



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
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Executive Director
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January 29, 2019

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: Victoria Gruber
Board of Trustees

Management Service	Management Fees for FY2018	Incentive Fees for FY2018	Amount Spent
Growth Equity	\$ 175,395,487	\$ 19,246,869	\$ 194,642,356
Public Equity	53,686,254	585,739	54,271,993
Equity Long Short	17,995,433	18,661,130	36,656,563
Private Equity	103,713,800	-	103,713,800
Rate Sensitive	10,979,047	4,351,491	15,330,538
Credit	29,667,728	3,111,400	32,779,128
U.S.	5,904,858	-	5,904,858
Emerging	4,563,821	-	4,563,821
Private Credit	19,199,049	3,111,400	22,310,449
Real Assets	47,893,473	3,771,990	51,665,463
Commodities	2,167,845	2,322,864	4,490,709
REITs	2,399,807	-	2,399,807
Private Real Estate	28,989,328	1,449,126	30,438,454
Natural Resources and Infrastructure	14,336,493	-	14,336,493
Absolute Return	44,189,555	10,938,638	55,128,193
Other Investment Service fees (1)	25,312,472	-	25,312,472
Currency Management	5,274,851	-	5,274,851
Terra Maria Program	12,916,717	-	12,916,717
Investment Consultants	3,756,119	-	3,756,119
Investment System Providers	1,025,948	-	1,025,948
Other Investment Expenses	2,338,837	-	2,338,837
Total Investment Management Services	\$ 333,437,762	\$ 41,420,388	\$ 374,858,150

(1) Includes \$2.8 million in budgeted expenses.