



## TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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# News

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### **TRS ENDORSES STANDARD FEE REPORTING FOR PRIVATE EQUITY INVESTMENTS**

SPRINGFIELD, IL – After months of research and discussion, Teachers' Retirement System has endorsed a new reporting template that standardizes the way private equity fund managers detail the fees they charge TRS and other public pension systems.

The new template, developed earlier this year by the **Institutional Limited Partners Association**, or ILPA, is the first major attempt to replace the wide range of reporting methods and formats used by private equity investment managers when disclosing financial information to their investment partners. TRS and its consultant on private equity investments, **TorreyCove Capital Partners of LaJolla, California**, have been part of the nationwide effort to develop the template.

“TRS has been among the pension systems at the forefront of the effort to standardize the reporting of fees,” said TRS Executive Director Dick Ingram. “The ILPA template is great first step in getting the private equity industry on a level playing field in the way fees and the cost of these investments is reported and tracked.”

At the end of fiscal year 2016 on June 30, TRS had \$5.4 billion invested in private equity opportunities, or 12.1 percent of the total \$44.8 billion portfolio.

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Like other institutional investors across the country that commit funds to private equity opportunities, TRS historically has had to reconcile a multitude of different reporting formats that varied in detail and terminology. Each private equity fund manager independently developed their own reporting standards and formats. Those differences often made it difficult to quickly determine and analyze the true costs of these investments.

The lack of a standardized reporting method also has frustrated retirement system members, government watchdogs and the media who strive to understand and quantify the true costs being paid in the administration of private equity investments.

“This new reporting template will help us at TRS, as well as our members and the general public to better understand the risks and the rewards of this asset class,” Ingram added.

Now that TRS has endorsed the ILPA template, the System will begin to gradually implement its use with new private equity opportunities approved by the TRS Board. The goal is the ever-increasing use of the template by all investment partners in the private equity asset class.

Ingram added that TRS also will use the new template as the basis of discussions with state legislators working to mandate a standard fee reporting template for all of Illinois’ public pension systems.

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#### **About Teachers’ Retirement System**

The Teachers’ Retirement System of the State of Illinois is the 37<sup>th</sup> largest pension system in the United States, and provides retirement, disability and survivor benefits to teachers, administrators and other public school personnel employed outside of Chicago. The System serves 400,598 members and had assets of \$44.8 billion as of June 30, 2016.