

Commonwealth of Pennsylvania
Public School Employees' Retirement System

Date: May 24, 2018

Subject: Proposed Default Investment Option for the PSERS' Defined Contribution Plan

To: Members of the Board

From: Krista A. Roessler *KR*
Senior Investment Professional

At the May Board Meeting, during the Executive Director's Report, the Act 5 Investment Team will recommend that the Board approve the T. Rowe Price Retirement Blend Target Date Fund as the default investment option for the PSERS' Defined Contribution Plan.

The Act 5 Investment Team, in consultation with Cammack, developed qualitative and quantitative criteria for the default option and considered numerous providers. Following presentations and interviews with the four most suitable providers and based on key factors, such as glide path suitability, competitive fees, and strong performance, the Act 5 Investment Team recommends the T. Rowe Price Retirement Blend Target Date Fund as the default investment option.

The next step for the Act 5 Investment Team will be to evaluate and make recommendations for the full Tier Two Investment Array for the Plan. These recommendations will be brought to the August Board Meeting for Board Approval.

If you have any questions or comments, please contact me at 717-720-4711 or kroessler@pa.gov.