

**Penn SERS Announces Investment Returns;
Approves \$220 Million in New Investments**

HARRISBURG – The Board of the Pennsylvania State Employees’ Retirement System, meeting here today, received a report on pension fund investment performance showing the fund has earned more than 5% through Sept. 2023.

Returns generated for the Defined Benefit Plan by asset class over the third quarter and year to date 9/30/2023 were:

Asset Class	3rd Quarter 2023	Year to Date 9/30/2023
Legacy Private Credit	2.96%	7.63%
Private Equity	2.22	5.94
Cash	1.33	3.72
Inflation Protection (TIPS)	(2.92)	(1.02)
Fixed Income	(2.93)	(0.54)
U.S. Equity	(3.45)	11.88
Emerging Markets Equity	(4.11)	2.69
Real Estate	(4.25)	(9.79)
International Developed Markets Equity	(4.27)	7.58
Total Fund	(2.22%)	5.10%

All returns are reported net of fees. Private Equity, Legacy Private Credit, 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.

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

New Pension Fund Investments

The board approved two private market investments totaling \$220 million, subject to successful completion of contract negotiations:

- Within the Private Equity asset class, the board committed **up to \$100 million** to **Clearlake Capital Partners VIII, L.P.** and **up to \$20 million** to a **sidecar vehicle** that will co-invest alongside Clearlake Capital Partners VIII, as follow-on investments.
- Within the Real Estate asset class, the board committed up to \$100 million to Ares PA Opportunities Fund, L.P., to be invested in **Ares US Real Estate Opportunity Fund IV, L.P.** and related co-investments as a follow-on investment.

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Committee Officers Named

The recent replacement of three board members whose terms had expired required the naming of three committee chairs and one assistant chair for the remainder of 2023:

- The Investment Committee unanimously elected Commonwealth Budget Secretary Uri Monson as Committee Chair. Secretary Monson then appointed Secretary of Banking and Securities Wendy Spicher, who was unanimously affirmed by the committee, as Assistant Chair.
- The Finance and Member and Participant Services Committee unanimously elected Rep. Dan Frankel as Chair.
- The Board Governance & Personnel Committee unanimously elected Gregory Thall as Committee Chair.

All committees will name chairs and assistant chairs for the upcoming two-calendar-year period during the organizational meeting scheduled for Jan. 9, 2024.

Policy Review

The board, continuing its routine review of board policies, approved minor ministerial corrections to the [Securities Litigation Policy](#). The board also adopted [SERS Third Amended and Restated Right-to-Know Law Policy](#) and delegated administration of the policy to SERS staff, with any changes to the policy to be raised to the board for consideration. The updated policies will be available on the SERS website within the week.

Compensation Actions

The board approved a 3.6% upward adjustment to the salary bands for investment professionals to be effective Jan. 1, 2024. The board also approved an annual aggregate pay increase budget for 2024 to be set at 5% of the aggregate salary of all staff compensated on the investment professional pay schedule of positions below that of the Chief Financial Officer and the Chief Investment Officer, consistent with 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 SERS Executive Director Joseph Torta 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 pursuant to Act 1995-51.

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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 Sept. 30, 2023, SERS' Defined Benefit Plan had assets of approximately \$34.4 billion and the Defined Contribution Plan had approximately \$155 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 57,000 participants and assets of approximately \$4.1 billion as of Sept. 30, 2023. A wealth of information is available at www.SERS.pa.gov.

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