

## **news release**

**for immediate release**

July 22, 2015

### **PA SERS Board Approves \$586 million in New Investments**

HARRISBURG – The Board of the Pennsylvania State Employees' Retirement System today approved \$586 million in new investments, subject to successful contract negotiations.

The board approved \$215 million in alternative investments to be funded from cash:

- **Up to \$50 million to ADV Opportunities Fund I, L.P.**, focusing on privately negotiated, middle-market, deep value investment opportunities in corporates throughout Asia. The commitment, a first time investment with this manager, enhances total fund liquidity by investing in shorter term strategies and supports the fund's initiative to make fewer, larger commitments to top-tier managers as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13).
- **Up to \$50 million to Clearlake Capital Partners IV, L.P.**, focusing on special situation equity opportunities in small to medium sized companies in the U.S. and Canada. The commitment, a first time investment with this manager, enhances total fund liquidity by investing in shorter term strategies and supports the fund's initiative to make fewer, larger commitments to top-tier managers as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13).
- **Up to \$50 million to H.I.G. Brazil and Latin America Fund, L.P.**, focusing on buyouts that target the small-middle market in Brazil and Latin America. The commitment supports the strategic initiative of increasing geographic diversification to improve overall fund diversification and supports the fund's initiative to make fewer, larger commitments to top-tier managers as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13).
- **Up to \$15 million to Lightspeed India Partners, LLC**, focusing on early stage investments in technology companies in India. The commitment supports the strategic initiative of increasing geographic diversification to improve overall fund diversification and risk-adjusted return as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13).
- **Up to \$50 million to Sterling Group Partners IV, L.P.**, focusing on lower middle market private equity opportunities in North America. The commitment, a first time investment with this manager, supports the strategic initiative of making fewer, larger commitments to top-tier managers as outlined in the [2014-2015 Strategic Investment Plan](#) (pg. 13).

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The board also moved to transition approximately **\$370 million** from the large cap equity portfolio to the **Mellon Capital Russell 1000 Growth Index** portfolio.

“As the board, staff and consultants continue with the asset-class-by-asset-class review of the portfolio we started last fall, we are looking for ways to optimize the overall structure,” explained SERS CIO Thomas F. Brier. “This provides an opportunity for increased efficiency and continues our commitment to reduce fees and drive the best value for our members and the commonwealth.”

In other business, the board adopted a modification to its performance review process for the system’s Executive Director and Chief Investment Officer, and approved an amendment to the system’s existing contract with R.V. Kuhns & Associates, Inc., subject to successful completion of contract negotiations. The amendment engages RVK to serve as the general investment consultant for the commonwealth’s \$3 billion voluntary Deferred Compensation Program for \$125,000 annually, and to provide expanded reporting services, if necessary, for an amount not to exceed \$30,000.

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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 more than 233,000 members and assets of approximately \$27.6 billion. A wealth of information is available at [www.SERS.pa.gov](http://www.SERS.pa.gov).

#### **for more information**

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