

# Calendar Year 2015 Portfolio Performance

**Business Board Meeting  
Tuesday, April 5<sup>th</sup>, 2016**



**William W. Moriarty, CFA  
President & CEO, UTAM**

# A Successful Period For The University Portfolios

<b>Performance Summary - December 31, 2015</b>				
	<b>Net Return</b>			
	<b>CY 2015</b>	<b>2 Years</b>	<b>4 Years</b>	<b>5 Years</b>
<b>Actual Portfolio Return:</b>				
LTCAP	<b>7.70%</b>	<b>10.27%</b>	<b>11.25%</b>	<b>9.15%</b>
Pension	<b>7.45%</b>	<b>10.03%</b>	<b>11.10%</b>	<b>9.04%</b>
EFIP	<b>1.46%</b>	<b>1.73%</b>	<b>1.66%</b>	<b>1.85%</b>
<b>University Targets:</b>				
LTCAP	5.59%	5.53%	5.32%	5.51%
Pension	5.59%	5.53%	5.32%	5.51%
EFIP	1.54%	1.51%	1.57%	1.74%
<b>Additional Return:</b>				
LTCAP	<b>2.11%</b>	<b>4.74%</b>	<b>5.93%</b>	<b>3.64%</b>
Pension	<b>1.85%</b>	<b>4.51%</b>	<b>5.78%</b>	<b>3.52%</b>
EFIP	<b>-0.08%</b>	<b>0.22%</b>	<b>0.09%</b>	<b>0.11%</b>

# Financial Markets Tailwind Disappearing

Benchmark Portfolio vs. University Target				
	CY 2015	2 Years	4 Years	5 Years
<b>LTCAP:</b>				
<b>Benchmark Portfolio</b>	<b>3.16%</b>	<b>6.36%</b>	<b>8.34%</b>	<b>6.78%</b>
Target	5.59%	5.53%	5.32%	5.51%
<b>Difference</b>	<b>-2.44%</b>	<b>0.84%</b>	<b>3.02%</b>	<b>1.27%</b>
<b>Pension:</b>				
<b>Benchmark Portfolio</b>	<b>3.16%</b>	<b>6.36%</b>	<b>8.43%</b>	<b>6.86%</b>
Target	5.59%	5.53%	5.32%	5.51%
<b>Difference</b>	<b>-2.44%</b>	<b>0.84%</b>	<b>3.11%</b>	<b>1.35%</b>

# Active Management Was A Significant Contributor

Actual Portfolio vs. Benchmark Portfolio				
	CY 2015	2 Years	4 Years	5 Years
<b>LTCAP:</b>				
<b>Actual Portfolio</b>	<b>7.70%</b>	<b>10.27%</b>	<b>11.25%</b>	<b>9.15%</b>
Benchmark Portfolio	3.16%	6.36%	8.34%	6.78%
<b>Difference</b>	<b>4.55%</b>	<b>3.90%</b>	<b>2.91%</b>	<b>2.38%</b>
<b>Pension:</b>				
<b>Actual Portfolio</b>	<b>7.45%</b>	<b>10.03%</b>	<b>11.10%</b>	<b>9.04%</b>
Benchmark Portfolio	3.16%	6.36%	8.43%	6.86%
<b>Difference</b>	<b>4.29%</b>	<b>3.67%</b>	<b>2.67%</b>	<b>2.18%</b>

# The Financial Markets Environment Remains Challenging

-- 10-year Return Implied By Valuation Models and a Simple Passive Portfolio --

	Weight	Model Projected Return	Contribution To Portfolio
Equities	60%	5.8%	3.48%
Bonds	40%	1.6%	0.64%
Implied Portfolio Return (Nominal)			4.12%

**Questions?**