Doing Simple Better

UC Investments 90/10 Endowment Strategy Index

Index Objective and Purpose

The UC Investments 90/10 Endowment Strategy Index (the "Index") is designed to measure the performance of a simple, rules-based asset allocation consisting of U.S. equities and short-term U.S. investment grade corporate bonds. The Index reflects the long-term investment allocation of the University of California Blue and Gold Pool and is intended to serve as both an investable benchmark and as the basis for investment products, including exchange-traded funds (ETFs).

The Index is calculated by S&P Dow Jones Indices LLC ("S&P DJI") in its role as calculation agent and is white-labeled under UC Investments branding.

Index Construction Overview

- **Asset Allocation:** Static 90% Equity / 10% Fixed Income
- **Equity Component:** S&P 500® Index
- **Fixed Income Component:** S&P U.S. Investment Grade Corporate Bond 1–3 Year Index
- **Rebalancing Frequency:** Quarterly
- **Float Adjustment / Capping:** Not Applicable (applied at component level)
- **Index Return Type:** Total Return
- **Index Currency:** U.S. Dollars (USD)
- **Calculation Frequency:** End-of-Day (EOD)

Eligibility Criteria

Eligible Component Indices

The Index is composed exclusively of the following S&P DJI-maintained indices (the "Component Indices"):

1. **S&P 500 Index**, which represents U.S. large-capitalization equities listed on U.S. exchanges.

2. **S&P U.S. Investment Grade Corporate Bond 1–3 Year Index**, which represents U.S. dollar-denominated, investment grade corporate bonds with remaining maturities between one and three years.

Each Component Index must be calculated and published by S&P DJI and must be available as a total return index in U.S. dollars.

Constituent Eligibility

Eligibility, inclusion, and removal of securities within each Component Index are governed solely by S&P DJI and the individual methodologies of those Component Indices. The Index and the Regents of the University of California do not impose additional eligibility screens, exclusions, or constraints at the individual security level.

Index Universe

The effective universe of the Index consists of:

- **U.S. large-capitalization equities** via the S&P 500 Index; and
- **U.S. dollar-denominated short-term investment grade corporate bonds** via the S&P U.S. Investment Grade Corporate Bond 1–3 Year Index.

The estimated number of underlying securities at launch exceeds 2,500 securities in aggregate and will vary over time in accordance with changes to the Component Indices.

Index Selection and Weighting

Target Weights at Rebalance

At each scheduled rebalancing, the Component Indices are assigned the following fixed target weights:

- **90%** S&P 500 Index
- **10%** S&P U.S. Investment Grade Corporate Bond 1–3 Year Index

Intra-Period Weight Drift

Between rebalancing dates, Component Index weights are allowed to drift based on relative performance. No interim rebalancing, tolerance bands, or discretionary adjustments are applied.

Rebalancing Schedule

Frequency

The Index is rebalanced on a **quarterly** basis.

Rebalance Effective Date

Rebalancing becomes effective after the close of business on the **third Friday of March, June, September, and December**, aligned with the standard rebalancing calendar for the S&P 500 Index.

Rebalance Implementation

Rebalancing is implemented using official closing index levels of the Component Indices on the rebalance effective date. Pro-forma constituent files may be published in advance of the rebalance for operational and product management purposes.

Index Calculation

Calculation Method

Weighted Return Indices combine the returns of two or more underlying indices using a specified set of weighting rules to create a new unique index return series. An index that uses the Weighted Return methodology might also be referred to as an "Index of Indices".

Periodic Rebalancing, accruing interest: $Index_t = Index_r \times (1 + \Sigma(weight_{i,r} \times (ComponentIndex_{i,t} / ComponentIndex_{i,r} - 1))_{N i=1}$

where:

Indext = the value of the top level index on day t
Indexr = the value of the top level index at the previous rebalancing date r19
weighti,r = the weight of component index i on the previous rebalancing date r
ComponentIndexi,t = the value of the component index i on day t
ComponentIndexi,r = the value of the component index i on the previous rebalancing date r20
N = the number of component indices within the top level index

Component Indices Weightings and Returns:

Periodic Rebalancing, accruing interest:
$Weight\ i,t = (ADJ\ Weighti,r * (1 + Daily\ Returni,t))/(1 + Index\ Returnt)$

$Index\ Return\ t = Index\ t / Index\ r - 1$

where:

Weight i,t = the weight of component index i on day t
ADJ Weight i,t-1 = the Adjusted close weight of component index i on day t-1
N = the number of component indices within the top-level index

Daily Return i,t = daily return of component index i on day
Index Returnt = the return of the weighted return index on day t.

Base Value and History

- **Base Value:** 1,000
- **Back-Test Start Date:** January 29, 1993 (earliest available Component Index history)

Index levels prior to the Index launch date are back-calculated and are provided for informational and benchmarking purposes only.

Corporate Actions and Ongoing Maintenance

Corporate Actions

All corporate actions applicable to the underlying securities are reflected through the Component Indices in accordance with their respective methodologies. The Index and the Regents of the University of California do not apply any additional corporate action processing at the Index level.

Data Contingencies

If a Component Index is unavailable or subject to a temporary disruption, S&P DJI may apply its standard data contingency and calculation procedures in line with its published custom index policies.

Index Holidays and Calculation Schedule

- **Holiday Schedule:** U.S. Exchange Holidays
- **Calculation Rule:** The Index is calculated on any business day on which at least one Component Index is calculated. If all Component Index markets are closed, the Index will not be calculated.

Index Dissemination

Data Publication

Index values, constituents (via Component Indices), and corporate action information are disseminated through S&P DJI's Enterprise Data eXchange (EDX) platform using S&P DJI's Universal File Format (UFF 2.0).

Tickers

- **Total Return Index Ticker:** UCBGPTR

Vendor Distribution

At the direction of the index sponsor (The Regents of the University of California), index levels and constituents may be distributed to third-party vendors, including Bloomberg, subject to applicable agreements and entitlements.

Governance and Methodology Changes

This methodology is maintained by the Regents of the University of California, however it does not have any discretion over the Index construction, methodology or Index and will not amend the index rules, Index construction, methodology or Index.

Disclaimer

The Index is a rules-based index and does not constitute investment advice or an offer to buy or sell any security. Index performance does not reflect transaction costs, management fees, or taxes. Past performance is not indicative of future results.