Office of the Treasurer of The Regents

University of California

TRIP (Total Return Investment Pool)

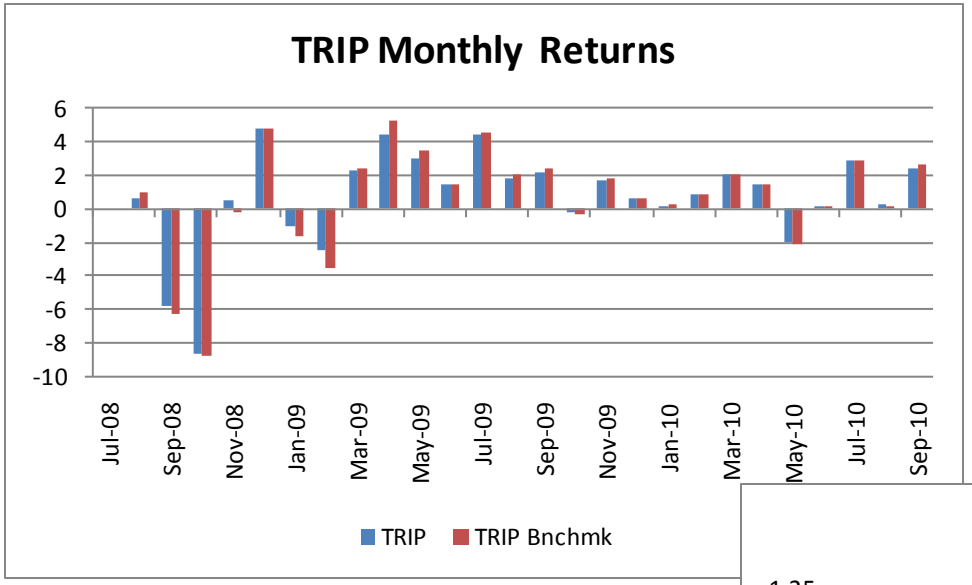
UCRS Advisory Board

February 25, 2011

TRIP Investment Objectives

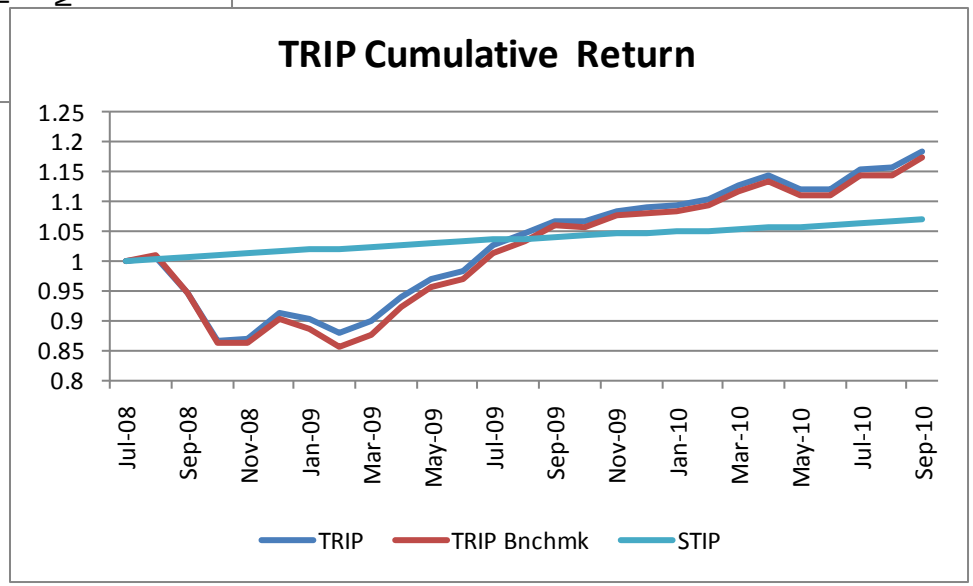
- In 2007, UCOP Financial Management initiated a task force to review University working capital needs
  - Included Campus representatives and Treasurer
  - Determined that some existing reserves in STIP could have longer duration
- TRIP designed to provide higher returns than STIP while targeting a limited downside risk
  - Investment objective became "total return," not "yield"
- Campuses moved $1.6 Billion from STIP to TRIP in August 2008
- Current asset value $2.6 Billion

TRIP Overall Performance



← **Monthly Returns since Inception**

→ **Cumulative Returns since Inception**



Asset Allocation – effective January 1, 2011

TRIP Asset Allocation					
Current vs Proposed					
Class	Current	Proposed	Difference		Benchmark
US Equity - Large Cap	10%	0%	-10%		Russell 1000 Index
US Equity - Small Cap	5%	0%	-5%		Russell 2000 Index
US Equity - All Cap	0%	15%	15%		Russell 3000 Index
US REITS	0%	5%	5%		FTSE/NAREIT US REIT Index
Non US Equity - Developed*	10%	15%	5%		MSCI World ex-US (Hedged)
Core Fixed Income - Gov't	10%	5%	-5%		Barclays Aggregate - Gov't Sector
Core Fixed Income - Credit	45%	45%	0%		Barclays Aggregate - Credit Sector
Core Fixed Income - Securitized	10%	5%	-5%		Barclays Aggregate - Sec. Sector
High Yield Debt	10%	10%	0%		BofA/Merrill High Yield Cash Pay BB/B
	100%	100%	0%		
Equity	25%	35%	10%		
Fixed Income	75%	65%	-10%		
Cash Equiv.	0%	0%	0%		
* Hedged back to US Dollars					

Investment Guidelines

- **Investment governance, philosophy, policies and oversight procedures similar to those for the UCRP and GEP**
- **Relevant policies from Sections 1-3 of the UCRP Investment Policy Statement are incorporated by reference into this Policy**
- **Rebalancing Policy similar to UCRP/GEP (±10%):**

	Proposed	Min	Max	Range
Combined Equity	35%	25%	45%	± 10%
Combined Fixed Income	65%	55%	75%	± 10%