

# MANAGED FUNDS ASSOCIATION

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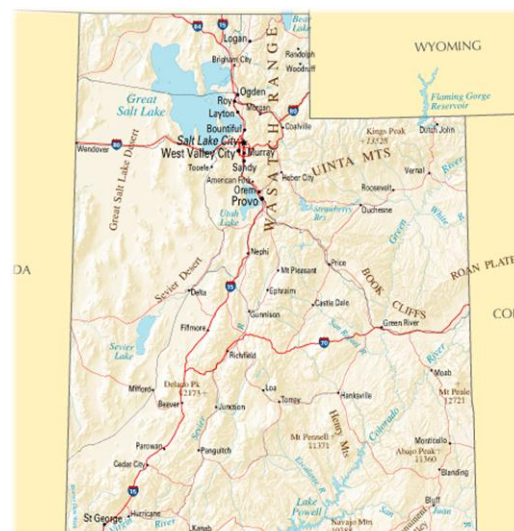


## HEDGE FUND INVESTMENTS IN UTAH

Across the state of Utah, hedge funds are helping young people receive a quality education and allowing communities to benefit from important work done by non-profits and charities.

Institutional investors – like pensions, university endowments, and non-profits – 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 individual wealthy investors. Globally, 65% of hedge fund assets come from institutional investors.<sup>1</sup>



## Hedge Funds Help Build Retirement Security

### Utah Retirement Systems (URS)

- URS is made up of many smaller systems, including public safety, firefighters, judges, governors, and legislators. As of 2011, URS's average total membership stood at 190,125, with 104,691 active employees and 48,401 retirees.<sup>2</sup>
- As of December 31, 2011, URS invested \$3.3 billion of its investments, or 16%, in absolute return funds, including hedge funds. This was an increase of \$149 million from 2010.<sup>3</sup> At the end of 2011, URS's total assets stood at \$20 billion.<sup>4</sup>

### Wells Fargo Bank

- Wells Fargo is one of the largest employers in Utah, employing more than 3,000 people.<sup>5</sup>
- As of December 31, 2012, Wells Fargo allocated \$258 million of its \$9.6 billion pension plan assets to multi-strategy hedge funds.<sup>6</sup>

### United Parcel Service (UPS)

- The UPS Customer Center in Utah employs approximately 1,500 people.<sup>7</sup>
- As of December 31, 2012 UPS invested more than \$2.8 billion, or 11.1%, of its \$25 billion total assets in hedge funds.<sup>8</sup>

## 3M

- 3M Health Information Systems is based in Murray, employing more than 300 workers.<sup>9</sup>
- In 2011, 3M Co. allocated \$1.3 billion, or more than 10%, of its \$12.1 billion pension plan assets to hedge funds and hedge fund of funds.<sup>10</sup>

## Boeing

- Boeing has 795 employees and 1,268 retirees in Utah.<sup>11</sup>
- In 2012, Boeing invested \$2.5 billion in hedge funds, roughly 5% of the company's defined benefit plan, which totals \$50 billion.<sup>12</sup>

## Hedge Funds Ensure Educational Opportunities Through Endowments

### The University of Utah

- Located in Salt Lake City, the University of Utah enrolled 32,388 students in the fall 2012 semester.<sup>13</sup>
- The University's endowment was valued at approximately \$566 million as of September 30, 2012, and is used to help provide tuition assistance, support high-quality academic programs, and attract top-notch faculty.<sup>14</sup>
- According to the University's Endowment Pool Update on September 30, 2012, it invested 11%, or approximately \$62 million, of its \$566 million endowment in "alternatives,"<sup>15</sup> <sup>16</sup>including absolute return and long/short hedge funds.<sup>17</sup>

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

- <sup>1</sup> "Prequin Special Report: Hedge Funds" pp. 16, October 2012,  
[http://www.prequin.com/docs/reports/Prequin\\_Special\\_Report\\_Hedge\\_Funds\\_October\\_2012.pdf](http://www.prequin.com/docs/reports/Prequin_Special_Report_Hedge_Funds_October_2012.pdf).
- <sup>2</sup> "Rewards in Season: Utah Retirement Systems 2011 Summary Report to Members." URS.org, pp. 4.  
<https://www.urs.org/pdf/SummaryReport/2011/summaryReport.pdf>.
- <sup>3</sup> "2011 Utah Retirement Systems: Comprehensive Annual Financial Report." URS.org, pp. 36.  
<https://www.urs.org/pdf/SummaryReport/2011/summaryReport.pdf>.
- <sup>4</sup> "Rewards in Season: Utah Retirement Systems 2011 Summary Report to Members." URS.org, pp. 2.  
<https://www.urs.org/pdf/SummaryReport/2011/summaryReport.pdf>.
- <sup>5</sup> "Utah's Largest Employers: Annual Average Employment 2011." Jobs.Utah.Gov.  
<http://jobs.utah.gov/opencms/wi/statewide/majoremp.pdf>.
- <sup>6</sup> "Wells Fargo 2012 Annual Report," Wells Fargo, December 31, 2012, pg. 230,  
[https://www.wellsfargo.com/downloads/pdf/invest\\_relations/2012-annual-report.pdf](https://www.wellsfargo.com/downloads/pdf/invest_relations/2012-annual-report.pdf).
- <sup>7</sup> "State Profile: Largest Employers." ACINet.org.  
<http://www.acinet.org/oview6.asp?id=&soccode=&stfips=49&from=State&nodeid=12>.
- <sup>8</sup> "UPS 2012 Annual Report," UPS, March 11, 2012, pp. 72, <http://thomson.mobular.net/thomson/7/3275/4724/>.
- <sup>9</sup> "A Closer Look at Murray." Murray.Utah.Gov, pp. 1. <http://murray.utah.gov/DocumentView.aspx?DID=1459>.
- <sup>10</sup> "3M 2011 Annual Report," 3M.com, pp. 83.  
[http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?lmd=1340133270000&locale=en\\_US&assetType=MM\\_Image&assetId=1180611654372&blobAttribute=ImageFile](http://solutions.3m.com/3MContentRetrievalAPI/BlobServlet?lmd=1340133270000&locale=en_US&assetType=MM_Image&assetId=1180611654372&blobAttribute=ImageFile).
- <sup>11</sup> "Improving the Quality of Life in Utah." Boeing.com.  
[http://www.boeing.com/aboutus/govt\\_ops/state\\_cards/card\\_UT.pdf](http://www.boeing.com/aboutus/govt_ops/state_cards/card_UT.pdf).
- <sup>12</sup> "The Boeing Company Annual Report," Boeing, March 4, 2012, pg. 89,  
[http://www.boeing.com/companyoffices/financial/finreports/annual/2012/annual\\_report.pdf](http://www.boeing.com/companyoffices/financial/finreports/annual/2012/annual_report.pdf).
- <sup>13</sup> "The University of Utah Fast Facts: Fall 2012." Utah.edu. <http://www.obia.utah.edu/content/fastfacts.pdf>.
- <sup>14</sup> "FAQs." Utah.edu. <http://invest.utah.edu/about/faqs/#why>.
- <sup>15</sup> "Endowment Pool Update: September 30, 2012." Utah.edu.  
[http://invest.utah.edu/documents/Endowment\\_Pool\\_Update.pdf](http://invest.utah.edu/documents/Endowment_Pool_Update.pdf).
- <sup>16</sup> "Endowment Pool Update: December 31, 2012." Utah.edu,  
[http://invest.utah.edu/documents/Endowment\\_Pool\\_Update.pdf](http://invest.utah.edu/documents/Endowment_Pool_Update.pdf)
- <sup>17</sup> "Endowment Pool Investment Guidelines." Regulations.Utah.edu.  
[http://www.regulations.utah.edu/administration/guidelines\\_3/endowmentPool.html](http://www.regulations.utah.edu/administration/guidelines_3/endowmentPool.html).