

# Pennsylvania Public School Employees' Retirement System



Public Market Emerging Investment Manager Program Overview

As of December 31, 2008

PSERS' Public Market Emerging Investment Manager Program  
Roster of Managers as of December 31, 2008

- **U.S. Multi Cap Equity**
  - The Biondo Group, LLC
  - Denali Advisors, LLC
- **U.S. Large Cap Equity**
  - Great Companies, Inc.
  - Hanseatic Management Services, Inc.

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Roster of Managers as of December 31, 2008

- **U.S. Small Cap Equity**
  - Conestoga Capital Advisors
  - Opus Capital Management
  - AH Lisanti Capital Growth, LLC
- **U.S. Micro Cap Equity**
  - Ativo Capital Management, LLC
- **U.S. Master Limited Partnerships (MLP) Equity**
  - Harvest Funds Advisors, LLC
- **Global Equity**
  - John Hsu Capital Group, Inc.
  - Shah Capital Management, Inc.

PSERS' Public Market Emerging Investment Manager Program  
Roster of Managers as of December 31, 2008

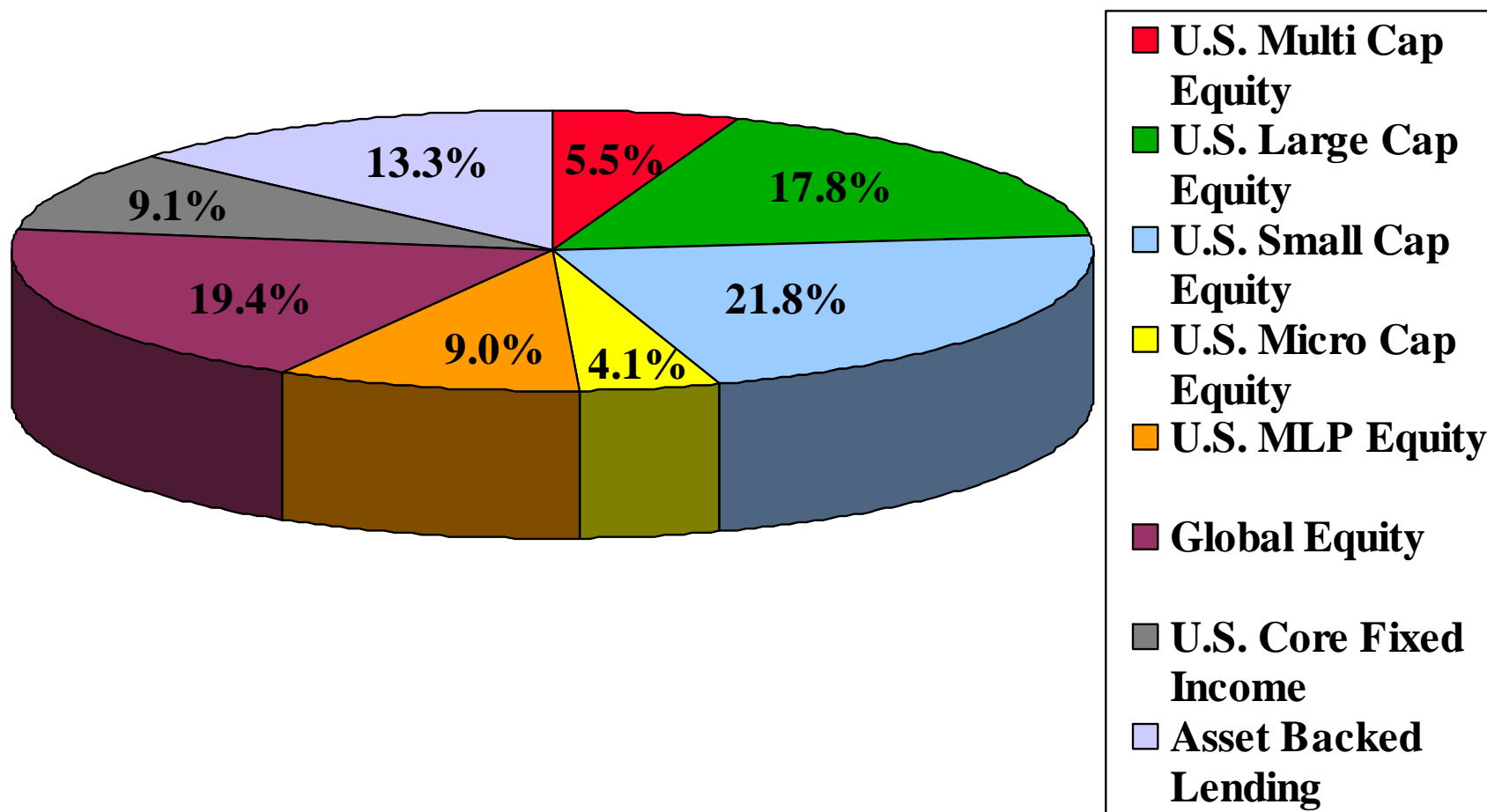
- **U.S. Core Fixed Income**
  - Piedmont Investment Advisors
  - Pugh Capital Management, Inc.
- **Asset Backed Lending**
  - Stillwater Capital Partners

**PSERS' Public Market Emerging Investment Manager Program**  
**Market Values as of December 31, 2008**  
**(Unaudited)**

<b>Asset Class</b>	<b>Market Value*</b> <b>(in millions)</b>	<b>% of Total</b>
<b>Equity</b>		
U.S. Multi Cap Equity	\$ 21.0	5.5%
U.S. Large Cap Equity	68.4	17.8%
U.S. Small Cap Equity	83.7	21.8%
U.S. Micro Cap Equity	15.7	4.1%
U.S. MLP Equity	34.4	9.0%
Global Equity	74.4	19.4%
<b>Total Equity</b>	<b>297.6</b>	<b>77.6%</b>
<b>Fixed Income</b>		
U.S. Core	35.2	9.1%
Asset Backed Lending	50.9	13.3%
<b>Total Fixed Income</b>	<b>86.1</b>	<b>22.4%</b>
<b>TOTAL PROGRAM</b>	<b>\$ 383.7</b>	<b>100.0%</b>

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

PSEERS' Public Market Emerging Investment Manager Program  
Asset Distribution as of December 31, 2008  
(Unaudited)

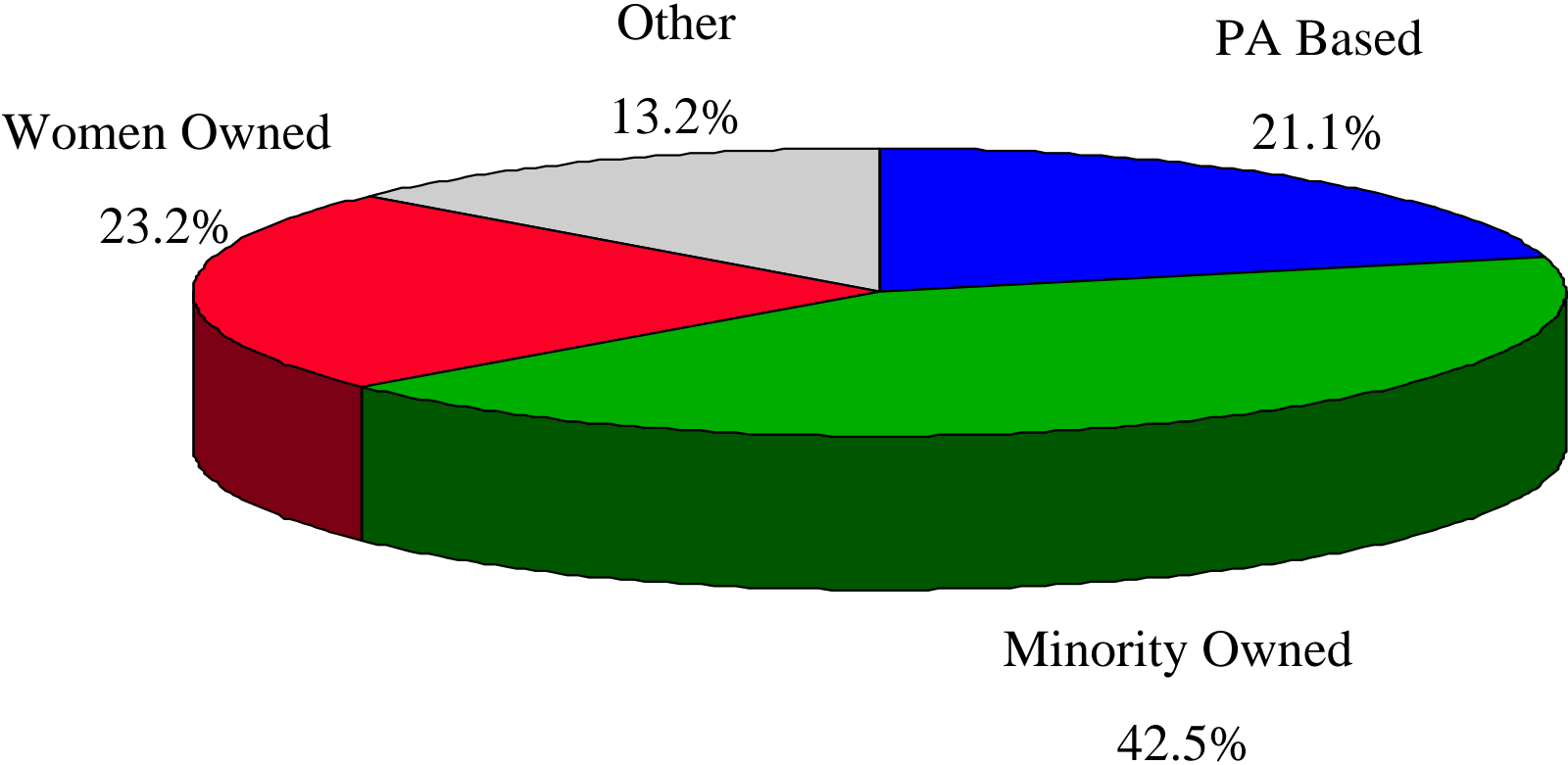


**PSEERS' Public Market Emerging Investment Manager Program**  
**Ownership Composition as of December 31, 2008**  
**(Unaudited)**

<b><u>Ownership Composition</u></b>	<b><u>Market Value*</u></b> <b><u>in millions)</u></b>	<b><u>% of</u></b> <b><u>Total</u></b>
Pennsylvania Based	\$80.8	21.1%
Women Owned	88.9	23.2%
Minority Owned	163.1	42.5%
Other	50.9	13.2%
<b><u>TOTAL PROGRAM</u></b>	<b><u>\$ 383.7</u></b>	<b><u>100.0%</u></b>

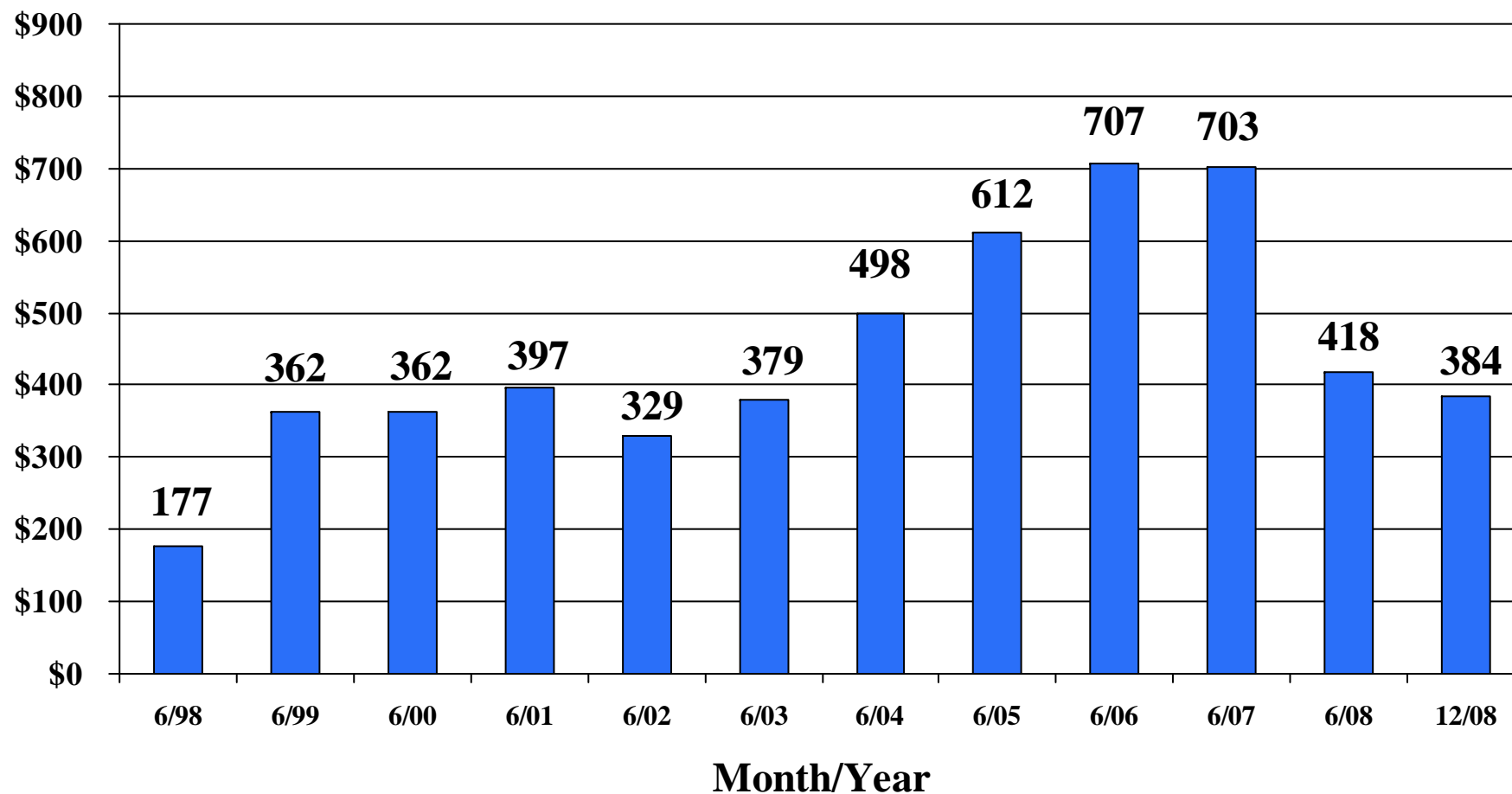
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PSEERS' Public Market Emerging Investment Manager Program  
Ownership Composition as of December 31, 2008  
(Unaudited)





# PSERS' Public Market Emerging Investment Manager Program Assets Under Management (in millions)



PSERS' Public Market Emerging Investment Manager Program  
Annualized Performance (Net of Fees)  
As of December 31, 2008

<u>Asset Class</u>	<u>Quarter</u>	<u>Fiscal Year to Date*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
U.S. Multi Cap Equity	-20.55%	-28.10%	-38.61%	-9.73%	-0.51%
U.S. Large Cap Equity	-24.60	-37.00	-41.99	-10.48	-3.00
U.S. Small Cap Equity	-22.24	-22.98	-35.82	-11.36	-2.10
U.S. Micro Cap Equity	-24.76	-34.79	N/A	N/A	N/A
U.S. MLP Equity	-19.02	N/A	N/A	N/A	N/A
Global Equity	-21.28	-38.72	-48.05	-3.62	2.30
U.S. Fixed Income	2.56	1.92	3.56	4.61	N/A
<b>TOTAL PROGRAM</b>	<b>-20.79</b>	<b>-30.90</b>	<b>-38.86</b>	<b>-9.73</b>	<b>-2.30</b>
<b>CUSTOM INDEX</b>	<b>-22.33%</b>	<b>-28.31%</b>	<b>-35.83%</b>	<b>-8.22%</b>	<b>-1.37%</b>

N/A – No history available for this time period.

\*PSERS' Fiscal Year ends on June 30.