

# THE WALL STREET JOURNAL.

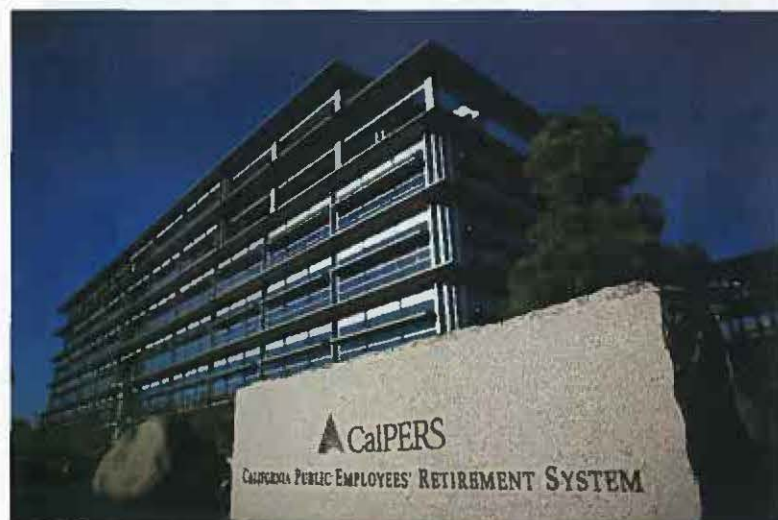
This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/calpers-reports-lowest-investment-gain-since-financial-crisis-1468862249>

BUSINESS | EARNINGS

## Calpers Reports Lowest Investment Gain Since Financial Crisis

Pension fund, for second straight year, failed to hit its internal investment target



Ted Eliopoulos, chief investment officer of Calpers, says the fund is reviewing its asset allocation and current target. PHOTO: MAX WHITTAKER/REUTERS

By TIMOTHY W. MARTIN

July 18, 2016 1:17 p.m. ET

The largest U.S. public pension posted its lowest annual gain since the last financial crisis due to heavy losses in stocks.

The California Public Employees' Retirement System, or Calpers, said it earned 0.6% on its investments for the fiscal year ended June 30, according to a Monday news release.

It was the second straight year Calpers failed to hit its internal investment target of 7.5%. Workers or local governments often must contribute more when pension funds fail to generate expected returns. Calpers oversees retirement benefits for 1.7 million public-sector workers.

Calpers' annual results are watched closely in the investment world. It is considered a bellwether for U.S. public pensions because of its size and investment approach. Many pensions currently are struggling because of a sustained period of low interest rates.

"This is a challenging time to invest," Ted Eliopoulos, Calpers' chief investment officer, said in the release.

The last time Calpers lost money was during fiscal 2009 when the fund's holdings fell 24.8%.

The giant California plan ended 2016 with roughly \$295 billion in assets, and more than half of those funds are invested with publicly traded stocks. Those investments declined 3.4%, though the performance beat internal targets.

Fixed income produced the largest returns at 9.3%, though the results under performed Calpers' benchmark. The California retirement giant's private-equity portfolio posted returns of 1.7%.

Real estate holdings returned 7.1%, but that was below Calpers' internal target by more than 5.6 percentage points.

Write to Timothy W. Martin at [timothy.martin@wsj.com](mailto:timothy.martin@wsj.com)