

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**Statement of Changes in Plan Net Assets**

Quarter ended December 31, 2009

Unaudited

(Dollar Amounts in Thousands)

	Fiscal Year 2009-2010			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Additions:</b>				
Contributions:				
Members	\$ 443,441	\$ -	\$ 93,532	\$ 536,973
Employers	254,958	48,779	-	303,737
Centers for Medicare & Medicaid Service	-	-	20,735	20,735
<b>Total contributions</b>	<b>698,399</b>	<b>48,779</b>	<b>114,267</b>	<b>861,445</b>
Investment income:				
From investing activities:				
Net appreciation (depreciation) in fair value of investments	4,863,134	(473)	-	4,862,661
Short-term	11,328	938	241	12,507
Fixed income	227,207	-	-	227,207
Common and preferred stock	543,702	-	-	543,702
Real estate	34,555	-	-	34,555
Alternative investments	66,390	-	-	66,390
<b>Total investment activity income</b>	<b>5,746,316</b>	<b>465</b>	<b>241</b>	<b>5,747,022</b>
Investment expenses	291,019	-	-	291,019
<b>Net income from investing activities</b>	<b>5,455,297</b>	<b>465</b>	<b>241</b>	<b>5,456,003</b>
From securities lending activities:				
Securities lending income	3,622	-	-	3,622
Securities lending expense	234	-	-	234
<b>Net income from securities lending activities</b>	<b>3,856</b>	<b>-</b>	<b>-</b>	<b>3,856</b>
<b>Total net investment income</b>	<b>5,459,153</b>	<b>465</b>	<b>241</b>	<b>5,459,859</b>
<b>Total Additions</b>	<b>6,157,552</b>	<b>49,244</b>	<b>114,508</b>	<b>6,321,304</b>
<b>Deductions:</b>				
Benefits	2,285,799	45,135	90,643	2,421,577
Refunds of contributions	7,709	-	-	7,709
Net transfer to State Employees' Retirement System	8,536	-	-	8,536
Administrative expenses	16,962	1,450	8,081	26,493
<b>Total Deductions</b>	<b>2,319,006</b>	<b>46,585</b>	<b>98,724</b>	<b>2,464,315</b>
<b>Net increase (decrease)</b>	<b>3,838,546</b>	<b>2,659</b>	<b>15,784</b>	<b>3,856,989</b>
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>				
<b>Balance, beginning of year</b>	<b>42,995,480</b>	<b>105,114</b>	<b>106,446</b>	<b>43,207,040</b>
<b>Balance, end of period</b>	<b>46,834,026</b>	<b>107,773</b>	<b>122,230</b>	<b>47,064,029</b>

## PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

### Statement of Plan Net Assets

As of December 31, 2009

Unaudited

(Dollar Amounts in Thousands)

	Fiscal Year 2009-2010			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Assets:</b>				
Receivables:				
Members	\$ 241,997	\$ 6,041	\$ 21	\$ 248,059
Employers	157,813	28,772	-	186,585
Investment income	219,828	241	34	220,103
Investment proceeds	272,318	-	-	272,318
Centers for Medicare & Medicaid Service	-	-	5,800	5,800
Miscellaneous	695	29	6,349	7,073
<b>Total Receivables</b>	892,651	35,083	12,204	939,938
Investments, at fair value:				
Short-term	3,803,715	72,949	139,794	4,016,458
Fixed income	12,603,308	-	-	12,603,308
Common and preferred stock	16,066,984	-	-	16,066,984
Real estate	3,767,646	-	-	3,767,646
Alternative investments	10,692,306	-	-	10,692,306
<b>Total Investments</b>	46,933,958	72,949	139,794	47,146,701
Securities lending collateral pool	1,676,407	-	-	1,676,407
Capital assets (net of accumulated depreciation)	531	-	-	531
<b>Total Assets</b>	49,503,547	108,032	151,998	49,763,577
<b>Liabilities:</b>				
Accounts payable and accrued expenses	150,229	151	1,404	151,784
Benefits payable	119,351	-	12,373	131,724
Participant premium advances	-	-	15,991	15,991
Investment purchases and other liabilities	723,534	108	-	723,642
Obligations under securities lending	1,676,407	-	-	1,676,407
<b>Total Liabilities</b>	2,669,521	259	29,768	2,699,548
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>	\$ 46,834,026	\$ 107,773	\$ 122,230	\$ 47,064,029