

# Sticker Shock

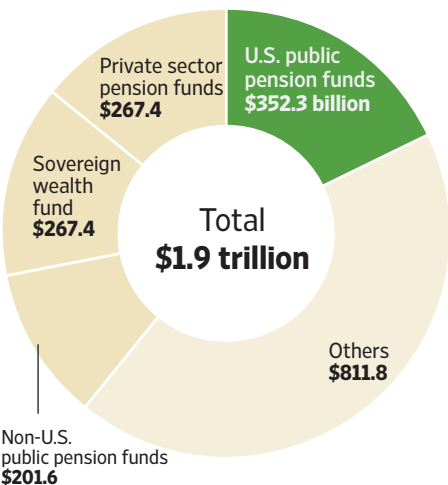
Public pension funds face much higher private-equity costs than they previously realized.

These states now disclose performance fees reflecting the **profits** collected by private equity firms.\*

STATE	MANAGEMENT/OTHER FEES	PERFORMANCE FEES	INCREASE	TOTAL FEES
New Jersey	\$79.6 million	\$91.3 million	115%	\$170.9 million
Kentucky	\$46.3	\$34.1	174%	\$80.4
South Carolina	\$27.0	\$35.3	131%	\$62.3
New Mexico	\$11.9	\$6.32	53%	\$18.2

U.S. public pension funds are the largest investors in private equity.

LARGEST PRIVATE EQUITY INVESTORS\*\*



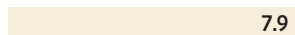
10-Year Median Returns Among Asset Classes

RETURNS AMONG ASSET CLASSES\*\*\*

Private equity



U.S. equity



Real estate



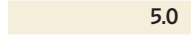
Non-U.S. equity



Non-U.S. fixed income



U.S. fixed income



Cash



\*Increases include disclosures of carried interest, which represents the share of profits kept by private equity firms; Data is the most recent year, either fiscal year 2014 or 2015. \*\* Data through Dec. 31, 2014 \*\*\* Data through June 30, 2015

Sources: the states; Preqin; Wilshire Trust Universe Comparison Service

THE WALL STREET JOURNAL.