

## **news release**

**for immediate release**

October 29, 2014

### **PA SERS Board Approves \$200 Million in New Investments; Several Administrative Matters Addressed**

HARRISBURG – The Board of the Pennsylvania State Employees' Retirement System meeting here today, approved up to \$200 million for four new investments split between two asset classes, and addressed a number of administrative matters.

A total of up to \$100 million was committed to the real assets class:

- **Up to \$50 million to Prudential Senior Housing Partnership Fund V, L.P.** as a follow-on investment.
- **Up to \$50 million to Rockpoint Real Estate Fund V, L.P.** as a follow-on investment.

Both commitments will continue SERS' successful relationships with the managers while recycling capital into strategies that complement SERS' existing real estate portfolio and improve its vintage year diversification.

A total of up to \$100 million was committed to the alternative investments asset class:

- **Up to \$50 million to Hahn & Company II L.P.** for mid-market, privately negotiated equity and equity-related investments in companies based or with a significant presence in South Korea.

This investment supports the fund's initiatives to increase geographic diversification to improve fund diversification and risk-adjusted return, and to make fewer, larger commitments to top-tier managers and reducing over-diversification and administrative burden as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13)

- **Up to \$50 million to Insight Venture Partners IX, L.P.** as a follow-on investment in a growth equity vehicle focused on software, software-enabled services, and Internet companies.

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This investment supports the fund's initiative to make fewer, larger commitments to top-tier managers and reducing over-diversification and administrative burden as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13)

All four investments will be funded from cash, subject to contract negotiations.

In other business, as part of the board's periodic review of policy statements, the board adopted updates to the SERS Statement of Investment Policy, including the Real Estate Statement of Investment Policy and Alternative Investments Statement of Investment Policy, and to the Investment Advisor Monitoring Policy.

In addition, general investment consultant RVK, investment office staff, and the board discussed the recent, highly publicized organizational changes at PIMCO, one of the managers in the fund's fixed income asset class. The board agreed with RVK's recommendation to place both the Core Bond Fund and U.S. Treasuries that PIMCO manages for the fund under closer monitoring over the coming months.

The board also moved to amend the plan document governing the commonwealth's voluntary participation Deferred Compensation Plan to allow in-plan conversions of assets to Roth assets.

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**Pennsylvania State Employees' Retirement System**

Established in 1923, SERS is one of the nation's oldest and largest retirement plans for public employees, with nearly 230,000 members and assets of nearly \$28 billion. A wealth of information is available at [www.SERS.pa.gov](http://www.SERS.pa.gov).

**for more information**

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