

**Pennsylvania SERS Approves \$250 Million in New Investments,
Selects Stable Value Fund Program Manager for
Deferred Compensation Program**

HARRISBURG – The Board of the Pennsylvania State Employees' Retirement System today approved up to \$250 million in new commitments for the state's pension system and hired a Stable Value Fund program manager for the state's voluntary Deferred Compensation Program.

The board approved \$250 million in new commitments that will be funded by cash, subject to successful contract negotiations:

- **Up to \$50 million to Asia Alternatives Capital Partners V, LP** and **up to \$50 million to Penn Asia Investors, LP** as follow-on investments within the Private Equity asset class. The funds will focus on primary, secondary, and direct co-investments across Asia, primarily in growth and buyout capital with a minority share in venture capital and special situation investments.
- **Up to \$150 million to Glendon Opportunities Fund II, LP** for a new relationship within the Multi-Strategy asset class. The fund will focus on non-control distressed credit and other special situation investments.

The board also approved reallocating approximately \$1 billion within the portfolio over time:

- Approximately \$249 million from Fixed Income and \$400 million of cash to the MCM Russell 3000 Index
- Approximately \$358 million within the Fixed Income portfolio to the PIMCO Core Bond (ex Treasury) portfolio

In business involving the commonwealth's \$3 billion participant-funded Deferred Compensation Program, the board hired **Invesco Advisors, Inc.** to act as the Stable Value Fund program manager, subject to successful completion of contract negotiations.

In addition, the board moved to amend the general investment consultant contract with RVK to include their assistance with a search for a third-party administrator for both the Deferred Compensation Program and the recently legislated defined contribution plan to be operational by Jan. 1, 2019.

To provide time for the RFP process, the board also approved a one-year extension of the contract with Empower for third-party administration of the Deferred Compensation Program.

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In other business, the board accepted a report from Dilworth Paxson, the outside law firm retained by the Audit Committee to review SERS-related information that arose in a recent federal court case.

The firm's review found no compliance violations with SERS' existing laws, regulations, and policies, concluding that "SERS' Investment Office and outside consultant acted in full compliance with their statutory and ethical responsibilities." The full board will consider policy and process recommendations from the review for its governance manual to be finalized as part of the board's two-year governance project.

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Pennsylvania State Employees' Retirement System

Established in 1923, SERS is one of the nation's oldest retirement plans for public employees, with more than 239,000 members and assets of more than \$27.5 billion. A wealth of information is available at www.SERS.pa.gov.

for more information

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