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Private Credit Attracts Billions From US Pension Plans.

- **State and local funds boost allocations to booming sector**
- **Retirement plans seek higher returns, but there are risks**

US state and local retirement funds are pumping billions into private credit, joining the stampede into a booming sector of finance in the pursuit of higher returns.

These systems are collectively allocating at least \$100 billion of their roughly \$5 trillion in assets into private debt, according to Equable, a bipartisan pension researcher founded by public finance leaders. While that's only a sliver of their holdings at present, funds' private credit positions have been steadily growing and are poised to take off as pension plans including the California Public Employees' Retirement System — the largest among its peers and a bellwether — show a keen interest in committing more to the space.

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