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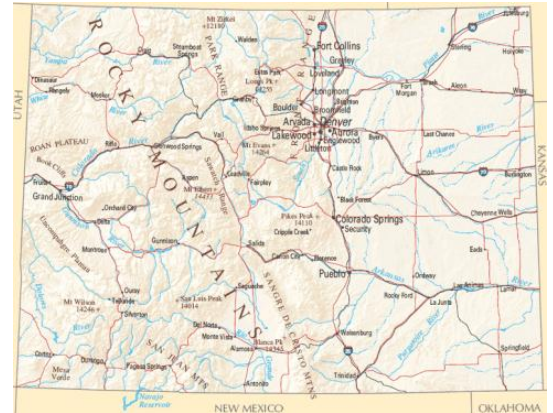


HEDGE FUND INVESTMENTS IN COLORADO

Across the state of Colorado, hedge funds help build retirement security, expand access to higher education, and improve the quality of life in local communities.

Institutional investors – like public and corporate pensions, university endowments and philanthropic 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

Fire & Police Pension Association of Colorado (FPPA)

- As of December 31, 2011, FPPA held \$3.111 billion in net investible assets², serving a membership of 10,690 workers and retirees.³
- In 2011, the FPPA's invested \$303 million to absolute return strategies, including hedge funds.⁴

Lockheed Martin Space Systems

- Lockheed Martin employs more than 10,000 workers in Littleton.⁵
- As of December 31, 2012, Lockheed invested \$806 million of its \$32 billion in total pension plan assets in hedge funds.⁶

Verizon Wireless

- Verizon employs roughly 4,000 workers at its Colorado Springs facility.⁷
- As of December 31, 2011, Verizon invests more than \$2.3 billion in hedge funds, which composes more than 9.5% of its \$24 billion pension plan.⁸

Eastman Kodak

- Eastman Kodak's Windsor plant employs approximately 2,000 workers.⁹
- In 2012, Eastman Kodak invested \$345 million, or 7.3%, of its \$4.7 billion in pension plan assets in absolute return strategies, which include¹⁰ hedge funds.

Wells Fargo

- Wells Fargo employs approximately 2,000 workers in Denver.¹¹
- As of December 31, 2012, Wells Fargo allocated \$258 million of its \$9.6 billion pension plan assets to multi-strategy hedge funds.¹²

Northrop Grumman

- Northrop Grumman employs approximately 1,700 workers at various facilities throughout Colorado, with main facilities in Colorado Springs, Aurora, Boulder, Denver and Lakewood.¹³
- Northrop invests \$1.7 billion, or 7%, of its \$24 billion retirement plan assets in hedge funds.¹⁴

General Electric (GE)

- GE recently announced plans to build a new solar panel factory in Aurora, Colorado. The plant is expected to be the largest of its kind in the United States, creating 335 jobs for local workers.¹⁵
- As of December 31, 2012, the GE employee pension plan invested \$1.7 billion of its \$45 billion total investments in hedge funds.¹⁶

Hedge Funds Help Ensure Educational Opportunities

University of Colorado (CU)

- University of Colorado-Boulder is the state's largest employer, with 13,300 employees.¹⁷
- The CU Foundation invests the majority of the university's endowments in the Long Term Investment Pool (LTIP), which is valued at \$863.9 million. Forty-seven percent of the LTIP is invested in a combination of hedge funds, private capital, and real assets.¹⁸
- According to their website, endowments invested through the CU Foundation "enable CU to establish scholarships, fellowships and professorships, enrich academic programs, and support research programs to benefit students and faculty, as well as Colorado and the broader community."¹⁹

University of Denver

- The University of Denver employs 2,300.²⁰
- In 2012, the endowment allocated \$103 million, or 8.6%, of its \$1.2 billion total assets to hedged equity investments and absolute return investments.²¹
- The Endowment held more than \$146 million in alternative investments, which include hedge funds, as of June 30, 2010.²²

- These funds help the endowment support scholarships, professorships, research, and other priorities.²³

University of Northern Colorado (UNC)

- UNC's Foundation invests endowed and quasi-endowed funds into a long term investment pool valued at approximately \$88.7 million.
- As of June 30, 2011, the Foundation allocated approximately 10%, or \$8.3 million, in assets to its Low Correlated Hedge portfolio.²⁴
- During the Fiscal Year 2010-2011, the UNC Foundation provided more than \$4 million in support for university programs and \$2.9 million in scholarships.²⁵
- UNC is Colorado's 16th largest employer, with 3,600 employees.²⁶

Colorado State University (CSU)

- The CSU Foundation manages investments for the university's endowment, which had a fair value of more than \$296.6 million as of June 30, 2011. The Foundation allocates more than \$23 million toward hedged equity investments and nearly \$60 million to its absolute return investment portfolio.²⁷
- According to its website, the CSU Foundation was incorporated to "assist in the promotion, development, and enhancement of the facilities and educational programs and opportunities of the faculty, students, and alumni of Colorado State University."²⁸

Hedge Funds Help Improve the Quality of Life in Local Communities

The Colorado Health Foundation (CHF)

- CHF's mission is to "improve the health and health care of Coloradans by increasing access to quality health care and encouraging healthy lifestyle choices." In 2010, the Foundation provided \$97 million in funding across various strategies to achieve these goals.²⁹
- As of December 31, 2011, CHF invested more than \$140 million of its \$2.2 billion total assets in hedge fund strategy investments.³⁰

The Colorado Trust

- The Colorado Trust provides grant funding dedicated toward improving the health and wellbeing of Colorado Residents. The Trust has embarked upon a plan to secure access to healthcare for all Coloradans by 2018.³¹
- The Trust invests across a variety of strategies to provide funding for their grants, including more than \$37.2 million, or 9% of its investments, in hedge fund investments as of December 31, 2011. The Trust's investments total over \$407.2 million.³²

*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.prequin.com/docs/reports/Prequin_Special_Report_Hedge_Funds_October_2012.pdf.

² Comprehensive Annual Report for the Fiscal Year Ended December 31, 2011 - Fire and Police Pension Association of Colorado, p. 27 http://www.fppaco.org/toc_frames.html

³ Comprehensive Annual Report for the Fiscal Year Ended December 31, 2011 - Fire and Police Pension Association of Colorado, p. 33 http://www.fppaco.org/toc_frames.html.

⁴ Comprehensive Annual Report for the Fiscal Year Ended December 31, 2011 - Fire and Police Pension Association of Colorado, p. 24 http://www.fppaco.org/toc_frames.html.

⁵ Lockheed Martin: Colorado,

<http://www.acinet.org/oview6.asp?id=&soccode=&stfips=08&from=State&nodeid=12>

⁶ Lockheed Martin Corporation 2012 Annual Report, December 31, 2012, under: "Fair Value of Plan Assets," p. 78, <http://www.lockheedmartin.com/content/dam/lockheed/data/corporate/documents/2012-Annual-report.pdf>.

⁷ "America's Career InfoNet: Largest Employers." Welcome to America's Career InfoNet. Accessed November 29, 2011. <http://www.acinet.org/oview6.asp?id=&soccode=&stfips=08&from=State&nodeid=12>.

⁸ "Verizon Communications 2011 Annual Report," Verizon.com, under: "Plan Assets,"

http://www22.verizon.com/investor/app_resources/interactiveannual/2011/downloads/11_vz_ar.pdf.

⁹ "Life at Kodak" Kodak.com, "Windsor Colorado" accessed January 23, 2013,

<http://www.kodak.com/US/en/corp/careers/life/newindex.jhtml>.

¹⁰ "Eastman Kodak Company 2012 Annual Report on Form 10-K," Kodak Investor Center, February 29, 2012, under "Major U.S. Plans December 31, 2012,

<http://ek.client.shareholder.com/sec.cfm?DocType=&DocTypeExclude=&SortOrder=FilingDate%20Descending&Ye ar=&Pagenum=3&FormatFilter=&CIK=>.

¹¹ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed November 29, 2011, <http://www.acinet.org/oview6.asp?id=&soccode=&stfips=08&from=State&nodeid=12>.

¹² "Wells Fargo 2012 Annual Report," Wells Fargo, December 31, 2012, pg. 230,

https://www.wellsfargo.com/downloads/pdf/invest_relations/2012-annual-report.pdf.

¹³ "Colorado." Careers with Northrop Grumman. Accessed November 30, 2011.

<http://careers.northropgrumman.com/locations/colorado.html>.

¹⁴ "Northrop Grumman 2010 Annual Report," Northrop Grumman, March 24, 2011, pg. 100,

http://www.northropgrumman.com/pdf/2010_noc_ar.pdf.

¹⁵ "GE Plans to Build Largest US Solar Factory in Colorado, Expand Solar Innovation in New York and Deliver Lighter, Larger, More Efficient Thin Film Solar Panels : Press Releases : News : GE," GE News, October 13, 2011,

<http://www.genewcenter.com/Press-Releases/GE-Plans-to-Build-Largest-US-Solar-Factory-in-Colorado-Expand-Solar-Innovation-in-New-York-and-Deliver-Lighter-Larger-More-Efficient-Thin-Film-Solar-Panels-3408.aspx>.

¹⁶ "GE 2012 Annual Report," General Electric, December 31, 2012, pg. 104,

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

¹⁷ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed November 29, 2011, <http://www.acinet.org/oview6.asp?id=&soccode=&stfips=08&from=State&nodeid=12>.

¹⁸ Fall 2011 Investment Management Update, November 2011, under: "Investment Portfolio Composition,"

http://466650.cache1.evolutionhosting.com/wp-content/themes/cufoundation/images/brochures/11%208%20cuf_endowment_quarterly_flyer_hr.pdf.

¹⁹ Planting Seeds For the Future: A Guide to Endowments at the University of Colorado, January 2009, under: "Why Create an Endowment?," <http://466650.cache1.evolutionhosting.com/wp-content/themes/cufoundation/images/brochures/CU%20ENDOWMENTS.pdf>.

²⁰ "Staff Opportunities | Human Resources," University of Denver, under "Fast Facts,"

<http://www.du.edu/hr/employment/staff/du-facts.html>.

²¹ "University of Denver Endowment Funds," University of Denver, November 1, 2012,

http://www.du.edu/controller/documents/University_of_Denver_Colorado_Seminary_FS.pdf.

²² University of Denver Financial Statements, University of Denver, November 10, 2012, under "Notes to Financial Statements," http://www.du.edu/controller/documents/University_of_Denver_Colorado_Seminary_FS.pdf.

²³ "Endowment Report," University of Denver, September 30, 2012, http://www.du.edu/controller/documents/University_of_Denver_Colorado_Seminary_FS.pdf.

²⁴ "Financial Statements and Independent Auditor's Report," University of Northern Colorado, October 13, 2011, under "Note 2 - Fair Value of Financial Instruments (continued)," http://www.uncfoundation.org/Assets/documents/AuditFY10_11.pdf.

²⁵ "Investment Overview," University of Northern Colorado Foundation, November 14, 2011, under "University Support," <http://www.uncfoundation.org/reports-polices/endowment-report.asp>.

²⁶ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed November 30, 2011, <http://www.acinet.org/oview6.asp?soccode=&stfips=08&from=State&id=11&nodeid=12>.

²⁷ "Colorado State University Foundation Financial Statements and Independent Auditors' Report," Colorado State University, September 19, 2011, under "Note 2 - Investments," https://advancing.colostate.edu/media_wrap.asp?document_id=9910.

²⁸ "CSU Foundation: CSUF Public Information," University Advancement: Homepage, September 28, 2010, under: "Overview," <https://advancing.colostate.edu/ASI/PUBLICINFORMATION>.

²⁹ "The Colorado Health Foundation - About Us - Financial Information," The Colorado Health Foundation - Welcome, accessed January 23, 2013, <http://www.coloradohealth.org/finances.aspx>.

³⁰ "The Colorado Health Foundation - 2011 IRS Form 990," The Colorado Health Foundation - Welcome, November 14, 2012, pg. 13, <http://www.coloradohealth.org/finances.aspx>.

³¹ "The Colorado Trust - About Us," The Colorado Trust - Access to Health for All Coloradans, accessed November 30, 2011, <http://www.coloradotrust.org/about>.

³² "The Colorado Trust 2011 Financial Statements," The Colorado Trust, April 7, 2012, pg. 10, http://www.coloradotrust.org/attachments/0001/7905/2011_Audit.pdf.