



news release

for immediate release

December 7, 2016

Pennsylvania SERS Announces Strong Investment Returns; Approves \$100 Million Private Equity Investment

HARRISBURG – The Pennsylvania State Employees’ Retirement System today announced a 3.4% return on investments for the third quarter of 2016, resulting in a 5.4% return and earnings of \$1.8 billion net of fees for retirement benefits for the calendar year ended September 30.

“The hard work of SERS’ investment team to rebalance its portfolio over the past year has produced positive results for the fund,” explained Chief Investment Officer Bryan Lewis.

“Recent absolute and relative performance in Global Public Equity, Real Estate, and Fixed Income have positively contributed to the fund’s long-term performance. SERS has returned 7.4% and 8.7% over the past trailing 20 and 30-year periods ending September 30, respectively. The SERS investment team will continue to strive for the highest investment returns at the best value for SERS’ members.”

Returns by asset class were:

Asset Class	3Q 2016 Return	Calendar Year To Date Return
Global Public Equity	5.7%	6.6%
Real Estate	2.3	5.3
Private Equity	2.1	3.2
Fixed Income	1.9	7.9
Hedge Funds	1.4	1.5
Cash	0.2	0.4
Total Fund	3.4%	5.4%

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.

The board approved a commitment of **up to €93 million** (\$100 million USD) to **TDR Capital IV, L.P.**, which will focus on control investments in European middle market businesses. The investment, which will round out SERS’ annual private equity commitment target of \$750 million, will be funded from cash, subject to contract negotiations.

As part of its periodic review of policy statements, the board approved updates to the *Statement of Investment Policy*, *Private Equity Statement of Investment Policy*, *Real Estate Statement of Investment Policy*, and *Investment Manager Monitoring Policy*, to make phrasing in them consistent with the *2017-2019 SERS Strategic Business Plan*. The board also approved updates to its U.S. and International proxy voting policies, including the merging of the two policies into one. All updated policies will be available on SERS’ website, www.SERS.pa.gov.

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The board adopted the *2017-2019 SERS Strategic Business Plan* that establishes the agency's strategic goals and lays out a plan for both the benefit administration and investment operations. Establishing a combined plan was a recommendation from the agency's recent governance review. A copy is also available on the SERS website.

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Pennsylvania State Employees' Retirement System

Established in 1923, SERS is one of the nation's oldest retirement plans for public employees, with nearly 237,000 members and assets of more than \$26 billion. A wealth of information is available at www.SERS.pa.gov.

for more information

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