

FOR IMMEDIATE RELEASE:

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PA SERS Reports 2011 Investment Performance
Expands Energy Sector Exposure

HARRISBURG – The Pennsylvania State Employees’ Retirement System today announced a positive fourth quarter 2011 return that helped the Fund achieve a 2.7% net-of-fees return for the year, despite the economic turbulence that weighed heavily on most investors.

“Strong returns from our U.S. and global stocks in the fourth quarter last year helped us net 0.8% for the quarter,” explained SERS Chief Investment Officer Anthony Clark. “That performance helped the Fund outperform 80% of similarly sized public pension funds for the year.”

While stocks were the strongest performer for the quarter, venture capital and private equity yielded the highest return for the year. As is always the case with SERS’ investment performance reporting, private equity, venture capital and real estate returns lag by one quarter.

Returns by asset class for the quarter and the year were: **US stocks**, up 11.7% for the quarter, down 0.2% for the year; **global stocks**, up 5.4% for the quarter, down 6.4% for the year; **non-U.S. stocks**, up 4.4% for the quarter, down 13.8% for the year; **inflation protection** (including commodities), up 4.0% for the quarter, down 6.5% for the year; **fixed income**, up 2.2% for the quarter, up 6.2% for the year; **cash**, up 0.1% for the quarter, up 0.2% for the year; **absolute return/diversifying assets** (fund of hedge funds), down 0.3% for the quarter, down 1.8% for the year; **real estate**, down 0.8% for the quarter, up 10.5% for the year; **venture capital**, down 0.9% for the quarter, up 18.0% for the year; **private equity**, down 6.5% for the quarter, up 11.7% for the year.

In other business, the Board moved to commit up to \$50 million to Denham Commodity Partners Fund VI. The investment will be funded from cash, subject to successful completion of contract negotiations, and will expand SERS’ direct investment in energy-focused funds, which is currently about 1.6% of the total Fund.

In addition, the Board moved to renew the investment management agreement with Weaver C. Barksdale & Associates, Inc., for their services managing a Stable Value option available to the more than 50,000 participants of the Commonwealth’s voluntary \$2.2 billion Deferred Compensation Program.

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About the Pennsylvania State Employees’ Retirement System

Established in 1923, SERS is one of the nation’s oldest and largest statewide retirement plans for public employees, with assets of approximately \$24.2 billion and more than 227,000 members.

Editor's Note

Annual performance for the three asset classes reported on a quarter lag includes the fourth quarter of 2010 through the third quarter of 2011, and quarterly performance for those three asset classes are actually for the quarter ended Sept. 30, 2011.

For More Information

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