

PRESS RELEASE

**For Immediate Release
June 10, 2011**

For More Information Contact:
Evelyn Tatkovski
Press Secretary
Public School Employees' Retirement System
Phone: 717-720-4734
e-mail: etatkovski@state.pa.us

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ANNOUNCES POSITIVE INVESTMENT EARNINGS FOR FISCAL YEAR THIRD QUARTER

Fund reports positive investment performance for the quarter ended March 31, 2011; also announces award for financial reporting

HARRISBURG, PA –During a Board meeting held today in Harrisburg, the Public School Employees Retirement System (PSERS) announced the Fund posted a 4.23 percent return for the quarter and an 18.09 percent return for the nine month fiscal year-to-date period ended March 31, 2011.

PSERS Chief Investment Officer Alan Van Noord reported, “Strong returns from U.S. equities and commodities greatly benefitted PSERS during this past quarter. PSERS added net investment income of \$7.9 billion to the fund for the nine month fiscal year-to-date period ended March 31, 2011. As a result, the Fund remains on track to post another positive fiscal year return above the Fund’s assumed rate of return assumption of 8.00%. Although the Fund continues to slowly recover from the recent recession, PSERS continues to closely monitor conditions as unemployment remains high and commodity inflation remains a concern.”

For the one-year, five-year and 10-year periods ended March 31, 2011, PSERS returned 15.93 percent, 3.45 percent, and 6.53 percent, respectively. The annualized 25 year return through March 31, 2011, is 8.82 percent, which exceeds the assumed long-term actuarial investment rate of return for the same period.

Additional detailed investment performance on individual asset classes as of March 31, 2011 is available on PSERS’ website at: <http://www.psers.state.pa.us/invest/invest.htm>.

In other business, the Fund announced that for the 28th consecutive year, PSERS qualified for the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the PSERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The award is the highest form of recognition in governmental accounting and financial reporting and indicates a significant accomplishment for the Fund.

About the Pennsylvania Public School Employees’ Retirement System

PSERS is the 16th largest state-sponsored defined benefit public pension fund in the nation. As of March 31, 2011, PSERS had net assets of \$51.2 billion and a membership of over 282,000 active school employees and over 184,000 retirees.

As of March 31, 2011 PSERS had 16.3 percent of its investment portfolio in non-U.S. equities; 14.6 percent in U.S. equities; 19.7 percent in U.S. and global fixed income investments; 20.0 percent in private markets; 10.0 percent in real estate; 5.2 percent in commodities, 9.7 percent in absolute return strategies, and 4.5 percent in cash and cash equivalents.

###