

Approved

COMMITTEE ON INVESTMENTS
May 17, 2007

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

The Committee presents the following from its meeting of May 16, 2007

A. APPROVE UCRP/GEP ASSET ALLOCATION RECOMMENDATIONS

The Committee recommends that the Asset Allocation, Rebalancing Policy, and Benchmarks for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, effective July 1, 2007, as indicated in [Attachment 1](#).

B. APPROVE CHANGES TO INVESTMENT GUIDELINES

The Committee recommends that the changes to Investment Policies, Guidelines, and Benchmarks for the University of California Retirement Plan (UCRP) and the University of California General Endowment Pool (GEP) be approved, effective July 1, 2007, as indicated in [Attachment 2a, 2b, and 2c](#).

C. APPROVE FY 2007-2008 ANNUAL INCENTIVE PLAN (AIP) PERFORMANCE OBJECTIVES

The Committee recommends that the AIP asset class investment performance objectives from the previous fiscal year be adopted without change for FY 2007-08, as indicated in [Attachment 3](#).

D. ADOPTION OF EXPENDITURE RATE FOR THE GENERAL ENDOWMENT POOL

The Committee recommends that the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in FY 2007-08 shall remain at a rate of 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

E. **ADOPTION OF ENDOWMENT ADMINISTRATION COST RECOVERY RATE**

The Committee recommends that an endowment administration cost recovery rate of 25 basis points (0.25 percent) be approved to apply to the distributions from the General Endowment Pool (GEP) to be made after July 1, 2007, from the eligible assets invested in the GEP to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the systemwide offices.