



## *Investment Program*

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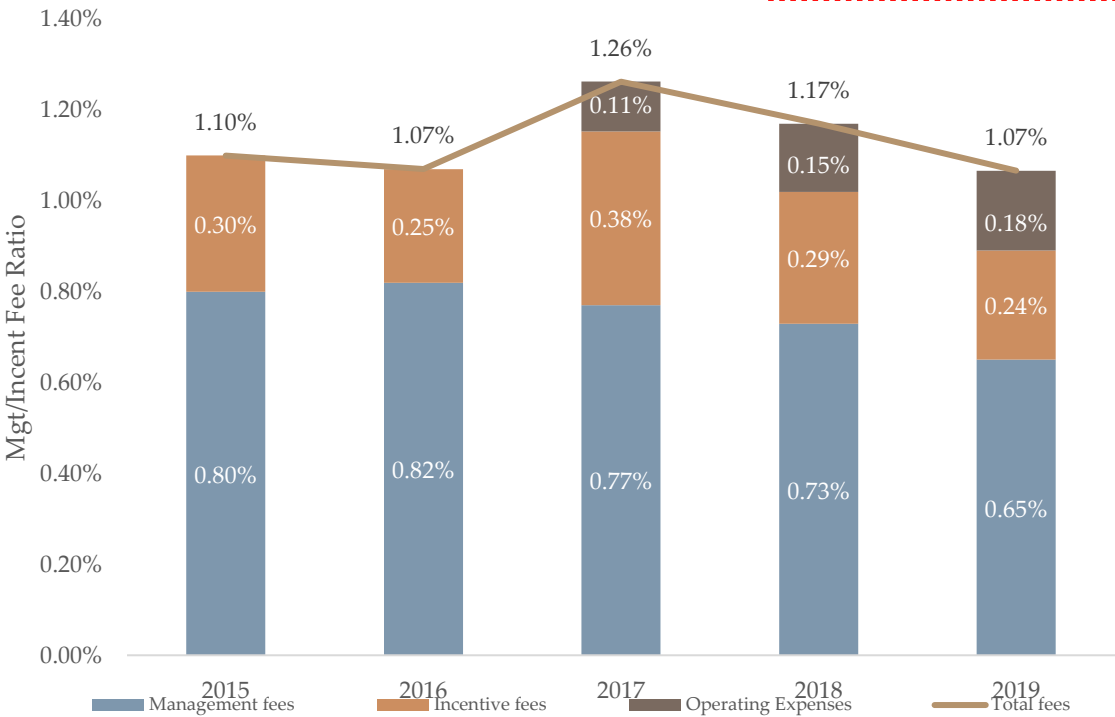
# OFFICE OF RETIREMENT SERVICES

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## Investment Fees Analysis

FCERS 10-15-20

# Total Expense Ratio (Comprehensive)



Collection of operating expense data started in 2017

-3.1% (2015)    6.3% (2016)    10.6% (2017)    -3.9% (2018)    14%(2019)

San Jose Federated Pension Annual Fee Report

Calendar year basis

San Jose Federated Pension

San Jose  
Plan Return

Source

Time Periods

Data points

-1.0% (2015)    -0.7% (2016)    7.5% (2017)    5.9% (2018)

Public Plans Database (from CAFRs)

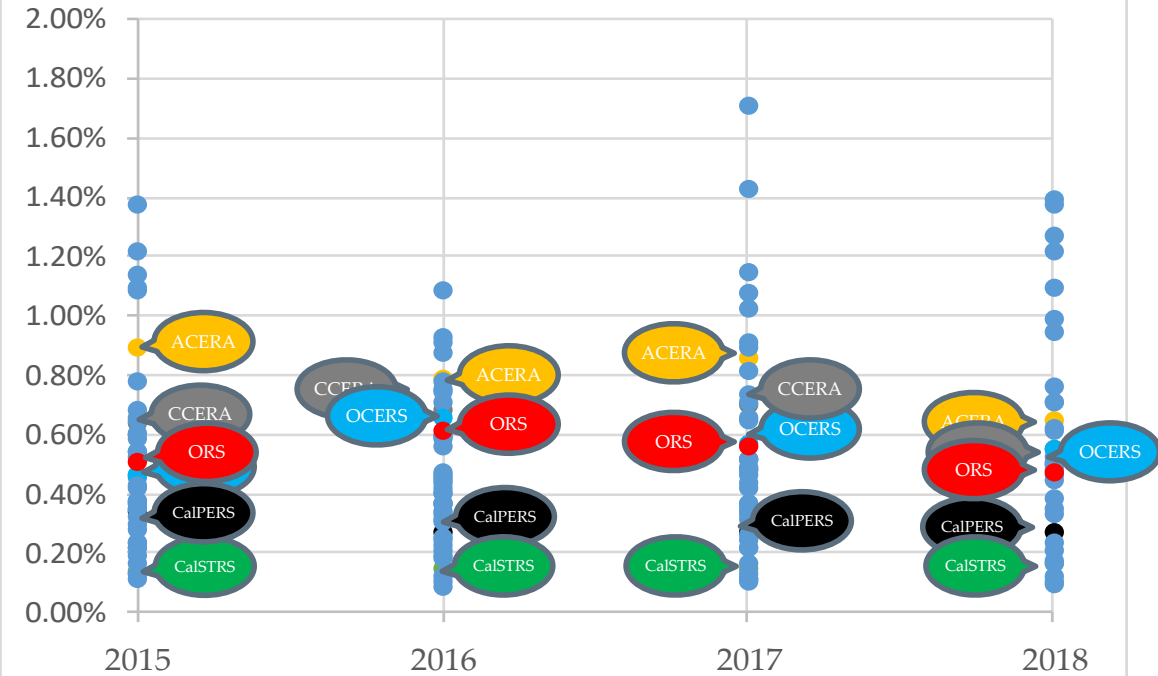
Fiscal year basis

San Jose Federated Pension

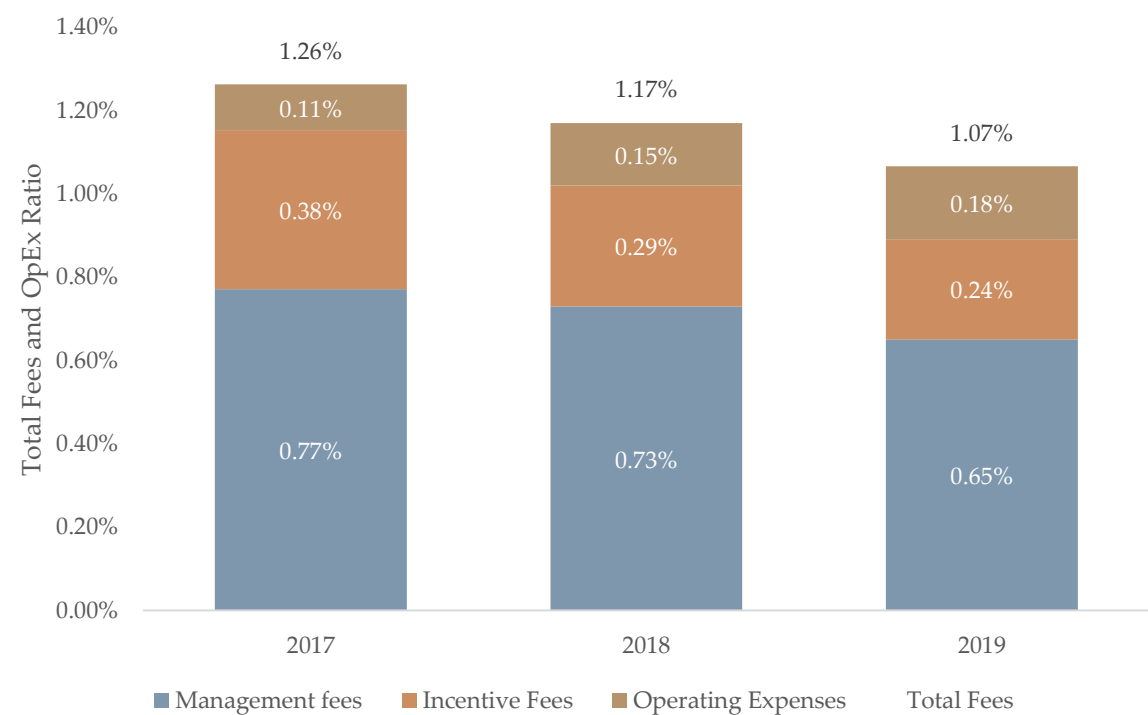
42 diversified U.S. Public Plans \$3-10 B & CA Public Plans

# Peer Comparison (CAFR's)

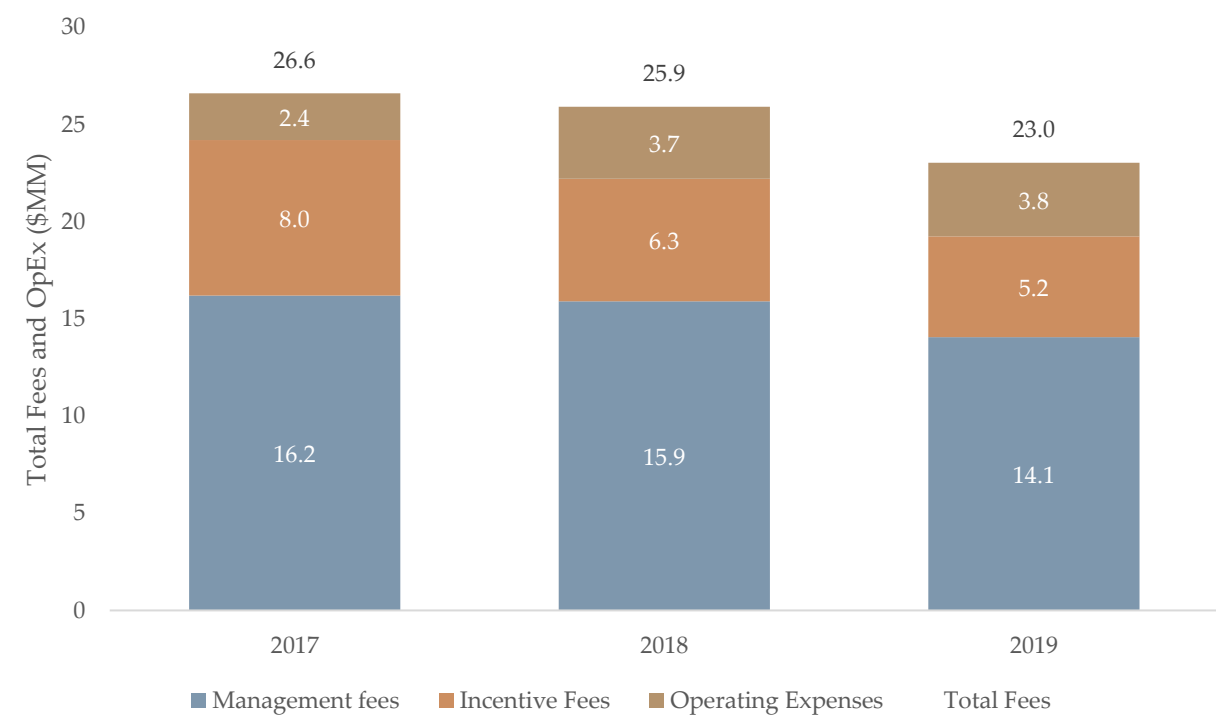
Reported Expense Ratio Over 4 Years



### Total Fees (%)

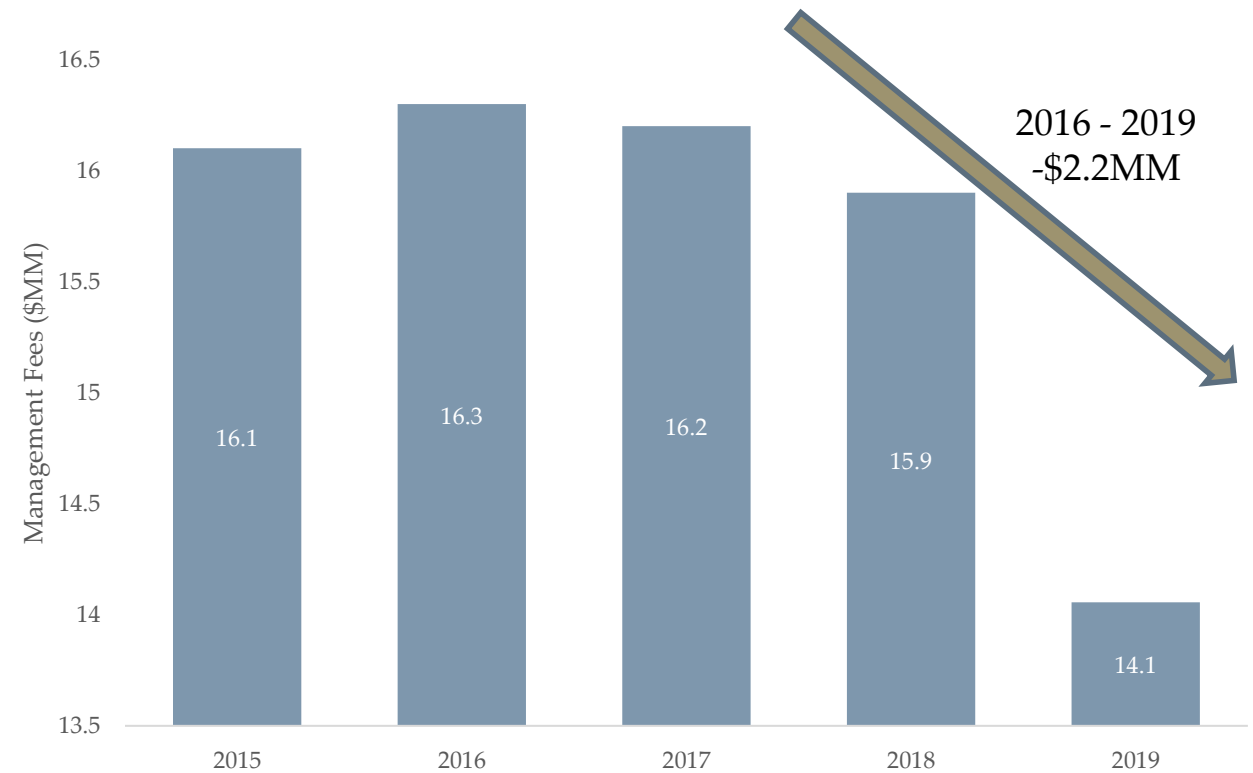
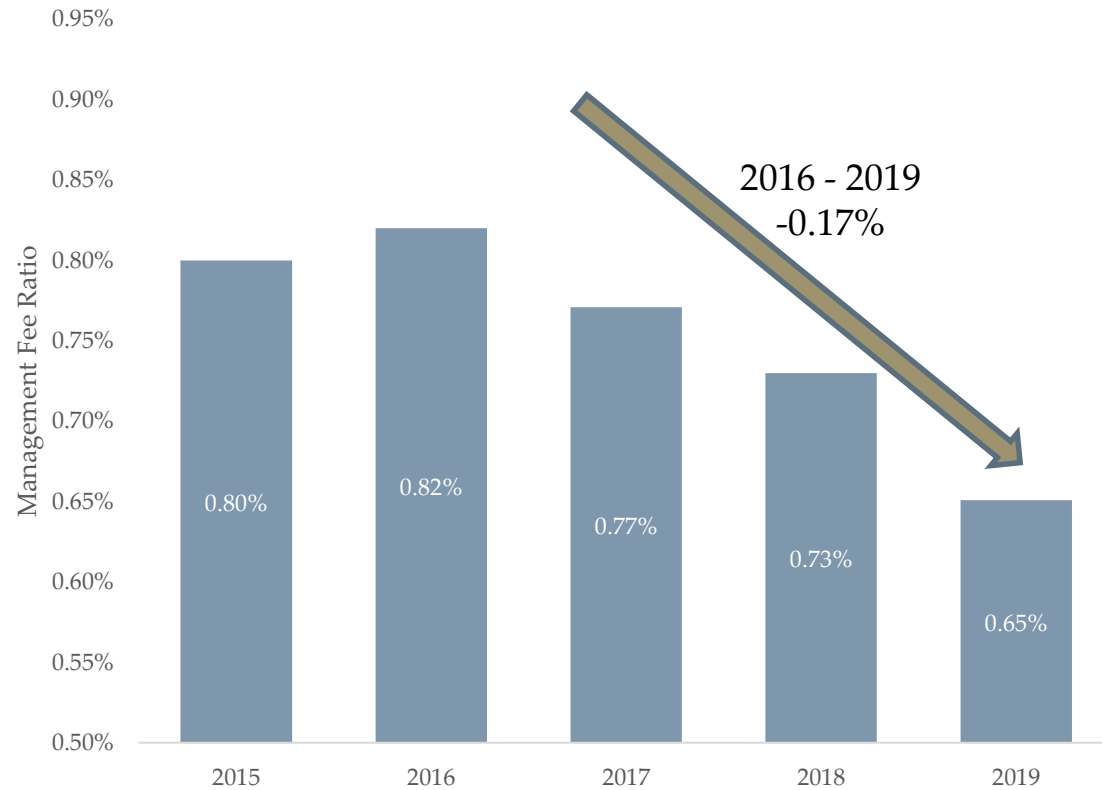


### Total Fees (\$MM)



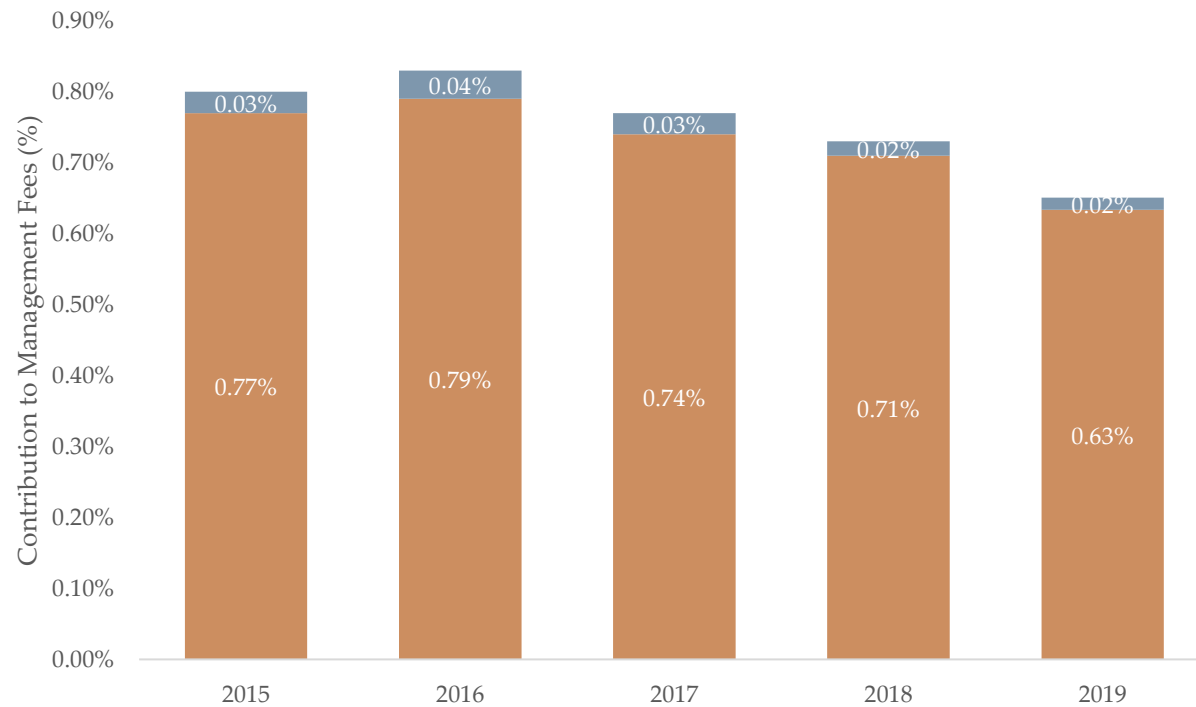
## Control what we can control: Management fees

Management fees have been reduced from 82bps to 65bps or -\$2.2MM over the last 4 years

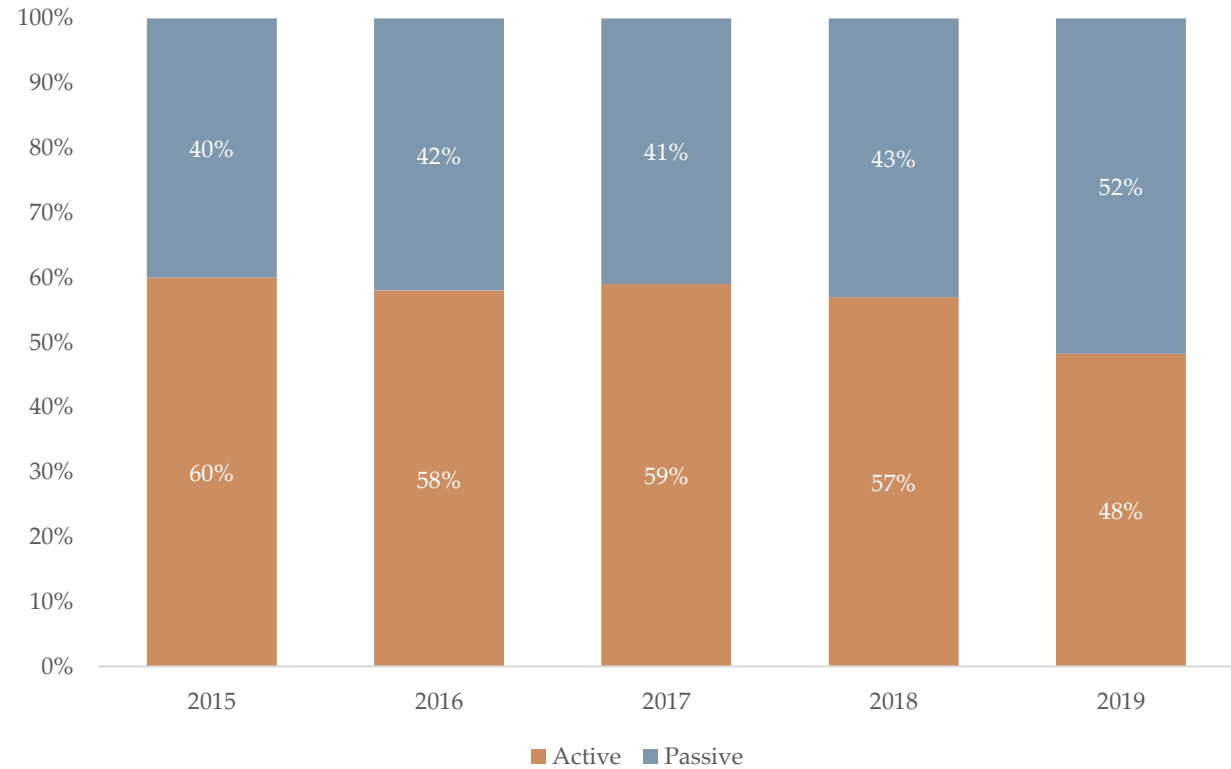


# Lower management fee driven by higher allocation to passive strategies

## Contribution to Management Fees



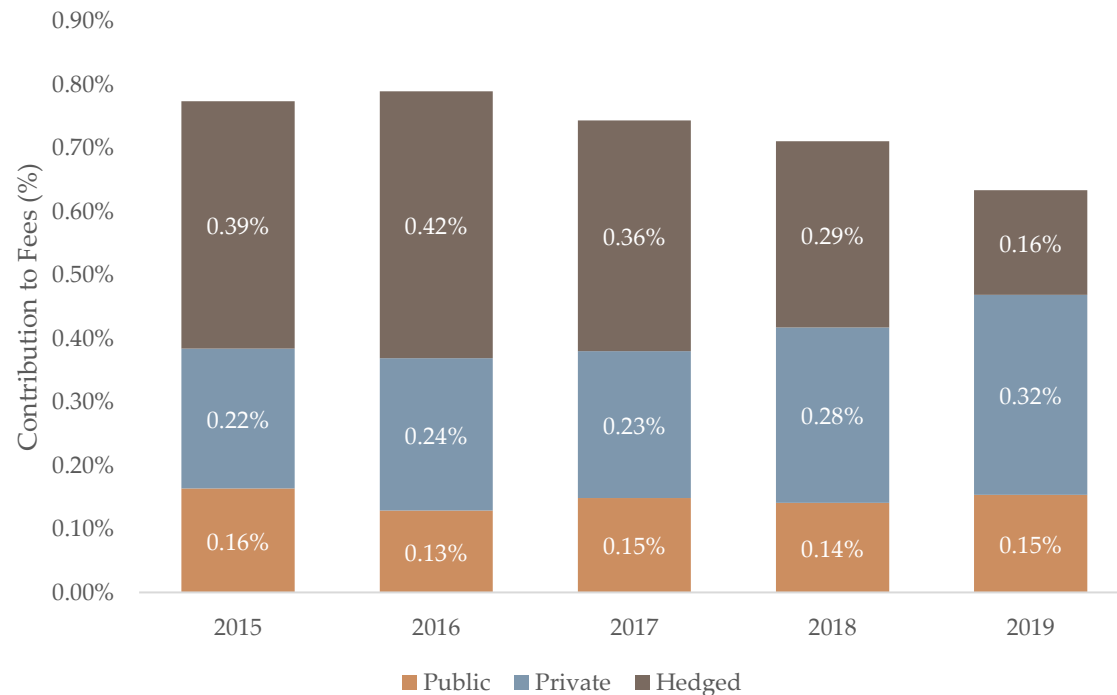
## Average Allocation by Fund Type



*Active strategies is inclusive of Private, hedged and long only public strategies  
Federated Pension Plan Data  
Source: ORS, State Street*

# Active management fees also driven lower by reducing both allocation to hedged strategies and management fee ratio

Contribution to Active Management Fees



Hedged strategies allocation and management fee ratio

