UNIVERSITY OF CALIFORNIA

Pension & Savings Program

September 30, 2023

UC INVESTMENTS

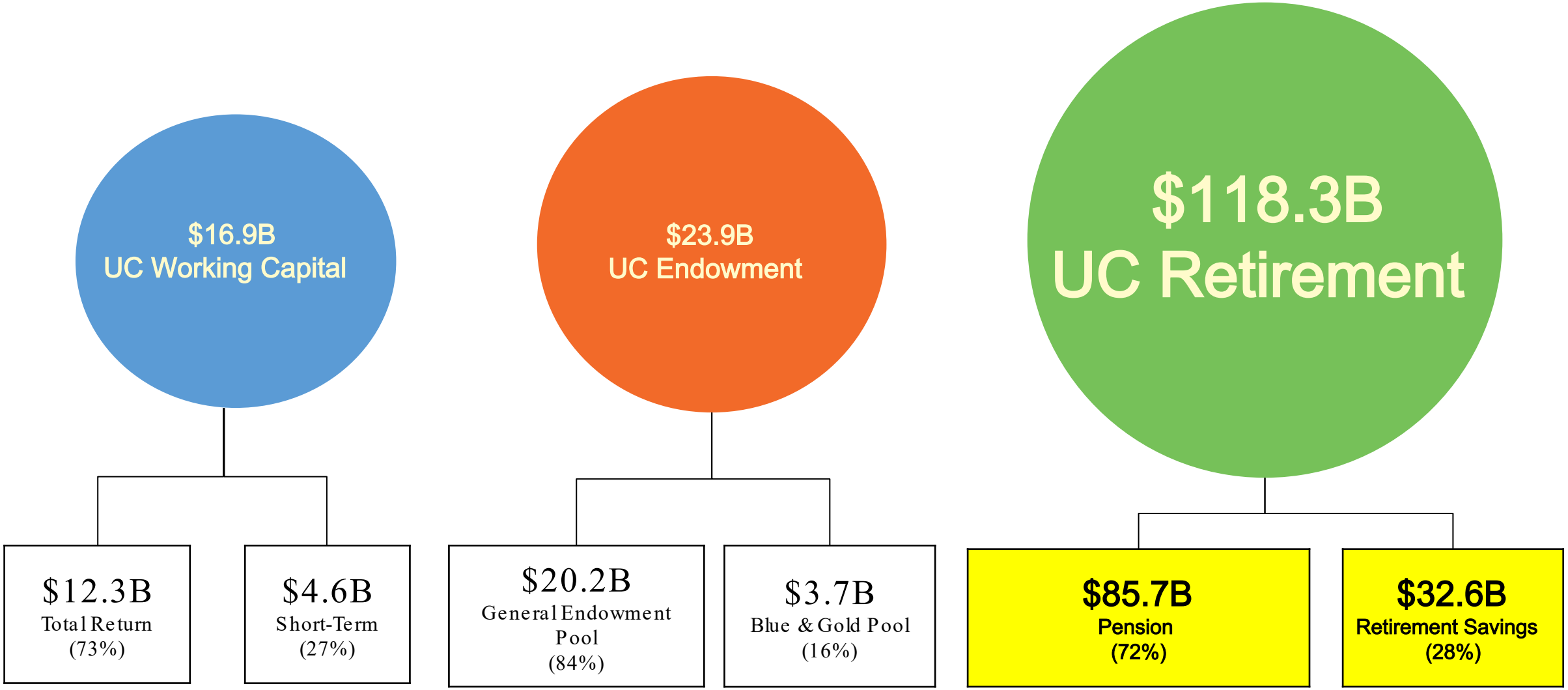
UC Investments Way

CENTENNIAL PERFORMANCE

UC ENDOWMENT	UC RETIREMENT	UC WORKING CAPITAL
GENERAL ENDOWMENT POOL 92 Years	PENSION 64 Years	TOTAL RETURN 15 Years
BLUE & GOLD POOL 5 Years	RETIREMENT SAVINGS 57 Years	SHORT-TERM INVESTMENT POOL 49 Years

UC INVESTMENTS ASSETS

$159 Billion in Six Products as of September 30, 2023



Pension

Pension

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 appropriate levels of risk.
- Maximize the probability of meeting the Plan's liabilities, subject to the Regents' funding policy.

PENSION

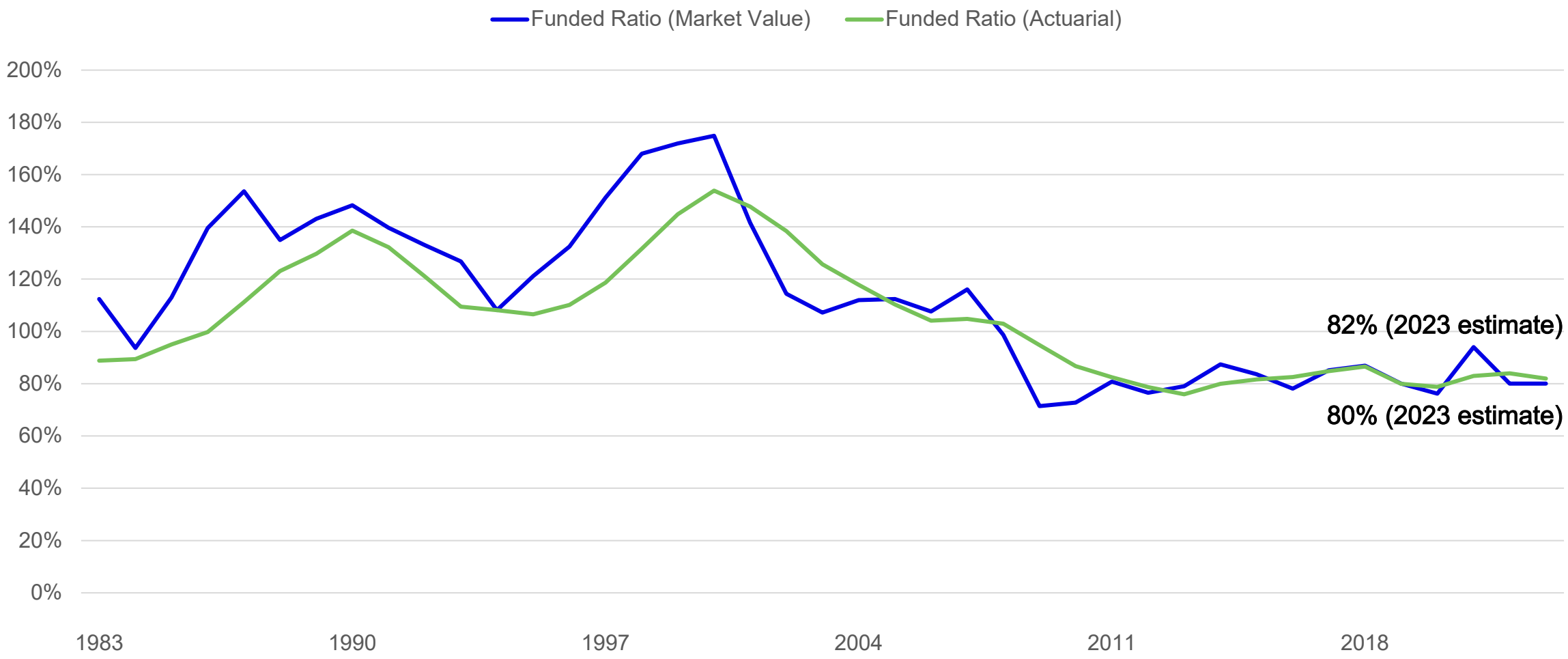
Investing for 64 years

A plan that invests across a broad range of asset types to provide retirement income security for all our members.

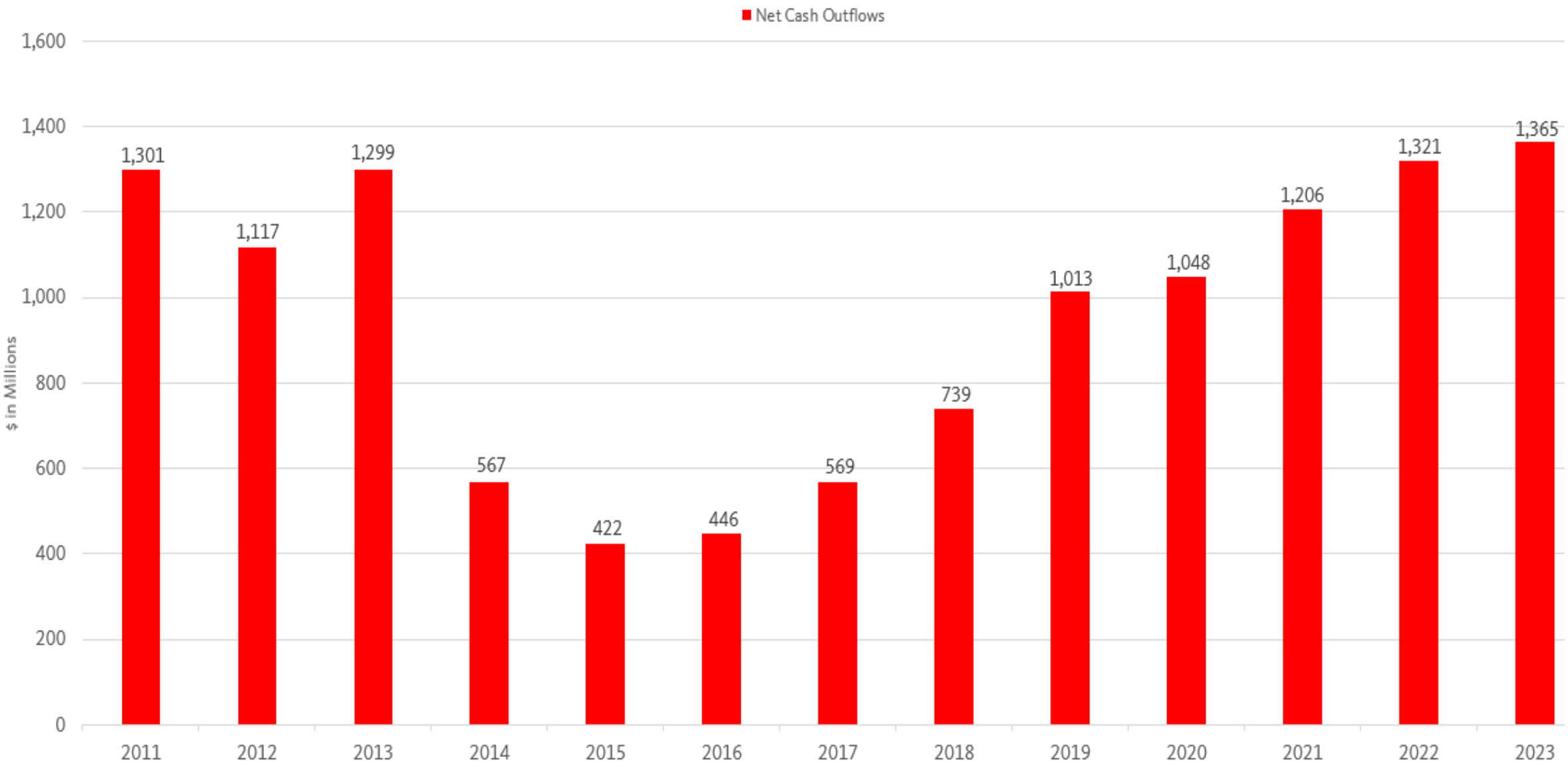
ASSETS UNDER MANAGEMENT **$86B**	PENSION PLAN MEMBERS **267,847**	30 YEAR ANNUALIZED RETURN **7.8%**
FUNDING RATIO (ACTUARIAL) **82%**	ACTIVE MEMBERS **141,416**	1 YEAR NET RETURN **11.3%**

Pension Funded Ratio

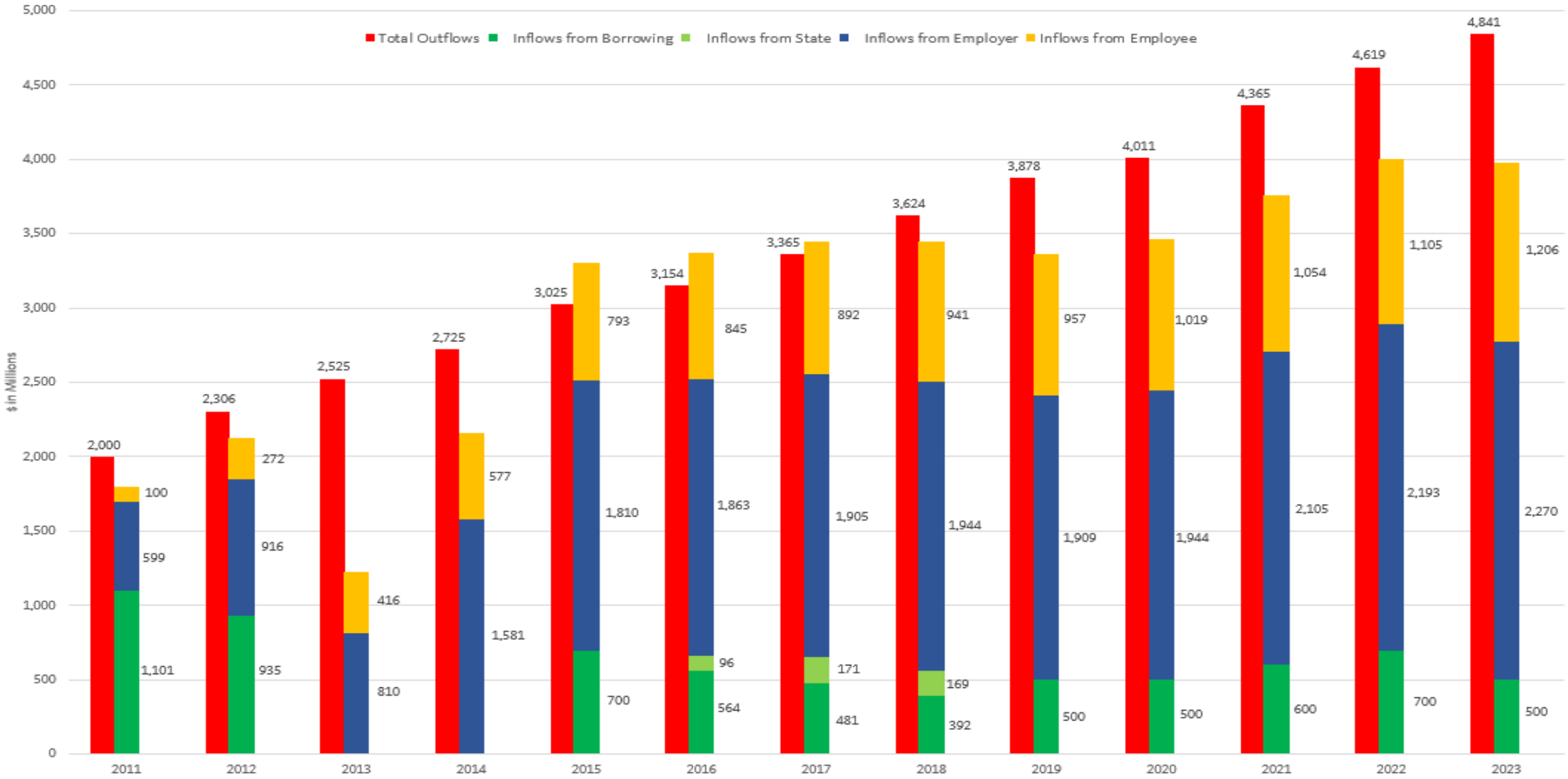
Pension is 82% Funded on an Actuarial Basis in 2023



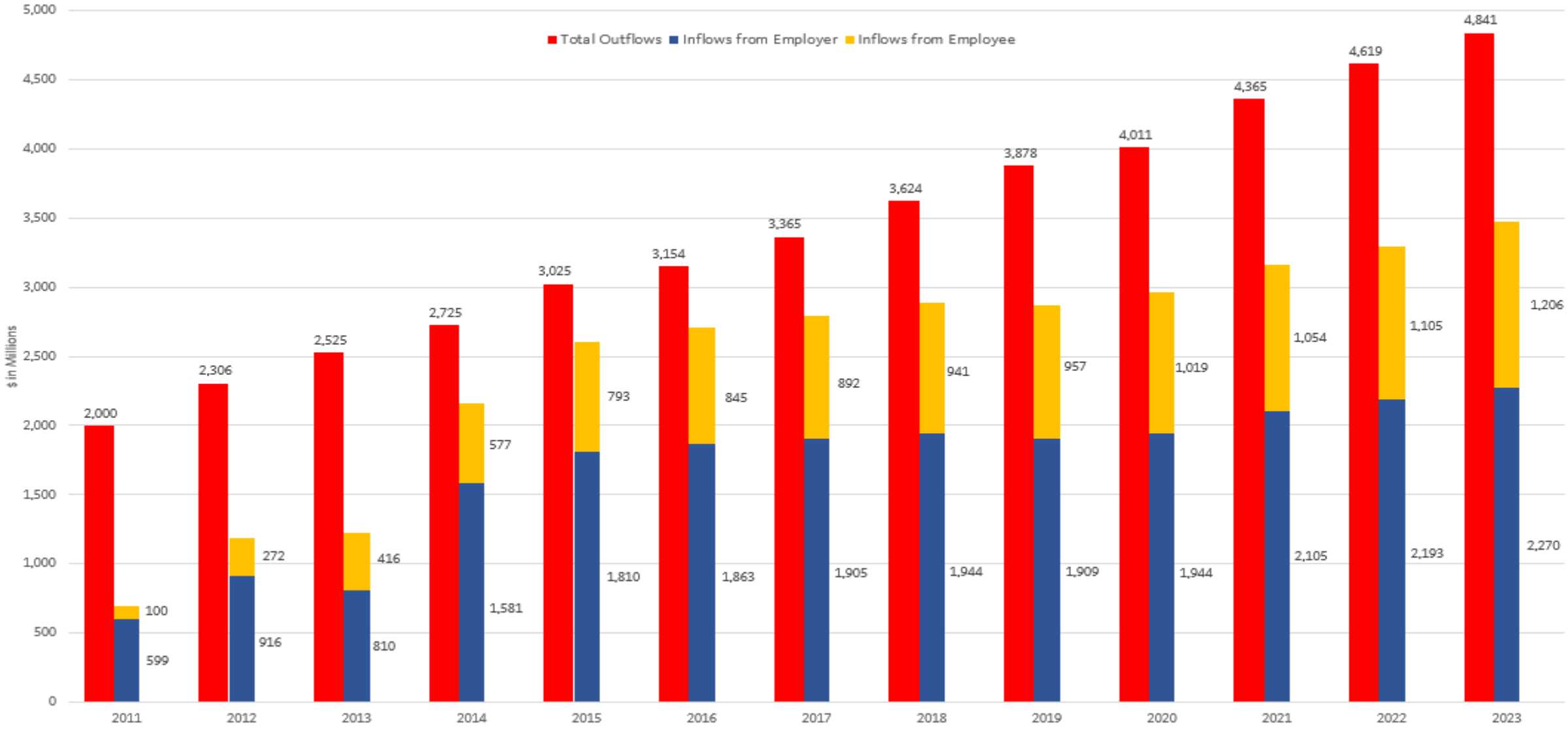
Pension Net Cash Outflows



Pension Cash Flows

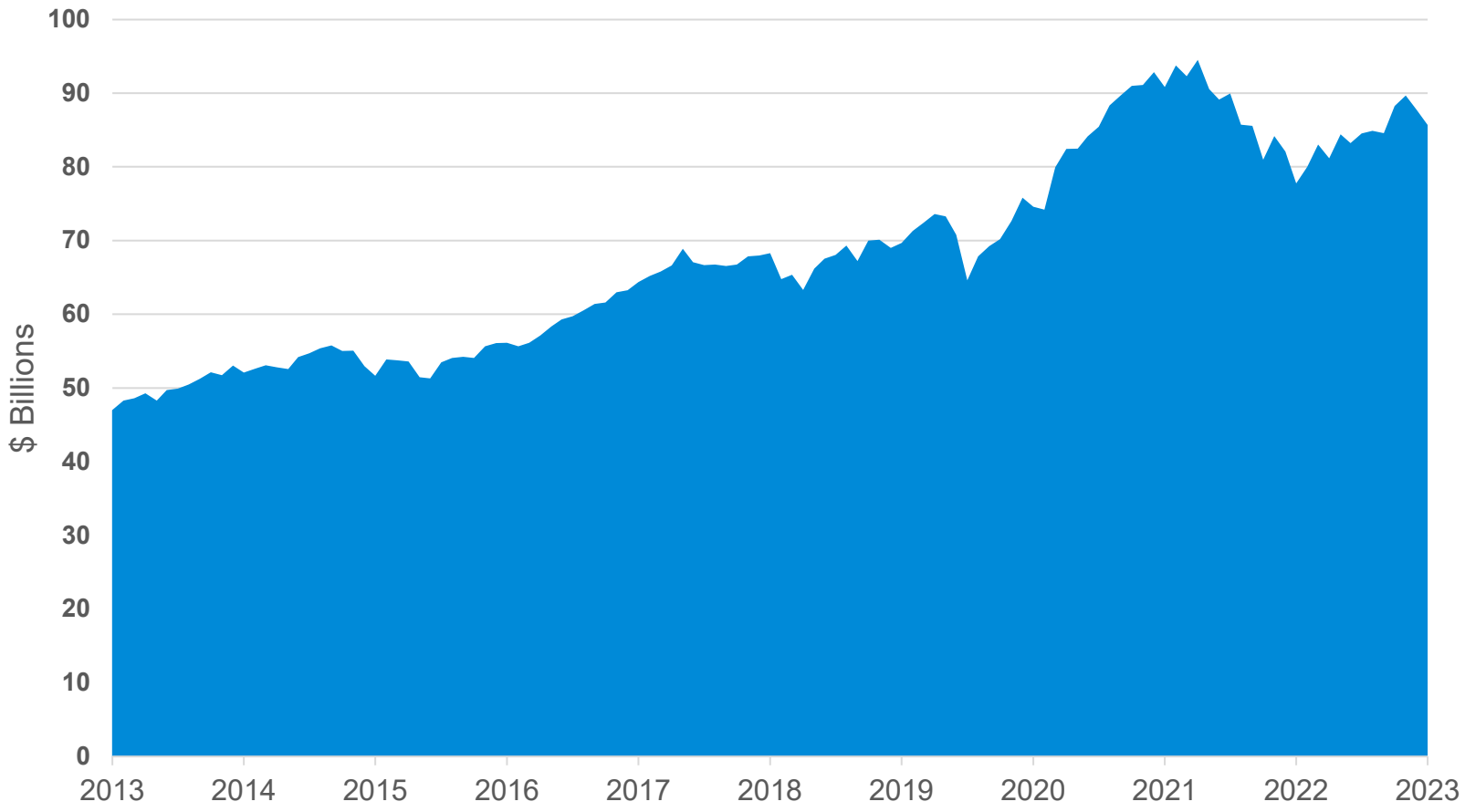


Pension Cash Flows



Pension Assets Growth

PENSION ASSETS 2013 – 2023

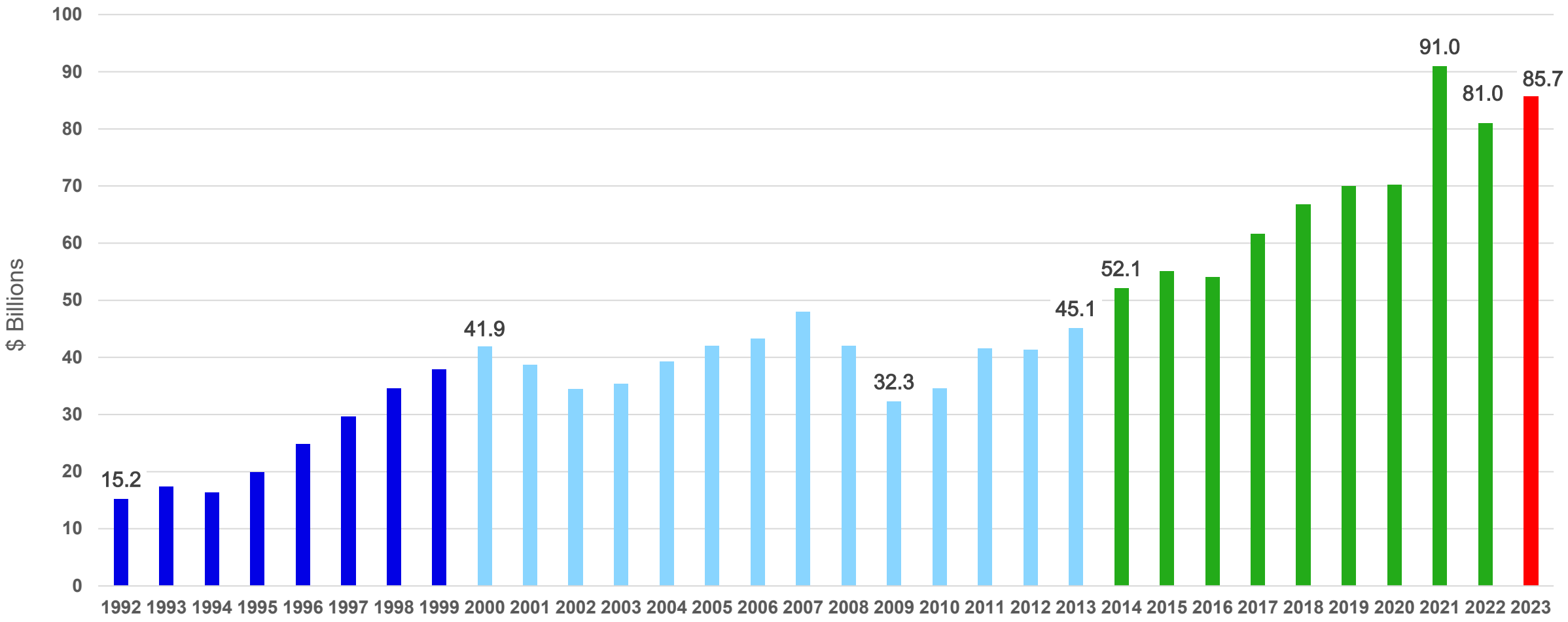


ASSET GROWTH

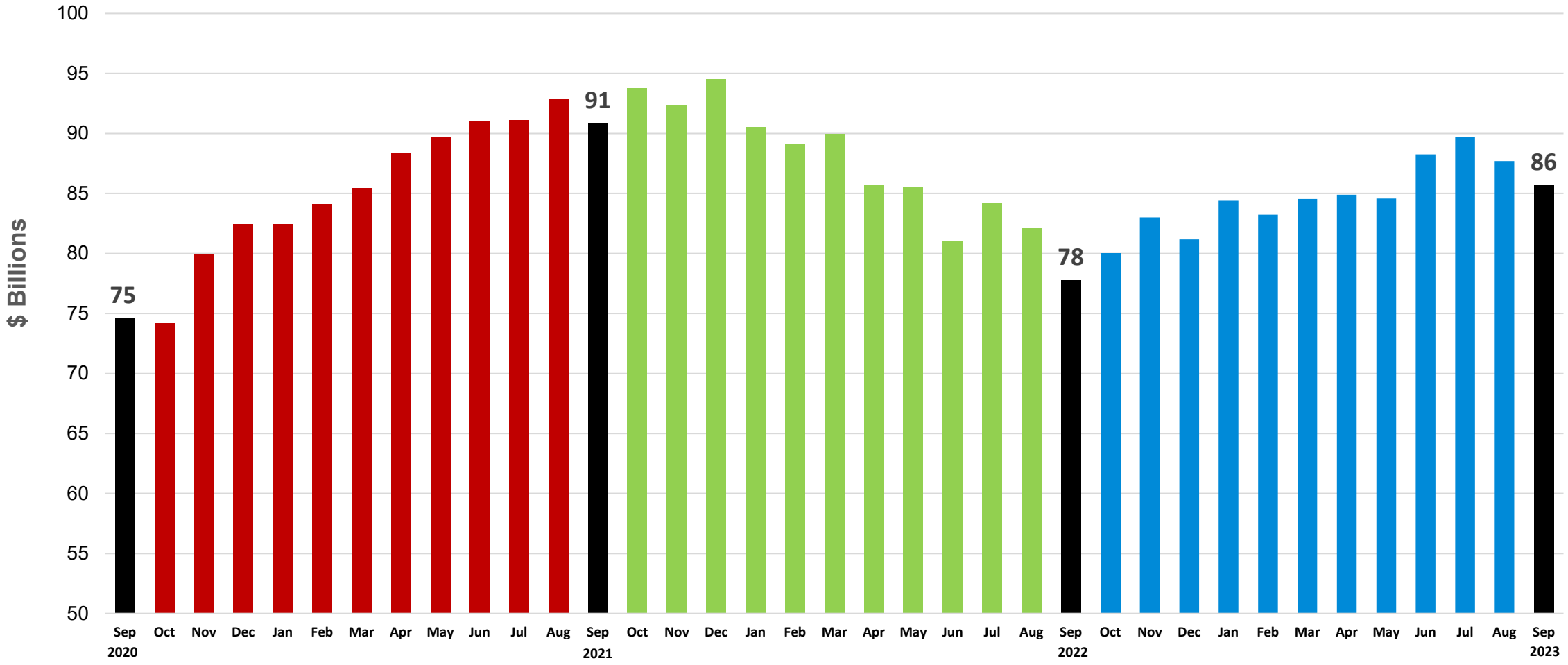
September 30, 2023

		Δ Change
Today	$85.7B	
1 Year Ago	$77.8B	+$7.9B
5 Years Ago	$68.3B	+$17.4B
10 Years Ago	$47.0B	+$38.7B

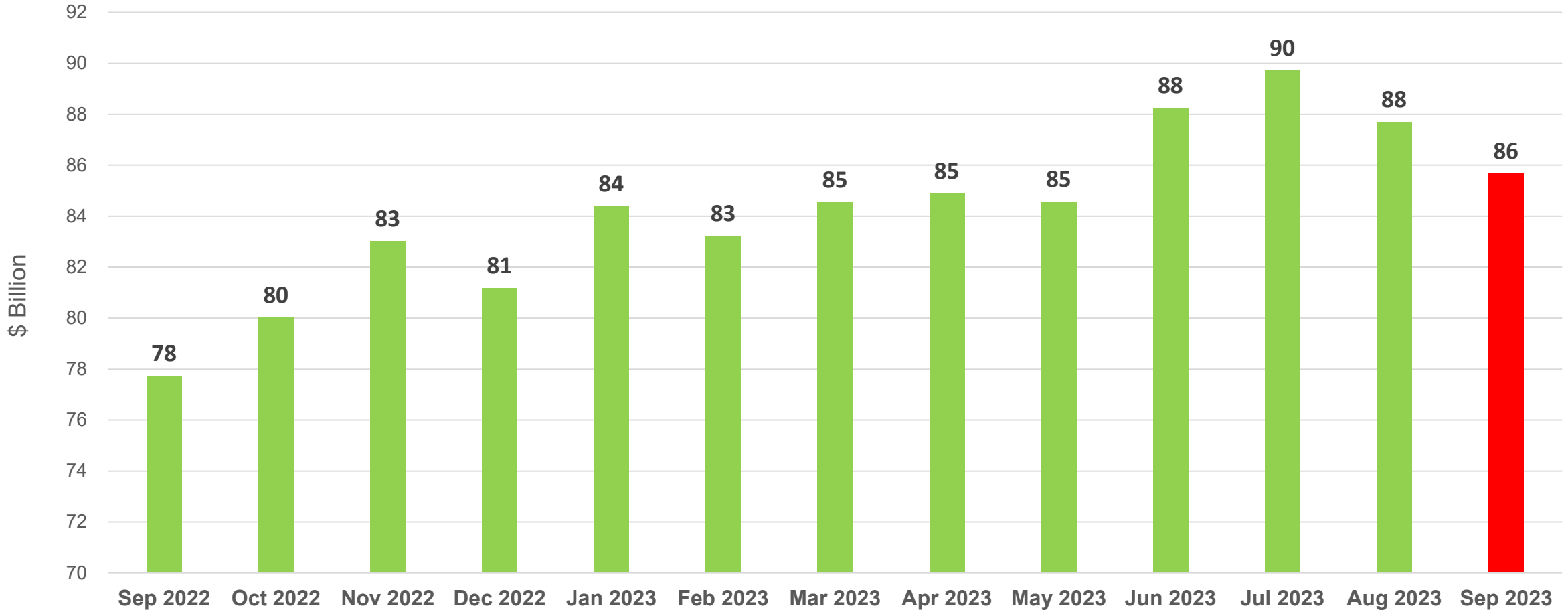
Pension Assets
30 Years (1993 – 2023)



Pension Assets
3 Years (2020 – 2023)



Pension Assets
1 Years (2022 / 2023)



Pension
9 Years

September 30, 2023

$86B

June 30, 2014

$52B

Pension: Assets Under Management

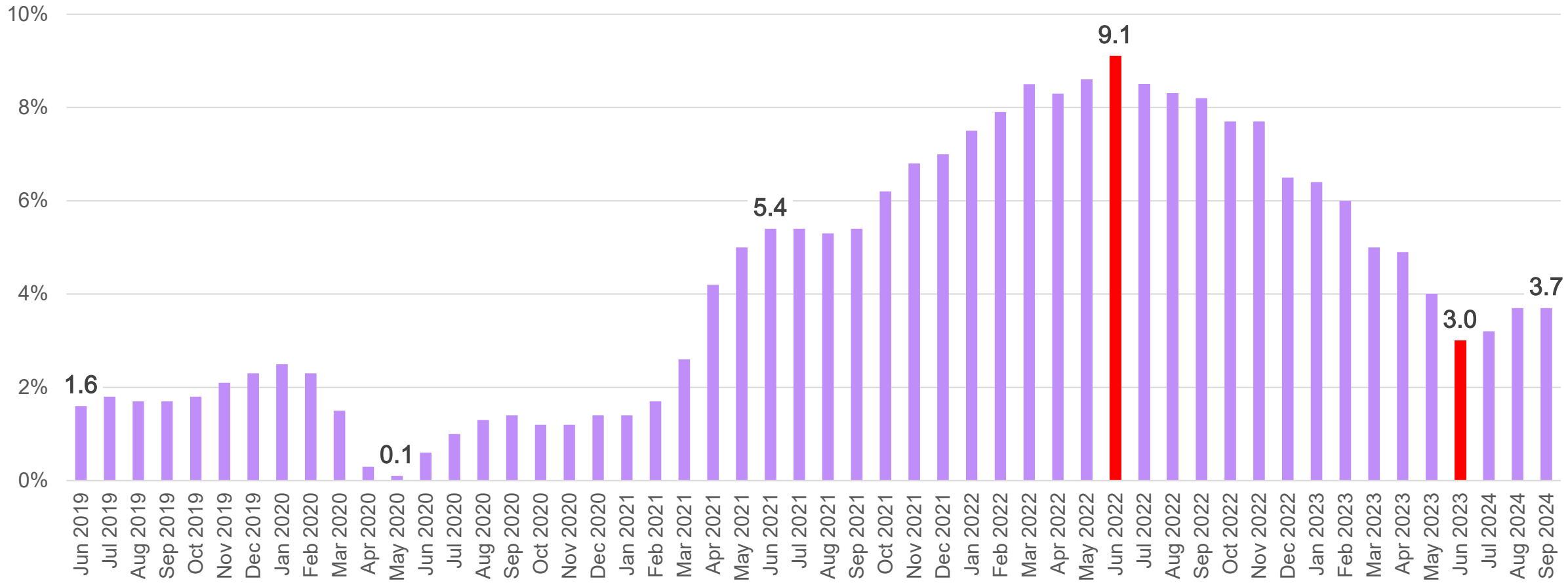
Fiscal Year To Date (3 Months)	Market Value ($M)
June 30, 2023	88,251
Market Gains	(2,072)
Value Added	88
Net Cash Flow	(583)
September 30, 2023	85,684

Pension: Asset Allocation

As of September 30, 2023

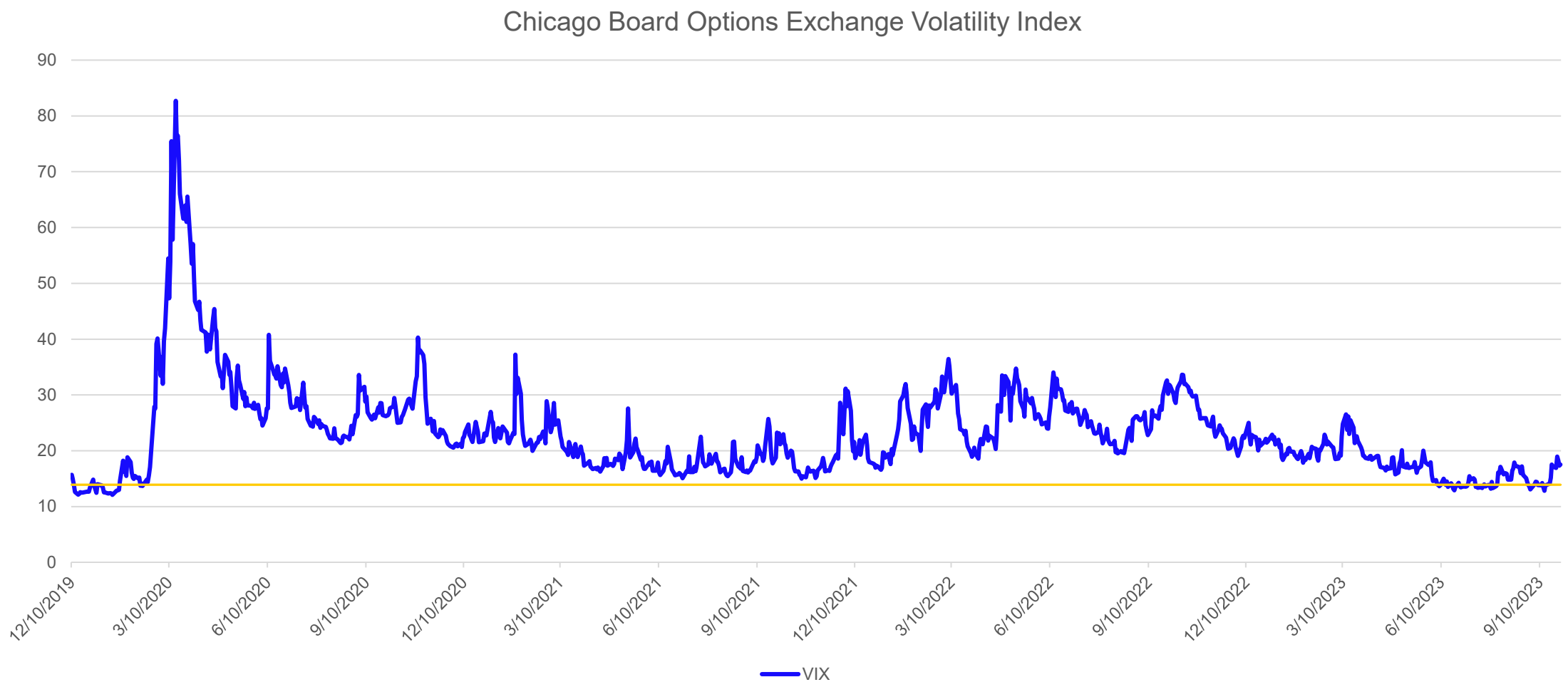
	Market Value ($M)	Weight (%)	Over/Underweight (%)	Policy (%)
Public Equity	**44,025**	**51.4**	**(1.6)**	**53**
Active – Public Equity	6,106	7.1		
Passive – Public Equity	37,905	44.3		
Fixed Income	**11,255**	**13.1**	**(3.9)**	**17**
Private Markets	**25,137**	**29.3**	**(0.7)**	**30**
Private Equity	9,106	10.6	(1.4)	12
Absolute Return	1,640	1.9	(1.6)	3.5
Private Credit	3,245	3.8	0.3	3.5
Real Estate	7,137	8.3	1.3	7
Real Assets	4,009	4.7	0.7	4
Cash	**5,267**	**6.2**	**6.2**	**0**
Total	**$85,684M**	**100.0%**		**100.0%**

Inflation Is Lower But Stubborn



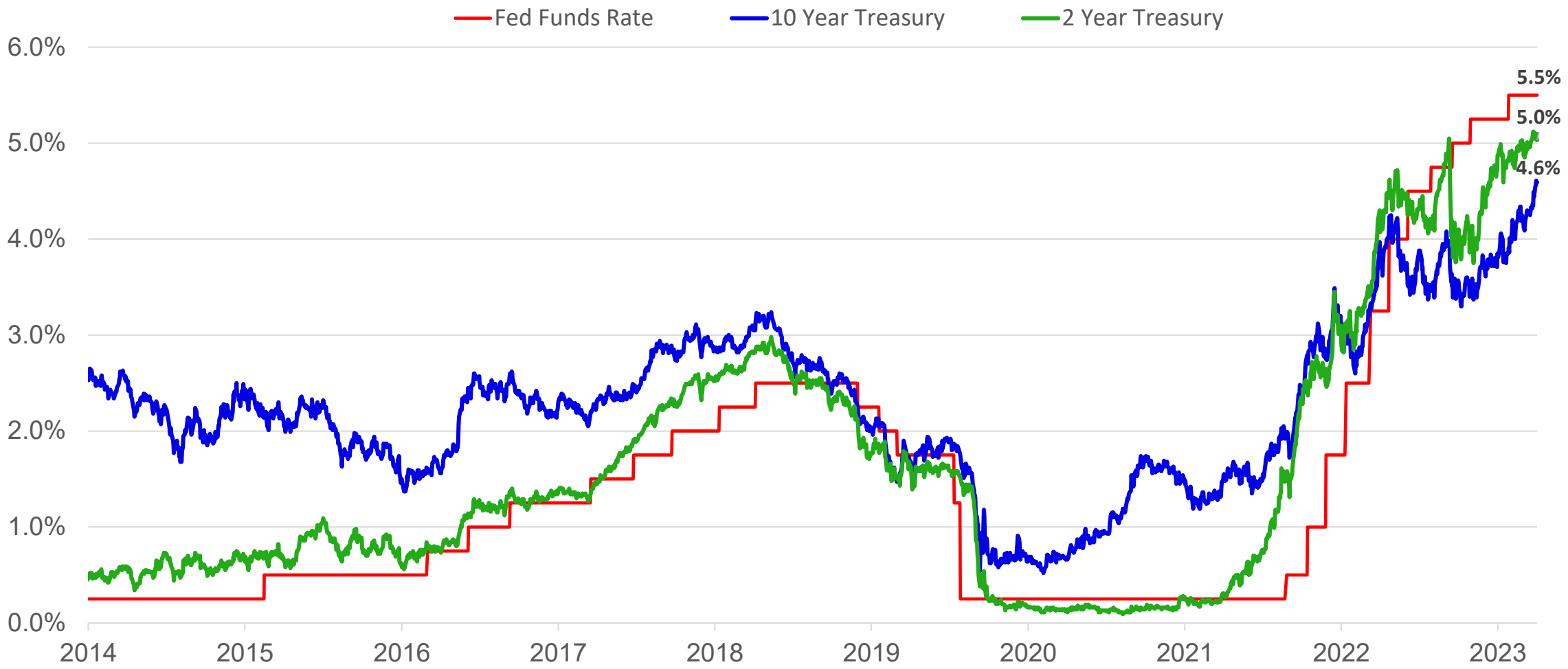
Source: Bloomberg

Markets Stay Calm, Carry On



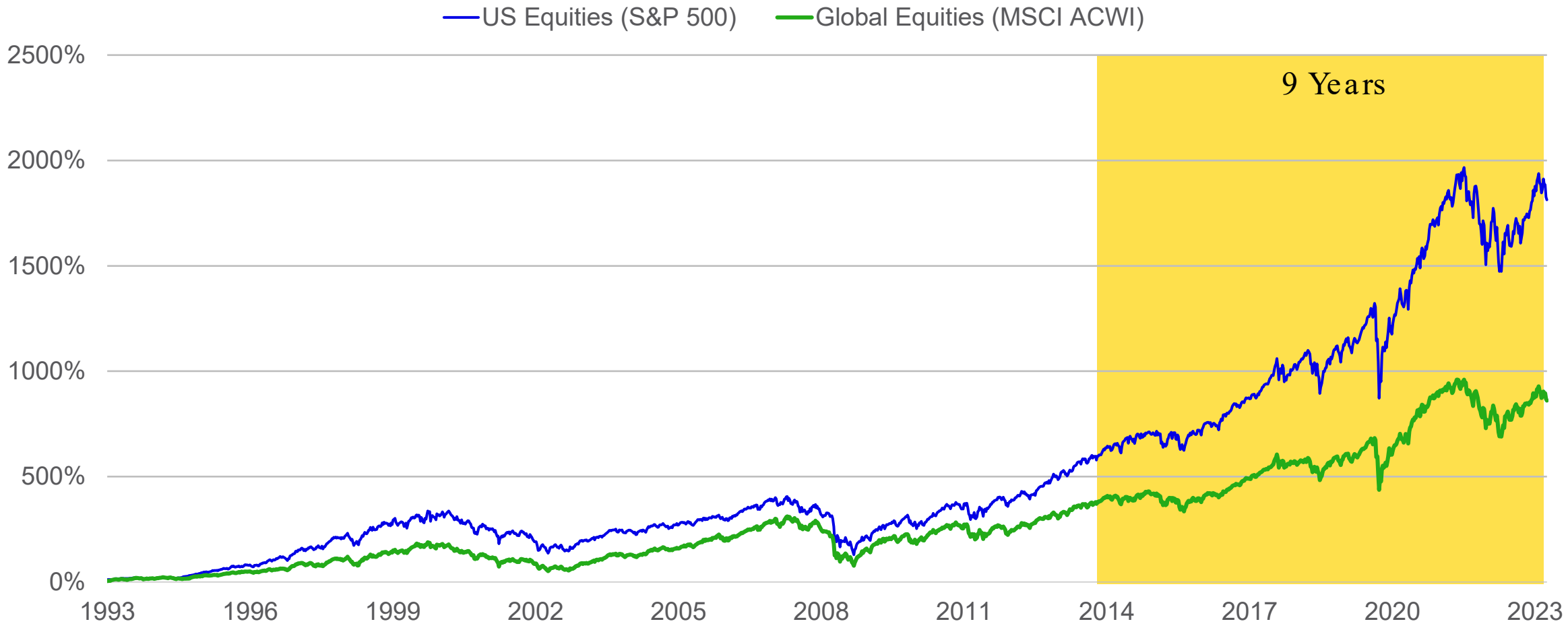
Source: Bloomberg

Fed Fund Rate Is 5.25% - 5.5%



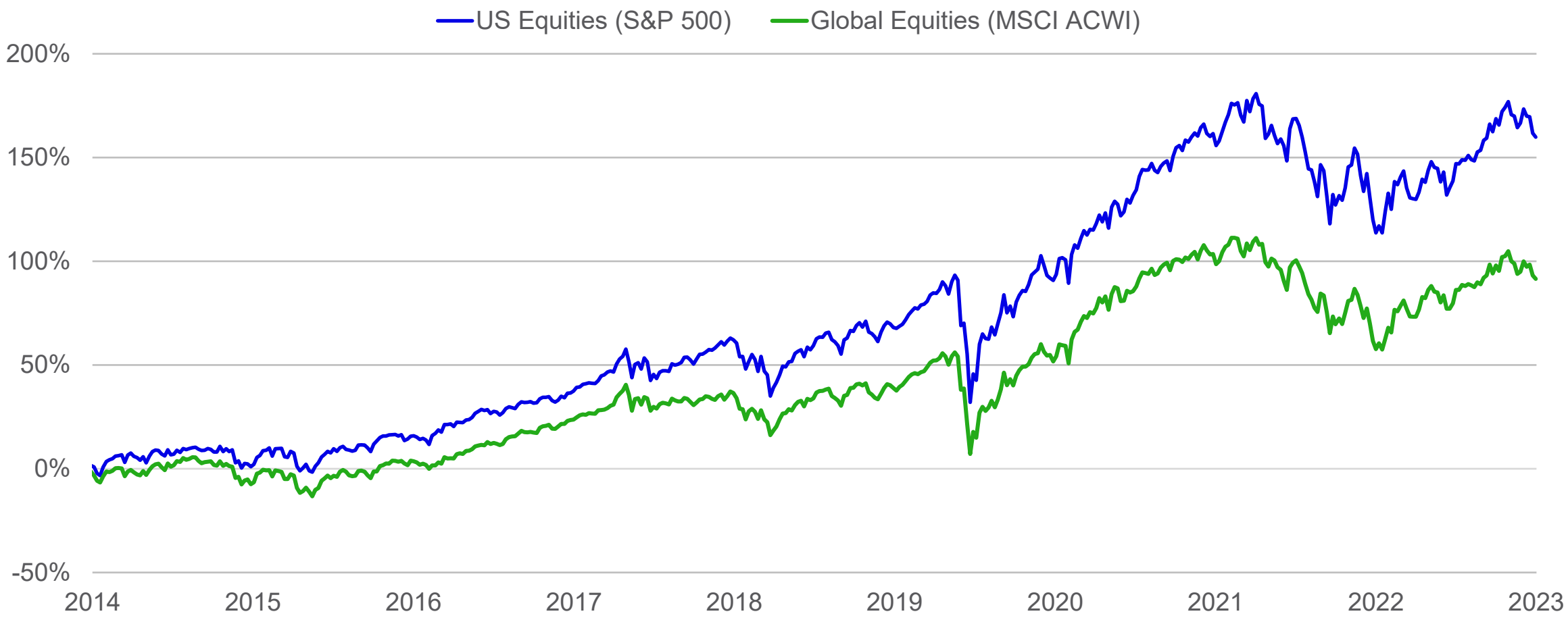
Source: Bloomberg

Where Will Equities Go?
30 Years



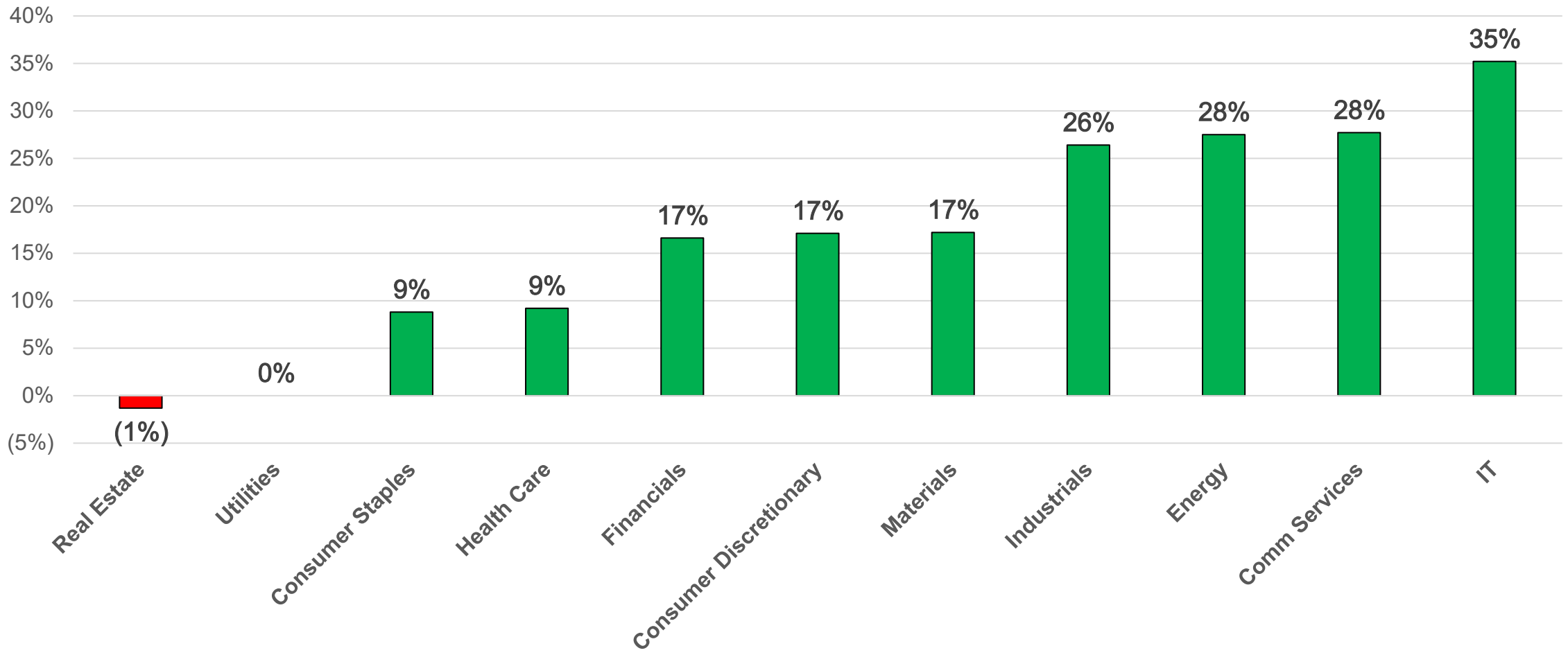
Source: Bloomberg

Where Will Equities Go?
9 Years (2014 – 2023)



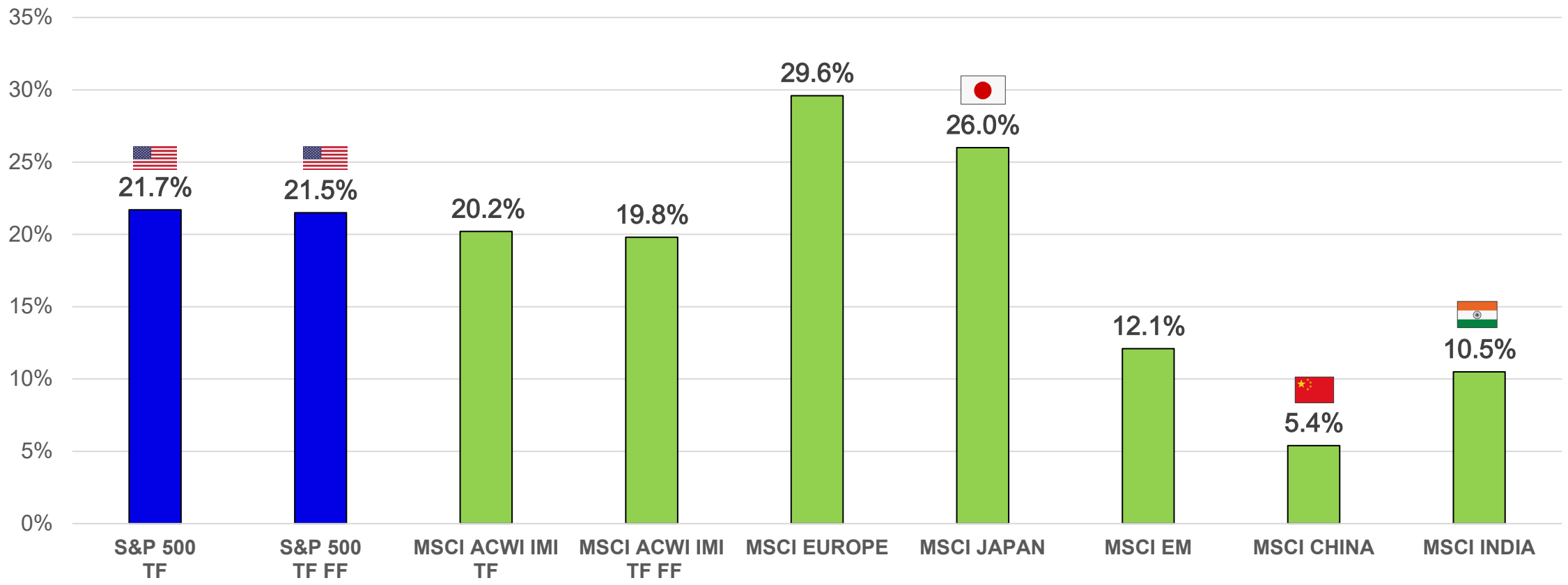
Source: Bloomberg

Global Equity Returns By Sector
1 Year (2022 / 2023)



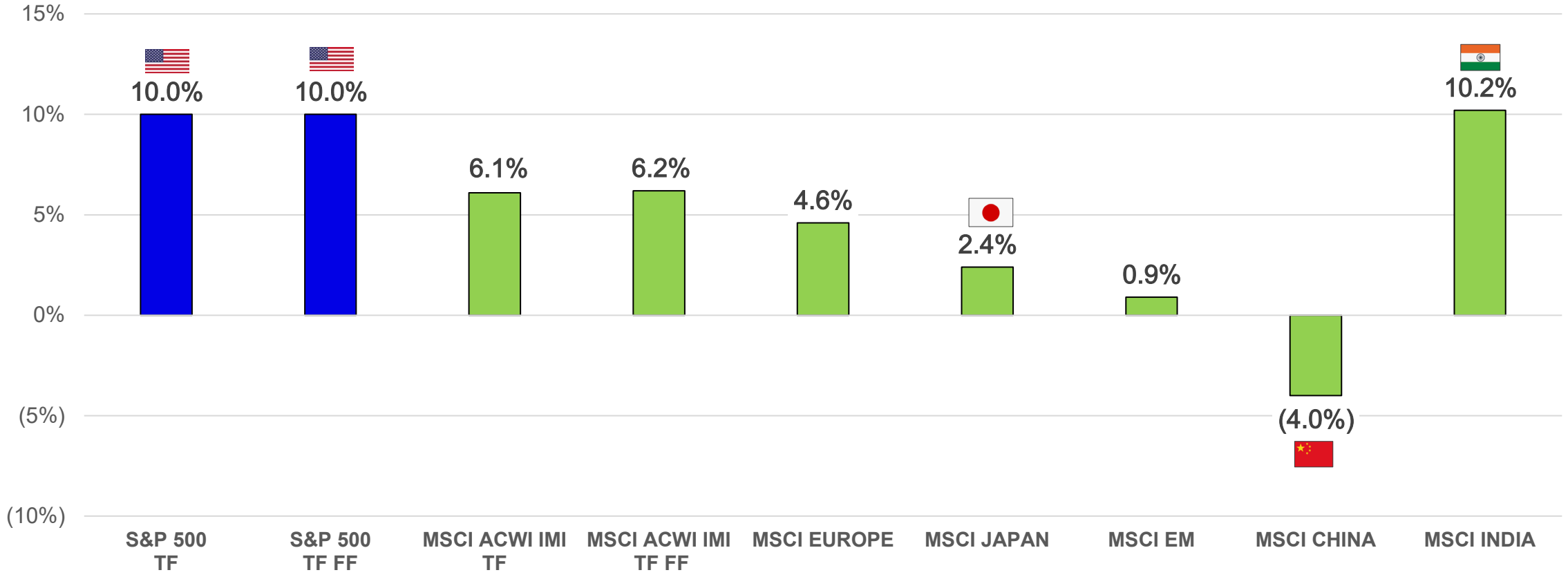
Source: Bloomberg

Global Equity Performance
1 Year (2022 / 2023)



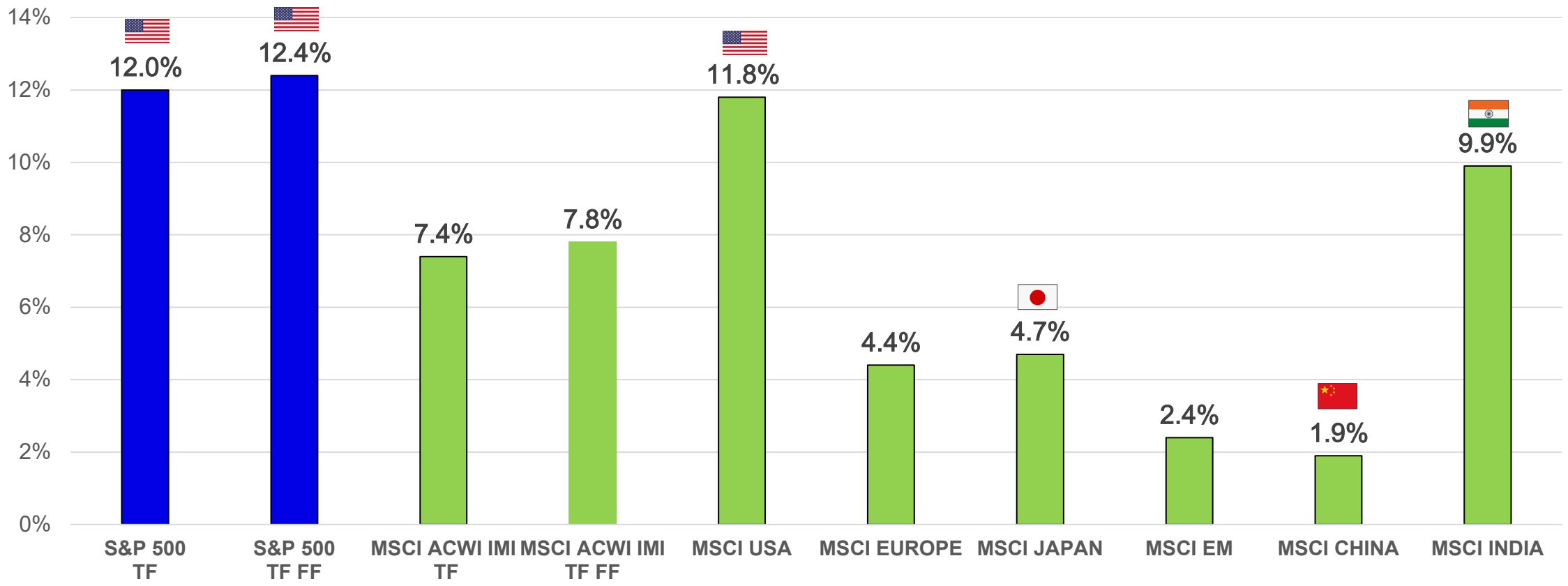
TF: Tobacco Free, FF: Fossil Fuel Free
Denominated in USD
Source: Bloomberg

Global Equity Performance
5 Years Annualized (2018 - 2023)



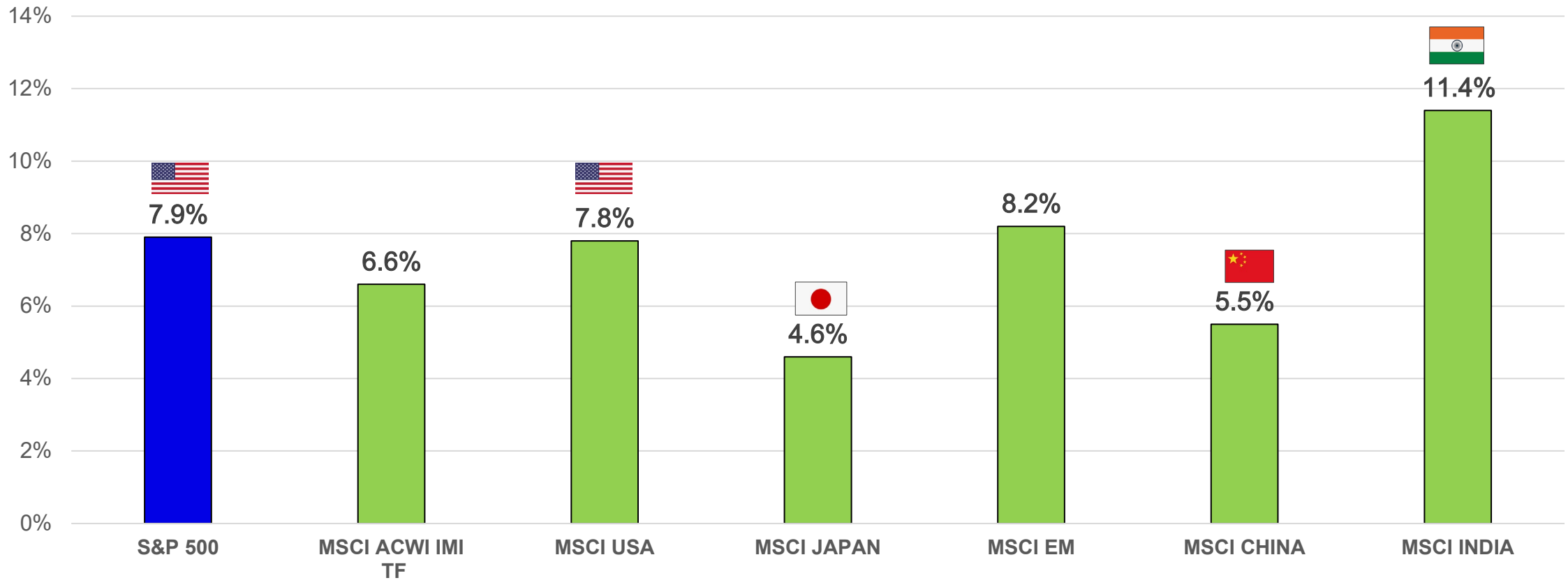
TF: Tobacco Free, FF: Fossil Fuel Free
Denominated in USD
Source: Bloomberg

Global Equity Performance
10 Years Annualized



TF: Tobacco Free, FF: Fossil Fuel Free
Denominated in USD
Source: Bloomberg

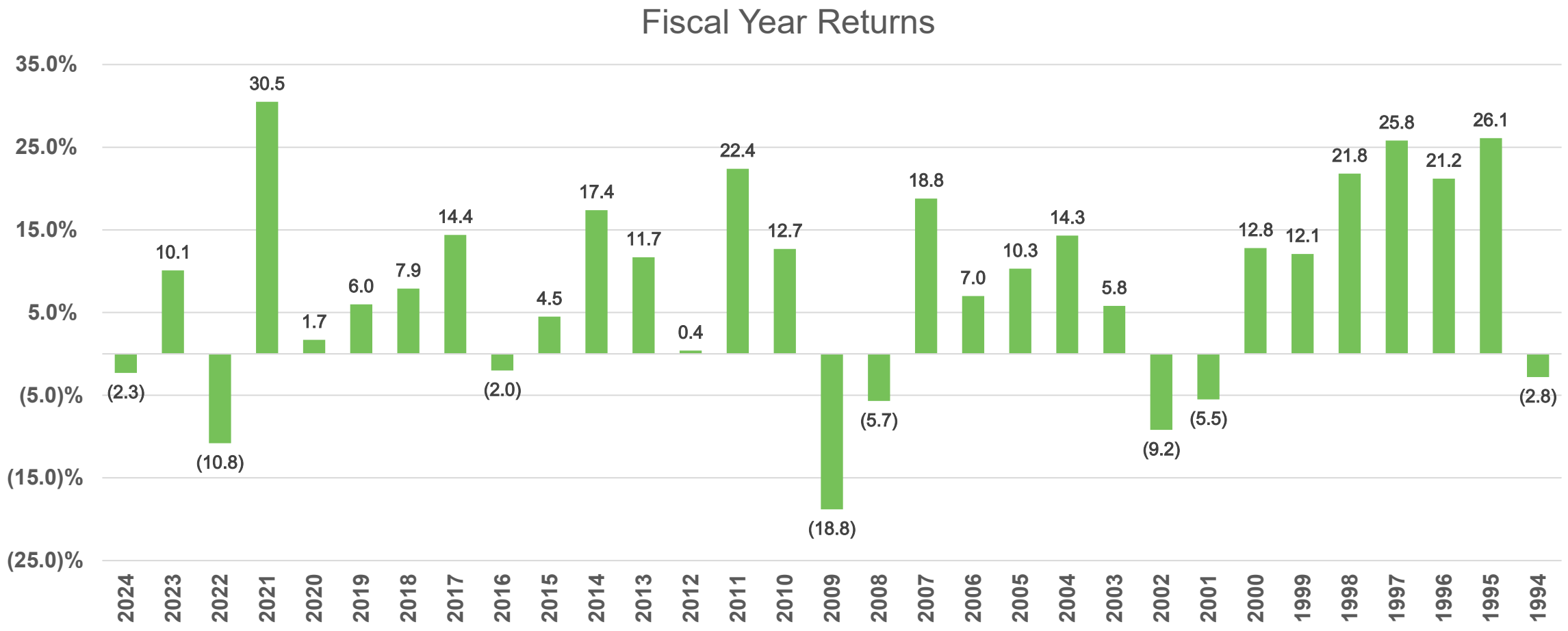
Global Equity Performance
25 Years Annualized



TF: Tobacco Free, FF: Fossil Fuel Free
Denominated in USD
Source: Bloomberg

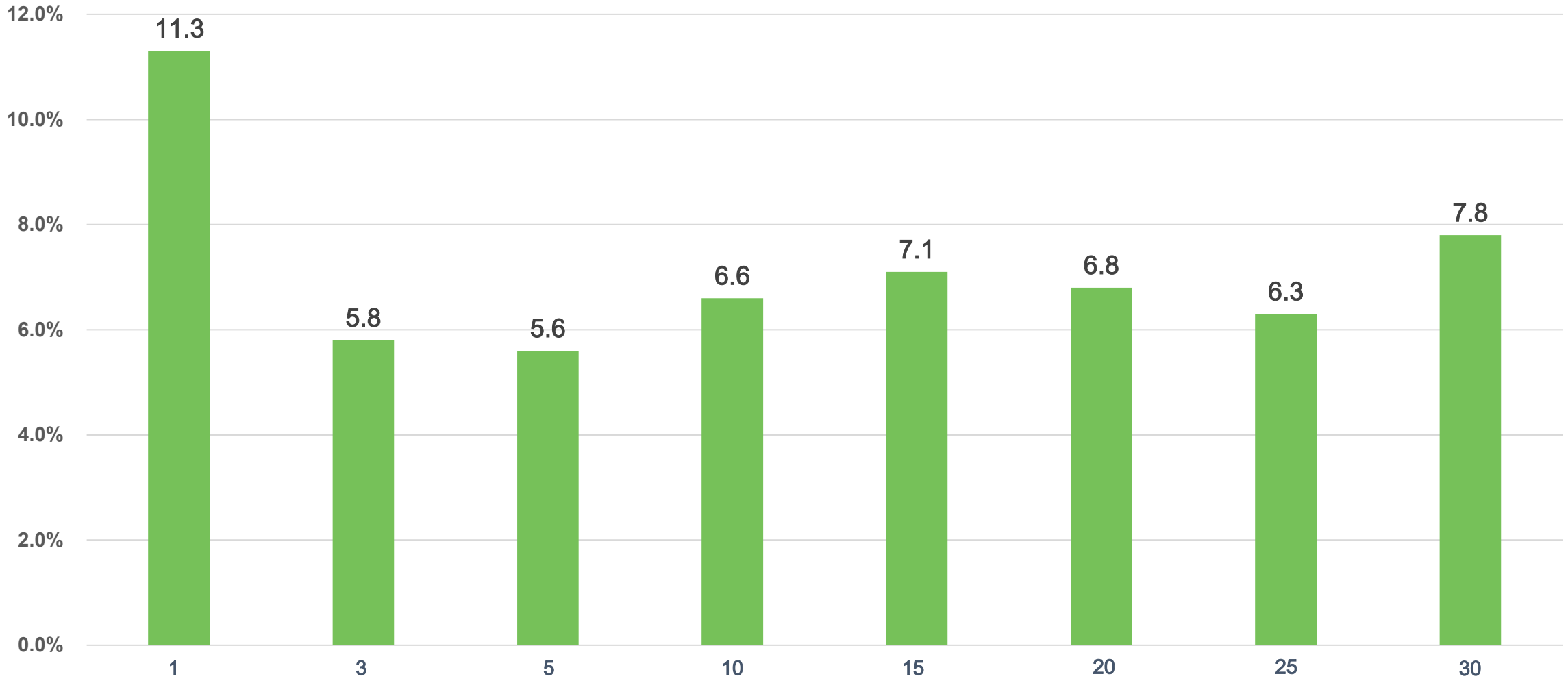
Pension Net Returns
30 Years

As of September 30, 2023



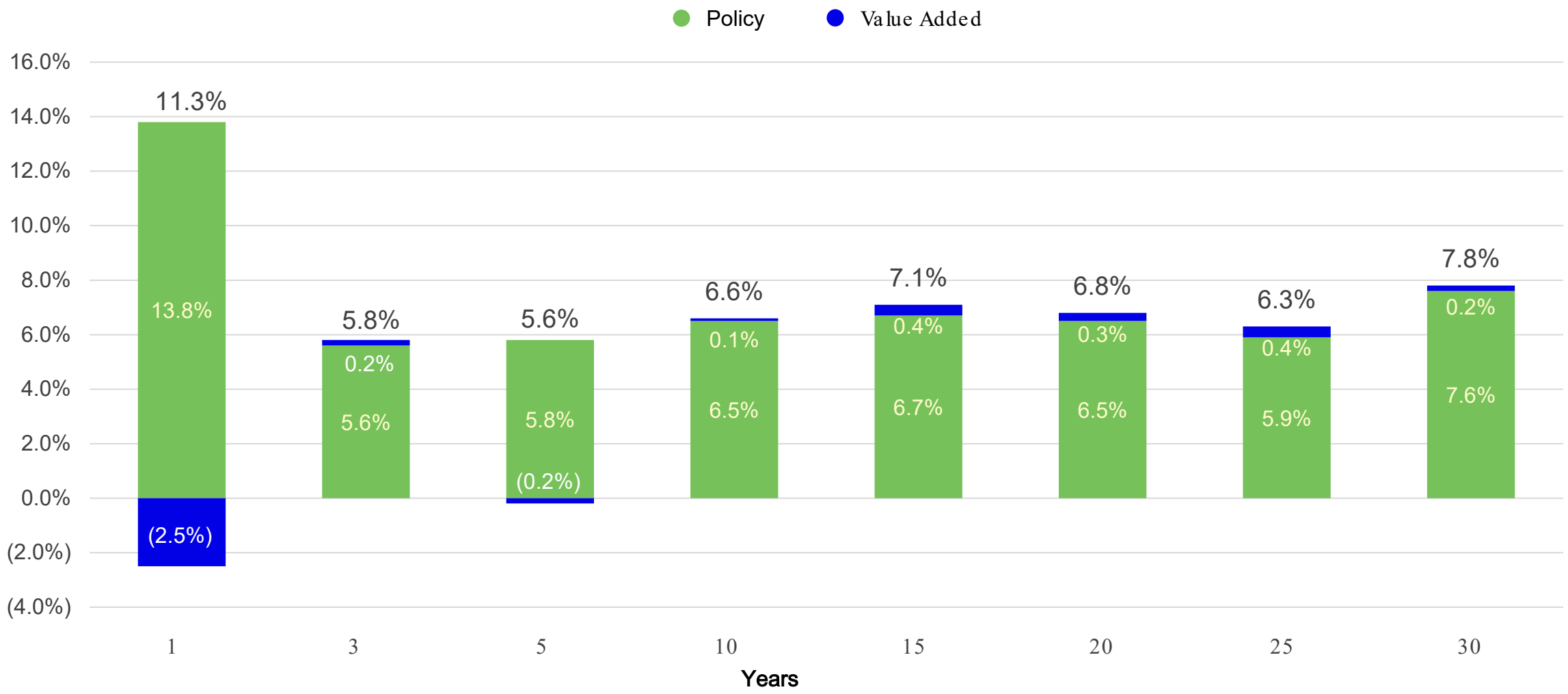
Pension Annualized Net Returns
30 Years

As of September 30, 2023



Pension Annualized Net Returns Investing for 64 Years

As of September 30, 2023

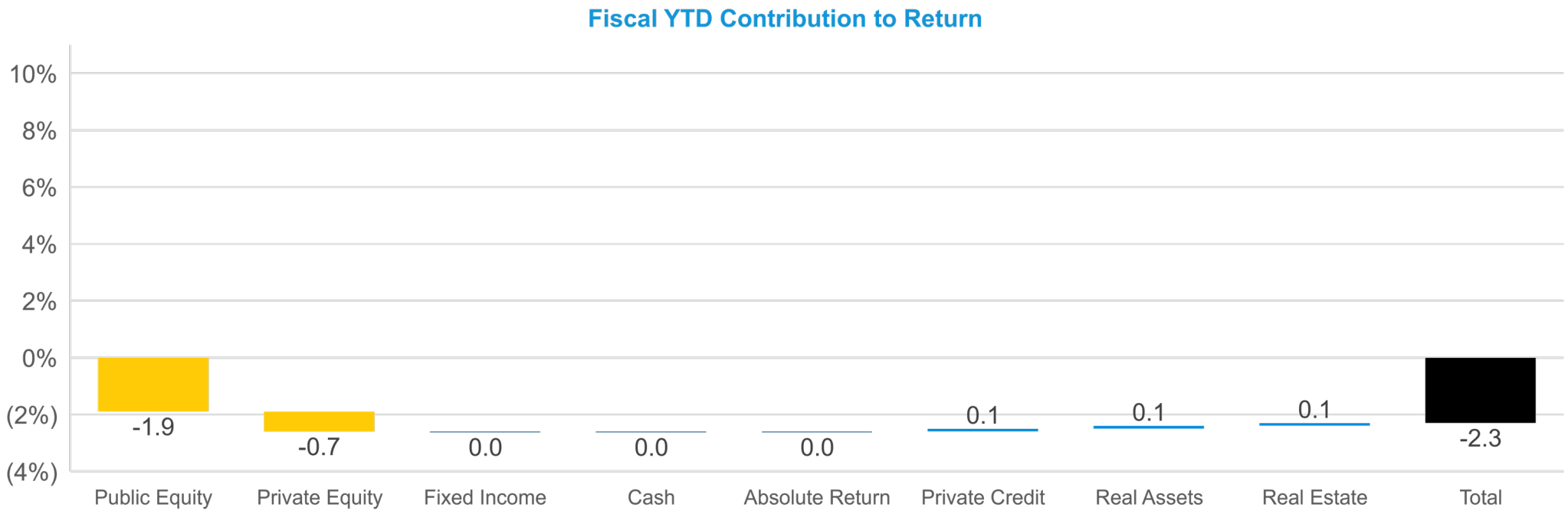


Pension: Performance

As of September 30, 2023

Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
UC Pension	85,684	100	(2.3)	11.3	5.8	5.6	6.6	7.1	6.8	6.3	7.8
Policy Benchmark*			(2.4)	13.8	5.6	5.8	6.5	6.7	6.5	5.9	7.6
Value Added			0.1	(2.5)	0.2	(0.2)	0.1	0.4	0.3	0.4	0.2

*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

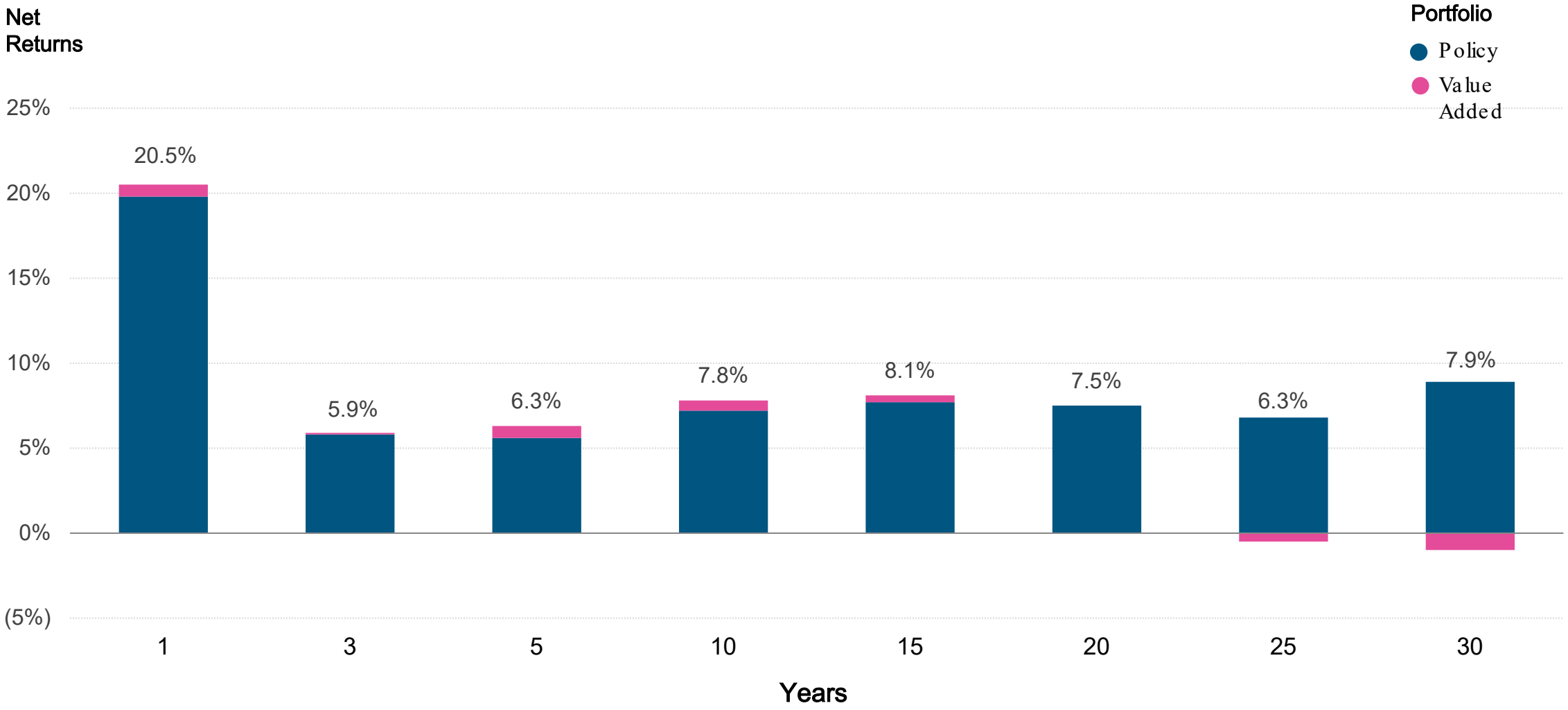
Pension: Attribution Fiscal Year to Date

As of September 30, 2023

	Contribution To Return	Portfolio Return	Benchmark Return	Allocation Attribution	Selection Attribution	Total Attribution
Public Equity	**(1.9)**	**(3.6)**	**(4.0)**	**0.0**	**0.2**	**0.2**
Fixed Income	**0.0**	**0.2**	**0.0**	**(0.1)**	**(0.0)**	**(0.1)**
Private Markets	**(0.4)**	**(1.5)**	**(0.9)**	**(0.0)**	**(0.2)**	**(0.2)**
Private Equity	(0.7)	(6.3)	(2.5)	0.0	(0.4)	(0.4)
Absolute Return	0.0	2.3	0.5	(0.1)	0.0	(0.0)
Real Estate	0.1	0.8	(2.2)	(0.0)	0.2	0.2
Real Assets	0.1	1.8	1.8	0.0	(0.0)	0.0
Private Credit	0.1	2.1	2.9	0.0	(0.0)	(0.0)
Cash	**0.0**	**0.7**	**0.0**	**0.2**	**0.0**	**0.2**
Total	(2.3)	(2.3)	(2.4)	0.1	0.1	0.1

UCRP Public Equity

As of September 30, 2023



UCRP Public Equity

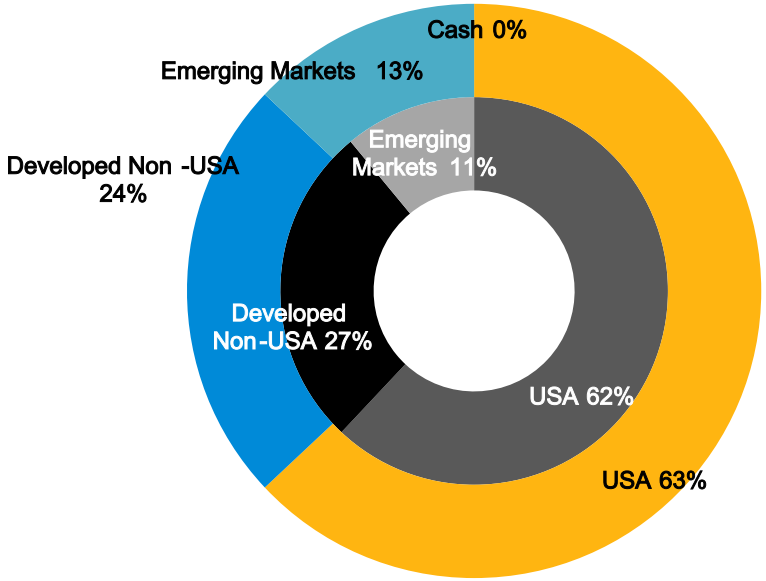
As of September 30, 2023

Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Public Equity	44,025	100	(3.6)	20.5	5.9	6.3	7.8	8.1	7.5	6.3	7.9
Policy			(4.0)	19.8	5.8	5.6	7.2	7.7	7.5	6.8	8.9
Benchmark*			0.4	0.7	0.1	0.7	0.6	0.4	-	(0.5)	(1.0)
Value Added											
Active	6,106	14	(1.9)	20.3	4.5	6.1	-	-	-	-	-
Passive	37,905	86	(3.9)	20.6	6.4	6.3	-	-	-	-	-

* 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.

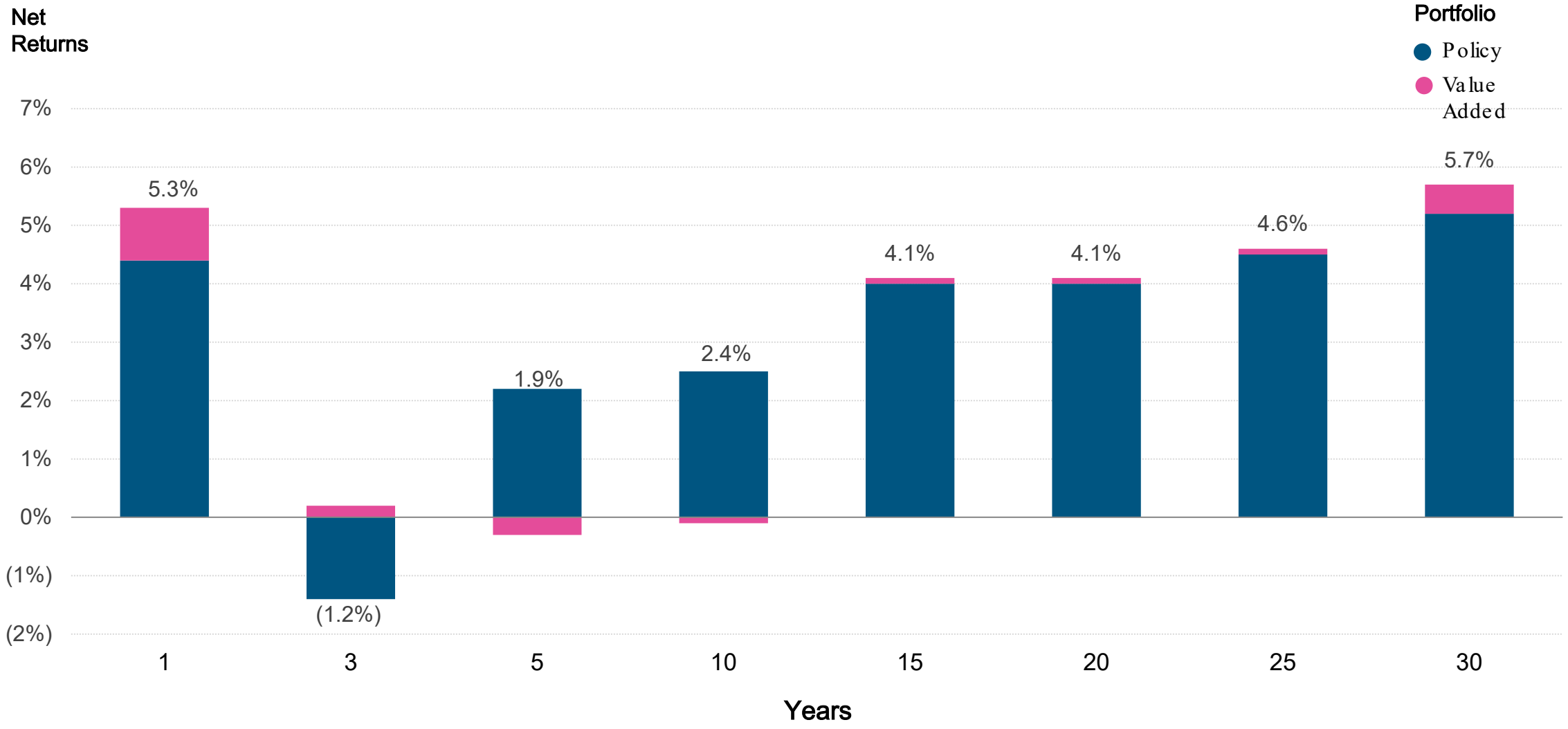
Index Exposure	Strategy	Weight
MSCI ACWI IMI Tobacco and Fossil Fuel Free	Global Passive	79.1%
S&P 500 Tobacco and Fossil Fuel Free	US Passive	7.0%

Geographic Exposure



UCRP Fixed Income

As of September 30, 2023



UCRP Fixed Income

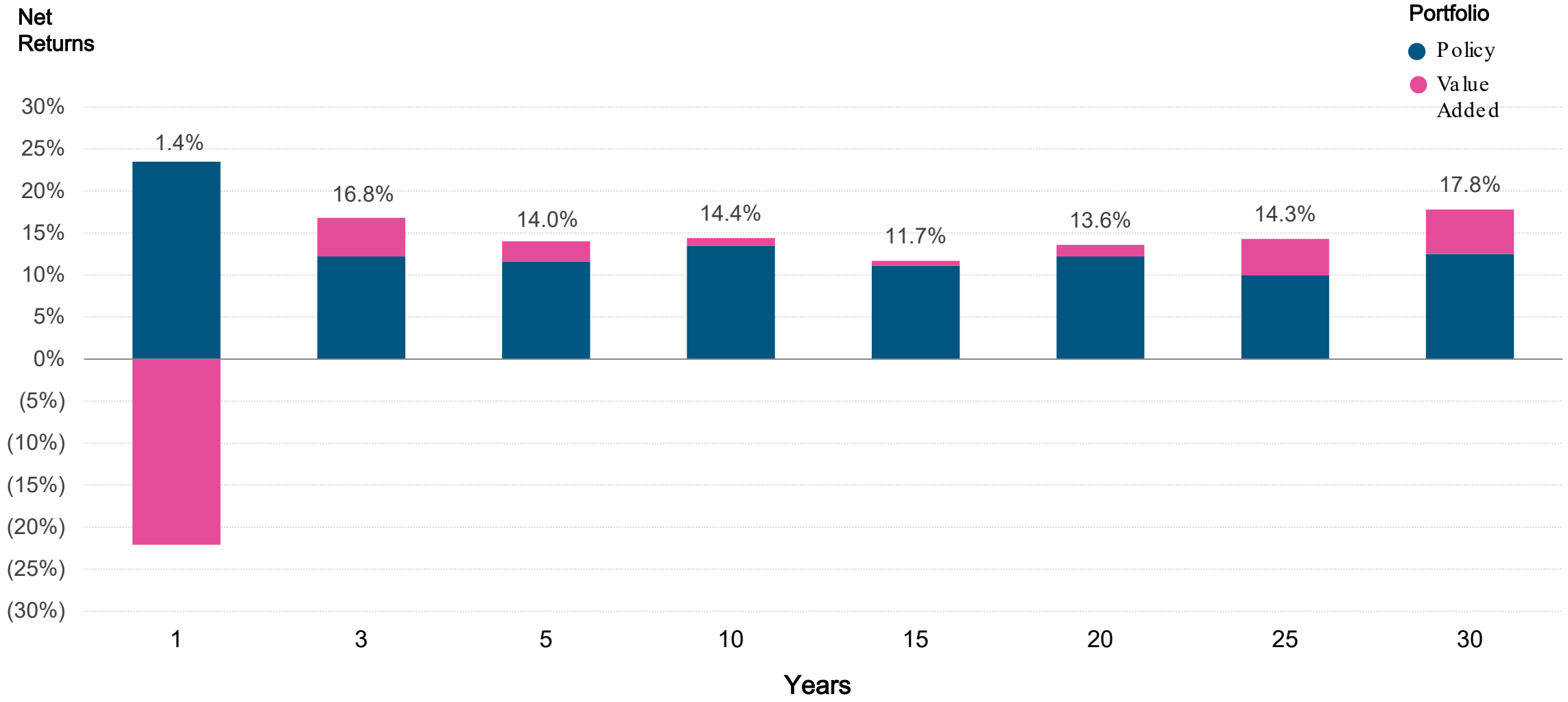
As of September 30, 2023

Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Fixed Income	11,225	100	0.2	5.3	(1.2)	1.9	2.4	4.1	4.1	4.6	5.7
Policy Benchmark*			-	4.4	(1.4)	2.2	2.5	4.0	4.0	4.5	5.2
Value Added			0.2	0.9	0.2	(0.3)	(0.1)	0.1	0.1	0.1	0.5
Core Fixed Income	9,616	85	0.2	3.1	(1.5)	1.9	2.2	3.6	3.6	4.3	5.4
Policy Benchmark			0.2	2.6	(1.6)	2.3	2.2	3.4	3.6	4.2	4.9
Value Added			-	0.5	0.1	(0.4)	-	0.2	-	0.1	0.5
High Yield	1,637	15	0.5	11.3	1.9	2.9	4.3	7.1	-	-	-
Policy Benchmark			0.5	10.3	1.5	2.6	4.0	7.0	-	-	-
Value Added			-	1.0	0.4	0.3	0.3	0.1	-	-	-
Emerging Market Debt	2	-	(0.3)	12.3	(4.0)	0.1	1.9	4.2	-	-	-
Policy Benchmark**			(2.2)	10.0	(4.6)	(0.4)	2.5	4.7	-	-	-
Value Added			1.9	2.3	0.6	0.5	(0.6)	(0.5)	-	-	-

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

UCRP Private Equity

As of September 30, 2023

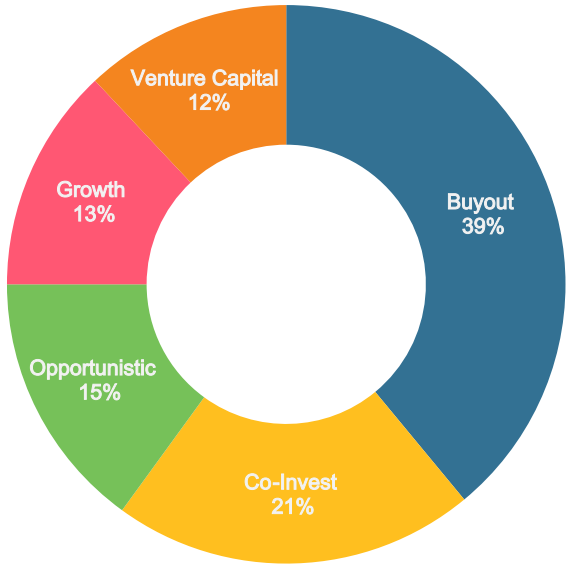


UCRP Private Equity

As of September 30, 2023

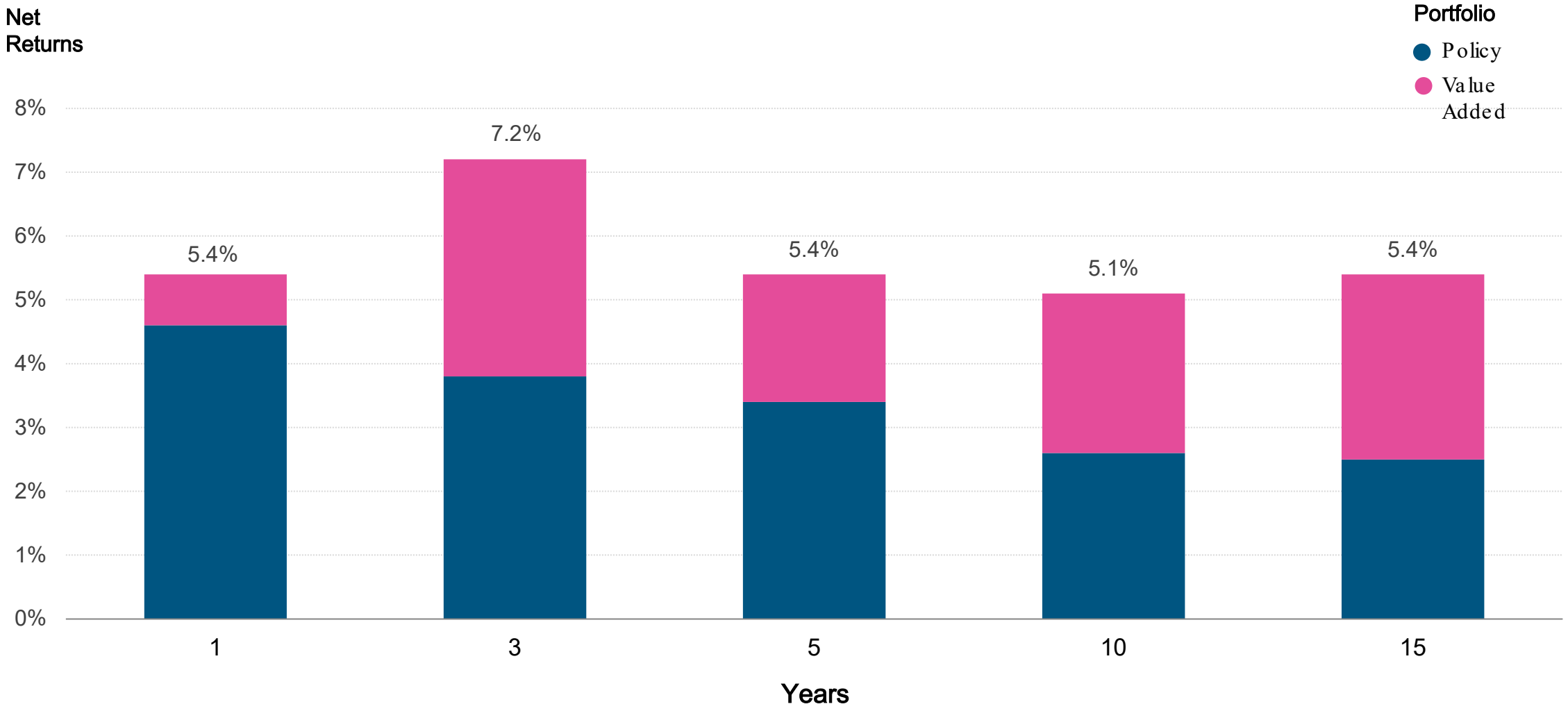
Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
				Annualized Returns							
Active Private Equity	9,106	100	(6.3)	1.4	16.8	14.0	14.4	11.7	13.6	14.3	17.8
Policy Benchmark*			(2.5)	23.5	12.2	11.6	13.5	11.1	12.2	10.0	12.5
Value Added			(3.8)	(22.1)	4.6	2.4	0.9	0.6	1.4	4.3	5.3
Buyout	3,591	39	(5.5)	7.2	20.8	14.6	14.4	11.2	12.4	28.5	-
Co-Invest	1,873	21	(5.5)	1.7	15.8	22.2	27.3	-	-	-	-
Opportunistic	1,410	15	(6.2)	(1.0)	14.5	12.8	3.7	13.3	13.3	10.2	8.1
Growth	1,169	13	(6.6)	(2.9)	15.9	9.1	9.6	9.9	0	(3.2)	(2.6)
Venture Capital	1,062	12	(9.8)	(7.5)	13.6	12.2	14.7	11.3	16.3	-	-

* 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.



UCRP Absolute Return

As of September 30, 2023

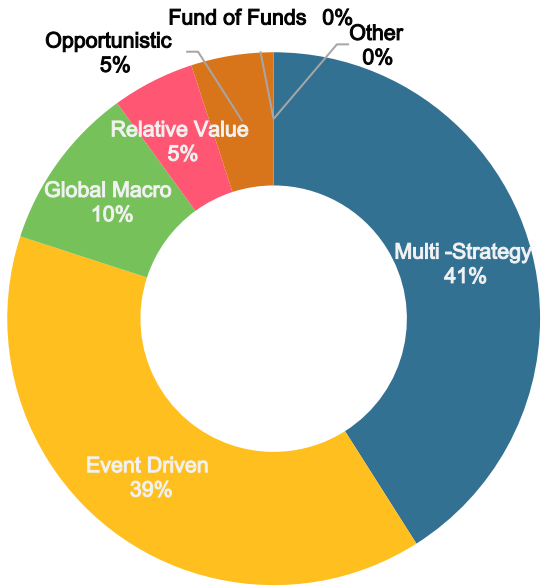


UCRP Absolute Return

As of September 30, 2023

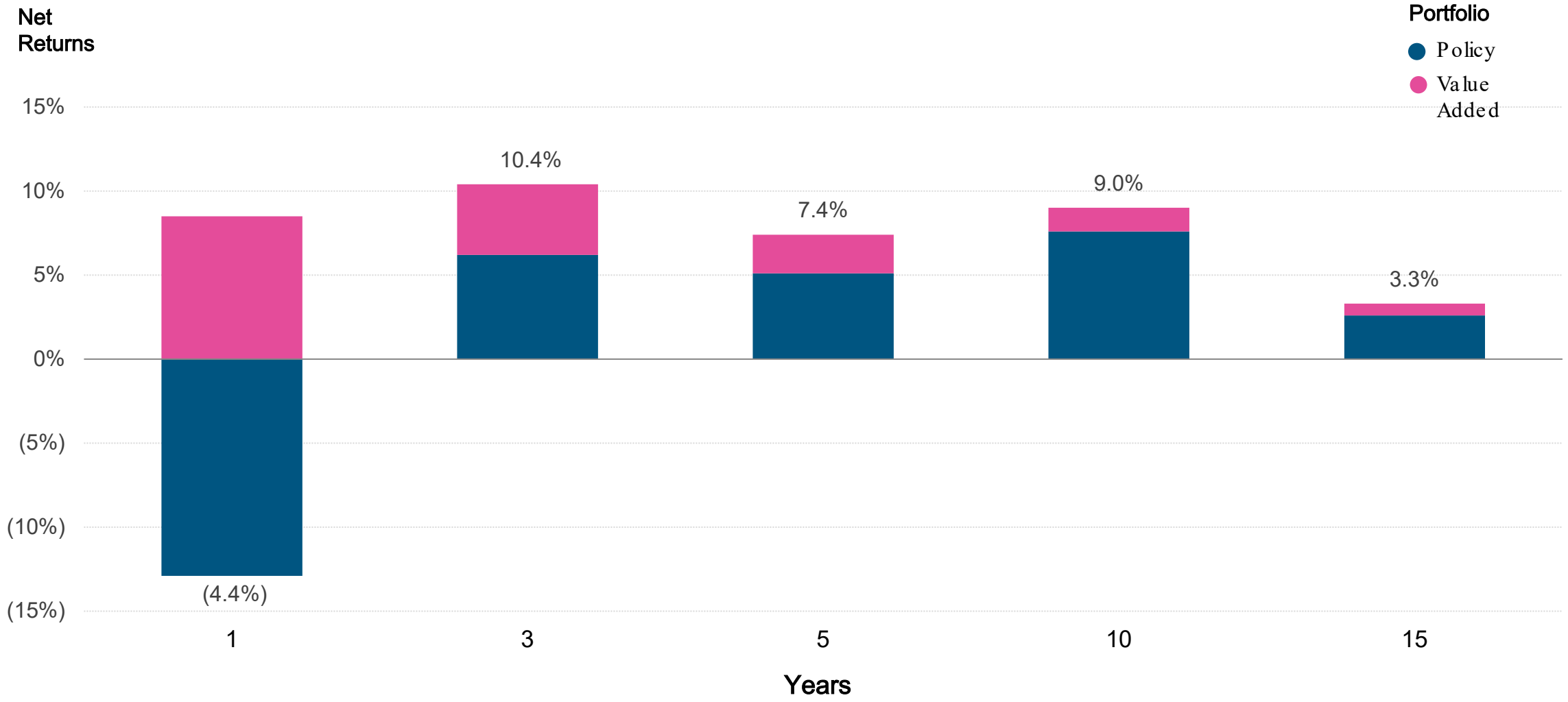
Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year	15 Year
Absolute Return	1,640	100	2.3	5.4	7.2	5.4	5.1	5.4
Policy Benchmark*			0.5	4.6	3.8	3.4	2.6	2.5
Value Added			1.8	0.8	3.4	2.0	2.5	2.9
Multi-Strategy	681	41	2.3	6.6	6.7	0.1	4.9	-
Event Driven	638	39	2.3	7.3	9.0	9.9	7.4	7.8
Global Macro	160	10	9.8	23.1	7.7	4.6	2.6	2.5
Relative Value	79	5	(6.1)	(12.2)	(0.4)	1.7	4.6	5.0
Opportunistic	77	5	(2.7)	(12.2)	(6.4)	(2.2)	-	-
Fund of Funds	4	0	1.8	3.2	9.5	6.9	3.7	3.4
Other	1	0	0	2.7	0.2	0.8	-	-

* 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%.



UCRP Real Estate

As of September 30, 2023

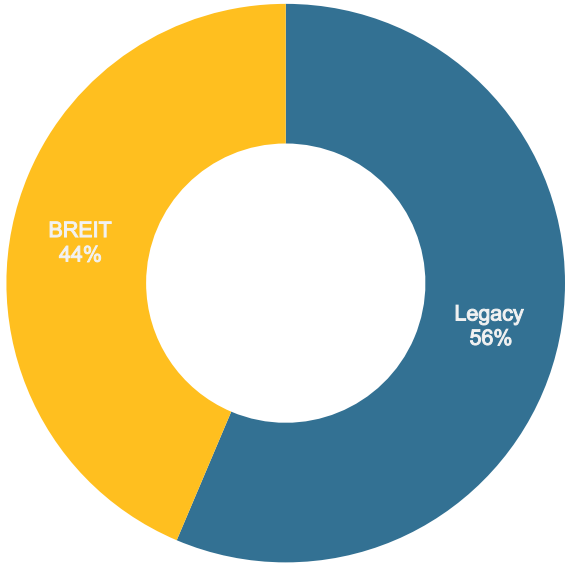


UCRP Real Estate

As of September 30, 2023

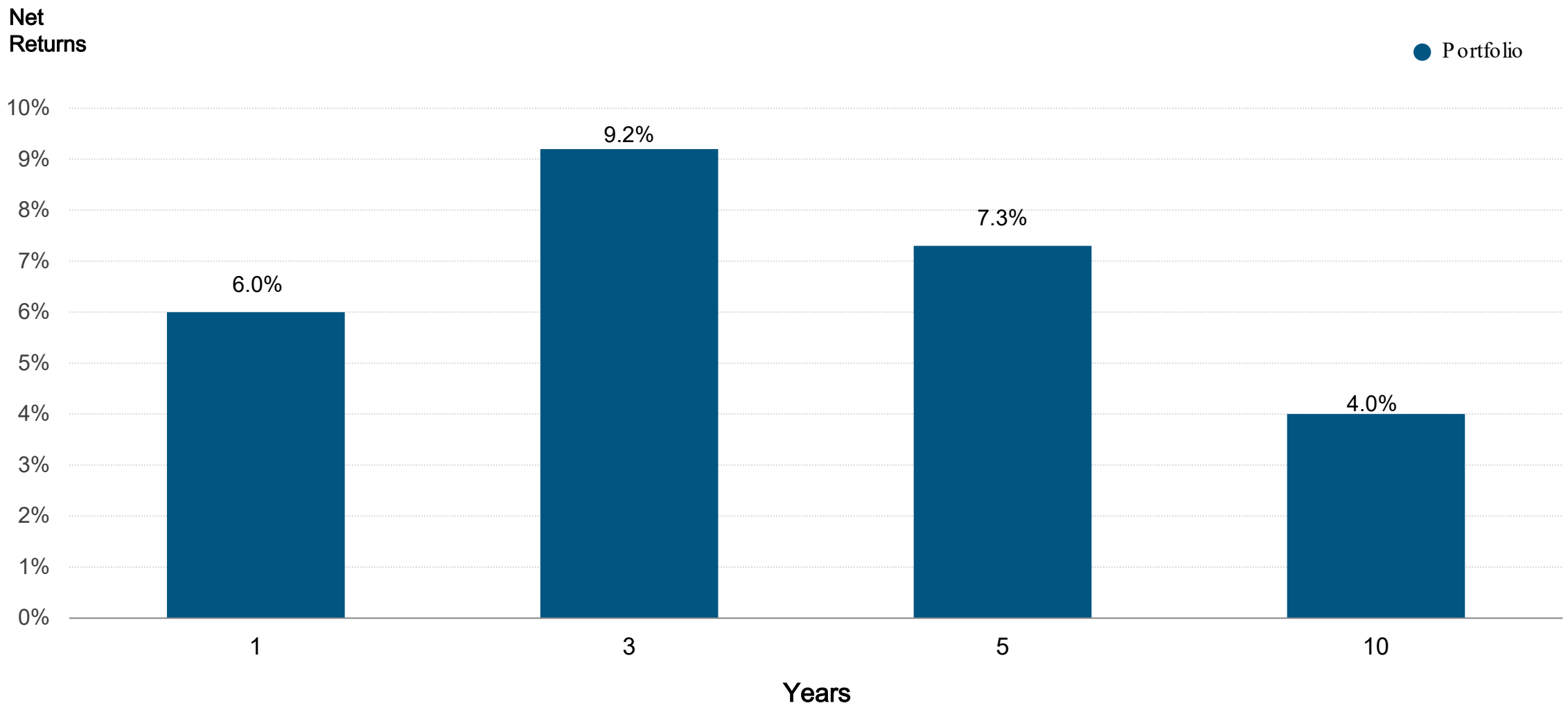
Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year	15 Year
Real Estate	7,137	100	0.8	(4.4)	10.4	7.4	9.0	3.3
Policy Benchmark*			(2.2)	(12.9)	6.2	5.1	7.6	2.6
Value Added			3.0	8.5	4.2	2.3	1.4	0.7
Legacy	4,024	56	(0.1)	(9.9)	8.3	6.2	8.4	2.9
BREIT	3,113	44	1.9**	-	-	-	-	-

* 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).
** Fiscal YTD Return for BREIT was from 1/10/2023 to 6/30/2023.



UCRP Real Assets

As of September 30, 2023

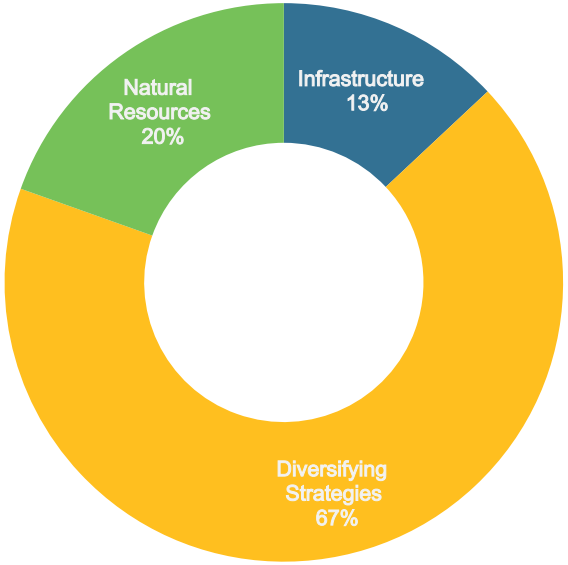


UCRP Real Assets

As of September 30, 2023

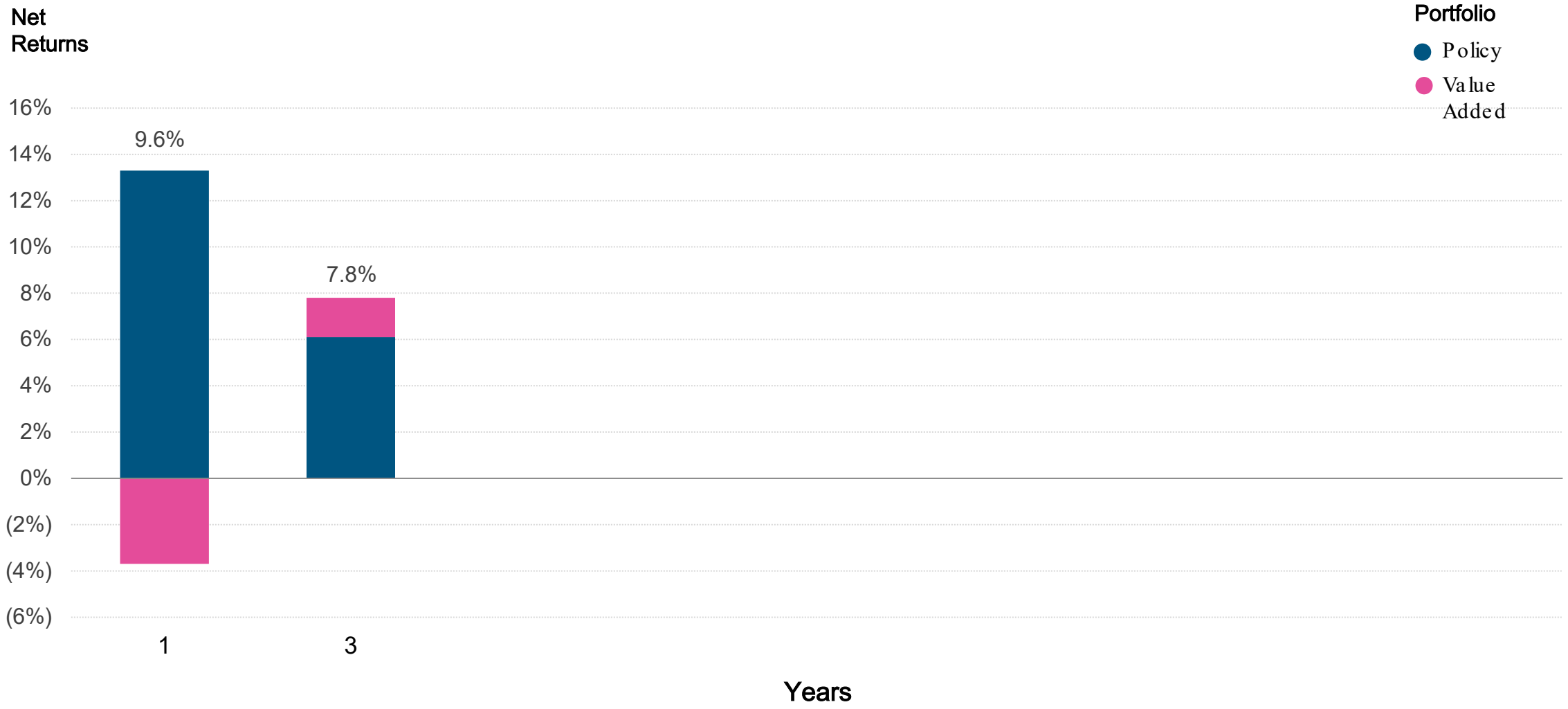
Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	3 Year	5 Year	10 Year
Real Assets	4,009	100	1.8	6.0	9.2	7.3	4.0
Infrastructure	2,703	67	12.6	4.6	10.5	10.7	12.5
Diversifying Strategies	784	20	(13.4)	5.8	10.5	7.2	6.1
Natural Resources	522	13	20.7	14.9	4.8	1.3	(2.3)

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



UCRP Private Credit

As of September 30, 2023

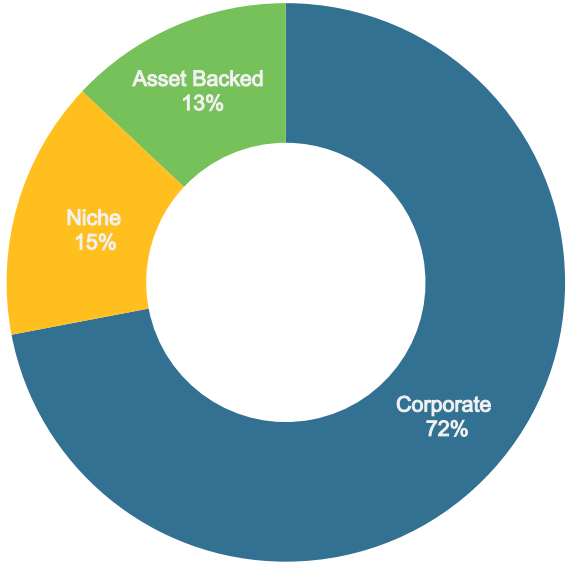


UCRP Private Credit

As of September 30, 2023

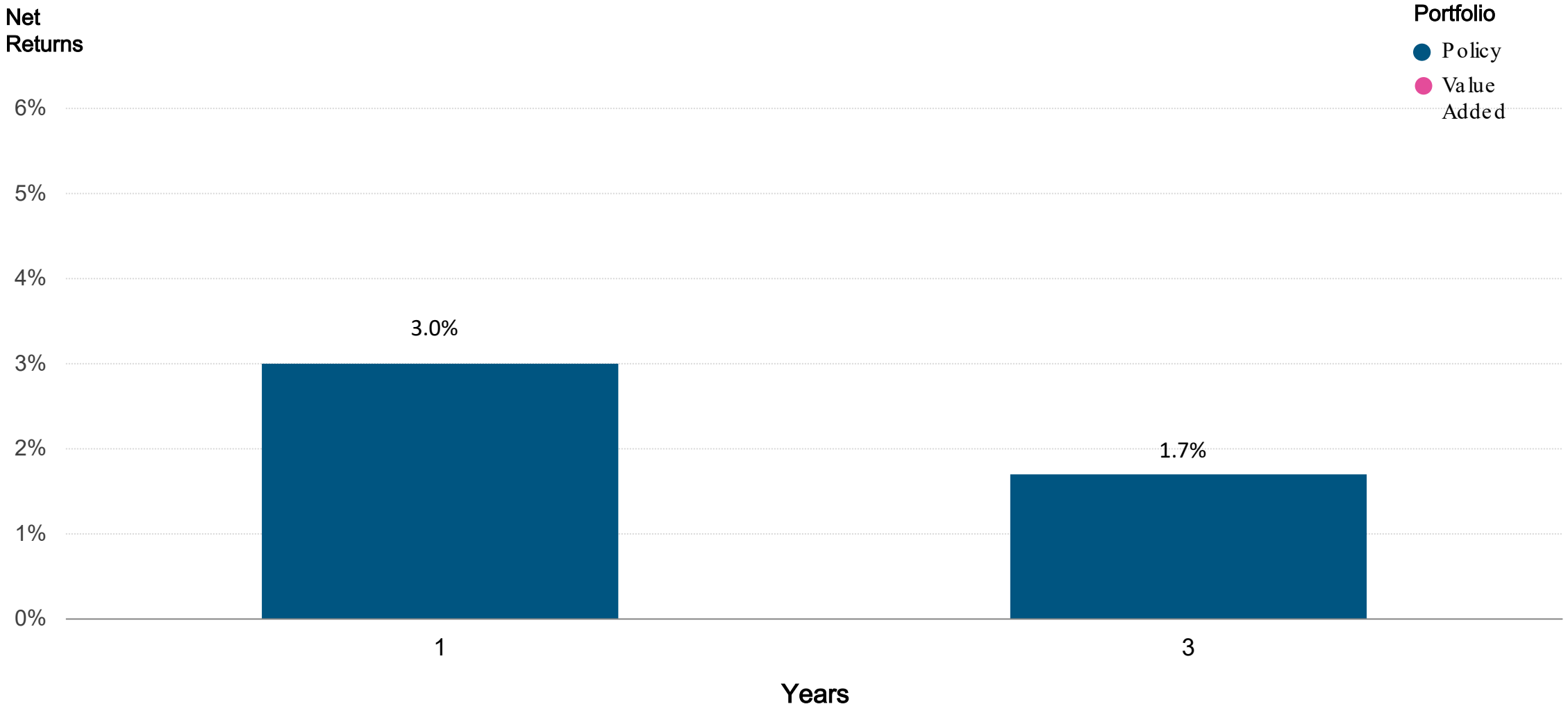
Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	Annualized Returns 3 Year
Private Credit	3,245	100	2.1	9.6	7.8
Policy Benchmark			2,9	13.3	6.1
Value Added			(0.8)	(3.7)	1,7
Corporate	2,334	72	2.8	13.1	8.2
Niche	502	15	(0.3)	(2.6)	-
Asset Backed	409	13	0.7	7.1	-

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



UCRP Cash

As of September 30, 2023



UCRP Cash

As of June 30, 2023

Net Returns (%)	Market Value ($M)	Weight (%)	Fiscal YTD 3 Months	Annualized Returns 1 Year	Annualized Returns 3 Year
Cash	5,267	100	0.7	3.0	1.7

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	12.3	(1.1)	12.1	(0.9)	1.1	(0.0)
Public Equity	MSCI ACWI IMI TF FF	51	15.5	(1.4)	15.7	(1.2)	0.6	(0.1)
Fixed Income	Policy (Blend)	13	3.3	(0.4)	3.5	(0.3)	0.6	0.2
Absolute Return	HFRI FOF	2	6.6	(0.0)	4.4	(0.5)	6.0	0.1
Private Equity	Russell 3000 + 3%	11	22.4	(1.9)	17.3	(1.4)	9.1	(0.6)
Real Estate	NFI-ODCE	8	12.9	(2.7)	10.4	(2.7)	4.1	(0.3)
Real Assets	Real Assets	5	19.6	(1.5)	19.6	(1.5)	0.0	0.0
Private Credit	CS LL / ML HY BB-B	4	4.4	(0.4)	2.8	(0.6)	2.9	(0.1)
Cash	BofA 3mo Treasury Bill	6	0.1	(0.1)	0.2	(0.0)	0.1	(0.1)

WHAT KEEPS US UP AT NIGHT?

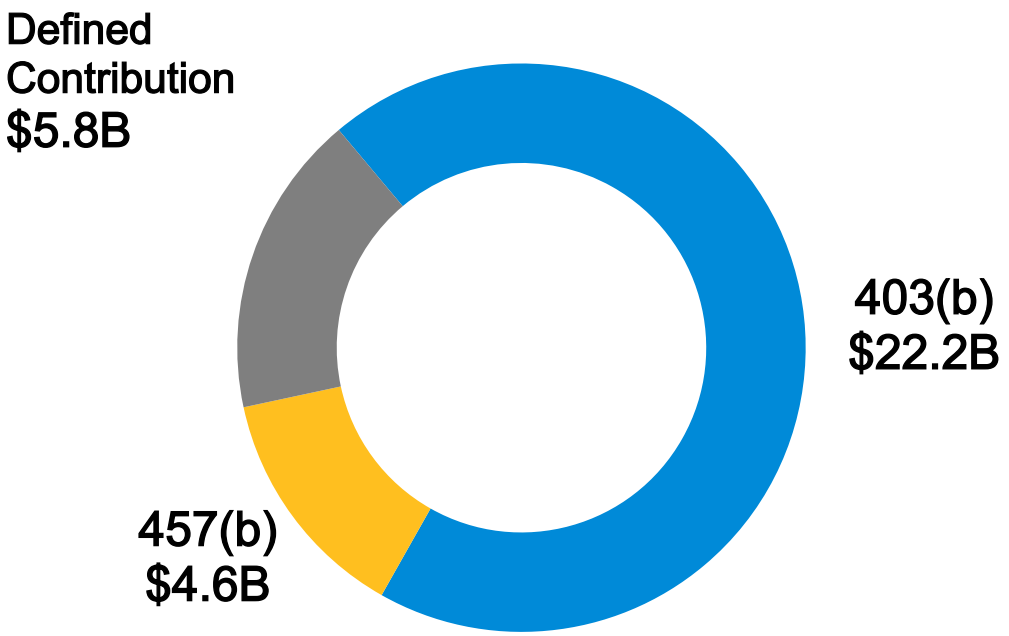
June 2021	June 2022	September 2023
Climate Change	Market Volatility / Liquidity	Artificial Intelligence
Technology Companies	War/ Russia / Ukraine	Inflation
Inflation	Interest Rates / Fed	Interest Rates / Fed
COVID “New Variants”	Inflation / Energy Prices	Economic Slowdown
Fed Action	Recession	US Politics
	Supply Chain Disruption	China / Geopolitics / US
	Deglobalization	Extreme Effects of Climate Change
	Technology / Valuations	War / Russia / Ukraine
	China / Geopolitics / US	War / Middle East
	COVID	Demographics
	Climate Change / ESG	Deglobalization

Savings Program

UC Retirement Savings

As of September 30, 2023

3 PLANS $32.6B



INVESTMENT STRUCTURE

- TARGET DATE FUND $13.7B — TIER I
- 13 CORE OPTIONS $16.6B — TIER II
- BROKERAGE WINDOW $2.3B — TIER III

0.05% INVESTMENT MANAGEMENT FEE

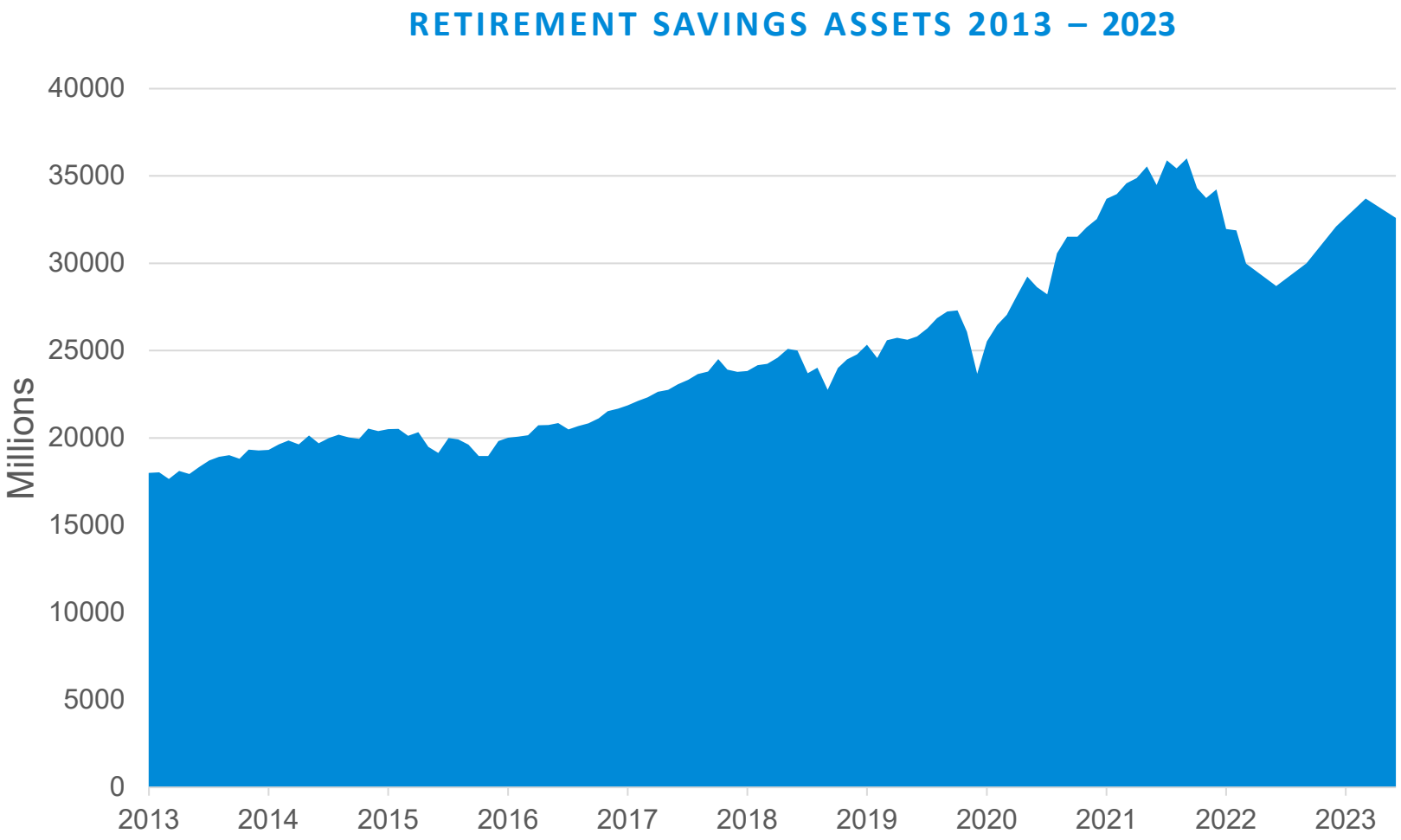
Highlights

As of September 30, 2023

	2014	2023
Participants	301,000	355,000
Assets	$19.8B	$32.6B
Default	UC Savings Fund	UC Pathway
Target Date Assets	$3.1B	$13.7B
Investment Choices	75	14
Management Fee	0.14%	0.05%
Management Fee	$26M	$15M

UC Retirement Savings

$32.6 Billion in Assets as of September 30, 2023



8 YEAR EVOLUTION

2023

Added Roth 403(b) and Roth 457(b)

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 - $13.7 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 - $16.6 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 - $2.3 billion
Fidelity BROKERAGELINK®

Core Funds Assets

CORE FUNDS - $16.6 Billion

Bond and Stock Investments

Bond Investments - $4,848

Short-Term

UC Savings Fund - $3,342

Intermediate-Term

UC Bond Fund - $1,070

Inflation-Protected

UC Short Term TIPS Fund - $134

UC TIPS Fund - $302

Domestic Stock - $9,311

Large Cap

UC Growth Company Fund - $2,214

Small Cap

UC Domestic Small Cap Equity Fund - $553

Broad Cap

UC Domestic Equity Index Fund - $6,544

Foreign/Global Stock - $1,360

Developed Markets

UC International Equity Index Fund - $977

UC Diversified International Fund - $169

Emerging Markets

UC Emerging Markets Equity Fund - $214

Specialty Stock - $982

UC Real Estate Fund - $256

UC Social Equity Fund - $706

UC Global Equity ex Fossil Fuel Fund – 20

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	2.45	3.10	2.99	3.02	3.45	3.90	4.45	4.64	4.64	4.64	4.64
Policy Benchmark Return	2.65	3.23	2.97	3.01	3.48	3.93	4.47	4.66	4.66	4.66	4.66
Value Added	-0.20	-0.13	0.02	0.01	0.03	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02

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	3.46	4.68	5.09	5.47	5.80	6.12	6.44	6.68	6.80	6.85	n/a
Policy Benchmark Return	3.45	4.67	5.06	5.44	5.80	6.12	6.44	6.69	6.79	6.84	n/a
Value Added	0.01	0.01	0.03	0.03	0.00	0.00	0.00	-0.01	0.01	0.01	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	$6,544	20.09%	-3.79	20.38	9.25	9.19	11.37
Russell 3000 ex Fossil Fuels ex Tobacco			-3.84	20.23	9.16	9.06	11.25
Value Added			0.05	0.15	0.09	0.13	0.12
UC Social Index Fund	$706	2.17%	-3.49	22.52	8.31	10.10	12.32
FTSE4Good US Select Index			-3.49	22.58	8.32	10.10	12.39
Value Added			0.00	-0.06	-0.01	0.00	-0.07
US Small/Mid Cap Equity							
UC Domestic Small Cap Index Fund	$553	1.70%	-5.84	8.58	7.10	2.53	6.92
Russell 2000 ex Fossil Fuels ex Tobacco			-5.94	8.20	6.84	2.22	6.74
Value Added			0.10	0.38	0.26	0.31	0.18
Global/World ex-US Equity							
UC International Equity Index Fund	$977	3.00%	-4.77	22.70	5.16	3.22	3.89
MSCI World ex-US IMI ex Fossil Fuels ex Tobacco			-4.94	22.31	5.07	2.93	3.61
Value Added			0.17	0.39	0.09	0.29	0.28

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	$2,214	6.80%	-3.87	31.89	6.64	14.44	16.53
Russell 3000 Growth			-3.34	26.63	7.54	11.70	13.94
Value Added			-0.53	5.26	-0.90	2.74	2.59
World ex-US Equity							
UC Diversified Intl. Fund	$169	0.52%	-6.10	22.70	1.26	4.42	4.98
MSCI EAFE			-4.11	25.65	5.75	3.24	3.90
Value Added			-1.99	-2.95	-4.49	1.18	1.08
UC Emerging Markets Fund	$214	0.66%	-2.61	12.59	-0.93	0.29	1.92
MSCI Emerging Markets IMI ex Fossil Fuels ex Tobacco			-2.58	12.85	-1.33	0.80	2.20
Value Added			-0.03	-0.26	0.40	-0.51	-0.28
Global Equity							
UC Global Equity Fund	$20	0.06%	-3.95	20.40	-	-	-
MSCI ACWI IMI ex Fossil Fuels ex Tobacco			-4.03	19.81	-	-	-
Value Added			0.08	0.59	-	-	-
Real Estate							
UC Real Estate Fund	$256	0.79%	-7.02	3.19	5.76	2.95	5.78
MSCI US REIT			-7.02	3.18	5.70	2.82	5.76
Value Added			0.00	0.01	0.06	0.13	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	$3,342	10.26%	0.19	0.72	0.65	1.02	1.13
Two-Year U.S. Treasury Notes Income Return			1.21	4.48	2.10	1.91	1.45
Value Added			-1.02	-3.76	-1.45	-0.89	-0.32
Inflation Sensitive							
UC Short Term TIPS Fund	$134	0.41%	0.88	3.47	2.49	2.83	-
Barclays 1-3 Year U.S. TIPS Index			0.85	3.38	2.38	2.74	-
Value Added			0.03	0.09	0.11	0.09	
UC TIPS Fund	$302	0.93%	-2.57	1.47	-1.88	2.14	1.92
Barclays US TIPS Index			-2.60	1.25	-1.98	2.12	1.74
Value Added			0.03	0.22	0.10	0.02	0.18
Diversified Fixed Income							
UC Bond Fund	$1,070	3.28%	-3.23	0.53	-5.20	0.04	1.24
Bloomberg MSCI US Aggregate ex Fossil Fuels ex Tobacco			-3.23	0.59	-5.22	0.09	1.12
Value Added			0.00	-0.06	0.02	-0.05	0.12

Plan Highlights

Key plan observations and 1 -year growth:

- Total assets: $32.6 billion (+$3.9 billion)
- Assets in Target Date Fund: $13.7 billion (+$2.0 billion)
- Assets in UC Savings: $3.3 billion (-$0.5 billion)

Performance review

- Target Date Fund Pathway vintages track the benchmark for the 3 and 10-year time horizon
- UC Growth Company, UC Diversified International and Savings Funds outperformed over the long term
- Index Funds tracked their benchmark tightly

Product enhancements over the next fiscal year

- Add TIAA Guaranteed Funding Agreement to Pathway Target Date Fund by 11/30/23
- Add UC Short Duration Bond Fund to the line-up by 6/30/24
- Add Blue and Gold Pool (BGP) to the line-up by 6/30/24
- Add Certificate of Deposits (CDs) to the Brokerage Window by 6/30/24

Recently completed projects

- Roth 403(b) and Roth DCP features implemented 8/1/23
- Deferred Lifetime Income 3rd annual purchase window opened 9/1/23 to 9/26/23, with total purchases surpassing $10 million
- 10% increase in equity allocation of Pathway implemented in 4 quarterly tranches completed on 6/30/23
- Launched UC Global Equity ex Fossil Fuel Fund, assets at $20 million as of 9/30/23

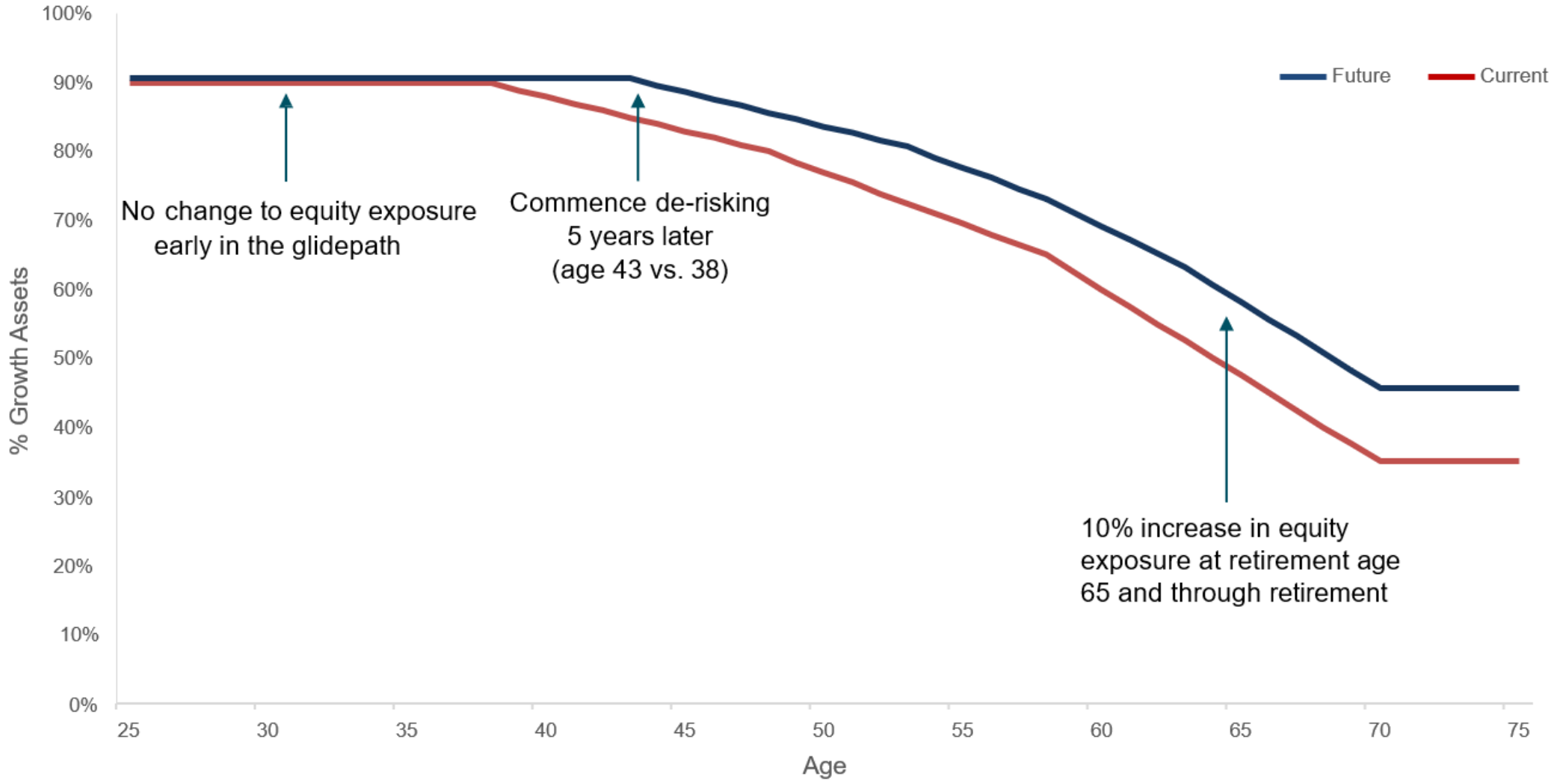
Proposed changes to fund lineup

- Launch UC Short Duration Fund
  - Benchmarked against the UCRP core benchmark;1-5-year Gov / Credit Index
  - Hire SSGA to manage separate account at 1 basis point
  - Launch fund by using current BGP separate account

- Broaden Brokerage Window to allow brokered Certificate of Deposits (CDs)
  - Regulatory reasons only allow us to offer them in the 457(b) and DCP plans, not the 403(b)

- Launch UC Blue and Gold Fund
  - Mirrors the Blue and Gold Pool (BGP) we offer to our campuses
  - Will leverage existing structure of separate accounts

Implemented Deferred Lifetime Income

- $10+ million in total QLACs written
- 3rd election window was open September 2023
- 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: added $1 billion in equities over the last year