

1 SENATE RESOLUTION

2 WHEREAS, The public employee pension funds of Illinois
3 have fiduciary responsibility for billions of dollars of
4 assets, which must be invested safely and carefully for the
5 exclusive benefit of thousands of public employees in
6 Illinois and their beneficiaries; and

7 WHEREAS, Private equity partnerships that prudently
8 invest in small businesses and other ventures can improve a
9 pension funds rate of investment return and contribute
10 significantly to the economic development of this State;
11 therefore be it

12 RESOLVED, BY THE SENATE OF THE NINETY-SECOND GENERAL
13 ASSEMBLY OF THE STATE OF ILLINOIS, that we respectfully
14 request the Illinois Pension Laws Commission to conduct a
15 study of the investment of pension fund assets in private
16 equity partnerships by the Illinois State Board of Investment
17 and the pension funds and retirement systems organized under
18 Articles 5, 6, 7, 8, 9, 11, 15, 16, and 17 of the Illinois
19 Pension Code, with emphasis on the following questions:

20 (1) For each of the pension funds under consideration,
21 what percentage of the total assets of the fund is currently
22 invested directly or indirectly in private equity
23 partnerships?;

24 (2) For each of the private equity partnerships that a
25 pension fund is currently invested in, what is the location
26 of the partnership headquarters?;

27 (3) With respect to each investment by a pension fund in a
28 private equity partnership, without identifying by name, what
29 is the date or dates during which the investment occurred,
30 what is the total investment of the pension fund, and what is
31 the percentage of equity and debt interest of the pension

1 fund in the private equity partnerships?; and

2 (4) For each pension fund that invests in private equity
3 partnerships, what is the cumulative rate of return of all of
4 the pension board's investments in private equity
5 partnerships, and how do these returns compare to the
6 national averages of cumulative rates of return for private
7 equity partnerships?; and be it further

8 RESOLVED, That this study shall include and separate out
9 investments by pension funds in "fund of funds" private
10 equity partnerships whose investments involve limited
11 partnerships investing in other limited partnerships; and be
12 it further

13 RESOLVED, That the results of this study be presented to
14 the Senate by October 1, 2002; and be it further

15 RESOLVED, That a copy of this resolution be delivered to
16 the Executive Director of the Pension Laws Commission.