
May 16, 2016**Item Name:** CEM Benchmarking, Inc. Report on Investment Costs**Program:** Total Fund**Item Type:** Information**Executive Summary**

The presentations included as Attachments have been prepared by the CEM Benchmarking Inc. organization for the 5-year period ending December 31, 2014. This benchmarking survey compares CalPERS costs and return performance to peer information maintained in CEM's extensive pension database. CEM will discuss investment costs that were included and excluded from comparison, as well as the methodology of their benchmark cost analysis. The findings of the survey conclude that using their methodology, CalPERS total investment cost of 41.1 bps was slightly below the peer median of 43.2 bps.

Strategic Plan

This agenda item supports the Strategic Plan goal to improve long-term pension and health benefit sustainability.

Investment Beliefs

This item supports Investment Belief 8 – Costs matter and need to be effectively managed.

Background

Cost Effectiveness is one of the INVO Roadmap strategic objectives. INVO aims to enhance cost effectiveness of the investment program to improve net returns on assets. Annually, CEM conducts a survey with Institutional Investors globally. CalPERS is compared against a custom global peer group.

Attachments

Attachment 1 – CEM CalPERS Investment Cost Effectiveness Analysis – Summary of Results
Attachment 2 – CEM Investment Cost Effectiveness Analysis – Full Report

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