



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

June 17, 2010

FOR IMMEDIATE RELEASE
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TREASURER COWELL ANNOUNCES INVESTMENT FEE REDUCTIONS *Negotiations Produce Annual Cost Savings of Over \$2 Million*

RALEIGH – State Treasurer Janet Cowell announced today that the Department of State Treasurer has been successful in negotiating investment manager fee reductions resulting in an annual cost savings of over \$2.4 million for North Carolina's pension fund.

A recent fiduciary review of the Investment Management Division conducted by EnnisKnupp found that the majority of the fund's outside investment managers have fees that are significantly lower than the average fees for comparable managers. All but six strategies, overseen by five managers, were found to have lower than average fees.

While the review found fees for these managers to still be reasonable, all five managers, Numeric Investors, Longview Partners, Relational Investors, TimesSquare Capital Management, and Turner Investments, agreed to requests for fee reductions.

These managers invest funds within the public equity portfolio (stocks). There are no outside fees associated with the fund's internally managed fixed income assets, which represent over 35 percent of the overall portfolio.

"Our total cost to manage the pension fund is extremely low," stated Cowell. "However, it is important to consistently work to find ways to save on expenses and provide the greatest return for our state's public workers."

Administrative costs for the North Carolina Retirement Systems, the formal name for the pension fund, are approximately 0.4 percent (less than half a percent) of total assets (currently valued at \$68.7 billion). This is much lower than the average administrative costs for a standard 401k plan which are typically around one percent of assets.

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About the Pension Fund:

The North Carolina Retirement Systems is now the tenth largest public pension fund in the country. It provides retirement benefits and savings for more than 820,000 North Carolinians, including teachers, state employees, firefighters, police officers, and other public workers. For more information visit www.nctreasurer.com