

UNIVERSITY OF COLORADO

NONPOOLED INVESTMENTS

\$931.8 Million Market Value at June 30, 2022

BOND RELATED INVESTMENTS

Construction Project Funds & Commercial Paper (if applicable)

The University of Colorado had several construction projects and debt service funds for which bond proceeds were invested and construction or planning was underway. Investment of bond proceeds is restricted by the respective bond covenants. Consequently, all bond proceeds are invested in high-quality, short-duration, liquid securities or money market funds. The combined value of these funds as of June 30, 2022, was \$32.6 million.

The Treasurer's Office invests debt proceeds taking into consideration the individual construction schedules to ensure liquidity is adequate to meet the construction disbursements. The Treasurer's Office does the accounting and management for all these funds.

Wolf Law School Bonds - Economic Defeasance

Donations to the Law School on the Boulder Campus are being invested by the Treasurer of the University. These donations need to be used to support the Law School. The Dean has asked the Treasurer to target these donations and earnings thereon to defease the Law School's share of debt by making periodic, future debt service payments. With approval from the Board of Regents, the Treasurer has created an economic defeasance fund until a legal defeasance can be established or the debt retired. Invested securities could be used for other purposes if needed; as such they are high quality and very liquid. The value of investments in this economic defeasance fund on June 30, 2022 was \$1.019 million.

A bond ladder is being constructed using government agency securities, fixed income mutual fund and a money market fund. Receipts from maturing securities, interest collections, and money market fund shares will be used to cover Law's share of periodic debt service payments.

The Custodian: Principal Custody Solutions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

ATLAS Bonds – Economic Defeasance

Similar to the Wolf Law School, the Boulder campus has set aside funds for an economic defeasance for the ATLAS building. The value was \$.677 million on June 30, 2022. This money will be invested pending its use for a legal defeasance or retirement of ATLAS's debt.

A bond ladder was constructed using government agency securities, fixed income mutual fund and a money market fund is used. Receipts and money market fund shares will cover periodic debt service payments.

The Custodian: Principal Custody Solutions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

UCCS Bonds – Economic Defeasance

Like Wolf Law and ATLAS, the Colorado Springs campus has authorized the Treasurer to create an economic defeasance for existing debt on the Cragmor building, on the campus's Energy project, and on University Hall. The value of the investments on June 30, 2022, was \$4.058 million.

A bond ladder was created using government agency securities, fixed income mutual fund and a money market fund is used.

The Custodian: Principal Custody Solutions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

ENDOWMENT FUNDS

Syvret Endowment Fund

Syvret Endowment Fund was created in the 1990s based on an agreement between Charles F. Syvret and the Regents of the University of Colorado. Gifts were received during Mr. Syvret's life and from his estate. Additional gifts for this endowment are unlikely. Endowment earnings are used to support loans for Boulder campus graduate and undergraduate students in engineering and business. The market value of the Syvret Endowment Fund as of June 30, 2022 was \$1.414 million.

Target Asset Allocation: All Domestic Fixed-Income with maturities less than 5 years

Custodian: Principal Custody Solutions

The University Treasurer has the authority over the assets in this fund. The Treasurer and staff invest the endowment assets in accordance with the endowment agreement in fixed-income securities maturing in five years or less and in money market funds. The Treasurer's Office does the accounting and management for all these funds.

Eugene D. Eaton Jr. Endowments

An endowment was funded in June 2005, and increased from Mr. Eaton's estate, creating two additional endowments in FY2015. This donor limited the investment management, custody, and administrative fees to 50 basis points (0.50%). The equity allocation is invested in an American Fund, a Dodge & Cox Fund, a Baird Mid-Cap Fund, and a Vanguard index fund. The Fixed-income allocation is invested in two Vanguard index funds. An Allspring money market fund is used for liquidity. The market value as of June 30, 2022 was \$9.772 million.

Target Asset Allocation:

Asset Class	Target Allocation
Cash Equivalents	5.0%
Fixed-Income	25.0%
Global Equities	<u>70.0%</u>
Total	100.0%

Custodian: Principal Custody Solutions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

Small Endowments Managed by Others

Listed below are 27 small, trustee-managed endowments which were set up under donors' wills or estates to benefit specific University activities. These activities receive a portion of the investment income from the trusts. It is unlikely that these trusts will grow from additional contributions. The University has a limited amount of input into investment decisions that affect many of these endowments. The combined market value of these funds on June 30, 2022, was \$17.97 million with details shown below.

These trusts with market values and their custodians are:

Henry Arnold Trust	\$4.851 million	Citigroup
Charles Ayers Trust Under Will	\$.092 million	Wells Fargo
Leonhard E. Baak Trust	\$1.482 million	Security National Bank
Cohn Trust	\$.489 million	Bank of America
Sam and Freda Davis Trust	\$.950 million	AMG National Trust Bank
Thelma and Lovilo Fagan Trust	\$1.215 million	First Interstate Wealth Mgmt..
Fienberg Trust	\$.003 million	Key Bank
Louis & Josie Forchheimer Trust	\$1.056 million	Regions Bank
Gustav Freudenberg Trust	\$.588 million	JP Morgan
RF and Helen Gagg Fund	\$1.942 million	Wells Fargo
Arthur Gesensway Trust	\$.001 million	Wells Fargo
Robert Kahn Trust	\$.100 million	Commerce Trust Company
Orblitt Lewin Trust	\$.0004 million	Regions Bank
Max Luria Trust	\$.011 million	Wells Fargo
David Randall-MacIver	\$1.359 million	Bank of America
Geraldine Magill Trust	\$.037 million	Zia Trust, Inc.
Mann Trust	\$.0010 million	US Wealth Mgmt. (US Bank)
Casper and Rose Markel Trust	\$.128 million	US Wealth Mgmt. (US Bank)
Max & Sophie Mydans Trust	\$.002 million	Bank of America
Robert Oberfelder Trust	\$.030 million	US Wealth Mgmt. (US Bank)
Schelke Trust	\$1.903 million	Citigroup
Bernard Seeman Trust	\$.483 million	Wells Fargo
Mildred H. Stephens Trust	\$.333 million	Arden Trust Company
William Thorkeldsen Trust	\$.445 million	Wells Fargo
R.J. Tipton Trust	\$.253 million	Wells Fargo
Warner Trust	\$.065 million	JP Morgan
Dickman Life Income Fund	\$.153 million	U of C Foundation

University Consolidated Endowment

The University of Colorado raised funds from donors before the University of Colorado Foundation was established and it accepted and created endowments which the University owns. The University of Colorado Foundation, organized as a separate entity, was subsequently created to be a more effective fundraiser for the University. Gifts received by the Foundation and by the University are assets of the respective entities.

The University's endowments are subject to the original donor's restrictions, or for quasi-endowments, subject to the University's restrictions. University-owned endowments need to be invested with long-term goals in mind. The University hired the University of Colorado Foundation to invest the University's pure and quasi-endowments to meet these goals. The Foundation sub-contracted with Perella Weinberg Partners to provide investment services.

The endowment assets placed with the Foundation are known as the University's Consolidated Endowment. The market value of these Consolidated Endowments as of June 30, 2022, was \$262.812 million.

Asset Allocation: Flexible, with goal of 5.5% real return after fees for rolling 5-year periods.

<u>Asset Class</u>	<u>Asset Allocation</u>
Cash & Cash Equivalents and Fixed-Income	< 25%
Global Private Capital	< 35%
Real Assets	< 20%
Hedge Funds	< 30 %
Global Public Equities	< 75%

Custodian: Mellon Bank

Manager: Perella Weinberg Partners/Agility

Hiring the Foundation to provide investment management for these assets facilitates reporting to beneficiary units and provides for a single policy that covers virtually all University recipients of endowment earnings distributions. The Treasurer's Office does the accounting on CU's books for all these funds.

Barbara Davis Children's Diabetes Trust

The Davis Diabetes Trust was created in May 1986 to support research in children's diabetes. The Treasurer's Office does not have fiduciary responsibility for the investment of the Trust's assets. The chancellor of the University of Colorado Denver is the University's representative on the three-member Trust Board. This relationship was reviewed by outside counsel for appropriateness. The value of investments as of June 30, 2022 was \$6.805 million.

Target Asset Allocation:

Domestic Fixed Income 35%

Equities 65%

Custodian and Manager: Principal Custody Solutions. Accounting for this trust is done by UCD.

The Charles Denison Memorial Trust

The Charles Denison Trust was created in 1937 and generates revenue to support the library at the AMC. The University invested this Trust's assets separately before transferring management responsibilities to the University of Colorado Foundation. For twenty years, the Foundation invested the Trust's assets separately before finally returning management responsibilities to the University. Currently, the trust's assets are invested by the University in a money market fund in anticipation of being used to support the library at the Anschutz Medical Campus. The value on June 30, 2022, was \$0.302 million.

Target Asset Allocation: Money Market Fund

Custodian: Principal Custody Solutions

The Treasurer's Office invests these assets in accordance with University policies and the donor's instructions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

Clancy Herbst Endowments

Clancy Herbst created a couple of quasi endowments as of December 31, 2017. The endowments support military leadership and humanities in engineering. Subsequently he established an additional quasi endowment as of August 28, 2021 in support of Veteran and Military Affairs. Clancy has directed these funds to be invested in Vanguard Total Stock market index funds. The value on June 30, 2022 was \$0.874 million.

Target Asset Allocation: 100% Vanguard Total Stock market index funds

Custodian: Vanguard

The Treasurer's Office invests these assets in accordance with the donor's instructions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

Don Johnson/Bixler Endowments

The Johnson/Bixler Foundation created a couple of quasi endowments as of December 31, 2017. The endowments support travel and architects of music. Don Johnson has directed these funds to be invested in Vanguard Total Stock market index funds. The value on June 30, 2022 was \$0.683 million.

Target Asset Allocation: 100% Vanguard Total Stock market index funds

Custodian: Vanguard

The Treasurer's Office invests these assets in accordance with the donor's instructions. The Treasurer's Office does the accounting, distributions, and management for all of these funds.

Johnson Endowments

The Johnson Foundation created a couple of quasi endowments as of June 30, 2015. The endowments nursing and depression. These endowments are invested in a few mutual funds. The value on June 30, 2022 was \$23.22 million.

Target Asset Allocation:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Earnings Expectations</u>
Cash & Cash Equivalents	3.0%	30-Day US Treasury
Fixed Income	27.0%	BarCap Agg +50 bps
Domestic Equities	35.0%	MSCI US Broad Market Index
International Equities	35.0%	MSCI EAFE +100 bps
Total	100.0%	

Custodian: Principal Custody Solutions

The Treasurer's Office invests these assets in accordance with the donor's instructions. The Treasurer's Office does the accounting, distributions, and management for all these funds.

COMPONENT UNITS & INSURANCE TRUSTS BLENDED FOR REPORTING

Annual financial information for these separate businesses has been blended in with the University's financial statements for the past few years. Beginning in 2003, financial information was included in the general ledger and therefore is also included here. The Treasurer of the University has limited input into the management of these assets. The combined market value as of June 30, 2022 was \$575.311 million with details provided below.

The assets include:

CU Medicine (formerly University Physicians, Inc.)	\$494.441 million
ULEHI*	\$18.473 million
CUPCO	\$0 million
18 th Avenue LLC	\$0 million

*ULEHI means University License Equity Holdings Incorporated

University of Colorado Risk and Insurance Management Fund

The University of Colorado Risk and Insurance Management Fund (RIMF) holds the University's current self-insurance reserves. Insurance types are: workers' compensation, automobile, and general liability. Investment vehicles used are US treasury, agency and corporate securities and a money market fund. The market value as of June 30, 2022 was \$21.99 million.

Target Asset Allocation: Domestic Fixed-Income mutual funds allocated at 80% and 20% to Equity mutual funds.

Custodian: Principal Custody Solutions

The University Treasurer has the authority for the investment of the assets in this fund. The Treasurer's Office follows the relevant policy, which for now, is C.R.S. 24-75-601.1. University Risk Management monitors and forecasts the self-insurance program's cash flow needs based on expected payouts for claims and inflows from premiums, and the Treasurer's Office invests accordingly in fixed-income securities. Clifton Larsen Allen (CLA), CPA firm, performs the accounting for these assets with a true up of investments by Treasury at fiscal year-end.

Altitude West, LLC (CU Insurance Co.)

The University of Colorado has formed a Colorado limited liability company named Altitude West, LLC effective August 20, 2018. The University is the single member of the LLC. The purpose of the Company is to operate a captive insurance company for the benefit of the University. The market value as of June 30, 2022 was \$18.057 million.

Management

Cash & Cash Equivalents	Internal, Mutual Fund
Fixed Income	Internal, External, Mutual Funds
Equities	Mutual Funds

<u>Target Asset Allocation:</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Fixed Income			
Cash & Cash Equivalents	4.0%	15.0%	22.0%
Fixed Income- Bond Held as Collateral for State DOI	\$300,000 or initially 12.0%		
Fixed Income, Core	38.0%	43.0%	56.0%
Equities			
Domestic Broad Market Equities	13.0%	20.0%	26.0%
International Equities	<u>0.0%</u>	<u>10.0%</u>	<u>16.0%</u>
Total:		100.0%	

Custodian: Principal Custody Solutions

The University Treasurer serves on the Board and has the authority for the investment of the assets in this fund. The Treasurer's Office follows the Altitude West Board approved investment policy. University Risk Management monitors and forecasts the self-insurance program's cash flow needs based on expected payouts for claims and inflows from premiums, and the Treasurer's Office invests accordingly to policy. Stern Risk Partners (Whitney Raburn), performs the accounting for these assets with a true up of investments by Treasury at fiscal year-end.

Graduate Medical Education Health Benefits Reserve Fund

The GME Health Benefits Reserve Fund holds the health insurance reserves for hospital residents. These reserves are invested in five mutual funds and a money market fund. Four funds, one managed by Baird, one by Fidelity, and two by Vanguard, comprise the 80% fixed income allocation. The other 20% of the assets are invested in a Vanguard equity income fund. The value on June 30, 2022 was \$8.589 million. The custodian is Principal Custody Solutions. The Treasurer's Office does management and annual reporting to the GME Board for all these funds. UCD performs the accounting for these assets.

Professional Liability Self-Insurance Trust

The Regents of the University of Colorado established the Professional Liability Self-Insurance Trust as an insurance reserve to respond to claims against the University and its medical professionals. At the same time, the department of risk management was formed to control and reduce risk exposures, and an oversight Trust Board was created.

The Trust Advisory Board has approved an asset allocation for investments that has limited volatility so that departments and schools avoid large, unanticipated increases in insurance premiums due to changes in the market values of the Trust's reserves. Market value of the Trust on June 30, 2022 was \$13.761 million.

Target Asset Allocation: 80% fixed-income/cash equivalents and 20% equities

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Earnings Expectations</u>
Cash & Cash Equivalents	9.0%	30-Day US Treasury
Fixed Income	71.0%	BarCap Agg +50 bps
Domestic Equities	15.0%	MSCI US Broad Market Index
International Equities	<u>5.0%</u>	MSCI EAFE +100 bps
Total	100.0%	

The assets are invested in mutual funds as follows:

Cash & Cash Equivalents	Allspring Government MMF
Fixed-Income	Metropolitan West Total Return & Vanguard Short Term Investment Grade Admiral Fund
Domestic Equities	Vanguard Total Stock Market Index Fund
International Equities	Vanguard International Growth Fund

Custodian: Principal Custody Solutions

Under the Trust Advisory Board Bylaws and Trustee Agreement, the Board of Regents has delegated authority over all investments of the Trust to the Trust Advisory Board. This Board has approved a policy that applies to the assets of the Trust. The Treasurer of the University is authorized to implement this policy and rebalance as necessary. The Treasurer of the University serves on the Finance Committee of the Trust Advisory Board and on the Board. Callan Associates prepares annual performance reports for this investment portfolio. The Treasurer's Office manages the assets and reports quarterly to the Trust Advisory Board for all these funds. UCD performs the accounting for these assets.