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The Risks Hidden in Public Pension Funds.

Attracted by promises of high returns, many public pension funds have been loading up on private equity but may not fully appreciate the dangers, our columnist says.

The Oregon Public Employees Retirement Fund prides itself on being open about its investments, publishing [monthly reports](#) that provide more timely information than most other state and local government pension plans across the country.

But like many plans, Oregon's state pension fund is perpetually hungry for high returns on its investments — higher than it expects from stocks and bonds alone.

So Oregon's plan has been pouring money into private equity funds that are, by definition, illiquid and opaque. Those funds engage in debt-fueled takeovers of companies and promise their investors high returns. But the funds contain hidden risks that are not widely understood or clearly reported.

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The New York Times

By Jeff Sommer

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