

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**Statement of Plan Net Assets**

**As of December 31, 2012**

Unaudited

(Dollar Amounts in Thousands)

	<b>Fiscal Year 2012-2013</b>			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Assets:</b>				
Receivables:				
Members	\$ 262,282	\$ 4,869	\$ 17	\$ 267,168
Employers	383,638	27,968	-	411,606
Investment income	221,919	188	20	222,127
Investment proceeds	324,920	-	-	324,920
CMS Part D and Prescriptions	-	-	23,096	23,096
Miscellaneous	566	1,403	-	1,969
<b>Total Receivables</b>	<b>1,193,325</b>	<b>34,428</b>	<b>23,133</b>	<b>1,250,886</b>
Investments, at fair value:				
Short-term	3,400,106	58,175	175,250	3,633,531
Fixed income	6,615,376	-	-	6,615,376
Common and preferred stock	8,807,715	-	-	8,807,715
Collective trust funds	11,350,111	-	-	11,350,111
Real estate	6,318,693	-	-	6,318,693
Alternative investments	12,571,554	-	-	12,571,554
<b>Total Investments</b>	<b>49,063,555</b>	<b>58,175</b>	<b>175,250</b>	<b>49,296,980</b>
Securities lending collateral pool	667,991	-	-	667,991
Capital assets (net of accumulated depreciation)	22,333	-	-	22,333
<b>Total Assets</b>	<b>50,947,204</b>	<b>92,603</b>	<b>198,383</b>	<b>51,238,190</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	150,202	186	1,925	152,313
Benefits payable	128,613	125	18,464	147,202
Participant premium advances	-	-	19,628	19,628
Investment purchases and other liabilities	546,508	-	-	546,508
Obligations under securities lending	667,991	-	-	667,991
<b>Total Liabilities</b>	<b>1,493,314</b>	<b>311</b>	<b>40,017</b>	<b>1,533,642</b>
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>	<b>\$ 49,453,890</b>	<b>\$ 92,292</b>	<b>\$ 158,366</b>	<b>\$ 49,704,548</b>

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**Statement of Changes in Plan Net Assets**

**Six Months Ended December 31, 2012**

Unaudited

(Dollar Amounts in Thousands)

	<b>Fiscal Year 2012-2013</b>			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Additions:</b>				
Contributions:				
Members	\$ 447,066	\$ -	\$ -	\$ 447,066
Employers	651,374	49,518	-	700,892
<b>Total contributions</b>	<b>1,098,440</b>	<b>49,518</b>	<b>-</b>	<b>1,147,958</b>
Participant Premiums	-	-	113,340	113,340
Centers for Medicare & Medicaid Services	-	-	28,306	28,306
Investment income:				
From investing activities:				
Net appreciation (depreciation) in fair value of investments	2,226,267	(665)	-	2,225,602
Short-term	3,974	779	120	4,873
Fixed income	124,463	-	-	124,463
Common and preferred stock	109,696	-	-	109,696
Collective trust funds	5,540	-	-	5,540
Real estate	150,037	-	-	150,037
Alternative investments	267,234	-	-	267,234
<b>Total investment activity income</b>	<b>2,887,211</b>	<b>114</b>	<b>120</b>	<b>2,887,445</b>
Investment expenses	(280,601)	-	-	(280,601)
<b>Net income from investing activities</b>	<b>2,606,610</b>	<b>114</b>	<b>120</b>	<b>2,606,844</b>
From securities lending activities:				
Securities lending income	4,812	-	-	4,812
Securities lending expense	(673)	-	-	(673)
<b>Net income from securities lending activities</b>	<b>4,139</b>	<b>-</b>	<b>-</b>	<b>4,139</b>
<b>Total net investment income</b>	<b>2,610,749</b>	<b>114</b>	<b>120</b>	<b>2,610,983</b>
<b>Total Additions</b>	<b>3,709,189</b>	<b>49,632</b>	<b>141,766</b>	<b>3,900,587</b>
<b>Deductions:</b>				
Benefits	2,758,987	50,102	108,188	2,917,277
Refunds of contributions	11,072	-	-	11,072
Net transfer from State Employees' Retirement System	(616)	-	-	(616)
Administrative expenses	19,652	991	11,242	31,885
<b>Total Deductions</b>	<b>2,789,095</b>	<b>51,093</b>	<b>119,430</b>	<b>2,959,618</b>
<b>Net increase (decrease)</b>	<b>920,094</b>	<b>(1,461)</b>	<b>22,336</b>	<b>940,969</b>
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>				
<b>Balance, beginning of year</b>	<b>48,533,796</b>	<b>93,753</b>	<b>136,030</b>	<b>48,763,579</b>
<b>Balance, end of period</b>	<b>\$ 49,453,890</b>	<b>\$ 92,292</b>	<b>\$ 158,366</b>	<b>\$ 49,704,548</b>