



news release

for immediate release

December 6, 2017

Pennsylvania SERS Announces Investment Returns, Approves \$175 million in New Investments

HARRISBURG – The Pennsylvania State Employees’ Retirement System today announced a 3.7% return for the third quarter of 2017, resulting in an 11.2% net-of-fees return on investments that added nearly \$2.9 billion in earnings to the SERS Fund during the first nine months of the year.

“Strong performance from the global public equity, private equity and fixed income portfolios have driven strong calendar year returns.” said SERS Chief Investment Officer Bryan Lewis.

Returns by asset class were:

Asset Class	Quarter ended 9/30/17	Calendar Year ended 9/30/17
Global Public Equity	5.3%	18.0%
Private Equity	3.9	9.2
Hedge Funds	1.7	4.0
Real Estate	1.2	2.1
Fixed Income	1.1	4.1
Cash	0.3	1.2
Total Fund	3.7%	11.2%

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.

In other business, the board approved up to \$175 million in new commitments. The investments will be funded from cash subject to successful completion of contract negotiations.

Within the Private Equity asset class, the board approved a commitment of up to **\$75 million to Providence Strategic Growth III, L.P.** as a follow-on investment to focus on making growth equity investments in lower middle market technology-enabled companies in North America.

Within the Multi-Strategy asset class, the board approved a commitment of up to **\$100 million to Brightwood Capital Fund IV, L.P.,** to focus on private debt investments in U.S. middle market companies.

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The board received a study, requested during its Sept. 13, 2017 meeting, in partnership with the administrator of the commonwealth's voluntary 457 Deferred Compensation Plan for state employees, Empower Retirement. The study looked at developing a plan to increase participation in the program among currently eligible employees and to identify the steps necessary to expand eligibility to municipal employees across the commonwealth.

The board also directed the Personnel Committee to advertise statewide and with national trade organizations for executive director candidates to fill the vacancy left after the Jan. 5, 2018, retirement of David Durbin, announced at the November board meeting.

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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 more than 239,000 members and assets of more than \$28.3 billion. A wealth of information is available at www.SERS.pa.gov.

for more information

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