

**PA SERS Hires Third-Party Administrator for
Deferred Compensation and Defined Contribution Plans
Invests \$125 Million, Reports First Quarter Investment Returns, and
Receives 2017 Actuarial Report**

HARRISBURG – The board of the Pennsylvania State Employees’ Retirement System today hired a third-party administrator for the voluntary-participation deferred compensation plan and the newly established, defined contribution plan to launch Jan. 1, 2019.

The board voted to hire **Great-West Life & Annuity Insurance Company** to provide third-party plan administration services for both the deferred compensation and defined contribution plans for a period of five years, subject to contract negotiations.

In addition, the board also adopted the [*Defined Contribution Plan Statement of Investment Policy*](#).

In other business, the board approved \$125 million in investments to be funded by cash subject to successful contract negotiations:

- Within the Multi-Strategy asset class, the board moved to commit up to **\$50 million to TSSP Opportunities Partners IV, L.P.** to focus on control-oriented strategies within the distressed debt market.
- Within the Private Equity asset class, the board approved a commitment of up to **\$75 million to Thoma Bravo Fund XIII, L.P.** to focus on investing in software and tech-enabled service businesses.

The board’s general investment consultant, RVK, reported that the fund earned 10.8% net of fees for the one-year period ended March 31, 2018, despite a flat first quarter of 2018.

Over the five-, ten-, 25-, and 30-year periods, the fund earned 7.5%, 4.5%, 8.2%, and 8.8% net of fees, respectively.

Returns by asset class for the first quarter were:

Asset Class	First Quarter 2018
Private Equity	2.7%
Real Estate	2.6
Cash	0.4
Multi-Strategy	0.2
Legacy Hedge Funds	-0.2
Fixed Income	-0.9
Global Public Equity	-1.1
Total Fund	-0.1%

As always with SERS’ investment performance reporting, all returns are reported net of fees, and private equity and real estate returns lag by one quarter.

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In addition, the board received the complete [2017 Actuarial Report](#) from SERS' actuary, Korn Ferry Hay Group. The results of the actuarial report are used to determine employer contribution rates and provide valuable information on the assets, liabilities, and funded status of the fund.

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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 and assets of nearly \$29 billion. A wealth of information is available at www.SERS.pa.gov.

Great-West Life & Annuity Insurance Company ("Empower Retirement")

Headquartered in metro Denver, Empower Retirement administers over \$534 billion in assets for 8.5 million participants. It is the nation's second-largest retirement plan record keeper by total participants (Pensions & Investments, April 2018). Empower serves all segments of the employer-sponsored retirement plan market: government 457 plans, small, midsize, and large corporate 401(k) clients, non-profit 403(b) entities, private-label recordkeeping clients and Individual Retirement Account customers. For more information, please visit www.Empower-retirement.com.

As of March 31, 2018. Information refers to the retirement business of Great-West Life & Annuity Insurance Company and its subsidiaries, including Great-West Life & Annuity Insurance Company of New York. Of the total \$534B assets under administration (AUA), \$15.2B represents the AUA of GWL&A of NY. AUA do not reflect the financial stability or strength of a company. GWL&A assets total \$62.5B and liabilities total \$60B. GWL&A of NY assets total \$2.0B and liabilities total \$1.9B.

For more information

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