

HOUSE BILL No. 5618

December 1, 2009, Introduced by Reps. Jackson, Johnson, Cushingberry, Durhal, Liss, Geiss, Young, Dean and Nathan and referred to the Committee on Senior Health, Security, and Retirement.

A bill to amend 1965 PA 314, entitled "Public employee retirement system investment act," by amending section 19a (MCL 38.1139a), as added by 2008 PA 425 and by adding section 13e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 13E. (1) A SYSTEM THAT UTILIZES AN INVESTMENT FIDUCIARY
2 THAT RENDERS INVESTMENT ADVICE FOR A SYSTEM FOR A FEE OR OTHER
3 COMPENSATION SHALL MAKE A GOOD-FAITH EFFORT TO UTILIZE A FIDUCIARY
4 THAT IS A QUALIFIED EMERGING FUND MANAGER. THE SYSTEM SHALL SUBMIT
5 A REPORT TO THE LEGISLATURE ON THE METHODS AND RESULTS OF THE
6 REQUIRED GOOD-FAITH EFFORT TO UTILIZE EMERGING FUND MANAGERS. THE
7 REPORT SHALL INCLUDE DATA DISAGGREGATED BY RACE, ETHNICITY, GENDER,
8 AND FUND SIZE.

9 (2) AS USED IN THIS SECTION, "EMERGING FUND MANAGER" MEANS A

1 PRIVATE PROFESSIONAL INVESTMENT MANAGER THAT MANAGES ASSETS OF
2 \$2,000,000,000.00 OR LESS.

3 Sec. 19a. If the investment fiduciary is the state treasurer,
4 investments in private equity shall not be more than 30% of the
5 total assets. FOR ALL OTHER INVESTMENT FIDUCIARIES UNDER THIS ACT,
6 INVESTMENTS IN PRIVATE EQUITY SHALL NOT BE MORE THAN 25% OF THE
7 TOTAL ASSETS.