



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
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Executive Director
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December 11, 2017

Honorable Thomas V. Mike Miller, Jr.
President of Senate
State House, H-107
Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker of House of Delegates
State House, H-101
Annapolis, Maryland 21401

Dear President Miller and Speaker Busch:

As required by State Personnel and Pensions Article §21-315(g), I am submitting an annual report describing the actual amount spent for investment management services during the preceding fiscal year. This report prepared by the State Retirement Agency, is submitted in accordance with the State Government Article §2-1246 of the Annotated Code of Maryland. The report designation is MSAR #1380.

This report includes the following:

- i. A summary of the actual amount spent on management fees broken down by asset class; and
- ii. A summary of the actual amount spent on custody, consultants, currency management, and other services.

Please contact me should you have any concerns or questions regarding this report. I may be reached at (410) 625-5600.

Sincerely,

R. Dean Kenderdine
Executive Director

RDK/pw

Attachment

cc: Warren Deschenaux
Board of Trustees

Management Service	Management Fees for FY2017	Incentive Fees for FY2017	Amount Spent
Growth Equity	\$ 153,281,432	\$ 2,642,649	\$ 155,924,081
Public Equity	47,638,095	788,126	48,426,221
Equity Long Short	19,693,206	1,807,726	21,500,932
Private Equity	85,950,131	46,797	85,996,928
Rate Sensitive	8,551,826	220,309	8,772,135
Credit	33,674,119	2,042,719	35,716,838
U.S.	5,121,519	-	5,121,519
Emerging	3,896,475	-	3,896,475
Private Credit	24,656,125	2,042,719	26,698,844
Real Assets	53,424,569	5,842,853	59,267,422
Commodities	8,600,319	3,174,319	11,774,638
REITs	1,798,228	-	1,798,228
Private Real Estate	29,520,643	2,668,534	32,189,177
Natural Resources and Infrastructure	13,505,379	-	13,505,379
Absolute Return	45,300,534	8,832,159	54,132,693
Other Investment Service fees (1)	21,890,439	-	21,890,439
Currency Management	4,593,012	-	4,593,012
Terra Maria Program	12,114,825	-	12,114,825
Investment Consultants	2,616,654	-	2,616,654
Investment System Providers	882,526	-	882,526
Other Investment Expenses	1,683,422	-	1,683,422
Total Investment Management Services	\$ 316,122,919	\$ 19,580,689	\$ 335,703,608

(1) Includes \$2.1 million in budgeted expenses.