

# Pennsylvania Public School Employees' Retirement System

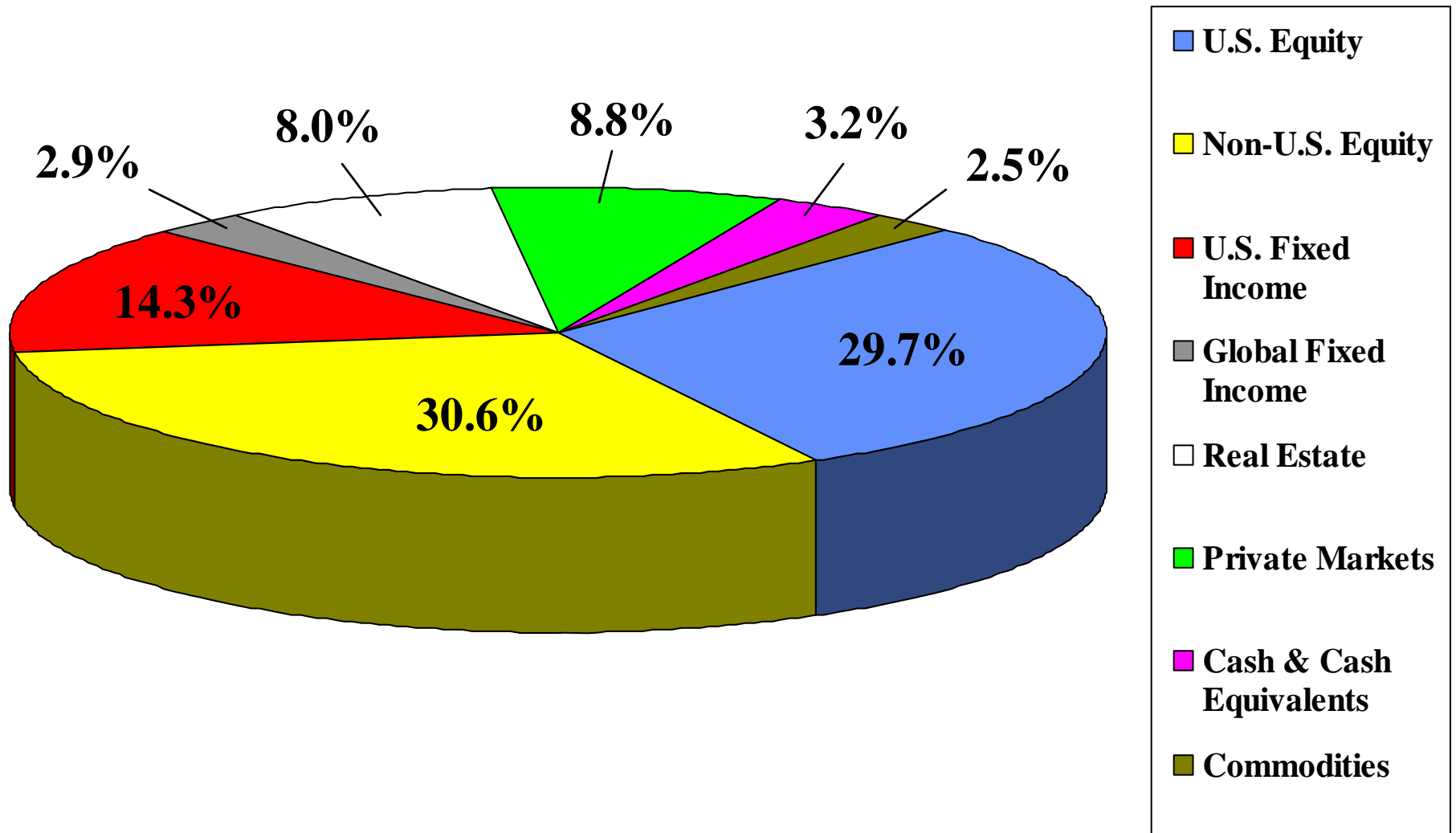


## PSERS' Investment Market Values as of June 30, 2007 (Unaudited)

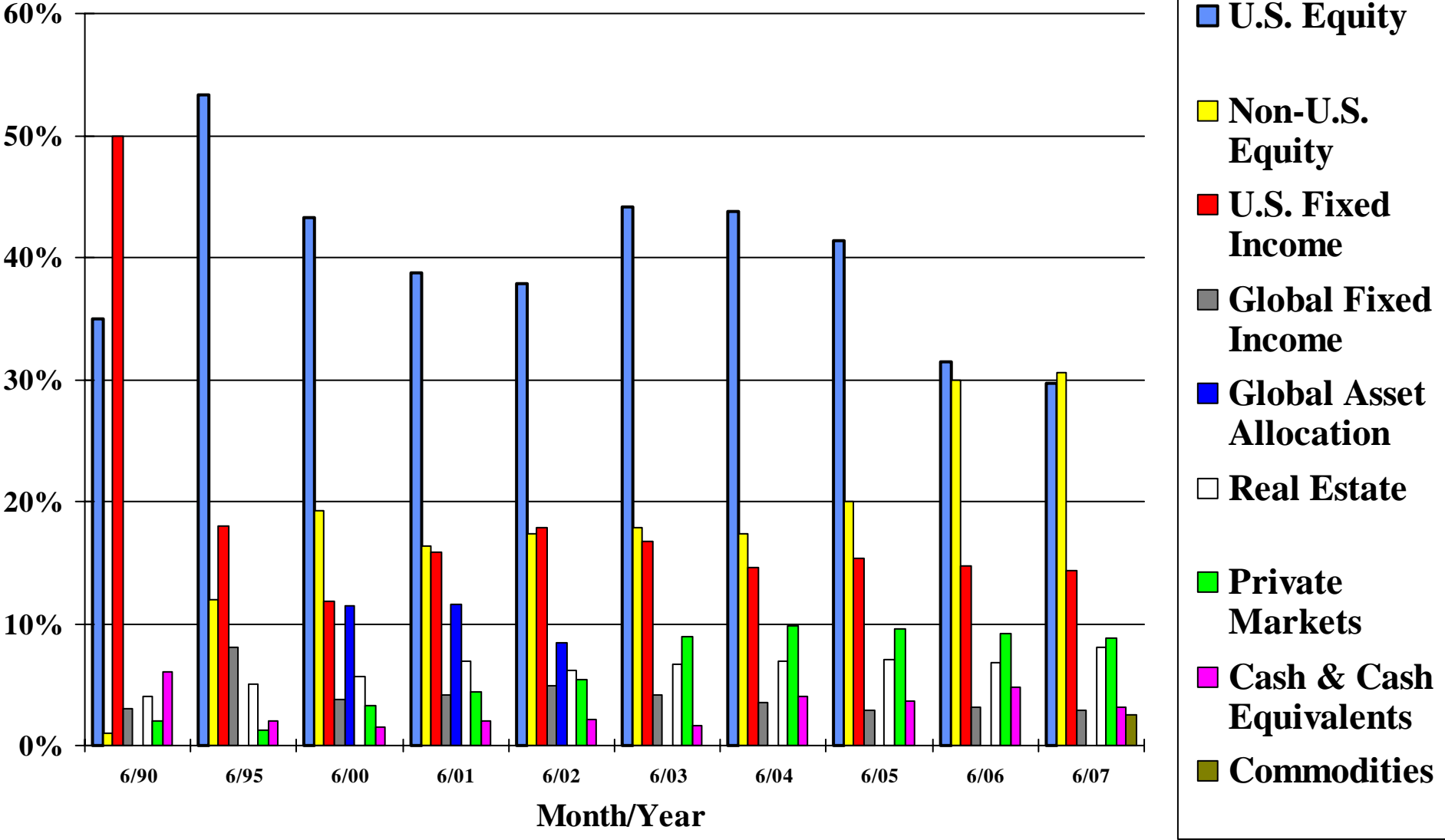
Asset Class	Market Value (in millions)	% of Total	Target Allocation	Policy Ranges
U.S. Equity	\$ 19,907.2	29.7%	29.25%	24.25% - 34.25%
Non-U.S. Equity	20,586.1	30.6%	29.25%	23.75% - 34.75%
Private Equity	4,204.1	6.3%		
Private Debt	1,093.2	1.6%		
Venture Capital	605.6	0.9%		
Subtotal Private Markets	<u>5,902.9</u>	8.8%	9.0%	
Real Estate	<u>5,364.0</u>	8.0%	8.0%	
Total Equity	<u>51,760.2</u>	77.1%	75.5%	69.5% - 81.5%
U.S. Fixed Income	9,637.9	14.3%		
Global Fixed Income	1,946.8	2.9%		
Cash & Cash Equivalents *	<u>2,173.9</u>	3.2%		
Total Fixed Income	13,758.6	20.4%	22.0%	19.2% - 24.8%
Commodities	<u>1,655.0</u>	2.5%	2.5%	2.5% - 6.2%
<b>TOTAL FUND</b>	<b><u>\$ 67,173.8</u></b>	<b>100.0%</b>	<b>100.0%</b>	

\* - includes Cash, Cash Equivalents, and net asset value accounting adjustments

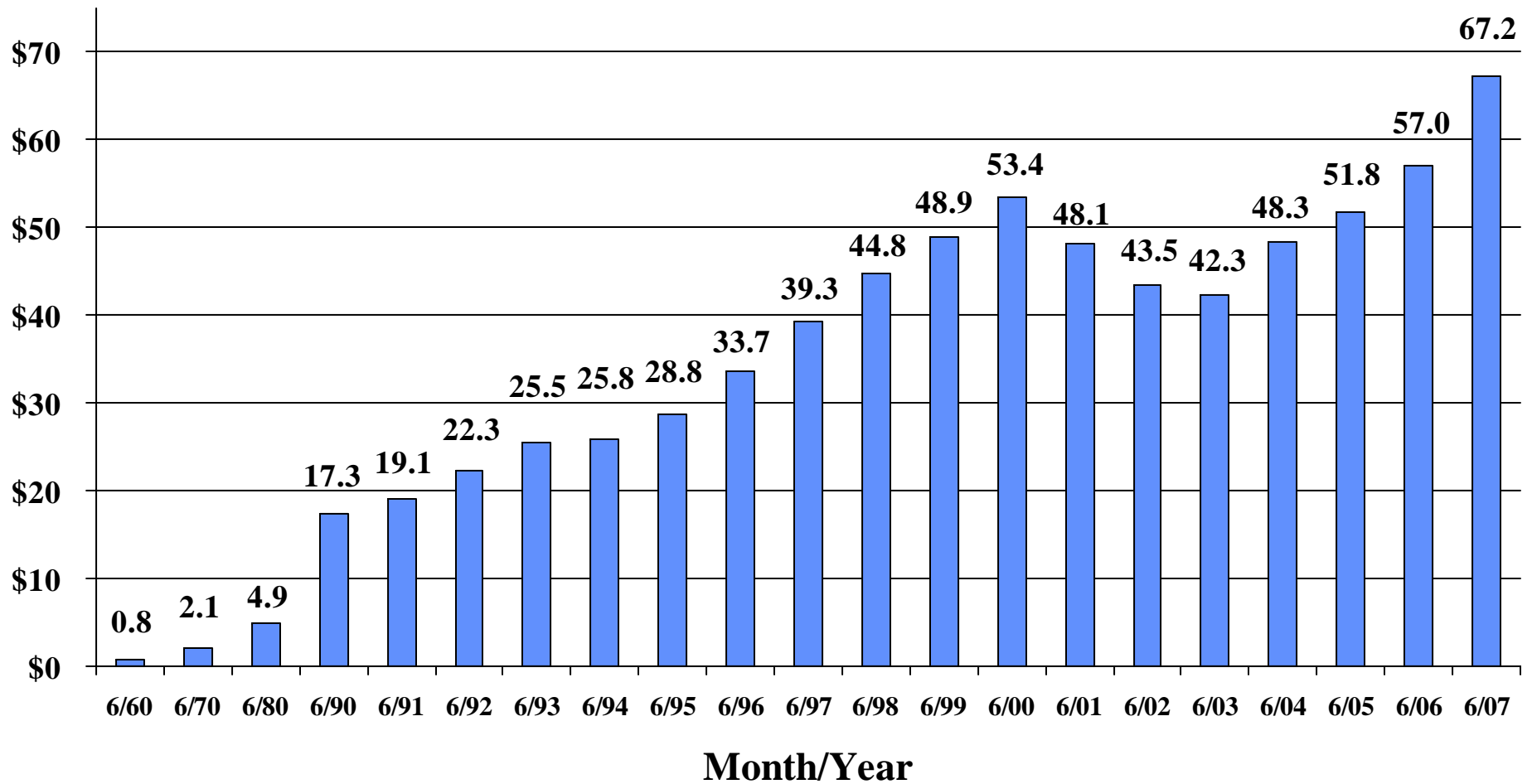
# PSERS' Portfolio Distribution as of June 30, 2007 (Unaudited)



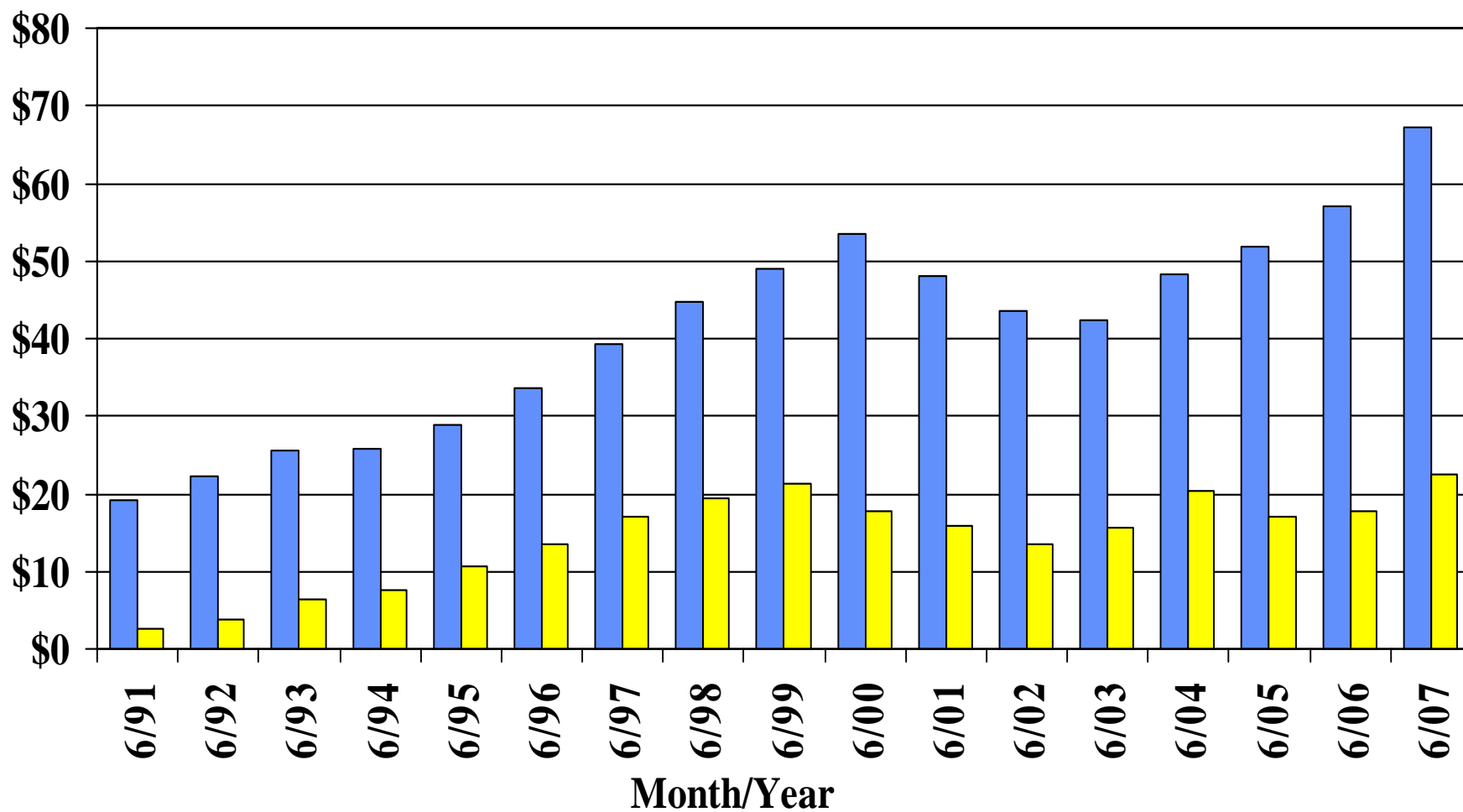
# PSERS' Historical Asset Allocation



# PSERS' Investment Market Values (in billions)



## Internally Managed Assets (in billions)



PSERS' Average Monthly Pension  
Contributions & Expenses  
Fiscal Year 2005 - 2006

- Member Contributions..... \$ 69 Million
- Employer Contributions..... \$ 38 Million
- Net Investment Income..... \$ 661 Million
  
- Pension Expense..... \$ 324 Million
- Administrative Expense..... \$ 3 Million

# PERS' Sources of Funding

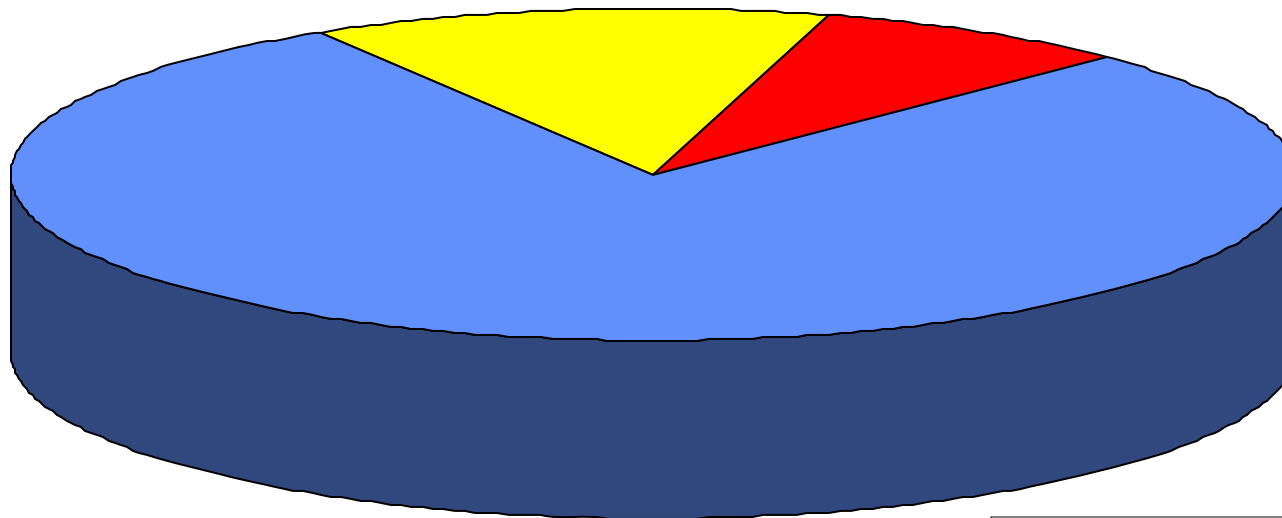
## 10 Year History (Fiscal Year 1997 to 2006)

Employee Contributions

\$6.4 Billion (13% of Total)

Employer Contributions

\$4.3 Billion (8% of Total)



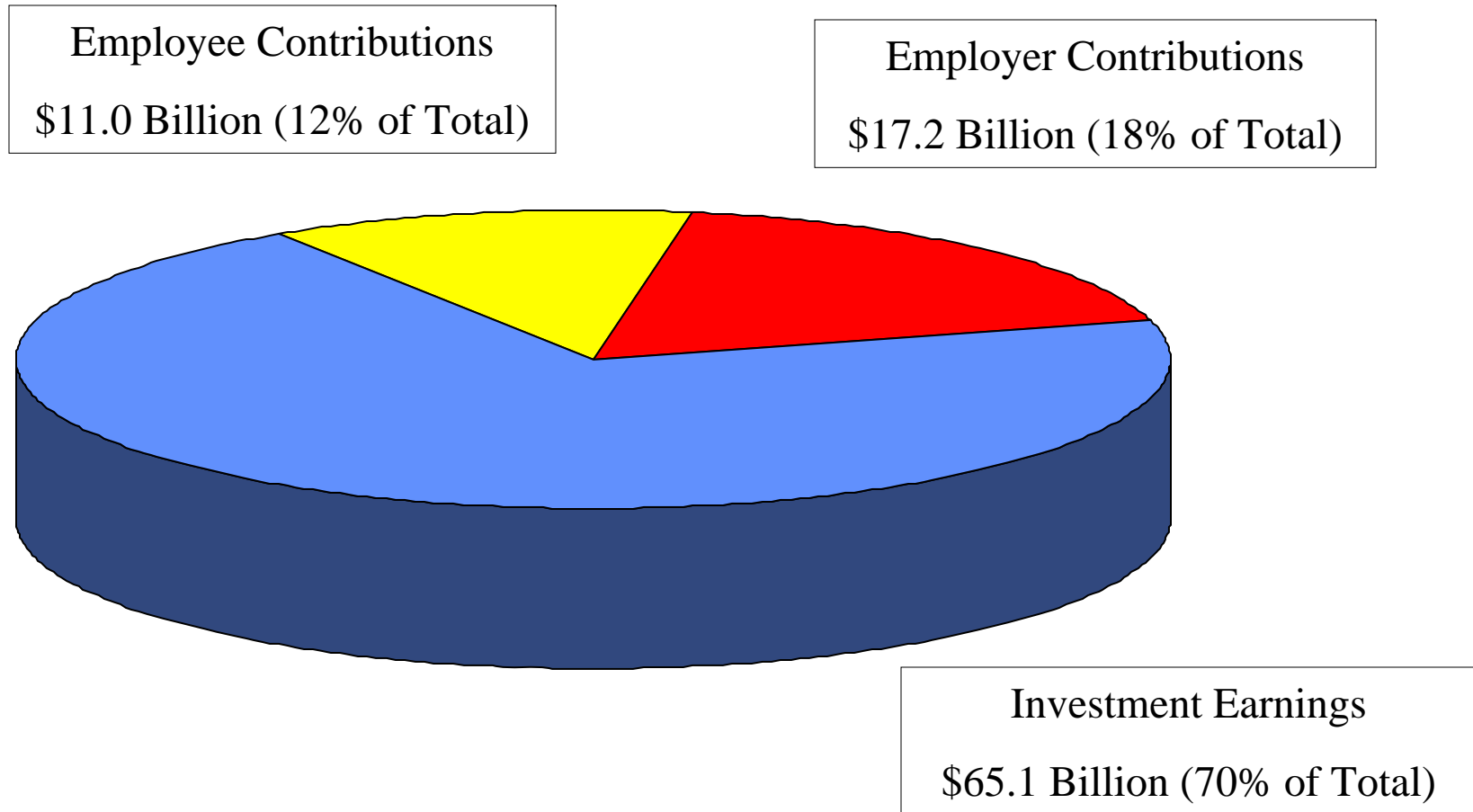
Investment Earnings

\$40.4 Billion (79% of Total)



# PERS' Sources of Funding

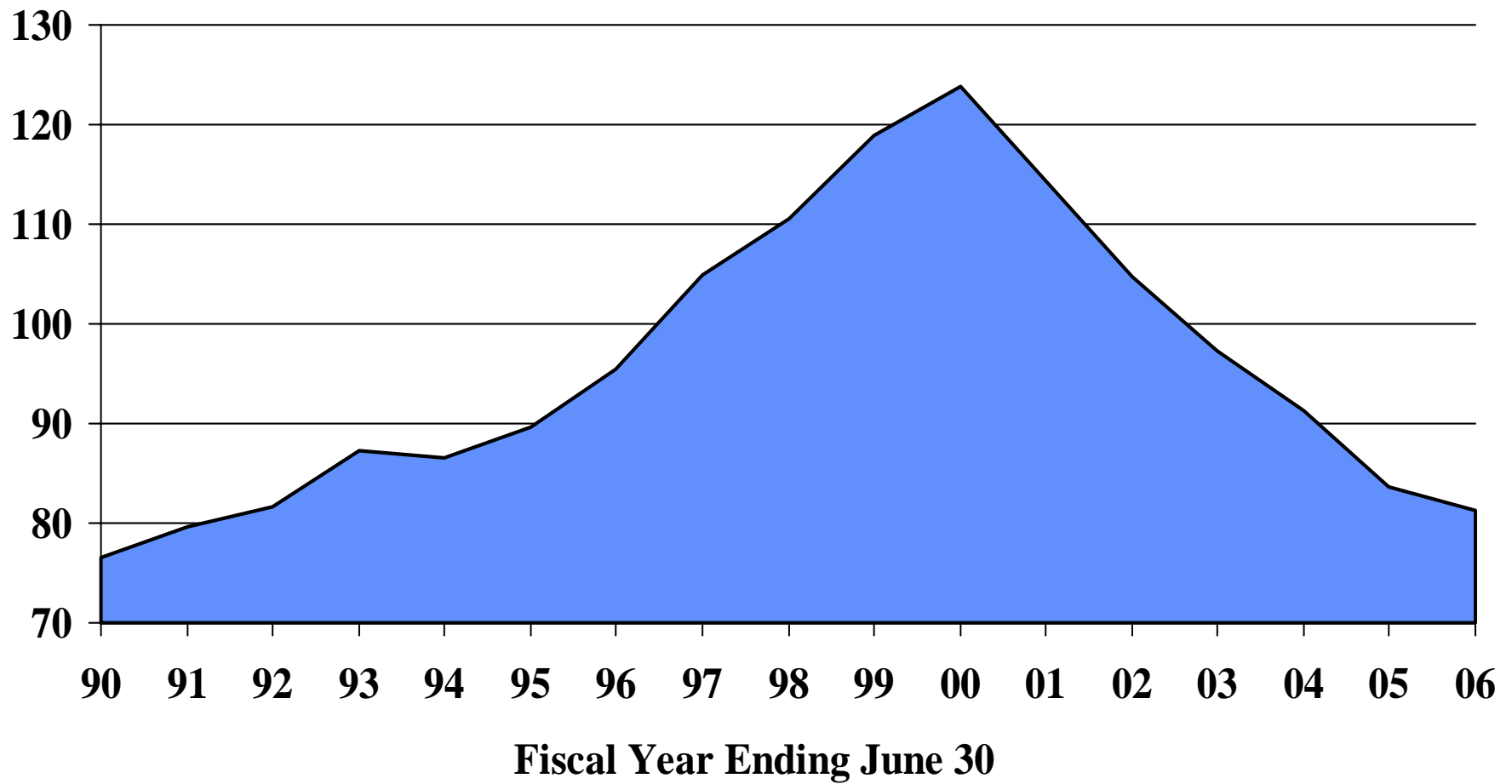
## 25 Year History (Fiscal Year 1982 to 2006)



## PSERS' Funded Ratio – 1990 to 2006 (in millions)

<b>June 30 Date</b>	<b>Accrued Liability</b>	<b>Valuation Assets</b>	<b>Unfunded (Overfunded) Accrued Liability</b>	<b>Funded Ratio (%)</b>
2006	\$ 64,720	\$ 52,558	\$ 12,163	81.2
2005	61,227	51,219	10,007	83.7
2004	57,124	52,095	5,029	91.2
2003	54,443	52,900	1,543	97.2
2002	51,796	54,296	(2,500)	104.8
2001	47,917	54,830	(6,913)	114.4
2000	39,823	49,293	(9,470)	123.8
1999	37,499	44,606	(7,107)	119.0
1998	36,136	39,969	(3,833)	110.6
1997	33,210	34,873	(1,663)	105.0
1996	31,630	30,171	1,459	95.4
1995	30,073	26,971	3,102	89.7
1994	28,348	24,552	3,796	86.6
1993	25,947	22,644	3,303	87.3
1992	24,570	20,068	4,502	81.7
1991	22,574	17,962	4,612	79.6
1990	20,914	15,996	4,918	76.5

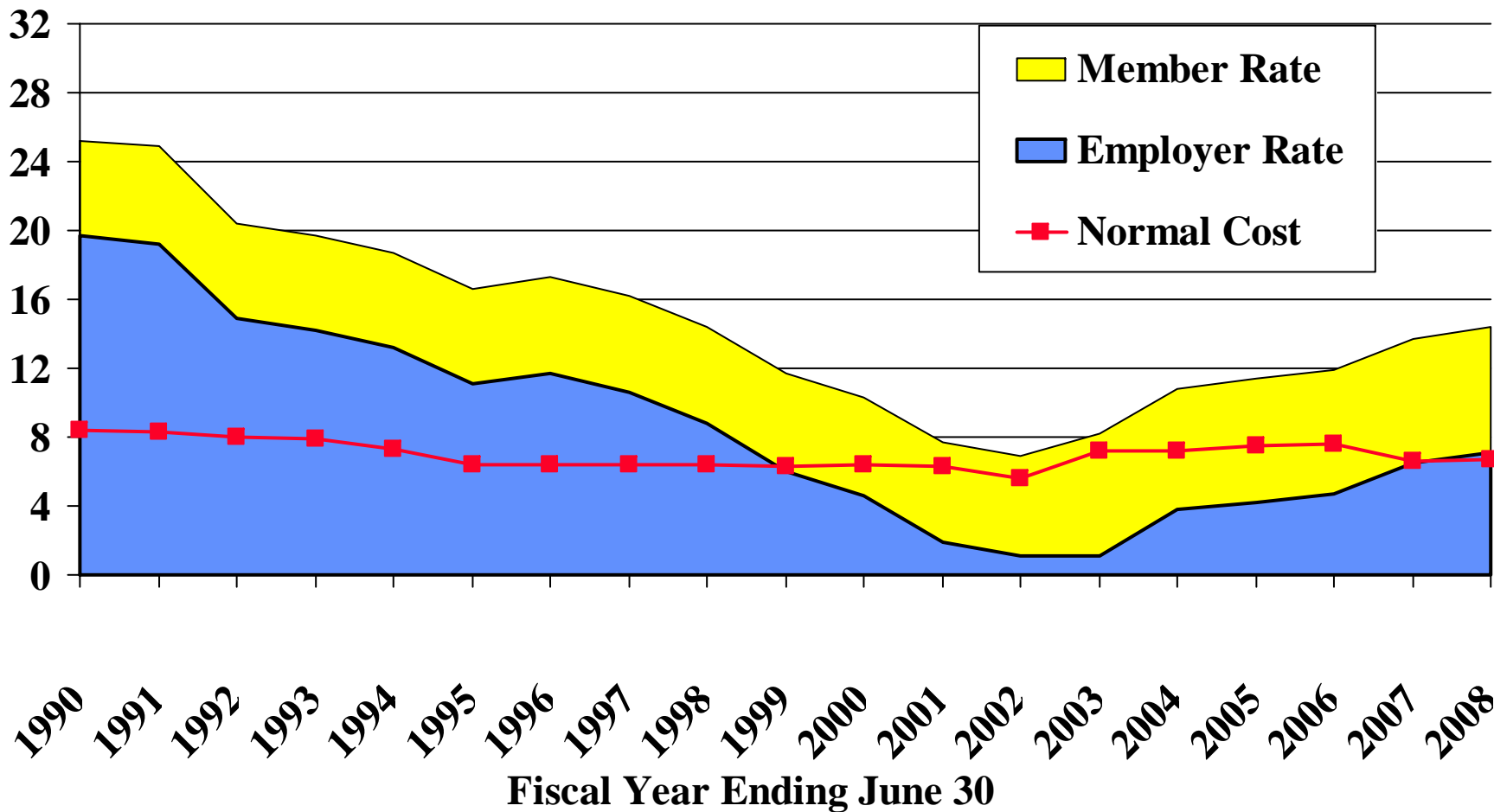
# PSEERS' Funded Ratio – 1990 to 2006 (percentage)



## Total Contribution Rates Since 1989-90

<b>Fiscal Year</b>	<b>Employer Rate</b>	<b>Employee Rate</b>	<b>Total Contribution Rate</b>
2007-08	7.13%	7.25%	14.38%
2006-07	6.46	7.21	13.67
2005-06	4.69	7.16	11.85
2004-05	4.23	7.12	11.35
2003-04	3.77	7.08	10.85
2002-03	1.15	7.10	8.25
2001-02	1.09	6.43	7.52
2000-01	1.94	5.77	7.71
1999-2000	4.61	5.72	10.33
1998-99	6.04	5.69	11.73
1997-98	8.76	5.65	14.41
1996-97	10.60	5.62	16.22
1995-96	11.72	5.59	17.31
1994-95	11.06	5.55	16.61
1993-94	13.17	5.51	18.68
1992-93	14.24	5.48	19.72
1991-92	14.90	5.46	20.36
1990-91	19.18	5.69	24.87
1989-90	19.68	5.53	25.21

# History of Member and Employer Contribution Rates Since 1989-90



# Projected Member and Employer Contribution Rates

