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[CalPERS Explores Natural Resources/Commodities Investing](#)

[About CalPERS](#) > [Press Room](#) > [2006 Press Releases](#) > [September 2006 Press Releases](#) > **CalPERS Explores Natural Resources/Commodities Investing**



Press Release

September 12, 2006

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CalPERS Explores Natural Resources/Commodities Investing

SACRAMENTO, CA – The California Public Employees’ Retirement System (CalPERS) set the stage today for a potential foray into direct natural resources commodities futures and related investments in energy, metals, agricultural products and other raw materials.

At a half-day workshop, the CalPERS Investment Committee explored possibilities for a new asset class for the \$210 billion pension fund besides public equity (stocks), private equity, fixed income (including bonds), and real estate.

“There may be serious money to be made by taking advantage of accelerating world demand for commodities and compelling investment opportunities in alternatives to diminishing resources, including cheap oil,” said Charles P. Valdes, CalPERS Investment Committee Chair. “Such investments also would diversify our portfolio, better insure returns, and reduce risk.”

The Natural Resources/Commodities Workshop featured outside speakers drawn from major investment firms, consultants, and universities. They were Steve Strongin, Global Head of Strategy Research for Goldman, Sachs & Co.; Jelle Beenen, Head of Alternative Beta for PGGM, the large Dutch pension fund; Tim Bond, Global Head of Asset Allocation, and George Manahilov, Director of Natural Resources Leveraged Finance, with Barclays Capital; John Preston, Senior Lecturer, Massachusetts Institute of Technology; and Michael Schlachter, Managing Director, Wilshire Associates.

“Market trends point to significant capital market growth in investments in natural resources, companies, and projects that produce and distribute commodities,” said Russell Read, CalPERS Chief Investment Officer. “New technology development will increasingly focus on natural resources whether in stocks, private equity, bonds, or real estate. We expect to be in on the action.”

CalPERS currently invests 8.4 percent of its assets in the natural resources sector, across its stock, bond, and real estate portfolios, focusing mostly in energy and raw materials production and distribution. The pension fund also has other investments in utilities, transportation, and chemicals that are affected by developments in the natural resources sector.

What's New

- Letter to SEC Regarding Rule 14a-8 (i)(8) - Director Nominations by Shareowners (PDF, 87 KB)
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- Board of Administration Information
- CalPERS eSubscriptions
- Diversity Investment Conference
- CalPERS Facts At A Glance
- Retirement Law

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- Board Meeting Calendar & Agenda

- CalPERS Benefits Overview
- Facts At A Glance
- The CalPERS Organization
- Board & Committee Meeting Calendar & Agendas
- Mission & Strategic Plan
- Legislation, Regulations & Statutes
- Press Room
- Career Opportunities
- CalPERS Home - Lincoln Plaza
- Forms & Publications Center
- Resource Library
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CalPERS is the nation's largest public pension fund with assets totaling more than \$210 billion. The System provides retirement and health benefits to more than 1.4 million State and local public employees, retirees, and their families. For more information, visit www.calpers.ca.gov.

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Dated: 09-12-2006

