



## *Investment Program*

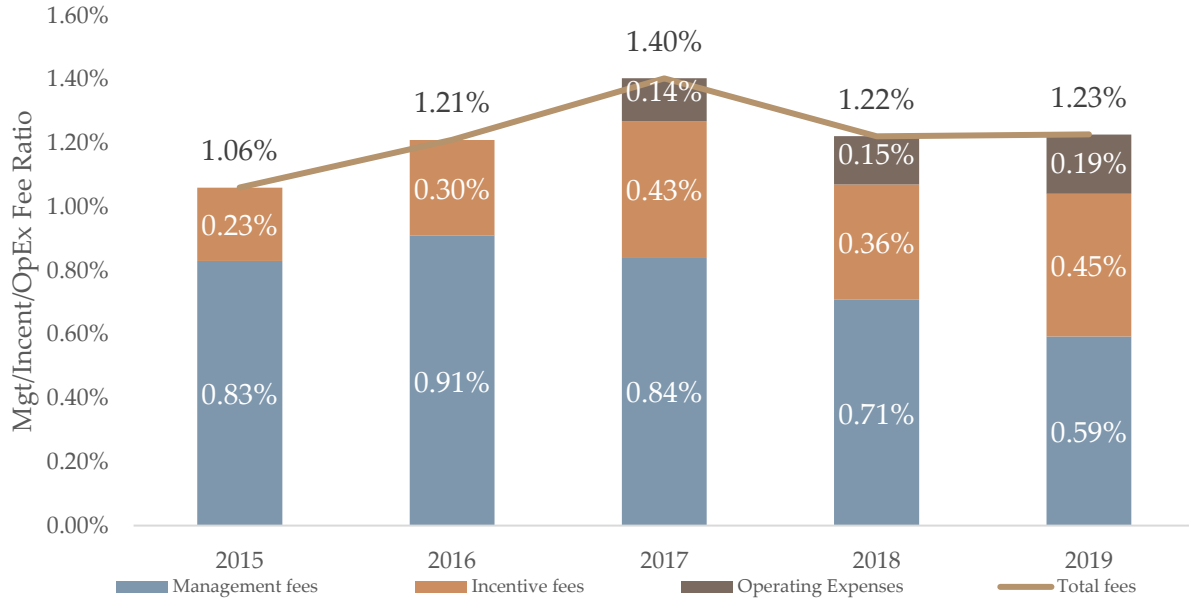
---

# OFFICE OF RETIREMENT SERVICES

---

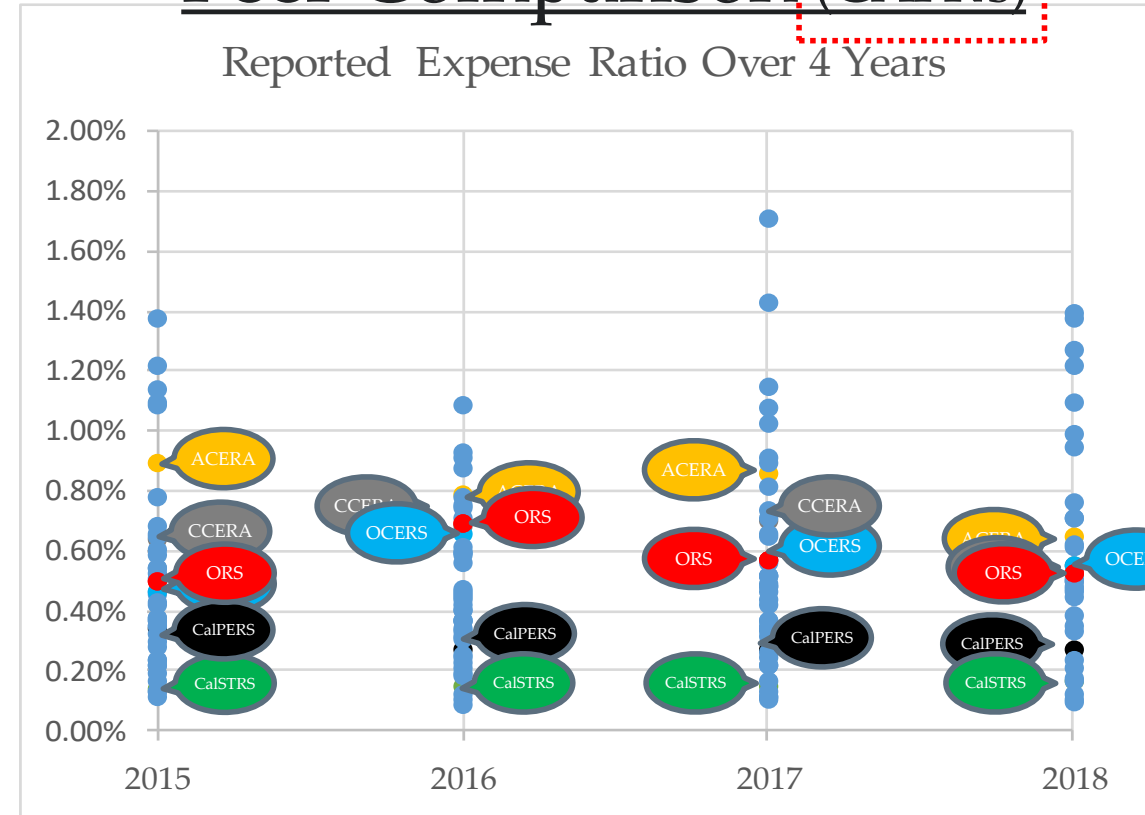
# Investment Fees Analysis

# Total Expense Ratio (Comprehensive)



Collection of operating expense data started in 2017

# Peer Comparison (CAFR's)



-1.2%(2015) 6.4%(2016) 12.1%(2017) -2.9%(2018) 13.9%(2019)

San Jose Police and Fire Annual Fee Reports

Calendar year basis

San Jose Police and Fire Pension

San Jose Plan Return

Source

Time Periods

Data points

-0.6% (2015) -0.6% (2016) 9.7% (2017) 6.9% (2018)

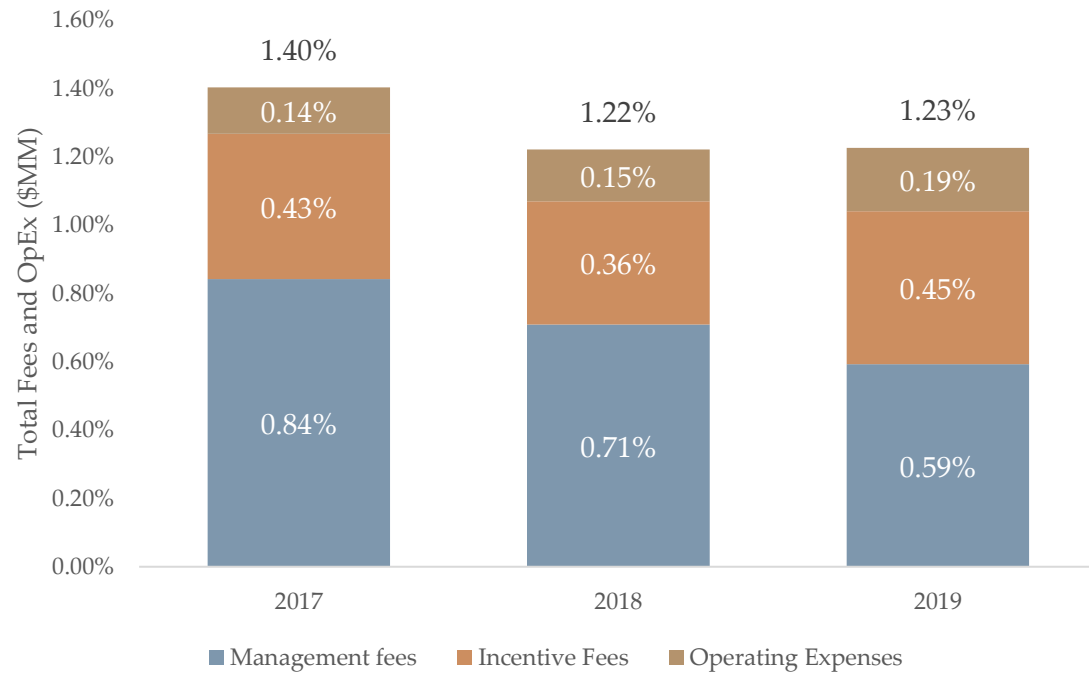
Public Plans Database (from CAFR's)

Fiscal year basis

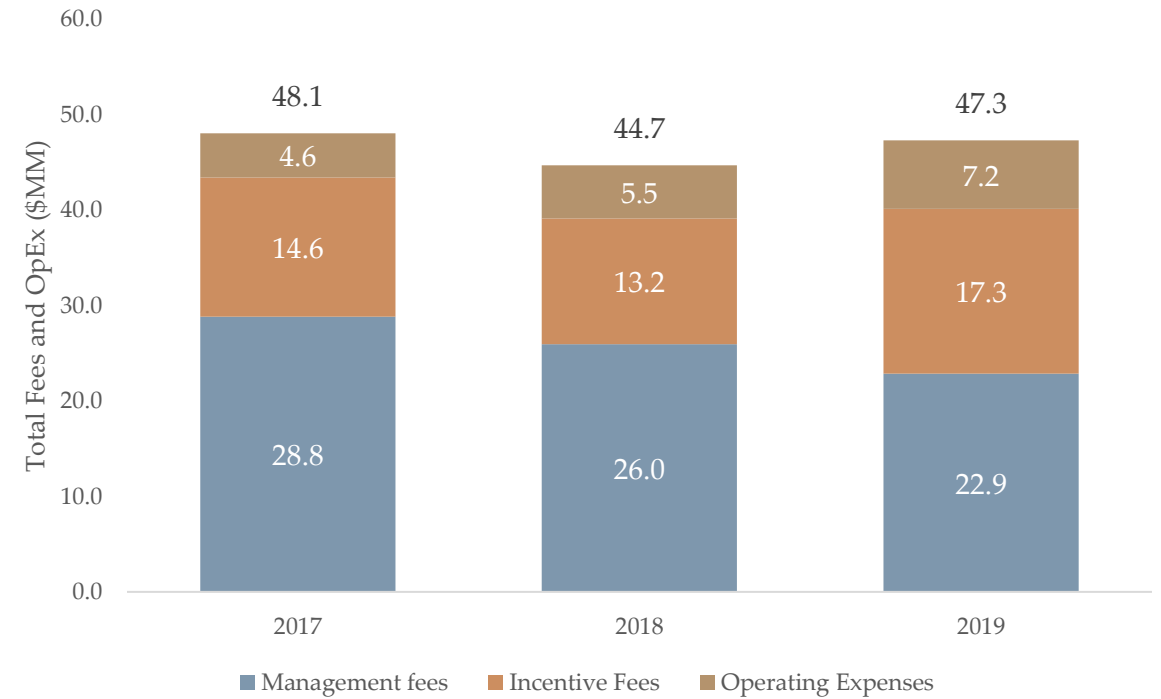
San Jose Police and Fire Pension

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

## Total Fees (%)

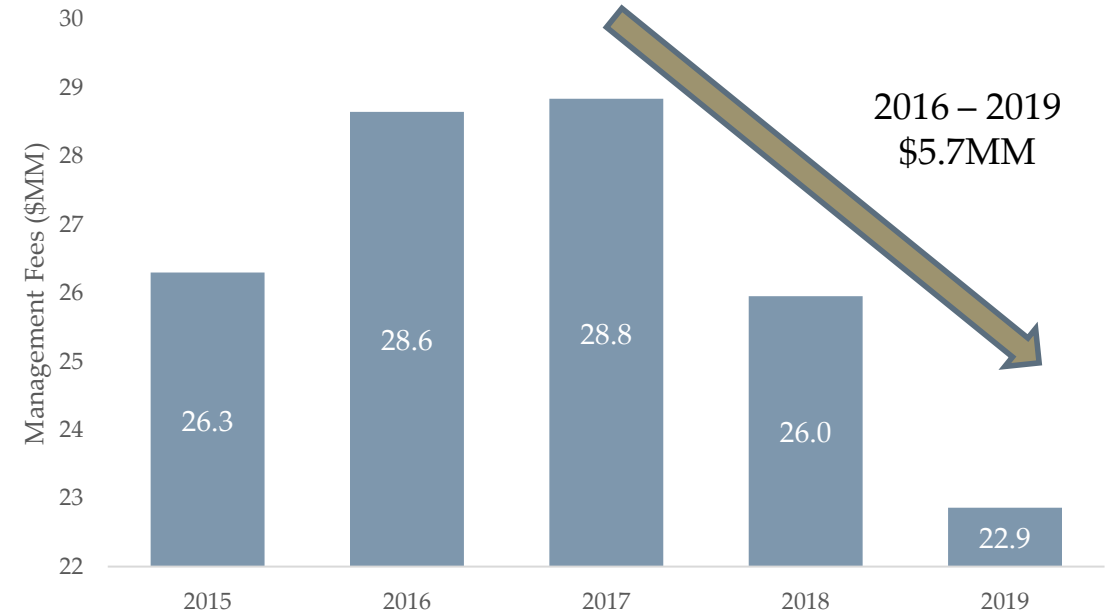
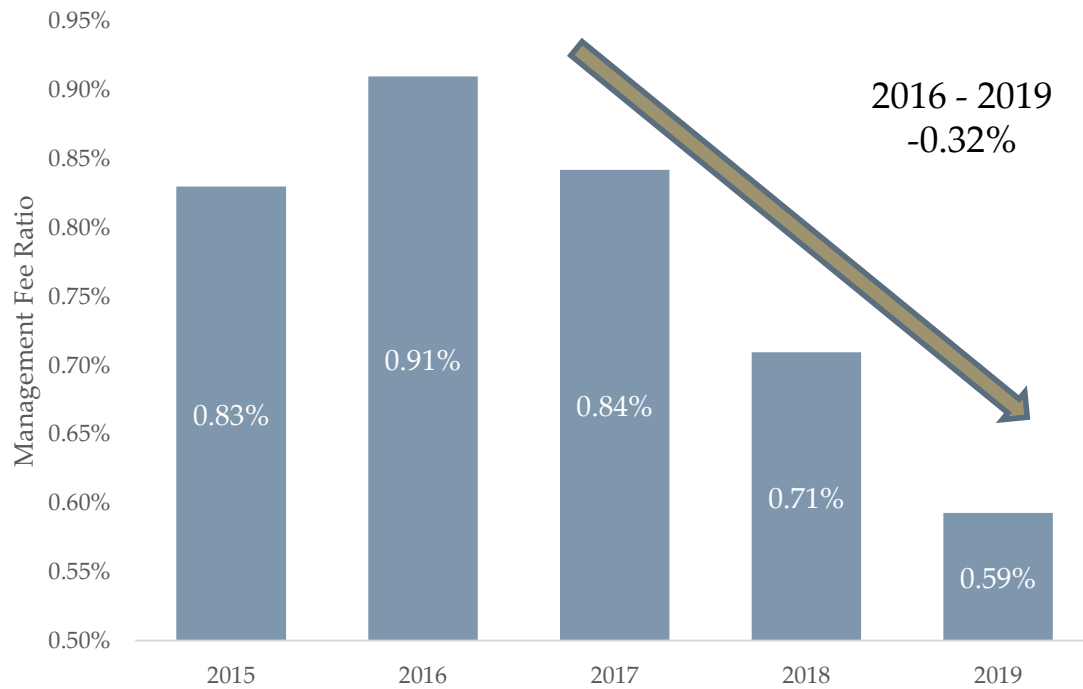


## Total Fees (\$MM)



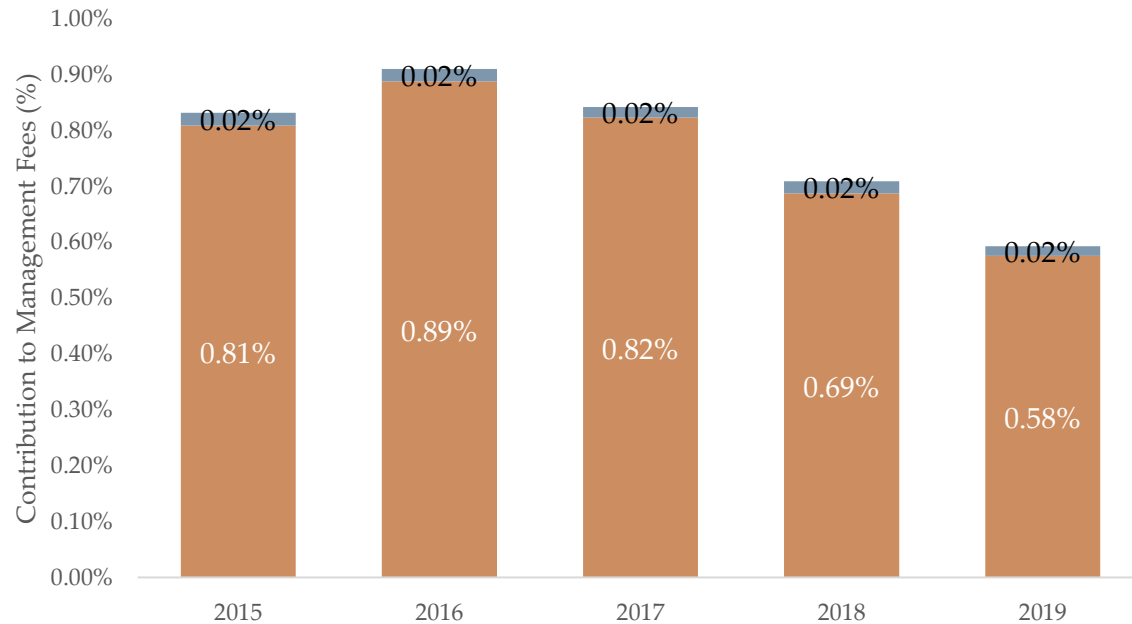
# Control what we can control: Management fees.

Management fees have been reduced from 91bps to 59bps or  $-\$5.7\text{MM}$  over the last 4 years.

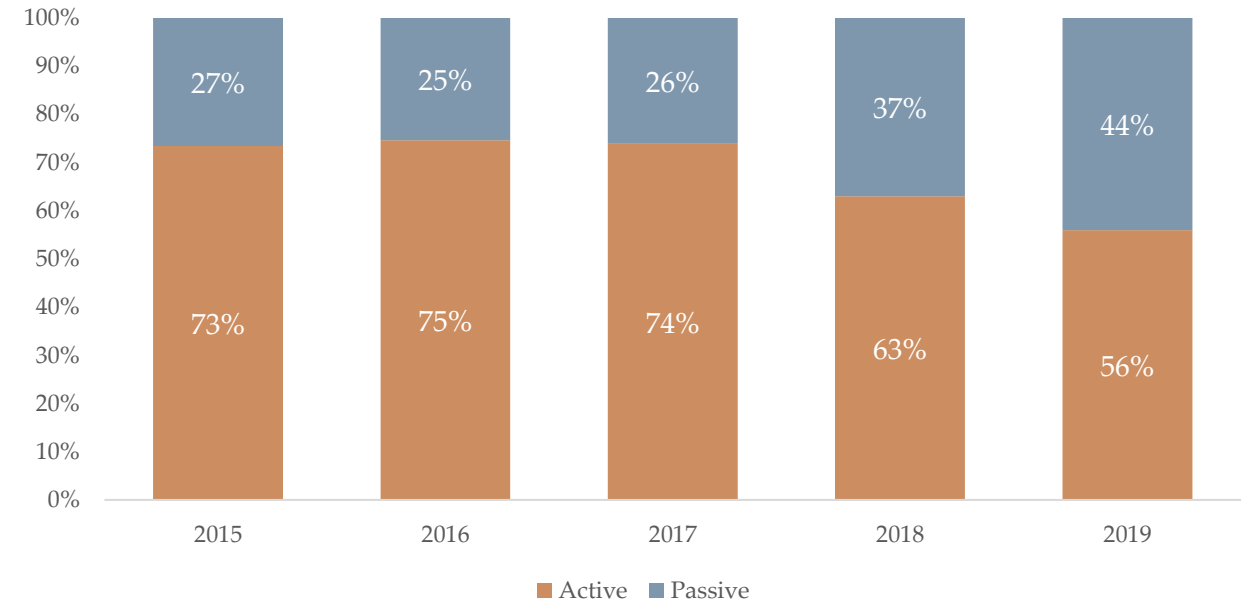


# Lower management fee driven by higher allocation to passive strategies.

## Contribution to Management Fees



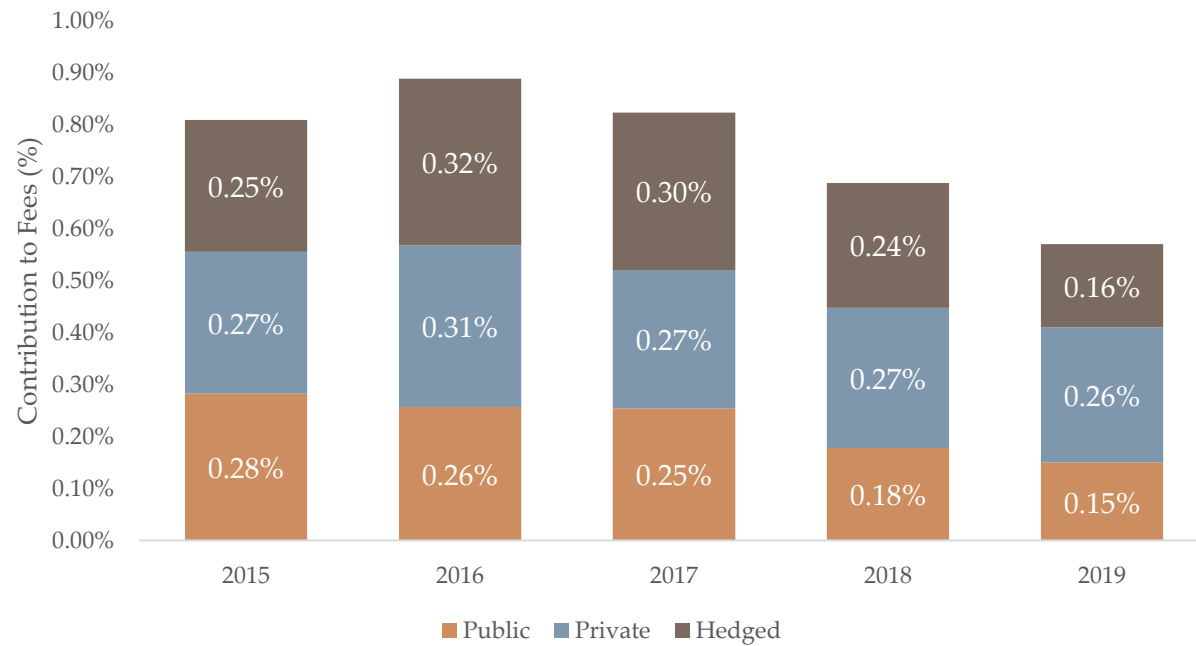
## Average Allocation by Fund Type



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

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

### Contribution to Active Management Fees



### Hedged strategies allocation and management fee ratio

