

MANAGED FUNDS ASSOCIATION

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HEDGE FUND INVESTMENTS IN GEORGIA

Across the state of Georgia, hedge funds help build retirement security, expand access to quality 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

Georgia Firefighters' Pension Fund

- The firefighters' pension fund has 12,944 active members and 4,156 retired members.²
- The Georgia Firefighters' Pension Fund, a Conyers-based plan, allocated \$28.5 million to alternative investments in 2012.³

The Coca-Cola Company

- As of 2012, the Coca-Cola Company employs approximately 6,000 people in the greater-Atlanta area.⁴
- Coca-Cola's employee pension plans invested \$489 million of its more than \$6.17 billion total assets in hedge funds in 2011.⁵

United Parcel Service (UPS)

- UPS employs approximately 1,700 workers at its corporate headquarters in Atlanta.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

Lockheed Martin

- Lockheed Martin Corp. is the nation's largest defense contractor, employing approximately 8,200 at its Marietta, Georgia facility.⁸
- As of December 31, 2012, Lockheed invested \$806 million of its \$32 billion in total pension plan assets in hedge funds.⁹

The Boeing Company

- Boeing employs 779 employees in the state of Georgia and has 1,626 retirees living there.¹⁰
- In 2012, Boeing invested \$2.5 billion in hedge funds, roughly 5% of the company's defined benefit plan, which totals \$50 billion.¹¹

General Electric (GE) Energy

- GE Energy employs approximately 3,000 workers in Atlanta.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
- According to GE's Chief Investment Officer Dave Wiederecht, "Hedge funds have added substantial value, the portfolio has consistently beaten our expectation in return and volatility fronts."¹⁴

Verizon Wireless

- Verizon employs approximately 3,000 workers in Alpharetta, Georgia.
- As of December 31, 2011, Verizon invests more than \$2.3 billion in hedge funds, which comprises more than 9.5% of its \$24 billion pension plan.¹⁵

Hedge Funds Help Ensure Educational Opportunities

University of Georgia Foundation

- The University of Georgia Foundation invests \$195.9 million, or 30%, of its \$661.2 million endowment in hedge funds.¹⁶
- In 2012 The Foundation spent 28.7% of its funding on university programs, 25.9% on facilities, 20.8% on scholarships and fellowships, 13.7% on chairs and professorships, 7% on athletics, and 3.9% on research and centers.¹⁷

Georgia Institute of Technology

- The Georgia Tech Foundation invests endowment assets to help fund scholarships, support its world-class faculty and expand research opportunities throughout the institution.¹⁸
- As of June 30, 2012, Georgia Tech invested more than \$285.3 million of its nearly \$1.3 billion endowment in hedge funds to support its mission.¹⁹
- Georgia Tech employs approximately 4,500 workers.²⁰

Emory University

- Emory University invests \$8.91 million of its nearly \$5.4 billion endowment in marketable alternative investments which include hedge funds.²¹
- Currently Emory is entering its last year of “Campaign Emory,” a seven year capital campaign with a goal of raising \$1.6 billion to support capital improvements, faculty and students.²²
- Emory University and Emory University Hospital employ 10,000 and 9,000 workers respectively in Atlanta.²³

Hedge Funds Help Improve the Quality of Live in Local Communities

The Community Foundation for Greater Atlanta

- The Community Foundation for Greater Atlanta is one of the largest community foundations in the country, working with more than 650 individual funds and several supporting organizations to provide more than \$75 million in grants annually to an estimated 2,000 nonprofit organizations locally, nationally and internationally.²⁴
- The Foundation invested more than \$54.8 million of its more than \$722 million in total assets in hedge funds as of December 31, 2011.²⁵

Community Foundation of the Chattahoochee Valley

- The Community Foundation of Chattahoochee Valley officially launched in early 1998, and the organization grew quickly over the next few years, reaching \$9.5 million in assets by the end of 2001. By the end of Fiscal Year 2012, assets have grown to over \$93 million, with more than 196 Funds established to meet community needs.²⁶
- In 2011, the Community Foundation of the Chattahoochee Valley invested \$19 million in alternative investments of its more than \$65 million total investments.²⁷

*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/Preqin_Special_Report_Hedge_Funds_October_2012.pdf.

² “Georgia Firefighters Pension Fund Annual Report 2012” pp. 3, June 30, 2012,

<http://gfpf.org/pdf/06302012AnnualReport10152012.pdf>.

³ “Georgia Firefighters Pension Fund” February 25, 2013, http://gfpf.org/pdf/2012_Alternative_Investment_Report.pdf.

⁴ “America's Career InfoNet: Largest Employers,” Welcome to America's Career InfoNet, accessed November, 20, 2012, <http://www.careerinfonet.org/oview6.asp?soccode=&stfips=13&from=State&goto=/acinet/state1.asp%3Fstfips%3D13>.

⁵ “United States Securities and Exchange Commission Form 10-K,” The Coca-Cola Company , pg.132, last modified November 31, 2011,

http://d1lwft0f0qzya1.cloudfront.net/b6/f3/ecad445f4fc1819dd37e04e057ad/form_10K_2011.pdf.

⁶ “United Parcel Service, Inc - Atlanta, Georgia (GA) | Company Profile,” Company Profiles & Company Information on Manta, accessed December 01, 2011, <http://www.manta.com/c/mmcc5q9/united-parcel-service-inc>.

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- ⁷ "UPS 2012 Annual Report," UPS, March 11, 2012, pp. 72, <http://thomson.mobular.net/thomson/7/3275/4724/>.
- ⁸ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed December 01, 2011, <http://www.acinet.org/oview6.asp?soccode=&stfips=13&from=State&id=&nodeid=12>.
- ⁹ 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>.
- ¹⁰ "Improving the Quality of Life in Georgia," Boeing, last modified 2011, http://www.boeing.com/aboutus/govt_ops/state_cards/card_GA.pdf.
- ¹¹ "The Boeing Company 2011 Annual Report," Boeing, pg. 89, http://www.boeing.com/companyoffices/financial/finreports/annual/2012/annual_report.pdf.
- ¹² "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed December 01, 2011, <http://www.acinet.org/oview6.asp?soccode=&stfips=13&from=State&id=&nodeid=12>.
- ¹³ "GE 2012 Annual Report," General Electric, December 31, 2012, pg. 104, http://www.ge.com/ar2012/pdf/GE_AR12.pdf.
- ¹⁴ top1000funds.com, "GE develops dislocation and emerging markets," <http://www.top1000funds.com/profile/2011/06/22/ge-develops-dislocation-and-emerging-markets/>
- ¹⁵ "Verizon Communications 2011 Annual Report," Verizon, March 16, 2011, p. 64 http://www22.verizon.com/investor/app_resources/interactiveannual/2011/downloads/11_vz_ar.pdf.
- ¹⁶ "Consolidated Financial Statements," The University of Georgia Foundation, pg. 16, last modified June 30, 2012, http://www.externalaffairs.uga.edu/uga_foundation/uploads/JGAF_Audit_%20Report_FY12.pdf.
- ¹⁷ "Expenditures by Category: Use of Funds," University of Georgia Foundation, http://www.externalaffairs.uga.edu/uga_foundation/index.php/site/page/-/ugaf_funding/3images/expenditure_chart_2010_big.tiff.
- ¹⁸ "Your Gifts at Work," Georgia Institute of Technology :: Office of Development, accessed December 01, 2011, <http://www.development.gatech.edu/impact/lives.php>.
- ¹⁹ "Consolidated Financial Statements," Georgia Tech Foundation, October 24, 2012, pg. 11, http://www.gtf.gatech.edu/images/stories/107624_12_GATechFoundation_FS_FINAL.pdf.
- ²⁰ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed December 01, 2012, <http://www.acinet.org/oview6.asp?soccode=&stfips=13&from=State&id=&nodeid=12>.
- ²¹ "Consolidated Financial Statements and Supplementary Information," Emory University, pg. 43, last modified August 31, 2011, <http://www.emory.edu/president/annual-report/ar2011/ar-images/financial-statements.pdf>.
- ²² "Campaign Emory," Emory University, <http://campaign.emory.edu/about/index.php>.
- ²³ "America's Career InfoNet: Largest Employers," Welcome to America's Career InfoNet, accessed November 21, 2012, <http://www.acinet.org/oview6.asp?soccode=&stfips=13&from=State&id=&nodeid=12>.
- ²⁴ "About Us," The Community Foundation for Greater Atlanta, accessed December 01, 2011, <http://www.cfgreateratlanta.org/About-Us.aspx>.
- ²⁵ "Consolidated Financial Statements," The Community Foundation for Greater Atlanta, Inc., pg. 24, last modified December 31, 2011, <http://www.cfgreateratlanta.org/Repository/Files/2011AuditFinal.pdf>.
- ²⁶ "Community Foundation of the Chattahoochee Valley Foundation: About Us," <http://www.cfcv.com/page17931.cfm>.
- ²⁷ "Community Foundation of the Chattahoochee Valley Foundation Financial Statements 2011," p. 10, http://www.cfcv.com/newsarticle.cfm?articleID=10037011&PTSidebarOptID=10006305&returnTo=page17931.cfm&returnToName=About%20Us&SiteID=1711&pageid=17931&SIDEPAGEID=17931&banner1img=banner_1.JPG&banner2img=banner_2.JPG&bannerbg=bannerbg.gif.