

Pennsylvania Public School Employees' Retirement System



Developmental Program

List of PSERS' Developmental Program Managers As of September 30, 2005

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

List of PSERS' Developmental Program Managers As of September 30, 2005

- **Mid Cap Equity**
 - Piedra Capital, Inc.
 - Tanaka Capital Management, 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.
- **Fixed Income**
 - Piedmont Investment Advisors

PSERS' Developmental Program

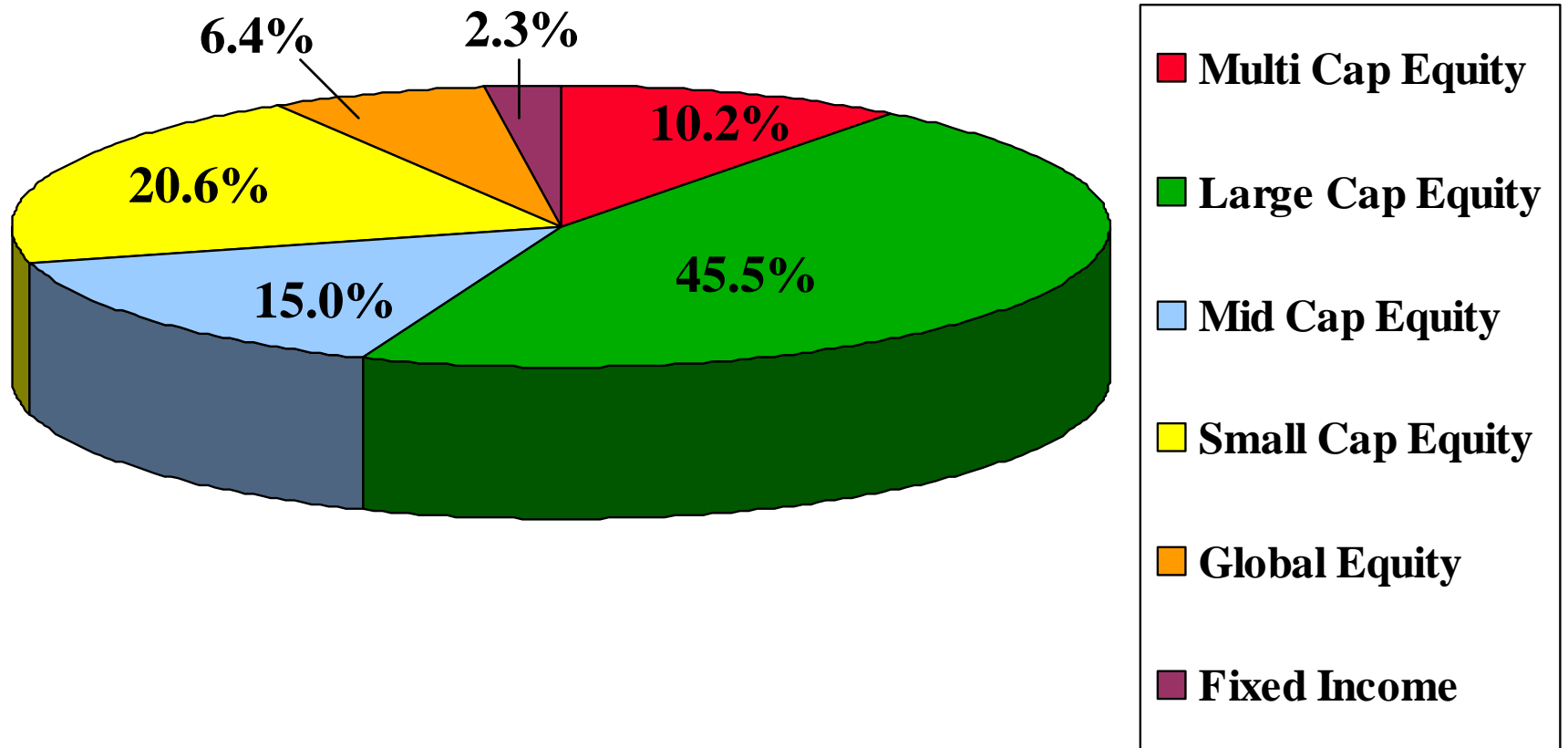
Market Values as of September 30, 2005

(Unaudited)

Asset Class	Market Value* (in millions)	% of Total
Equity		
Multi Cap Equity	\$66.2	10.2%
Large Cap Equity	295.7	45.5%
Mid Cap Equity	97.6	15.0%
Small Cap Equity	133.8	20.6%
Global Equity	41.8	6.4%
Total Equity	\$635.1	97.7%
Fixed Income		
Domestic Core	\$15.1	2.3%
Total Fixed Income	\$15.1	2.3%
TOTAL DEVELOPMENTAL PROGRAM	\$ 650.2	100.0%

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

PSEERS' Developmental Program
Asset Distribution as of September 30, 2005
(Unaudited)



PSERS' Developmental Program

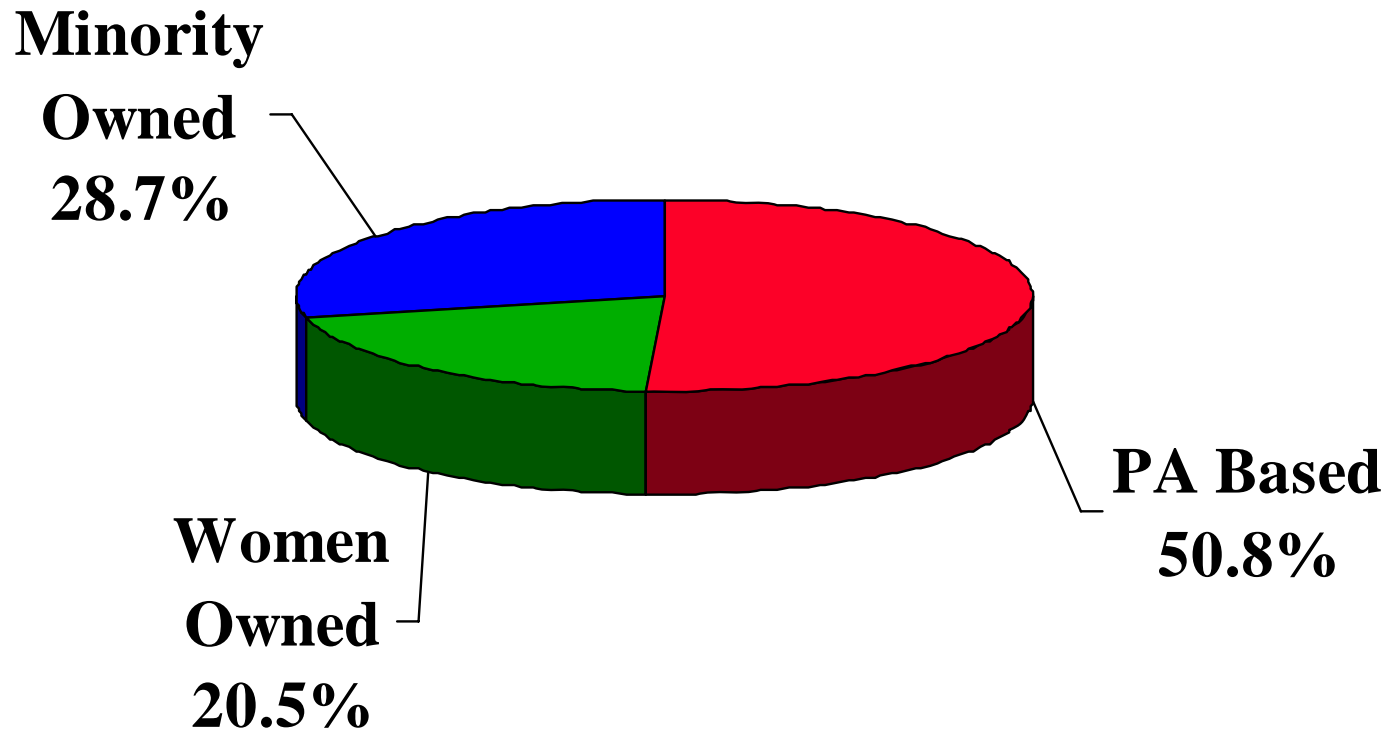
Ownership Composition as of September 30, 2005

(Unaudited)

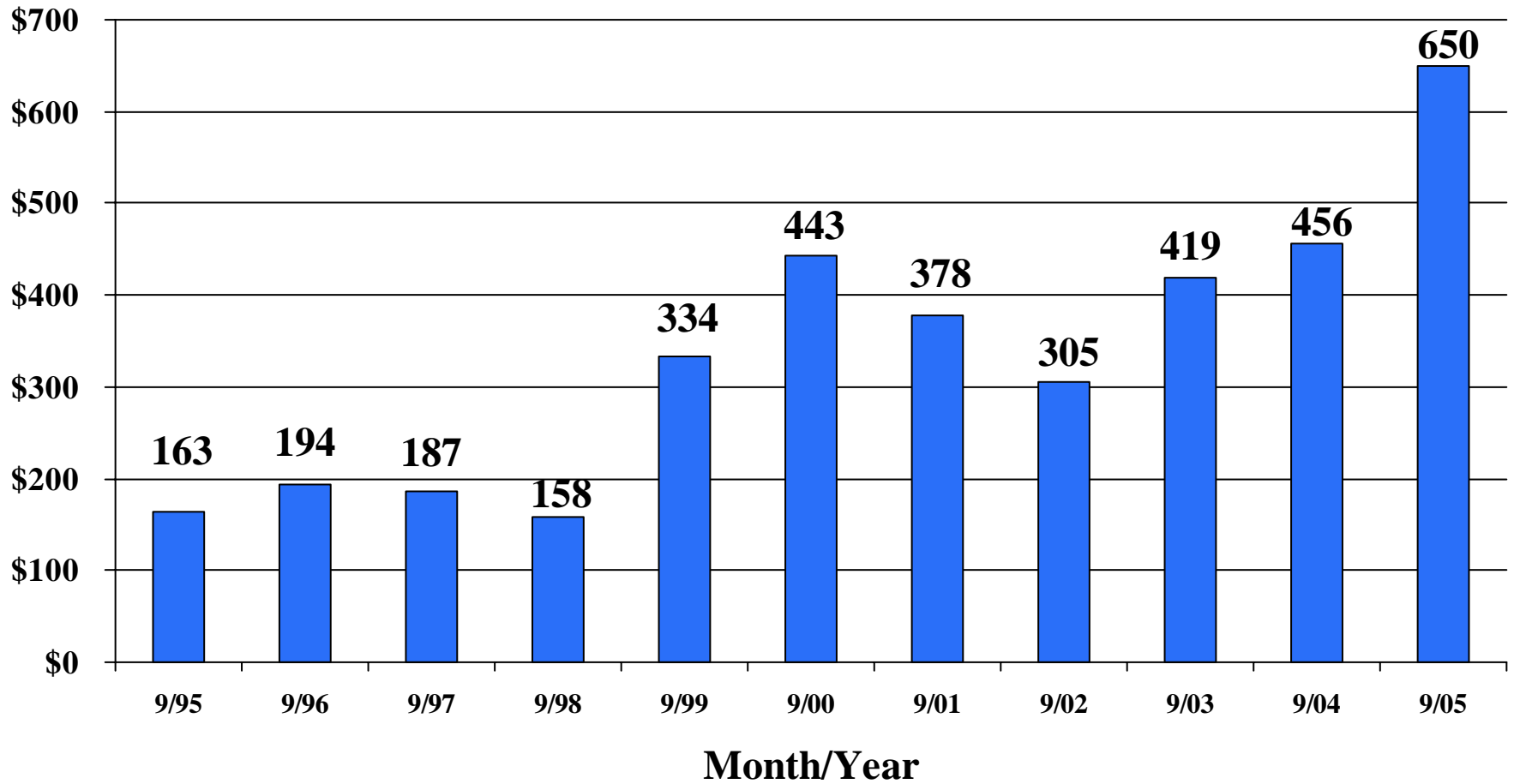
<u>Ownership Composition</u>	<u>Market Value*</u> <u>(in millions)</u>	<u>% of</u> <u>Total</u>
Pennsylvania Based	\$330.4	50.8%
Women Owned	133.4	20.5%
Minority Owned	186.4	28.7%
<u>TOTAL DEVELOPMENTAL</u> <u>PROGRAM</u>	<u>\$ 650.2</u>	<u>100.0%</u>

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

PSEERS' Developmental Program
Ownership Composition as of September 30, 2005
(Unaudited)



Developmental Fund Program Assets (in millions)



PSERS' Developmental Program
Annualized Performance (Net of Fees)
As of September 30, 2005

<u>Asset Class</u>	<u>3rd Qtr. 2005</u>	<u>Calendar Year to Date</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Multi Cap Equity	4.87%	8.88%	15.94%	N/A	N/A
Large Cap Equity	2.99%	2.84%	11.81%	18.20%	-1.45%
Mid Cap Equity	7.19%	5.86%	17.56%	25.96%	-0.65%
Small Cap Equity	6.27%	3.01%	20.49%	25.22%	6.80%
Global Equity	9.05%	8.04%	19.24%	23.54%	-0.68%
Fixed Income	-0.66%	1.54%	N/A	N/A	N/A
TOTAL DEVELOPMENTAL PROGRAM	4.83%	4.27%	15.13%	21.24%	0.34%
CUSTOM INDEX	4.09%	4.06%	15.12%	19.17%	2.01%

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