

Pennsylvania Public School Employees' Retirement System



PSERS' Investment Portfolio

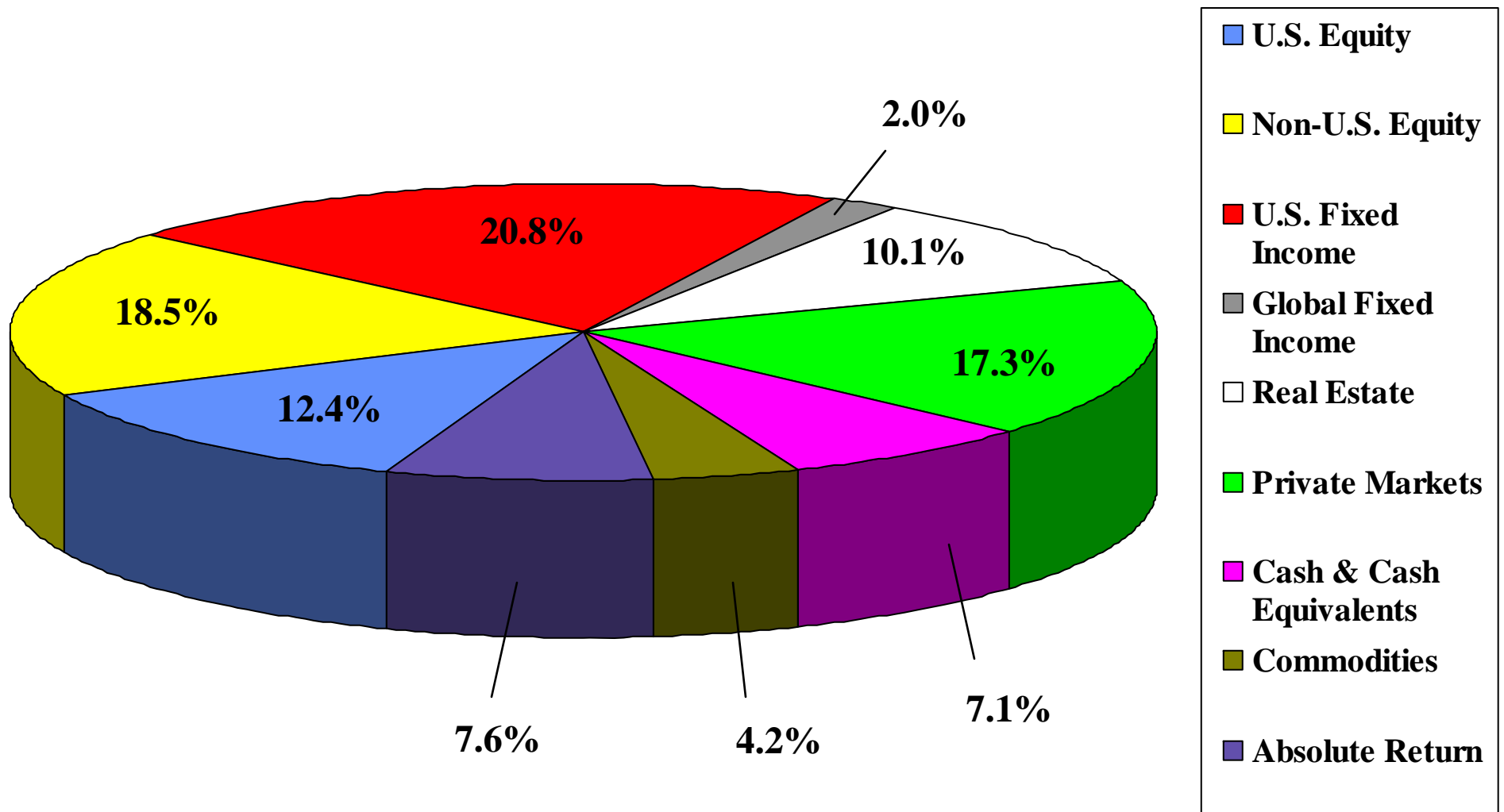
Asset Allocation as of September 30, 2009 (Unaudited)

Asset Class	Market Value (in millions)	% of Total	Target Allocation	Policy Ranges
U.S. Equity	\$ 5,658.8	12.4%		
Non-U.S. Equity	<u>8,446.3</u>	18.5%		
Subtotal Public Market Equities	<u>14,105.1</u>	30.9%	32.50%	+/- 10.0%
Private Equity	5,240.2	11.5%		
Private Debt	1,958.3	4.3%		
Venture Capital	<u>702.5</u>	1.5%		
Subtotal Private Markets	<u>7,901.0</u>	17.3%	17.00%	
Real Estate	<u>4,624.5</u>	10.1%	9.50%	
Total Equity	<u>26,630.6</u>	58.3%	59.00%	+/- 10.0%
U.S. Fixed Income	9,514.3	20.8%		
Global Fixed Income	942.5	2.0%		
Cash & Cash Equivalents *	<u>3,236.6</u>	7.1%		
Total Fixed Income	<u>13,693.4</u>	29.9%	29.50%	+/- 10.0%
Commodities	<u>1,939.7</u>	4.2%	4.00%	+/- 4.0%
Absolute Return	<u>3,476.0</u>	7.6%	7.50%	+/- 4.0%
TOTAL INVESTMENT PORTFOLIO	\$ 45,739.7	100.0%	100.00%	
Net Other Assets and Liabilities	<u>263.7</u>			
PSERS TOTAL ASSETS	<u>\$ 46,003.4</u>			

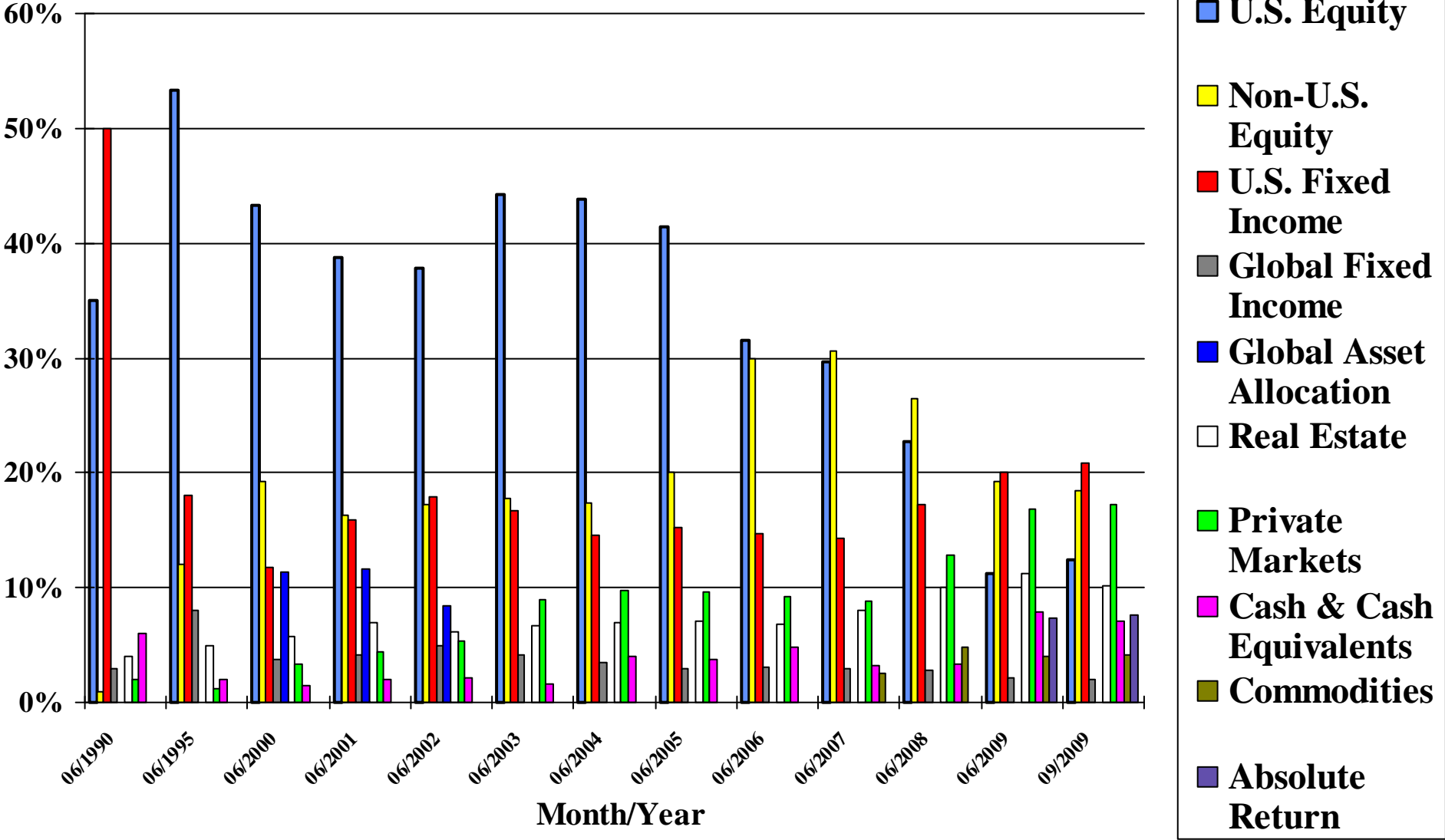
* - includes Cash, Cash Equivalents, and net asset value accounting adjustments

PSERS' Investment Portfolio

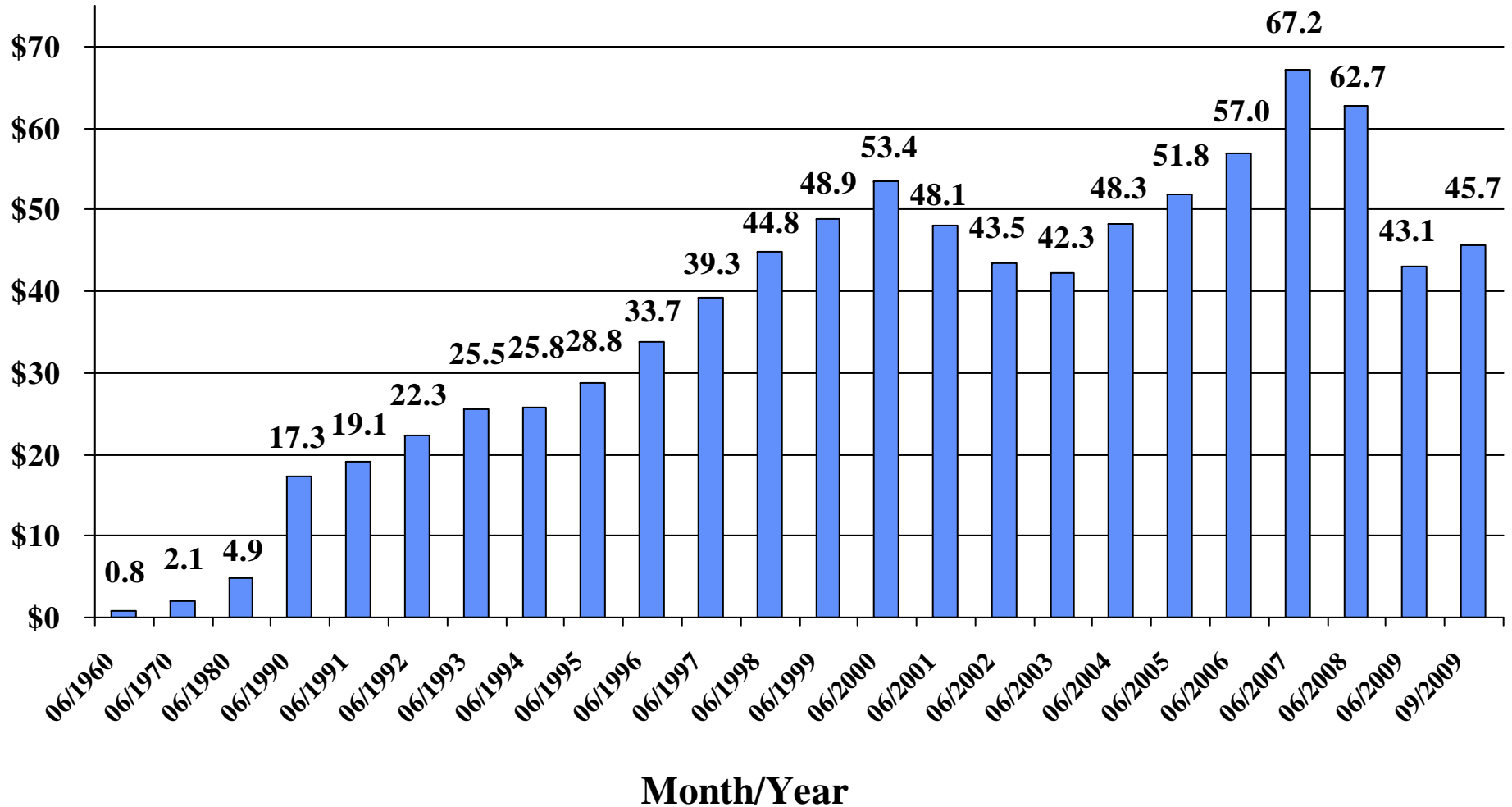
Asset Allocation as of September 30, 2009 (Unaudited)



PSERS' Historical Asset Allocation

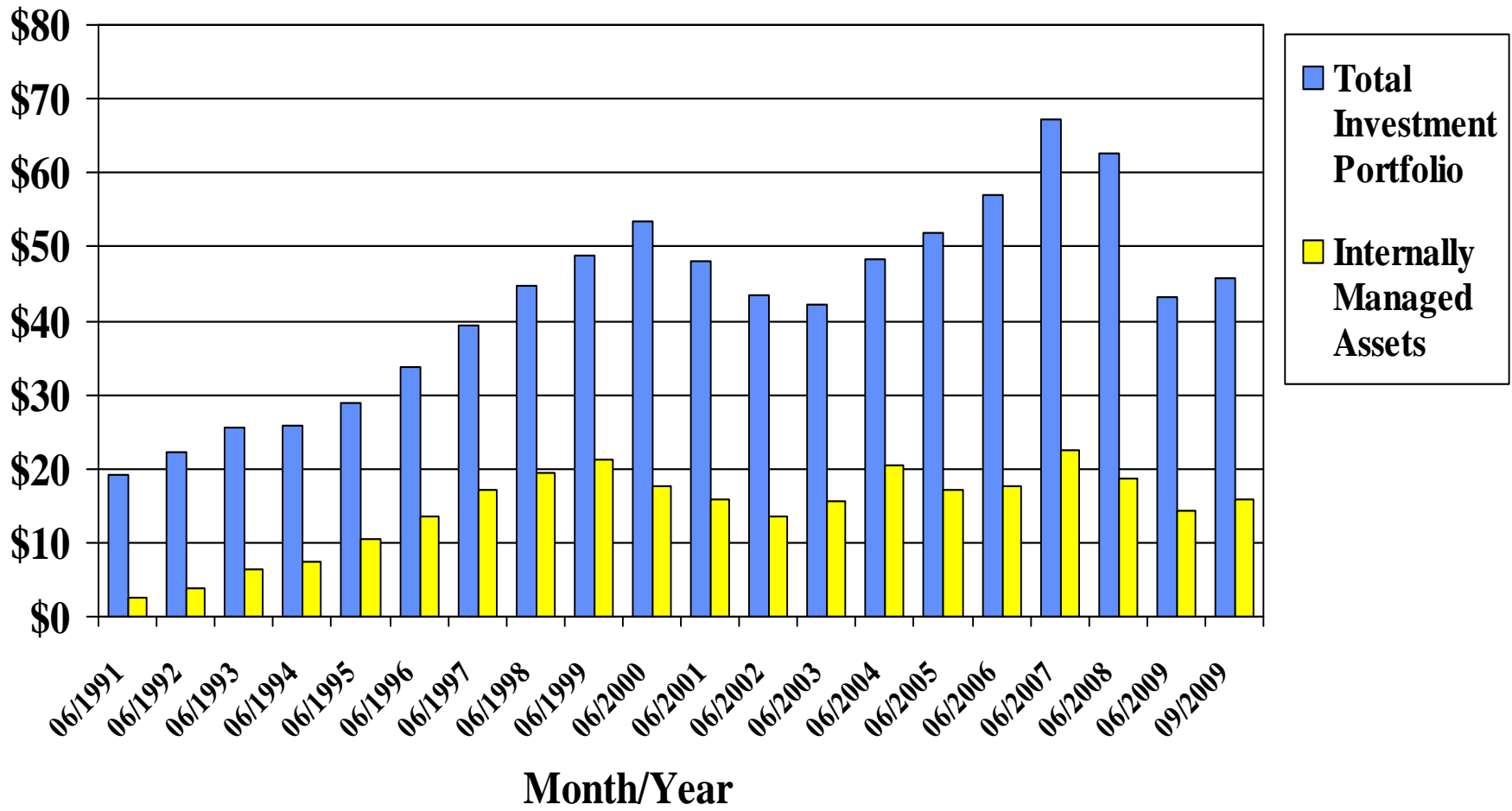


PERS' Investment Portfolio Total Market Value (in billions)



PSERS' Investment Portfolio

Internally Managed Assets (in billions)



PSEERS' Average Monthly Additions and Deductions
For the Fiscal Year Ended June 30, 2009

Additions:

- Member Contributions..... \$ 76 Million
- Employer Contributions..... \$ 43 Million
- Net Investment Income (Loss)..(\$ 1,350 Million)
- Total Additions..... (\$ 1,231 Million)

Deductions:

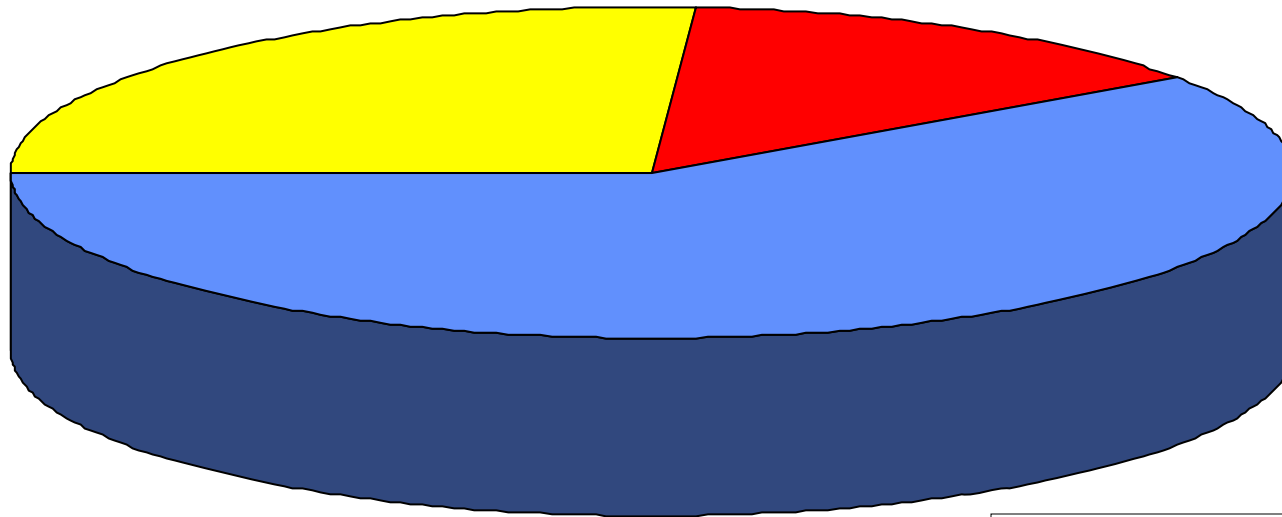
- Pension Benefits..... \$ 389 Million
- Administrative Expenses \$ 3 Million
- Total Deductions..... \$ 392 Million

PERS' Sources of Funding

10 Year History (Fiscal Year 2000 to 2009)

Employee Contributions
\$7.6 Billion (26.1% of Total)

Employer Contributions
\$4.1 Billion (14.2% of Total)



Investment Earnings
\$17.4 Billion (59.7% of Total)

PERS' Sources of Funding

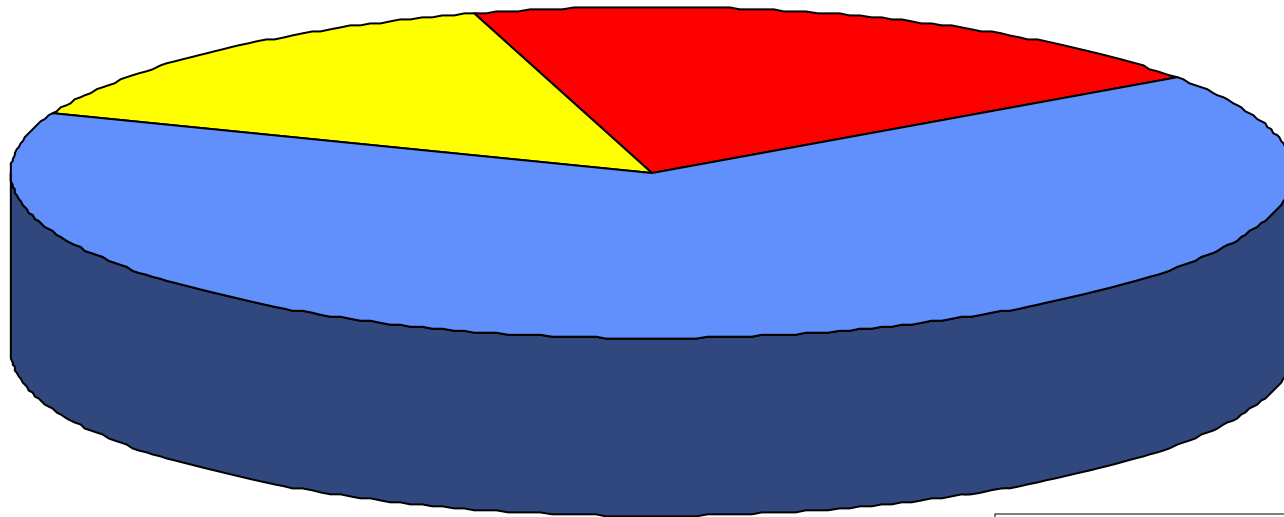
25 Year History (Fiscal Year 1985 to 2009)

Employee Contributions

\$13.0 Billion (14.7% of Total)

Employer Contributions

\$17.5 Billion (19.7% of Total)



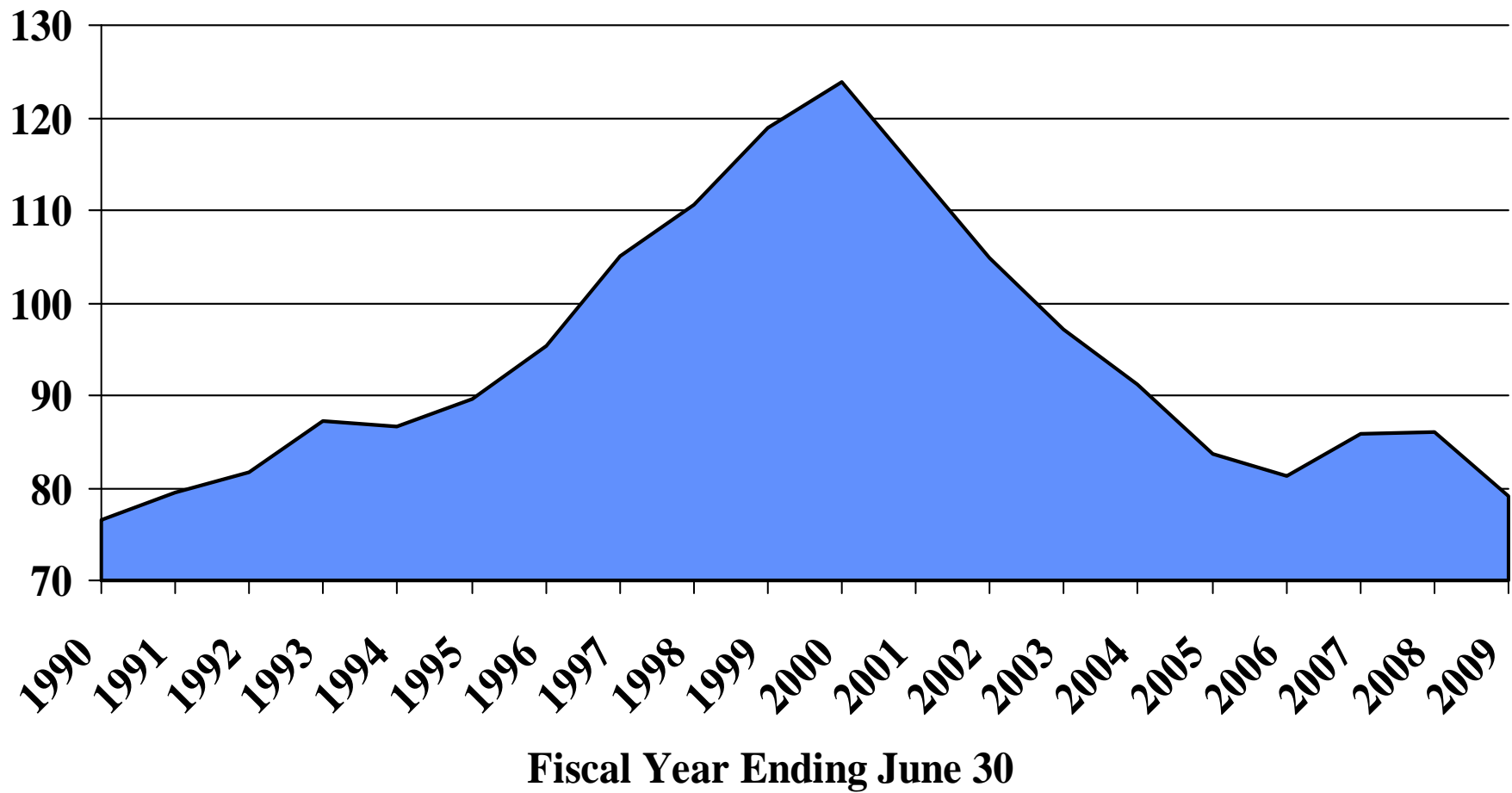
Investment Earnings

\$58.2 Billion (65.6% of Total)

PSERS' Funded Ratio – 1990 to 2009 (in millions)

FY Ending June 30	Accrued Liability (\$)	Valuation Assets (\$)	Unfunded (Overfunded) Accrued Liability (\$)	Funded Ratio (%)
2009	75,626	59,887	15,739	79.2
2008	70,941	61,018	9,923	86.0
2007	66,593	57,155	9,438	85.8
2006	64,720	52,558	12,162	81.2
2005	61,226	51,219	10,007	83.7
2004	57,124	52,095	5,029	91.2
2003	54,443	52,900	1,543	97.2
2002	51,796	54,296	(2,500)	104.8
2001	47,917	54,830	(6,913)	114.4
2000	39,823	49,293	(9,470)	123.8
1999	37,499	44,606	(7,107)	119.0
1998	36,136	39,969	(3,833)	110.6
1997	33,210	34,873	(1,663)	105.0
1996	31,630	30,171	1,459	95.4
1995	30,073	26,971	3,102	89.7
1994	28,348	24,552	3,796	86.6
1993	25,947	22,644	3,303	87.3
1992	24,570	20,068	4,502	81.7
1991	22,574	17,962	4,612	79.6
1990	20,914	15,996	4,918	76.5

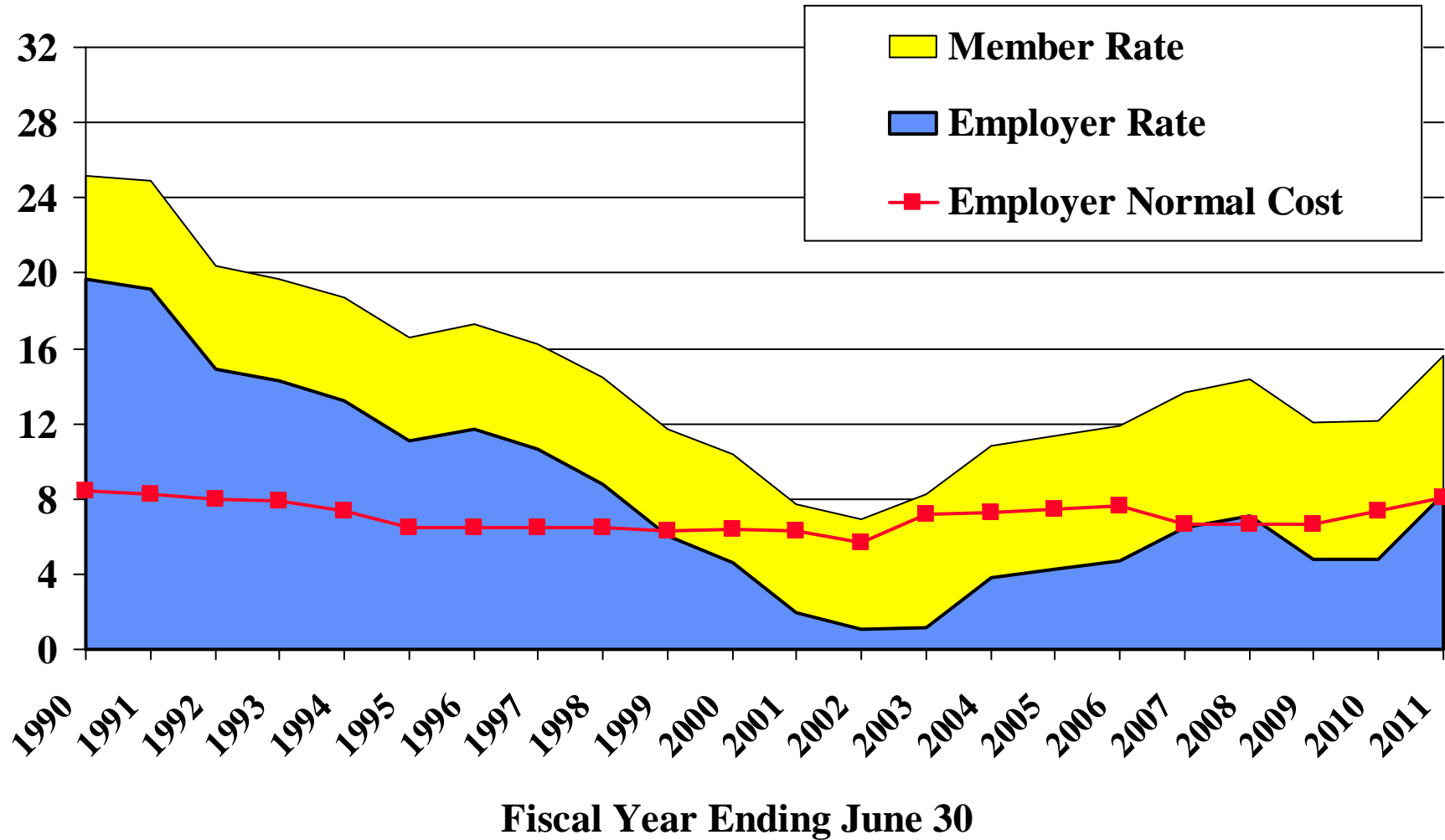
PSERS' Funded Ratio – 1990 to 2009 (percentage)



Total Contribution Rates Since 1989-90

Fiscal Year	Employer Rate	Member Rate	Total Contribution Rate
2010-11	8.22%	7.34%	15.56%
2009-10	4.78	7.32	12.10
2008-09	4.76	7.29	12.05
2007-08	7.13	7.25	14.38
2006-07	6.46	7.21	13.67
2005-06	4.69	7.16	11.85
2004-05	4.23	7.12	11.35
2003-04	3.77	7.08	10.85
2002-03	1.15	7.10	8.25
2001-02	1.09	6.43	7.52
2000-01	1.94	5.77	7.71
1999-2000	4.61	5.72	10.33
1998-99	6.04	5.69	11.73
1997-98	8.76	5.65	14.41
1996-97	10.60	5.62	16.22
1995-96	11.72	5.59	17.31
1994-95	11.06	5.55	16.61
1993-94	13.17	5.51	18.68
1992-93	14.24	5.48	19.72
1991-92	14.90	5.46	20.36
1990-91	19.18	5.69	24.87
1989-90	19.68	5.53	25.21

History of Member and Employer Contribution Rates Since 1989-90



Projected Member and Employer Contribution Rates

