Meeting of June 19, 2015

AGENDA ITEM H

Retirement Savings Program – Pathway Funds – Glidepath Review

As part of the Office of the CIO's overall asset allocation strategy for the RSP, the glidepath of the UC Pathway Funds ("funds") was adjusted in 2014 by increasing the equity holdings in each of the funds, as previously discussed at the February 2014 Board meeting. As a follow-up to those changes, additional analysis was conducted to determine what other enhancements to the funds, if any, might be beneficial for RSP participants due to the large and evolving role of the funds within the RSP (i.e., use of the UC Pathway Funds as the default fund).

Consultant Andrew Scheufele from Mercer Consulting will present the in-depth glidepath analysis, discussing the rationale for a potential gradual shift in management of the UC Pathway Funds toward a "through" rather than "to" retirement approach by further increasing allocation to growth assets across the glidepath. A "through" retirement solution is believed to improve projected post-retirement outcomes, enhancing the likelihood of creating adequate and sustainable income in retirement and extending the projected fund drawdown age.