

Penn SERS Investments Earned Nearly 13.7% in 2025
Returns Added Approximately \$5.2 Billion for Pension Benefits

HARRISBURG – The Pennsylvania State Employees’ Retirement Board, meeting here today, received investment reports detailing an approximately 13.7% return in 2025 that added approximately \$5.2 billion to the SERS Fund for pension benefits. As of Dec. 31, 2025, the SERS Fund totaled \$42.6 billion.

Returns for the fourth quarter and calendar year 2025, by asset class were:

Asset Class	4th Quarter 2025	Calendar Year 2025
International Developed Markets Equity	4.71%	28.87%
Emerging Markets Equity	4.64	32.79
U.S. Equity	2.55	17.72
Legacy Private Credit	2.18	7.65
Private Equity	1.45	5.91
Fixed Income	1.10	7.03
Cash	1.01	4.35
Inflation Protection (TIPS)	0.10	7.03
Real Estate	(0.76)	0.84
Total Fund	2.15%	13.69%

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.

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

New Investments

In other business, the board approved three commitments for the private equity portfolio totaling up to \$180 million, as follows:

- Up to \$100 million to **Francisco Partners VIII, L.P.**
- Up to \$30 million to **Francisco Partners Agility IV, L.P.**
- Up to \$50 million to a co-investment sidecar vehicle, **FP VIII PA Co-Invest, L.P.**

Procurement Business

The board reviewed progress of the competitive request for proposal process for actuarial services, RFP 25-013. Following that review, the board authorized SERS staff to award the contract to the selected vendor and proceed with contract negotiations. In compliance with commonwealth procurement rules, the vendor will be publicly named after successful contract negotiations.

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Public Pension Peer Recognition

SERS recently received recognition from two public pension organizations.

The **Government Finance Officers Association** of the United States and Canada (GFOA) has awarded its *Certificate of Achievement for Excellence in Financial Reporting* to SERS for its [annual comprehensive financial report for the fiscal year ended Dec. 31, 2024](#). According to the association, "The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive 'spirit of full disclosure' to clearly communicate its financial story and motivate potential users and user groups to read the report." This was the 27th consecutive year that SERS achieved this recognition.

The **Public Pension Coordinating Council**, a conference of three national public pension organizations, awarded SERS with its *Public Pension Standards Award for Funding and Administration* for 2025 in recognition of meeting the professional standards for plan funding and administration. This was the 18th consecutive year that SERS achieved this recognition.

Staff Compensation Business

Following the [board's December 2025 approval of an aggregate pay increase budget for investment professional staff in 2026](#), the Board Governance and Personnel Committee approved annual salary adjustments for 23 investment professional staff within the Office of Financial Management and the Investment Office, including the Chief Financial Officer. The board also approved the committee's recommendation of a salary increase for the Chief Investment Officer and one-time cash payments to the investment professionals whose recommended salary adjustments have exceeded the pay bands. All increases will be effective the first full pay period in March 2026.

Board Membership Change & Recognition

The board also recognized and thanked **former board member Uri Monson** for his dedicated service to the board. Monson resigned from the board in January.

Other Business

The board approved committee work plans for 2026.

The next board meeting is scheduled for May 5, 2026.

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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 approximately 246,000 members. As of Dec. 31, 2025, SERS' Defined Benefit Plan had assets of approximately \$42 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had assets of approximately \$450 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with more than 57,000 participants and assets of approximately \$5.4 billion as of Dec. 31, 2025. A wealth of information is available at www.SERS.pa.gov.

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