New CalPERS CIO Discusses Underperformance of Pension Fund

by Dev Berger

In the recent September 18th P&I News Alert, the CalPERS new CIO Stephen Gilmore explained "underperformance and filling alts allocation gap."

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CalPERS CIO

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Gilmore's comments were made at the September 16, 2024, Investment Committee meeting.

This new allocation by CalPERS was adopted in March, four months before Gilbert joined CalPERS as the new CIO.

Gilbert said that the increase would give the fund "a wider range of the investable markets but less liquidity."

Gilbert also addressed the pension fund's fiscal-return underperformance that fell below its benchmark for the one, 10 and 20-year periods ended June 30. The fund was at 9.3% for the year ended June 30 and that was below its 10.3% benchmark. Why? Because according to Gilbert, private equity was no match for the "very strong performance of the equity market. . . where you've seen the large cap tech stocks do phenomenally well and you'll find a lot of our peers and others lag benchmarks because of that."