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## Pension Veteran Tears Into Public Funds for 'Bogus Benchmarking'

- **Fund managers benefit as public employees, taxpayers foot bill**
- **Critic says public pensions underperform by \$60 billion a year**

Richard Ennis knows a thing or two about how US public pension systems work. For half a century, he's managed money for some funds and advised untold others at EnnisKnupp, a consulting firm he co-founded. He's also the former editor of the Financial Analysts Journal and recipient of lifetime achievement awards for his work.

Now semi-retired, Ennis doesn't pull punches: To him, the benchmarks that many public funds use to grade their investment performance raise questions about their integrity. "Bogus benchmarking is the single biggest problem in the field of institutional investing," he said.

In his most recent broadside, in the April issue of the Journal of Portfolio Management, Ennis wrote that the public officials who manage \$4 trillion for 26 million working and retired teachers, cops, and other public employees routinely set their benchmarks too low and in many cases receive bonuses for their accomplishments.

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By Neil Weinberg

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