

Pennsylvania Public School Employees' Retirement System



Developmental Program

List of PSERS' Developmental Program Managers As of December 31, 2006

- **Multi Cap Equity**
 - Snow Capital Management, LP
 - Denali Advisors
 - Biondo Group
- **Large Cap Equity**
 - Charter Financial Group, Inc.
 - EDMP, Inc.
 - Hanseatic Management Services, Inc.
- **Large Cap Equity**
 - Profit Investment Management
 - Hesperides Capital Management
 - Smithbridge Asset Management, Inc.
 - Tucker Hargrove Management, Inc.
 - West Chester Capital

List of PSERS' Developmental Program Managers As of December 31, 2006

- **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 December 31, 2006

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

PSERS' Developmental Program

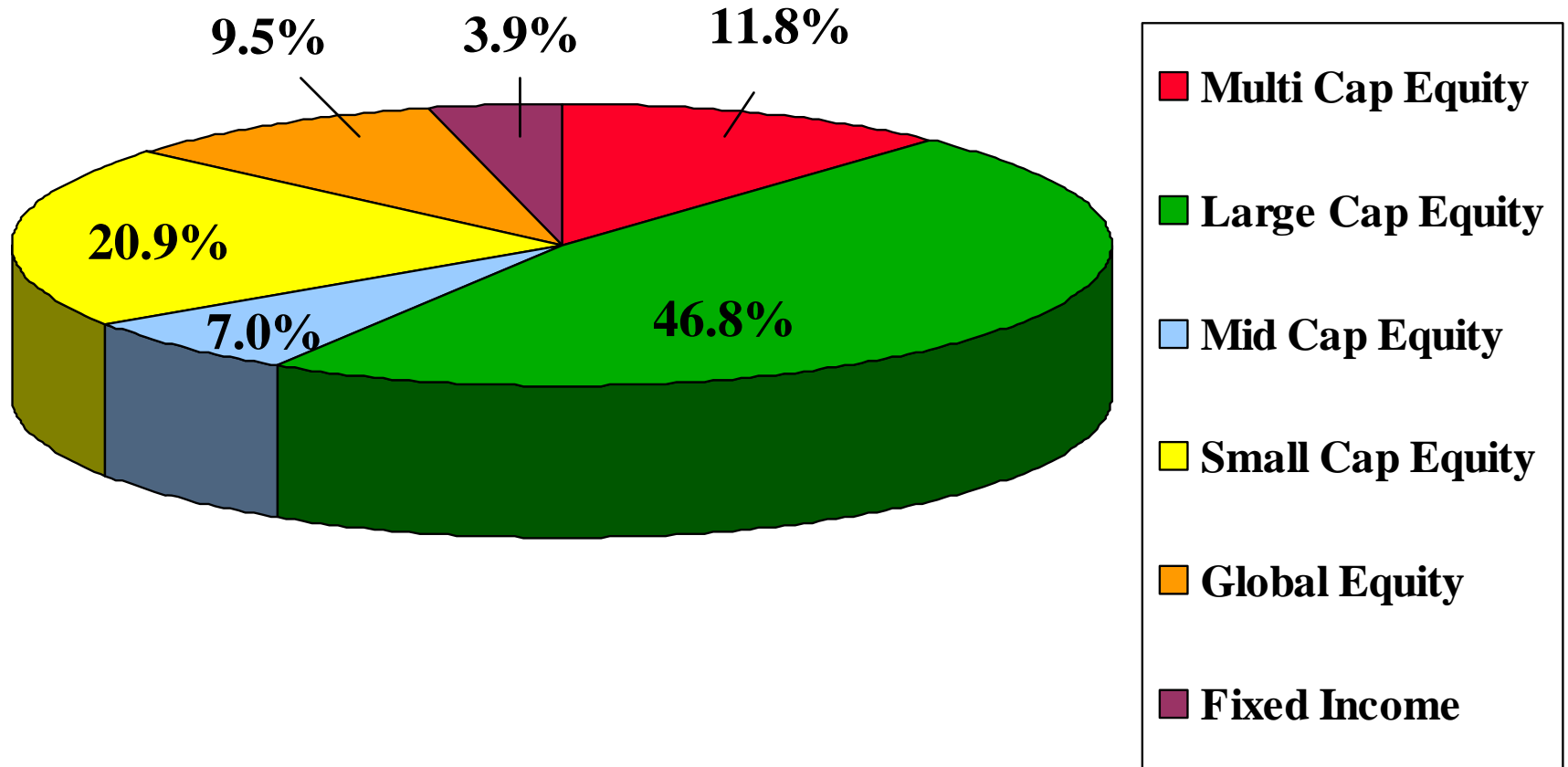
Market Values as of December 31, 2006

(Unaudited)

Asset Class	Market Value* (in millions)	% of Total
Equity		
Multi Cap Equity	\$ 95.4	11.8%
Large Cap Equity	379.9	46.8%
Mid Cap Equity	57.0	7.0%
Small Cap Equity	169.3	20.9%
Global Equity	77.4	9.5%
Total Equity	779.3	96.1%
Fixed Income		
Domestic Core	31.9	3.9%
Total Fixed Income	31.9	3.9%
TOTAL DEVELOPMENTAL PROGRAM	\$ 811.1	100.0%

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

PSEERS' Developmental Program
Asset Distribution as of December 31, 2006
(Unaudited)



PSERS' Developmental Program

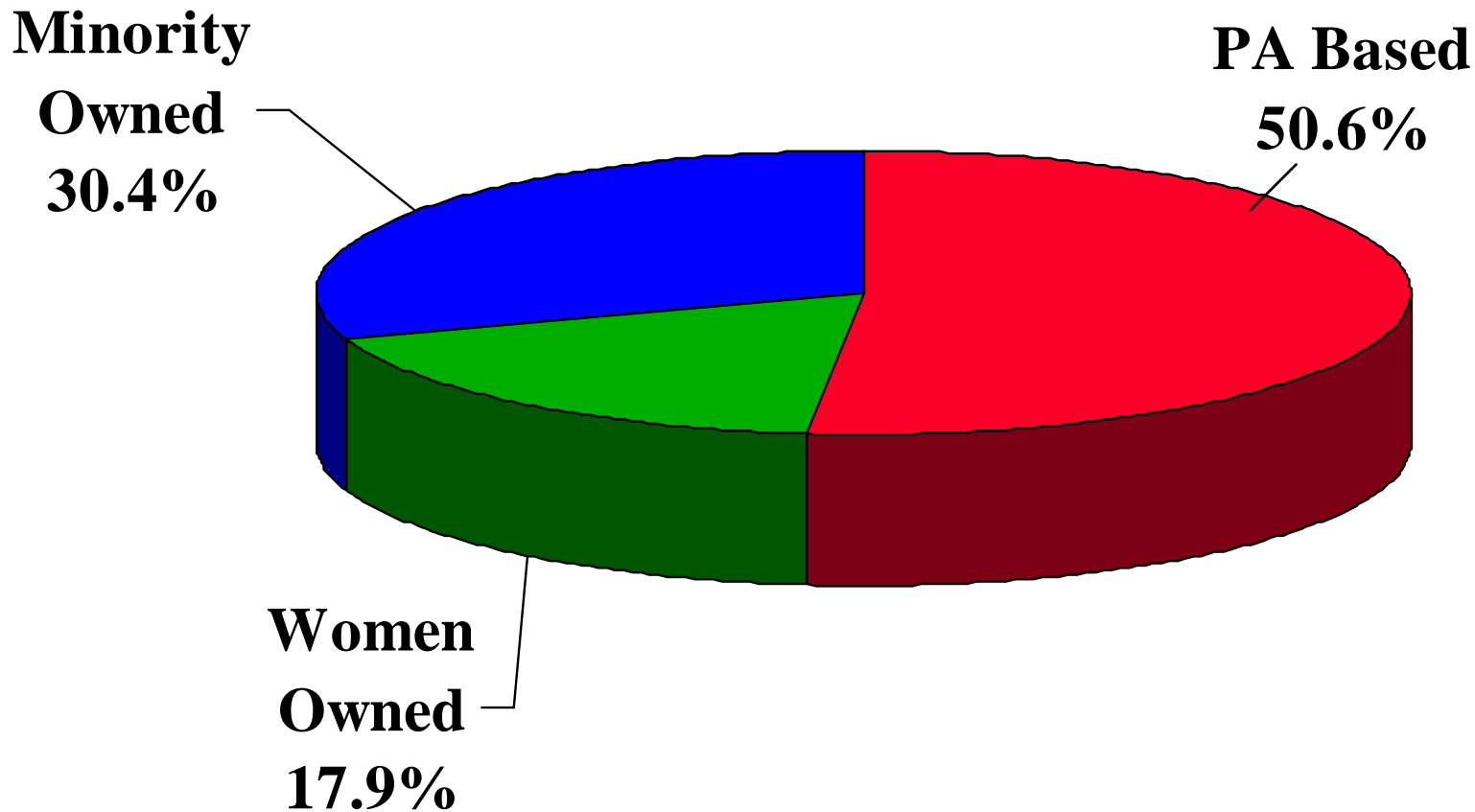
Ownership Composition as of December 31, 2006

(Unaudited)

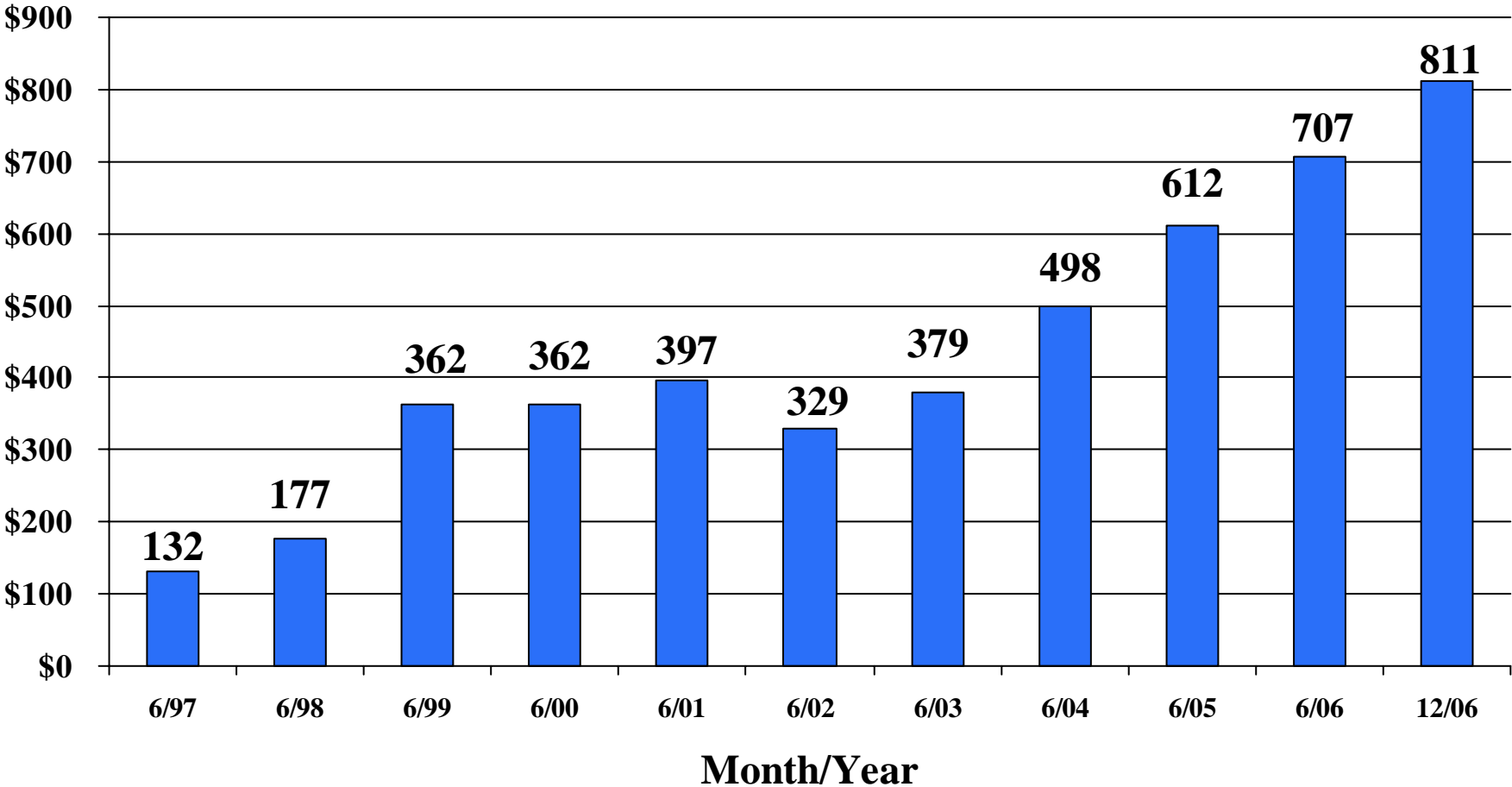
Ownership Composition	Market Value* in millions)	% of Total
Pennsylvania Based	\$419.1	51.6%
Women Owned	145.4	17.9%
Minority Owned	246.6	30.4%
TOTAL DEVELOPMENTAL PROGRAM		
	\$ 811.1	100.0%

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

PSEERS' Developmental Program
Ownership Composition as of December 31, 2006
(Unaudited)



PSERS' Developmental Program Assets (in millions)



PSERS' Developmental Program
Annualized Performance (Net of Fees)
As of December 31, 2006

<u>Asset Class</u>	<u>4th Qtr. 2006</u>	<u>Fiscal Year to Date*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Multi Cap Equity	7.94%	10.54%	15.29%	15.18%	N/A
Large Cap Equity	5.82%	8.97%	11.36%	10.05%	6.19%
Mid Cap Equity	2.10%	3.00%	5.41%	6.44%	5.84%
Small Cap Equity	7.72%	3.90%	13.53%	13.61%	8.99%
Global Equity	13.53%	15.80%	28.62%	17.20%	12.85%
Fixed Income	1.25%	5.29%	4.90%	N/A	N/A
TOTAL DEVELOPMENTAL PROGRAM	6.82%	8.18%	13.07%	11.01%	7.25%
CUSTOM INDEX	7.41%	11.48%	16.44%	12.02%	8.64%

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

*PSERS' Fiscal Year ends on June 30.