

MANAGED FUNDS ASSOCIATION

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HEDGE FUND INVESTMENTS IN ARKANSAS

Across the state of Arkansas, hedge funds are helping people attain retirement security and young people get a quality education.

Institutional investors – like pensions and university foundations– use hedge funds to diversify their investment portfolios and manage risk. Ultimately, hedge funds are an important tool used by institutional investors to help meet their financial obligations.

Hedge funds are no longer exclusively used by wealthy investors. Globally, 65% of hedge fund assets come from institutional investors.¹



Hedge Funds Help Build Retirement Security

Arkansas Public Employees Retirement System (APERS)

- According to its 2011 Financial Statement, APERS has an alternative investment portfolio, but it is comprised of private equity, real estate, and timber investments. It does not specify any hedge fund investments.²
- In January 2012, the Board of Trustees continued a discussion about pursuing an Absolute Return strategy and exploring partnerships with fund of funds managers.³

Tyson Foods

- Tyson Foods is one of the largest employers in Arkansas with more than 7,500 workers.⁴
- According to its most recent financial report in 2012, Tyson's defined benefit plan allocated \$276 thousand of its nearly \$69 million total assets, to alternative investments, including hedge funds.⁵

United Parcel Service (UPS)

- UPS employs more than 2,500 workers in Arkansas.⁶
- As of December 31, 2012 UPS invested more than \$2.8 billion, or 11.1%, of its \$25 billion total assets in hedge funds.⁷

ConAgra Foods, Inc.

- ConAgra Foods employs nearly 2,000 Arkansans.⁸
- As of May 27, 2012, ConAgra invested \$379.1 million, or 13.7%, of its \$2.76 billion pension plan assets in multi strategy hedge funds.⁹

Smithfield Foods, Inc.

- Smithfield Foods employs more than 1,250 workers in Arkansas.¹⁰
- As of May 27, 2012, ConAgra invested \$379.1 million, or 13.7%, of its \$2.76 billion pension plan assets in multi strategy hedge funds.¹¹

General Electric

- GE Rail Services operates maintenance facilities in Arkansas.¹²
- As of December 31, 2012, the GE employee pension plan invested \$1.7 billion of its \$45 billion total investments in hedge funds.¹³

Hedge Funds Help Ensure Educational Opportunities

The University of Arkansas Foundation

- The University of Arkansas Foundation seeks to advance higher education by providing financial support for all units and activities of the University of Arkansas.¹⁴
- As of June 30, 2012, the University invested \$101.5 million, or about 15%, of its \$679.2 million total assets in hedge funds.¹⁵

The University of Arkansas External Investment Pool

- The University of Arkansas and the University of Arkansas Foundation established an external investment pool in 1997 to commingle investments of multiple, legally separate entities for the benefit of the university and its community. The Walton Arts Foundation joined the pool in 1998, the Fayetteville Campus Foundation joined in 2003, and the University of Arkansas Community College Hope Foundation joined the pool in 2007.¹⁶
- As of June 30, 2012, the External Investment Pool invested \$74.5 million, or 5.3%, of its \$1.4 billion total assets in hedge funds.¹⁷

*Data listed here is updated frequently and contains the most current information in public filings.

¹ “Prequin Special Report: Hedge Funds” pp. 16, October 2012,

http://www.preqin.com/docs/reports/Prequin_Special_Report_Hedge_Funds_October_2012.pdf.

² “Comprehensive Annual Financial Report 2011.” Arkansas Public Employees Retirement System, November 2, 2012, http://www.apers.org/annualreports/APERS_FR2011.pdf

³ “Minutes of the Special Meeting of the Board of Trustees.” Arkansas Public Employees Retirement System, November 2, 2012, http://www.apers.org/docs/Board_minutes/BM041112.pdf

⁴ “Largest Companies Headquartered in AR.” Bloomberg Government, November 2, 2012, <http://www.bgov.com/companies/101779>

⁵ “Tyson’s Annual Report 2012,” pp. 66, <http://ir.tyson.com/phoenix.zhtml?c=65476&p=irol-reportsAnnual>.

⁶ “Arkansas’ Largest Employers 2011.” Economic Development Commission, November 5, 2012,

[http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20\(august%202012\)%20\(esd%204th%20qrt%2011\).pdf](http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20(august%202012)%20(esd%204th%20qrt%2011).pdf)

⁷ “UPS 2012 Annual Report,” UPS, March 11, 2012, pp. 72, <http://thomson.mobular.net/thomson/7/3275/4724/>.

⁸ “Arkansas’ Largest Employers 2011.” Economic Development Commission, November 5, 2012, p. 7,

[http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20\(august%202012\)%20\(esd%204th%20qrt%2011\).pdf](http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20(august%202012)%20(esd%204th%20qrt%2011).pdf)

⁹ “ConAgra Foods 2012 Annual Report,” November 5, 2012, p. 81

https://materials.proxyvote.com/Approved/205887/20120727/AR_138143/images/ConAgra-AR2012.pdf

¹⁰ “Arkansas’ Largest Employers 2011.” Economic Development Commission, November 5, 2012, p. 10,

[http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20\(august%202012\)%20\(esd%204th%20qrt%2011\).pdf](http://www.arkansasedc.com/media/148905/arkansas%20largest%20employers%202011%20(august%202012)%20(esd%204th%20qrt%2011).pdf)

¹¹ “ConAgra Foods 2012 Annual Report,” November 5, 2012, p. 81

https://materials.proxyvote.com/Approved/205887/20120727/AR_138143/images/ConAgra-AR2012.pdf

¹² “U.S. Maintenance Facility Locations.” GE Capital Rail System,

<http://www.ge.com/railservices/about/maintenancefacilities/Arkansas.html>

¹³ “GE 2012 Annual Report,” General Electric, December 31, 2012, pg. 104,

http://www.ge.com/ar2012/pdf/GE_AR12.pdf.

¹⁴ “University of Arkansas Foundation, Inc.” <http://www.uarkfoundation.org/about/mission/>

¹⁵ “Consolidated Financial Statements and Supplemental Schedules.” University of Arkansas Foundation, Inc., June 30, 2012, p. 12, <http://www.uarkfoundation.org/wp-content/uploads/2009/12/2012-UofA-Report-FINAL.pdf>

¹⁶ “Annual Financial Report.” University of Arkansas, June 30, 2012, p. 58,

<http://finance.uark.edu/PDFs/1112annualrept.pdf>

¹⁷ “Annual Financial Report.” University of Arkansas, June 30, 2012, p. 58,

<http://finance.uark.edu/PDFs/1112annualrept.pdf>.