

Pennsylvania Public School Employees' Retirement System



Developmental Program

List of PSERS' Developmental Program Managers As of December 31, 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 December 31, 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 December 31, 2005

(Unaudited)

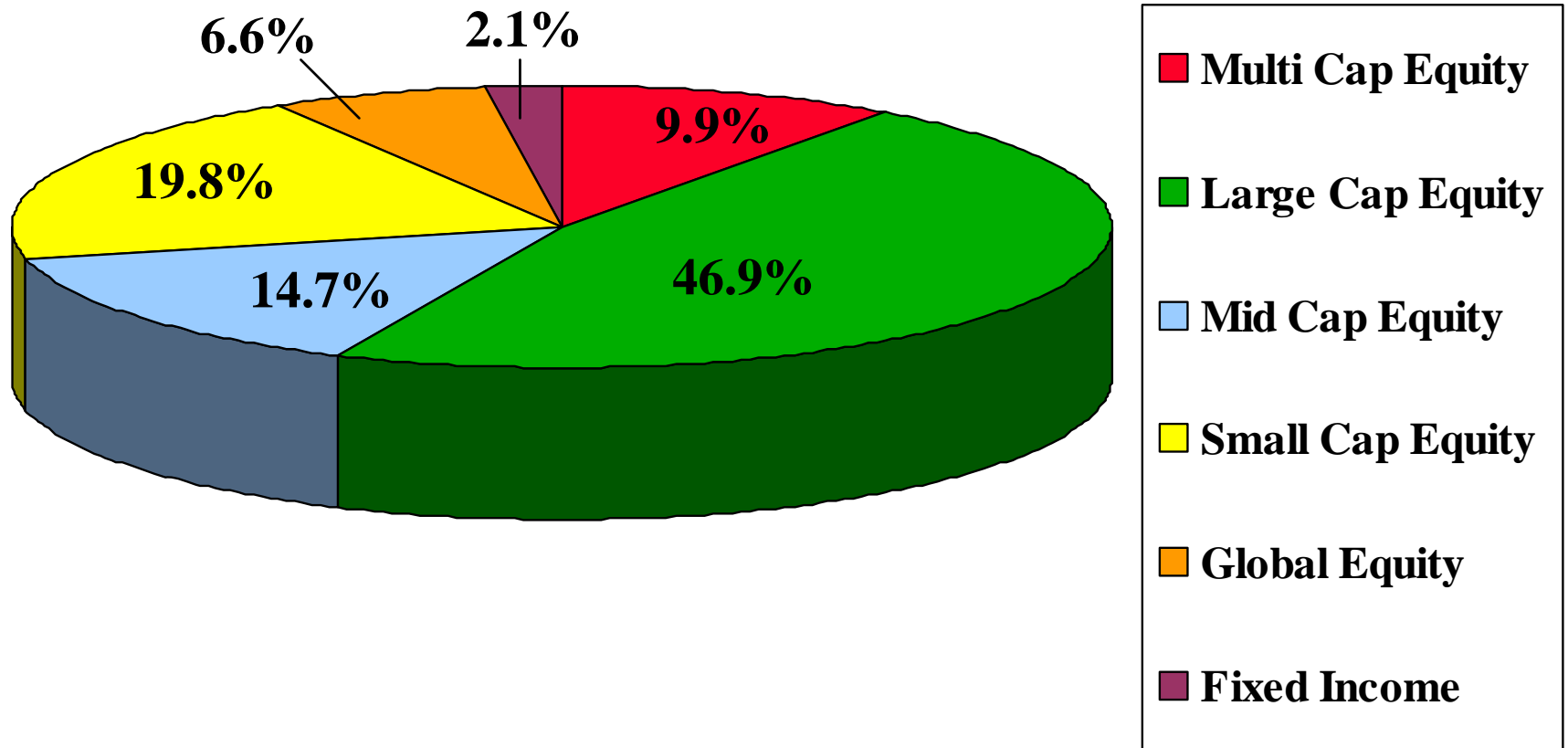
Asset Class	Market Value* (in millions)	% of Total
Equity		
Multi Cap Equity	\$69.8	9.9%
Large Cap Equity	331.4	46.9%
Mid Cap Equity	103.7	14.7%
Small Cap Equity	140.5	19.8%
Global Equity	46.5	6.6%
Total Equity	\$691.9	97.9%
Fixed Income		
Domestic Core	\$15.3	2.1%
Total Fixed Income	\$15.3	2.1%
TOTAL DEVELOPMENTAL PROGRAM	\$ 707.2	100.0%

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

PSEERS' Developmental Program

Asset Distribution as of December 31, 2005

(Unaudited)



PSERS' Developmental Program

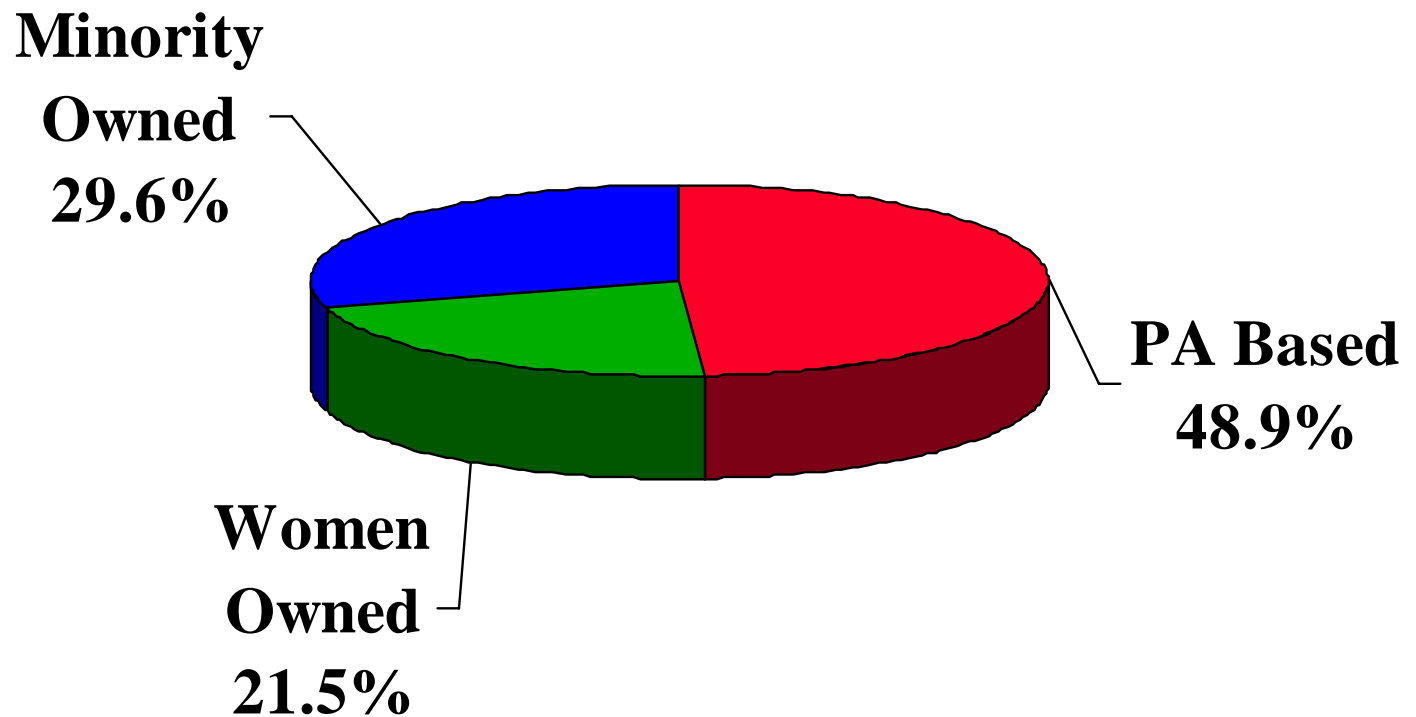
Ownership Composition as of December 31, 2005

(Unaudited)

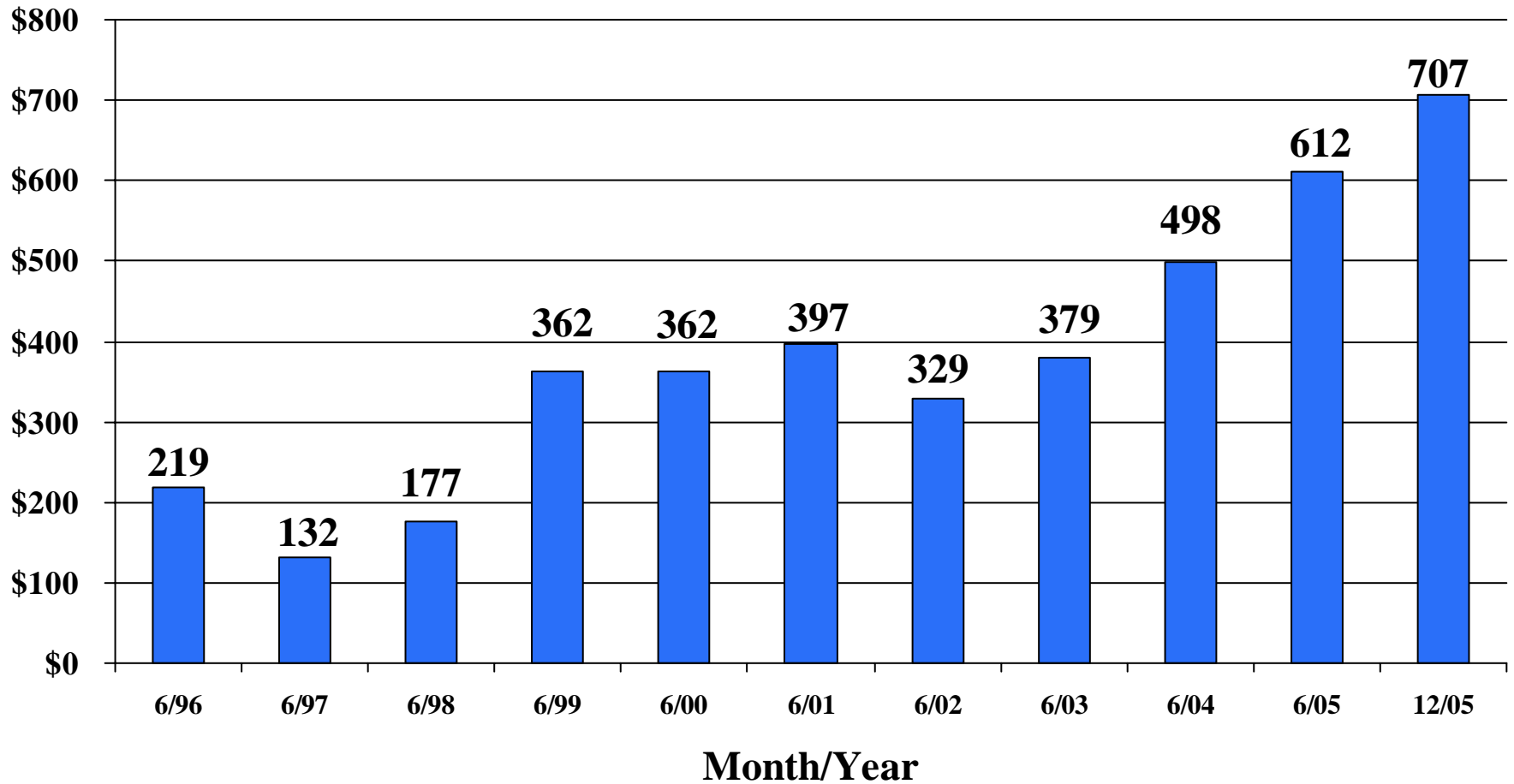
Ownership Composition	Market Value* (in millions)	% of Total
Pennsylvania Based	\$346.1	48.9%
Women Owned	151.8	21.5%
Minority Owned	209.3	29.6%
TOTAL DEVELOPMENTAL PROGRAM		
	\$ 707.2	100.0%

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

PSEERS' Developmental Program
Ownership Composition as of December 31, 2005
(Unaudited)



Developmental Fund Program Assets (in millions)



PSERS' Developmental Program
Annualized Performance (Net of Fees)
As of December 31, 2005

<u>Asset Class</u>	<u>4th Qtr. 2005</u>	<u>Fiscal Year to Date*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Multi Cap Equity	3.94%	9.26%	13.44%	N/A	N/A
Large Cap Equity	3.39%	6.49%	6.33%	15.97%	0.78%
Mid Cap Equity	2.58%	9.95%	8.59%	22.15%	3.22%
Small Cap Equity	1.22%	7.56%	4.26%	23.42%	8.54%
Global Equity	5.21%	14.73%	13.67%	21.85%	2.92%
Fixed Income	0.55%	-0.10%	2.10%	N/A	N/A
TOTAL DEVELOPMENTAL PROGRAM	2.96%	7.97%	7.35%	18.90%	2.90%
CUSTOM INDEX	2.42%	6.62%	6.58%	17.31%	3.93%

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

*PSERS' Fiscal Year ends on June 30.