

2017 -- S 1023

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO PUBLIC FINANCE -- DISCLOSURE BY THE STATE INVESTMENT
COMMISSIONS OF PERFORMANCE AND EXPENSES OF RETIREMENT SYSTEM
INVESTMENT MANAGERS

Introduced By: Senator James Arthur Seveney

Date Introduced: September 19, 2017

Referred To: Placed on Senate Calendar

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-10 of the General Laws entitled "State Investment Commission"

2 is hereby amended by adding thereto the following section:

3 **35-10-15. Disclosure of performance and expenses.**

4 (a) In 2015, the office of general treasurer launched the "Transparent Treasury Initiative"
5 in order to assist the public in accessing information regarding how the state's pension
6 investments are managed and invested, how such investments are performing, and to provide an
7 overview of the state's pension investment strategies. The purpose of this section is to provide a
8 statutory requirement for the continuance of several aspects of this initiative.

9 (b) The state investment commission shall, on a best effort basis, compile and disclose in
10 a manner readily accessible to the public the following information:

11 (1) On a quarterly basis, as to each investment vehicle and as to all vehicles in the
12 aggregate, the current values of the investment, and the annualized performance of the
13 investment, net of fees and expenses;

14 (2) On an annual basis, as to each vehicle as to all vehicles in the aggregate, the dollar
15 amount of fees and expenses paid to each manager including , if applicable, management fees,
16 performance fees, and fund expenses.

17 (c) Disclosure of expenses in §35-10-15(b)(2) shall only be required for investments
18 initiated by the retirement system on or after June 30, 2017.

1 (d) The general treasurer shall use best efforts to calculate and verify the relevant
2 information necessary for the state investment commission to comply with these disclosure
3 requirements.

4 (e) For purposes of this section:

5 (1) "Investment" means an investment in a mutual fund, index fund, private equity fund,
6 a venture capital fund, a hedge fund, a real estate fund, infrastructure fund, or any other
7 investment vehicle in which retirement system assets are invested.

8 (2) "Investment vehicle" means the mutual fund, index fund, limited partnership, limited
9 liability company or similar legal structure through which the retirement system makes an
10 investment.

11 (3) "Retirement system" means the employees' retirement system of the state established
12 by §36-8-2.

13 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC FINANCE -- DISCLOSURE BY THE STATE INVESTMENT
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INVESTMENT MANAGERS

1 This act would require the general treasurer to maintain its transparent treasury initiative
2 to assist the public in accessing information regarding how state pension investments are
3 managed and performing.

4 This act would take effect upon passage.

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