UNIVERSITY OF CALIFORNIA

Pension & Savings Program

March 31, 2023

UC INVESTMENTS

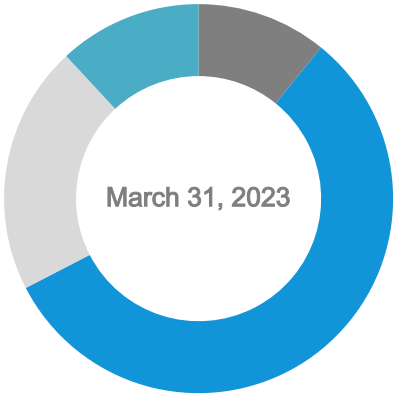
UC Investments Way

UC Retirement System: $116.6 Billion

INVESTMENT PRODUCTS

- Investing **Endowment** assets since 1933 (90 years)
- Investing **Blue & Gold** assets since 2019 (4 years)
- Investing **Pension** assets since 1961 (62 years)
- Investing **Retirement Savings** assets since 1967 (56 years)
- Investing **Working Capital** since 1976 (47 years)
  - Investing Total Return since 2008 (13 years)
  - Investing Short Term since 1976 (47 years)

$158,605 MILLION ACROSS 6 PRODUCTS

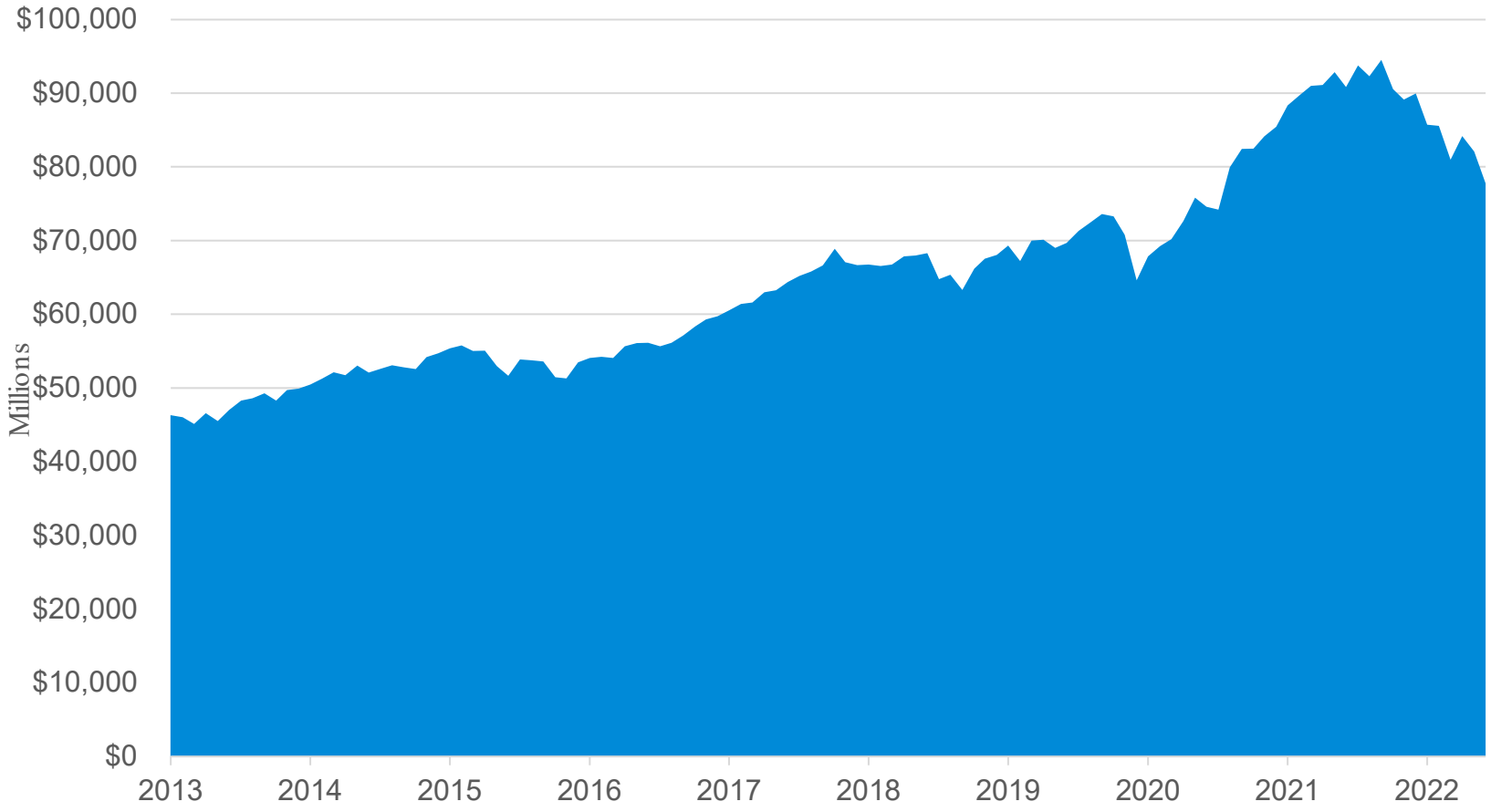


	$ Million	(%)
Endowment	20,265	13
Blue & Gold	2,590	2
Pension	84,548	53
Retirement Savings	32,063	20
Working Capital	19,139	12
TRIP	13,142	8
STIP	5,997	4

Pension

Pension Assets Growth

PENSION ASSETS 2013 – 2023



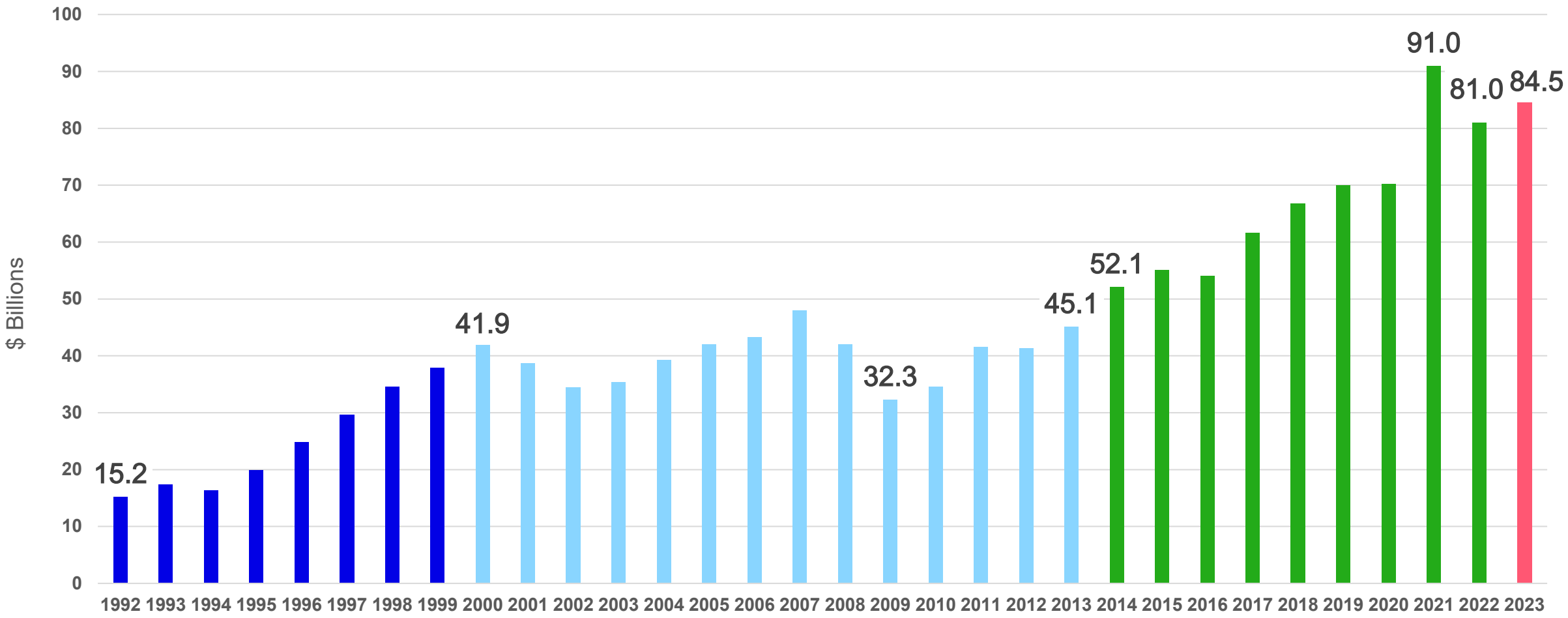
ASSET GROWTH

March 31, 2023

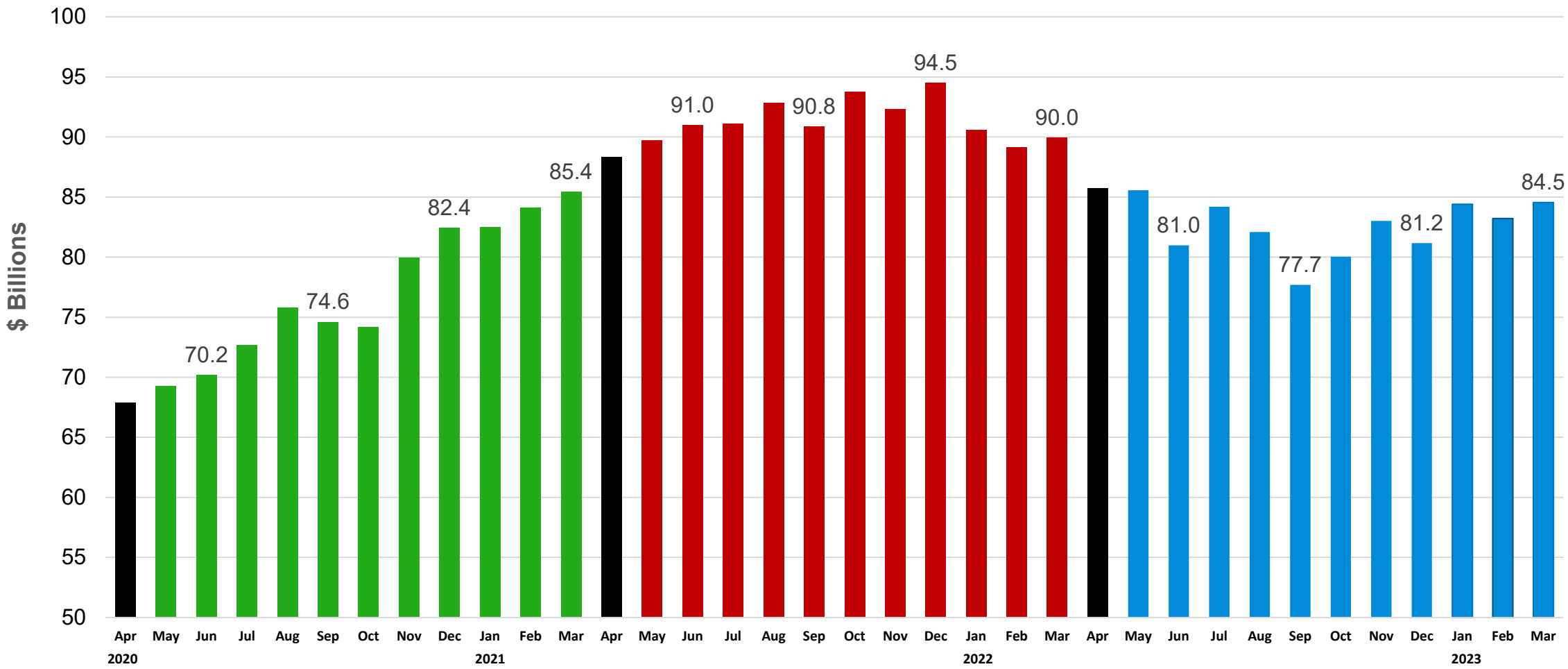
		Δ Change
Today	$84,548M	
1 Year Ago	$89,955M	($5,407M)
5 Years Ago	$66,667M	+$17,881M
9 Years Ago	$49,925M	+$34,623M
10 Years Ago	$45,600M	+$38,948M

Pension Assets Growth: Market Dips Bring Rebound

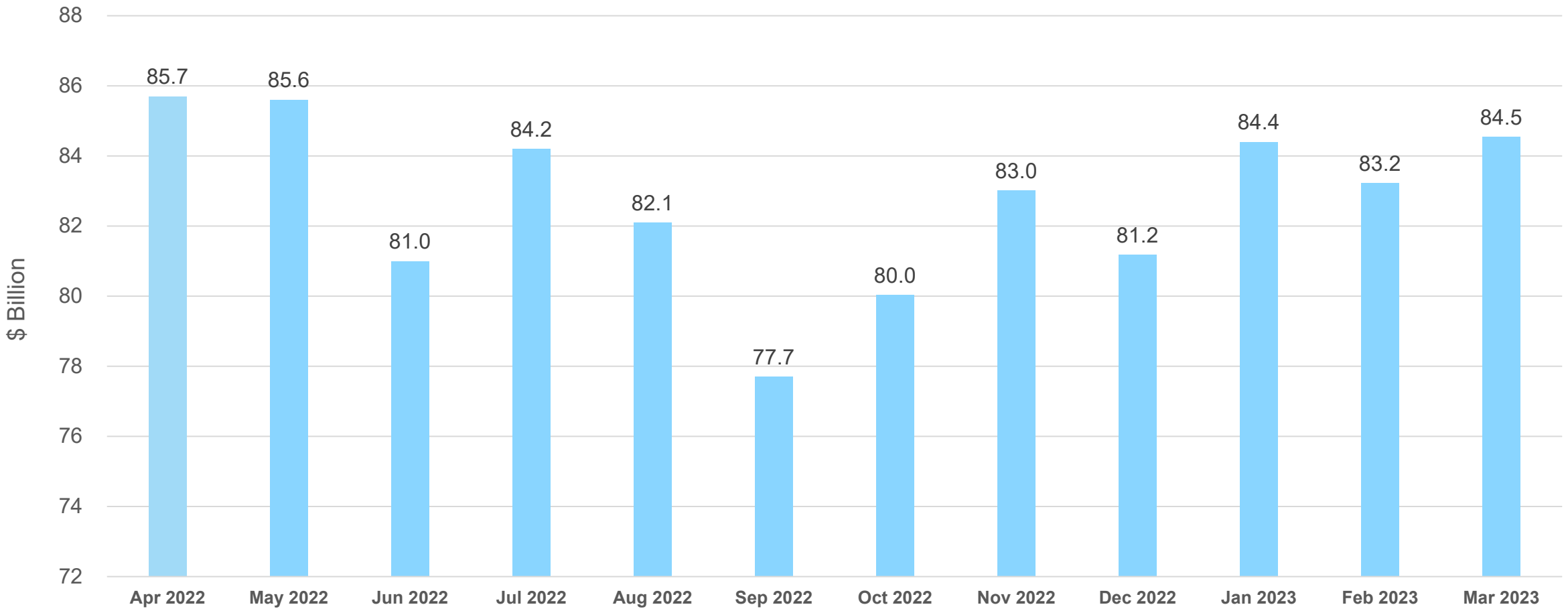
30 Years (1992 – 2022)



Pension Assets Growth: Market Dips Bring Rebound
3 Years (2020 – 2023)



Pension Assets Growth: Market Dips Bring Rebound
1 Years (2022 – 2023)



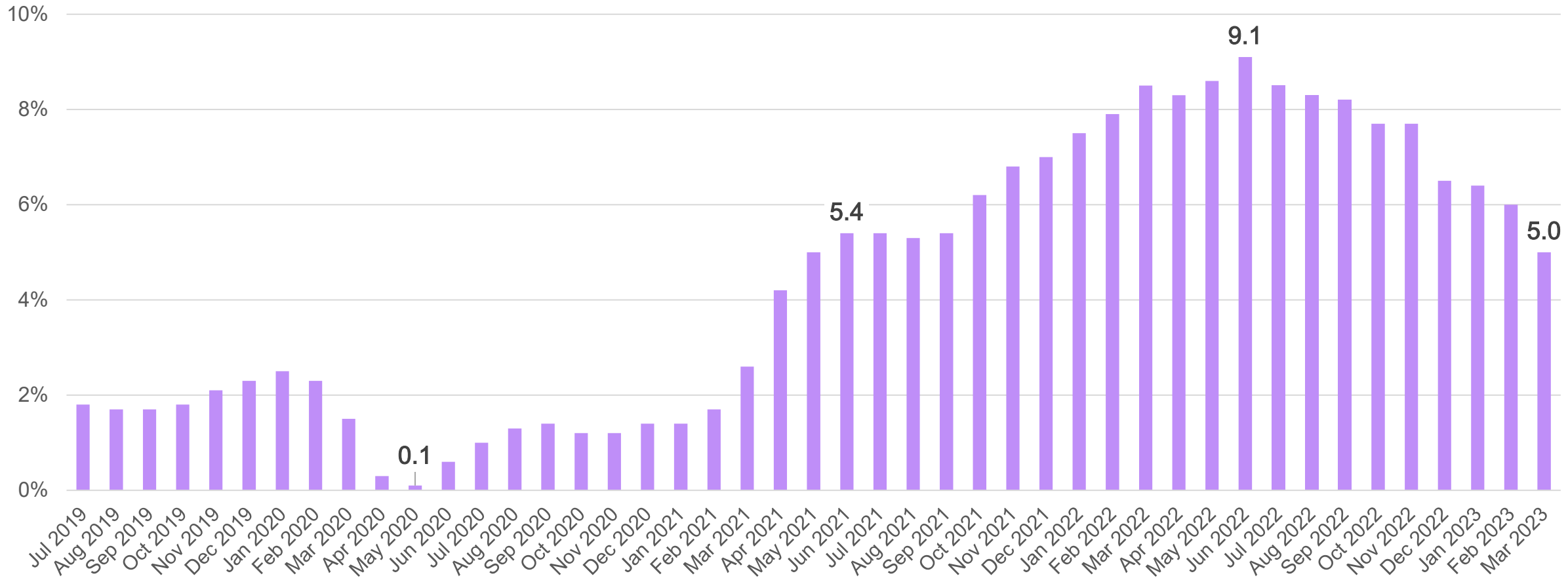
Assets Under Management

Fiscal Year To Date (9 Months)	Market Value ($M)
June 30, 2022	80,984
Market Gains	5,688
Value Added	(1,083)
Net Cash Flow	(1,041)
March 31, 2023	84,548

Pension Asset Allocation

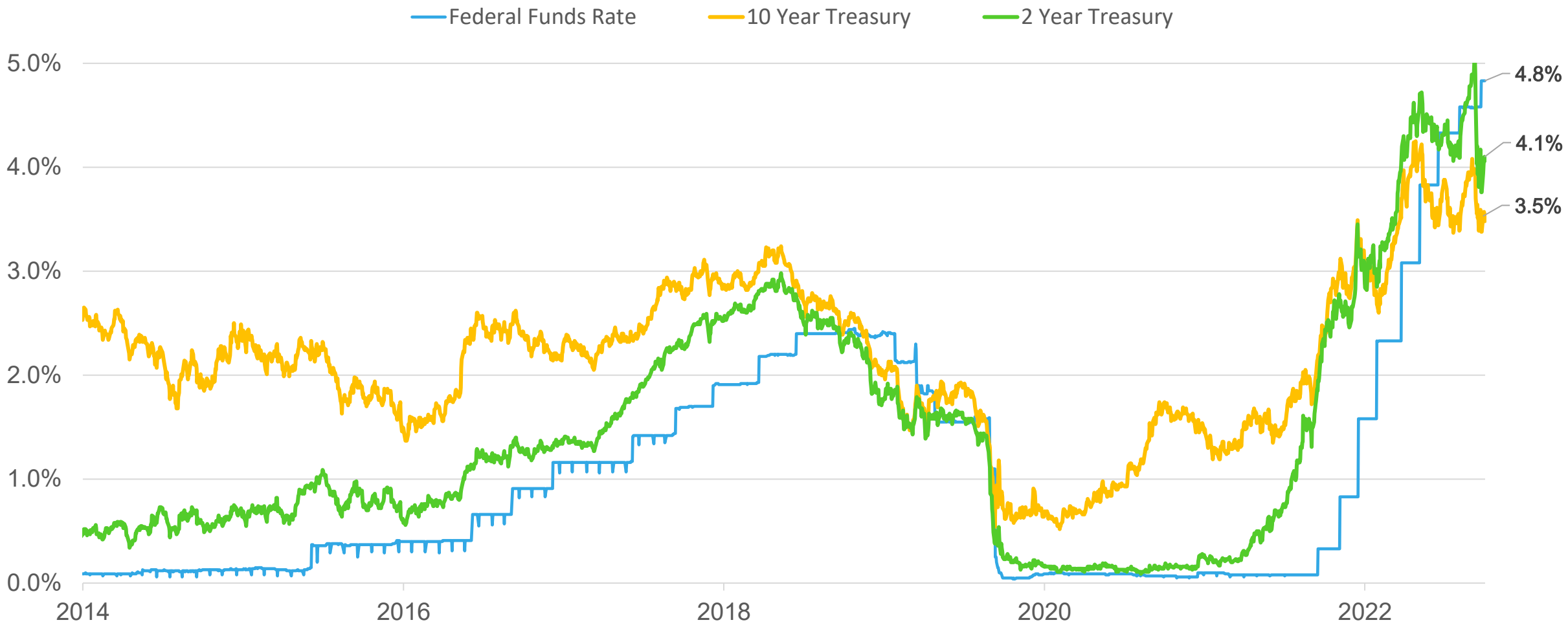
As of March 31, 2023	Market Value ($M)	Weight (%)	Over/Underweight (%)	Policy (%)
Public Equity	**41,631**	**49.3**	**(3.8)**	**53**
Active – Public Equity	6,009	7.1		
Passive – Public Equity	31,409	42.1		
Fixed Income	**12,356**	**14.6**	**(2.4)**	**17**
Private Markets	**26,005**	**30.8**	**0.8**	**30**
Private Equity	8,801	10.4	(1.6)	12
Absolute Return	2,026	2.4	(1.1)	3.5
Private Credit	3,325	3.9	0.4	3.5
Real Estate	7,833	9.3	2.3	7
Real Assets	4,020	4.8	0.8	4
Cash	**4,556**	**5.4**	**5.4**	**0**
Total	**$84,548M**	**100.0%**		**100.0%**

Core Inflation Could Fall To 3% In 2023



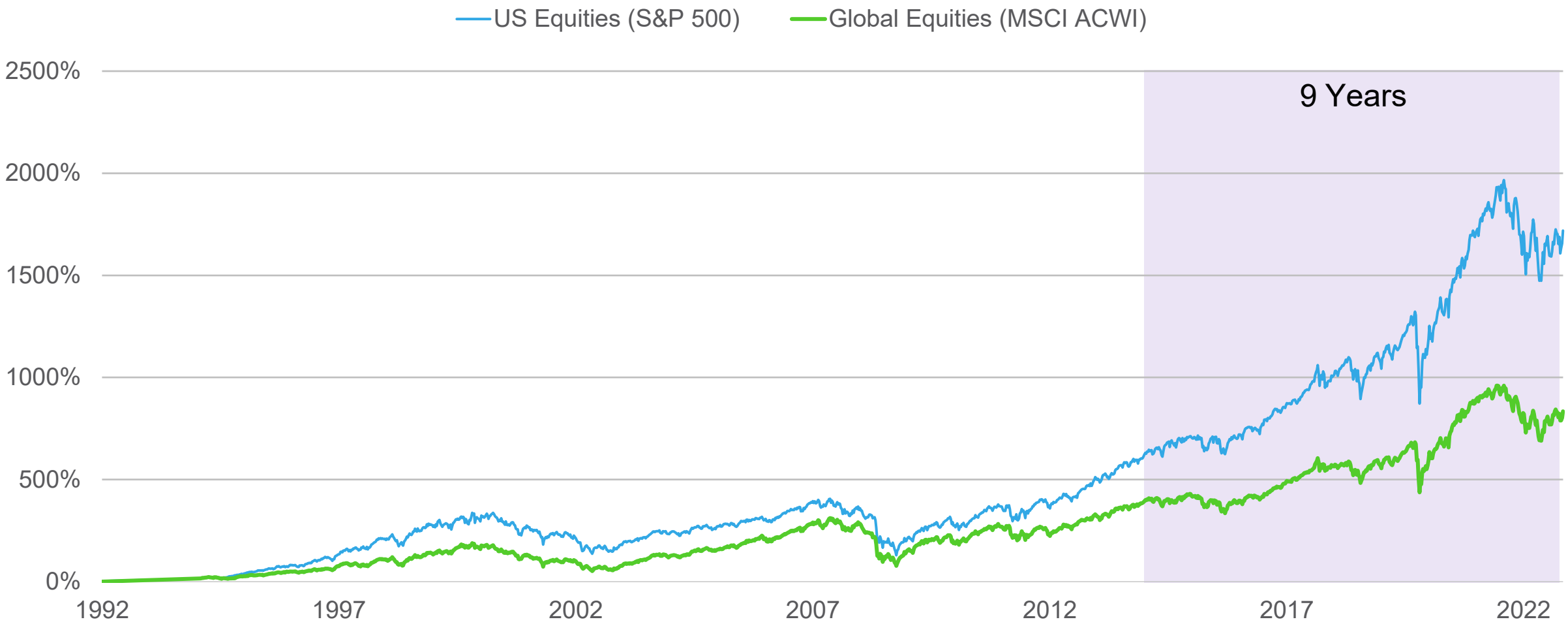
Source: Bloomberg

FED Guiding Rate To 5% In 2023



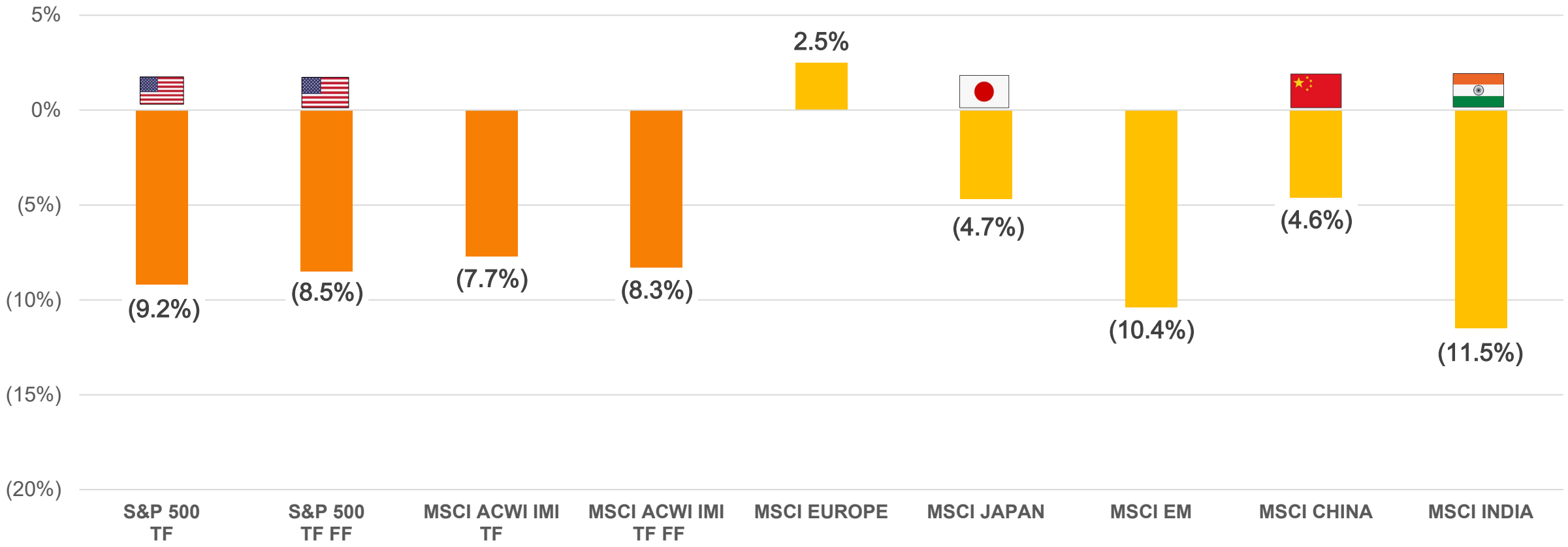
Source: Board of Governors of the Federal Reserve System (US)

Global Equities Has Worst Year Since 2008



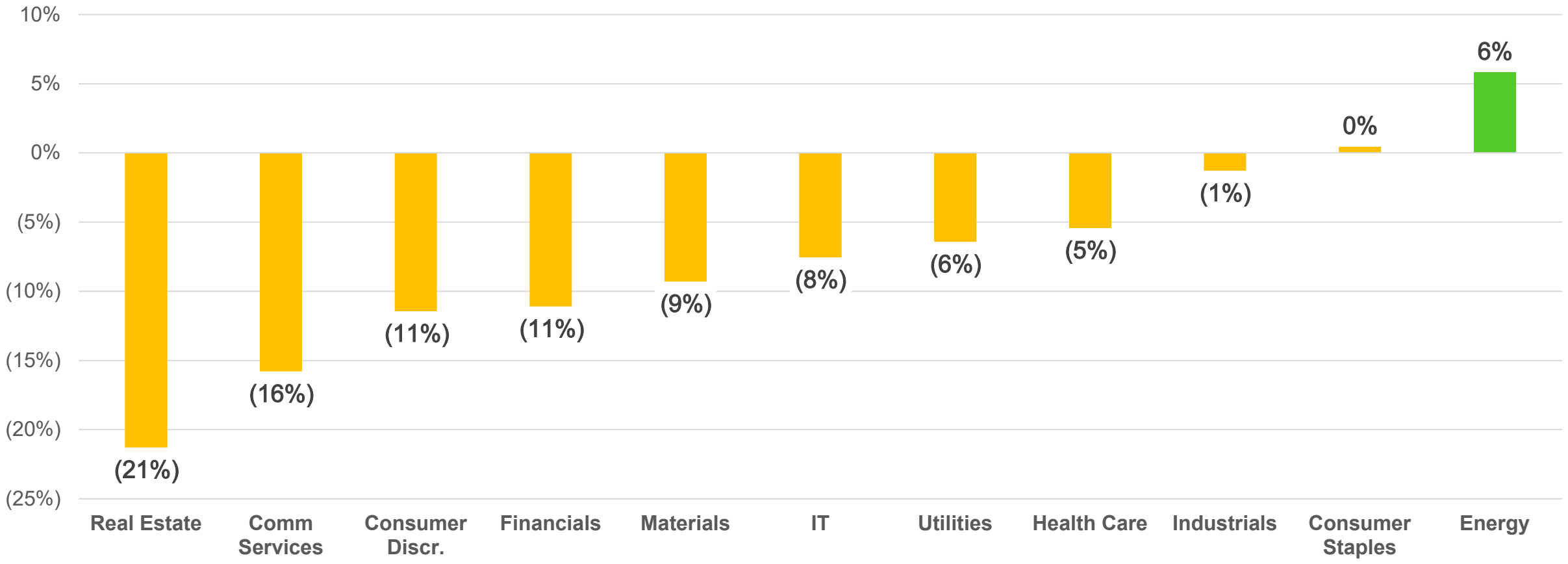
Source: Bloomberg

1-Year Global Equities Down 8%



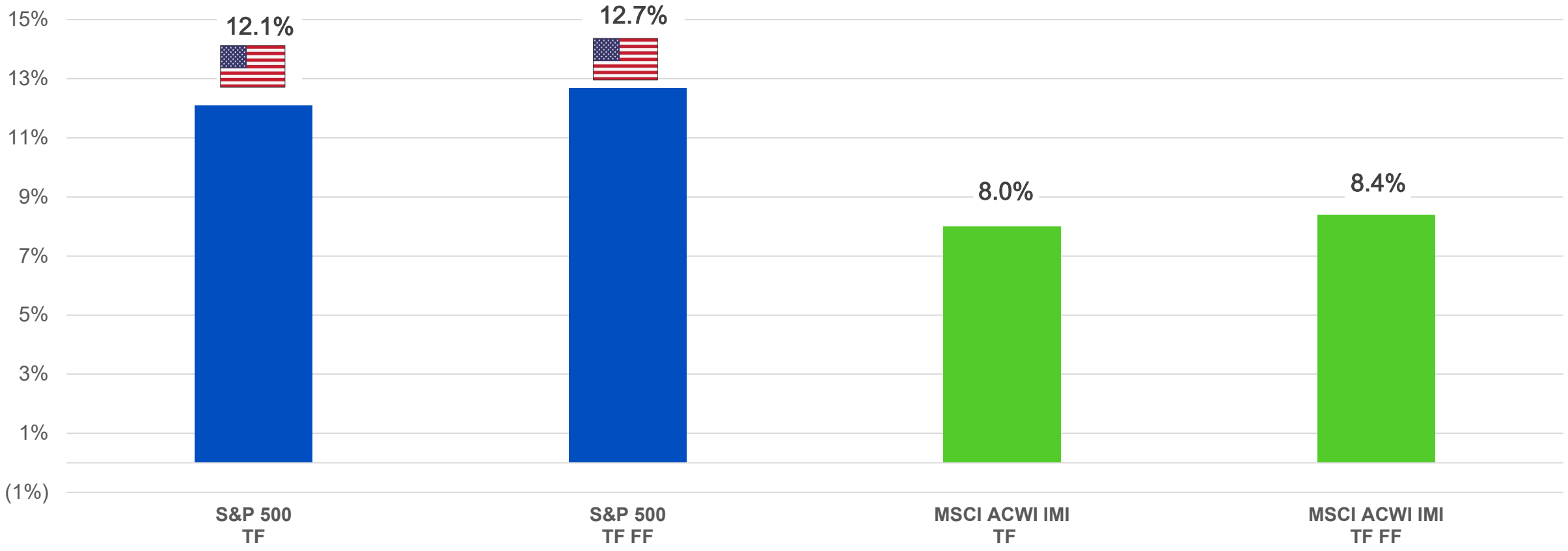
TF: Tobacco Free, FF: Fossil Fuel Free
De-nominated in USD
Source: Bloomberg

1-Year Global Energy Market Clear Winner At 6%



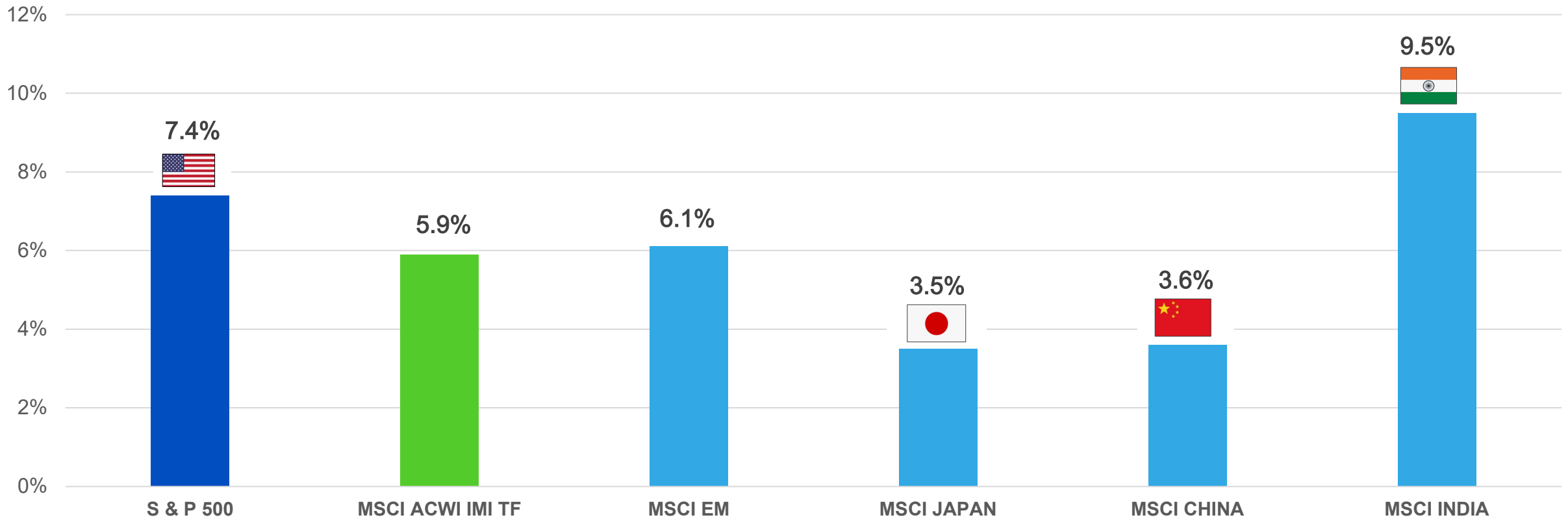
Source: Bloomberg

10-Year Fossil-Free Outperforms Market



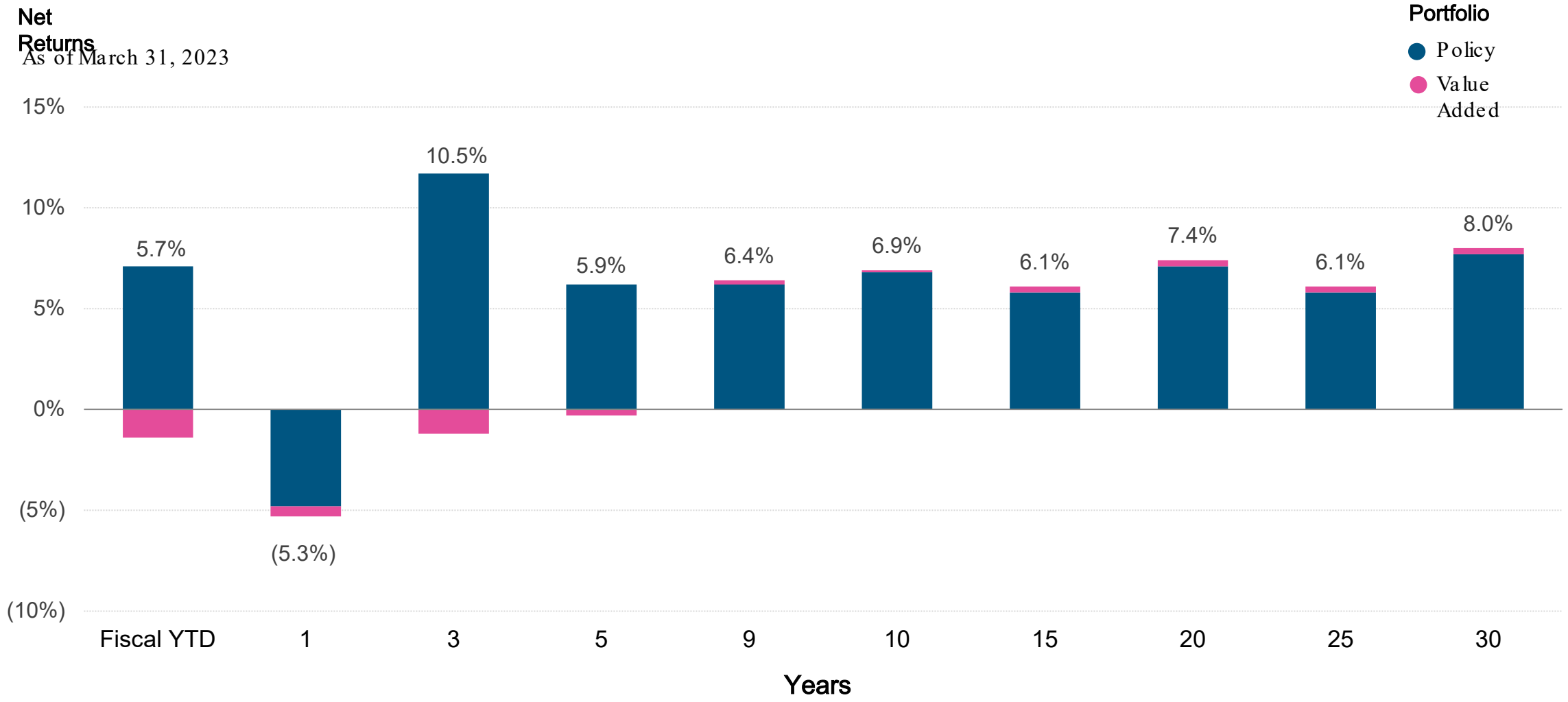
TF: Tobacco Free, FF: Fossil Fuel Free
De-nominated in USD
Source: Bloomberg

India Outperforms World Over 25 Years



TF: Tobacco Free
De-nominated in USD
Source: Bloomberg

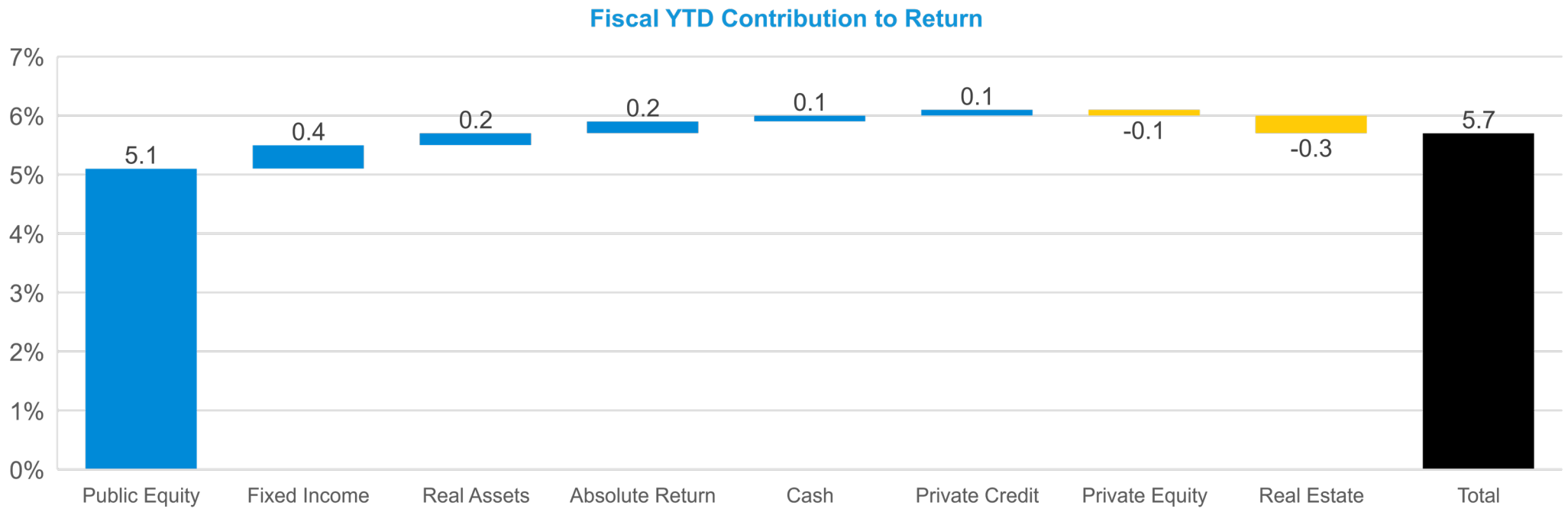
Pension Performance



Pension Performance

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
UC Pension	84,548	100	5.7	(5.3)	10.5	5.9	6.4	6.9	6.1	7.4	6.1	8.0
Policy Benchmark*			7.1	(4.8)	11.7	6.2	6.2	6.8	5.8	7.1	5.8	7.7
Value Added			(1.4)	(0.5)	(1.2)	(0.3)	0.2	0.1	0.3	0.3	0.3	0.3

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



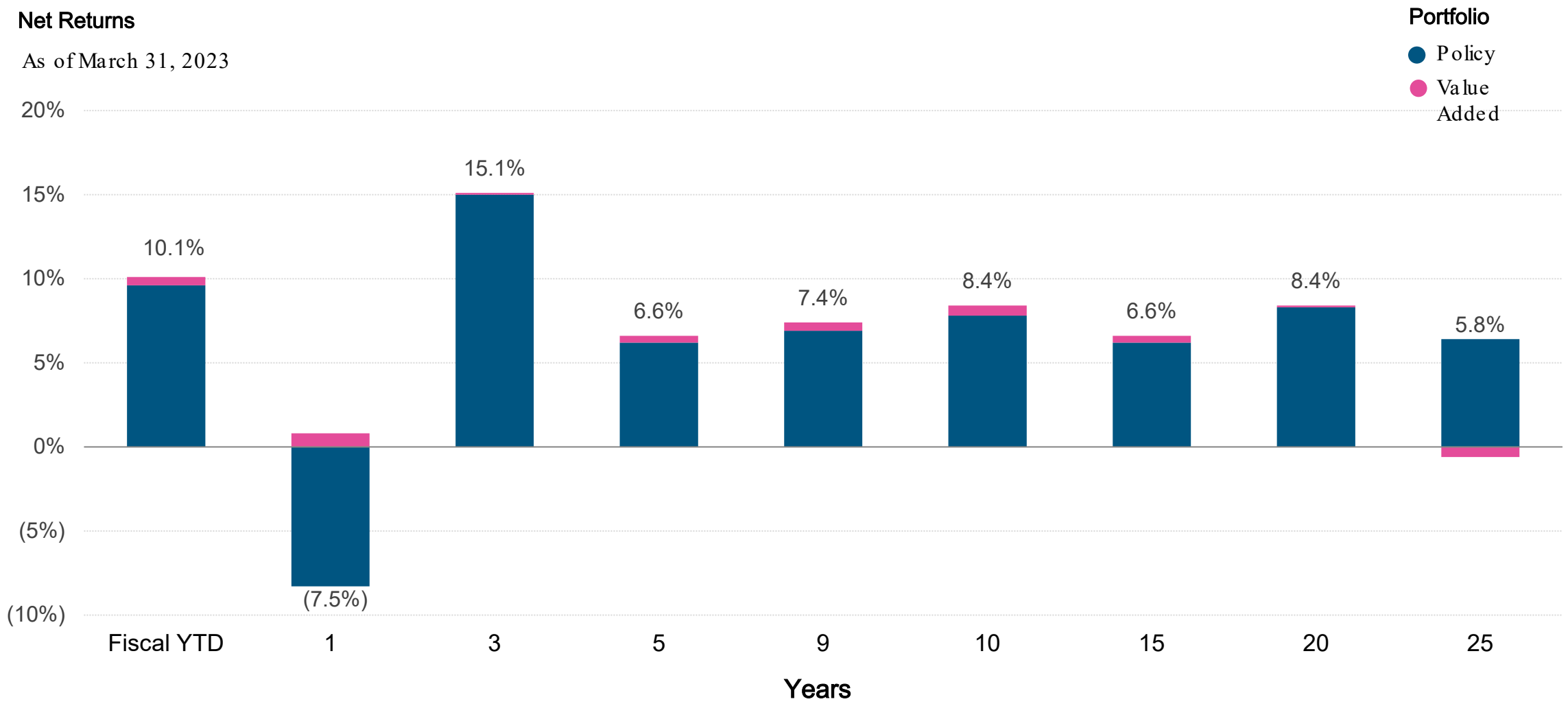
Pension Policy Benchmark

Asset Class	Policy Benchmark Component	Policy (%)	Allowable Ranges Min (%)	Allowable Ranges Max (%)
Public Equity	MSCI All Country World Index (ACWI) Investable Market Index (IMI) Tobacco and Fossil Fuel Free - Net Dividends	53.0	43.0	63.0
Total Fixed Income				
Core Fixed Income	Bloomberg Barclays 1-5 Year US Government/Credit Index	13.0	10.0	16.0
High Yield Fixed Income	Merrill Lynch High Yield Cash Pay Index Fossil Free	2.5	0.0	5.0
Emerging Market Fixed Income	JP Morgan Emerging Markets Bond Index Global Diversified FF	1.5	0.0	3.0
Private Assets				
Private Equity		12.0	7.0	17.0
Active Private Equity	Russell 3000 Index + 3%			
Passive Private Equity	Russell 3000 Tobacco and Fossil Fuel Free			
Absolute Return	HFRI Fund of Funds Composite	3.5	0.0	5.5
Real Estate	NCREIF ODCE Index	7.0	2.0	12.0
Real Assets	Actual Real Asset Portfolio Returns	4.0	0.0	8.0
Private Credit	75% Credit Suisse Leveraged Loan Total Return FF / 25% BofA/ML BB-B US High Yield Constrained Index FF + 1.5%	3.5	0.0	7.0
Cash	Bank of America 3-Month US Treasury Bill Index	0.0	0.0	5.0

Pension Attribution – Fiscal Year to Date

As of March 31, 2023	Contribution To Return	Portfolio Return	Benchmark Return	Allocation Attribution	Selection Attribution	Total Attribution
Public Equity	**5.1**	**10.1**	**9.6**	**(0.1)**	**0.2**	**0.1**
Fixed Income	**0.4**	**3.0**	**2.1**	**0.2**	**0.0**	**0.2**
Private Markets	**0.1**	**0.2**	**4.9**	**(0.3)**	**(1.2)**	**(1.5)**
Private Equity	(0.1)	(1.1)	12.2	0.0	(1.5)	(1.5)
Absolute Return	0.2	3.4	2.4	0.0	0.0	0.0
Real Estate	(0.3)	(3.0)	(8.1)	(0.2)	0.4	0.2
Real Assets	0.2	4.5	4.5	0.0	0.0	0.0
Private Credit	0.1	3.9	8.1	(0.1)	(0.1)	(0.2)
Cash	**0.1**	**1.7**	**-**	**(0.3)**	**0.1**	**(0.2)**
Total	5.7	5.7	7.1	(0.5)	(0.9)	(1.4)

Public Equity



Public Equity

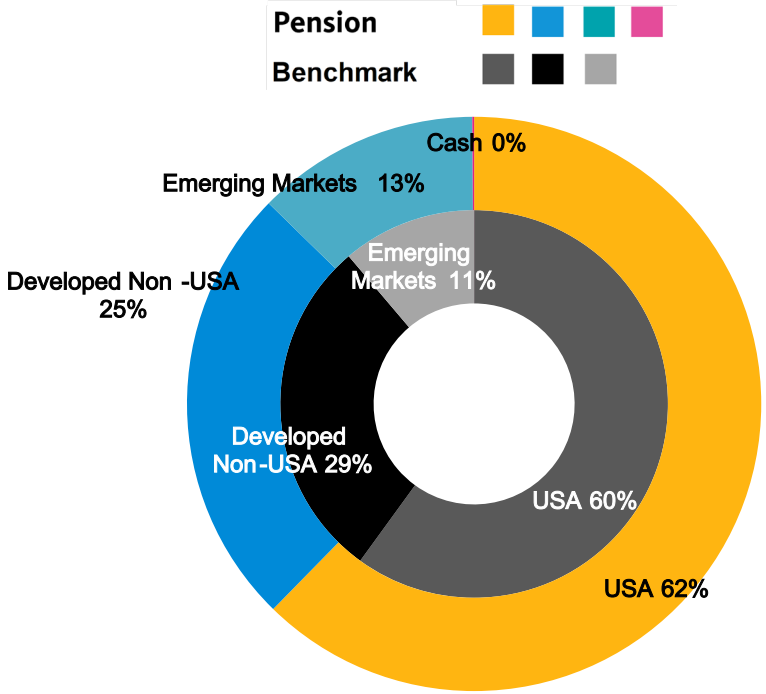
As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Public Equity	41,631	100	10.1	(7.5)	15.1	6.6	7.4	8.4	6.6	8.4	5.8	8.0
Policy			9.6	(8.3)	15.0	6.2	6.9	7.8	6.2	8.3	6.4	8.9
Benchmark*			0.5	0.8	0.1	0.4	0.5	0.6	0.4	0.1	(0.6)	(0.9)
Value Added												
Active	6,006	14	10.1	(6.7)	14.1	5.9	-	-	-	-	-	-
Passive	35,611	86	9.9	(7.9)	15.4	6.6	-	-	-	-	-	-

* From July 1, 2020 the public equity benchmark is the MSCI ACWI IMI Tobacco and Fossil Fuel Free Index.
From July 1, 2016 to June 30, 2020 the total public equity benchmark the MSCI ACWI IMI Tobacco Free Index.
Prior to July 1, 2016, the total public equity benchmark was an aggregate of benchmarks for underlying equity portfolios.

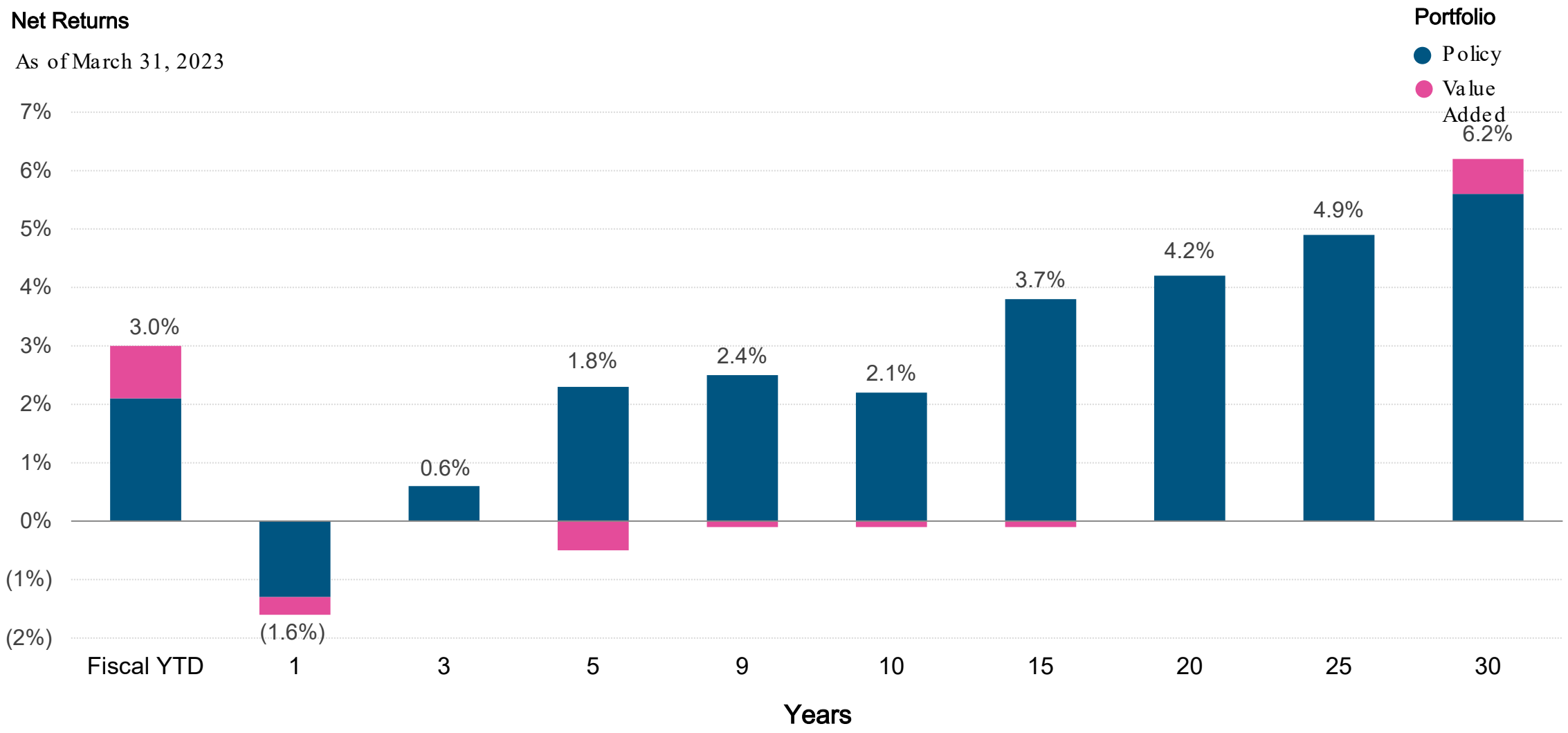
Active Managers	# of funds	Weight
Global Generalist	1	4.3%
USA	4	3.9%
Developed Non-USA	2	1.3%
Global Sector Specialist	1	0.7%
Emerging Markets	5	3.6%
	13	**13.8%**

Passive Index Exposure	Strategy	Weight
MSCI ACWI IMI Tobacco and Fossil Fuel Free	Global Passive	75.2%
S&P 500 Tobacco and Fossil Fuel Free	US Passive	10.4%
MSCI ACWI Paris Climate Aligned ETF	Global Passive	0.3%
MSCI US Paris Climate Aligned ETF	US Passive	0.2%

Geographic Exposure



Fixed Income

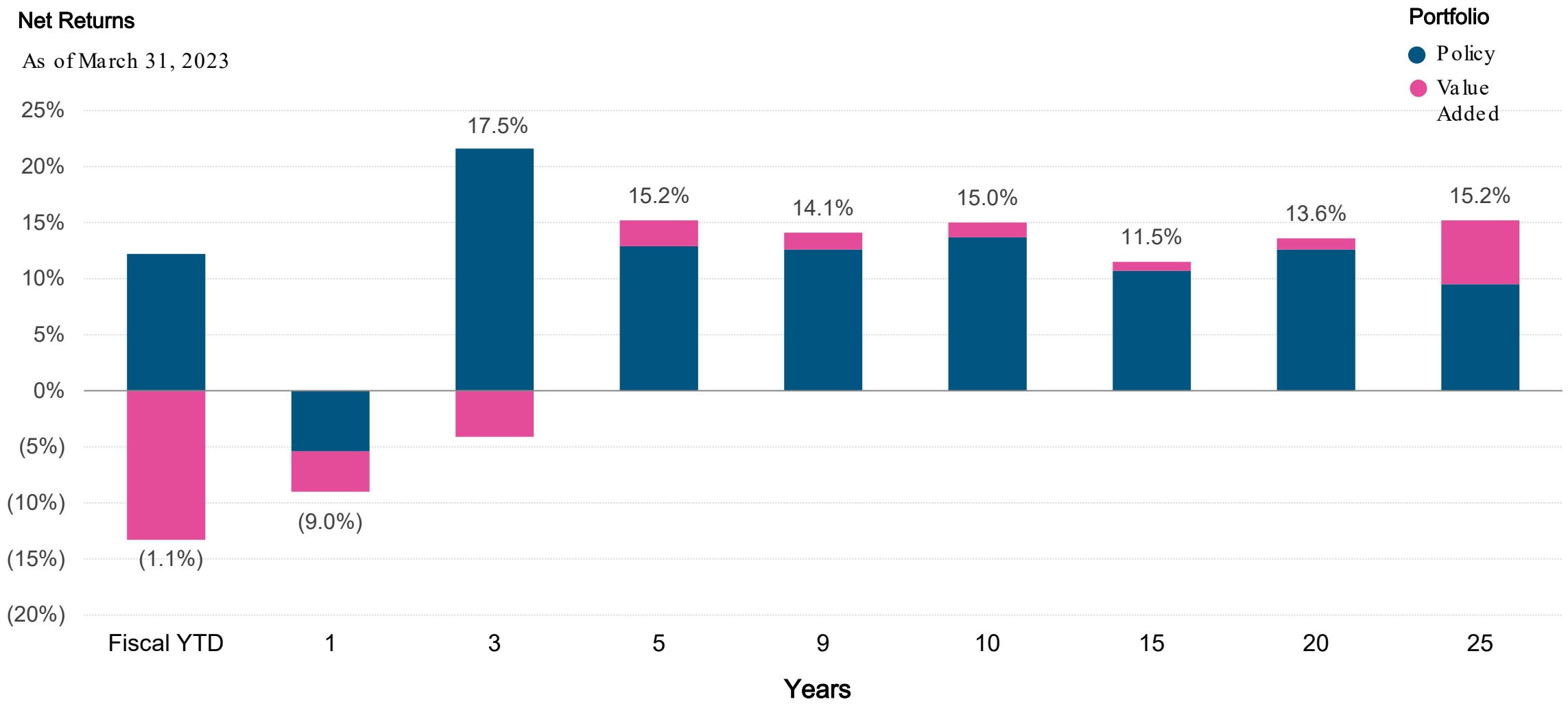


Fixed Income

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Fixed Income	12,356	100	3.0	(1.6)	(0.6)	1.8	2.4	2.1	3.7	4.2	4.9	6.2
Policy Benchmark*			2.1	(1.3)	(0.6)	2.3	2.5	2.2	3.8	4.2	4.9	5.6
Value Added			0.9	(0.3)	-	(0.5)	(0.1)	(0.1)	(0.1)	-	-	0.6
Core Fixed Income	9,353	76	0.9	(0.5)	(0.4)	1.8	2.3	2.1	3.3	3.8	4.6	5.9
Policy Benchmark			0.8	(0.3)	(0.4)	2.4	2.3	2.1	3.3	3.8	4.6	5.3
Value Added			0.1	(0.2)	-	(0.6)	-	-	-	-	-	0.6
High Yield	2,585	21	8.4	(2.8)	5.4	3.1	3.7	4.1	6.4	-	-	-
Policy Benchmark			7.1	(3.6)	5.5	2.9	3.5	3.9	6.3	-	-	-
Value Added			1.3	0.8	0.1	0.2	0.2	0.2	0.1	-	-	-
Emerging Market Debt	418	3	4.8	(7.3)	-	(0.6)	1.5	1.1	3.8	-	-	-
Policy Benchmark**			5.1	(6.9)	-	(0.6)	2.2	2.0	4.3	-	-	-
Value Added			(0.3)	(0.4)	-	-	(0.7)	(0.9)	(0.5)	-	-	-

* Total fixed income policy benchmark is an aggregate of underlying portfolio benchmarks.
** Emerging Market Debt: Passive Since May 2017.

Private Equity

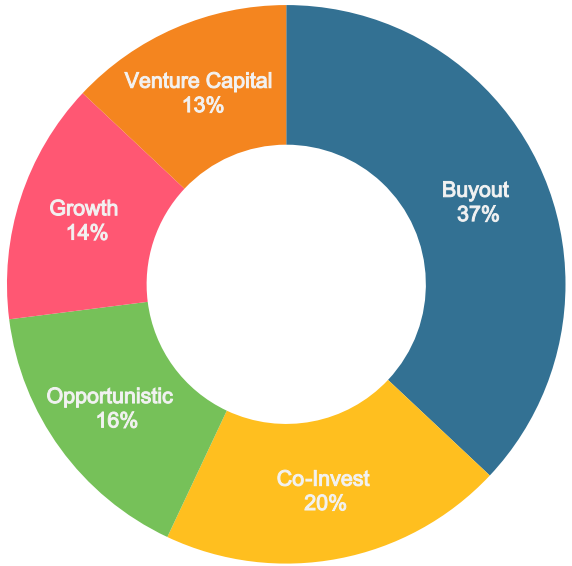


Private Equity

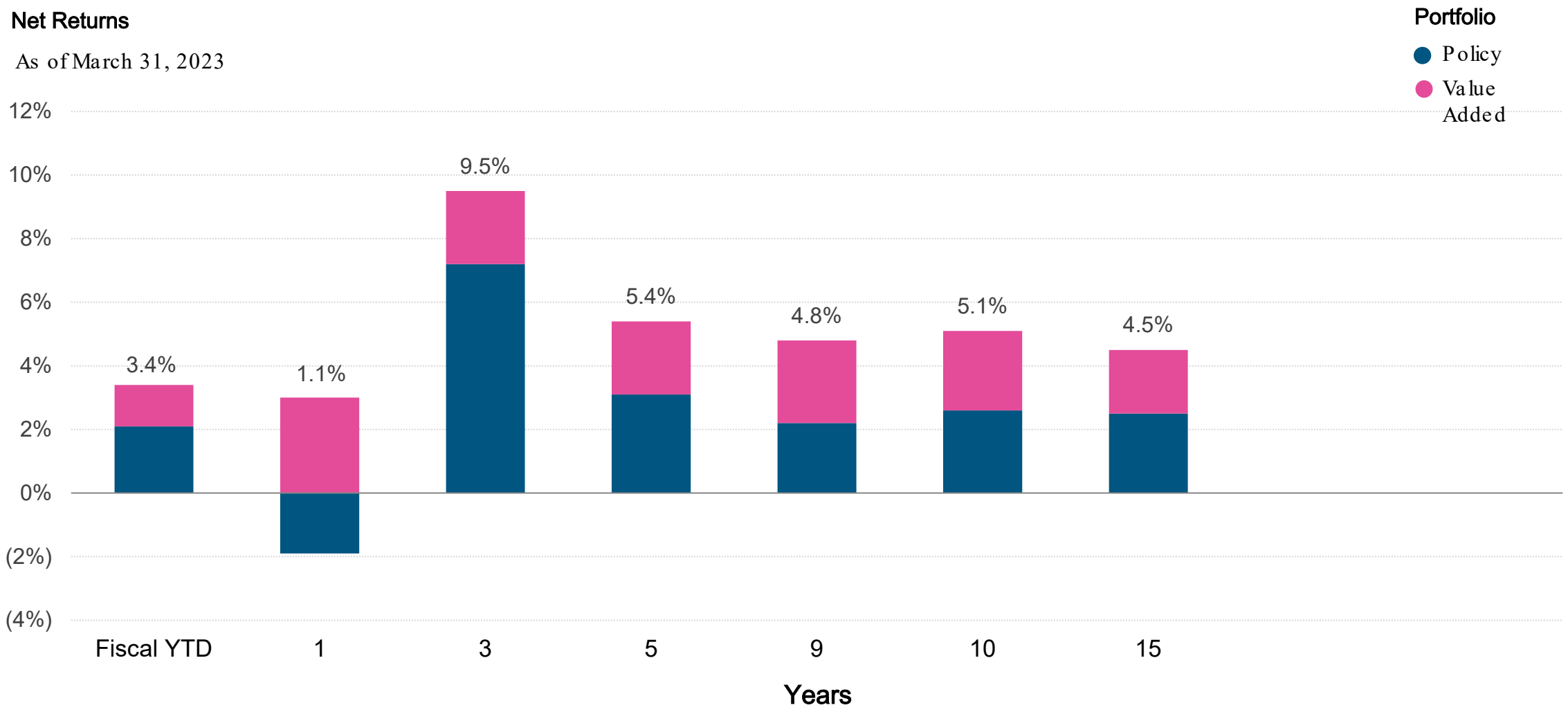
As of March 31, 2023

Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	1 Year	3 Year	5 Year	9 Year	10 Year	15 Year	20 Year	25 Year	30 Year
				Annualized Returns								
Active Private Equity	8,801	100	(1.1)	(9.0)	17.5	15.2	14.1	15.0	11.5	13.6	15.2	18.0
Policy Benchmark*			12.2	(5.4)	21.6	12.9	12.6	13.7	10.7	12.6	9.5	12.5
Value Added			(13.3)	(3.6)	(4.1)	2.3	1.5	1.3	0.8	1.0	5.7	5.5
Buyout	3,225	37	1.6	(3.6)	20.3	14.3	13.9	14.7	10.9	12.4	-	-
Co-Invest	1,799	20	(2.7)	(12.2)	19.0	22.1	26.5	29.4	-	-	-	-
Opportunistic	1,427	16	0.2	(9.0)	14.8	14.2	5.0	16.0	12.6	13.0	10.1	8.1
Growth	1,197	14	(0.7)	(6.7)	13.3	11.6	9.0	10.3	9.4	(0.2)	(3.2)	(2.6)
Venture Capital	1,146	13	(7.2)	(17.5)	19.5	16.9	14.8	16.6	12.0	17.1	-	-

* As of July 1, 2021, the Private Equity policy benchmark is the Russell 3000 Index +3%.
From July 1, 2020 to June 30, 2021, 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 was the Russell 3000 Index +2.0%.
From July 1, 2017 to June 30, 2019, the Private Equity policy benchmark was 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.



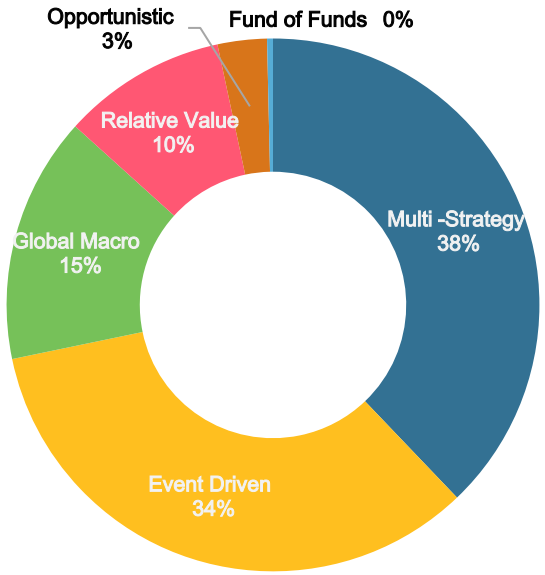
Absolute Return



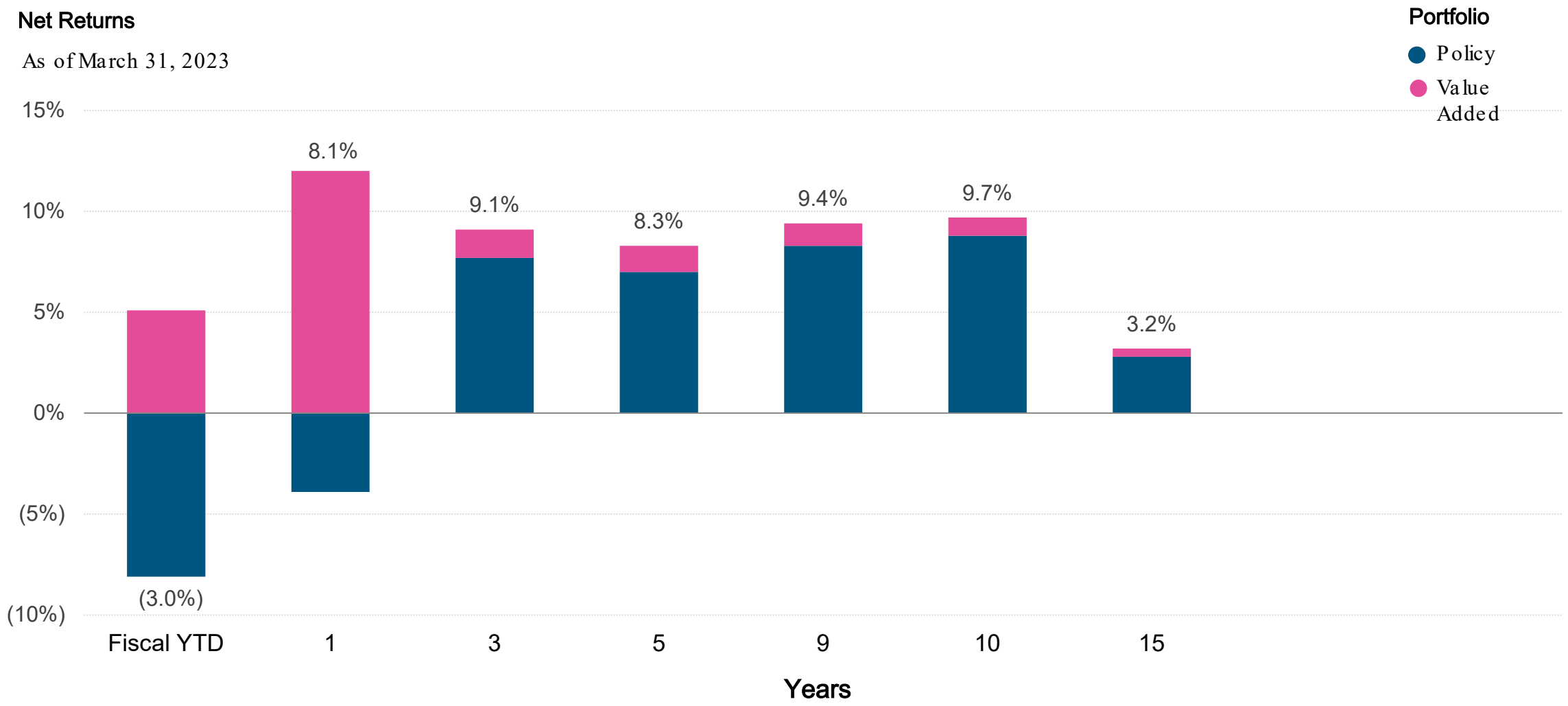
Absolute Return

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year	15 Year
Absolute Return	2,026	100	3.4	1.1	9.5	5.4	4.8	5.1	4.5
Policy Benchmark*			2.1	(1.9)	7.2	3.1	2.2	2.6	2.5
Value Added			1.3	3.0	2.3	2.3	2.6	2.5	2.0
Multi-Strategy	762	38	6.2	(0.9)	9.0	0.8	3.5	5.3	-
Event Driven	690	34	5.0	7.1	16.2	9.7	7.0	7.9	7.0
Global Macro	296	15	18.2	18.4	8.1	3.2	2.2	1.4	2.6
Relative Value	194	10	(0.7)	1.6	5.1	5.5	6.2	6.3	5.9
Opportunistic	74	3	(16.1)	(23.6)	(13.6)	(4.3)	-	-	-
Fund of Funds	9	0	0.3	7.4	7.5	6.5	3.7	3.9	2.3

* 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%.



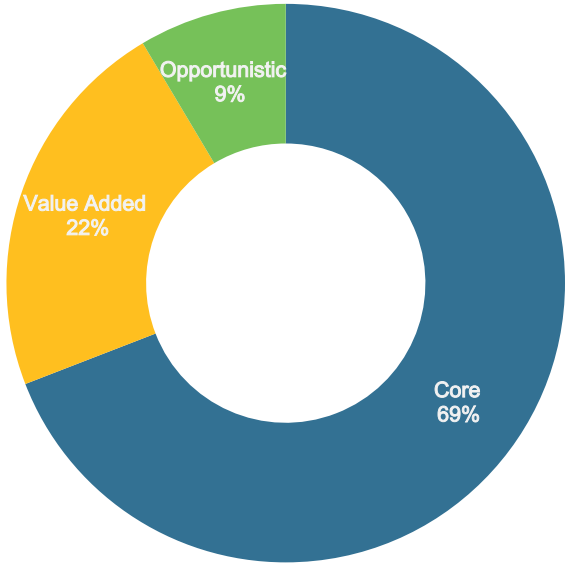
Real Estate


Net Returns
As of March 31, 2023
Portfolio
Policy
Value Added
15%
10%
5%
0%
(5%)
(10%)
(3.0%)
8.1%
9.1%
8.3%
9.4%
9.7%
3.2%
Fiscal YTD
1
3
5
9
10
15
Years

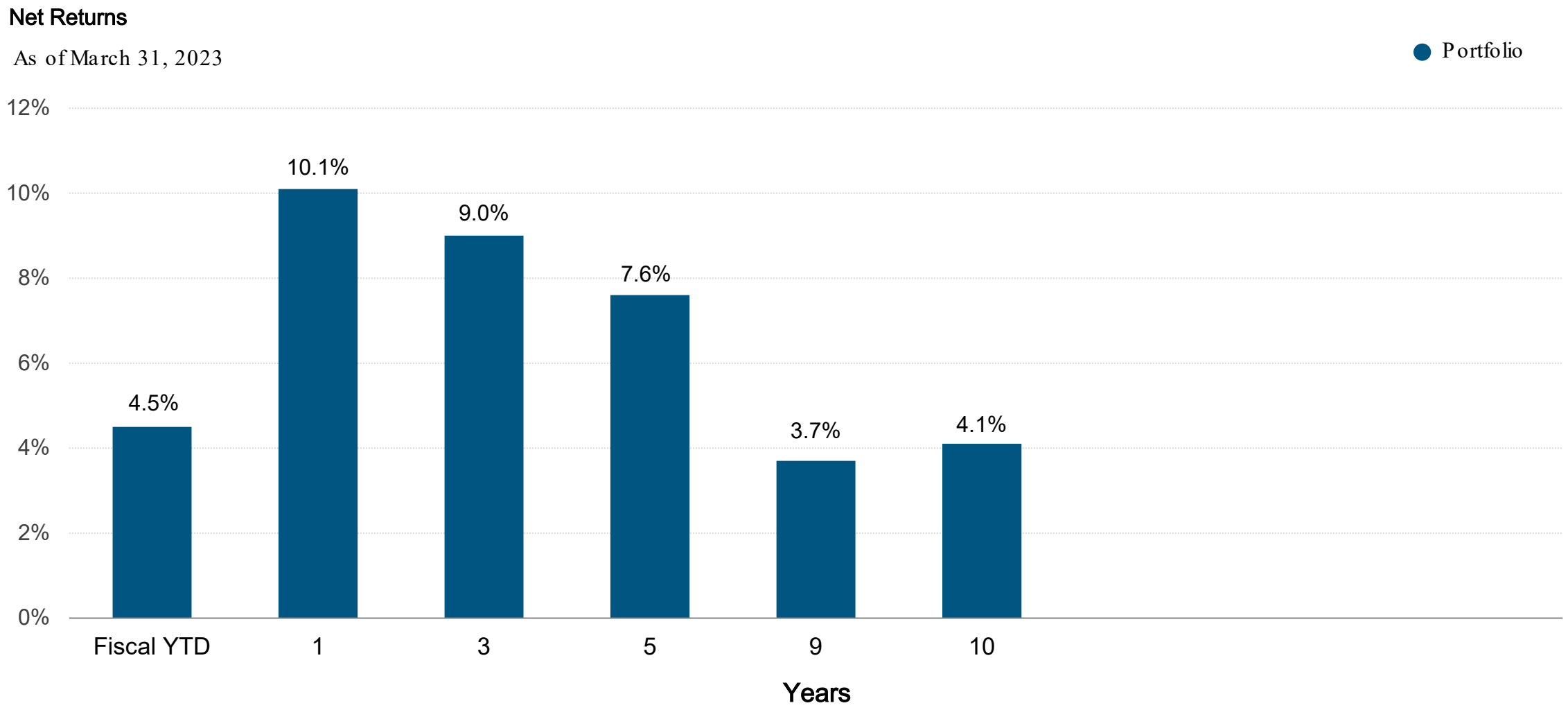
Real Estate

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year	15 Year
Real Estate	7,833	100	(3.0)	8.1	9.1	8.3	9.4	9.7	3.2
Policy Benchmark*			(8.1)	(3.9)	7.7	7.0	8.3	8.8	2.8
Value Added			5.1	12.0	1.4	1.3	1.1	0.9	0.4
Core	5,414	69	(2.0)	11.4	12.8	10.9	10.7	10.9	-
Value Added	1,749	22	(6.8)	3.8	4.9	5.6	7.8	7.9	13.9
Opportunistic	670	9	0.1	4.5	7.2	5.6	7.0	8.2	-

* 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).



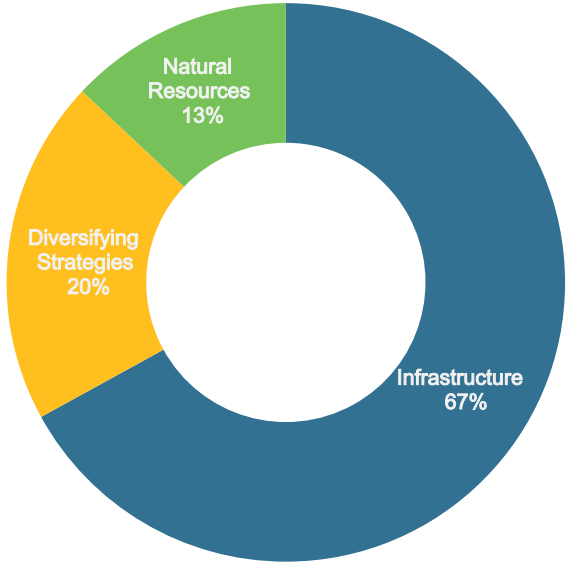
Real Assets


Net Returns
As of March 31, 2023
Portfolio
12%
10%
8%
6%
4%
2%
0%
4.5%
10.1%
9.0%
7.6%
3.7%
4.1%
Fiscal YTD
1
3
5
9
10
Years

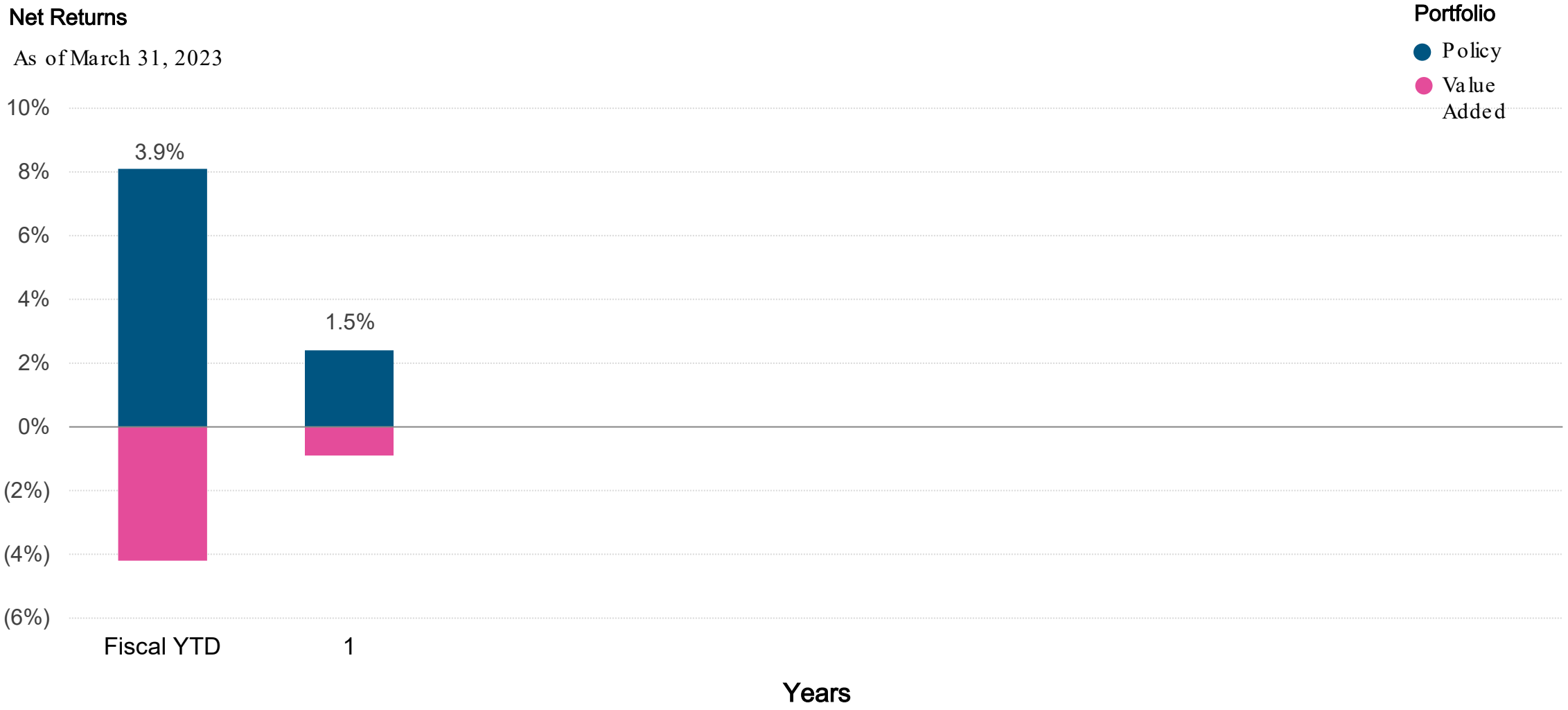
Real Assets

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	Annualized Returns 1 Year	3 Year	5 Year	9 Year	10 Year
Real Assets	4,020	100	4.5	10.1	9.0	7.6	3.7	4.1
Infrastructure	2,708	67	5.6	10.6	11.8	10.8	12.8	13.7
Diversifying Strategies	823	20	4.4	14.1	10.3	7.8	6.2	6.1
Natural Resources	489	13	0.2	3.5	(0.6)	(0.3)	(3.8)	(3.2)

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



Private Credit



Private Credit

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	1 Year
Private Credit	3,325	100	3.9	1.5
Policy Benchmark			8.1	2.4
Value Added			(4.2)	(0.9)
Corporate	2,356	71	4.6	(0.4)
Niche	537	16	(0.2)	1.4
Asset Backed	429	13	5.7	7.1

* Inception date for Private Credit is July 1, 2020.

Cash

As of March 31, 2023 Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 9 Months	1 Year
Cash	4,556	100	1.7	2.0
Policy Benchmark*			2.4	2.5
Value Added			(0.7)	(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 decrease despite selloff as drawdown has been orderly and public equity allocation has decreased. Tracking error decreases as well as overweight to public equity has been reduced.

			Portfolio Risk (%)		Benchmark Risk (%)		Active Risk (%)	
Portfolio	Benchmark	Weight (%)	Standalone Volatility	QoQ Change	Standalone Volatility	QoQ Change	Tracking Error	QoQ Change
Pension	Policy (Blend)	100	14.5	(0.9)	14.4	(1.3)	1.2	0.2
Public Equity	MSCI ACWI IMI TF FF	49	18.5	(1.9)	18.6	(1.7)	0.7	(0.1)
Fixed Income	Policy (Blend)	15	4.1	0.0	4.0	0.3	0.8	0.2
Absolute Return	HFRI FOF	2	7.1	1.1	5.5	0.5	6.4	0.6
Private Equity	Russell 3000	10	27.0	(1.2)	20.9	(2.1)	10.3	0.8
Real Estate	NFI-ODCE	9	16.8	1.1	13.5	0.9	4.8	0.2
Real Assets	Real Assets	5	23.2	(1.3)	23.2	(1.3)	0.0	0.0
Private Credit	CS LL / ML HY BB-B	4	5.5	(0.0)	4.1	(0.2)	3.3	0.4
Cash	BofA 3mo Treasury Bill	5	0.3	0.1	0.2	(0.0)	0.2	0.1

Macro Risks: Regional Banks

Regional banks have not recovered from the selloff during the failures of Silicon Valley Bank and Signature bank.

S&P Regional Bank ETF, ticker KRE

Macro Risks: Office Real Estate

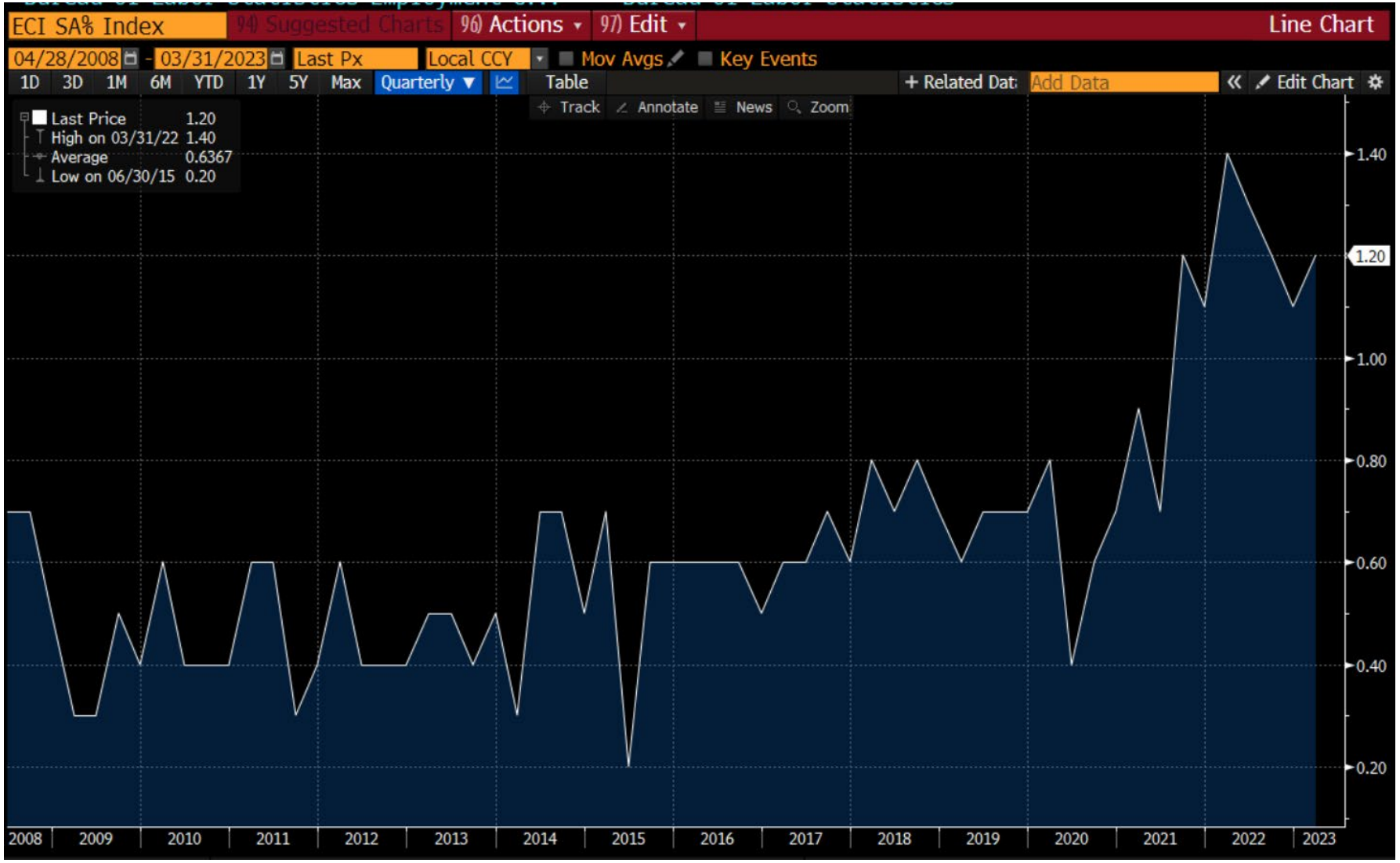
Office real estate has continued to be weak, with headline defaults from Pimco, Brookfield, and Blackstone.

Publicly traded office REITs have declined 50% since the peak (right).

MSCI US REIT Office Index

Macro Risks: Wages

Wage growth is still strong, making further Fed rate hikes more likely.



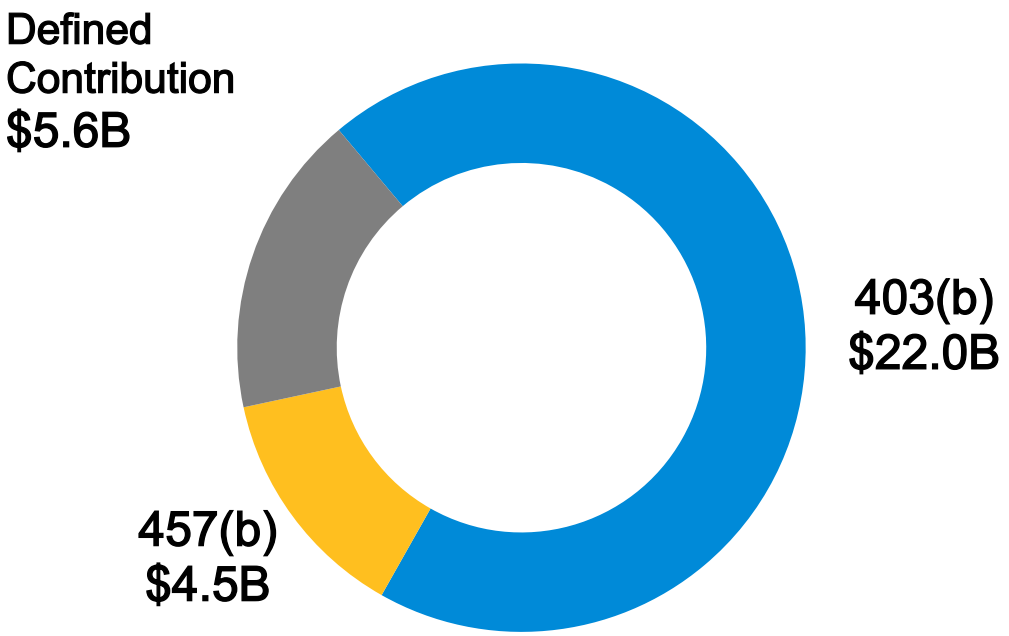
Employment Cost Index (ECI) QoQ Increase

Savings Program

UC Retirement Savings

As of March 31, 2023

3 PLANS $32.1B



INVESTMENT STRUCTURE

TARGET DATE FUND $13.5B	13 CORE OPTIONS $16.4B	BROKERAGE WINDOW $2.2B
TIER I	TIER II	TIER III

0.05% INVESTMENT MANAGEMENT FEE

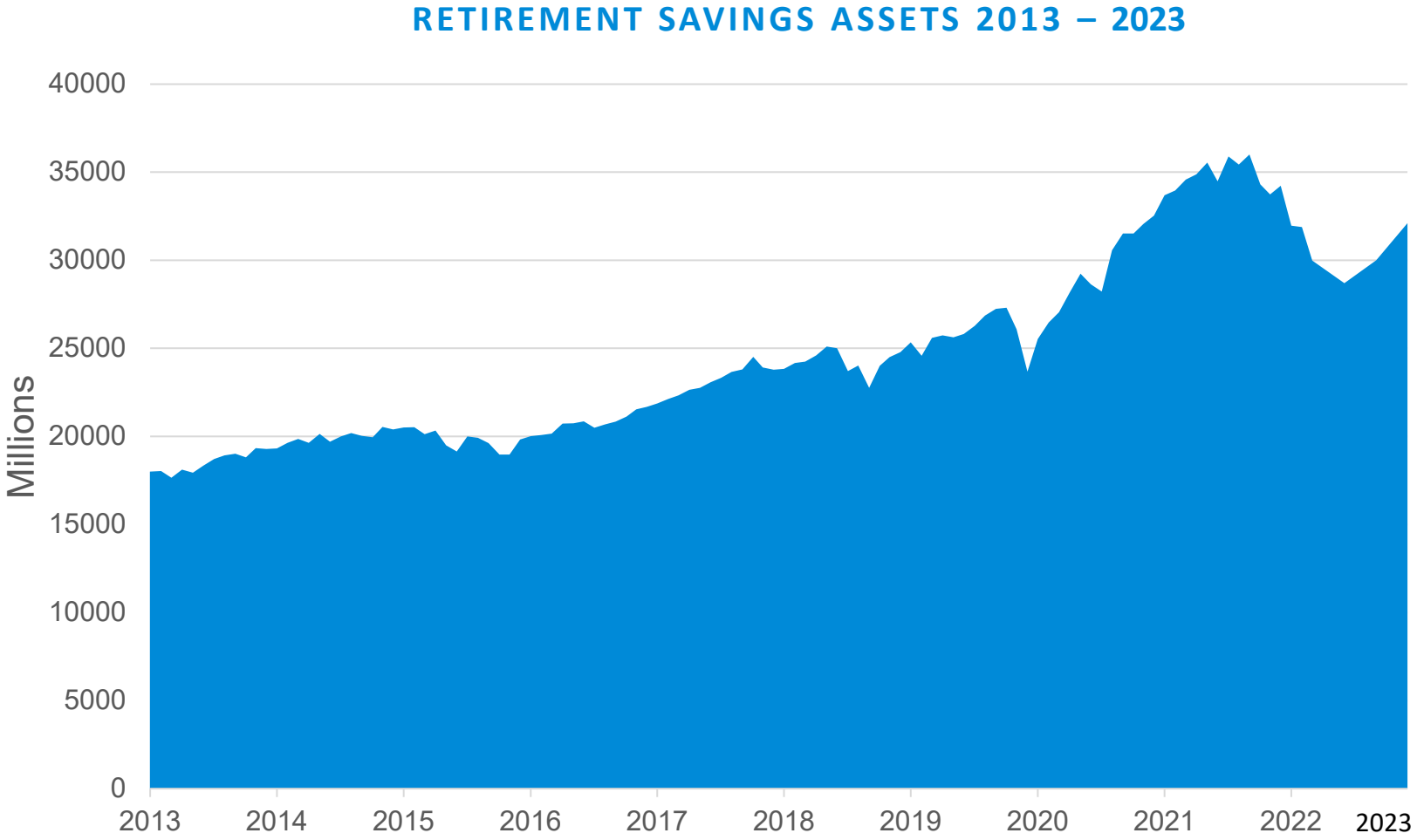
Highlights

As of March 31, 2023

	2014	2023
Participants	301,000	335,000
Assets	$19.8B	$32.1B
Default	UC Savings Fund	UC Pathway
Target Date Assets	$3.1B	$13.5B
Investment Choices	75	14
Management Fee	0.14%	0.05%
Management Fee	$26M	$15M

UC Retirement Savings

$32.1 Billion in Assets as of March 31, 2023



7 YEAR EVOLUTION

2022

Moved UCRSP Fossil Fuel Free

2021

Launched Deferred Lifetime Income

Launched UC Global ex Fossil Fuel Fund

2020

Moved 4 fixed income funds to passive

2019

Launched of Pathway 2065

2018

3rd Party manager for Pathway

2017

White labeled Funds

Moved to Institutional Vehicles

2015

Reduced funds from 64 to 16

Investment Options at a Glance

TARGET DATE FUNDS - $13.5 billion
UC Pathway Funds

UC Pathway Income Fund	UC Pathway Fund 2035	UC Pathway Fund 2055
UC Pathway Fund 2020	UC Pathway Fund 2040	UC Pathway Fund 2060
UC Pathway Fund 2025	UC Pathway Fund 2045	UC Pathway Fund 2065
UC Pathway Fund 2030	UC Pathway Fund 2050	

CORE FUNDS - $16.4 billion
Bond and Stock Investments

Bond Investments	**Domestic Stock**	**Foreign Stock**
Short-Term	*Large Cap*	*Developed Markets*
UC Savings Fund	UC Growth Company Fund	UC International Equity Index Fund
		UC Diversified International Fund
Intermediate-Term	*Small Cap*	*Emerging Markets*
UC Bond Fund	UC Domestic Small Cap Equity Fund	UC Emerging Markets Equity Fund
Inflation-Protected	*Broad Cap*	*Global Markets*
UC Short Term TIPS Fund	UC Domestic Equity Index Fund	UC Global Equity Fund
UC TIPS Fund		
		Specialty Stock
		UC Real Estate Fund
		UC Social Equity Fund

BROKERAGE WINDOW - $2.2 billion
Fidelity BROKERAGELINK®

Core Funds Assets

CORE FUNDS - $16.4 Billion

Bond and Stock Investments

Bond Investments - $5,163

Short-Term

UC Savings Fund - $3,552

Intermediate-Term

UC Bond Fund - $1,134

Inflation-Protected

UC Short Term TIPS Fund - $145

UC TIPS Fund - $332

Domestic Stock - $8,830

Large Cap

UC Growth Company Fund - $1,942

Small Cap

UC Domestic Small Cap Equity Fund - $561

Broad Cap

UC Domestic Equity Index Fund - $6,327

Foreign/Global Stock - $1,390

Developed Markets

UC International Equity Index Fund - $1,002

UC Diversified International Fund - $172

Emerging Markets

UC Emerging Markets Equity Fund - $216

Specialty Stock - $950

UC Real Estate Fund - $278

UC Social Equity Fund - $656

UC Global Equity ex Fossil Fuel Fund – 16

Target Date Funds (Pathway) Performance

Three-month performance – January 31, 2023 to March 31, 2023

Net of fee returns (%)

	Pathway Income	Pathway 2020	Pathway 2025	Pathway 2030	Pathway 2035	Pathway 2040	Pathway 2045	Pathway 2050	Pathway 2055	Pathway 2060	Pathway 2065
Fund Return	4.13	4.52	5.50	6.31	6.69	6.82	6.97	7.01	7.01	7.01	7.01
Policy Benchmark Return	4.28	4.62	5.51	6.30	6.70	6.85	6.98	7.01	7.01	7.01	7.01
Value Added	-0.15	-0.10	-0.01	0.01	-0.01	-0.03	-0.01	0.00	0.00	0.00	0.00

One-year performance

Net of fee returns (%) - 3/31/2022-3/31/2023

	Pathway Income	Pathway 2020	Pathway 2025	Pathway 2030	Pathway 2035	Pathway 2040	Pathway 2045	Pathway 2050	Pathway 2055	Pathway 2060	Pathway 2065
Fund Return	-3.70	-4.39	-6.05	-6.63	-6.82	-7.31	-7.51	-7.88	-7.88	-7.88	-7.88
Policy Benchmark Return	-3.26	-4.12	-6.09	-6.74	-6.91	-7.34	-7.57	-7.94	-7.94	-7.94	-7.94
Value Added	-0.44	-0.27	0.04	0.11	0.09	0.03	0.06	0.06	0.06	0.06	0.06

Target Date Funds (Pathway) Performance

Three-year performance

Net of fee returns (%)

	Pathway Income	Pathway 2020	Pathway 2025	Pathway 2030	Pathway 2035	Pathway 2040	Pathway 2045	Pathway 2050	Pathway 2055	Pathway 2060	Pathway 2065
Fund Return	6.49	8.29	9.12	9.88	10.88	11.81	12.75	13.14	13.14	13.14	13.14
Policy Benchmark Return	6.60	8.34	9.06	9.81	10.80	11.74	12.66	13.04	13.04	13.04	13.04
Value Added	-0.11	-0.05	0.06	0.07	0.08	0.07	0.09	0.10	0.10	0.10	0.10

Ten-year performance

Net of fee returns (%)

	Pathway Income	Pathway 2020	Pathway 2025	Pathway 2030	Pathway 2035	Pathway 2040	Pathway 2045	Pathway 2050	Pathway 2055	Pathway 2060	Pathway 2065
Fund Return	3.23	4.59	5.06	5.54	5.98	6.38	6.78	7.10	7.28	7.39	n/a
Policy Benchmark Return	3.17	4.56	5.03	5.50	5.95	6.36	6.76	7.07	7.24	7.35	n/a
Value Added	0.06	0.03	0.03	0.04	0.03	0.02	0.02	0.03	0.04	0.04	n/a

Core Funds Performance – Equities

			Annualized Total Return (%)				
US Large Equity	**Market Value ($M)**	**% of Program**	**3 Months**	**One Year**	**Three Year**	**Five Year**	**Ten Year**
UC Domestic Equity Index Fund	$6,327	19.74%	8.01	-8.79	18.51	10.60	11.86
Russell 3000 ex Fossil Fuels ex Tobacco			8.00	-8.87	18.40	10.46	11.75
Value Added			0.01	0.08	0.11	0.14	0.11
UC Social Index Fund	$656	2.05%	9.84	-9.91	17.78	11.30	12.80
FTSE4Good US Select Index			9.87	-9.94	17.81	11.32	12.88
Value Added			-0.03	0.03	-0.03	-0.02	-0.08
US Small/Mid Cap Equity							
UC Domestic Small Cap Index Fund	$561	1.75%	3.15	-11.45	17.76	4.91	8.25
Russell 2000 ex Fossil Fuels ex Tobacco			3.06	-11.69	17.48	4.63	8.08
Value Added			0.09	0.24	0.28	0.28	0.17
Global/World ex-US Equity							
UC International Equity Index Fund	$1,002	3.13%	8.31	-3.81	13.51	3.82	5.10
MSCI World ex-US IMI ex Fossil Fuels ex Tobacco			8.29	-3.89	13.48	3.50	4.81
Value Added			0.02	0.08	0.03	0.32	0.29

Core Funds Performance – Equities

			Annualized Total Return (%)				
Growth Large Equity	**Market Value ($M)**	**% of Program**	**3 Months**	**One Year**	**Three Year**	**Five Year**	**Ten Year**
UC Growth Company Fund	$1,942	6.06%	15.67	-12.72	22.27	15.34	17.25
Russell 3000 Growth			13.85	-10.88	18.23	13.02	14.16
Value Added			1.82	-1.84	4.04	2.32	3.09
World ex-US Equity							
UC Diversified Intl. Fund	$172	0.54%	8.82	-5.29	11.95	4.88	6.25
MSCI EAFE			8.47	-1.38	12.99	3.52	5.08
Value Added			0.35	-3.91	-1.04	1.36	1.17
UC Emerging Markets Fund	$216	0.68%	4.45	-9.72	9.03	-1.20	1.78
MSCI Emerging Markets IMI ex Fossil Fuels ex Tobacco			4.30	-10.13	8.05	-0.78	2.06
Value Added			0.15	0.41	0.98	-0.42	-0.28
Global Equity							
UC Global Equity Fund	$16	0.05%	7.81	-7.84	-	-	-
MSCI ACWI IMI ex Fossil Fuels ex Tobacco			7.64	-8.28	-	-	-
Value Added			0.17	0.44	-	-	-
Real Estate							
UC Real Estate Fund	$278	0.87%	2.71	-19.10	12.11	5.79	5.78
MSCI US REIT			2.73	-19.17	11.99	5.67	5.76
Value Added			-0.02	0.07	0.12	0.12	0.02

Core Funds Performance – Fixed Income

			Annualized Total Return (%)				
Capital Preservation	**Market Value ($M)**	**% of Program**	**3 Months**	**One Year**	**Three Year**	**Five Year**	**Ten Year**
UC Savings Fund	$3,552	11.08%	0.18	0.65	0.68	1.10	1.15
Two-Year U.S. Treasury Notes Income Return			1.08	3.60	1.41	1.72	1.24
Value Added			-0.90	-2.95	-0.73	-0.62	-0.09
Inflation Sensitive							
UC Short Term TIPS Fund	$145	0.45%	1.96	-0.30	3.65	2.93	-
Barclays 1-3 Year U.S. TIPS Index			1.97	-0.20	3.59	2.83	-
Value Added			-0.01	-0.10	0.06	0.10	
UC TIPS Fund	$332	1.04%	3.37	-6.47	1.83	2.97	1.66
Barclays US TIPS Index			3.34	-6.06	1.75	2.94	1.49
Value Added			0.03	-0.41	0.08	0.03	0.17
Diversified Fixed Income							
UC Bond Fund	$1,134	3.54%	2.76	-5.07	-2.62	0.83	1.48
Bloomberg MSCI US Aggregate ex Fossil Fuels ex Tobacco			2.95	-4.83	-2.79	0.90	1.36
Value Added			-0.19	-0.24	0.17	-0.07	0.12

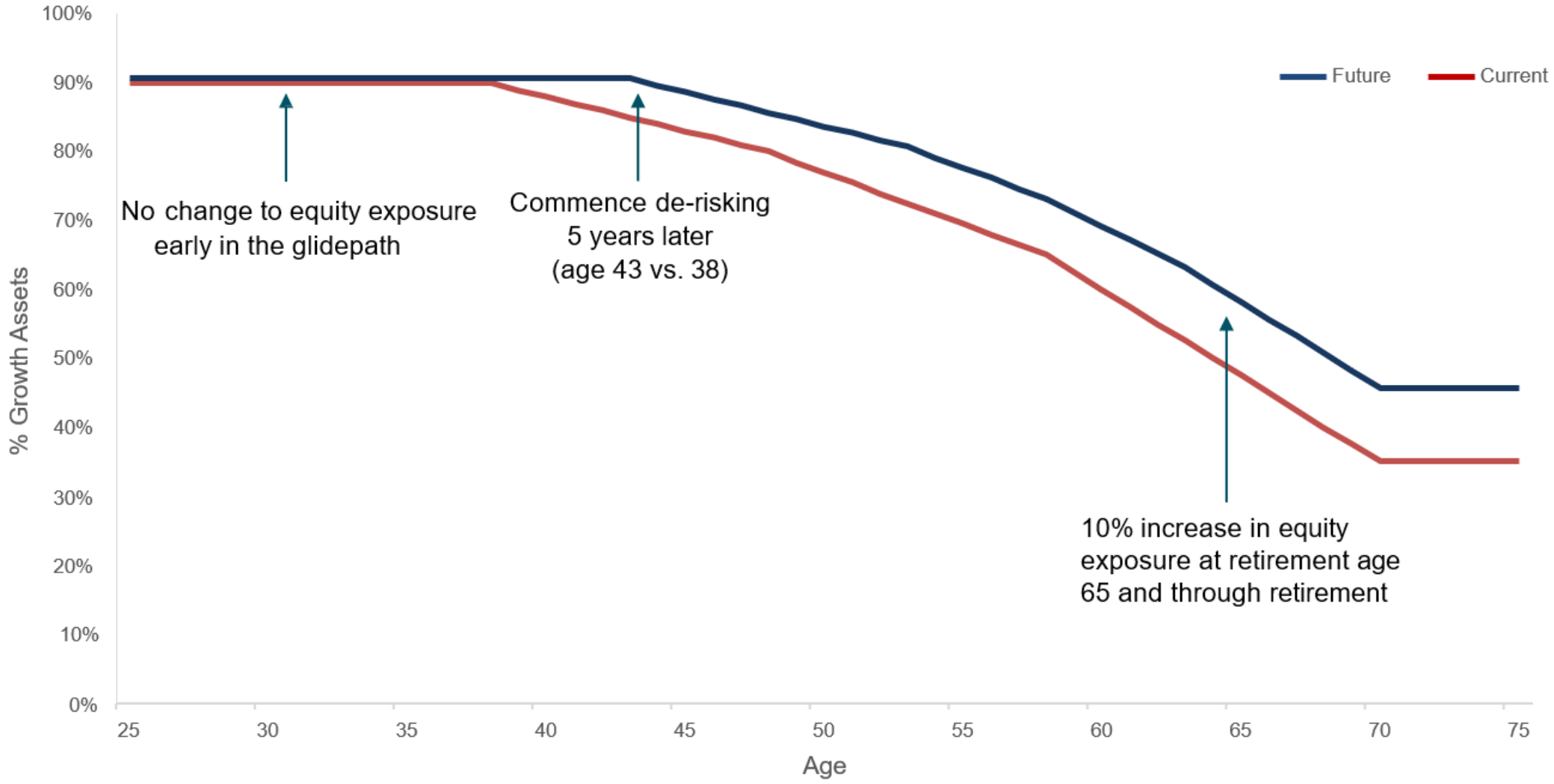
Regents Approve Enhancements to Deferred Lifetime Income for 2023 Opening Window

- 3rd annual purchase window for Deferred Lifetime Income between 9/1 to 9/26, 2023
- Increase in maximum QLAC purchase amount to $200,000
- Removal of the 25% account value cap
- Implementation of a 90-day free look period (ability to reverse purchase decision)

Implemented Deferred Lifetime Income

- $8 million in total QLACs written
- 2nd election window was open September 2022
- Held live webinar
- Sent educational brochure to over 18,000 participants
- Created and launched custom educational web module and calculator
- Created and launched custom election site

Pathway Glidepath: adding $1 billion in equities over the next year



Moved Savings Program to Fossil Fuel Free as of 6/30/22

Trading: $1.15 billion of fossil fuel equites and fixed income sold

- $700 million in US equities, $420 million in international equities and $30 million in US high yield

Communication: Successful collaboration with Fidelity HR team

- Over 300,000 emails and 20,000 letters sent to participants
- FAQs, updated website pages on myucretirement.com and netbenefits
- Dozens of socialization initiatives across the UC: Regents, UCRS Advisory Board, OGC, Academic Senate, RSPAC
- 24 new fund descriptions went live online on July 1, 2022
- 24 new fact sheets to be posted with the 3rd quarter rollout
- Working on an impact disclosure factsheet to highlight the carbon footprint reduction of the fossil fuel free portfolio

Operations and Legal: Successful operational implementation without any operating errors

- Obtained outside legal opinion around fiduciary risk from Groom Law
- Created 7 new benchmarks with Bloomberg, FTSE Russell and MSCI
- Close to 10 contracts needed to get legally vetted and executed

Launched Global Equity ex Fossil Fuels Fund

Assets: $16 million

Exposure: US, Developed and Emerging Market Equities (Large, Mid and Small Cap)

Benchmark: MSCI ACWI IMI ex Fossil Fuel ex Tobacco

Constituents: 8,300 companies covering 99% of global market cap

Implementation Approach: Indexed

Manger: SSGA

Launch Date: 3/31/2021

Cost: 0.01%