

Pennsylvania Public School Employees' Retirement System

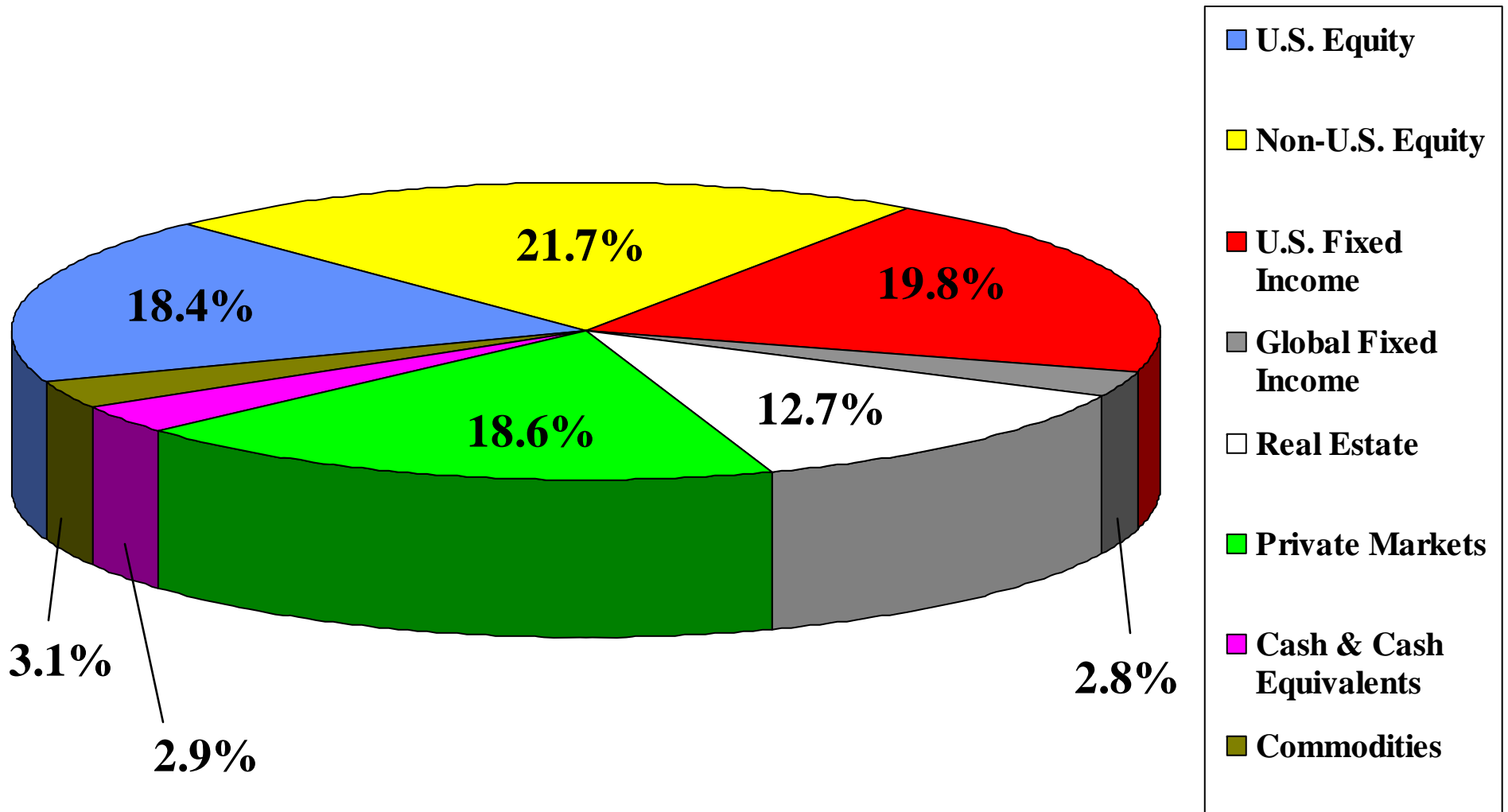


PSERS' Investment Market Values as of December 31, 2008 (Unaudited)

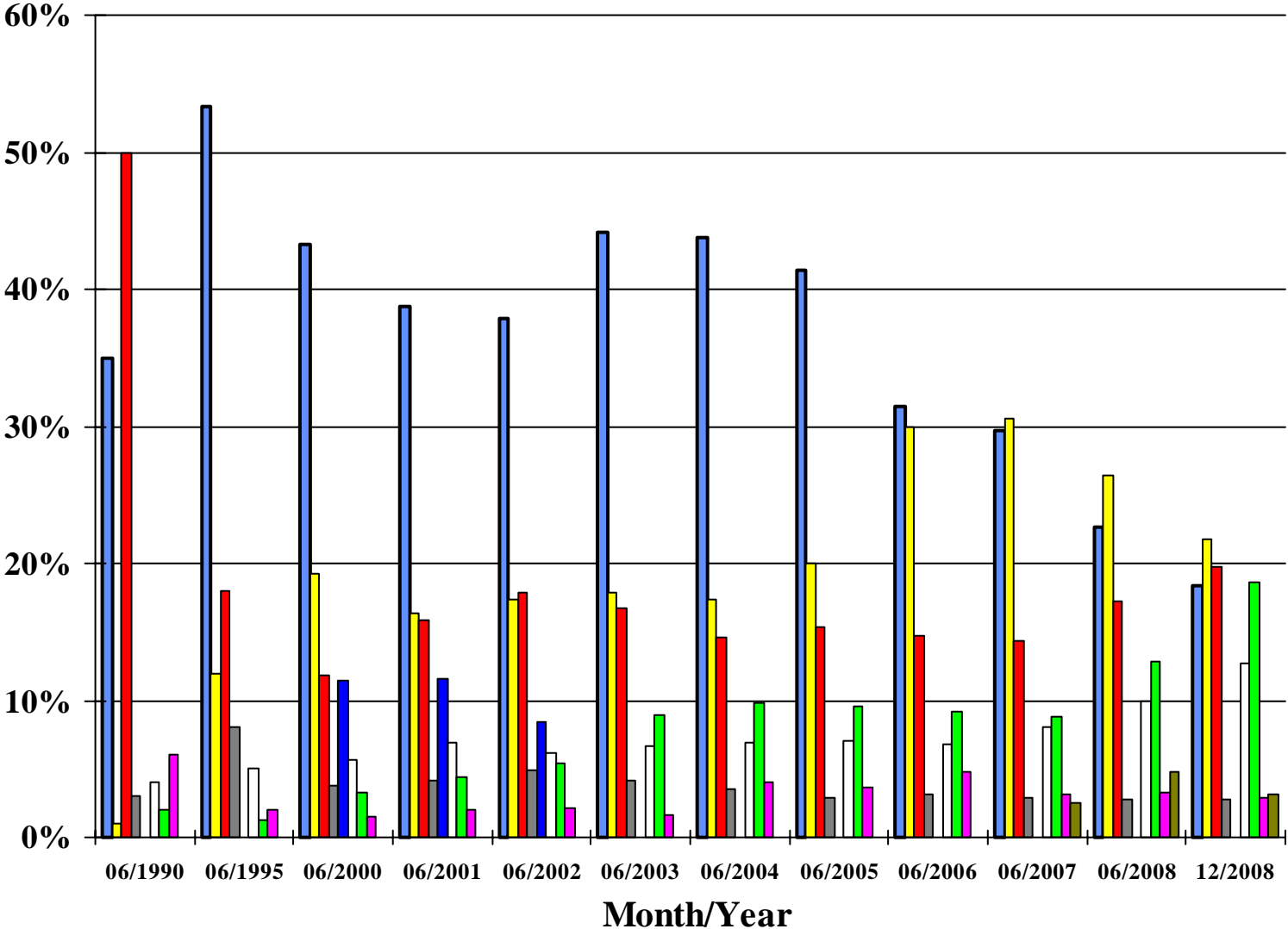
Asset Class	Market Value (in millions)	% of Total	Target Allocation	Policy Ranges
U.S. Equity	\$ 8,337.9	18.4%	18.75%	+/- 5.0%
Non-U.S. Equity	9,825.9	21.7%	23.75%	+/- 5.0%
Private Equity	5,921.0	13.0%		
Private Debt	1,821.8	4.0%		
Venture Capital	716.9	1.6%		
Subtotal Private Markets	<u>8,459.7</u>	18.6%	18.0%	
Real Estate	<u>5,766.6</u>	12.7%	12.5%	
Total Equity	<u>32,390.1</u>	71.4%	73.0%	+/- 10.0%
U.S. Fixed Income	8,984.9	19.8%		
Global Fixed Income	1,253.7	2.8%		
Cash & Cash Equivalents *	<u>1,314.1</u>	2.9%		
Total Fixed Income	<u>11,552.7</u>	25.5%	22.0%	+/- 10.0%
Commodities	<u>1,426.6</u>	3.1%	5.0%	+/- 4.0%
TOTAL FUND	<u>\$ 45,369.4</u>	100.0%	100.0%	

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

PSERS' Portfolio Distribution as of December 31, 2008 (Unaudited)

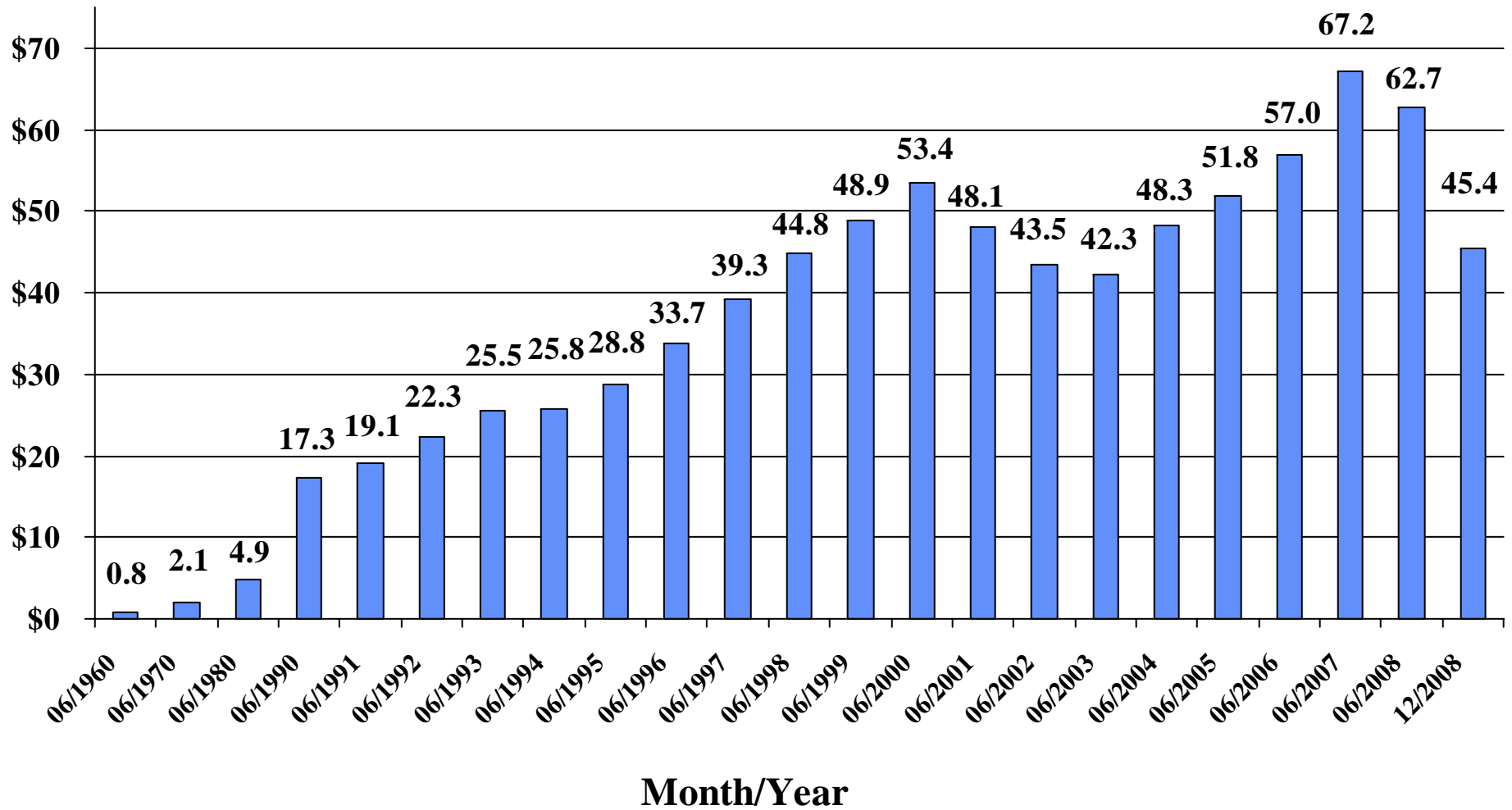


PSERS' Historical Asset Allocation

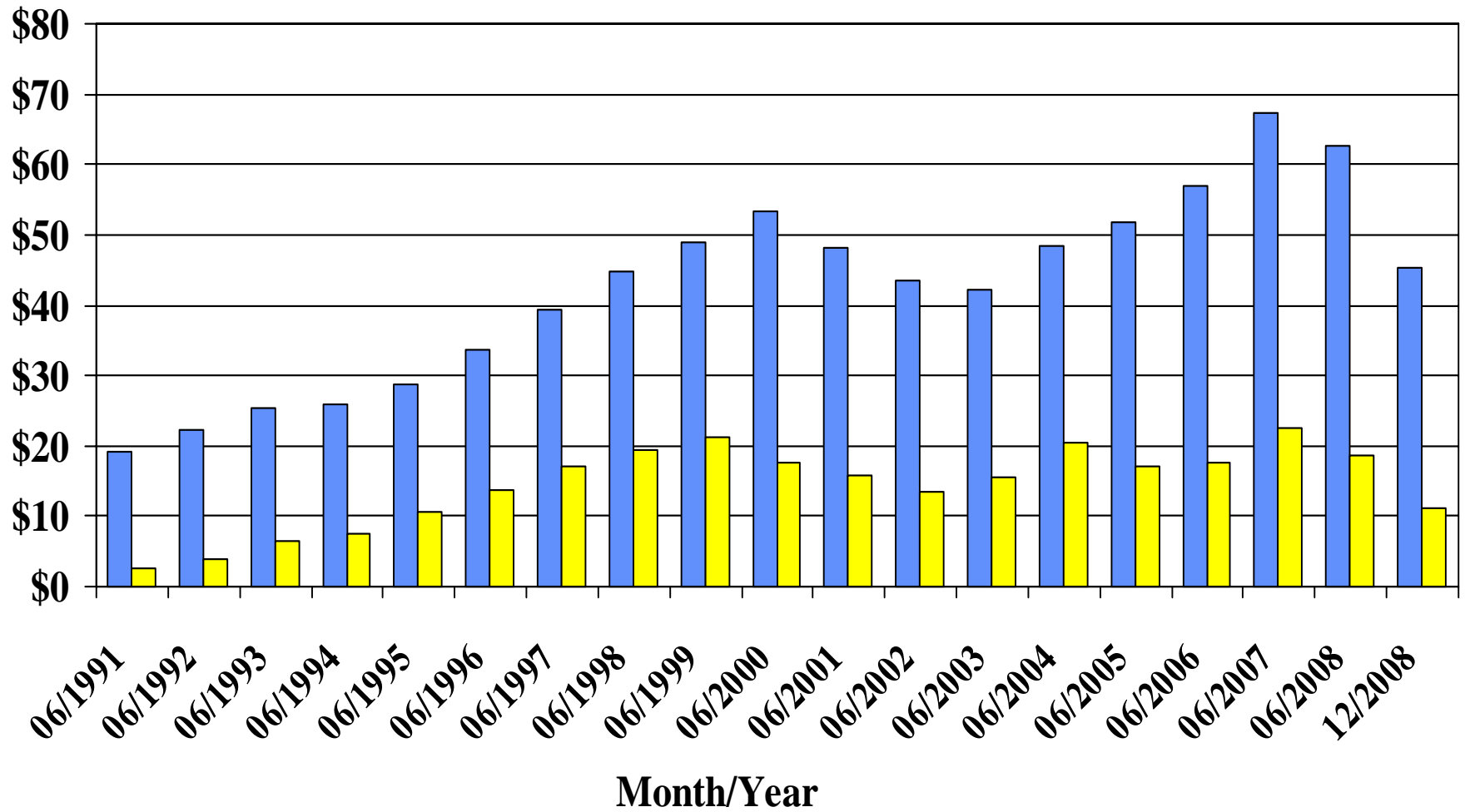


- U.S. Equity
- Non-U.S. Equity
- U.S. Fixed Income
- Global Fixed Income
- Global Asset Allocation
- Real Estate
- Private Markets
- Cash & Cash Equivalents
- Commodities

PSERS' Investment Market Values (in billions)



Internally Managed Assets (in billions)



PSEERS' Average Monthly Additions and Deductions
For the Fiscal Year Ended June 30, 2008

Additions:

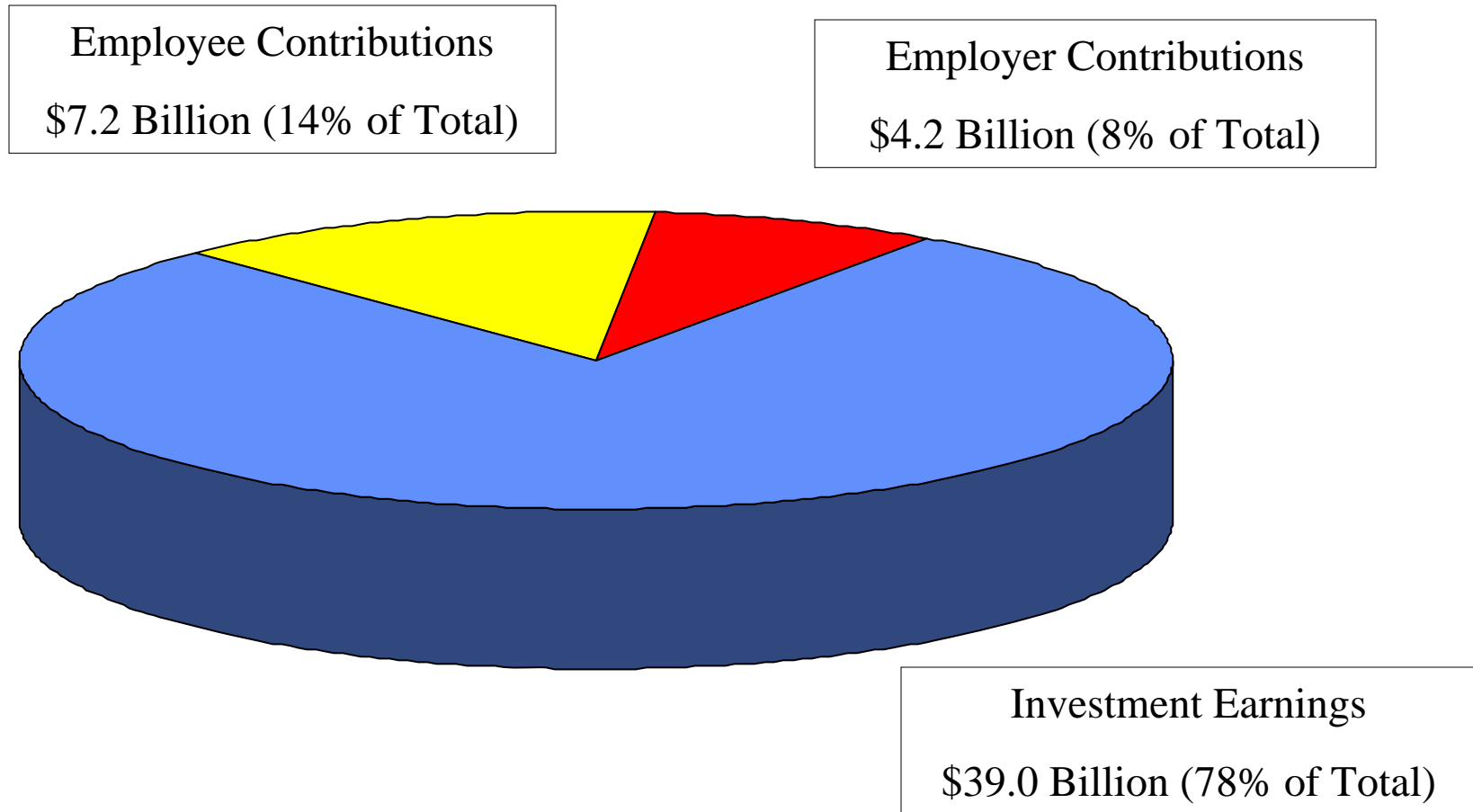
- Member Contributions..... \$ 73 Million
- Employer Contributions..... \$ 63 Million
- Net Investment Income (Loss).. (\$ 148 Million)
- Total Additions..... (\$ 12 Million)

Deductions:

- Pension Benefits..... \$ 390 Million
- Administrative Expenses \$ 3 Million
- Total Deductions..... \$ 393 Million

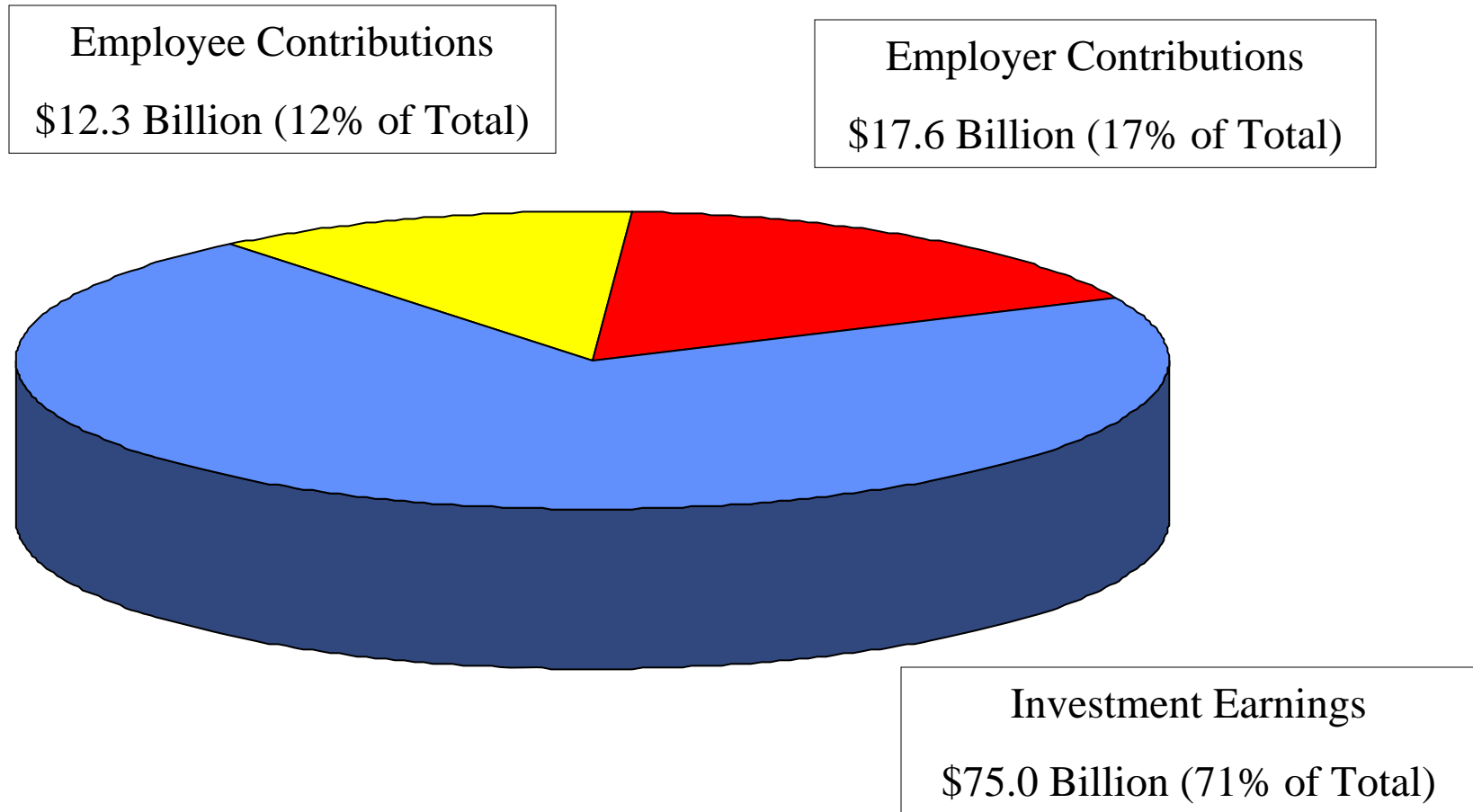
PERS' Sources of Funding

10 Year History (Fiscal Year 1999 to 2008)



PERS' Sources of Funding

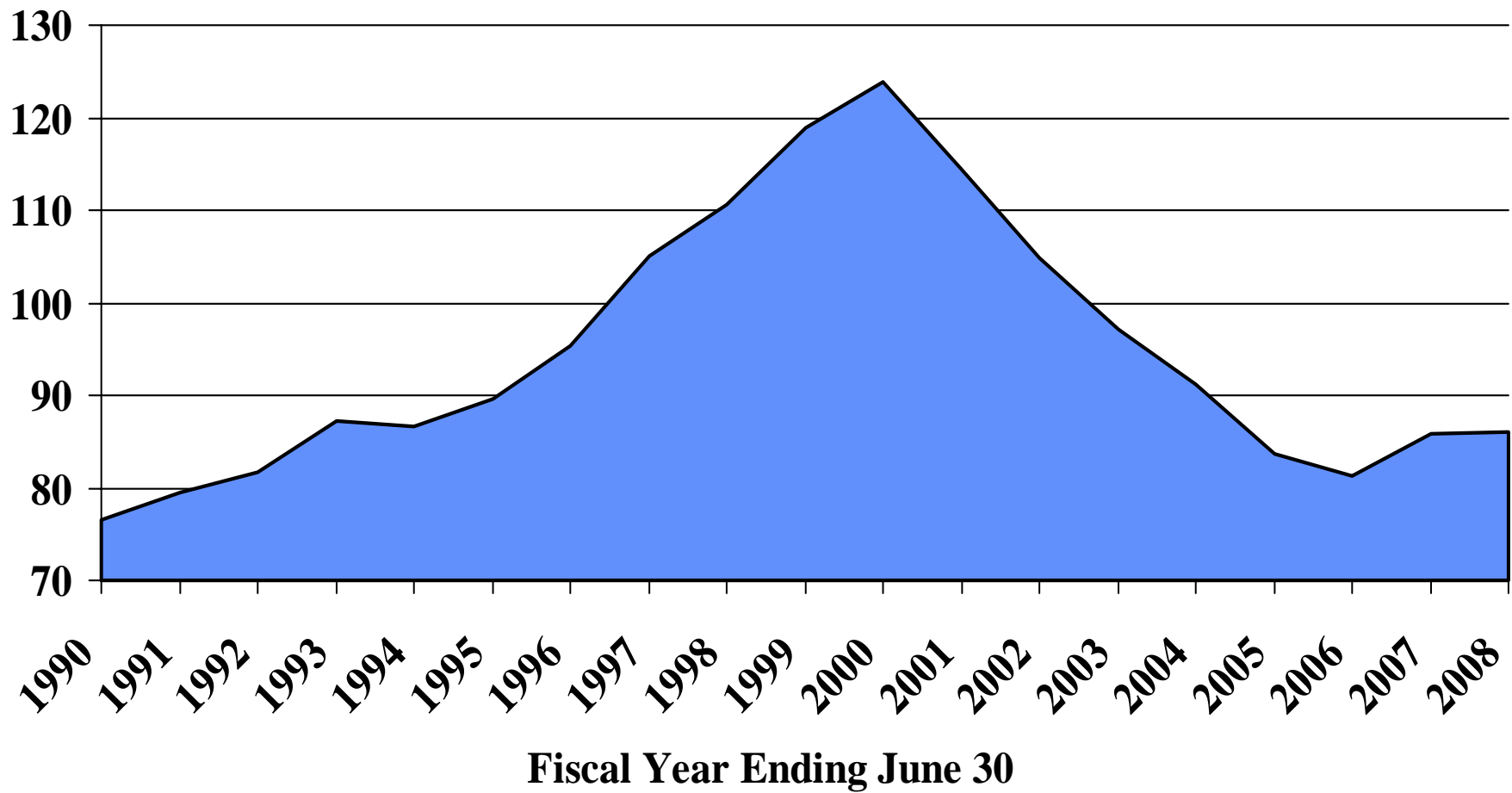
25 Year History (Fiscal Year 1984 to 2008)



PSERS' Funded Ratio – 1990 to 2008 (in millions)

FY Ending June 30	Accrued Liability (\$)	Valuation Assets (\$)	Unfunded (Overfunded) Accrued Liability (\$)	Funded Ratio (%)
2008	70,941	61,018	9,923	86.0
2007	66,593	57,155	9,438	85.8
2006	64,720	52,558	12,162	81.2
2005	61,226	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

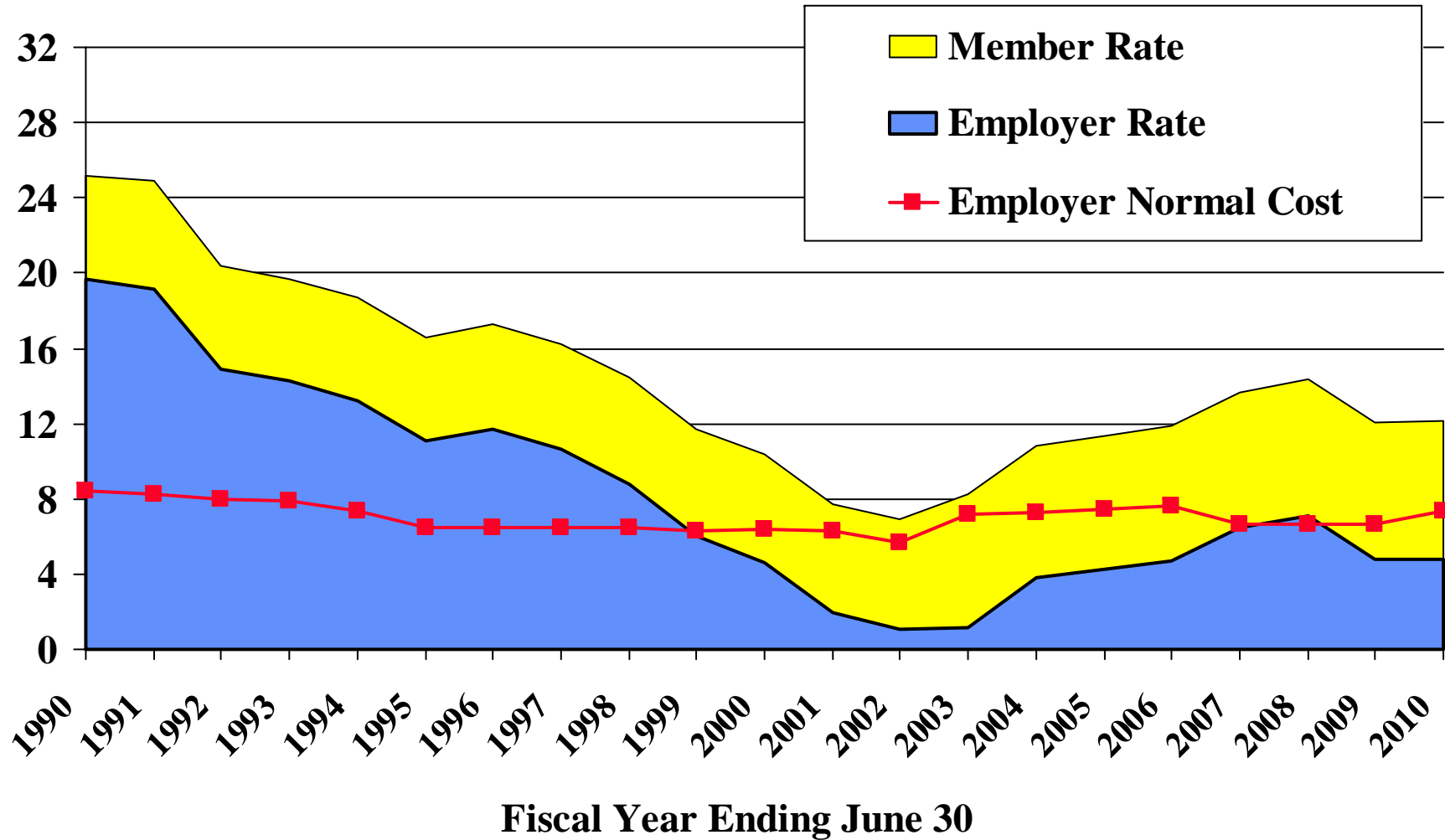
PSERS' Funded Ratio – 1990 to 2008 (percentage)



Total Contribution Rates Since 1989-90

Fiscal Year	Employer Rate	Employee Rate	Total Contribution Rate
2009-10	4.78%	7.32%	12.10%
2008-09	4.76	7.29	12.05
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

