

news release

for immediate release

Dec. 9, 2025

Penn SERS Board Holds Year-End Meeting
Pension Fund Investments Up More Than 11% Heading Into 4th Quarter

HARRISBURG – The Pennsylvania State Employees’ Retirement Board, meeting here today, received investment return reports detailing a year-to-date 11.29% return, net of fees, as of Sept. 30, 2025.

Investment returns by asset class during the third quarter and year-to-date Sept. 30 were:

Asset Class	3rd Quarter 2025	Calendar Year to Date 9/30/2025
Emerging Markets Equity	10.82%	26.90%
U.S. Equity	8.40	14.80
International Developed Mkts Equity	4.68	23.07
Inflation Protection (TIPS)	2.06	6.92
Private Equity	2.02	4.39
Fixed Income	1.95	5.86
Legacy Private Credit	1.95	5.35
Cash	1.08	3.30
Real Estate	(0.27)	1.62
Total Fund	4.71%	11.29%

All returns are reported net of fees. Both Private Equity and Real Estate returns are reported on a quarter lag and 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 third quarter [Defined Contribution Plan investment options performance](#) and [Deferred Compensation Plan investment options performance](#), which also are available on SERS’ website.

New Pension Fund Investment

The board approved a commitment of **up to \$65 million** to **BVIP Fund XII, L.P.**, within the Private Equity asset class. This new investment manager for SERS invests in companies operating in the tech-enabled business services and IT solutions sectors.

Updated Investment Policy Statements

As part of an annual review, the board approved updated investment policy statements for SERS retirement plans. The updates incorporate language regarding SERS’ investment risk management process, as well as other plan-specific updates. The [Defined Benefit Plan statement](#) update modified performance objective language for several Public Market sub-asset classes, and the [Deferred Compensation Plan statement](#) and [Defined Contribution Plan statement](#) updates also broadened fee language, incorporated a description of the custom index used for the Target Date suite of investments, clarified staff roles, and adjusted language for consistency between the two individual investment account plan statements.

-more-

Procurements

SERS' current contract for independent audit services expires in Oct. 2026. To ensure service continuity, the board approved a statement of work for the Independent Auditing Services Request for Proposal (RFP 025-038).

The board also approved a statement of work to hire a qualified independent consultant to conduct a board fiduciary review, as indicated in [SERS' Fiduciary Review Policy](#).

Board Self-Assessment

Concluding its in-depth board self-assessment review, **Global Governance Advisors** presented its observations, recommendations, and skills assessment to the board. According to the [SERS Board Self-Assessment Policy](#), the board is responsible for regularly evaluating its own performance and identifying subject areas that may be appropriate for education/training.

Compensation Actions

The board approved a 2.6% upward adjustment to the salary bands for investment professionals to be effective Jan. 1, 2026, and reflected as such in the [Compensation Policy for Investment Professional Staff](#). The board also approved an annual aggregate pay increase budget for 2026 to be set at 4.25% of the aggregate salary of all staff compensated on the investment professional pay schedule of positions below that of the Chief Financial Officer and the Chief Investment Officer, consistent with *SERS' Compensation Policy for Investment Professional Staff*. Individual pay increases, if appropriate, will be determined within the annual aggregate budget total.

In addition, the board approved a request of the Commonwealth's Executive Board to authorize a salary increase for SERS Executive Director Joseph A. Torta, of 4.5% plus any cost-of-living adjustments granted to the commonwealth's cabinet officers for 2026, for an estimated total increase of approximately 7.8%.

Other Business

The board also approved the SERS-Internal Audit Office's 2026/2027 Internal Audit Plan.

###

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 245,000 members. As of Sep. 30, 2025, SERS' Defined Benefit Plan had net assets of approximately \$42 billion and the Defined Contribution Plan, which launched on Jan. 1, 2019, had approximately \$420 million. SERS also administers a voluntary supplemental Deferred Compensation Plan with nearly 57,000 participants and net assets of approximately \$5.3 billion as of Sep. 30, 2025. A wealth of information is available at www.SERS.pa.gov.

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