

PRESS RELEASE

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PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM POSTS MARCH INVESTMENT PERFORMANCE

Fund reports positive investment performance for the quarter and year ended March 31, 2010

HARRISBURG, PA – The Public School Employees Retirement System (PSERS) today announced the Fund's investment performance for the quarter and the one-year period ended March 31, 2010. During its Board meeting in Harrisburg, PSERS Chief Investment Officer Alan Van Noord reported the Fund posted a positive 2.70 percent for the quarter and a positive 27.35 percent for the one-year period ended March 31, 2010.

Van Noord reported, "During the quarter ended March 31st, PSERS investments rebounded and posted its fourth consecutive quarter of strong investment returns as the economy continued its recovery from the historic recession."

Strong asset-class performers for the quarter ended March 31st included U.S. equities which returned 6.40 percent and private markets which returned 4.43 percent. Other positive quarter returns included: Non-U.S. equities 2.51 percent, U.S. fixed income 3.62 percent, global fixed income 2.63 percent, and absolute return 3.87 percent. Commodities were down 2.05 percent and real estate was down 4.70 percent.

For the five-year and 10-year periods ended March 31, 2010, PSERS returned 3.81 percent and 3.49 percent respectively.

"Since the March quarter ended, however, the investment markets have not performed as well," Van Noord continued. "Extreme volatility remains in the markets. The economic turmoil in Europe, in particular Greece, combined with a slowdown in growth in China continues to negatively impact the U.S. markets. In addition, high unemployment continues and the U.S. recovery remains anemic. While PSERS is cautiously optimistic about the economic recovery, we expect volatility in the investment markets to continue."

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As of March 31, 2010, PSERS fiscal year to date return was 16.72 percent, well above the Fund's annual investment rate of return assumption of 8.00 percent.

PSERS Chairman Melva Vogler commented on the Fund's fiscal year investment performance and warned of funding challenges ahead. "No matter how well PSERS' investments perform this fiscal year, significant funding challenges remain for school employers and the Commonwealth in coming years. School employers and the Commonwealth face large increases in the employer contribution rate well into the future."

Vogler reaffirmed the Fund's commitment to resolve the funding issues. "Over the past year, PSERS' Executive Director Jeffrey Clay has met with legislators and school employers across the state, educating them on the funding issues and the potential impact on their budgets. PSERS remains committed to providing all available assistance to resolve the funding issues as soon as possible."

More information about the funding challenges facing PSERS is available on PSERS' Pension Funding Resources webpage at: http://www.psers.state.pa.us/press/pension_funding_issues/index.html.

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 March 31, 2010, PSERS had an investment portfolio of approximately \$47.0 billion and a membership of nearly 280,000 active school employees and 179,000 retirees. More detailed investment performance data as of March 31, 2010 is available on PSERS' website at: <http://www.psers.state.pa.us/invest/invest.htm>.

As of March 31, 2010 PSERS had 17.7 percent of its assets in non-U.S. equities; 13.4 percent in U.S. equities; 22.7 percent in U.S. and global fixed income investments; 18.4 percent in private markets; 9.3 percent in real estate, 4.0 percent in commodities, 8.0 percent in absolute return strategies, and 6.5 percent in cash and cash equivalents.

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