

# PSERS' Investment Portfolio

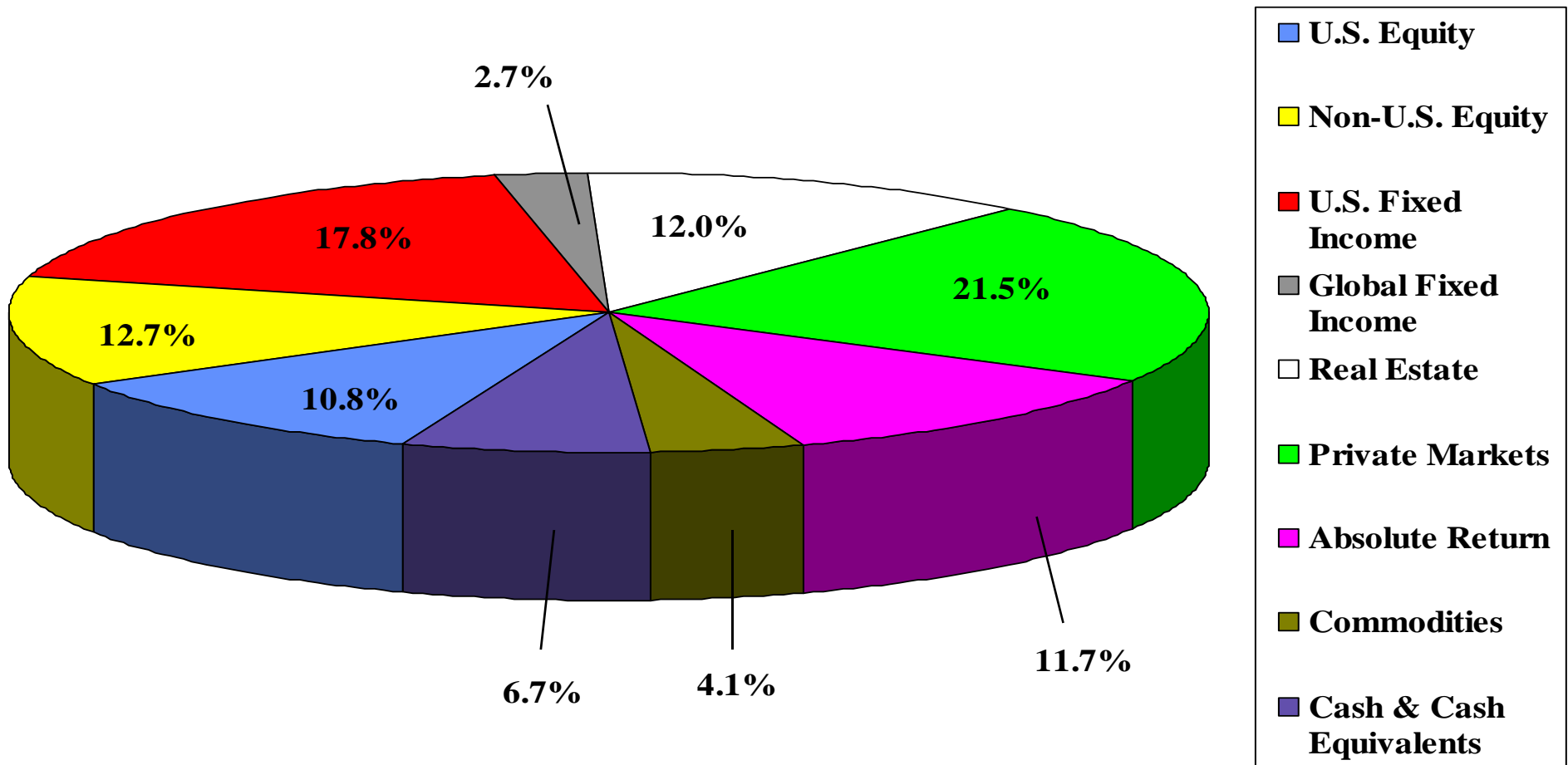
## Asset Allocation as of September 30, 2011 (Unaudited)

Asset Class	Market Value (in millions)	% of Total	Target Allocations	Policy Ranges
U.S. Equity	\$ 5,103.8	10.8%		
Non-U.S. Equity	6,045.0	12.7%		
Subtotal Public Market Equities	<u>11,148.8</u>	23.5%	22.00%	+/- 10.0%
Private Equity	7,467.1	15.8%		
Private Debt	1,881.8	3.9%		
Venture Capital	840.0	1.8%		
Subtotal Private Markets	<u>10,188.9</u>	21.5%	22.50%	
Real Estate	<u>5,667.3</u>	12.0%	11.25%	
Total Equity	<u>27,005.0</u>	57.0%	55.75%	+/- 10.0%
U.S. Fixed Income	8,419.0	17.8%		
Global Fixed Income	<u>1,256.7</u>	2.7%		
Total Fixed Income	<u>9,675.7</u>	20.5%	21.25%	+/- 10.0%
Absolute Return	5,557.3	11.7%	12.00%	+/- 4.0%
Commodities	1,949.5	4.1%	6.00%	+/- 4.0%
Cash & Cash Equivalents *	<u>3,191.4</u>	6.7%	5.00%	
<b>TOTAL INVESTMENT PORTFOLIO</b>	<b>\$ 47,378.9</b>	<b>100.0%</b>	<b>100.00%</b>	
Net Other Assets and Liabilities	<u>400.1</u>			
<b>PSERS TOTAL ASSETS</b>	<b><u>\$ 47,779.0</u></b>			

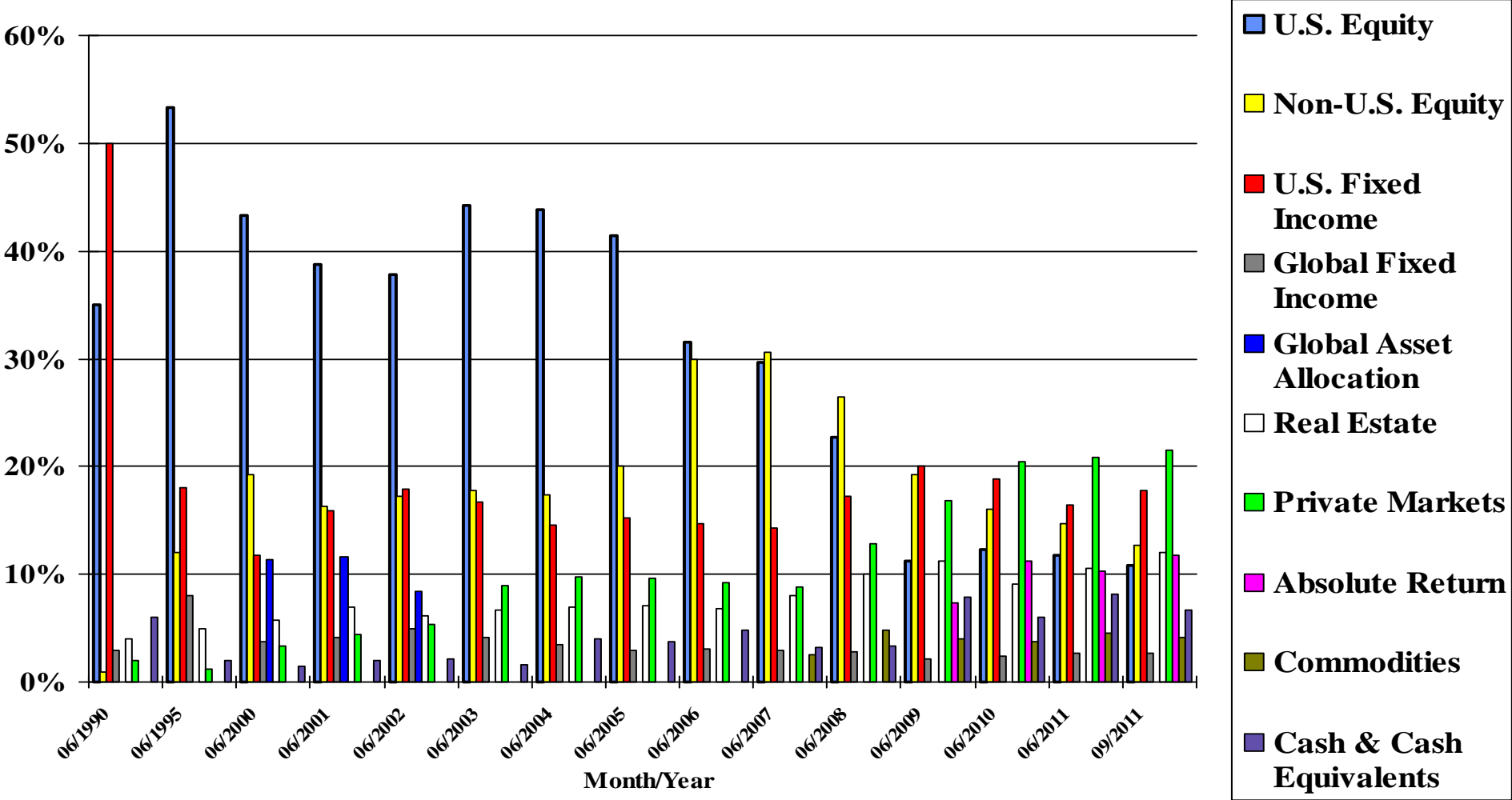
\* - includes Cash, Cash Equivalents, and net asset value accounting adjustments

# PSEERS' Investment Portfolio

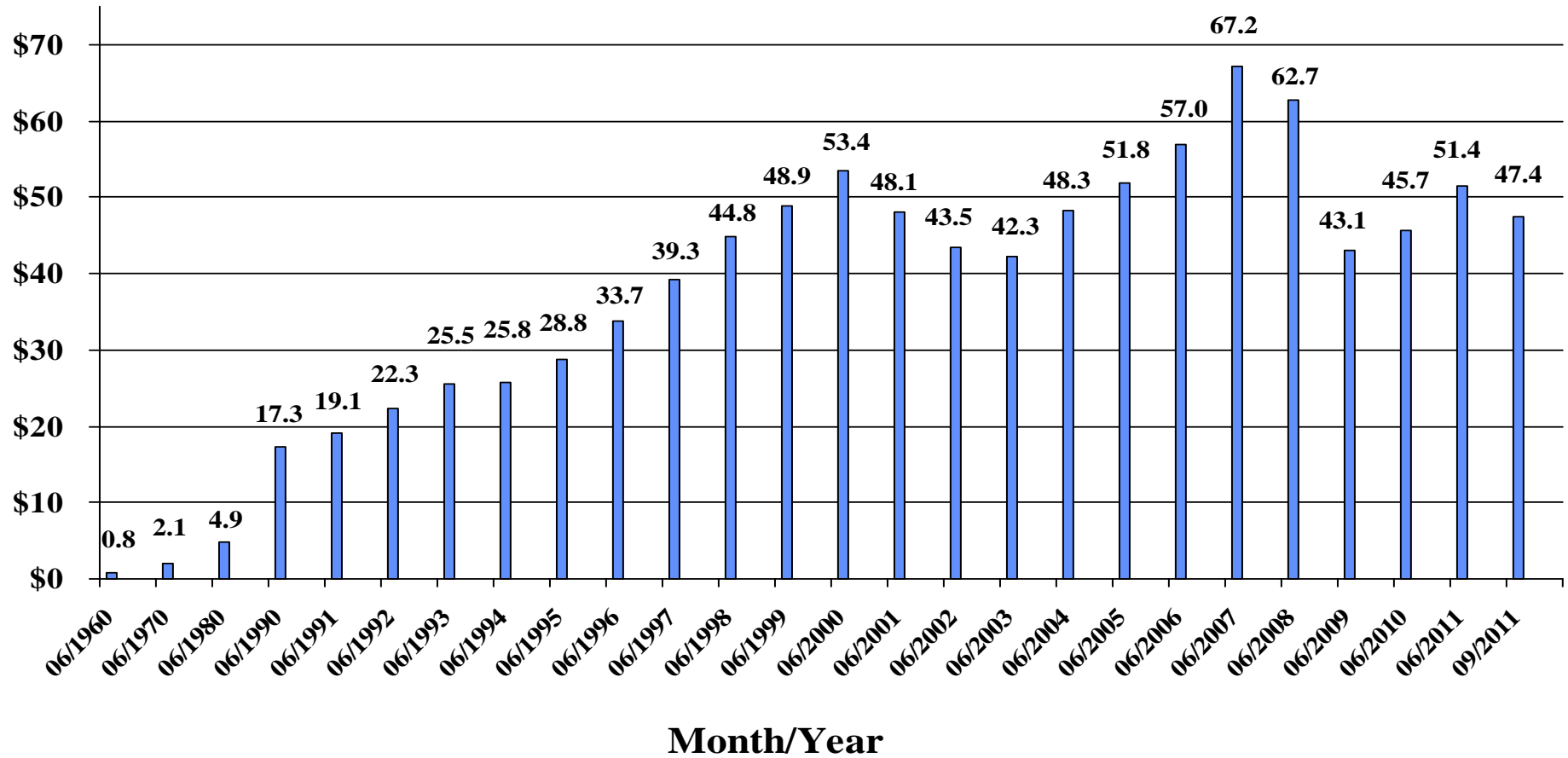
## Asset Allocation as of September 30, 2011 (Unaudited)



# PSERS' Historical Asset Allocation

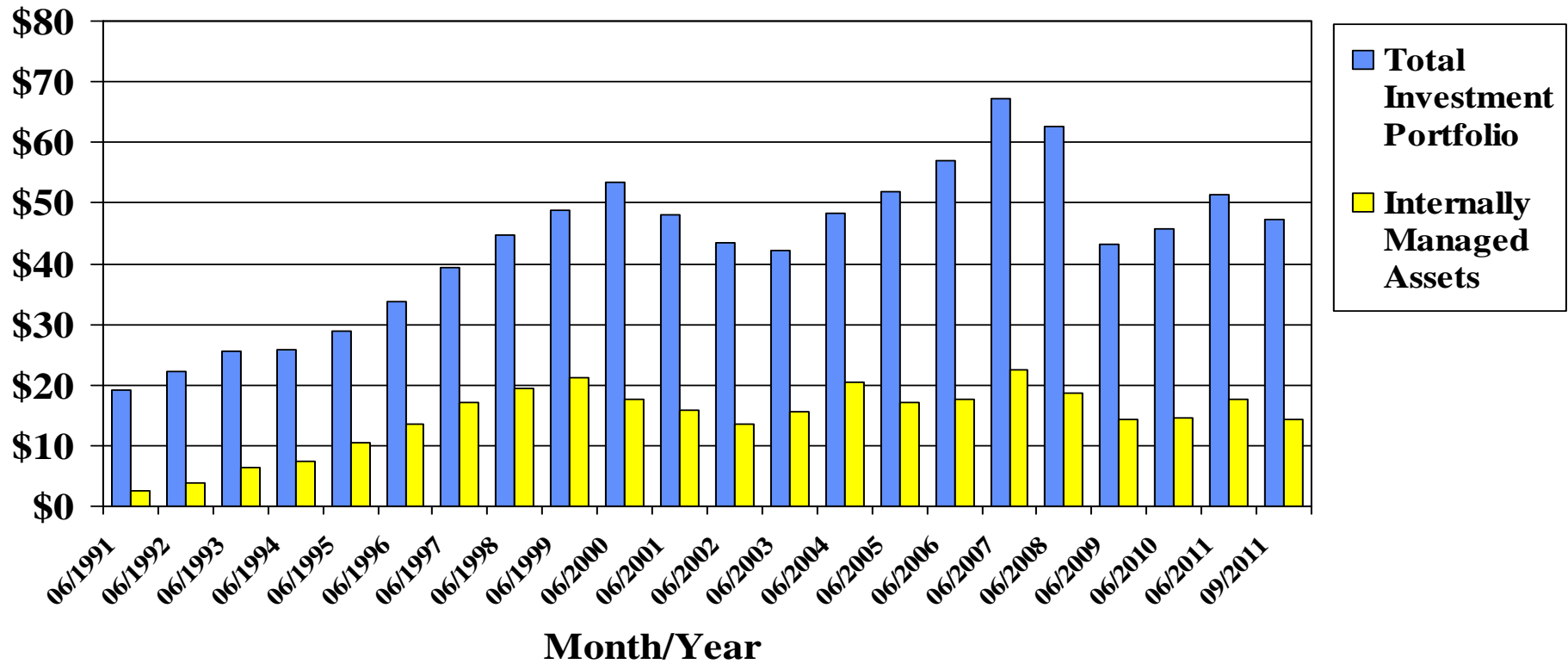


# PERS' Investment Portfolio Total Market Value (in billions)



# PSERS' Investment Portfolio

## Internally Managed Assets (in billions)



## PSERS' Average Monthly Additions and Deductions For the Fiscal Years Ended June 30, 2011 and 2010

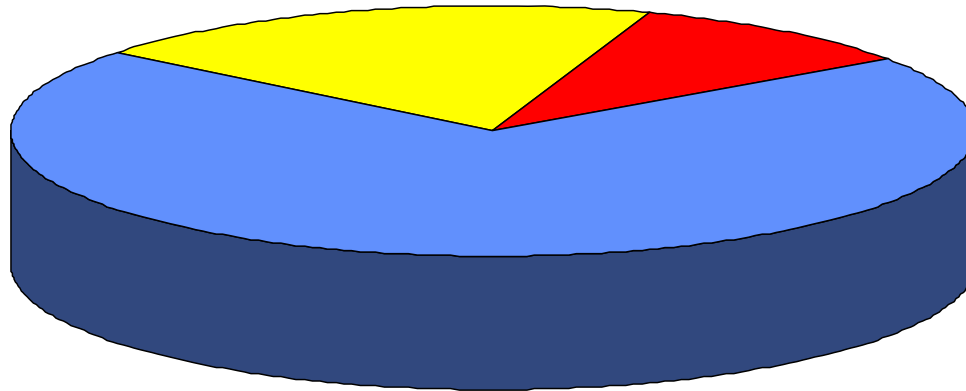
Additions:	2011 (in millions)	2010 (in millions)
• Member Contributions	87	79
• Employer Contributions	55	45
• Net Investment Income (Loss)	770	509
Total Additions	912	633
Deductions:		
• Pension Benefits	442	416
• Administrative Expenses	3	1
Total Deductions	445	417

# PERS' Sources of Funding

## 10 Year History (Fiscal Year 2002 to 2011)

Employee Contributions  
\$8.5 Billion (19.4% of Total)

Employer Contributions  
\$4.4 Billion (10.0% of Total)



Investment Earnings  
\$30.8 Billion (70.6% of Total)

# PERS' Sources of Funding

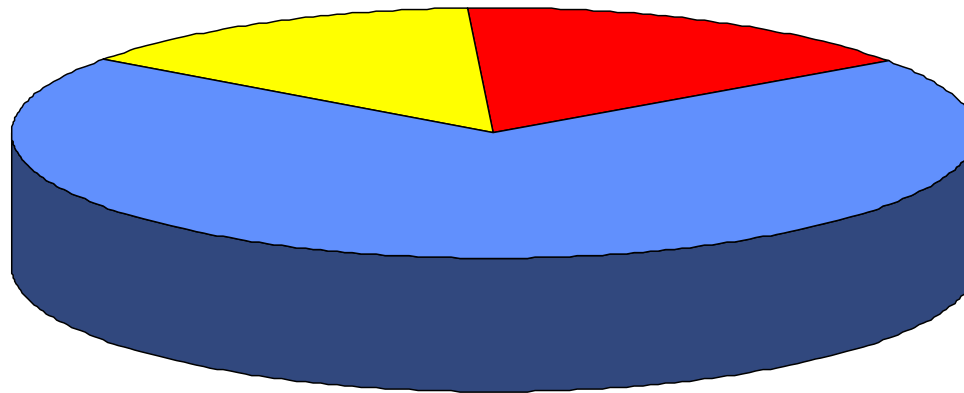
## 25 Year History (Fiscal Year 1987 to 2011)

Employee Contributions

\$14.6 Billion (14.2% of Total)

Employer Contributions

\$16.6 Billion (16.2% of Total)



Investment Earnings

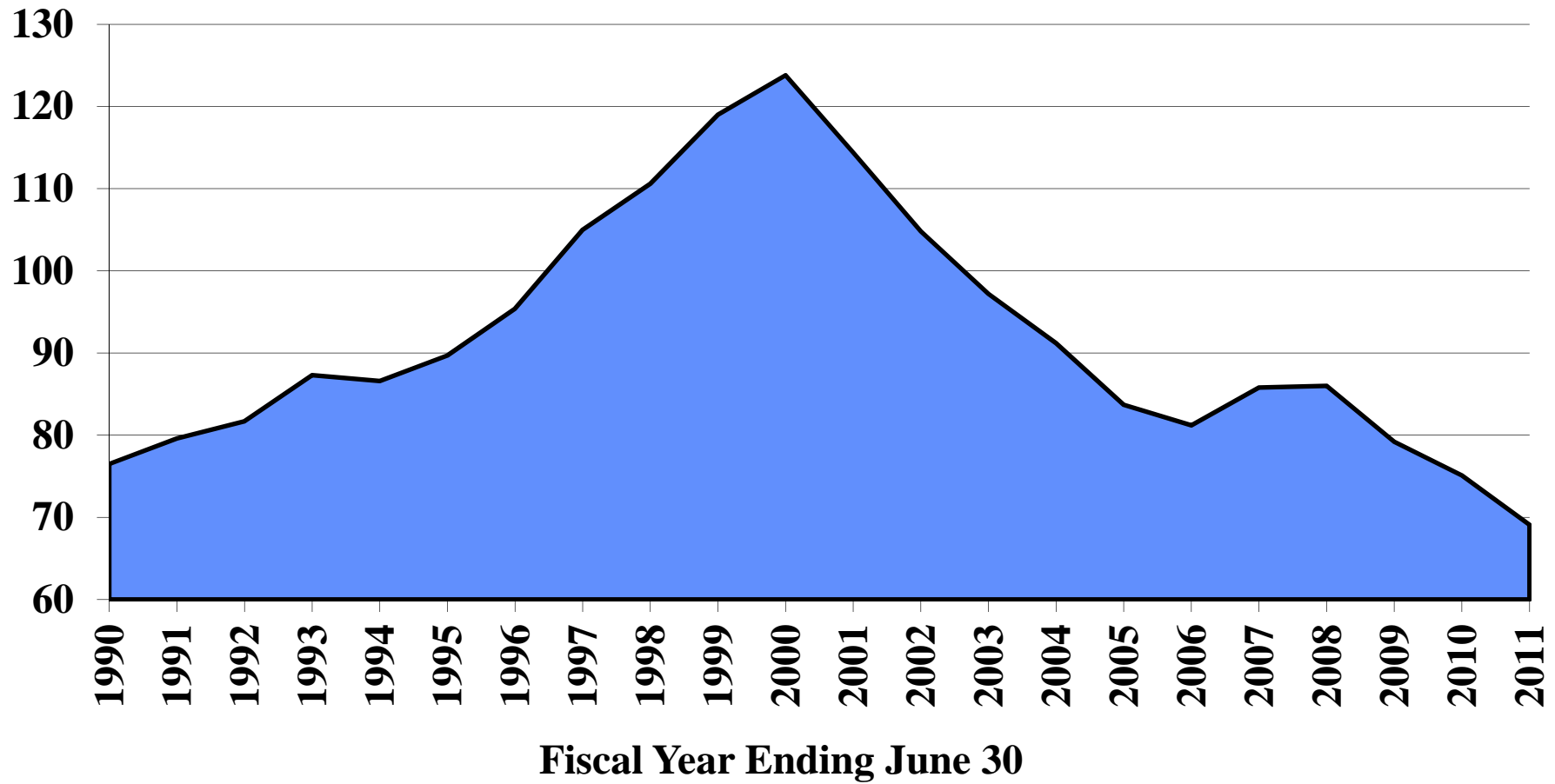
\$71.6 Billion (69.6% of Total)



## PSERS' Funded Ratio – 1990 to 2011 (in millions)

<b>FY Ending June 30</b>	<b>Accrued Liability (\$)</b>	<b>Valuation Assets (\$)</b>	<b>Unfunded (Overfunded) Accrued Liability (\$)</b>	<b>Funded Ratio (%)</b>
2011	85,752	59,252	26,500	69.1
2010	79,122	59,424	19,698	75.1
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 2011 (percentage)

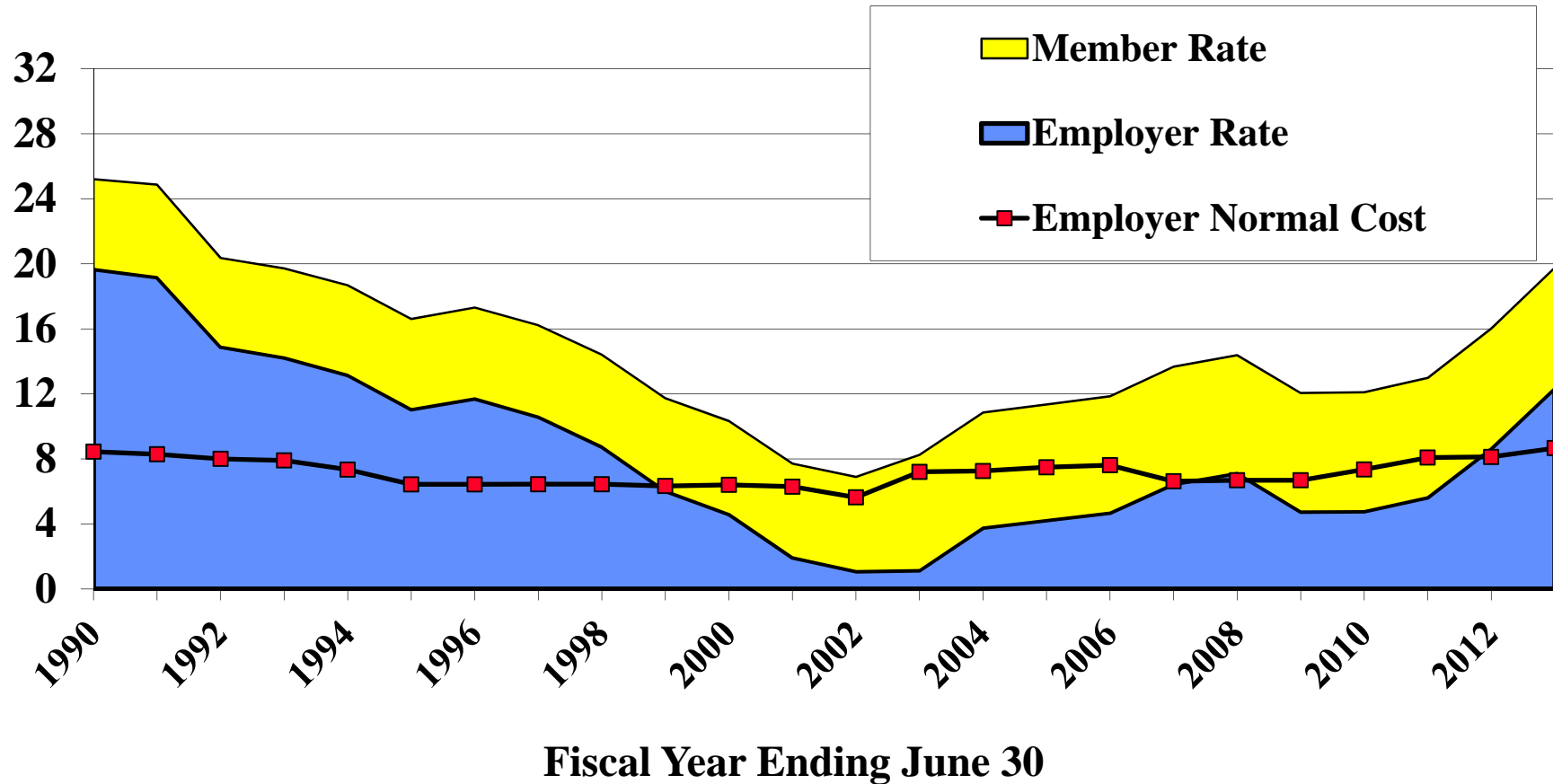


# Total Contribution Rates Since 1989-90

<b>Fiscal Year</b>	<b>Employer Rate</b>	<b>Member Rate</b>	<b>Total Contribution Rate</b>
2012-13	12.36%	7.40%	19.76%
2011-12	8.65	7.37	16.02
2010-11	5.64	7.34	12.98
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

\* NOTE - The 2010-11 Employer Rate reflects the 5.64% rate prescribed by Act 2010-46 which supercedes the 8.22% rate prescribed in the June 30, 2009 actuarial valuation prepared by Buck Consultants. The 2011-12 Employer Rate reflects the funding provisions of HB 2497. The 2012-13 Employer Rate reflects the funding provisions of Act 120.

# History of Member and Employer Contribution Rates Since 1989-90



NOTE - The 2010-11 Employer Rate reflects the 5.64% rate prescribed by Act 2010-46 which supercedes the 8.22% rate prescribed in the June 30, 2009 actuarial valuation prepared by Buck Consultants. The 2011-12 Employer Rate reflects the funding provisions of HB 2497. The 2012-13 Employer Rate reflects the funding provisions of Act 120.