

To: The SEC
From: Anonymous
Re: Yes, Virginia, there has been a market failure.
Date: 8/18/23

Hi Again,

Everyone who has been reading these comments is aware of the data I have submitted.

- 1) The AIC states in their “watch out, we are going to sue” letter of 8/8/23 that “over 89% of U.S. public pensions serving 34 million American workers have exposure to U.S. private equity and have enjoyed returns that have outperformed other asset classes.”
 - i) American Investment Council, 2022 Public Pension Study (July 2022) at 2, https://www.investmentcouncil.org/wp-content/uploads/2022/07/22AIC02_2022-Report_SA-2226.pdf; see EY Report, supra note 6
- 2) They use as support their own study- HA!
- 3) The PE returns on that study are FAKE- It is IRR-juiced by the credit line-, not real money- and they have the audacity to say the SEC has to do a further study. This is the group that lobbies Congress with FAKE numbers- they are taking the teachers to the cleaners and nobody is stopping them.
- 4) I will just reiterate my summary as the comments are on this website.
 - a) Warren Buffet says PE returns are calculated in a way he does not feel is honest.
 - b) I allege Blackstone is making up numbers on their pitchbooks.
 - c) I allege Apollo is making up numbers on their pitchbooks.
 - d) I allege everyone else is as well, but I have granular and first hand knowledge of Blackstone and Apollo.
 - e) I allege the vast majority of Pension Funds are pretending that IRR is performance because if they tell the policemen what the returns really are, they are out of a job.
- 5) However, any of the above firms can prove their investing skill!
 - a) Simply publish the returns month by month without getting cute.
 - b) Everyone here except the patsy's -(I mean fireman and teachers) is aware of this.
 - c) The beneficiaries deserve the BEST our country can give.
- 6) The good part is that when this goes in front of a Jury, the industry will lose and the teachers will win.
- 7) If this isn't a market failure that requires extensive regulation, what is?
- 8) I again challenge the MFA/AIC/Committee on Capital Markets Regulation, etc. to publish the returns month by month- just like Merrill Lynch does- and let the policeman vote with their own money.