



Introduced Version

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**HOUSE  
RESOLUTION No. \_\_\_\_\_**

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*Introduced by: Lytle*

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A RESOLUTION encouraging the Indiana State Teachers' Retirement Fund and the Public Employees' Retirement Fund to allocate a part of their investment portfolios to private equity funds.

*Whereas, Access to investment capital is essential to new business investment and long-term economic growth;*

*Whereas, More than 50% of all private businesses do not trade their stock on a public stock exchange;*

*Whereas, Many small to medium-sized businesses and new start-up companies are unable to obtain access to the public equity markets for investment capital;*

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*Whereas, The growth rate for small and medium-sized private businesses exceeds the growth rate for large public corporations;*

*Whereas, The rate of return for investments in private equities has exceeded the rate of return for investments in publicly traded equities and corporate bonds since 1969;*

*Whereas, Thirty-seven states, including Illinois, Michigan, and Ohio, currently allocate some part of their public pension fund investments to private equities;*

*Whereas, An investment portfolio asset allocation strategy that includes private equities can increase the total rate of return while reducing the overall investment risk, as measured by price volatility;*

*Whereas, Investments in private equity funds by Indiana's public pension funds will increase the amount of investment capital available to Indiana businesses;*

*Whereas, The state of Indiana will benefit economically through improving the availability of capital resources for entrepreneurs and other private business ventures, which will promote job creation and wage growth; and*

*Whereas, The members of Indiana's public pension funds will benefit from higher returns on investments and lower investment risk: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

- 1           SECTION 1. That the House of Representatives applauds the  
2 ongoing efforts by the Indiana State Teachers' Retirement Fund and the  
3 Public Employees' Retirement Fund to allocate and invest a part of  
4 their investment portfolios to private equity funds.  
5           SECTION 2. That the House of Representatives commends the  
6 trustees and directors of the funds for pursuing a well diversified  
7 investment strategy to the betterment of the citizens of the state of  
8 Indiana.  
9           SECTION 3. That the House of Representatives endorses the  
10 autonomy of the funds and supports their authority to take all



1 appropriate measures to fully discharge their responsibilities as  
2 fiduciaries under the prudent investor standard.

3 SECTION 4. That the Principal Clerk of the House of  
4 Representatives transmit a copy of this resolution to the administrators  
5 of the Indiana State Teachers' Retirement Fund and the Public  
6 Employees' Retirement Fund.

