

**UTIMCO Restatement of Historical  
Intermediate Term Fund Policy Portfolio Returns:  
Performance Presentation Footnote Disclosure**

Policy Portfolio returns for the periods beginning February 1, 2006 (the inception date of the fund) through April 30, 2006 were restated to reflect a change in the hedge fund asset class benchmark due to disruptive developments surrounding the existing benchmark. The benchmarks for the directional hedge funds and the absolute return hedge funds previously were composites of Standard & Poor's (S&P) "investable" hedge fund indices.

The integrity and reliability of these indices were called into question when the investment manager, PlusFunds, had disputed dealings with Refco in late 2005 and subsequently filed for bankruptcy in early 2006. On June 28, 2006, S&P announced that due to the diminishing number of managed accounts and their distribution in the index as of July 1, 2006, the S&P hedge fund indices would not be representative of the broad range of strategies that hedge funds employ and therefore would no longer be published. The S&P did not publish final index numbers for the period ended May 31, 2006. Due to the elimination of the S&P benchmark it was necessary to find a suitable replacement. UTIMCO staff conducted a thorough review of alternative benchmark solutions for the portfolios, and recommended the MSCI Investable Hedge Fund Index be used for both the directional hedge fund and absolute return hedge fund assets classes.

The Board of Regents approved the new benchmark on August 10, 2006, with an effective date of February 1, 2006 as this was the inception date of the fund. Refco's claim against Plus Funds occurred prior to February 1, 2006. This action was the catalyst that created the disruptive developments surrounding the S&P investable indices.

The results of the restatement of the hedge fund asset class benchmark and Policy Portfolio returns for the ITF for the period February 1, 2006 (inception date) to April 30, 2006 are shown below.

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**INTERMEDIATE TERM FUND  
Inception to Date Performance Attribution through April 30, 2006**

Asset Class	Presented with current Hedge Fund Benchmark				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	1.12%	1.08%	-0.03%	0.00%	-0.03%
U.S. Equities	2.72%	3.02%	0.00%	-0.04%	-0.04%
Non-U.S. Developed Equity	8.70%	7.99%	0.01%	0.03%	0.04%
Emerging Markets Equity	3.89%	7.94%	0.01%	-0.20%	-0.19%
Directional Hedge Funds	2.96%	2.81%	-0.04%	0.02%	-0.02%
Absolute Return Hedge Funds	3.76%	2.97%	0.02%	0.10%	0.12%
REITS	4.86%	3.75%	-0.02%	0.10%	0.08%
Commodities	0.21%	1.04%	0.00%	-0.05%	-0.05%
TIPS	-1.94%	-2.32%	-0.01%	0.04%	0.03%
Fixed Income	-0.17%	-0.83%	0.02%	0.17%	0.19%
<b>Total</b>	<b>2.13%</b>	<b>2.00%</b>	<b>-0.04%</b>	<b>0.17%</b>	<b>0.13%</b>
	<b>Policy Target Allocation</b>	<b>Benchmark Return</b>	<b>Weighted Benchmark</b>		
Directional Hedge Funds	12.50%	2.81%	1.41%		
Absolute Return Hedge Funds	12.50%	2.97%	1.49%		
Total Hedge Fund Benchmark			<u>2.89%</u>		

Asset Class	Presented with proposed Hedge Fund benchmark restated from February 1, 2006 - April 30, 2006				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
Cash and Cash Equivalents	1.12%	1.08%	-0.03%	0.00%	-0.03%
U.S. Equities	2.72%	3.02%	0.00%	-0.04%	-0.04%
Non-U.S. Developed Equity	8.70%	7.99%	0.01%	0.03%	0.04%
Emerging Markets Equity	3.89%	7.94%	0.01%	-0.20%	-0.19%
Directional Hedge Funds	2.96%	2.55%	-0.04%	0.05%	0.01%
Absolute Return Hedge Funds	3.76%	2.55%	0.02%	0.15%	0.17%
REITS	4.86%	3.75%	-0.02%	0.10%	0.08%
Commodities	0.21%	1.04%	0.00%	-0.05%	-0.05%
TIPS	-1.94%	-2.32%	-0.01%	0.04%	0.03%
Fixed Income	-0.17%	-0.83%	0.02%	0.17%	0.19%
<b>Total</b>	<b>2.13%</b>	<b>1.92%</b>	<b>-0.04%</b>	<b>0.25%</b>	<b>0.21%</b>
	<b>Policy Target Allocation</b>	<b>Benchmark Return</b>	<b>Weighted Benchmark</b>		
Directional Hedge Funds	12.50%	2.55%	1.28%		
Absolute Return Hedge Funds	12.50%	2.55%	1.28%		
Total Hedge Fund Benchmark			<u>2.55%</u>		

## **UTIMCO ENDOWMENT POLICY PORTFOLIO**

### **Benchmark Composition History**

**ITF Benchmark History:** Beginning September 1, 2011, the policy targets as set forth in Exhibit A of the Investment Policy Statements were approved by the Board of Regents on August 15, 2011. The target allocations approved were 10% MSCI World Index with net dividends, 7.5% MSCI Emerging Markets Index with net dividends, 35% Hedge Fund Research Indices Fund of Funds Composite Index, 7.5% Custom Index (50% Dow Jones-UBS Commodity Index total return plus 50% MSCI World Natural Resources Index), 5% FTSE EPRA/NAREIT Developed Net TRI Index, and 35% Barclays Capital Global Aggregate Index. These levels were re-approved and unchanged by the Board of Regents on August 23, 2012 for the fiscal year ending August 31, 2013. The return history of this benchmark and the composition of the benchmark is as follows:

- **(Sept 1, 2009 – Aug 31, 2011)** – This benchmark was reset or adjusted on a monthly basis to transition from previously approved targets to August 31, 2010 ending levels of: 10% MSCI World Index with net dividends, 7.5% MSCI Emerging Markets Index with net dividends, 35% Hedge Fund Research Indices Fund of Funds Composite Index, 7.5% Custom Index (50% Dow Jones-UBS Commodity Index total return plus 50% MSCI World Natural Resources Index), 5% FTSE EPRA/NAREIT Developed Index, and 35% Barclays Capital Global Aggregate Index.
- **(Jan 1, 2009 – Aug 31, 2009)** – This benchmark was reset or adjusted on a monthly basis to transition from previously approved targets to August 31, 2009 ending levels of: 20% MSCI World Index with net dividends, 5% MSCI Emerging Markets Index with net dividends, 25% Hedge Fund Research Indices Fund of Funds Composite Index, 5% Custom Index (50% Dow Jones AIG Commodity Index total return plus 50% MSCI World Natural Resources Index), 10% FTSE EPRA/NAREIT Global Index, 2% Barclays Capital Global High Yield Index, and 33% Barclays Capital Global Aggregate Index.
- **(Sept 1, 2008 – Dec 31, 2008)** – This benchmark was reset or adjusted on a monthly basis to transition from previously approved targets to August 31, 2009 ending levels of: 20% MSCI World Index with net dividends, 5% MSCI Emerging Markets Index with net dividends, 25% MSCI Investable Hedge Fund Index, 5% Custom Index (50% Dow Jones AIG Commodity Index total return plus 50% MSCI World Natural Resources Index), 10% FTSE EPRA/NAREIT Global Index, 2% Lehman Brothers Global High Yield Index, and 33% Lehman Brothers Global Aggregate Index.
- **(Mar 1, 2008 – Aug 31, 2008)** – This benchmark was reset or adjusted on a monthly basis to transition from previously approved targets to August 31, 2008 ending levels of: 20% MSCI World Index with net dividends, 5% MSCI Emerging Markets Index with net dividends, 25% MSCI Investable Hedge Fund Index, 5% Dow Jones AIG Commodity Index total return, 10% NAREIT Equity Index, 2% Lehman Brothers Global High Yield Index, and 33% Lehman Brothers Global Aggregate Index.
- **(Feb 1, 2006 – Feb 28, 2008)** – This benchmark is comprised of 15% Russell 3000 Index, 5% MSCI EAFE Index with net dividends, 5% MSCI Emerging Markets Index with net dividends, 25% MSCI Investable Hedge Fund Index, 10% Dow Jones Wilshire Real Estate Securities Index, 5% Combination Index (66.7% GSCI minus .5% plus 33.3% Dow Jones

# **UTIMCO ENDOWMENT POLICY PORTFOLIO**

## **Benchmark Composition History**

AIG Commodity Index), 10% Lehman Brothers U.S. TIPS Index, and 25% Lehman Brothers Aggregate Bond Index.