

ANNUAL ENDOWMENT REPORT

Fiscal Year Ended June 30, 2009

University of California, Berkeley Foundation

UC Davis Foundation

The University of California, Irvine Foundation

The UCLA Foundation

University of California, Merced Foundation

UC Riverside Foundation

U.C. San Diego Foundation

University of California, San Francisco Foundation

UC Santa Barbara Foundation

U.C. Santa Cruz Foundation



Compiled by the Office of the Treasurer of The Regents

UNIVERSITY OF CALIFORNIA ANNUAL ENDOWMENT REPORT

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BACKGROUND

The history of reporting total University and Foundation endowments dates back to October 1978 when The Regents' Committee on Educational Policy adopted a policy for University Support Groups. In subsequent years, The Regents charged the Treasurer's Office with obtaining pertinent information regarding the UC Foundations' investments and presenting an annual report to The Regents. The annual report includes the investment philosophy, policies and performance of each Foundation's endowment assets, as well as those of The Regents' endowment assets.

PURPOSE

The Regents' policy on Support Groups articulates the permissible activities by affiliated fund-raising organizations to be:

"Gifts to a University Support Group for the benefit of the University may be accepted and administered only in accordance with University policies and, except as otherwise specified in this policy, may not be invested as endowments and shall be transferred to the University in an expeditious manner to fulfill the intentions of the donor for allocation and disbursement by the University."

The Treasurer's Office is the designated recipient and investment manager of The Regents' endowment assets.

However, in October 1978, The Regents included an exception in this policy for Foundations only that states:

"A Campus Foundation may hold and invest endowments and funds functioning as endowments on a long-term basis. Such investments must be consistent with the terms of the gift instrument. Investment operations shall be conducted in accordance with prudent, sound practices to insure that gift assets are protected and enhanced and that a reasonable return is achieved, and with due regard for the fiduciary responsibilities of the Foundation's governing board...."

As a result of the above exception, donors can designate either The Regents or the Campus Foundations as the recipient of their gift assets. Foundations may then choose The Regents (the Treasurer's Office) and/or external investment managers to manage their endowment investments. The Treasurer's Office acts as a resource to the Foundations and offers its investment management services and counsel on endowment fund management issues. This report's goal is to provide The Regents with a comprehensive overview of all of the University's endowment assets.

DATA SOURCES

State Street Bank is the University's official "book of record" and calculates performance of the General Endowment Pool (GEP) and High Income Endowment Pool (HIP) supplemented with data from the University of California Office of the President's (UCOP) Endowment and Investment Accounting office. Annual Foundation performance results in this document prior to 2006 were provided by each Foundation and were neither audited nor calculated by the Treasurer's Office or State Street Bank. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances. On a quarterly basis, State Street Bank reports Foundation performance to The Regents and those quarterly reports serve as official "book of record" to The Regents. Policy benchmark composition was provided by the Foundations. All annual benchmark returns used in this report were calculated by The Regents' Investment Consultant, Mercer, LLC. Each Foundation supplied a copy of its audited annual financial report. For the purpose of reporting investment performance, each Foundation received the same exhibit formats and guidance, and any inconsistencies in definition and reporting are noted in the charts, tables and discussion.

The Cambridge Associates Endowment Pool Median cannot be reproduced or redistributed without the express written consent of Cambridge Associates LLC.

PERFORMANCE PRESENTATION

This report focuses primarily on the Foundations' endowment assets and their investment performance. Section IX—Individual Foundation Reports—displays endowed assets by investment manager. Totals for non-endowed assets and pledges are provided in Section VIII—Total Foundation Gift Assets. The glossary at the end of this report includes definitions for these asset categories.

PERFORMANCE COMPARISONS

General Endowment Pool: The General Endowment Pool (GEP), established in 1933 and unitized in 1958, is The Regents' primary investment vehicle for endowed gift funds. GEP is a balanced portfolio of equities, fixed-income securities and alternative investments in which all Regental endowment funds participate, unless payout needs require otherwise. The GEP's return is based on unit value.

Cambridge Endowment Pool Median: Cambridge Associates measures returns on 130 college and university endowment pools in its endowment study.

Benchmark: For details regarding each individual Foundation's benchmark, see sections IX and XII.

I

I. Total University Endowment Assets

Table 1 outlines the University's total endowment assets by donor designation to either The Regents for the benefit of the campus or to the campus Foundation.

Overall, total endowment assets decreased 18.4% over the last fiscal year, with The Regents' endowment assets decreasing 20.6% and Foundation endowment assets decreasing by 14.5%. These changes incorporate both new gifts accepted during the fiscal year and the return on total endowed assets.

The Treasurer's Office also manages endowment assets of over \$960 million for the benefit of systemwide programs and administration, including education and research programs, support services and administration. These assets appear in the table as part of The Regents' endowment assets.

Table I Total University Endowment Assets by Donor Designation to Regents and Foundation (Excluding Pledges) (Market Value \$000)						
Campus	June 30, 2009			June 30, 2008		
	Regents*	Foundation	Total	Regents*	Foundation	Total
Berkeley	\$1,559,033	\$785,758	\$2,344,791	\$1,964,426	\$920,926	\$2,885,352
Davis	\$401,579	\$137,198	\$538,777	\$494,993	\$157,005	\$651,998
Irvine	\$45,167	\$161,036	\$206,203	\$55,486	\$186,514	\$242,000
Los Angeles	\$982,212	\$898,838	\$1,881,050	\$1,301,233	\$1,057,371	\$2,358,604
Merced	\$16,251	\$4,339	\$20,590	\$20,333	\$4,372	\$24,705
Riverside	\$32,456	\$62,692	\$95,148	\$41,038	\$81,552	\$122,590
San Diego	\$148,969	\$282,748	\$431,717	\$169,283	\$356,272	\$525,555
San Francisco	\$671,904	\$438,738	\$1,110,642	\$850,381	\$468,493	\$1,318,874
Santa Barbara	\$66,183	\$87,632	\$153,815	\$84,176	\$106,880	\$191,056
Santa Cruz	\$51,407	\$42,330	\$93,737	\$62,204	\$53,548	\$115,752
Total Campus Endowments	\$3,975,161	\$2,901,309	\$6,876,470	\$5,043,553	\$3,392,933	\$8,436,486
Systemwide Programs and Administration	\$962,322	\$0	\$962,322	\$1,173,781	\$0	\$1,173,781
Total Endowment Assets	\$4,937,483	\$2,901,309	\$7,838,792	\$6,217,334	\$3,392,933	\$9,610,267

* Includes GER, HIP, STIP, and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable.

For the purpose of this report, we focus on the managed endowment assets held by The Regents and the Foundations, which include those assets managed by The Regents (Treasurer's Office) or external managers. Managed endowment assets do not include those assets categorized as "other endowment assets," such as separately invested assets, mortgages, real estate, and receivables.

Table 2
Total Managed Endowment Assets by Foundation
 (Excluding Pledges)
 (Market Value \$000)

June 30, 2009				June 30, 2008		
Campus	Managed	Other*	Total	Managed	Other*	Total
Berkeley	\$693,582	\$92,176	\$785,758	\$886,707	\$34,219	\$920,926
Davis	\$132,639	\$4,559	\$137,198	\$152,617	\$4,388	\$157,005
Irvine	\$163,173	(\$2,137)	\$161,036	\$185,852	\$662	\$186,514
Los Angeles**	\$894,907	\$3,931	\$898,838	\$1,051,184	\$6,187	\$1,057,371
Merced	\$4,339	\$0	\$4,339	\$4,372	\$0	\$4,372
Riverside	\$62,670	\$22	\$62,692	\$81,530	\$22	\$81,552
San Diego	\$281,251	\$1,497	\$282,748	\$354,606	\$1,666	\$356,272
San Francisco	\$438,513	\$0	\$438,513	\$468,493	\$0	\$468,493
Santa Barbara	\$87,632	\$0	\$87,632	\$106,880	\$0	\$106,880
Santa Cruz	\$42,330	\$0	\$42,330	\$53,548	\$0	\$53,548
Regents***	\$4,527,824	\$409,659	\$4,937,483	\$5,734,040	\$483,294	\$6,217,334
Totals	\$7,328,860	\$509,707	\$7,838,567	\$9,079,829	\$530,438	\$9,610,267

* Includes separately invested assets, HIP (Regents only), mortgages, real estate, receivables, and other.

** Includes net receivables, real estate, securities, and other assets.

*** Includes GEP, HIP, STIP, and separately invested assets, as well as annuity and life income funds. Excludes security lending balances and other accounts receivable and payable.

II

II. Managed Endowment Funds by Asset Class

Because asset allocation is the primary driver of a portfolio's total return over the long run—with sector and individual security selection the primary drivers over the short term—any comparison of endowment fund performance should be viewed in the context of the portfolio's asset class holdings.

As of June 30, 2009, the allocation of managed endowment funds by asset class for endowment investment portfolios held by each Foundation, as well as for The Regents' GEP, are shown below. Table 3 also includes an overall weighted average allocation of all endowment funds by asset class, as well as the net total returns by campus.

Section IX, beginning on page 15, contains detailed information for each Foundation. These exhibits include a detailed list of the Foundation's investment managers and the type of funds they manage.

Table 3 Allocation of Managed Endowment Funds by Asset Class As of June 30, 2009									
Asset Class Allocation									
Campus	U.S. Equity	Non-U.S. Equity	Alternative Equities*	U.S. Fixed Inc.	Non-U.S. Fixed Inc.	Cash Equiv.	Absolute Return	Total¹	Net Total Return
Berkeley	14.7%	19.2%	17.0%	12.1%	3.2%	15.7%	18.1%	100.0%	-20.6%
Davis **	18.8%	25.2%	12.6%	14.5%	4.8%	0.9%	23.3%	100.0%	-17.9%
Irvine	23.4%	19.4%	18.5%	13.0%	4.1%	3.3%	18.4%	100.0%	-20.6%
Los Angeles	14.8%	16.8%	27.3%	11.5%	0.0%	2.0%	27.6%	100.0%	-21.1%
Merced **	18.9%	25.2%	12.6%	14.5%	4.8%	0.8%	23.3%	100.0%	-18.2%
Riverside	12.9%	28.4%	14.3%	16.6%	0.9%	2.8%	24.1%	100.0%	-22.1%
San Diego **	31.1%	17.7%	13.9%	10.9%	3.6%	1.0%	21.9%	100.0%	-20.5%
San Francisco	16.0%	22.3%	5.8%	18.8%	0.0%	11.6%	25.4%	100.0%	-16.5%
Santa Barbara	25.2%	21.8%	5.3%	24.2%	0.4%	6.2%	16.8%	100.0%	-22.0%
Santa Cruz **	18.6%	24.9%	12.4%	14.3%	4.7%	2.2%	23.0%	100.0%	-17.7%
Regents' GEP	18.9%	25.2%	12.6%	14.5%	4.8%	0.8%	23.3%	100.0%	-18.2%
Weighted Avg.	18.4%	23.1%	14.4%	14.1%	3.7%	3.1%	23.2%	100.0%	-18.9%

* Alternative Equities consist of private equity funds, real estate, natural resources and other asset types.

** Foundation endowment assets invested primarily in The Regents' GEP, HIP and/or STIP funds.

Note that the method of rounding may produce the appearance of minor inconsistencies in various totals and percentages, but the differences do not affect the accuracy of the data.

III

III. Endowment Fund Investment Performance

Investment performance for University endowment assets is presented on a net basis, defined as total return after investment management fees but before any gift fees and administrative charges. While investment management fees vary across managers and asset classes, the net total return represents the annual experience of a donor's gift. Table 4 displays net total returns for fiscal 2009 for The Regents, each Foundation, and the Cambridge Endowment Pool Median for Colleges and Universities, reported for periods of one, three, five and 10 years. For comparison, the table also includes the overall one-, three-, five-, and 10-year weighted average returns for all University endowment assets.

Table 4 Average Annualized Total Returns Fiscal Year ended June 30, 2009				
Campus	1 Year	3 Years	5 Years	10 Years
Berkeley	-20.6%	-1.6%	4.0%	5.0%
Davis	-17.9%	-1.0%	3.5%	3.9%
Irvine	-20.6%	-2.9%	1.8%	2.7%
Los Angeles	-21.1%	-2.4%	3.0%	3.0%
Merced	-18.2%	-1.2%	3.5%	N/A
Riverside	-22.1%	-0.8%	4.4%	5.0%
San Diego	-20.5%	-2.2%	2.8%	3.0%
San Francisco	-16.5%	-3.0%	2.3%	4.2%
Santa Barbara	-22.0%	-5.2%	0.9%	1.8%
Santa Cruz	-17.7%	-1.0%	3.5%	3.3%
Regents' GEP	-18.2%	-1.2%	3.5%	3.3%
Weighted Average	-18.9%	-1.6%	3.3%	3.5%
Cambridge Median	-19.8%	-1.7%	3.6%	4.1%

* Returns prior to 2006 were provided by the individual Foundations. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances.

IV

IV. Endowment Fund Investment Management

Each Foundation selects the investment manager(s) for its endowment assets. Their choices may include The Regents (GEP, HIP, STIP, UC Private Equity and Real Estate Vintage Equity Programs, and UC Absolute Return Unitized Program), external managers, and/or the Foundation. Table 5 (below) provides the percentage of endowment assets managed by The Regents, external managers, the Foundation (Internal), or “Other” (usually assets held separately at the donor’s request).

Table 5 Foundation Endowment Assets by Investment Manager at June 30, 2009 (Market Value \$000)								
Campus/Foundation	Regents		External		Internal		Other	
Berkeley	\$39,444	5%	\$654,138	83%	\$0	0%	\$92,176	12%
Davis	\$132,639	97%	\$0	0%	\$0	0%	\$4,559	3%
Irvine	\$64,510	40%	\$98,663	61%	\$0	0%	-\$2,137	-1%
Los Angeles	\$9,173	1%	\$885,734	99%	\$0	0%	\$3,931	0%
Merced	\$4,339	100%	\$0	0%	\$0	0%	\$0	0%
Riverside	\$0	0%	\$62,670	100%	\$0	0%	\$22	0%
San Diego	\$224,044	79%	\$56,268	20%	\$939	0%	\$1,497	1%
San Francisco	\$0	0%	\$438,513	100%	\$0	0%	\$0	0%
Santa Barbara	\$4,561	5%	\$83,072	95%	\$0	0%	\$0	0%
Santa Cruz	\$42,330	100%	\$0	0%	\$0	0%	\$0	0%
Overall	\$521,040	18%	\$2,279,058	79%	\$939	0%	\$100,048	3%

At the end of fiscal 2009, the Treasurer’s Office managed the majority of the endowment gift assets for four of the 10 UC Foundations and 18% of the UC Foundations’ total endowment gift assets.

* Negative amount represents endowment payout not yet withdrawn from endowment assets.



V. Endowment Fund Investment Management Fees

As noted in Section III, investment performance for endowment assets should be presented on a net basis, after investment management costs but before gift and administration fees. (See Section VI for gift fees and recurring charges.) Each Foundation was asked to provide an investment management fee schedule for each external manager. State Street Bank verified the reasonableness of each Foundations' fee data and the fee data of the GEP, HIP, and STIP. The last line in the table below is a weighted average fee based on the information provided and the assets under management at June 30, 2009.

An itemization of each Foundation's investment management fees—between externally managed endowment gift assets and assets managed by The Regents—is provided in Table 6.

Table 6 Endowment Management Fees by Foundation as a Percentage of Market Value at June 30, 2009			
Campus	Regents	External	Wtd. Average
Berkeley	0.06	1.19	0.99
Davis	0.79	-	0.79
Irvine	1.24	0.71	0.92
Los Angeles	1.46	1.16*	1.16
Merced	0.79	-	0.79
Riverside	-	1.11	1.11
San Diego	1.00	0.21	0.87
San Francisco	-	0.66	0.66
Santa Barbara	0.06	0.68	0.65
Santa Cruz	0.78	-	0.78
Overall	0.77	0.82	0.87

The total cost of managing the GEP is 79 basis points of average market value. This consists of approximately 0.70% (70.0 basis points) attributable to external managers (evidenced as the difference between their gross and net returns), plus 0.04% (4.0 basis points) attributable to investment management and custodial expenses, and 0.05% (5.0 basis points) attributable to administrative costs. The cost of the HIP fund covers actual expenses and totals 0.09% (9.0 basis points) of average market value. Within these costs, approximately 0.03% (3.0 basis points) is attributable to investment management and custodial expenses, with the remaining 0.06% (6.0 basis points) attributable to administrative costs. For funds invested in STIP, approximately 0.06% (6.0 basis points) of average market value is charged to the pool, with 0.03% (3.0 basis points) attributable to investment management and custodial expenses, and 0.03% (3.0 basis points) attributable to administrative costs associated with the pool.

* For those fees not provided by the Foundation, the report used the same as estimates used by Treasurer's Office for GEP.

VI

VI. Gift Fees and Recurring Charges

A synopsis of The Regents' and each campus' practices for assessing fees on new gifts, as well as any recurring administrative charges, are provided in Table 7. As noted in the table, gift fees apply to endowment gifts whether given to the Foundation or The Regents and to current fund gifts (for use by the campus in the near term). At most campuses, gift fees and recurring charges support discretionary funds available to the Chancellor, for such efforts as fund-raising, communications, government and community relations and administrative services associated with these efforts.

In March 1998, The Regents adopted a policy to allow the campuses to recover the reasonable and actual costs related to campus administration of Regents' endowments, with the amount to be determined by historical cost data. As such, each campus listed below collected endowment cost recovery fees on Regents' gifts of 40 basis points of the 60-month rolling average market value of funds invested in GEP. This fee is in addition to the fees and recurring charges listed below. The Campus Foundations may also assess an administrative endowment cost recovery fee on funds which they administer.

Table 7 Gift Fees and Recurring Charges by Regents and Foundation		
	Fees	Recurring Charges
The Regents	None	None
Berkeley	One-time charge of 2.5% of the initial value of all non-research gifts to the Regents and Foundation (including endowments); fee is taken from the gift principal unless the specified department elects to pay the fee from another allowable source.	STIP income on non-endowed gifts is 100% to an unrestricted fund administered by the Chancellor. STIP income earned on new endowment gifts kept in suspense for six months is paid to the Chancellor's fund to benefit campus development. An annual administrative fee of 50 basis points is charged on endowment funds administered by the Foundation.
Davis	6% on all gifts given on or after October 1, 2004.	The campus and Foundation charge up to 100% of STIP income on current fund balances.
Irvine	5% of initial value of all gifts.	Annual charge of 0.5% of the market value, plus all interest on current use private gifts and grants.
Los Angeles	5% of initial value of all gifts.	100% of all short-term interest on campus current fund balances, with some exceptions.
Merced	5% of initial value of all gifts.	The campus charges up to 100% of STIP income on current fund balances.
Riverside	5% of initial value of all gifts.	Annual charge of .5% against all existing endowments and endowment-related gift funds; the campus charges 100% of income earned on current use gift balances.
San Diego	4% of initial value of all gifts.	100% assessment of all short-term investment earnings on current use gift and private grant balances held in both the campus and the Foundation.
San Francisco	4% of initial value of all gifts.	Quarterly charge of 75% of STIP income earned on all Regental and Foundation gifts and endowment income. Annual fee of .35% on all endowment fund assets. A 1% spending fee is charged at the time that funds are spent for purpose. No fees are charged on gifts for student aid.
Santa Barbara	None	Annual endowment cost recovery fee is .4% of the fair market value.
Santa Cruz	3% of initial value of endowment gifts and 5% of initial value of current use gifts.	Gift fee of 3% of initial value of endowment gifts and 5% of initial value of current use gifts. Of the 4.0% endowment expenditures, .3% is allocated for administrative expenses.

* For more information on Foundation policies on gift fees and recurring charges, see the individual Foundation reports in Section IX.

VII

VII. Endowment Spending Policies

A summary of the endowment spending policies for The Regents' and each university Foundation is shown in Table 8. It is important to note that a Foundation choosing to invest in The Regents' GEP, HIP, Private Equity Vintage Year Program, Real Estate Vintage Year Program and/or Absolute Return Unitized Program funds may apply its Foundation spending policy to those gift assets.

Table 8 Endowment Spending Policies by Regents and Foundation*	
The Regents (GEP)	Long-term target spending rate of 4.75% of a 60-month (five-year) rolling average market value. In May 2008, The Regents adopted a rate of 4.75% for expenditure in fiscal year 2008-2009. In May 2009, The Regents concurred to continue a rate of 4.75% for expenditure in fiscal year 2009-2010.
Berkeley	Range of 4.75% to 5.5% of the 12-quarter moving average market value of the endowment for a specific payout year. In fiscal year 2008-09, the actual payout rate is 4.76%.
Davis	Long-term target spending rate of 4.75% of a 60-month (five-year) rolling average market value. A spending rate of 4.75% of a 60-month rolling average market value was used in fiscal 2008-2009.
Irvine	4.5% of 36-month moving average for fiscal year 2008-09.
Los Angeles	The spending policy for fiscal 2008-2009 is 4.5% of a rolling 36-month average market value calculated monthly.
Merced	4.75% of a 60 month rolling average market value, of that 0.25% will be directed for the endowment cost recovery fee. (If the fund is underwater then we can only pay up to the amount of interest earned and not the calculated amount.)
Riverside	4.75% on 12-quarter moving average of the market value of eligible endowment assets.
San Diego	4.75% of the five-year average unitized market value of the endowment pool assets.
San Francisco	5% of the market value of the endowment pool, calculated on a 36-month rolling average of the market value, subject to a 6% cap and a 3.5% floor as a percent of the end of year endowment pool market value.
Santa Barbara	60-month rolling average of the share value for the General Endowment Pool and the payout is 5.0% of that adjusted market value as of December 31, 2007.
Santa Cruz	4.0% of three-year moving average market value.

* For more information on Foundation spending policies, see the individual Foundation reports in Section IX.

VIII

VIII. Total Foundation Gift Assets

Table 9 provides total Foundation gift assets by campus, split into endowed, non-endowed assets and pledges, for fiscal 2009 and fiscal 2008. Non-endowed assets include current gift assets (i.e., assets for use in the current year) and trust/life income assets, but exclude pledges. Note, pledges introduce potential volatility to the asset growth rates.

As Table 9 shows, the Foundations held \$2.90 billion in endowment gift assets at June 30, 2009, a 14.5% decrease from the \$3.39 billion held at the end of fiscal 2008. Including all non-endowed assets (current assets and trusts/life income assets) and pledges, the Foundations' total assets were \$4.17 billion, a 14% decrease over the total of \$4.85 billion for fiscal year 2008.

Table 9 Total Foundation Gift Assets by Campus (Market Value \$000; totals rounded)								
June 30, 2009					June 30, 2008			
Campus	Endowed	Non-Endowed	Pledges	Total	Endowed	Non-Endowed	Pledges	Total
Berkeley	\$785,758	\$148,198	\$25,721	\$959,677	\$920,926	\$196,101	\$30,642	\$1,147,669
Davis	\$137,198	\$90,709	\$12,233	\$240,140	\$157,005	\$95,397	\$13,620	\$266,022
Irvine	\$161,036	\$29,152	\$66,112	\$256,300	\$186,514	\$41,056	\$66,499	\$294,069
Los Angeles	\$898,838	\$280,840	\$173,229	\$1,352,907	\$1,057,371	\$360,034	\$179,815	\$1,597,220
Merced	\$4,339	\$53	\$1,146	\$5,538	\$4,372	\$594	\$1,308	\$6,274
Riverside	\$62,692	\$17,457	\$1,020	\$81,169	\$81,552	\$19,807	\$1,088	\$102,447
San Diego	\$282,748	\$108,404	\$44,962	\$436,114	\$356,272	\$118,688	\$45,797	\$520,756
San Francisco	\$438,738	\$180,301	\$62,247	\$681,286	\$468,493	\$186,231	\$67,437	\$722,161
Santa Barbara	\$87,632	\$7,673	\$13,898	\$109,203	\$106,880	\$12,300	\$13,299	\$132,480
Santa Cruz	\$42,330	\$2,606	\$1,201	\$46,137	\$53,548	\$2,498	\$1,239	\$57,285
Total Foundation Assets	\$2,901,309	\$865,393	\$401,770	\$4,168,472	\$3,392,933	\$1,032,706	\$420,744	\$4,846,383

IX

IX. Individual Foundation Reports

The following section of the report contains a summary for each Foundation. Each summary includes the Foundation's Investment Objectives, Spending Policy and Gift Fee Policy, Total Assets, and Performance Data.

Foundation assets are categorized as endowed or non-endowed, with endowed assets further broken down by investment manager. Non-endowed assets include life income and annuity funds, current funds and pledges. Only endowed assets are shown, and investment results for all Foundations exclude non-endowed assets. The glossary in Section XIII provides definitions of these asset categories.

In order to provide more meaningful performance comparisons and enable The Regents and other fiduciaries to better perform their investment oversight responsibilities, the Treasurer, with the Regents' Investment Consultant, has augmented the Annual Endowment Report with investment policy and performance benchmarks for each Foundation, as well as for the GEP.

We have included 10 years of annual fiscal net total returns for each Foundation both in graphical presentation and tabular form (five years for Merced). In addition, we have included a chart of the performance of a hypothetical \$10,000 gift invested with the Foundation, the Benchmark and in GEP, at the beginning of the 10-year period, and have outlined the ending gift values and annualized net total returns for the period. The bottom graph assumes all income is reinvested in the fund (or benchmark) and no distributions are made from it.

Benchmarks

- The most important determinant of fund performance and risk is the asset allocation policy established by Fund fiduciaries.
- A fund performance benchmark is usually stated in term of percentages (adding to 100%) of a number of market indexes, such as the Russell 3000 Index for U.S. stocks or the Barclays Capital Index for U.S. bonds. A performance benchmark may change over time as policy changes both the asset mix and the performance objectives, or benchmarks, for each asset class.
- The Foundations provided the asset allocation and benchmark information summarized in Section XII. Based on the Foundations' reported policy, the Regents' Investment Consultant computed annual and cumulative benchmark returns. They are shown in Section X, Table I I, along with the Foundations' annual and cumulative returns, Table I0. In some cases, detailed information on investment policy in earlier years was not available, and the Treasurer approximated benchmark composition based on the available information supplied by the Foundations.
- In addition, the *Active Return*, or difference between Fund and benchmark return, is shown in Table I I. Active return is a measure of the value added by Fund fiduciaries and managers over the policy objective.
- The accompanying measures of risk and risk-adjusted returns in Section IX are approximate. In investment analysis, risk is often measured as volatility, or the variability in returns. It is customary to use monthly returns for these computations. Because only annual Fund returns were available, these measures of risk and risk-adjusted returns should be viewed as indicative only; relative rankings may change slightly if monthly returns were used.

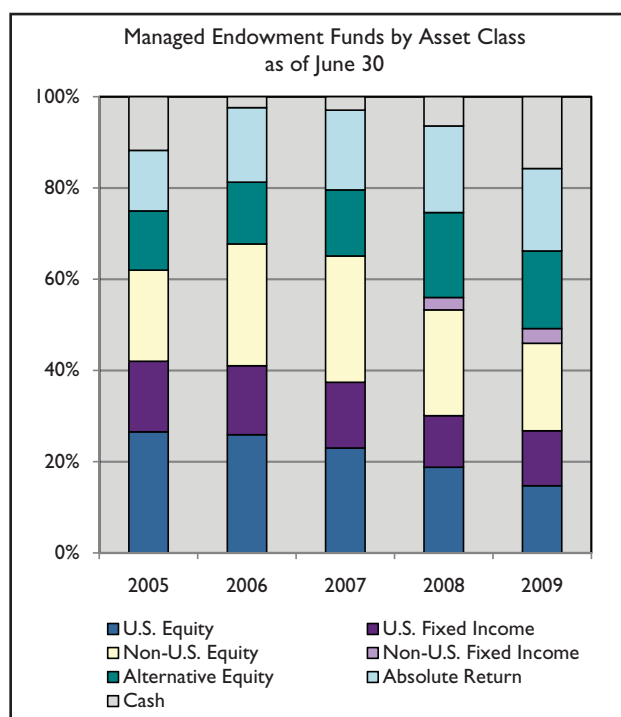
University of California, Berkeley Foundation

	6/30/2009 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
U.S. Equity		
Dodge & Cox-Equity	\$27,815	3.5%
Timesquare Asset Mgmt	7,732	1.0
Wellington Trust Appreciation	12,299	1.6
SSgA Russell 1000 Growth	11,892	1.5
Adage Capital	36,275	4.6
DSM Large Cap Growth	11,313	1.4
Advisory Research	6,612	0.8
International Equity Funds		
Harbor International Fund	34,856	4.4
Newport Asia Institutional Fund	6,153	0.8
Litman/Gregory Masters' Select Intl	37,129	4.7
Sanderson International Value	23,717	3.0
Acadian - Old Mutual Asset Mgmt	6,461	0.8
Emerging Markets		
Grantham, Mayo, Van Otterloo & Co	19,890	2.5
City of London	21,720	2.8
Real Estate		
Adelante Capital	9,492	1.2
Lone Star Real Estate Fund	1,277	0.2
Metropolitan Real Estate	4,460	0.6
E I I Int'l Property	11,251	1.4
Fixed Income		
Dodge & Cox-Bond	12,799	1.6
SSgA 3-10 Year Treasury Index	53,344	6.8
SSgA US Long Treasury Index	6,101	0.8
Eaton Vance High Yield	10,329	1.3
OCM High Yield Limited Partnership	10,000	1.3
Brandywine Global	14,796	1.9
Mondrian Global Fixed Income	10,500	1.3
Private Equity/Venture Capital		
Common Fund (VC II - VIII)	6,700	0.9
TCV IV, LP	1,547	0.2
TCV VII, LP	382	0.0
Horsley Bridge VII, LP	3,051	0.4
Summit Venture VI	4,012	0.5
Sequoia Cap Seed Fd	1,419	0.2
Sequoia Cap India Growth Fund II	100	0.0
Horsley Bridge, VIII	6,180	0.8
Horsley Bridge Growth, VIII	3,100	0.4
Horsley Bridge International III	6,461	0.8
Horsley Bridge International IV	2,470	0.3
Horsley Bridge International V	86	0.0
Horsley Bridge, IX	499	0.1
CF Endowment Venture II - VI	7,487	1.0
TPG Partners IV, LP	3,074	0.4
Blackstone Capital Partners V	3,951	0.5
OCM Opportunities Fund VII	3,146	0.4
Legacy Venture IV & V	4,665	0.6
Cerberus International Partners Ser	6,055	0.8
Foundation Capital VI LP	870	0.1
CA Resources-Ser Bain Europe III	521	0.1
Goldman Sachs Vintage V	2,247	0.3
August Capital V	435	0.1
Lone Star Fund VI (US) LP	3,829	0.5
Varde Fund IX LP	5,653	0.7
Marketable Alternatives		
Marketable Alternatives	140,356	17.9
Energy/Commodities/Other		
Wellington Energy	12,470	1.6
Pimco Commodity Real Return	6,018	0.8
Commonfund Natural Resources VI	1,487	0.2
Commonfund Natural Resources VII	1,629	0.2
Natural Gas Partners IX LP	522	0.1
Park Street Cap Nat Resources III	5,503	0.7
Total Externally Managed	\$654,138	83.3%
Regentally Managed Funds		
High Income Endowment Pool	829	0.1
Short Term Investment Pool	38,615	4.9
Total Regentally Managed Funds	\$39,444	5.0%
Other Endowment Assets		
Cash/Cash Equivalent	81,114	10.3
Other Receivables	1,429	0.2
Separately Invested Funds	8,952	1.1
SAM Mortgages	681	0.1
Total Other Endowment Funds	\$92,176	11.7%
TOTAL ENDOWED ASSETS	\$785,758	100.0%

Endowment Investment Objectives: Maintain the purchasing power of the current assets and all future contributions; maximize return within reasonable and prudent levels of risk; maintain an appropriate asset allocation policy that is compatible with the objectives of GEP, while still having the potential to produce positive real returns; control costs of administering the GEP assets and managing the investments; provide investment results equal or superior to an appropriate peer universe; limit the risk of large losses by diversification among broad asset classes (e.g., domestic stocks, international stocks, fixed income) and among the various styles within individual asset classes (e.g., "growth" and "value" within domestic equity); achieve a rate of return which exceeds that of a target-weighted composite index based on the target asset allocation policy adopted as follows: 40% Global Equity, 20% Marketable Alternatives, 10% Private Equity, 9% Real Estate, 9% Energy/Commodities/Other and 12% Fixed Income; and produce a sufficient total fund return to provide a range of an annual 4.75% to 5.5% payout (based on a 12-quarter moving average of market value of endowment principal) to GEP beneficiaries.

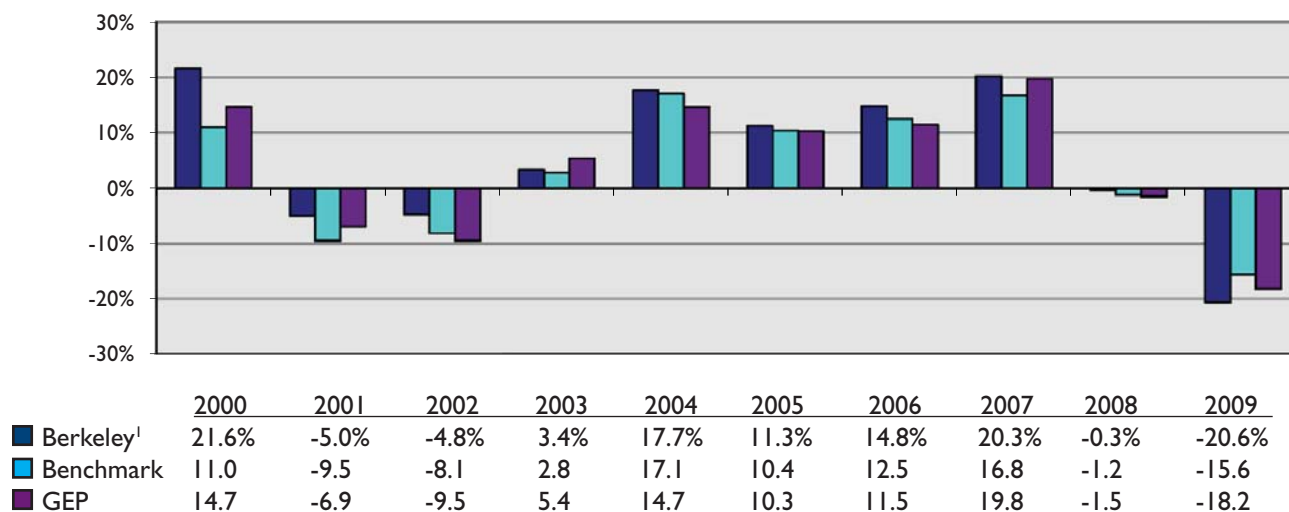
Endowment Spending Policy: The UC Berkeley Foundation endowment payout policy is a range of 4.75% to 5.5% of the 12-quarter moving average market value of the endowment for a specific payout year. In fiscal year 2008-09, the actual payout rate was 4.76%.

Policy for Gift Fees and Administrative Expenses: (1) One time charge of 2.5% of the initial value of all non-research gifts to the Regents and Foundation (including endowments). The fee is taken from the gift principal unless the specified department elects to pay the fee from another allowable source; (2) STIP income on non-endowed gifts is 100% to an unrestricted fund administered by the Chancellor; (3) STIP income earned on new endowment gifts kept in suspense for six months is paid to the Chancellor's fund to benefit campus development; (4) An annual administrative fee of 50 basis points is charged on endowment funds administered by the Foundation.



Annual Endowment Returns for Years Ending June 30

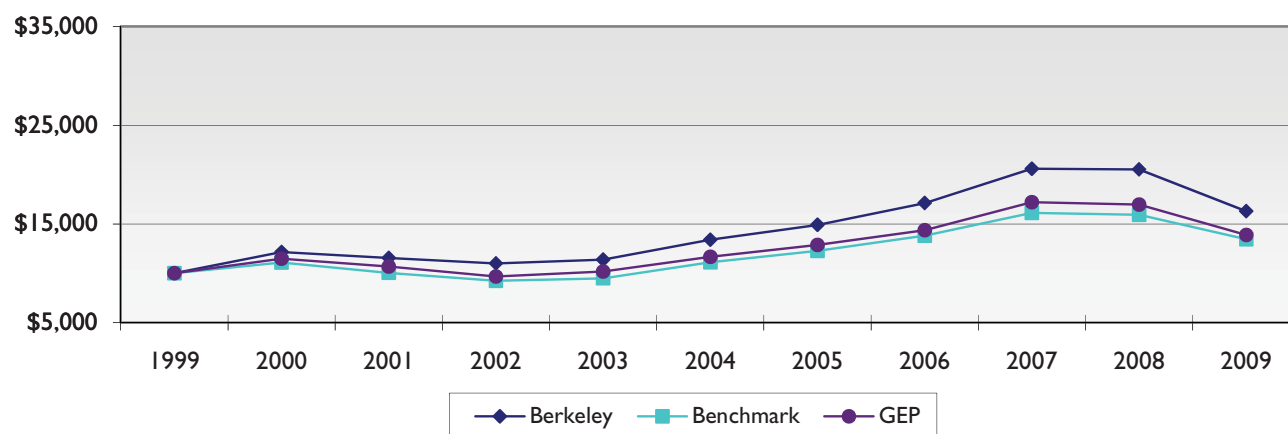
Berkeley Foundation, Foundation Benchmark and GEP



¹ The UC Berkeley Foundation's net total return data excludes the High Income Endowment Pool (a separately managed asset) and Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

Berkeley Foundation, Foundation Benchmark and GEP



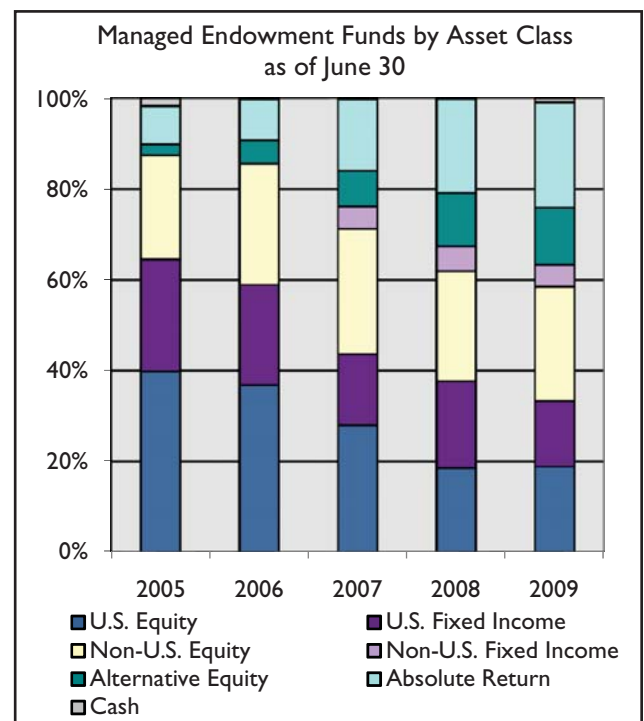
UC Davis Foundation

	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Regentally Managed Funds</u>		
General Endowment Pool	\$132,568	96.6%
Short Term Investment Pool	71	0.1
Total Regentally Managed Funds	\$132,639	96.7%
Total Other Endowed Assets	\$4,559	3.3%
TOTAL ENDOWED ASSETS	\$137,198	100.0%

Endowment Investment Objectives: The investment objective of The UC Davis Foundation is to maximize the long-term total return, while assuming an appropriate level of risk, and to provide spendable income to sufficiently support the University activities designated by the endowed funds. The investment policy matches that of GEP.

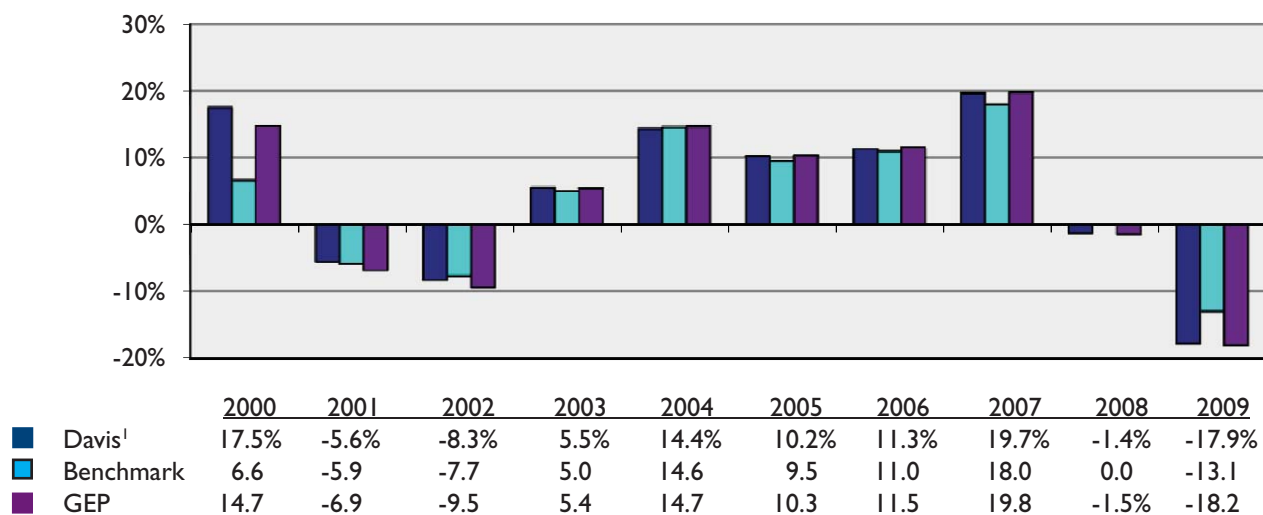
Endowment Spending Policy: Long-term target spending rate of 4.75% of a 60-month (five-year) rolling average market value. Effective spending rate of 4.75% of a 60-month rolling average market value was used in fiscal 2009.

Policy for Gift Fees and Administrative Expenses: UC Davis assesses a one-time fee of 6% on all gifts given on or after October 1, 2004. The campus and Foundation charge up to 100% of STIP income on current fund balances. Endowment Funds and Funds functioning as endowments are charged an annual administration fee of 25 basis points (0.25%).



Annual Endowment Returns for Years Ending June 30

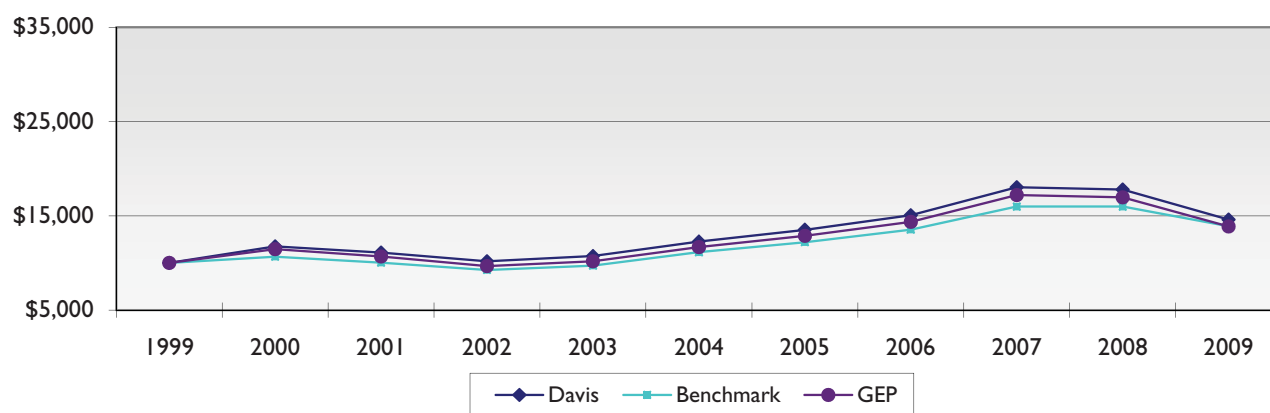
UC Davis Foundation, Foundation Benchmark and GEP



¹The UC Davis Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Davis Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
Davis	Benchmark	GEP	Davis	Benchmark	GEP
\$14,592	\$13,892	\$13,874	3.9%	3.3%	3.3%

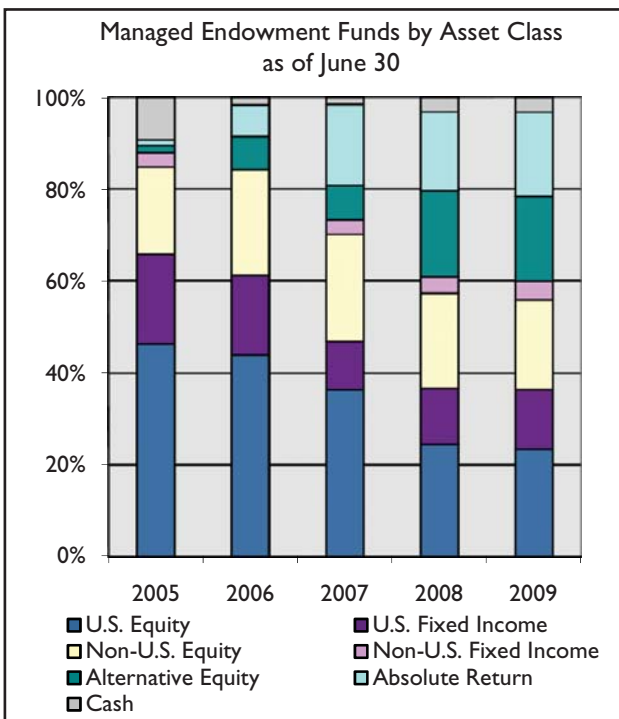
University of California, Irvine Foundation

	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Externally Managed Funds</u>		
Large Cap Equities		
Vanguard Windsor II Fund	\$7,846	4.9%
JPMorgan	4,104	2.5
Cadence Capital	8,139	5.1
Small Cap Equity		
Thompson, Siegel & Walmsley	2,543	1.6
Palisade Capital Management	2,851	1.8
Balanced Equity Fund		
Berkshire Hathaway	1,074	0.7
iShares	4,622	2.9
Global Equity Funds		
Brandes	11,280	7.0
William Blair	7,716	4.8
Bond funds		
Pimco Inst. Total Return	8,625	5.4
Pimco Inst. High Yield	482	0.3
Pimco Inst. Low Duration	5,655	3.5
Evergreen	4,492	2.8
Real Estate		
TIAA-CREF	4,253	2.6
Alternative Equities		
Common Fund	19,470	12.1
PIMCO Bank Loan Opportunities	4,007	2.5
Drum Capital Management	1,504	0.9
Total Externally Managed Funds	\$98,663	61.3%
<u>Regentally Managed Funds</u>		
Vintage Pool 2003	935	0.6
Vintage Pool 2007	424	0.3
Vintage Pool 2008	865	0.5
UC Real Estate	632	0.4
UC Absolute Return	11,982	7.4
General Endowment Pool	44,851	27.9
Short Term Investment Pool	4,821	3.0
Total Regents' Funds	\$64,510	40.1%
Other Endowment Assets	\$-2,137	-1.3%
TOTAL ENDOWED FUNDS	\$161,036	100.0%

Endowment Investment Objective: The University of California, Irvine Foundation's investment objective for its endowment portfolio is to maximize long-term total return, with a total return objective (net of fees), measured over a full market cycle, of not less than the rate of inflation as measured by the CPI, plus 500 basis points. Ideally, total return should exceed market performance. The investment policy is 22% U.S. Equity, 22% Non-U.S. Equity, 20% Hedge Funds, 15% Fixed Income, 8% Private Equity & Venture Capital, 8% Real Estate, 5% Commodities, and 0% Cash.

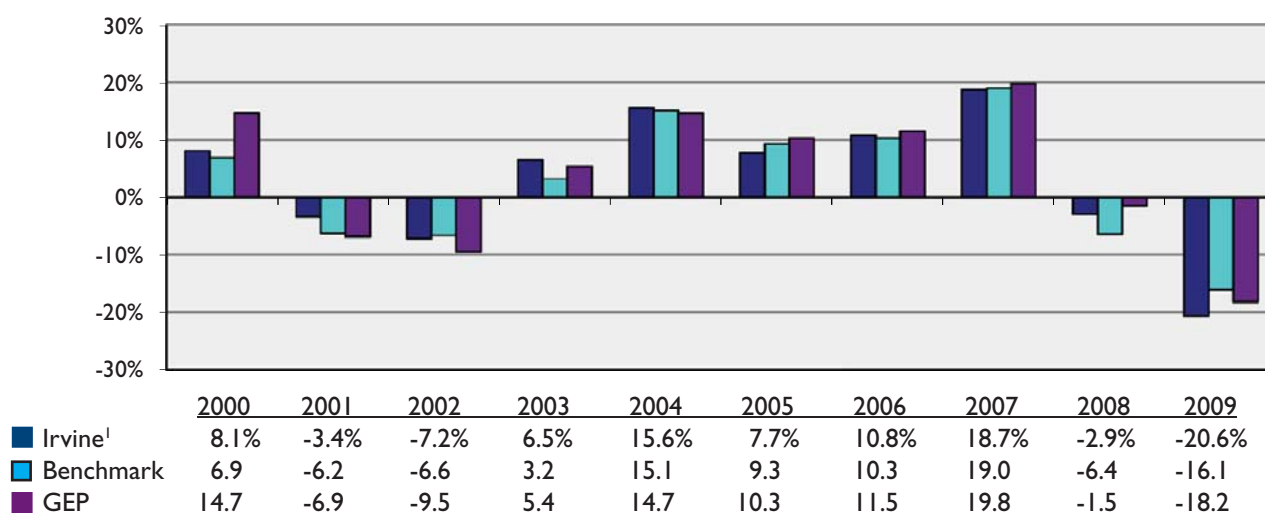
Endowment Spending Policy: The endowment fund spending policy allows for allocation of income equivalent to 4.5% of the moving average market value of the endowment portfolio. This average market value is computed using the previous 36 months of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal. Income available for expenditure is calculated according to a predetermined formula.

Policy for Gift Fees and Administrative Expenses: The Irvine Campus charges a one-time fee of 5% of the initial value of all Foundation and Regents' gifts. The fee may be taken 1) from the principal if specified by the donor, 2) by holding gift in a suspense account until fee is earned, or 3) from another acceptable fund source. There is also a recurring charge of 0.5% of the market value of Foundation endowment funds used to offset the operating costs of managing the endowment for the Foundation. All interest earned on the balances of current use private gifts and private grants is credited to the Chancellor's Discretionary Fund and used to support ongoing fundraising efforts at UC Irvine.



Annual Endowment Returns for Years Ending June 30

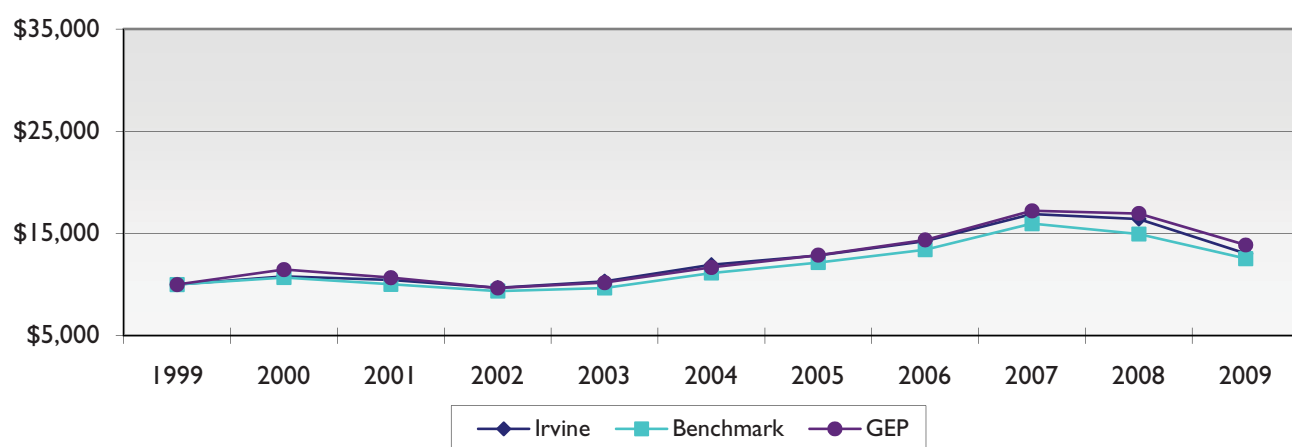
Irvine Foundation, Foundation Benchmark and GEP



¹The UC Irvine Foundation's net total return data includes a portion of Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

Irvine Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
Irvine	Benchmark	GEP	Irvine	Benchmark	GEP
\$13,025	\$12,542	\$13,874	2.7%	2.3%	3.3%

The UCLA Foundation

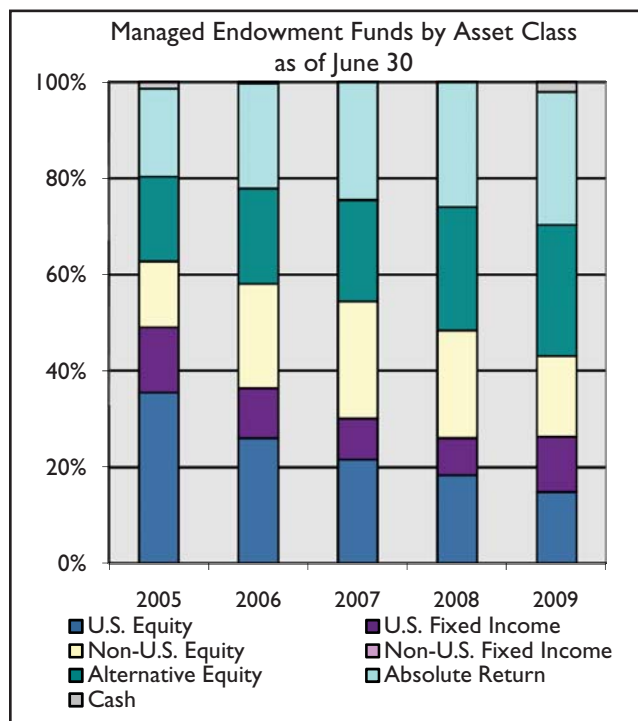
	6/30/09 Market Value (\$ 000)	% Endowment Funds		6/30/09 Market Value	% Endowment Funds
ENDOWED ASSETS					
Externally Managed Funds					
U.S. Equity Funds					
PIMCO Fundamental Index Plus	\$39,489	4.4%			
T Rowe Price Structured Research	27,372	3.0			
Timesquare - Corp. Stocks	24,549	2.7			
UCLA in-house - I shares Russel Midcap	13,710	1.5			
J P Morgan 130/30 Large Cap	12,883	1.4			
Analytics Core Equity Plus	11,221	1.2			
Non-U.S. Equity					
Hansberger Global Investors, Inc.	64,187	7.1			
DFA Emerging Markets Value	33,286	3.7			
DFA International Small Co	23,284	2.6			
DFA Emerging Markets Core	19,925	2.2			
PIMCO International Stock Plus TR	9,917	1.1			
State Street G.A. - MSCI	17	0.0			
Capital Guardian	6	0.0			
Alternative Equities					
Pantheon USA Fund VI	8,778	1.0			
Lexington Partners	7,794	0.9			
Oaktree Capital 4	7,712	0.9			
Oaktree Capital 3	7,593	0.8			
EOS Partnership	6,583	0.7			
Welsh, Carson, Anderson & Stowe IX	5,414	0.6			
Blackstone Capital Partners V	4,937	0.5			
Oaktree Capital 6	4,623	0.5			
Brentwood Partners III	4,556	0.5			
Polaris Venture Partners IV	4,407	0.5			
Thomas H. Lee Equity V	4,388	0.5			
Bain Capital IX	3,994	0.4			
Welsh, Carson, Anderson & Stowe X	3,571	0.4			
Three Arch Capital, LP	3,231	0.4			
Oaktree Capital 7 B	3,225	0.4			
Brentwood Partners IV	3,166	0.4			
Clearstone	3,140	0.3			
Oaktree Capital 7	3,067	0.3			
Northgate Private Equity II	3,024	0.3			
Welsh, Carson, Anderson & Stowe VIII	2,980	0.3			
Oaktree/ GFI Power Opp fund II	2,856	0.3			
Permal Private Equity Holding IV	2,716	0.3			
MPM Bio IV	2,530	0.3			
RCP Fund III	2,478	0.3			
Panorama Capital	2,385	0.3			
Morgenthaler Partners VII	2,365	0.3			
Morgenthaler Partners VIII	2,250	0.3			
Thomas H. Lee Equity VI	2,224	0.2			
Oaktree Capital 2	2,199	0.2			
Welsh, Carson, Anderson & Stowe IV	2,098	0.2			
Bain Capital X	2,091	0.2			
Sigular & Guff	2,018	0.2			
Three Arch Capital, IV	2,001	0.2			
Northgate Venture Partners III	1,929	0.2			
Sigular & Guff Small Buyout Opport.	1,882	0.2			
Northgate Private Equity III	1,720	0.2			
Sigular & Guff II	1,629	0.2			
Lightspeed Venture	1,500	0.2			
Oaktree Asia Principal Fund	1,412	0.2			
Charter Oak Partners	1,194	0.1			
Individual Share Holdings	680	0.1			
Sevin Rosen	653	0.1			
Oaktree Capital 5	542	0.1			
OCM Mezzanine Fund	77	0.0			
Oaktree Opportunities Fund 4	46	0.0			
U.S. Fixed Income					
BGI Tactical Fund	15,066	1.7			
SSGA Collateral Fund	10,758	1.2			
PIMCO Total Return Fund	77,250	8.6			
Cash Equivalents					
Cash in Transit to from Managers	\$ 2,313	0.3%			
Cash	15,748	1.8			
Real Assets					
Heitman R/E	5,616	0.6			
Prudential Invest Mgt	17,168	1.9			
CSAM	17,135	1.9			
DLJ Real Estate IV	2,635	0.3			
GMO Forestry Fund 8-B LP	5,874	0.7			
Kayne Anderson MLP	11,056	1.2			
Lehman Strategic Commodities	5,607	0.6			
TIAA CREF	7,029	0.8			
Realty Associates VIII	7,243	0.8			
Rockpoint Real Estate III	1,155	0.1			
Timbervest Partners	7,709	0.9			
Timbervest Partners II	9,499	1.1			
Private Equity					
Brevan Howard	16,149	1.8			
O'Connor Global Fundamental	14,965	1.7			
All Blue	14,833	1.7			
Paulson Advantage (Event Driven)	12,878	1.4			
Highbridge Capital Corporation	12,841	1.4			
Eton Park Overseas	11,567	1.3			
BGI Global Ascent	11,401	1.3			
Vicis Capital Fund Intl	11,314	1.3			
Viking Global Eq. III (Eq Long/Short)	11,213	1.2			
Winton Diversified Futures	10,826	1.2			
Tiger Asia Overseas Fund	10,620	1.2			
Zaxis Offshore Limited	10,088	1.1			
Carlson Black Diamond (Relative Value)	9,372	1.0			
Taconic Opportunity Fund	8,857	1.0			
Black River Global Multi Strategy	8,001	0.9			
Maverick Fund	7,667	0.9			
Owl Creek Overseas Fund	6,670	0.7			
AQR Capital Management	6,187	0.7			
Atticus Global Ltd	6,088	0.7			
Tree Line Asia	5,910	0.7			
Ionic Capital International (Relative Val)	5,850	0.7			
OZ Overseas Fund II, Cayman	5,810	0.6			
Regiment (Relative Value)	5,092	0.6			
OZ Asia Overseas	4,693	0.5			
OZ Europe Overseas Fund Ltd II	4,671	0.5			
Davidson Kempner Distressed Opport.	4,482	0.5			
Temujin	4,271	0.5			
Canyon Value Realisation	2,250	0.3			
Carl Marks Strategic Opp	1,695	0.2			
Oaktree Japan Fund	910	0.1			
Davidson Kempner Distr Risk Arbitrage	181	0.0			
Avenue Special Situation	17	0.0			
Total Externally Managed Funds	\$885,734	98.5%			
Regentally Managed Funds					
UC Vintage Equity Fund 2003	4,172	0.5			
General Endowment Pool	3,034	0.3			
Regents Real Estate	1,967	0.2			
Total Regentally Managed Funds	\$9,173	1.0%			
Other Endowed Assets					
Receivables, Net	1,567	0.2			
Mortgages and Notes, Net	252	0.0			
Real Estate	738	0.1			
Other	1,374	0.2			
Total Other Endowed Assets	\$3,931	0.5%			
TOTAL ENDOWED ASSETS	\$898,838	100.0%			

The UCLA Foundation

Endowment Investment Objective: The Foundation's investment objective is to maximize long-term total returns consistent with prudent levels of risk. Investment returns are expected to preserve or enhance the real value of the endowment to provide adequate funds to sufficiently support designated University activities. The endowment's portfolio is expected to generate a total annualized rate of return, net of fees and spending, greater than the rate of inflation over a rolling five-year period. The investment policy consists of: 13% U.S. Equity, 14% Non-U.S. Equity, 24% Private Equity, 8% Real Estate, 30% Absolute Return and 11% Fixed Income.

Endowment Spending Policy: The UCLA Foundation Endowment Pool made available for expenditure by fund holders an amount equal to 4.5% of a rolling thirty six month average market value in fiscal year 2009, calculated monthly. The spending policy for fiscal 2010 is 4.8% of a rolling thirty six month average market value, calculated monthly.

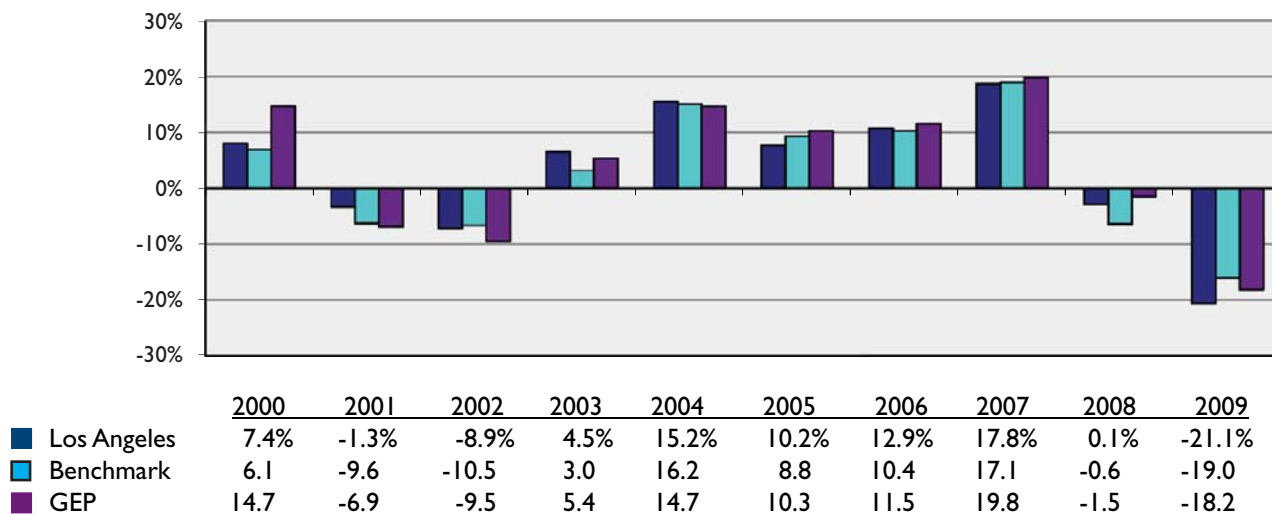
Policy for Gift Fees and Administrative Expenses: The UCLA Foundation charges a one-time fee of 5% of the initial value of all gifts.



Note: Balanced fund decomposed into constituent asset classes.

Annual Endowment Returns for Years Ending June 30

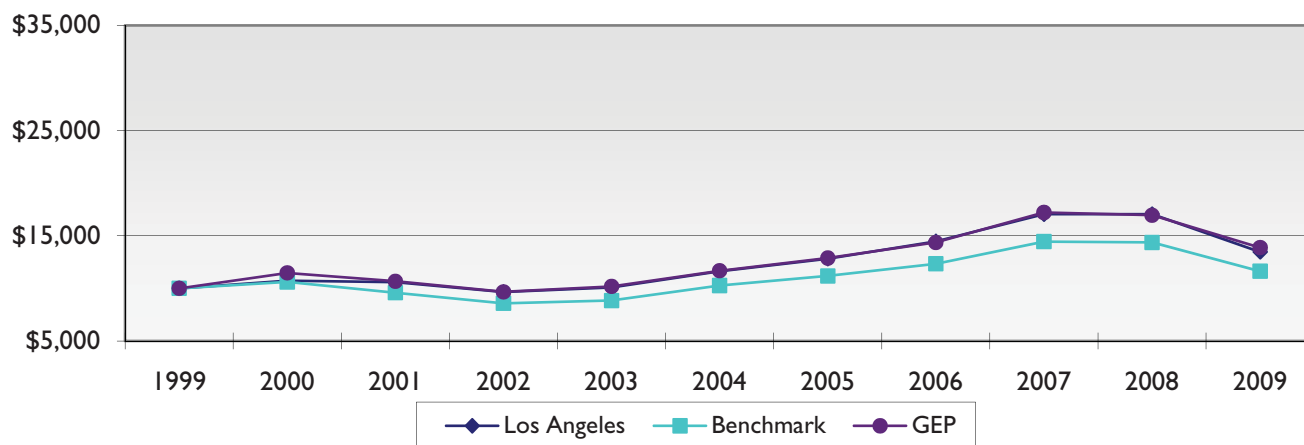
The UCLA Foundation, Foundation Benchmark and GEP



¹The UCLA Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

The UCLA Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
Los Angeles	Benchmark	GEP	Los Angeles	Benchmark	GEP
\$13,465	\$11,632	\$13,874	3.0%	1.5%	3.3%

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University of California, Merced Foundation

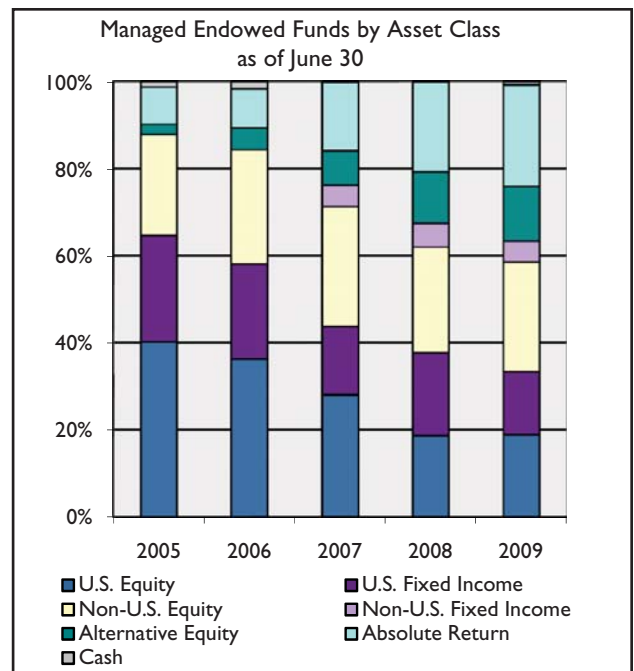
	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Regentally Managed Funds</u>		
General Endowment Pool	\$4,339	100.0%
Total Regentally Managed Funds	\$4,339	100.0%
TOTAL ENDOWED ASSETS	\$4,339	100.0%

Endowment Investment Objective: The UC Merced Foundation's investment objectives are: (1) provide investment earnings adequate to secure the benefits promised and the financial obligations created by the endowment, and (2) secure, preserve, and increase the inflation-adjusted value of the Fund. The investment policy matches that of the GEP: 44% Public Equity, 20.5% Public Fixed-Income, and 35.5% All Alternatives.

Endowment Spending Policy: Long-term total return target spending rate of 4.75% of a 60-month (five-year) rolling average market value. A spending rate of 4.75% was adopted in May 2006 for expenditures in fiscal year 2006-2007, 2007-2008, and 2008-2009.

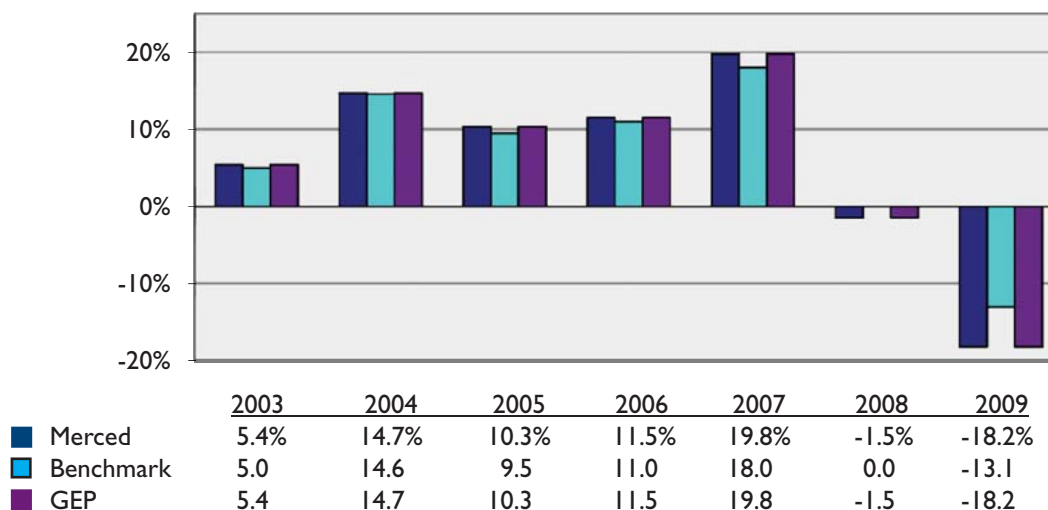
Policy for Gift Fees and Administrative Expenses: The University expects that funds privately raised shall support the development activities of the Chancellor and his staff. Currently the University policy to effectuate this principle is the following: Upon the receipt of all gifts to UCM or the UCM Foundation, a fee of 5% of the initial value of the gift shall be assessed and deposited in the Chancellor's Discretionary Fund and shall support the necessary operations for the development function within the Chancellor's campus administration. The fee may be taken (1) from the principal if specified by the donor, (2) by holding the gift in a suspense account until fee is earned, or (3) from another acceptable fund source. Additionally, all of the STIP income earned on endowments, funds functioning as endowments and non-endowment gifts shall also be deposited into the Chancellor's Discretionary Fund. The Vice President for Administration shall provide for a scheduled annual distribution of income and shall assess initial fees on gifts for deposit in the Chancellor's Discretionary Fund. The Chancellor shall waive the assessment of the off-the-top fee on ongoing interest earnings only in the event that a donor organization has a written policy which prohibits such fees.

Any waiver shall be communicated in writing from the Chancellor to the Vice Chancellor for Administration. It is the responsibility of the Vice Chancellor for Advancement to establish an appropriate method for notifying donors to the University and the University Foundation of the fee assessment and its purposes.



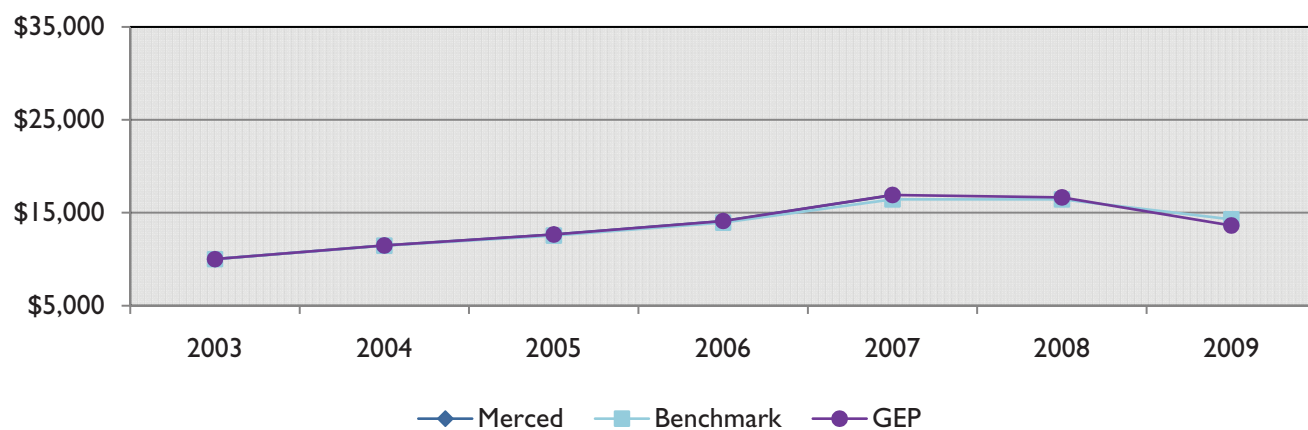
Annual Endowment Returns for Years Ending June 30

University of California, Merced Foundation, Foundation Benchmark and GEP



Six-Year Performance of a \$10,000 Gift

University of California, Merced Foundation, Foundation Benchmark and GEP



Ending Values 2009		
Merced	Benchmark	GEP
\$13,623	\$14,295	\$13,627

Annualized Returns 2003-2009		
Merced	Benchmark	GEP
5.3%	6.1%	5.3%

UC Riverside Foundation

	6/30/09 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
<u>Externally Managed Funds</u>		
International Equity Funds		
Oberweis China Opportunities	\$4,025	6.4%
Janus Overseas	1,904	3.0
Balanced Funds		
TIFF Multi Asset Fund	22,548	36.0
Ivy Asset Strategy	6,702	10.7
First Eagle Global	3,552	5.7
Blackrock Global Allocation	2,180	3.5
Fixed Income		
Fidelity Capital & Income	4,649	7.4
Natural Resources		
Park Street Natural Resources	378	0.6
U.S. Global Resources	3,329	5.3
Other Equities		
Hussman Strategic Growth	12,611	20.1
Short-Term Funds		
Fidelity Brokerage Money Market	4	0.0
Fidelity Institutional Money Market	788	1.3
Total Externally Managed Funds	\$62,670	100.0%
<u>Other Endowed Assets</u>		
Primarily real estate, art, and receivables	\$22	0.0%
TOTAL ENDOWED ASSETS	\$62,692	100.0%

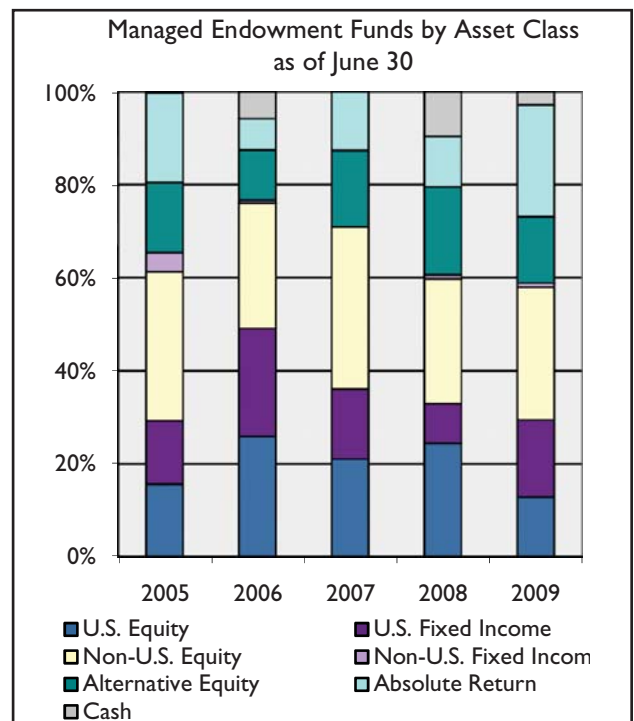
Endowment Investment Objective: The UC Riverside Foundation's long-term investment objectives of the endowment fund are to produce a relatively predictable and stable payout stream each year and to grow both the payout stream and the corpus over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. The investment policy consists of allowable ranges: 50-90% Global Equity and 10-50% Global Bonds.

Endowment Spending Policy: The endowment fund payout policy is 4.75% of the average endowment fund market value computed using the previous 12 quarters of portfolio activity the last of which ended on the March 31 of such fiscal year.

Policy for Gift Fees and Administrative Expenses: A one-time Gift Service Fee of 5% is charged on all cash gifts received by the University based on the principal value of the gift. The fee is collected either from the initial interest/income earned by the gift, directly from the gift principal or the recipient of the gift may provide the fee from another acceptable fund source.

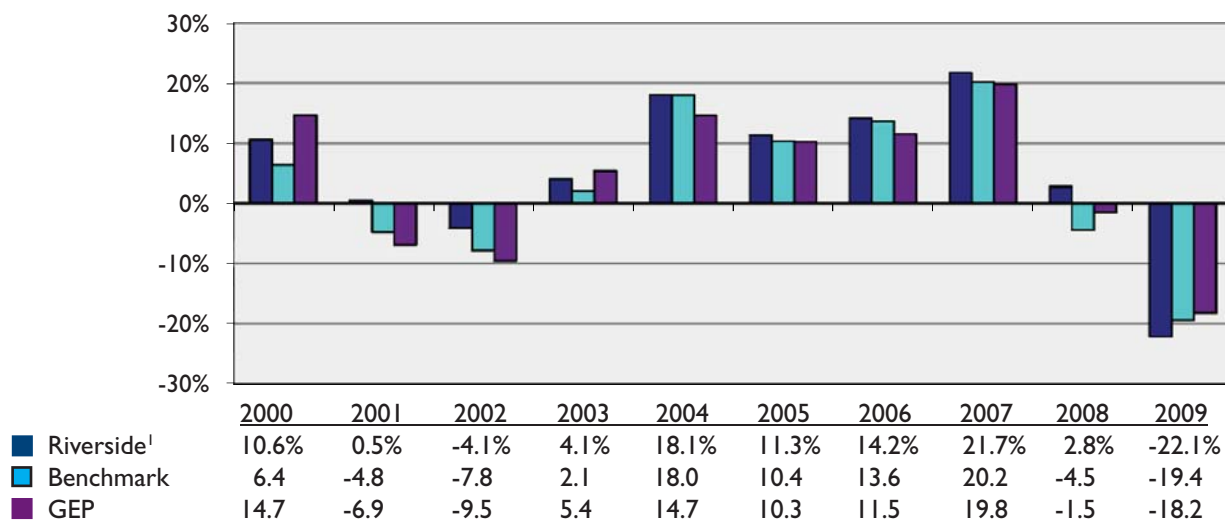
An Administration Cost Recovery Fee is charged against all existing endowments and endowment-related gift funds at an annual rate of .50% (50 basis points) of the average rolling market value of funds eligible invested assets as calculated per the UCR Foundation spending policy.

Campus collects 100% of short term ordinary income on campus and Foundation current fund balances. All proceeds from fees become a Chancellorial resource intended to help defray development and gift administration costs.



Annual Endowment Returns for Years Ending June 30

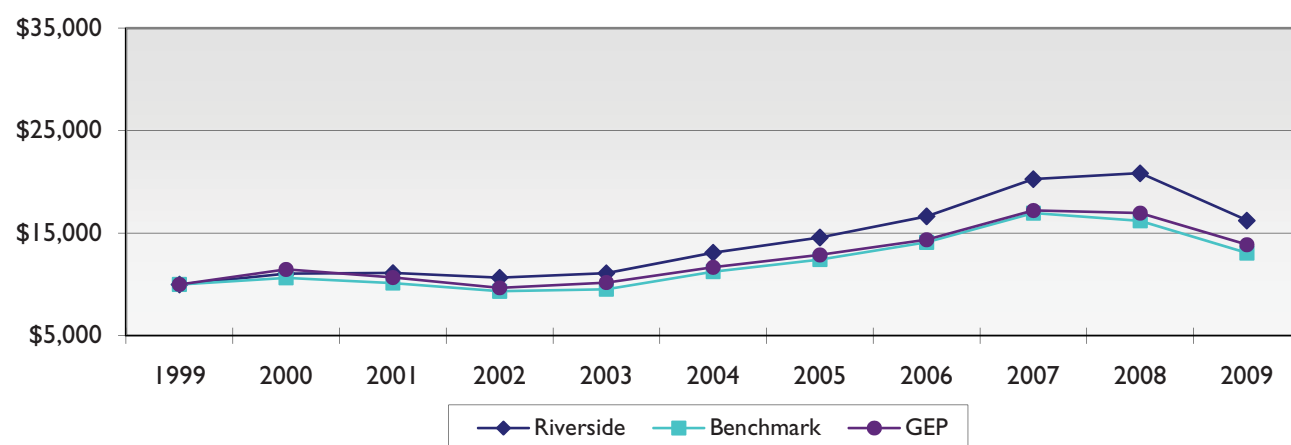
UC Riverside Foundation, Foundation Benchmark and GEP



¹The Riverside Foundation's net total return data excludes a portion of Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Riverside Foundation, Foundation Benchmark and GEP



Ending Values 2009		
Riverside	Benchmark	GEP
\$16,239	\$13,065	\$13,874

Annualized Returns 2000-2009		
Riverside	Benchmark	GEP
5.0%	2.7%	3.3%

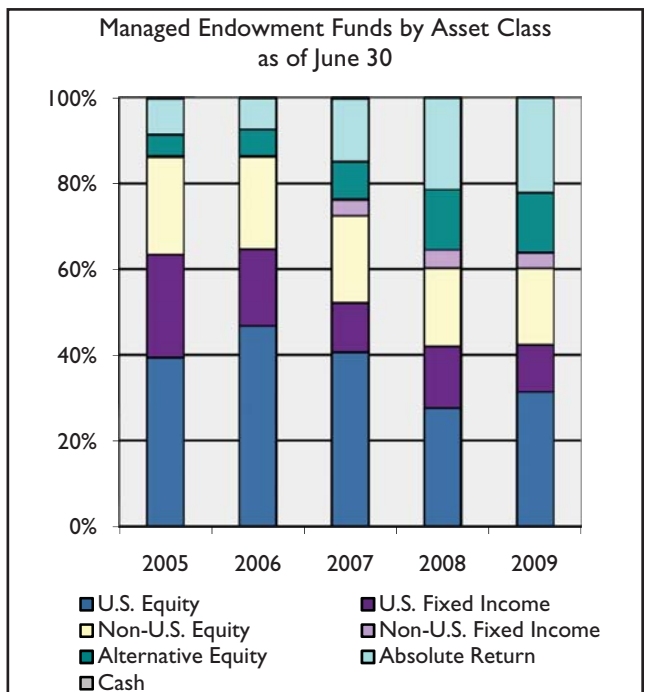
U.C. San Diego Foundation

	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Externally Managed Funds</u>		
Large-Cap U.S. Equity Funds		
iShares S&P 500 Index	\$20,166	7.1%
Mid & Small-Cap U.S. Equity Funds		
Vanguard MidCap Index Institutional Shares	7,743	2.7
Vanguard SmallCap Index Fund Instl Shares	8,177	2.9
International Equity Funds		
SSgA MSCI EAFE Index Fund	5,157	1.8
Emerging Market Equity Funds		
Vanguard Emerging Market	4,597	1.6
Other Equities		
iShares Cohen & Steers Realty Majors REIT	4,293	1.5
Fixed Income		
American Movil Bond	321	0.1
United Mexican States Bond	354	0.1
Real Estate		
Prudential PRISA Fund	5,459	1.9
Cash		
Cash equivalents held in managed accounts	<u>1</u>	<u>0.0</u>
Total Externally Managed Funds	\$56,268	19.7%
<u>Internally Managed Funds</u>		
Individual Securities	84	0.0
Real Property	855	0.3
Total Internally Managed Funds	\$939	0.3%
<u>Regentally Managed Funds</u>		
General Endowment Pool	197,305	69.9
UC Absolute Return Fund	15,658	5.5
UC Real Estate Fund	2,652	0.9
Short Term Investment Pool	3,170	1.2
UC Vintage Equity Fund 2003	3,140	1.2
UC Vintage Equity Fund 2007	2,119	0.8
Total Regentally Managed Funds	\$224,044	79.5%
<u>Other Endowed Assets</u>		
Art Work	19	0.0
Partnership	1,475	0.5
Other	3	0.0
Total Other Endowed Assets	\$1,497	0.5%
TOTAL ENDOWED ASSETS	\$282,748	100.0%

Endowment Investment Objective: The U.C. San Diego Foundation's primary investment goal for its endowment is to maximize long-term total return, utilizing a diversified portfolio consistent with prudent levels of risk. Endowment portfolio performance is expected to preserve or enhance the real value of the endowment and the purchasing power of the spending. The portfolio return goal is to achieve an annualized total net return at least equivalent to, and preferably exceeding, the endowment spending rate plus inflation, over rolling five and ten year periods. The investment policy target asset allocation is 24% U.S. Equity, 22% Non-US Equity, 7% Private Equity, 20% Absolute Return, 10% Real Estate, 7% TIPS/Real Return and 10% Fixed Income.

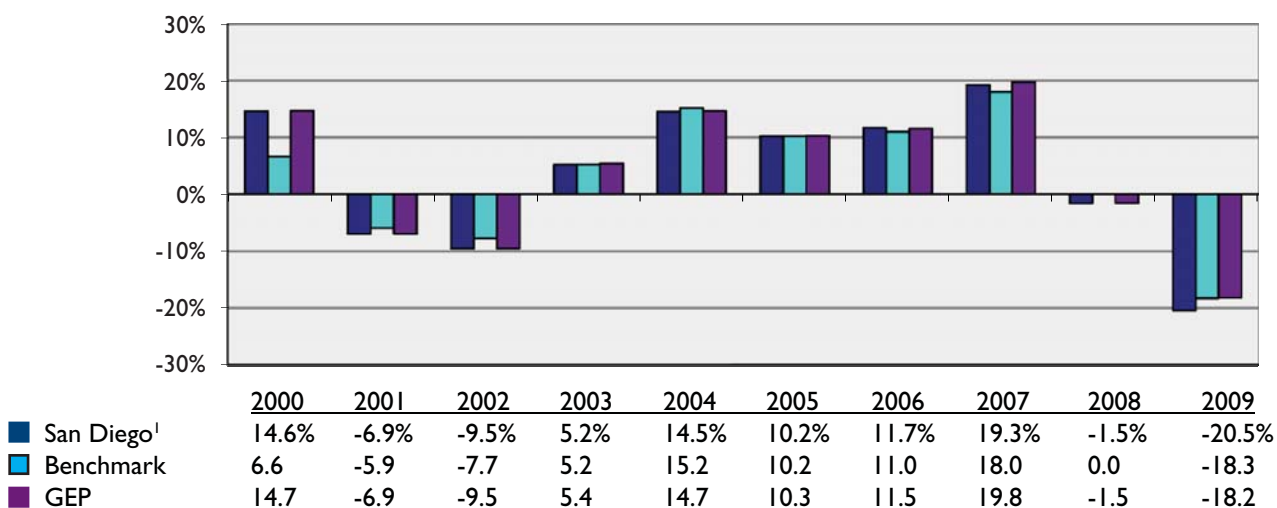
Endowment Spending Policy: Endowment spending during fiscal year 2008-09 was calculated using a predetermined formula at an amount equal to 4.75% of the five -year average unit market value of the endowment portfolio, subject to the limitations of UMIFA prior to January 1, 2009. Spending is allocated to fund holders monthly.

Policy for Gift Fees and Administrative Expenses: During fiscal year 2008-09, the San Diego campus assessed a one-time fee of 4% on the initial value of all gifts made to either the Foundation or The Regents. There was also a recurring charge of 0.40% annually on the market value of the Foundation's (and The Regents') endowment funds for the operating costs of managing the endowment. All of the gift fees and the endowment fees were used to provide funding for the centrally managed fundraising and related operations of the campus. During fiscal 2008-09, the campus assessed all interest earned on the balances of current use gift and private grant funds held by both the Foundation and the campus. A portion of these funds were made available to the campus vice chancellors as discretionary support, with the remainder used to provide funding for the centrally managed fundraising and related operations.



Annual Endowment Returns for Years Ending June 30

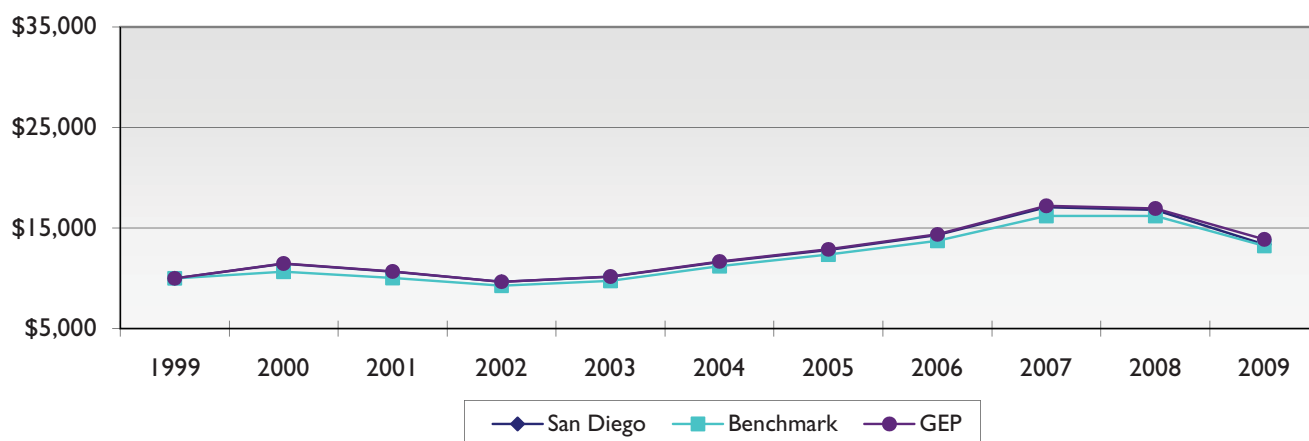
U.C. San Diego Foundation, Foundation Benchmark and GEP



¹The U.C. San Diego Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

U.C. San Diego Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
San Diego	Benchmark	GEP	San Diego	Benchmark	GEP
\$13,376	\$13,227	\$13,874	3.0%	2.8%	3.3%

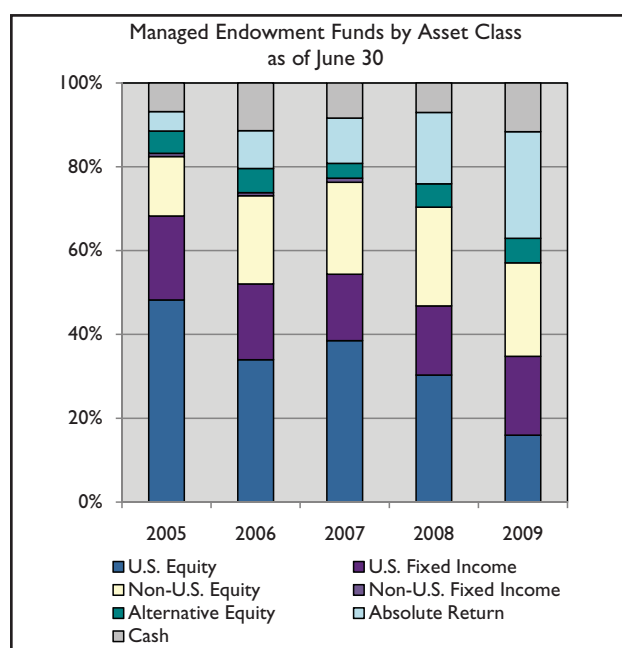
University of California, San Francisco Foundation

	6/30/09 Market Value (\$ 000)	% Endowment Funds
ENDOWED ASSETS		
Externally Managed Funds		
Large Cap Value		
Dodge & Cox	\$26,111	6.0%
Vanguard S&P500 Index	19,404	4.4
Mid Cap		
ValueAct Capital Intl II	8,660	2.0
All Cap		
Eagle Capital Management	15,909	3.6
International Equity Funds		
Gryphon International	21,911	5.0
Silchester	25,796	5.9
Dodge & Cox International Fund	19,974	4.6
Internation Emerging Equity		
GMO Emerging Markets	10,355	2.4
Tiedemann Long Duration	6,133	1.4
Westwood Global Invest Emerging Mkts	13,581	3.1
Real Estate & Hard Assets		
Metropolitan RE Partners III	2,991	0.7
Metropolitan RE Partners Intl II	542	0.1
Shorenstein SRI Nine REIT	1,209	0.3
CommonFund Capital Natural Res.V	1,563	0.4
Denham Commodity Fund V	1,294	0.3
LBA Realty IV	-9	0.0
Private Equity-Venture Capital, Distressed Debt		
Oaktree Principal Opportunity Fnd III	3,797	0.9
Oaktree Principal Opportunity Fnd IV	2,314	0.5
CommonFund Capital EVP IV	1,413	0.3
CommonFund Capital EVP V	2,333	0.5
CommonFund Capital CVP VI	2,317	0.5
Burrill Biotech Capital Fund LP	785	0.2
TIFF Private Equity Partners 2007	1,126	0.3
TIFF Private Equity Partners 2008	841	0.2
Friedman Fleisher & Lowe Cap. Partn. III	488	0.1
Varde Partners fund IX-A	2,645	0.6
Hedge Fund		
Protégé Partners LTD	6,914	1.6
TIFF Absolute Return Fund II	13,156	3.0
Farallon Capital Partners	9,620	2.2
Canyon Value Realization Fund	10,588	2.4
Forrester Offshore - Long/Short	15,849	3.6
Watershed Institutional Partners	9,037	2.1
Sankaty-Prospect Harbor Fund	5,777	1.3
Regiment Capital Special Situations IV	928	0.2
Brookside Capital Partners Fund	10,407	2.4
Baupost Value Partners IV	29,186	6.7
Bond Fund		
Dodge & Cox	82,516	18.8
Cash		
	51,052	11.6
Total Externally Managed Funds	\$438,513	100.0%
TOTAL ENDOWED ASSETS	\$438,738	100.0%

Endowment Investment Objective: The San Francisco Foundation's primary investment objective for its endowment portfolio is growth of principal sufficient to preserve purchasing power and to provide income to support current and future University activities. Over the long term, it is the goal of the Foundation that the total return on investment assets should equal the rate of inflation, plus the payout rate (which is used to support current activities), plus an amount reinvested to support future activities. The investment policy consists of: 32.5% U.S. Equity; 25% International Developed Equity; 7.5% Private Equity; 12.5% Hedge Funds; 5% Real Estate; and 17.5% Fixed Income.

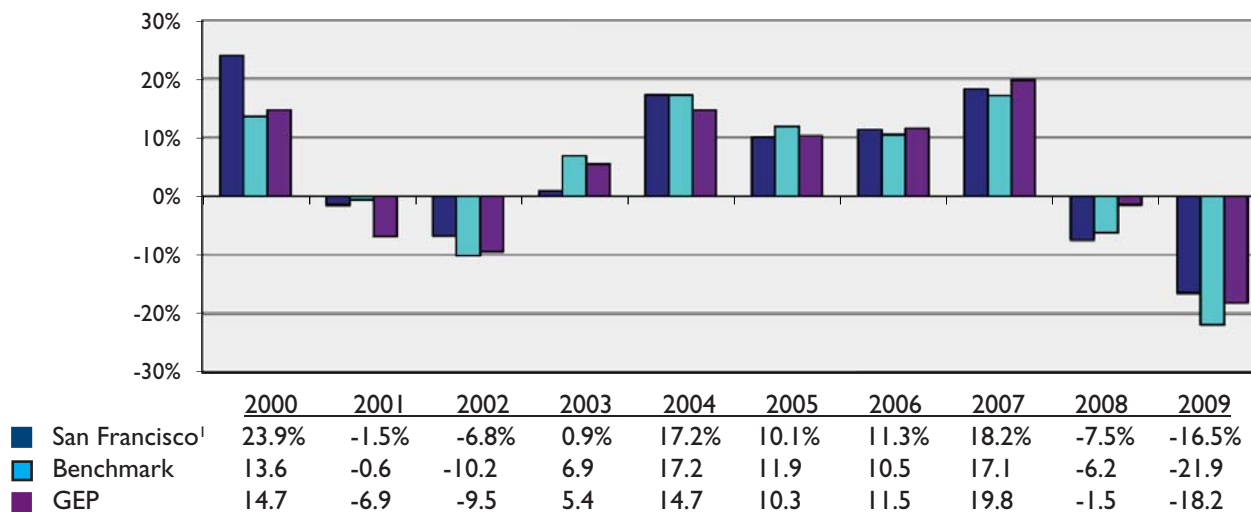
Endowment Spending Policy: A portion of the endowment pool will be expended annually. The amount of the distribution will be determined by the payout policy of the Foundation, modified by donors' wishes where applicable. The Foundation policy is to distribute 5% of the market value of the endowment pool calculated on a 36-month rolling average of the market value, subject to a 6% cap and a 3.5% floor as a percent of the end of year endowment pool market value. The payout rate is reviewed annually, which may result in modification. The payout is distributed once a year following the close of the fiscal year. Undistributed income and gains from investment activities are reinvested in the Endowment Pool.

Policy for Gift Fees and Administrative Expenses: The University of California, San Francisco Foundation charges a one-time fee of 4% of the initial value of gifts. In addition, the campus assesses a recurring charge of 75% of STIP income earned on current funds, which is assessed quarterly against income. An annual administrative fee of 35 basis points is charged on current and endowment funds administered by the Foundation. The Foundation also charges a 1% spending fee at the time that funds are spent for purpose. No fees are charged on gifts for student aid. Fees are used to cover development costs.



Annual Endowment Returns for Years Ending June 30

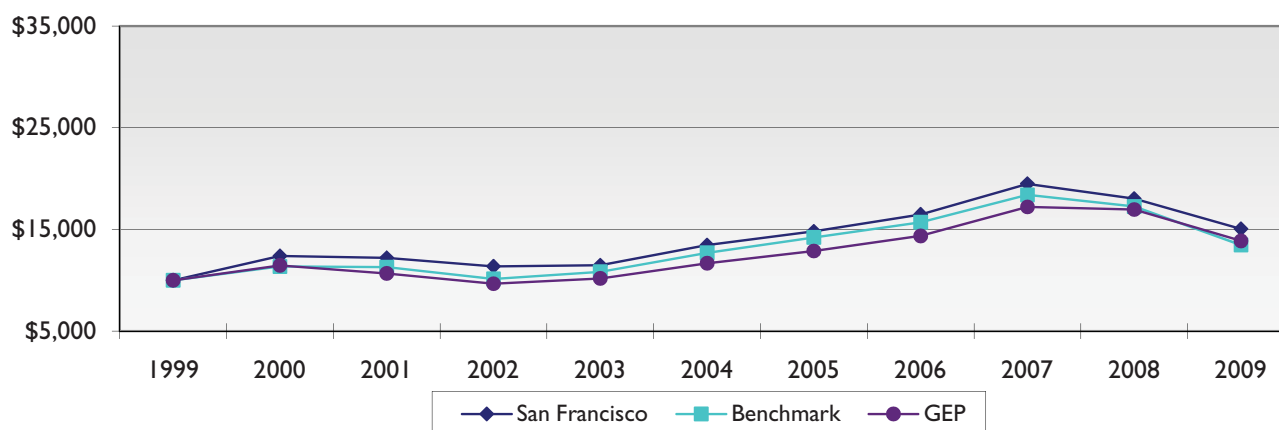
San Francisco Foundation, Foundation Benchmark and GEP



¹The UC San Francisco Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

San Francisco Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
San Francisco	Benchmark	GEP	San Francisco	Benchmark	GEP
\$15,056	\$13,472	\$13,874	4.2%	3.0%	3.3%

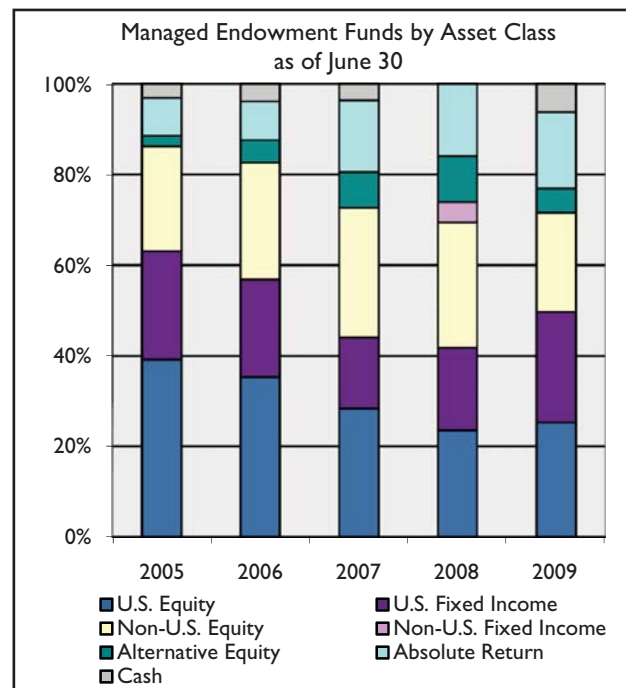
UC Santa Barbara Foundation

	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Externally Managed Funds</u>		
Equity Funds		
American Fund	\$153	0.2%
Andron Fund	908	1.0
Long Term Investment Pool	<u>82,011</u>	<u>93.6</u>
Total Externally Managed Funds	\$83,072	94.8%
<u>Regentally Managed Funds</u>		
Short Term Investment Pool	<u>4,561</u>	<u>5.2</u>
Total Regentally Managed Funds	\$4,561	5.2%
TOTAL ENDOWED ASSETS	\$87,632	100.0%

Endowment Investment Objective: All new endowment gifts are deposited into the Foundation's Long Term Investment Pool (LTIP), held primarily at Goldman Sachs with State Street Bank & Trust serving as master custodian. Endowment funds are invested in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Endowment Investment Spending Policies and Guidelines, as adopted by the Board of Trustees. The Foundation's investment objectives are: 1) Preserve investment capital and its purchasing power; 2) Generate sufficient resources to meet spending needs (payouts); and 3) Attain reasonable capital appreciation through prudent acceptance of risk to enhance the future purchasing power of the investment capital.

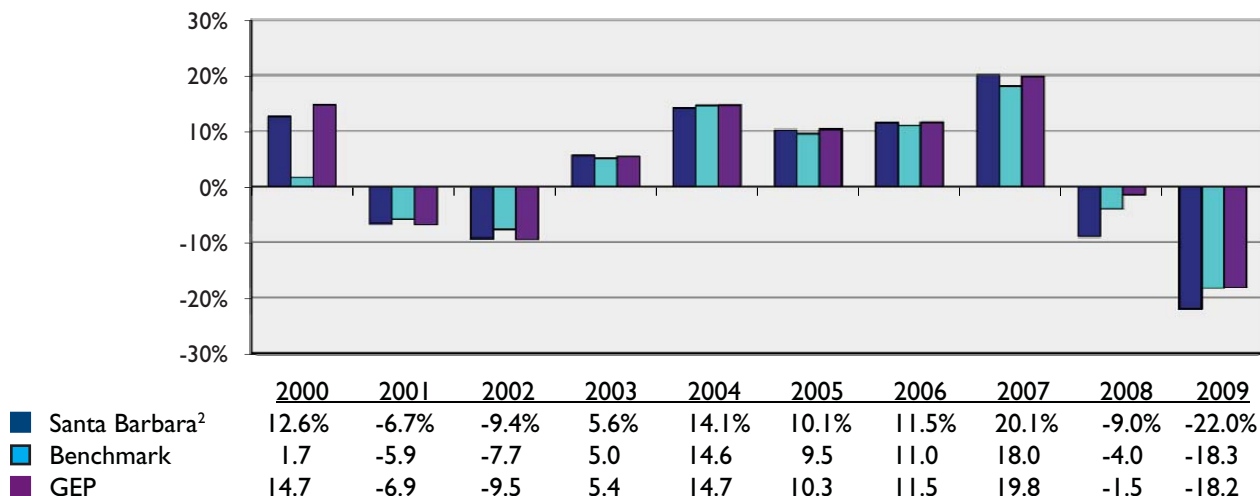
Endowment Spending Policy: The UC Santa Barbara Foundation adopted UMIFA at the Board meeting held on October 25, 1997. At their February 21, 2009 meeting, the Board adopted UPMIFA. At their February 2008 Board meeting, the Foundation adopted a total return spending policy for the 2008-2009 Fiscal Year based on the 60-month rolling average share value as of December 31, 2007, for the Long Term Endowment Pool/General Endowment Pool.

Policy for Gift Fees and Administrative Expenses: Through June 30, 2000, the UC Santa Barbara campus charged a one-time fee of 5% of the initial value of all restricted gifts to the Foundation and The UC Regents, excluding non-convertible gifts-in-kind. The fee was assessed to offset a portion of the direct costs related to gift processing and accounting. Effective July 1, 2000, all Short Term Investment Pool (STIP) earnings on gift funds accrue to the Chancellor to be used to support Institutional Advancement. In addition, Endowment Funds and Funds Functioning as Endowments were charged an annual Endowment Cost Recovery (ECR) Fee of .15% (15 basis points). For 2006-07, the board adjusted the ECR Fee to .25% (25 basis points) of the Fair Market Value (FMV) as of June 30, 2006. In their May 2008 meeting, the board set the ECR Fee at .40% (40 basis points) of the FMV as of June 30, 2008, for the 2008-09 year. At the February 2009 meeting, the board set the ECR Fee at .40% (40 basis points) of the FMV, as of June 30, 2009.



Annual Endowment Returns for Years Ending June 30¹

UC Santa Barbara Foundation, Foundation Benchmark and GEP

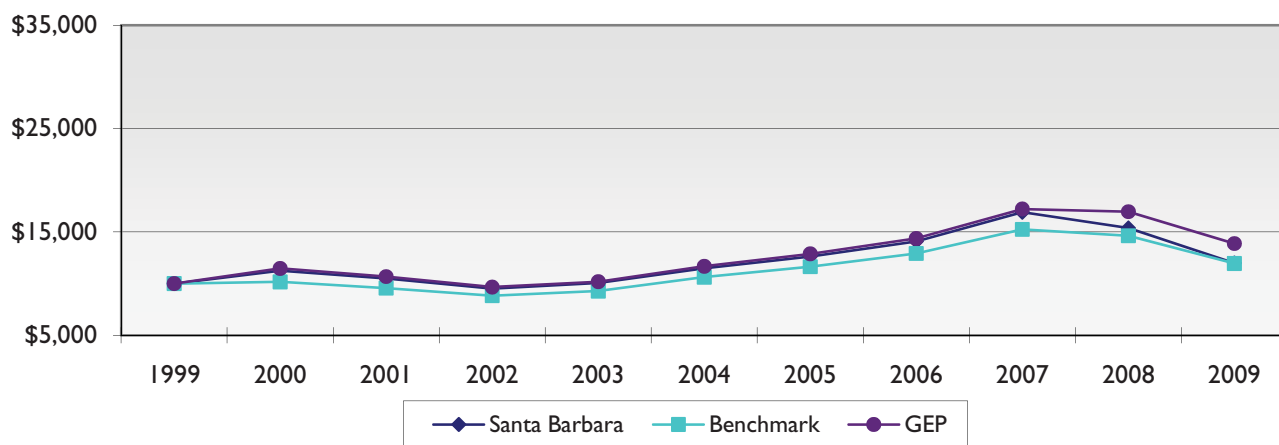


¹ UCSB Endowments were invested 60% in the High Income Pool through 2000.

² The UCSB Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

UC Santa Barbara Foundation, Foundation Benchmark and GEP



Ending Values 2009

Santa Barbara	Benchmark	GEP
\$11,989	\$11,953	\$13,874

Annualized Returns 2000-2009

Santa Barbara	Benchmark	GEP
1.8%	1.8%	3.3%

U.C. Santa Cruz Foundation

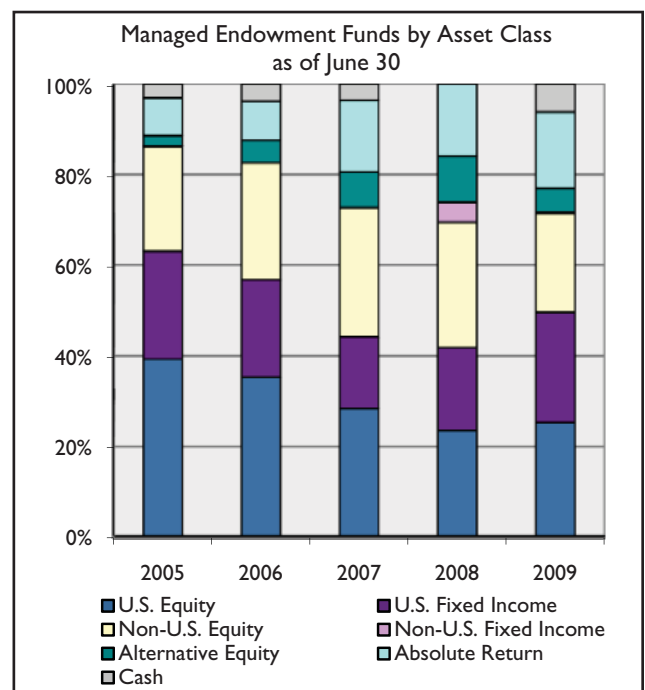
	6/30/09 <u>Market Value</u> (\$ 000)	% Endowment <u>Funds</u>
ENDOWED ASSETS		
<u>Regentally Managed Funds</u>		
General Endowment Pool	\$41,623	98.3%
Short Term Investment Pool	579	1.4%
Total Regentally Managed Funds	\$42,202	99.7%
Cash in operating (unprocessed gifts)	\$128	0.3%
TOTAL ENDOWED ASSETS	\$42,330	100.0%

Endowment Investment Objective: The UC Santa Cruz Foundation's investment objective for its endowment portfolio is to maximize long-term total return with a prudent level of risk, to provide inflation protection through reinvestment of an appropriate level of realized and unrealized earnings, and to maximize the real rate of return over the long term. The investment policy matches that of the General Endowment Pool: 44% Public Equity, 20.5% Public Fixed-Income, 35.5% All Alternatives.

Endowment Spending Policy: The U.C. Santa Cruz Foundation endowment expenditure rate is 4.5% times a three-year moving average of June 30 market values. The endowment expenditure formula is reviewed annually and adjusted accordingly with respect to prudent concern for campus needs, donor expectations, and current market conditions. In no event will the corpus be reduced below the amount of the original gift, adjusted by the Gross Domestic Product (GDP) price index, unless specific language of the endowment agreement so allows.

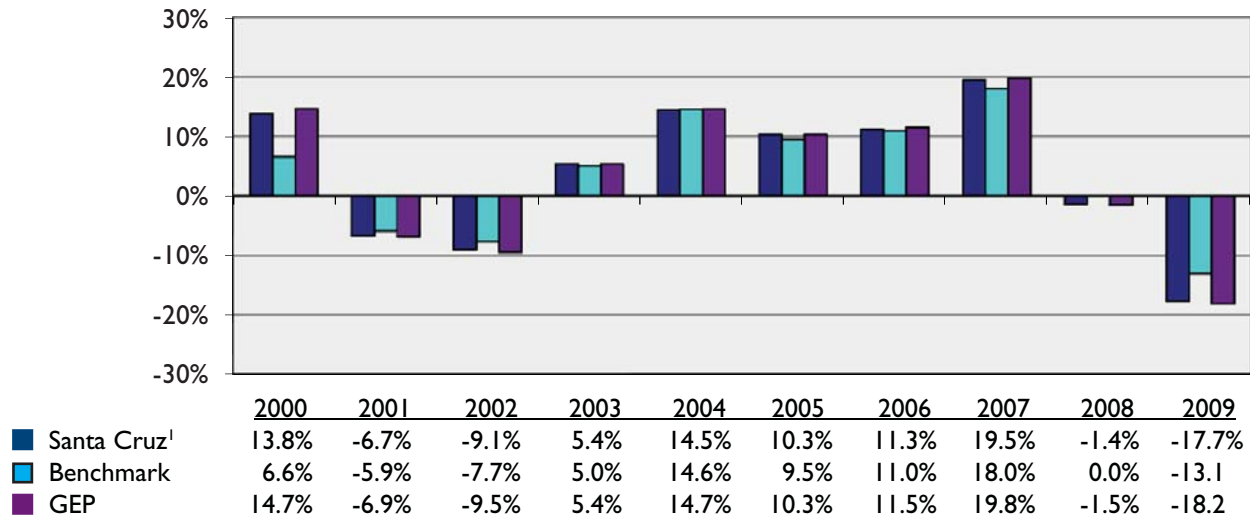
Policy for Gift Fees and Administrative Expenses:

The UC Santa Cruz Foundation allocates STIP earnings to uninvested endowment balances when it is earned. The UCSC campus assesses a gift fee of 3% of initial value of endowment gifts and 5% of initial value of current use gifts. Of the 4.0% endowment expenditures, .3% is allocated for administrative expenses of the Foundation.



Annual Endowment Returns for Years Ending June 30

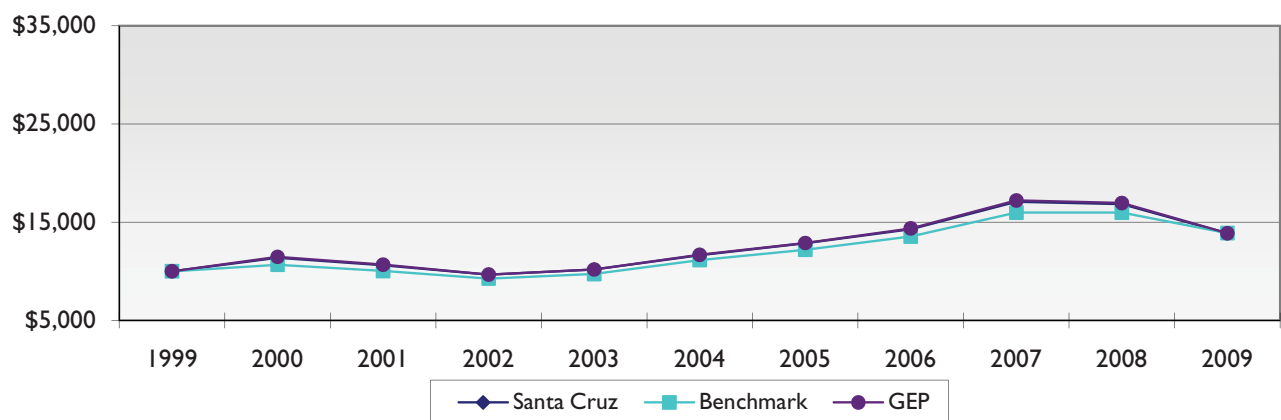
U.C. Santa Cruz Foundation, Foundation Benchmark and GEP



¹ The Santa Cruz Foundation's net total return data excludes Other Endowed Assets for all periods.

Ten-Year Performance of a \$10,000 Gift

U.C. Santa Cruz Foundation, Foundation Benchmark and GEP



Ending Values 2009			Annualized Returns 2000-2009		
Santa Cruz	Benchmark	GEP	Santa Cruz	Benchmark	GEP
\$13,865	\$13,892	\$13,874	3.3%	3.3%	3.3%

The General Endowment Pool (GEP)

The General Endowment Pool (GEP), established in 1933 and unitized in 1958, is The Regents' primary investment vehicle for endowed gift funds. GEP is a balanced portfolio of equities and fixed-income securities in which all Regental endowment funds participate, unless payout needs require otherwise.

In March 1998, GEP payout policy moved from income-only to a set expenditure rate. In May 2008, The Regents approved the continuance of a rate of 4.75% for expenditure in fiscal year 2008-2009. The average annual unit value total return for GEP for the 10-year period ending June 30, 2009, was 3.36%.

Investment Strategy

The Regents adopted the following asset allocation policy effective September 2008:

Asset Class	Current Policy	Minimum	Maximum
Public Equity	44.0%	37%	51%
Public Fixed Income	20.5%	15%	25%
All Alternatives*	35.5%	30%	40%
Liquidity	0.0%	0%	10%

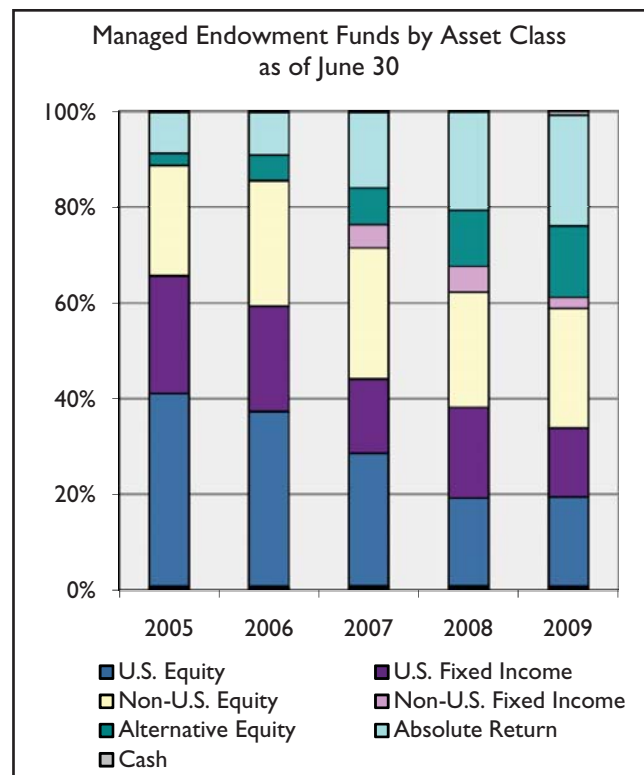
*Including, but not limited to: Real Estate, Private Equity, and Absolute Return Strategies

The asset allocation benchmarks and portfolio guidelines are designed to manage risk and ensure portfolio diversification. The benchmarks for the individual asset classes are: Russell 3000 Tobacco Free (TF) Index for U.S. Equity; MSCI World Index ex-U.S. TF (Net) Index for Non-U.S. Equity-Developed Markets; MSCI Emerging Markets (Net) Index for Non-U.S. Equity-Emerging Markets; MSCI All Country World Index Net Investable Market Index (IMI) TF for Global Equity; Barclays Capital Aggregate Bond Index for U.S. Core Fixed Income; Merrill Lynch High-Yield Cash Pay Index for High Yield Debt; Citigroup World Government Bond Index ex-U.S. for Non-U.S. Fixed Income; JP Morgan Emerging Market Bond Index Global Diversified for Emerging Market Debt; Barclays Capital TIPS Index for TIPS; HFRX Absolute Return Index and HFRX Market Directional Index for Absolute Return; Real Estate Public: FTSE EPRA NAREIT U.S. Index and FTSE EPRA NAREIT Global ex-U.S. Index; and Real Estate Private: NCREIF Funds Index-Open-End Diversified Core Equity. The total fund benchmark is a policy-weighted average of the individual asset-class benchmarks.

During the 2008-2009 fiscal year, a new global equity asset—MSCI ACWI IMI Fund—was added to the GEP portfolio. The current GEP Investment Policy Statement is available on the Treasurer's Office Web site (http://www.ucop.edu/treasurer/invpolicy/GEP_investment_policy.html).

Asset Mix

The following represents GEP's asset mix as of each of the past five fiscal-year ends.



The General Endowment Pool (GEP)

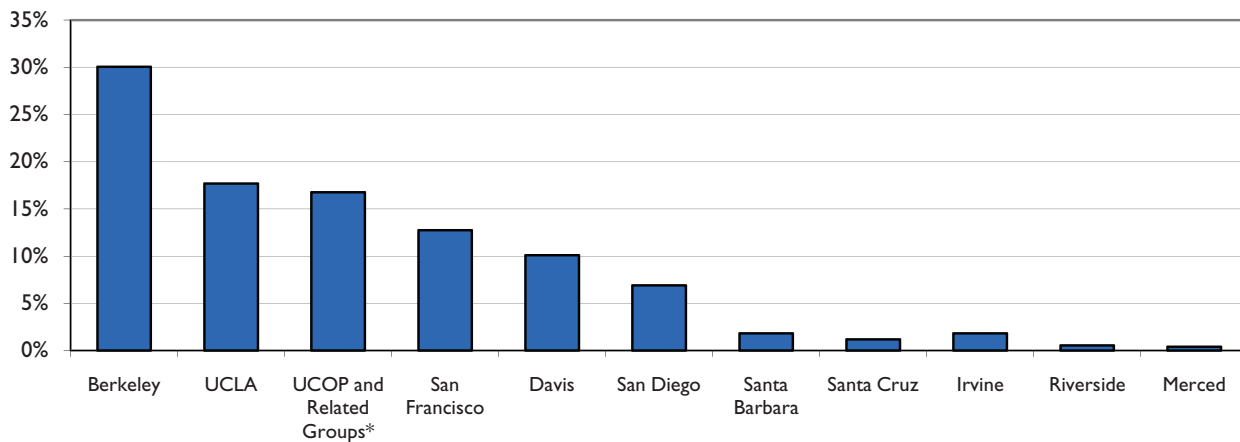
Asset Designation by Campus and Purpose

A donor has two avenues for making a gift to or establishing an endowment at the University: either directly to The Regents for a specific campus and/or purpose, or directly to a campus through its Foundation. The campus Foundation trustees have discretion in their choice of investment managers and may use the Treasurer's Office or external investment managers.

The Regents' endowment pools include assets that were gifted directly to The Regents, as well as Foundation assets where the Treasurer was retained as the investment manager. The chart below illustrates the breakdown of GEP's assets among the campuses. Not surprisingly, a higher proportion of the assets is dedicated to the older campuses, which have a more established alumni and donor base. Development efforts at the younger campuses aim to leverage the growth of their alumni base, as well as cultivate donors.

GEP Assets Designated by Campus

June 30, 2009

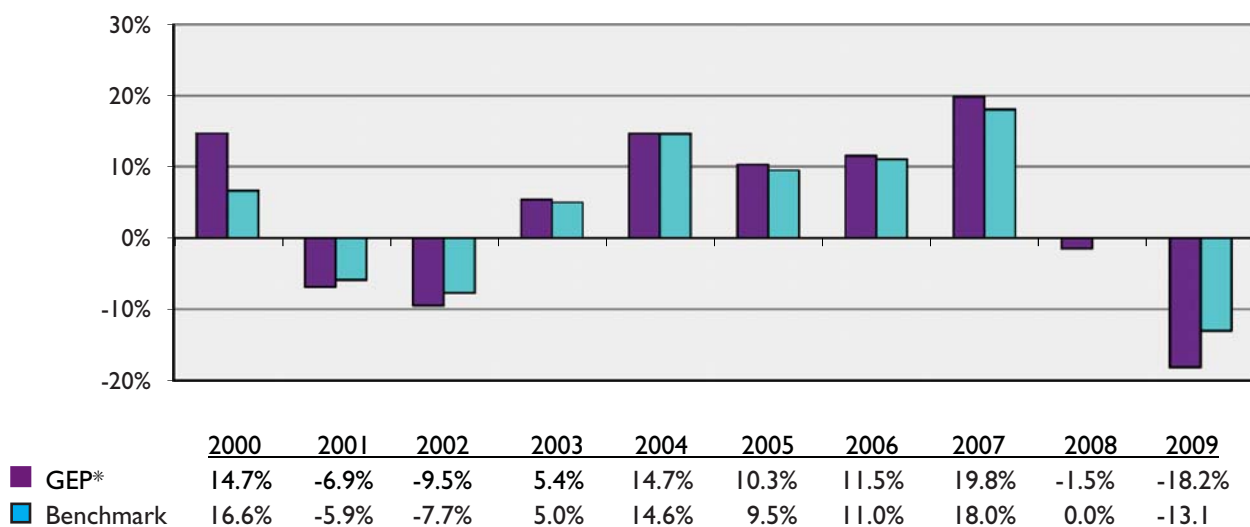


* University of California Office of the President (UCOP) administered programs and multi-campus gifts.

The General Endowment Pool (GEP)

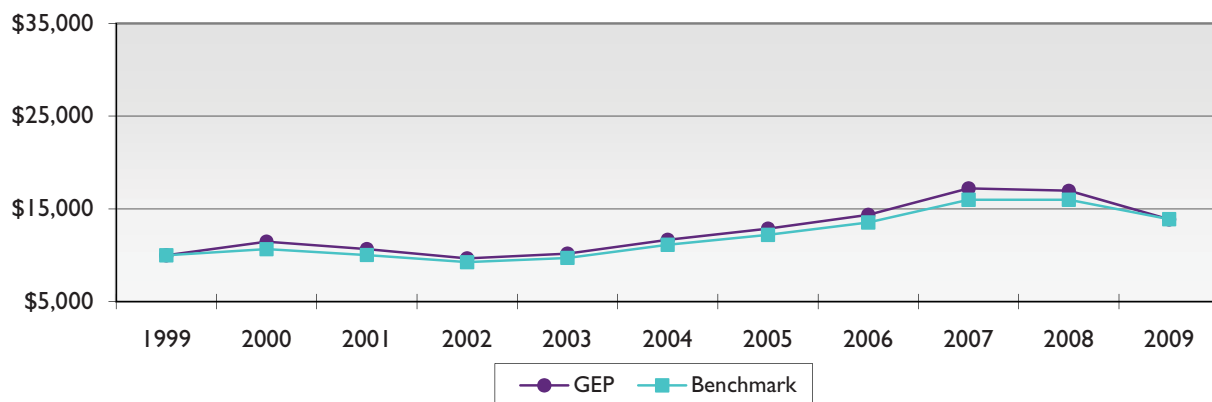
Annual Endowment Returns for Years Ending June 30

GEP and Benchmark



Ten-Year Performance of a \$10,000 Gift

GEP and Benchmark



Ending Values 2009	
GEP	Benchmark
\$13,874	\$13,900

Annualized Returns 2000-2009	
GEP	Benchmark
3.3%	3.3%

* Unit value total return.

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X. 10-Year Historical Performance

Table 10
10-Year Foundation Investment Performance
(periods ending June 30)

Annual Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-20.6%	-17.9%	-20.6%	-21.1%	-18.2%	-22.1%	-20.5%	-16.5%	-22.0%	-17.7%	-18.2%
2008	-0.3%	-1.4%	-2.9%	0.1%	-1.5%	2.8%	-1.5%	-7.5%	-9.0%	-1.4%	-1.5%
2007	20.3%	19.7%	18.7%	17.8%	19.8%	21.7%	19.3%	18.2%	20.1%	19.5%	19.8%
2006	14.8%	11.3%	10.9%	12.9%	11.5%	14.2%	11.7%	11.3%	11.5%	11.3%	11.5%
2005	11.3%	10.2%	7.7%	10.2%	10.3%	11.3%	10.2%	10.1%	10.1%	10.3%	10.3%
2004	17.7%	14.4%	15.6%	15.2%	14.7%	18.1%	14.5%	17.2%	14.1%	14.5%	14.7%
2003	3.4%	5.5%	6.5%	4.5%	5.4%	4.1%	5.2%	0.9%	5.6%	5.4%	5.4%
2002	-4.8%	-8.3%	-7.2%	-8.9%		-4.1%	-9.5%	-6.8%	-9.4%	-9.1%	-9.5%
2001	-5.0%	-5.6%	-3.4%	-1.3%		0.5%	-6.9%	-1.5%	-6.7%	-6.7%	-6.9%
2000	21.6%	17.5%	8.1%	7.4%		10.6%	14.6%	23.9%	12.6%	13.8%	14.7%
Average Annualized Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-20.6%	-17.9%	-20.6%	-21.1%	-18.2%	-22.1%	-20.5%	-16.5%	-22.0%	-17.7%	-18.2%
('08-'09)	-11.0%	-10.0%	-12.2%	-11.1%	-10.2%	-10.5%	-11.5%	-12.1%	-15.8%	-9.9%	-10.2%
('07-'09)	-1.6%	-1.0%	-2.9%	-2.4%	-1.2%	-0.8%	-2.2%	-3.0%	-5.2%	-1.0%	-1.2%
('06-'09)	2.2%	1.9%	0.4%	1.2%	1.9%	2.7%	1.1%	0.4%	-1.3%	1.9%	1.9%
('05-'09)	4.0%	3.5%	1.8%	3.0%	3.5%	4.4%	2.8%	2.3%	0.9%	3.5%	3.5%
('04-'09)	6.2%	5.3%	4.0%	4.9%	5.3%	6.5%	4.7%	4.6%	3.0%	5.3%	5.3%
('03-'09)	5.8%	5.3%	4.3%	4.9%		6.2%	4.8%	4.1%	3.4%	5.3%	5.3%
('02-'09)	4.4%	3.5%	2.8%	3.0%		4.8%	2.9%	2.7%	1.7%	3.4%	3.3%
('01-'09)	3.3%	2.4%	2.1%	2.5%		4.4%	1.7%	2.2%	0.7%	2.2%	2.1%
('00-'09)	5.0%	3.9%	2.7%	3.0%		5.0%	3.0%	4.2%	1.8%	3.3%	3.3%
Cumulative Total Returns - Foundations											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-20.6%	-17.9%	-20.6%	-21.1%	-18.2%	-22.1%	-20.5%	-16.5%	-22.0%	-17.7%	-18.2%
('08-'09)	-20.9%	-19.0%	-23.0%	-21.0%	-19.4%	-19.9%	-21.7%	-22.7%	-29.1%	-18.8%	-19.4%
('07-'09)	-4.8%	-3.1%	-8.5%	-7.0%	-3.5%	-2.5%	-6.6%	-8.6%	-14.8%	-3.0%	-3.4%
('06-'09)	9.3%	7.9%	1.4%	5.1%	7.7%	11.3%	4.4%	1.7%	-5.0%	7.9%	7.7%
('05-'09)	21.6%	19.0%	9.2%	15.8%	18.8%	23.9%	15.0%	11.9%	4.6%	19.0%	18.8%
('04-'09)	43.2%	36.1%	26.2%	33.4%	36.2%	46.3%	31.7%	31.2%	19.3%	36.3%	36.2%
('03-'09)	48.0%	43.6%	34.4%	39.4%		52.3%	38.5%	32.4%	26.0%	43.6%	43.6%
('02-'09)	40.9%	31.7%	24.7%	27.0%		46.1%	25.4%	23.3%	14.2%	30.6%	29.9%
('01-'09)	33.9%	24.3%	20.5%	25.3%		46.8%	16.7%	21.5%	6.5%	21.8%	21.0%
('00-'09)	62.8%	46.1%	30.3%	34.6%		62.3%	33.8%	50.6%	19.9%	38.6%	38.8%

Returns shown above prior to 2006 were provided by the individual Foundations. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances.

Table II
10-Year Benchmark and Active Performance
(periods ending June 30)

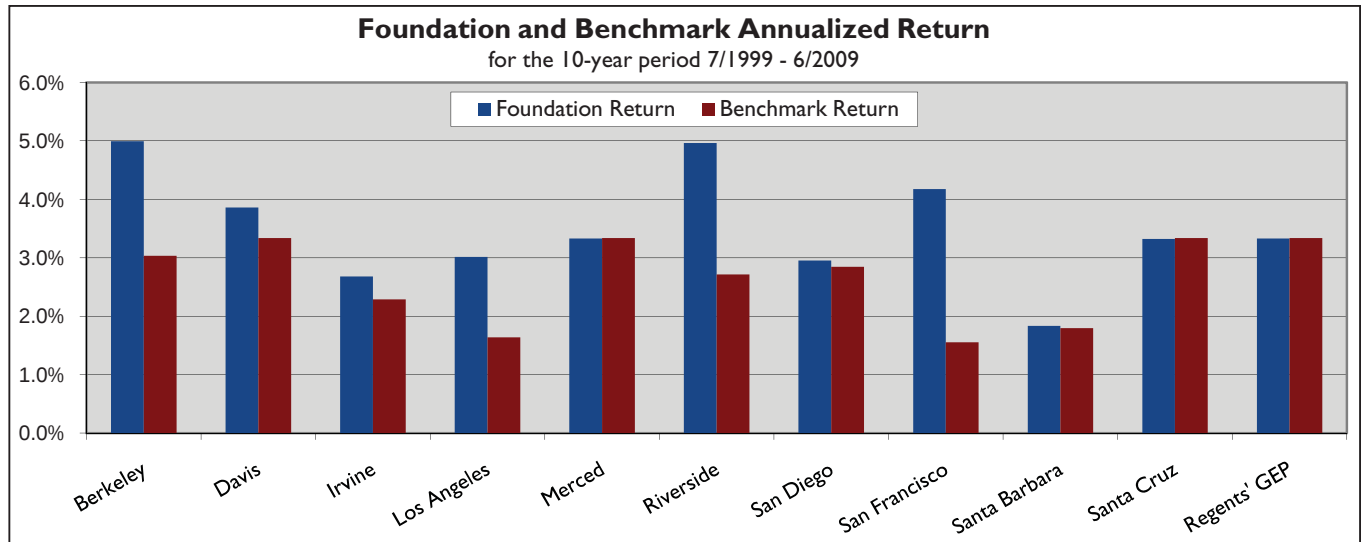
Annual Total Returns - Benchmarks											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-15.6%	-13.1%	-16.1%	-19.0%	-13.1%	-19.4%	-18.3%	-21.9%	-18.3%	-13.1%	-13.1%
2008	-1.2%	-0.0%	-6.4%	0.6%	-0.0%	-4.5%	-0.0%	-6.2%	-4.0%	-0.0%	-0.0%
2007	16.9%	18.0%	19.0%	17.1%	18.0%	20.2%	18.0%	17.1%	18.0%	18.0%	18.0%
2006	12.7%	11.1%	10.3%	10.3%	11.1%	13.6%	11.1%	10.5%	11.1%	11.1%	11.1%
2005	10.3%	9.5%	9.3%	8.7%	9.5%	10.4%	10.3%	11.1%	9.5%	9.5%	9.5%
2004	17.1%	14.6%	15.1%	16.2%	14.6%	18.0%	15.2%	17.2%	14.6%	14.6%	14.6%
2003	2.8%	5.0%	3.2%	3.0%	5.0%	2.1%	5.2%	4.3%	5.0%	5.0%	5.0%
2002	-8.1%	-7.7%	-6.6%	-10.5%		-7.8%	-7.7%	-9.1%	-7.7%	-7.7%	-7.7%
2001	-9.5%	-5.9%	-6.2%	-9.6%		-4.8%	-5.9%	-6.1%	-5.9%	-5.9%	-5.9%
2000	11.0%	6.6%	6.9%	6.1%		6.4%	6.6%	6.2%	1.7%	6.6%	6.6%
Annual Active Returns (Foundation minus Benchmark) ¹											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-5.1%	-4.9%	-4.6%	-2.0%	-5.1%	-2.7%	-2.1%	5.4%	-3.7%	-4.7%	-5.1%
2008	0.9%	-1.3%	3.4%	-0.5%	-1.5%	7.3%	-1.5%	-1.3%	-5.0%	-1.3%	-1.5%
2007	3.4%	1.7%	-0.2%	0.7%	1.7%	1.5%	1.2%	1.2%	2.0%	1.5%	1.8%
2006	2.2%	0.3%	0.6%	2.6%	0.5%	0.6%	0.6%	0.7%	0.4%	0.2%	0.4%
2005	1.0%	0.8%	-1.6%	1.4%	0.9%	0.9%	-0.1%	-1.1%	0.7%	0.8%	0.9%
2004	0.6%	-0.2%	0.5%	-1.0%	0.1%	0.1%	-0.7%	0.1%	-0.5%	-0.1%	0.1%
2003	0.6%	0.5%	3.3%	1.5%	0.4%	2.0%	0.0%	-3.4%	0.6%	0.4%	0.4%
2002	3.3%	-0.6%	-0.6%	1.6%		3.7%	-1.8%	2.3%	-1.7%	-1.4%	-1.8%
2001	4.5%	0.3%	2.8%	8.3%		5.3%	-1.0%	4.6%	-0.8%	-0.8%	-1.0%
2000	10.6%	10.9%	1.2%	1.3%		4.2%	8.0%	17.8%	10.9%	7.2%	8.1%
Average Annualized Active Returns (Foundation minus Benchmark) ²											
Year	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Regents' GEP
2009	-6.0%	-5.6%	-5.4%	-2.5%	-5.9%	-3.4%	-2.6%	7.0%	-4.5%	-5.4%	-5.9%
('08-'09)	-2.6%	-3.5%	-1.0%	-1.5%	-3.7%	2.0%	-2.0%	2.7%	-4.9%	-3.4%	-3.7%
('07-'09)	-0.8%	-1.9%	-0.7%	-0.8%	-2.0%	1.7%	-1.0%	2.1%	-2.7%	-1.9%	-2.0%
('06-'09)	-0.1%	-1.3%	-0.4%	-0.0%	-1.4%	1.4%	-0.6%	1.8%	-2.0%	-1.3%	-1.4%
('05-'09)	0.1%	-0.9%	-0.6%	0.2%	-1.0%	1.3%	-0.5%	1.2%	-1.5%	-0.9%	-1.0%
('04-'09)	0.1%	-0.8%	-0.4%	0.1%	-0.8%	1.1%	-0.5%	1.0%	-1.3%	-0.8%	-0.8%
('03-'09)	0.2%	-0.6%	0.1%	0.3%	-0.6%	1.2%	-0.5%	0.4%	-1.0%	-0.6%	-0.6%
('02-'09)	0.6%	-0.6%	-0.0%	0.4%		1.6%	-0.6%	0.7%	-1.1%	-0.7%	-0.8%
('01-'09)	1.1%	-0.5%	0.3%	1.4%		2.0%	-0.7%	1.1%	-1.1%	-0.7%	-0.8%
('00-'09)	1.9%	0.5%	0.4%	1.4%		2.2%	0.1%	2.6%	0.0%	-0.0%	-0.0%

¹ Arithmetic difference

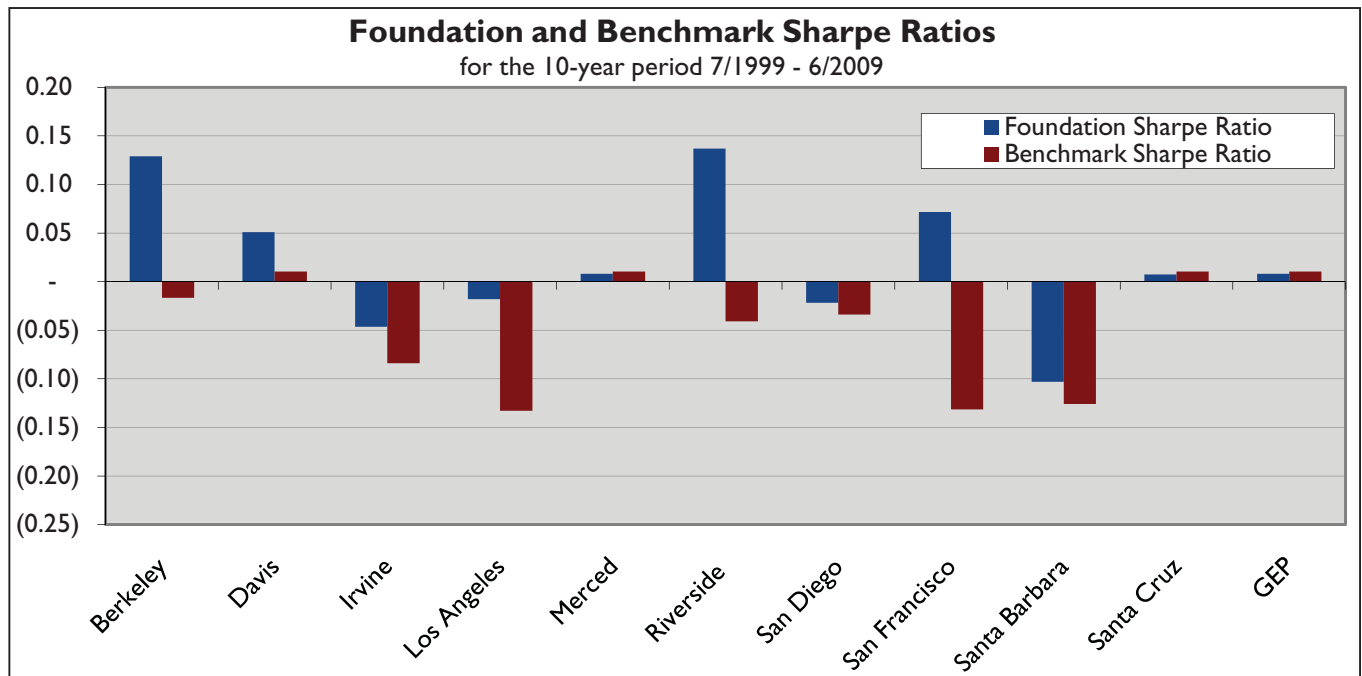
² Annualized geometric difference

XI

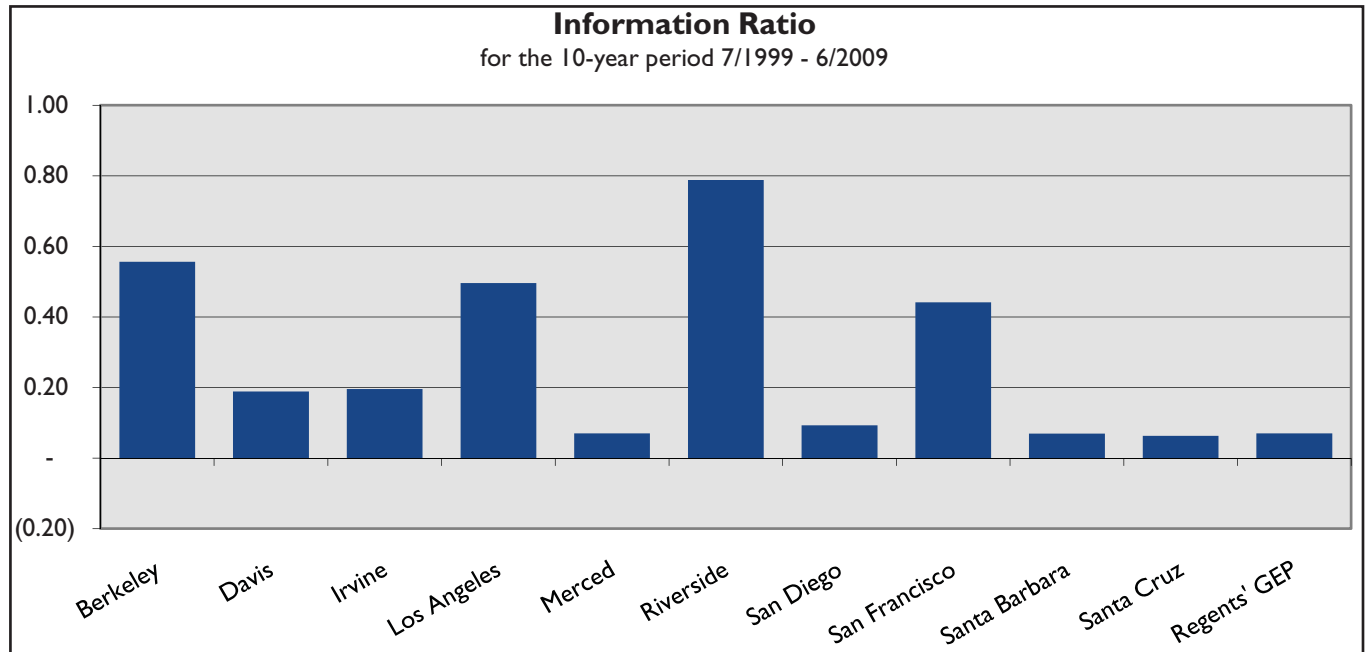
XI. Supplemental



The chart above compares the investment return for each Foundation with its benchmark, for the entire 10-year period June 1999–June 2009 (Merced uses GEP for full period). This information answers two questions: how well did the Fund perform relative to its stated policy, and how well did the choice of asset classes meet the fiduciaries' expectations for return and appetite for risk.



The chart above shows the Sharpe ratio for each Foundation and its respective benchmark, for the 10-year period, June 1999–June 2009. This measure of risk adjusted performance divides excess return (total return in excess of the risk free rate or cash return) by total volatility (standard deviation of returns). The results show how well each Foundation and the GEP outperformed their respective benchmarks on a risk-adjusted basis.



The Information Ratio, a measure of risk-adjusted active return, is shown in the graph above. It is defined as the ratio of Active Return to Active Risk. Active return is the difference between the annual Fund return and the Benchmark return for that year, and is here calculated as the arithmetic average of the ten one-year active returns shown in the middle panel of Table 11 in Section X. Active risk is the volatility of active returns, and is here calculated as the standard deviation of the 10 one-year active returns. The Information Ratio is positive (good) if on average the fund return exceeds the benchmark over the period, and negative otherwise. It is larger (good) if the active return was produced with some consistency, i.e., if the volatility (in the denominator) is lower.

Note: As the second and third charts were computed with annual, rather than monthly returns (as is customary), they present approximations of risk and risk-adjusted returns.

Sources: Returns prior to 2006 were provided by the individual Foundations. Returns for 2006 and later were provided by State Street Bank, except in extraordinary circumstances. The Foundations also provided their investment policy and benchmark policy allocations, which are summarized in Section XII. Based on this information, the Regents' Investment Consultant computed annual benchmark returns and the measures of risk and risk-adjusted returns shown in the charts above.

XII

XII. Investment Policies as of June 30, 2009

Asset Class	Benchmark Component	Percentage
UC Berkeley		
U.S. Equity	Russell 3000	16.7%
Non-U.S. Equity	MSCI EAFE	16.7
	MSCI EMF	8.0
Marketable Alternatives	91-Day T-Bill +4% +5%	20.0
Private Equity/Venture Capital	Benched against itself	10.6
Private Real Estate	Benched against itself	0.8
Private Energy/Commodities/Other	Benched against itself	1.2
Real Estate	Dow Jones-Wilshire REIT	3.0
	FTSE/EPRA NAREIT GLOBAL RE	2.0
Energy/Commodities/Other	Wilshire 5000 Energy	3.0
	DJAIGTR	2.0
	CPI-U + 5%	1.0
U.S. Fixed Income	Barclays Capital Aggregate	2.0
	Barclays Capital Interm. Govt./Credit	1.0
	BC 3-10-Year Treasury	9.0
Global Fixed Income	Citigroup World Govt Bond	3.0
Total		100.0%
UC Davis		
GEP	GEP Benchmark	100.0%
Total		100.0%
UC Irvine		
U.S. Equity	Russell 3000	22.0%
Non U.S. Equity	MSCI EAFE	22.0
Private Equity	Russell 3000+3%	8.0
Hedge Funds	HFRI Fund of Funds Index	20.0
Commodities	DJ AIG Commodity Index	5.0
Real Estate	Total Property Index	8.0
US Fixed Income	Barclays Capital Aggregate	15.0
Total		100.0%
UC Los Angeles		
U.S. Equity	Russell 3000	13.0%
Non-U.S. Equity	MSCI World ex U.S.	14.0
Private Equity	Actual PE Returns	24.0
Real Estate	NCREIF	8.0
Absolute Return	91-Day T-Bill+450bp	30.0
Fixed Income	Barclays Capital Aggregate	11.0
Total		100.0%
UC Merced		
GEP	GEP Benchmark	100.0%
Total		100.0%

Asset Class	Benchmark Component	Percentage
UC Riverside		
Global Equity	MSCI AC World	71.0%
Fixed Income	Barclays Capital Aggregate	<u>29.0</u>
Total		100.0%
UC San Diego		
U.S. Equity	Blend of S&P 500 + Russell 2500	24.0%
Non-U.S. Equity	Blend of MSCI ACWI ex-U.S. Index (Net) + MSCI Emerging Markets Index (Net)	22.0
Private Equity	S&P 500 + 5%	7.0
Absolute Return	HFN FOF Multi-Strat. Index (Net)	20.0
Real Estate	NCREIF Property Index	10.0
TIPS/Real Return	CPI + 5%	7.0
Fixed Income	Barclays Capital U.S. Aggregate Bond Index	<u>10.0</u>
Total		100.0%
UC San Francisco		
U.S. Equity	Russell 3000	32.5%
International Developed Equity	MSCI EAFE (Net)	25.0
Hedge Funds	8% return	12.5
Private Equity	S&P 500 + 7%	7.5
REITS	NAREIT Equity	5.0
U.S. Fixed Income	Barclays Capital Aggregate	<u>17.5</u>
Total		100.0%
UC Santa Barbara		
U.S. Equity	S&P 500	21.0%
Non-U.S. Equity Developed	MSCI World Ex-U.S. (Net)	13.0
Emerging Market Equity	MSCI Emerging Markets (Net)	6.0
Fixed Income	Barclays Capital Aggregate	13.0
	Barclays Capital High Yield	5.0
Absolute Return	Libor + 4.5%	16.5
Inflation Hedge	NAREIT All Share Price Index	16.0
Private Equity	Russell 3000 + 3%	<u>9.5</u>
Total		100.0%
UC Santa Cruz		
GEP	GEP Benchmark	<u>100.0%</u>
Total		100.0%
GEP		
U.S. Equity	Russell 3000 Tobacco Free Index	19.0%
Non-U.S. Equity Developed	MSCI World ex-U.S. Net Tobacco Free	18.0
Emerging Market Equity	MSCI Emerging Market Free Net	5.0
Global Equity	MSCI All Country World Index Net – IMI – Tobacco Free	2.0
U.S. Core Fixed Income	Barclays Capital Aggregate Bond Index	8.0
High Yield Debt	Merrill Lynch High Yield Cash Pay Index	3.0
Non-U.S. Fixed Income	Citigroup World Government Bond Index ex-U.S.	2.5
Emerging Market Debt	JP Morgan Emerging Market Bond Index – Global Diversified (as of February 1, 2009)	3.0
TIPS	Barclays Capital TIPS Index	4.0
Absolute Return	50% x HFRX Absolute Return Index + 50% HFRX Market Directional Index	23.5
Private Equity	Actual return of private equity portfolio	7.0
Real Estate	Public: 50% times the FTSE EPRA NAREIT U.S. Index plus 50% times the FTSE EPRA NAREIT Global ex-U.S. Index. Private: Open End = NCREIF Funds Index– Open-End Diversified Core Equity (lagged three months); Closed End = Actual Closed End Return	<u>5.0</u>
Total		100.0%

XIII

XIII. Glossary

Endowment Assets: True endowments, established by donor-restricted gifts to provide a permanent source of income, and Funds Functioning as Endowments (FEEs), established by donor-restricted gifts to provide income but principal may also be expended.

Trusts/Life Annuities: Assets donated by individuals or organizations, with the institution agreeing to pay a specific level of income to the donor, or designated beneficiary, for his or her lifetime. Subsequent to the beneficiary's death, the institution gains complete ownership of the donated assets. The donor may or may not have restricted the assets' purpose.

Current Assets: Assets for use in the near term to support the overall operations of the Foundation, where the donor may, or may not, have restricted their use. These assets typically include cash, accounts receivable, notes receivable, deferred charges, amounts due, prepaid expenses, etc.

In accordance with the Support Group Policy, endowed gifts or restricted assets must be transferred to the University to be spent in accordance with the donors' terms. However, the existing policy does not specify the timing and/or frequency of transfers. Consequently, the timing/frequency decision varies among the Foundations.

Non-Endowed Assets: Current gift and trust/life income assets, excluding pledges.

Other Endowed Assets: Separately invested assets, mortgages, real estate, and receivables.