CalPERS Misses Annual Investment Target with a 4.7 Percent Net Return

CA Public Pensions Law Blog
By Jorge Luna and Sean Flores on 07.15.2020

On Wednesday, CalPERS announced a preliminary 4.7 percent net return on investments for the 12-month period that ended on June 30, 2020. The CalPERS figure misses the annual targeted return of 7 percent, which CalPERS indicated is likely due to COVID-19’s impact on the global economy.

In light of the announcement, the CalPERS Chief Investment Officer commented "We’ve been doing the hard work of preparing for a downturn for some time. When it came, we were in a strong position to reduce its impact on our portfolio and take advantage of new opportunities created by the changing economic climate. I’m proud that our strategy enabled us to navigate volatile markets and end the fiscal year on a strong note.”

The pension fund generated a 12.5 percent return on fixed income, a 0.6 percent on public equity returns, and a 4.6 percent return on real assets, which include real estate and infrastructure. On the other hand, the fund generated a -5.1 percent loss on private equity investments.

Find the full press release here.

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