

**Penn SERS Board Receives  
First Quarter Investment Performance Reports,  
Accepts Independent Audits**

HARRISBURG – The Board of the Pennsylvania State Employees’ Retirement System, meeting here today, received a report on first quarter investment performance.

Returns generated for the Defined Benefit Plan by asset class over the first quarter of 2023 were:

<b>Asset Class</b>	<b>1<sup>st</sup> Quarter 2023</b>
International Developed Markets Equity	8.38%
U.S. Equity	6.97
Emerging Mkts Equity	5.38
Inflation Protection (TIPS)	3.58
Fixed Income	2.96
Legacy Private Credit	1.98
Cash	1.11
Private Equity	0.83
Real Estate	(2.52)
<b>Total Fund</b>	<b>4.07%</b>

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).

The board also received reports on the first quarter [Defined Contribution Plan investment option performance](#) and [Deferred Compensation Plan investment option performance](#), which are also available on SERS’ website.

**Independent Auditors Report**

The board accepted the 2022 audited financial statements for the defined benefit, defined contribution, and deferred compensation plans, presented by KPMG LLP, that included a clean audit. Auditors stated that, “In our opinion, the accompanying financial statements ... present fairly in all material respects, the fiduciary net position of SERS.”

**Recognition of Retiring Internal Auditor**

The board also recognized retiring Internal Audit Director Karen Lynn for her years of dedicated service to the system and its members.

**Investment Return Assumption Review**

The board’s Finance and Member and Participant Services Committee conducted its annual investment return assumption review, which included presentations by both SERS’ actuary, Korn Ferry, and general investment consultant, Callan, during its meeting last week. The committee chose to take no action, thereby maintaining the current 6.875% investment return assumption, as reported to the full board today.

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### **Staff Compensation Actions**

To retain pay parity with other commonwealth positions, the board authorized salary increases and other payments to SERS management and non-represented positions, excluding investment professionals and legal counsel, consistent with those approved by the Executive Board of the Commonwealth for the commonwealth's fiscal year ended June 30, 2024.

The board also authorized salaries for SERS legal counsel consistent with the Governor's Office of General Counsel attorney pay schedule.

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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 Feb. 28, 2023, SERS' Defined Benefit Plan had assets of approximately \$34.2 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had approximately \$118 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 57,000 participants and assets of approximately \$4.1 billion as of Feb. 28, 2023. A wealth of information is available at [www.SERS.pa.gov](http://www.SERS.pa.gov).

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