

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

HARRISBURG – The Pennsylvania State Employees’ Retirement Board, 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 2024 were:

<b>Asset Class</b>	<b>1<sup>st</sup> Quarter 2024</b>
U.S. Equity	9.68%
International Developed Markets Equity	5.43
Emerging Markets Equity	3.43
Legacy Private Credit	2.60
Private Equity	2.21
Cash	1.34
Inflation Protection (TIPS)	(0.17)
Fixed Income	(0.18)
Real Estate	(5.61)
<b>Total Fund</b>	<b>3.81%</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://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 also are available on SERS’ website.

In addition, the board moved to adjust the SERS Fund asset allocation by decreasing its Emerging Markets Equity target allocation by 3% and increasing its U.S. Equity target allocation by 3%.

**Investment Return Assumption Review**

Following a presentation by Korn Ferry and Callan, the system’s actuary and investment consultant, respectively, the board did not change the current 6.875% assumed rate of investment return going forward.

**New Pension Fund Investments**

The board committed up to \$100 million to **IPI Partners III-A, L.P.** as a commitment within the real estate asset class, subject to successful completion of contract negotiations. This is a new manager for SERS.

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### **Independent Auditors Report**

The board accepted the 2023 audited financial statements presented by SERS independent auditor KPMG LLP. The statements will be included in SERS' 2023 *Annual Comprehensive Financial Report* to be published later this month.

The board also authorized staff to award a contract with a vendor to provide a system and organization controls audit (SOC 1 Type 2 audit) of SERS. Staff members were directed to proceed with contract negotiations with the vendor selected through a competitive bid (RFP #23-029). The winning bidder will be named after successful contract negotiations, as required by the Commonwealth's Procurement Code, 62 Pa.C.S. §106.1(b)(4).

### **Board Governance Review**

As part of its routine governance review, the board revised the *SERS Policy for Indemnification*, which will be viewable soon in the [SERS Board Governance Manual](#).

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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 242,000 members. As of Dec. 31, 2023, SERS' Defined Benefit Plan had assets of approximately \$36.4 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had approximately \$189 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 56,000 participants and assets of approximately \$4.5 billion as of Dec. 31, 2023. A wealth of information is available at [www.SERS.pa.gov](http://www.SERS.pa.gov).

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