



NEW YORK  
STATE PENSION  
FUNDS -- STT  
IMPACTS  
RELATIVE TO  
MANAGEMENT  
COSTS

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# Findings

- Top two NYS pensions funds are spending \$1.328 billion per year on external Wall Street managers and administrative expenses – despite declining yields
- Impact of a STT rebate repeal would be trivial, especially in comparison to these gargantuan fees – on the order of .018% of investment assets per year, or 1.8 basis points. External management fees, in contrast, are running 60 basis points (.60%) of externally managed assets, which have recently accounted for nearly half of fund assets

**New York State Teachers Retirement System Pension Fund, 2018-2020:  
Investments, Fees, and STT Relative Impact**

	2020	2019	2018
<b>Total Investment Assets</b>	<b>\$118,603,921,000</b>	<b>\$120,214,916,000</b>	<b>\$117,841,729,000</b>
<i>Internally Managed</i>	<b>\$64,012,585,000</b>	<b>\$63,866,136,000</b>	<b>\$64,878,278,000</b>
<i>Externally Managed</i>	<b>\$54,591,336,000</b>	<b>\$56,348,780,000</b>	<b>\$52,963,451,000</b>
Publicly-Traded Equities	\$64,395,346,000	\$65,611,937,000	\$67,097,215,000
>Domestic Eq	\$41,432,220,000	\$42,397,951,000	\$43,891,046,000
% NY Exchanges	64.3%	64.6%	65.4%
Portfolio turnover	50.0%	50.0%	50.0%
STT % - Ave trade	0.1%	0.1%	0.1%
<b>Incremental STT Cost</b>	<b>(\$21,579,281)</b>	<b>(\$22,082,266)</b>	<b>(\$22,859,920)</b>
STT % of Traded Equities	<b>-0.034%</b>	<b>-0.034%</b>	<b>-0.034%</b>
STT % of Investment Assets	<b>-0.018%</b>	<b>-0.018%</b>	<b>-0.019%</b>
<b>Fund Internal Admin Expense</b>	<b>(\$71,385,000)</b>	<b>(\$74,242,000)</b>	<b>(\$60,610,000)</b>
<b>% of Internally Managed Assets</b>	<b>-0.11%</b>	<b>-0.12%</b>	<b>-0.09%</b>
<b>Investment Advisor Fees - Externally Managed Assets</b>	<b>(\$330,012,000)</b>	<b>(\$294,160,000)</b>	<b>(\$276,769,000)</b>
<b>% of Externally Managed Assets</b>	<b>-0.60%</b>	<b>-0.52%</b>	<b>-0.52%</b>
<b>TOTAL FEES AND ADMIN EXPENSE</b>	<b>(\$401,397,000)</b>	<b>(\$368,402,000)</b>	<b>(\$337,379,000)</b>
<b>Fees and Expenses % of Investment Assets</b>	<b>-0.34%</b>	<b>-0.31%</b>	<b>-0.29%</b>
<b>Multiple of STT Burden</b>	<b>19x</b>	<b>17x</b>	<b>15x</b>
<b>Weighted Ave Portfolio Yield %</b>	<b>3.32%</b>	<b>6.93%</b>	<b>8.95%</b>