

Public pension funds spent \$10B on investment fees

By Adam Ashton, Sacramento Bee

State pension funds across the nation shelled out more than \$10 billion in fees in 2014 as they chased higher returns from increasingly complex and risky investments, according to a new report from the PEW Charitable Trusts.

The report traces 10 years of performance at the 73 largest state-sponsored pension funds. Collectively, they manage more than \$2.8 trillion in assets.

Most of them, including California's two major public employee pension funds, did not hit their target investment returns over the decade that PEW studied, 2006-2015.

Both California plans, the California Public Employees' Retirement System and the California State Teachers' Retirement System, sought to earn an average return of 7.5 percent. CalPERS brought in 6.2 percent over the decade, while CalSTRS earned 7 percent.

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