

Pennsylvania Public School Employees' Retirement System



Developmental Program

List of PSERS' Developmental Program Managers As of March 31, 2007

- **Multi Cap Equity**

- Biondo Group
- Denali Advisors

- **Large Cap Equity**

- Charter Financial Group, Inc.
- EDMP, Inc.

- **Large Cap Equity**

- Hanseatic Management Services, Inc.
- Profit Investment Management
- Smithbridge Asset Management, Inc.
- West Chester Capital

List of PSERS' Developmental Program Managers As of March 31, 2007

- **Mid Cap Equity**
 - Piedra Capital, Inc.
- **Small Cap Equity**
 - Conestoga Capital
 - Connors Investor Services, Inc.
 - Global Capital Management
- **Small Cap Equity**
 - Opus Capital Management
- **Global Equity**
 - John Hsu Capital Group, Inc.
 - Shah Capital, Inc.

List of PSERS' Developmental Program Managers As of March 31, 2007

- **Fixed Income**
 - Piedmont Investment
Advisors
 - Pugh Capital
Management

PSERS' Developmental Program

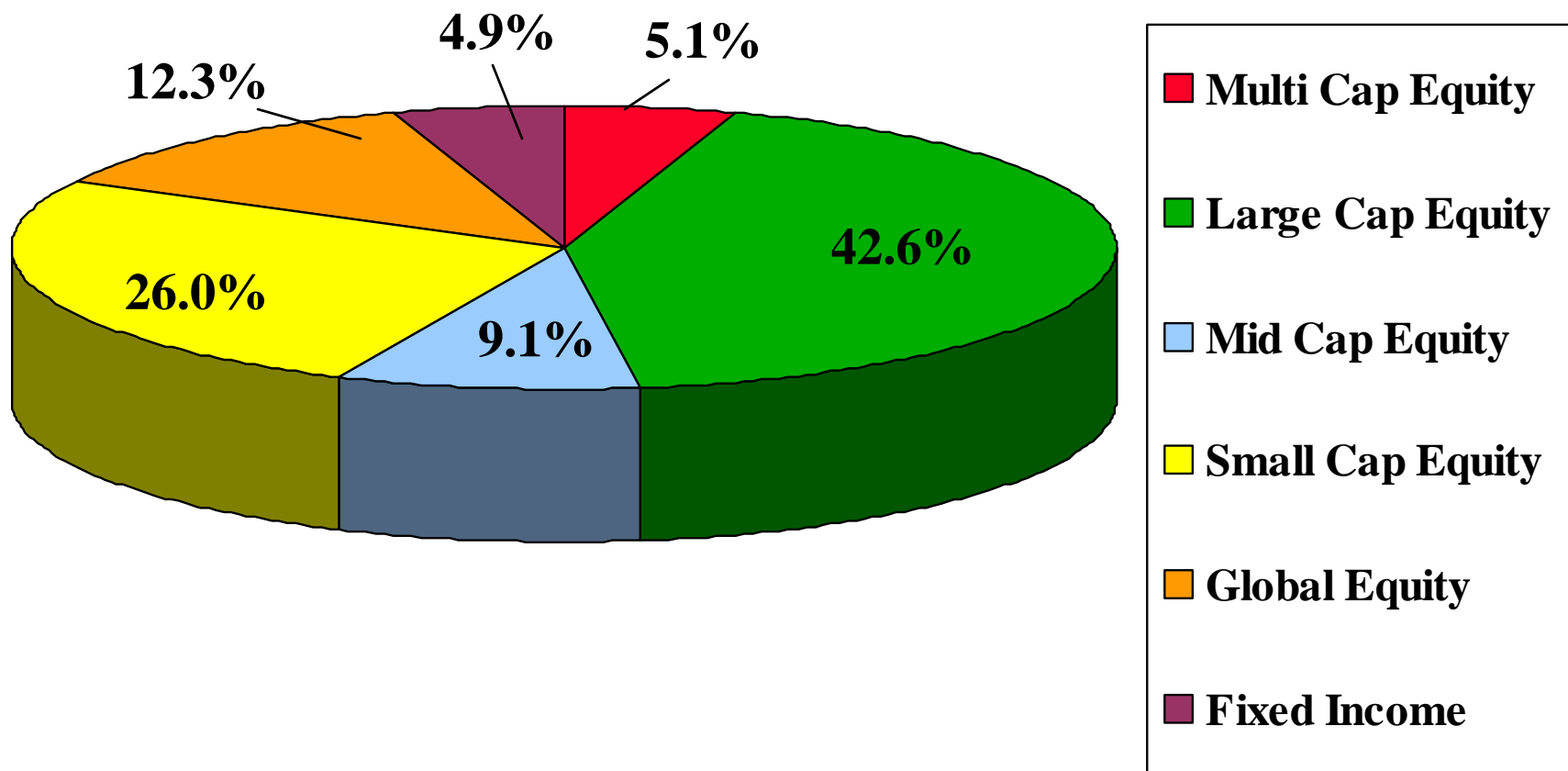
Market Values as of March 31, 2007

(Unaudited)

Asset Class	Market Value* (in millions)	% of Total
Equity		
Multi Cap Equity	\$ 33.3	5.1%
Large Cap Equity	280.3	42.6%
Mid Cap Equity	60.0	9.1%
Small Cap Equity	171.2	26.0%
Global Equity	80.8	12.3%
Total Equity	625.6	95.1%
Fixed Income		
Domestic Core	32.3	4.9%
Total Fixed Income	32.3	4.9%
TOTAL DEVELOPMENTAL PROGRAM	\$ 657.9	100.0%

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

PSEERS' Developmental Program
Asset Distribution as of March 31, 2007
(Unaudited)



PSERS' Developmental Program

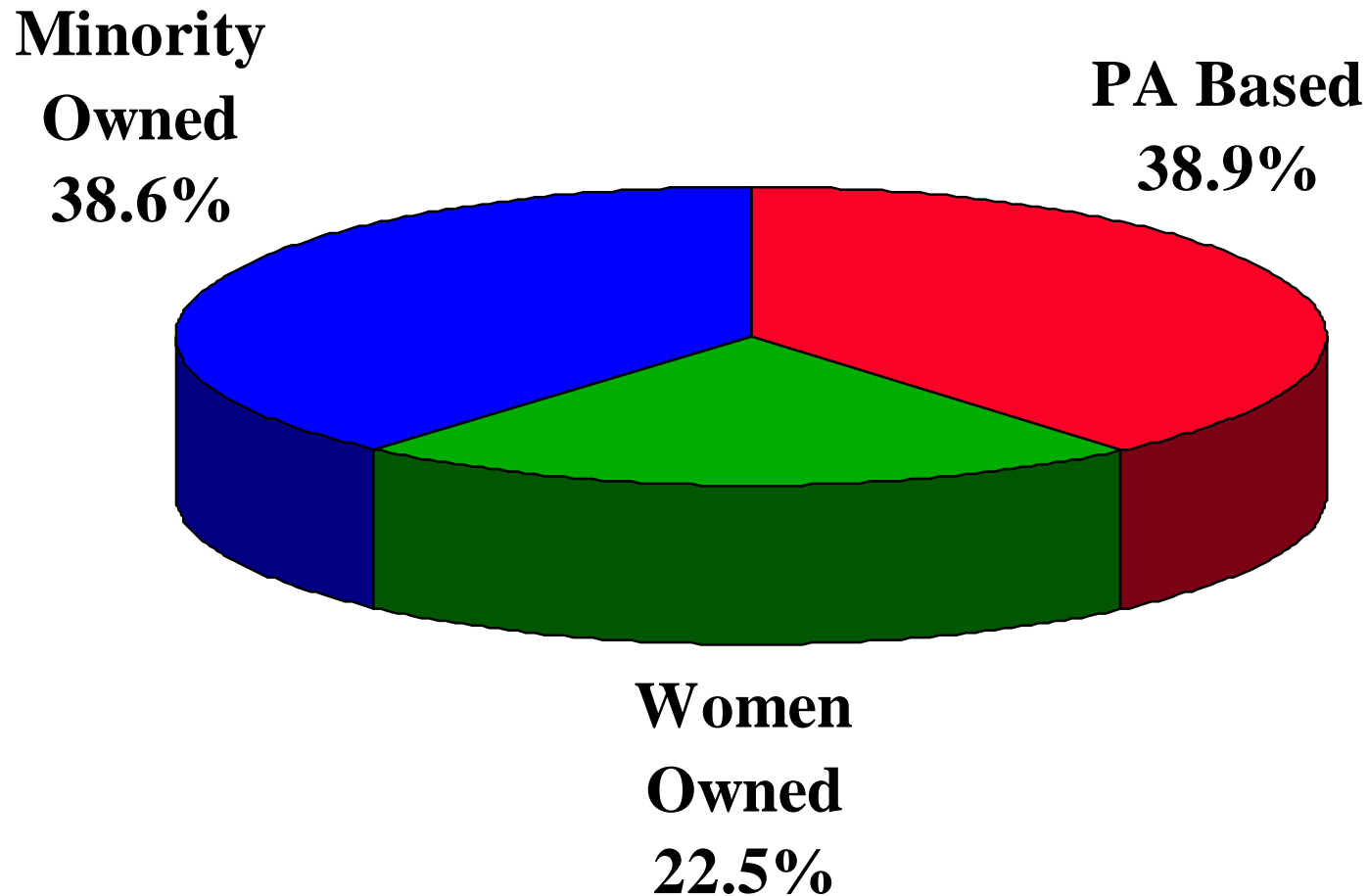
Ownership Composition as of March 31, 2007

(Unaudited)

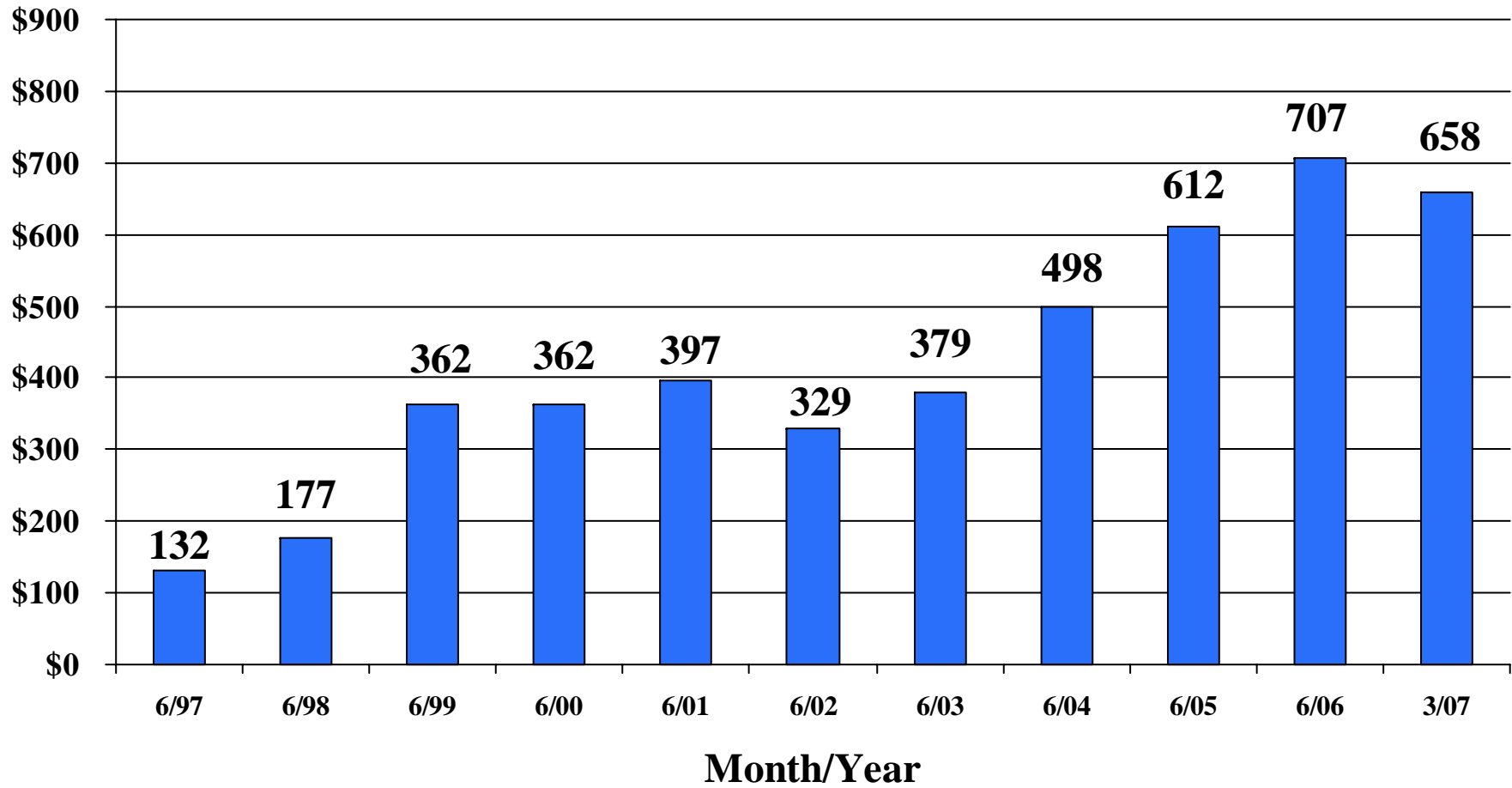
Ownership Composition	Market Value* in millions)	% of Total
Pennsylvania Based	\$255.5	38.9%
Women Owned	148.3	22.5%
Minority Owned	254.1	38.6%
TOTAL DEVELOPMENTAL PROGRAM		
	\$ 657.9	100.0%

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

**PSEERS' Developmental Program
Ownership Composition as of March 31, 2007
(Unaudited)**



PSERS' Developmental Program Assets (in millions)



PSERS' Developmental Program
Annualized Performance (Net of Fees)
As of March 31, 2007

<u>Asset Class</u>	<u>1st Qtr. 2007</u>	<u>Fiscal Year to Date*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Multi Cap Value Equity	2.37%	13.16%	11.41%	13.74%	N/A
Large Cap Equity	0.60	9.62	6.13	9.11	6.35%
Mid Cap Equity	5.07	8.23	0.43	8.09	6.47
Small Cap Equity	0.58	4.50	(1.29)	12.07	9.47
Global Equity	3.95	20.37	22.47	17.32	13.37
Fixed Income	1.47	6.84	6.83%	N/A	N/A
TOTAL DEVELOPMENTAL PROGRAM	2.11	10.48	6.30	10.54	7.58
CUSTOM INDEX	1.64%	13.28%	10.56%	11.38%	8.43%

N/A – No history available for that time period.

*PSERS' Fiscal Year ends on June 30.