



CLINT ZWEIFEL
MISSOURI STATE TREASURER

September 28, 2015

Rick Dahl & Seth Kelly
Missouri State Employees' Retirement System
907 Wildwood Drive
Jefferson City, MO 65102

Dear MOSERS Investment staff:

As you know, the issue of private equity fee disclosure and standardized reporting from general partners has been emerging as a primary focal point for public funds across the country.

In July, I submitted a letter to the MOSERS board requesting a closer look at the issue, and a plan of action to report complete fees and costs of private equity investments to Missouri taxpayers and retirees. Illiquid investments represent approximately 20 percent of MOSERS' investment portfolio – more than \$2 billion – making it of critical importance to capture and disclose the complete costs of these investments.

I want to express my gratitude to the MOSERS staff for taking a leading role in the effort to create a reporting method which allows for the disclosure of all costs and fees associated with private equity investments in the Comprehensive Annual Financial Report (CAFR). As of this quarter, MOSERS employs such a template and will now be able to report private equity fees similarly to how it reports other costs, increasing accountability and transparency for Missouri taxpayers.

As you know, I chair the Pension and Trust Investment Committee within the National Association of State Treasurers, and in that capacity I have worked to bring this issue to the national stage, encouraging public funds across the country to follow in the footsteps of what we have achieved here in Missouri.

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Because of MOSERS' diligence and persistence, it has established itself as a leader in a movement pushing for these much needed reforms. Thanks to your work, public funds across the country can look to Missouri as an example of how public funds should approach this issue specifically, and transparency overall.

Sincerely,

A handwritten signature in black ink that reads "Clint Zweifel". The signature is written in a cursive style with a large, looping initial "C".

Clint Zweifel

CC: John Watson
Gary Findlay
Trustee Antwaun Smith
Trustee Lori Neidel
Representative Caleb Jones
Senator Joseph Keaveny
Representative Mike Leara
Trustee Don Martin
Commissioner Doug Nelson
Trustee Shannon Owens
Senator Wayne Wallingford
Trustee Crystal Wessing