

Pennsylvania Public School Employees' Retirement System



Developmental Program

List of PSERS' Developmental Program Managers As of September 30, 2006

- **Multi Cap Equity**
 - Snow Capital Management, LP
 - Denali Advisors
- **Large Cap Equity**
 - Charter Financial Group, Inc.
 - EDMP, Inc.
 - Hanseatic Management Services, Inc.
- **Large Cap Equity**
 - Profit Investment Management
 - Roll & Ross Asset Management, LP
 - Smithbridge Asset Management, Inc.
 - Tucker Hargrove Management, Inc.
 - West Chester Capital

List of PSERS' Developmental Program Managers As of September 30, 2006

- **Mid Cap Equity**
 - Piedra Capital, Inc.
- **Small Cap Equity**
 - Conestoga Capital
 - Connors Investor Services, Inc.
 - Global Capital Management
- **Small Cap Equity**
 - Opus Capital Management
- **Global Equity**
 - John Hsu Capital Group, Inc.
 - Shah Capital, Inc.

List of PSERS' Developmental Program Managers As of September 30, 2006

- **Fixed Income**
 - Piedmont Investment
Advisors
 - Pugh Capital
Management

PSERS' Developmental Program

Market Values as of September 30, 2006

(Unaudited)

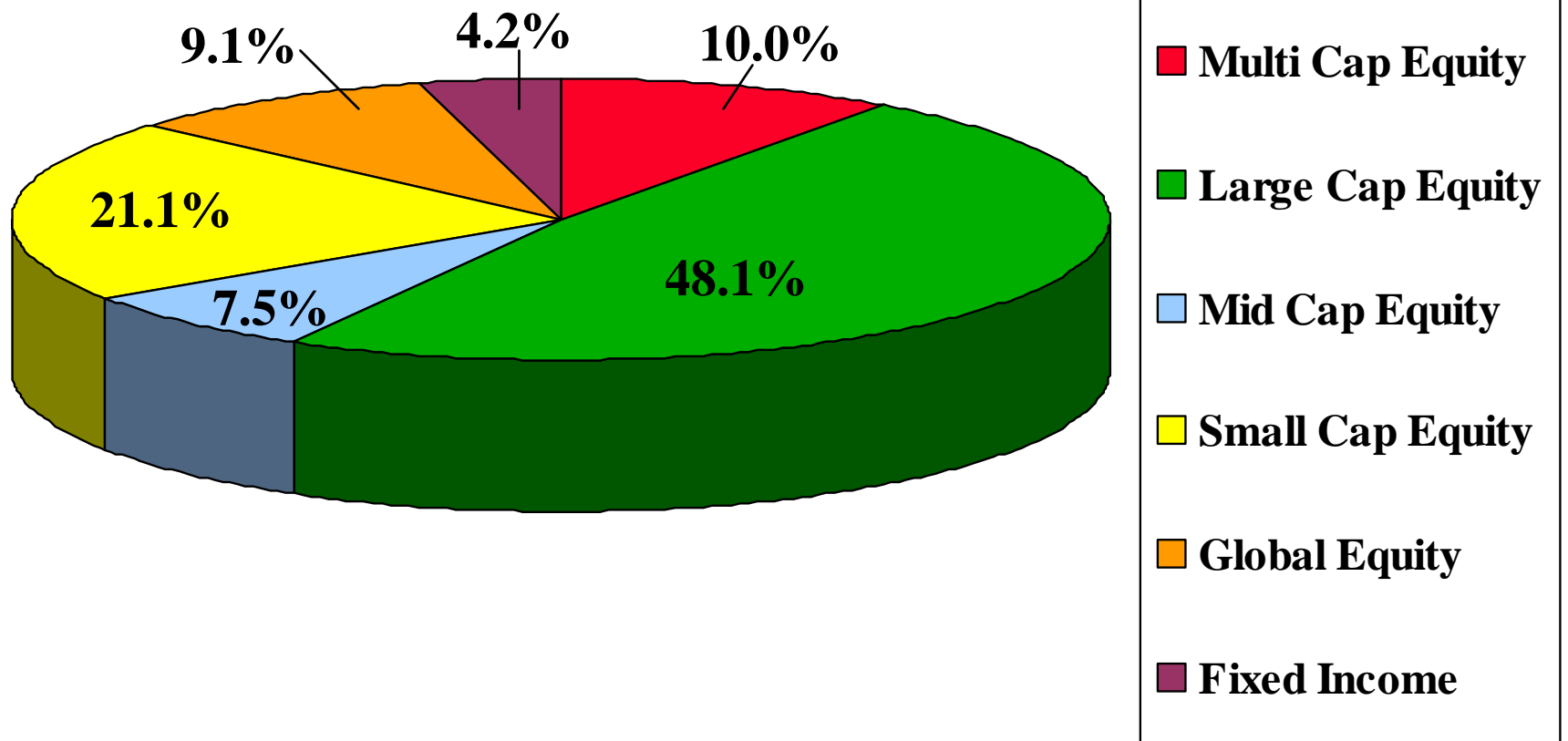
Asset Class	Market Value* (in millions)	% of Total
Equity		
Multi Cap Equity	\$ 74.6	10.0%
Large Cap Equity	359.0	48.1%
Mid Cap Equity	56.0	7.5%
Small Cap Equity	157.5	21.1%
Global Equity	68.2	9.1%
Total Equity	715.3	95.8%
Fixed Income		
Domestic Core	31.5	4.2%
Total Fixed Income	31.5	4.2%
TOTAL DEVELOPMENTAL PROGRAM	\$ 746.8	100.0%

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

PSEERS' Developmental Program

Asset Distribution as of September 30, 2006

(Unaudited)



PSERS' Developmental Program

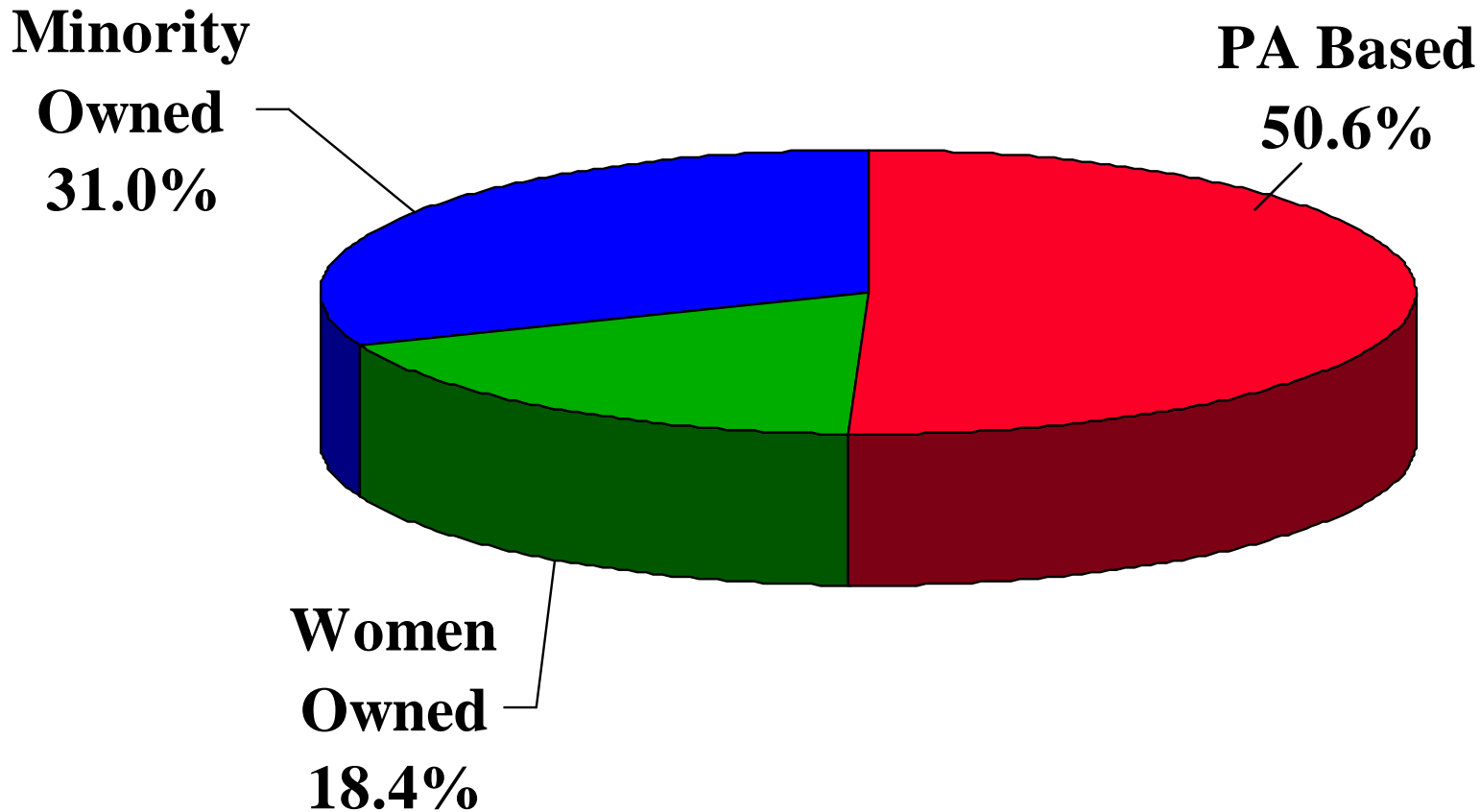
Ownership Composition as of September 30, 2006

(Unaudited)

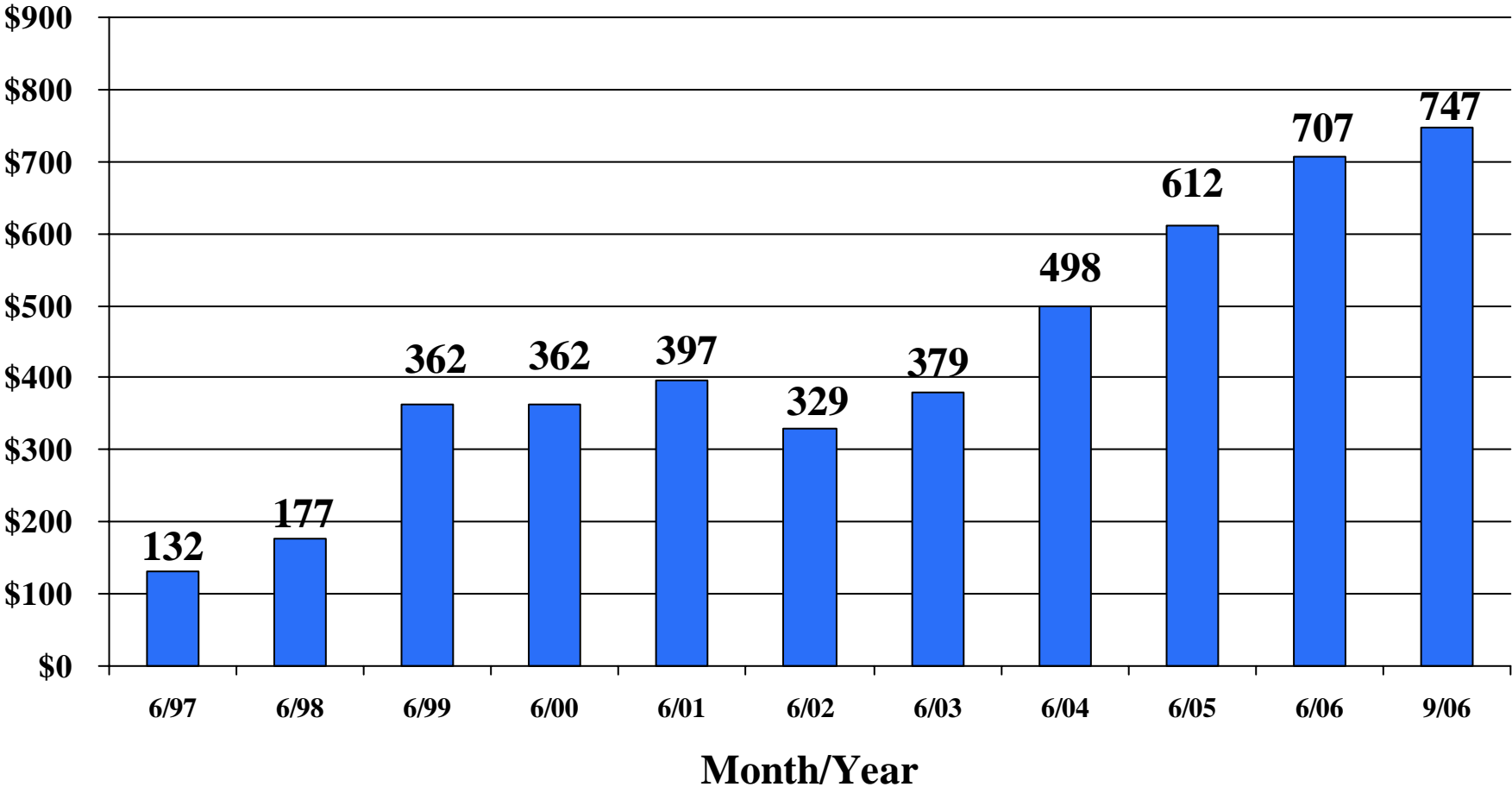
Ownership Composition	Market Value* in millions)	% of Total
Pennsylvania Based	\$377.8	50.6%
Women Owned	137.9	18.4%
Minority Owned	231.1	31.0%
TOTAL DEVELOPMENTAL		
PROGRAM	\$ 746.8	100.0%

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

PSEERS' Developmental Program
Ownership Composition as of September 30, 2006
(Unaudited)



PSERS' Developmental Program Assets (in millions)



PSERS' Developmental Program
Annualized Performance (Net of Fees)
As of September 30, 2006

<u>Asset Class</u>	<u>3rd Qtr. 2006</u>	<u>Fiscal Year to Date*</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>
Multi Cap Equity	2.41%	2.41%	11.02%	19.58%	N/A
Large Cap Equity	2.98%	2.98%	8.81%	12.42%	7.70%
Mid Cap Equity	0.89%	0.89%	5.91%	11.81%	9.12%
Small Cap Equity	-3.54%	-3.54%	6.68%	14.58%	12.05%
Global Equity	2.00%	2.00%	19.19%	17.44%	14.97%
Fixed Income	3.99%	3.99%	4.19%	N/A	N/A
TOTAL DEVELOPMENTAL PROGRAM	1.29%	1.29%	8.84%	13.24%	9.36%
CUSTOM INDEX	3.76%	3.76%	11.03%	13.96%	10.03%

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

*PSERS' Fiscal Year ends on June 30.