

January 2016

California State Teachers' Retirement System Endorses ILPA Fee Reporting Template

The California State Teachers' Retirement System, with a portfolio valued at \$186.1 billion as of December 31, 2015, is the largest educator-only pension fund in the world. CalSTRS administers a hybrid retirement system, consisting of traditional defined benefit, cash balance and voluntary defined contribution plans. CalSTRS also provides disability and survivor benefits. CalSTRS serves California's 879,000 public school educators and their families from the state's 1,700 school districts, county offices of education and community college districts.

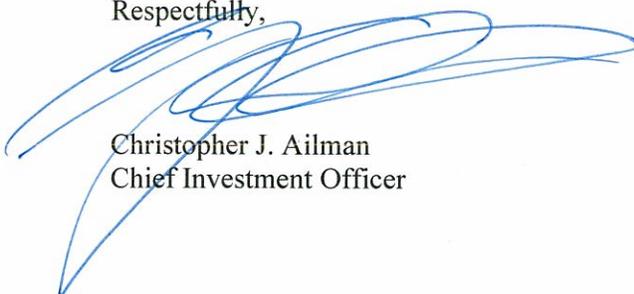
CalSTRS welcomes the release of the Fee Reporting Template by the Institutional Limited Partners Association (ILPA). CalSTRS considers this guidance to be consistent with our institutional expectations of corporate governance and aligned with our internal policies.

Through this letter, CalSTRS is communicating its intention to request that its private equity fund managers comply with the reporting practices as recommended by the ILPA Fee Reporting Template, and the related guidance produced by the ILPA Fee Transparency Initiative, including:

- Quarterly reporting by managers that detail at the individual Limited Partner level periodic changes and balances on a YTD and since inception basis for:
 - management fees and any offsets applied
 - partnership expenses
 - carried interest paid and accrued
- In addition, quarterly reporting of certain monies collected by fund managers, including:
 - fees not subject to offset
 - fees collected by related parties or affiliates
 - fees and expenses charged to co-investors / parallel vehicles
- Disclosure on the occurrence of routine or non-routine regulatory examinations and information on how to review the results of such examinations.

For detailed information on CalSTRS corporate governance policy and activities, please go to: www.calstrs.com/corporate-governance-overview. For a copy of the ILPA Fee Reporting Template and related guidance, released January 29, 2016, please visit www.ilpa.org.

Respectfully,



Christopher J. Ailman
Chief Investment Officer