

Press Release

For Immediate Release
March 7, 2010

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PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ANNOUNCES POSITIVE INVESTMENT EARNINGS OF OVER \$2.5 BILLION FOR THE QUARTER

Pension fund earns a positive 5.90 percent for the quarter and a positive 14.23 percent for the one-year period ended December 31, 2010

HARRISBURG, PA –The Pennsylvania Public School Employees Retirement System (PSERS) today reported a positive 5.90 percent return for the quarter and a positive 14.23 percent for the one-year period ending December 31, 2010.

PSERS' Chief Investment Officer Alan Van Noord commented on the Fund's growth: "PSERS' reported a second positive quarter of investment earnings for the current fiscal year. In particular, PSERS benefited from strong growth in U.S. equities and commodities. U.S. equities earned 11.64 percent for the quarter and 18.36 for the one-year period ended December 31, 2010. Commodities reported gains of 16.03 percent for the quarter and 18.13 percent for the one-year period."

Van Noord said, "Overall, PSERS continues to remain relatively optimistic about the economic recovery. With today's announcement of another quarter of positive growth, PSERS is on track to report another positive fiscal year in June. That said, these are uncertain times and we are closely monitoring conditions both in the U.S. and internationally. There is real concern over continued high unemployment, state and local budget pressure, and commodity inflation. Commodity inflation, especially in the food and energy sectors, could derail the economic recovery in the U.S."

PSERS' annualized rate of return for the twenty-five year period ended December 31, 2010 was 9.01 percent which exceeded the Fund's long-term investment rate of return assumption during that period. PSERS' current investment rate of return assumption is 8.00 percent.

PSERS' returned a positive 13.29 percent and added net investment income of \$5.6 billion for the six month fiscal year-to-date period ended December 31, 2010.

Additional detailed investment performance on individual asset classes as of December 31, 2010 is available on PSERS' website at: <http://www.psers.state.pa.us/invest/invest.htm>.

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 December 31, 2010 PSERS had net assets of approximately \$49.8 billion and a membership of over 282,000 active school employees and over 184,000 retirees. For more information visit PSERS' website at: www.psers.state.pa.us.

As of December 31, 2010 PSERS had 17.0 percent of its assets in non-U.S. equities; 14.0 percent in U.S. equities; 20.0 percent in U.S. and global fixed income investments; 20.2 percent in private markets; 9.6 percent in real estate, 4.6 percent in commodities, 9.3 percent in absolute return strategies, and 5.3 percent in cash and cash equivalents.

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