (Fixed Rate Put Notes)

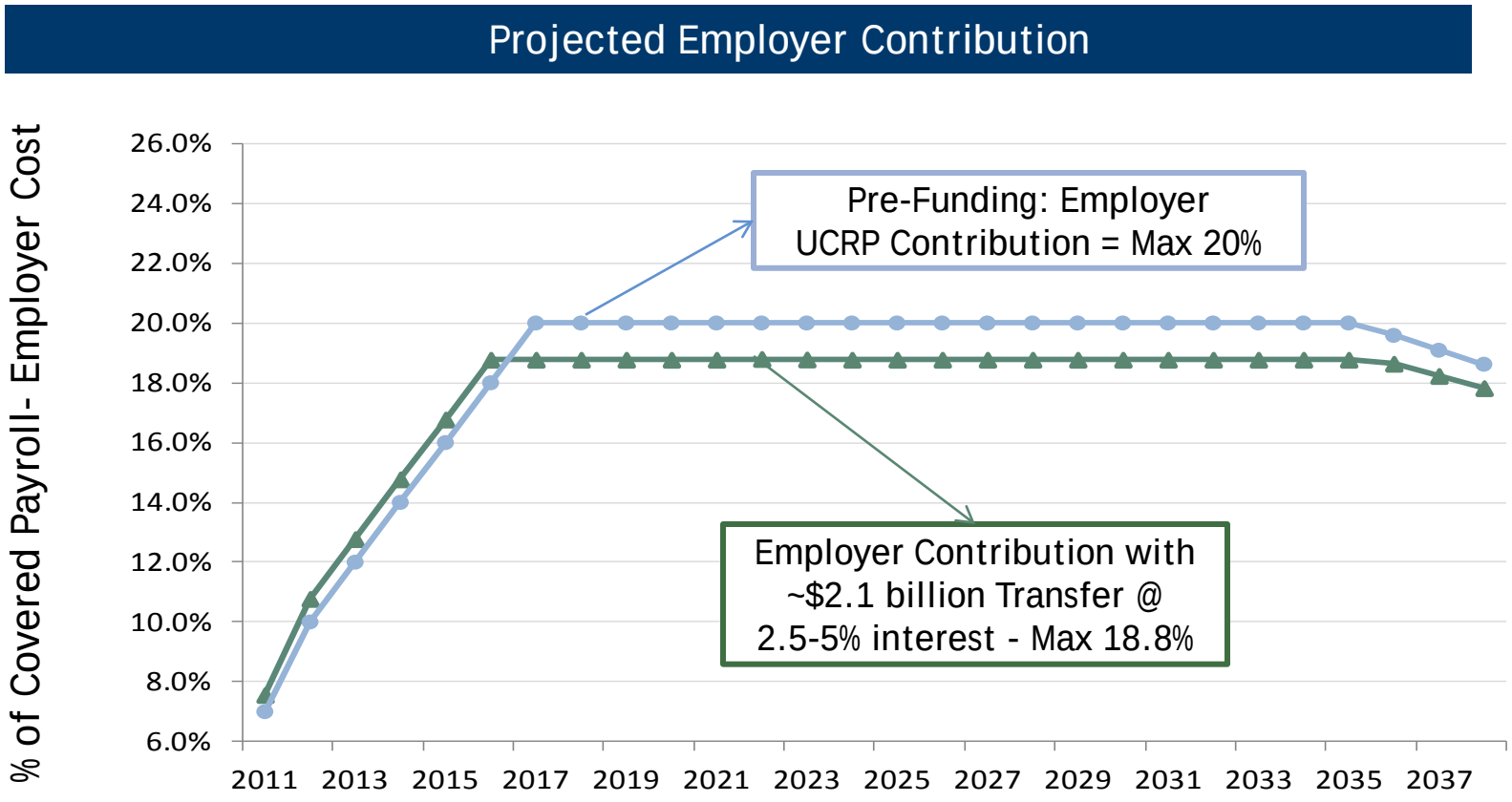
Approximate Total Par – $1,200,000,000*

Use of Proceeds:
Fund Modified ARC FY 2011-12 payment to UCRP
Working Capital Borrowing for State Cashflow Deferrals

Pricing: Week of July 18, 2011 – DONE
Closing: Week of July 25, 2011- DONE

* $265 million is for State Cash Deferral

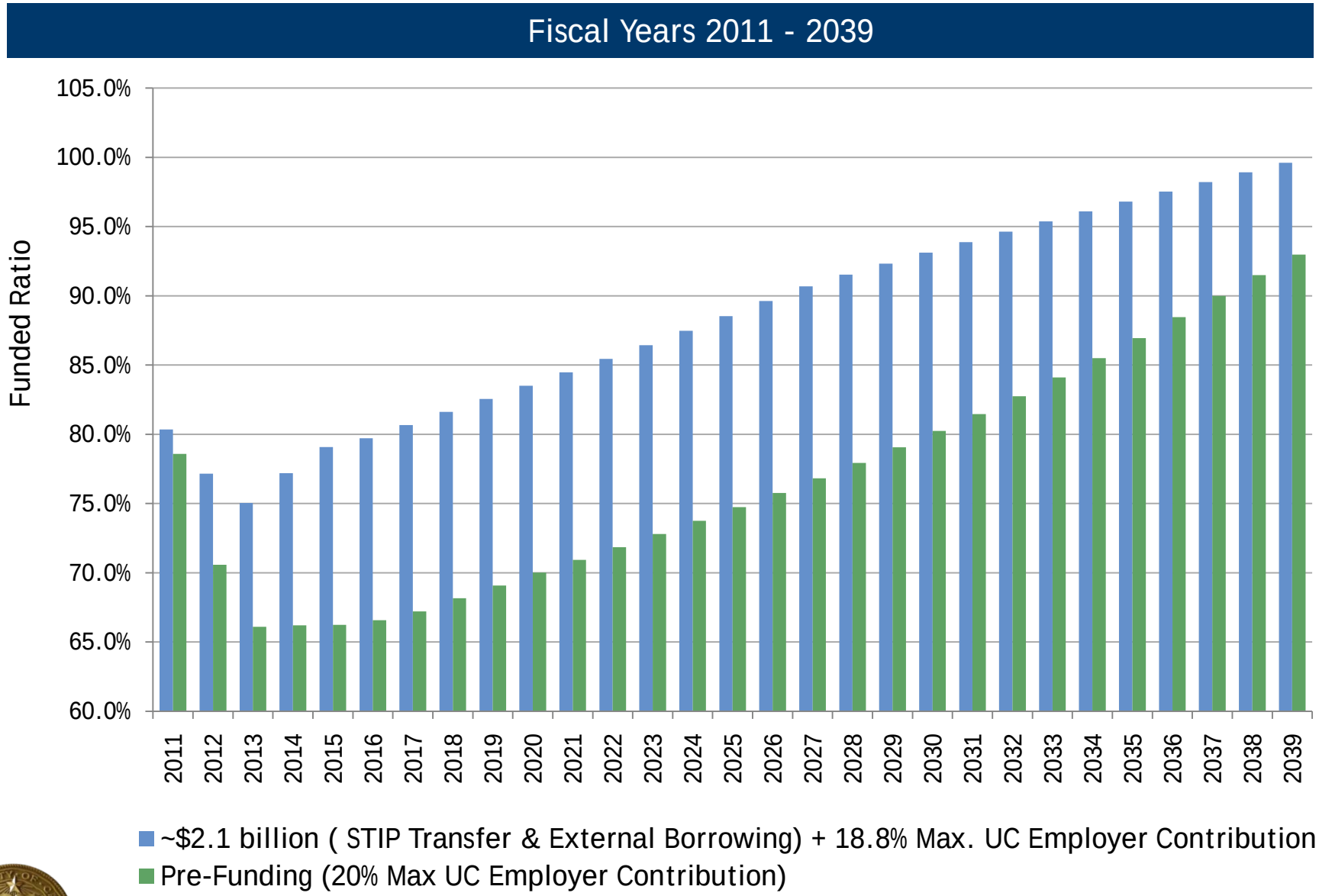
Projected UCRP Employer Cost Comparison as a % of Payroll: Pre and Post Funding



- UC will save approximately $100 million annually by reducing its contribution from 20% to 18.8%

- Assumes new tier with 15.1% total long-term normal cost in place by FY 2013-14
- Assumes a total of $2.1 billion dollars in transfers, with debt service at 2.5-5% incorporated into the total annual cost
- Based on July 1, 2010 Actuarial Valuation and assumes 7.5% MV return starting July 1, 2010

Projected UCRP Funded Ratio (Post Funding & with 2011 Return)



*Post-funding based on estimated 7/1/2011 returns

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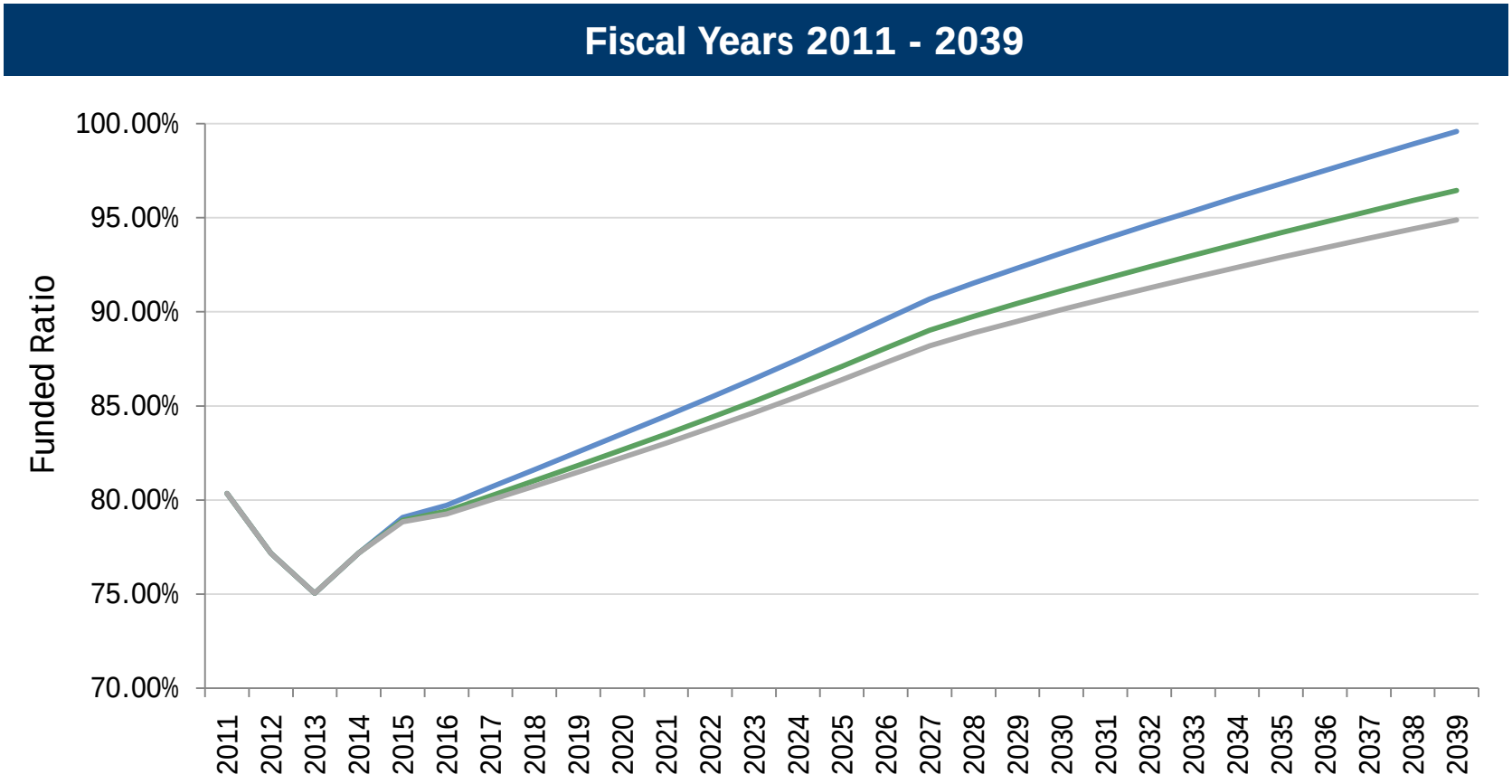
Projected UCRP Funded Ratio with various EE Contributions



Unfunded Liability in FY2039	EE Contribution of 8%	EE Contribution of 7%	EE Contribution of 6.5%
	$569 million	**$5.0 billion**	**$7.1 billion**

*ER assumption: ~$2.1 billion (STIP Transfer & External Borrowing)
+ 18.8% Max. UC Employer Contribution, New Tier at EE 7%

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