

## **PSERS POSTS INVESTMENT PERFORMANCE FOR THE THIRD QUARTER 2004/2005**

**(June 8, 2005)**

HARRISBURG, PA The Pennsylvania Public School Employees Retirement System (PSERS) today reported investment returns of 10.53 percent for the nine-month period ending March 31, 2005 (fiscal year-to-date), and 11.11 percent for the 12-month period ending March 31, 2005.

PSERS Chairman Roger H. May recognized PSERS Board and investment staff efforts and reported, PSERS posted positive investment returns for the past seven fiscal quarters and I am pleased to report that this positive trend continues into our most recent fiscal quarter ending March 31, 2005. PSERS Board and investment staffs dedication to a well-diversified plan continues to benefit the Fund and make the PSERS one of the top performing pension funds in the nation.

For the fiscal year-to-date and 12-month period ending March 31, 2005, PSERS returns of 10.53 and 11.11 percent respectively, placed the fund in the top ten percent of approximately 100 public pension funds in the Wilshire Associates database. PSERS fiscal third quarter investment performance of 0.51 percent resulted in a ranking in the top five percent of the Wilshire Associates database of 108 public pension plans.

PSERS Chief Investment Officer Alan Van Noord reported, The fiscal third quarter was a difficult period for public markets and for many pension funds across the nation whose median return was negative 0.87 percent. Nonetheless, I am pleased to report that PSERS continued to post positive investment returns. PSERS investment return for that same time frame was a positive 0.51 percent. In particular, PSERS benefited from our real estate and alternative investments, which performed extremely well during this quarter. Not only did PSERS outperform many public pension plans across the nation in the past quarter but the Fund performed well against the major market indices.

PSERS real estate portfolio returned 6.29 percent for the fiscal third quarter and 22.24 percent for the 12-month period ending March 31, 2005 and exceeded the NCREIF index, which returned 4.66 percent and 14.48 percent for the same time frame.

PSERS alternative investment returns were 10.68 percent for the fiscal third quarter and 26.97 percent for the 12-month period ending March 31, 2005 in comparison to the Venture Economics benchmarks of 7.18 percent and 8.36 percent for the same time frame.

PSERS international equity portfolio earned 0.47 percent for the fiscal third quarter and 15.47 percent for the 12-month period ending March 31, 2005.

PSERS domestic equity portfolio returns for the fiscal third quarter were negative 2.00 percent and 7.38 percent for the 12-month period ending March 31, 2005 as compared to the Dow Jones Wilshire 5000, which returned negative 2.22 percent and 7.18 percent for the same time frame.

PSERS domestic fixed income portfolio returned 3.51 percent for the 12-month period ending March 31, 2005, exceeding the Lehman Aggregate of 1.16 percent.

### **About the Pennsylvania Public School Employees Retirement System**

PSERS is the 14<sup>th</sup> largest public pension fund in the nation and the 21<sup>st</sup> largest among public and corporate pension funds in the nation. As of March 31, 2005, PSERS had an investment portfolio of approximately \$50.6 billion and a membership of more than 248,000 active school employees and 150,000 retirees. For more detailed investment performance information visit PSERS website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

As of March 31, 2005, PSERS had 43.4 percent of its assets in Domestic stocks; 19.5 percent in International stocks; 18.2 percent in Domestic and International Fixed Income investments; 9.0 percent in Alternative Investments; 6.5 percent in Real Estate and 3.4 percent in cash and cash equivalents.

### **For More Information Contact:**

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