



# TEXAS PENSION REVIEW BOARD

## INVESTMENT EXPENSE REPORTING

### ANNUAL FINANCIAL REPORT DISCLOSURES

The 86<sup>th</sup> Legislature enhanced investment expense reporting for public retirement systems by adding Texas Government Code Sections 802.103(a)(3) and (4). The statute requires systems to include, in their annual financial report, all direct and indirect commissions and fees paid for the sale, purchase, or management of the system's assets and the names of the investment managers engaged by the system.

### REPORTING COMPONENTS



#### Fees and Commissions

Systems must report investment management fees, brokerage commissions, and profit share by asset class. Amounts netted from returns must be identified separately from those paid from the trust.



#### Investment Services

Expenses for services such as custodial and investment consulting must be reported in a supplemental schedule in the notes to the financial statements.



#### Manager Names

A list of all investment managers must be included in the annual financial report.

### ASSET CLASSES

Asset classes to be used for reporting: Cash; Public Equities; Fixed Income; Real Assets; and Alternative/Other.

All investments in the Alternative/Other category must be listed by type in a footnote or table.

For more information on asset classes, please see the PRB's [2020 Asset Class Categorization Guide](#)

### REPORTING SCHEDULE

The first investment expense disclosures must be included as follows, by FY-end date.

For detailed guidance, please visit [Chapter 609, Texas Administrative Code](#).

Fiscal Year	Fiscal Year End Date	AFR Due
2020	9/30/2020	4/29/2021
2020	10/31/2020	5/30/2021
2020	12/31/2020	7/30/2021
2021	2/28/2021	9/27/2021
2021	6/30/2021	1/27/2022
2021	7/31/2021	2/27/2022
2021	8/31/2021	3/30/2022