

**Penn SERS Approves \$100 Million Investment
Reviews Investment Performance**

HARRISBURG – The Board of the Pennsylvania State Employees’ Retirement System, meeting here today, approved a \$100 million investment, and received a report on third quarter and year-to-date investment performance.

The board approved a commitment of **up to \$100 million to Hellman & Friedman Capital Partners XI**, L.P., within the Private Equity asset class.

The board also received a report on the investment returns generated by the State Employees’ Retirement Fund for the Defined Benefit Plan.

Returns by asset class for the third quarter of 2022 and calendar year-to-date 9/30/22 were:

Asset Class	3rd Quarter 2022	Year to Date 9/30/2022
Legacy Private Credit	0.63%	6.57%
Cash	0.51	0.70
Real Estate	(1.59)	4.56
Fixed Income	(4.26)	(13.60)
U.S. Equity	(4.35)	(24.51)
Inflation Protection (TIPS)	(5.60)	(14.85)
Private Equity	(5.86)	(4.74)
International Developed Markets Equity	(8.79)	(26.78)
Emerging Mkts Equity	(10.22)	(29.74)
Total Fund	(5.04%)	(16.13%)

All returns are reported net of fees. Both private equity and real estate returns are reported on a quarter lag and are adjusted for cash flows. Additional information, including benchmark data, is listed in the quarterly investment performance reports at [SERS.pa.gov/Investments.html](https://www.sers.pa.gov/Investments.html).

“SERS is a long-term investor with the mission of paying pension benefits for the lifetime of our members,” explained Executive Director Joe Torta. “Our members can be assured that the fund is fully invested and well positioned to benefit as markets recover.”

As a long-term investor, the SERS Fund generated investment returns of 7.53%, 6.53%, and 9.13% over the past 20 and 25 years, and since inception, respectively.

More recently, the fund returned 17.24%, 11.11%, 18.75% for the 2021, 2020 and 2019 calendar years, respectively.

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In other business, the board approved an annual aggregate pay increase budget for 2023 to be set at 7.4% of the aggregate salary of all staff compensated on the investment professional pay schedule for positions below that of the Chief Financial Officer and Chief Investment Officer, consistent with the *SERS Compensation Policy for Investment Professional Staff*. Individual pay increases, if appropriate, will be determined within the annual aggregate budget total.

The board also approved a cost-of-living increase for the SERS Executive Director of the same percentage and with the same effective date as the annual cost-of-living adjustment approved by the Governor for other agency heads.

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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 239,000 members. As of Sep. 30, 2022, SERS' Defined Benefit Plan had assets of nearly \$32.5 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had approximately \$88.2 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 57,600 participants and assets of more than \$3.8 billion as of Sep. 30, 2022. A wealth of information is available at www.SERS.pa.gov.

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