

SERS news release

for immediate release

June 16, 2026

Penn SERS Maintains Current Investment Return Assumption

Approves \$100 Million in New Investments

HARRISBURG – The Pennsylvania State Employees’ Retirement Board chose to maintain the pension fund’s current 6.875% investment return assumption and approved \$100 million in new investments.

The board’s Finance and Member and Participant Services Committee conducted its annual investment return assumption review, which included presentations by both SERS’ actuary, **GRS**, and general investment consultant, **RVK**, during its meeting last week. The committee chose to maintain the current 6.875% return assumption, as reported to the full board today.

The return assumption is a long-term assumption of what is reasonable to achieve over the next 20-plus years. Over the last 10 and 20 calendar years, the SERS Fund for pension benefits earned 8.37% and 6.75%, respectively. According to an April 2026 study by the National Association of State Retirement Administrators (NASRA), of the 132 pension systems in the study, the median return assumption is 7%.

The board also approved an investment of up to \$65 million to **SkyKnight Capital Fund V, L.P.** and \$35 million to a sidecar co-investment vehicle alongside that fund within the private equity asset class. This establishes a new relationship for SERS.

In other business, the board received investment performance reports. During the first quarter of the year, investment returns for the Defined Benefit Plan fund, by asset class, were:

Asset Class	1st Quarter 2026
Legacy Private Credit	2.21%
Private Equity	1.51
Cash	0.92
Inflation Protection (TIPS)	0.30
Emerging Markets Equity	0.18
Fixed Income	0.08
International Developed Mkts Equity	(0.98)
Real Estate	(1.54)
U.S. Equity	(3.81)
Total Fund	(1.38)%

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://www.sers.pa.gov/Investments.html).

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

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In addition, the board received copies of the [2025 Actuarial Report](#) and [2025 Benefits Completion Plan actuarial report](#). The board also accepted the 2025 audited financial statements presented by SERS' independent auditor **KPMG LLP**. The statements are included in SERS' [2025 Annual Comprehensive Financial Report](#).

Also, during the meeting, the board welcomed new board member Brenda Warburton.

The next board meeting is scheduled for July 28, 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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