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[Calpers Raises Bets on Private Equity, Credit Bets in \\$34 Billion Shift Away From Stocks.](#)

The largest US pension fund is ramping up its exposure to private equity and private credit in a \$34 billion bet that the riskier assets will fuel higher returns.

The board of the California Public Employees' Retirement System voted to boost the target allocation for private equity to 17% of its portfolio, up from 13%. It also approved increasing private credit to 8% from 5%. Based on current values, that works out to about \$34 billion aimed for private equity and credit, while Calpers plans to pare its exposure to publicly traded stocks and bonds.

The shift reflects confidence that Calpers can ferret out attractive investments even as the fund significantly downgraded the expected 20-year returns from private equity in its latest market survey, citing increased financing costs. The \$490 billion pension fund adopted the new asset mix following a mid-cycle review based on updated market assumptions.

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