

news release

for immediate release

March 5, 2024

Penn SERS Board Announces 4th Quarter and Year-End 2023 Investment Performance, Adjusts SERS Fund Asset Allocation

HARRISBURG – The Board of the Pennsylvania State Employees’ Retirement System, meeting here today, announced earning 12.2% on investments for the Defined Benefit Plan in 2023.

SERS Fund returns by asset class for the fourth quarter of and calendar year 2023 were:

Asset Class	4th Quarter 2023	Calendar Year 2023
U.S. Equity	12.23%	25.56%
International Developed Markets Equity	10.61	18.99
Emerging Markets Equity	8.48	11.40
Fixed Income	6.14	5.57
Inflation Protection (TIPS)	4.92	3.85
Legacy Private Credit	2.99	10.85
Cash	1.36	5.14
Private Equity	0.61	6.59
Real Estate	(2.35)	(11.91)
Total Fund	6.78%	12.22%

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.

Asset Allocation Adjustment

The board moved to increase U.S. Equity by 3% while proportionally decreasing Fixed Income. The board also updated the [SERS Defined Benefit Plan’s Investment Policy Statement](#) to reflect that change and, within the Fixed Income section, reflect the correct Nominal U.S. Treasury benchmark in the policy statement.

Deferred Compensation Plan Business

In business for the Deferred Compensation Plan, the board updated the U.S. credit rating in the credit quality guidelines within Invesco’s Investment Management Agreement.

Committee Organization Business

Board Governance and Personnel Committee Chair Gregory Thall appointed Pennsylvania Treasurer Stacy Garrity as the committee’s assistant chair for a two-year term.

The board moved to delegate responsibility for the administration of the [Fiduciary Review Policy](#) to the Board Governance and Personnel Committee. The board also approved committee work plans for the upcoming year.

-more-

Staff Compensation Business

Following the board's December 2023 approval of an aggregate pay increase budget for investment professional staff in 2024, the Board Governance and Personnel Committee approved annual salary adjustments for 22 investment professional staffers within the Office of Financial Management and the Investment Office. The committee also approved a salary increase for the Chief Financial Officer and the board approved a salary increase for the Chief Investment Officer. All increases will be effective the first full pay period in March 2024.

The board recognized outgoing board member Greg Jordan for his service on behalf of SERS members and participants and welcomed new member W. Russel Faber.

###

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 243,000 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 \$185 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.

For more information: Pamela Hile | phile@pa.gov