

# PRESS RELEASE

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## **PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM ANNOUNCES INVESTMENT PERFORMANCE**

*Pension fund posts gains for the quarter and one-year period ended March 31, 2006*

HARRISBURG, PA – The Pennsylvania Public School Employees' Retirement System (PSERS) today announced positive investment returns for the quarter and one-year period ended March 31, 2006.

The pension fund generated a total return of 6.36 percent for the quarter, 17.93 percent for the one-year period, and 20.43 percent for the three-year period ended March 31, 2006. The returns in each of these periods placed PSERS in the top 10 percent of a public pension plan database compiled by Wilshire Associates. In addition, PSERS investment return of 9.70 percent for the 5-year time frame ended March 31, 2006 also ranked in the top 10 percent of the public pension plan database and exceeded the Fund's actuarial assumption of 8.50 percent.

PSERS' Chief Investment Officer Alan Van Noord commented on the Fund's investment performance. "PSERS lower exposure to fixed income and emphasis on small and mid cap domestic equities, as well as international equities served the Fund well and contributed to the excellent investment performance during this time frame," Van Noord said. PSERS domestic equity portfolio returned 14.77 percent for the 12 month period while the international equity portfolio returned 31.49 percent," Van Noord said. "As a result, PSERS was able to continue its record growth as the Fund reached an all-time high record of assets under management of over \$57 billion."

PSERS' Chairman Roger May commented on the dedication of PSERS' investment staff and Board Members. "As our investment performance shows, PSERS continues to be one of the top performing Funds in the country and we didn't get there by accident," May said. "It is due primarily to PSERS' very talented investment staff and fellow Board Members who have stayed the course and remained committed to the Fund's asset allocation even during the market correction during 2000-2002. Their dedication has paid off as the Fund continues to grow to record high levels."

PSERS' investments outperformed all of their benchmarks for the quarter and one-year period ended March 31, 2006.

PSERS domestic equity portfolio earned 5.86 percent for the quarter and 14.77 for the one-year period ended March 31, 2006, exceeding the Wilshire 5000 index returns of 5.44 percent and 14.72 percent respectively.

PSERS' international equity portfolio earned 10.98 percent for the quarter and 31.49 percent for the one-year period ended March 31, 2006, exceeding the MSCI All- Country World Index ex. U.S., which returned 9.76 percent and 28.12 percent for the same time frame.

PSERS' real estate portfolio returned 12.99 percent for the quarter and 37.79 percent for the one-year period ended March 31, 2006.

PSERS' alternative investment returns were 7.11 percent for the quarter and 21.86 percent for the one-year period ended March 31, 2006 in comparison to the Venture Economics Median Return, Vintage Year Weighted benchmark returns of 4.80 percent and 10.93 percent for the same time frame.

#### **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 fund among public and corporate pension funds in the nation. As of March 31, 2006, PSERS had an investment portfolio of approximately \$57.2 billion and a membership of more than 255,000 active school employees and 156,000 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, 2006, PSERS had 41.2 percent of its assets in Domestic stocks; 23.6 percent in International stocks; 17.1 percent in Domestic and International Fixed Income investments; 8.3 percent in Alternative Investments; 6.0 percent in Real Estate and 3.8 percent in cash and cash equivalents.

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