

Calpers misses target with 2.4% return

By Alison Vekshin, BloombergBusiness

The California Public Employees' Retirement System, the largest pension in the U.S., said it earned 2.4 percent last fiscal year, below its target rate as financial-market turbulence depressed stock and bond returns.

The \$300 billion fund earned 1 percent on public-equity holdings and 1.3 percent in fixed-income investments, said Ted Eliopoulos, chief investment officer. Real estate returned 13.5 percent, while private equity gained 8.9 percent.

Calpers must average at least 7.5 percent a year to match its assumed rate of return or turn to taxpayers to make up the difference. Calpers is among pensions under pressure to boost investment returns as their unfunded liabilities tripled to almost \$2 trillion from 2004 through 2013, according to Moody's Investors Service.

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