

PRESS RELEASE

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PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM POSTS INVESTMENT PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 2011
PSERS reports positive investment returns; PSERS Board Chairman and Vice Chairman re-elected for another one-year term

HARRISBURG, PA – The Public School Employees Retirement System (PSERS) today reported the Fund's investment performance for the period ended December 31, 2011. PSERS posted 1.87% for the quarter, 4.32% for the one year, and 10.12 % for the three year period ended December 31, 2011.

PSERS Chief Investment Officer Alan Van Noord commented on the Fund's investment strategy, "PSERS is a long-term investor and manages the Fund's assets with long-term objectives in mind. Diversification and reducing risk levels were key factors in PSERS investment performance during this past year. While investment markets proved to be very volatile and European debt and geo-political issues continued to impact investment markets, PSERS posted a one-year return of 4.32% which outperformed more than 95% of the public pension plans in the Wilshire Compass All Public Funds Universe."

PSERS annualized 25 year return through December 31, 2011 was 8.58%, which exceeds the assumed long-term actuarial investment rate of return for the same period. PSERS' current investment rate of return assumption is 7.50%.

Van Noord commented on future market conditions, "So far to date 2012 has shown signs of positive investment and economic growth. While PSERS is cautiously optimistic about the economic recovery, we do expect volatility in the investment markets to continue as European debt and geo-political issues remain."

Detailed investment performance on individual asset classes as of December 31, 2011 is available on PSERS' website at: <http://www.psers.state.pa.us/invest/invest.htm>.

In other PSERS news Melva S. Vogler, of Hawley, Wayne County, was re-elected Chairman of the PSERS' Board of Trustees and Sally J. Turley, of Greensburg, Westmoreland County, was re-elected Vice Chairman.

The Board unanimously re-elected Ms. Vogler to a one-year term as Chairman. Ms. Vogler has been a member of PSERS' Board since 1994 and serves as one of three Board Members elected for a term of three years to represent the Active Certified Contributing Members of the System. She has served as Chairman since January 2007.

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Ms. Vogler is a graduate of Susquehanna University. She also earned a Master's Degree from Marywood College and received her supervisory certificate from the University of Scranton. She is currently a mathematics teacher and mathematics department chairperson at Wallenpaupack Area High School.

Ms. Vogler currently serves on the Pennsylvania State Education Association (PSEA) Staff Pension Board. She was a member of PSEA's Board of Directors from 1988 until August 2004 and served on its Budget Committee from 1991 through August 2004. In addition she was a member of the Executive Board of the National Council on Teacher Retirement (NCTR) from November 2003 through November 2009 and recently served as the President of the NCTR. She also served on the National Institute on Retirement Security Board and on the Executive Committee of the Council of Institutional Investors.

The Board also unanimously re-elected Sally J. Turley to a one-year term as Vice Chairman. Ms. Turley serves as the representative for PSERS retired members and has been a Board Member since 2001. She has served as Vice Chairman since January 2009.

Ms. Turley is retired from the Clearfield School District with 32 years of service where she was a Social Studies and Home Economics teacher. She also previously taught Home Economics in the Penns Manor School District from 1956 to 1962. She earned a Bachelor's degree from Indiana University of Pennsylvania and also holds a Master's degree from West Virginia University. She is a member of the Pennsylvania Association of School Retirees and of the Pennsylvania State Education Association-Retired.

About the Pennsylvania Public School Employees' Retirement System

PSERS is the 17th largest state-sponsored defined benefit public pension fund in the nation. As of December 31, 2011, PSERS had net assets of \$47.9 billion and a membership of over 279,000 active school employees and 194,000 retirees.

As of December 31, 2011, PSERS had 12.9% of its assets in non-U.S. equities; 11.6% in U.S. equities; 20.8% in U.S. and global fixed income investments; 20.4% in private markets; 12.1% in real estate; 4.3% in commodities, 12.9% in absolute return strategies, and 5.0% in cash and cash equivalents.

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