

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Statement of Plan Net Assets

As of September 30, 2008

Unaudited

(Dollar Amounts in Thousands)

| | Fiscal Year 2008-2009 | | | |
|---|-----------------------|---------------------------|------------------------|---------------|
| | Pension | Postemployment Healthcare | | Totals |
| | | Premium Assistance | Health Options Program | |
| Assets: | | | | |
| Receivables: | | | | |
| Members | \$ 212,640 | \$ 784 | \$ 3,105 | \$ 216,529 |
| Employers | 162,393 | 21,040 | - | 183,433 |
| Investment income | 481,344 | 247 | 167 | 481,758 |
| Investment proceeds | 1,657,897 | - | - | 1,657,897 |
| Miscellaneous | (1,894) | 30 | 6,567 | 4,703 |
| Total Receivables | 2,512,380 | 22,101 | 9,839 | 2,544,320 |
| Investments, at fair value: | | | | |
| Short-term | 5,256,900 | 71,671 | 118,927 | 5,447,498 |
| Fixed income | 13,858,968 | - | - | 13,858,968 |
| Common and preferred Stock | 20,835,753 | - | - | 20,835,753 |
| Real estate | 5,166,646 | - | - | 5,166,646 |
| Alternative investments | 9,629,436 | - | - | 9,629,436 |
| Total Investments | 54,747,703 | 71,671 | 118,927 | 54,938,301 |
| Securities lending collateral pool | 4,193,755 | - | - | 4,193,755 |
| Capital assets (net of accumulated depreciation) | 665 | - | - | 665 |
| Total Assets | 61,454,503 | 93,772 | 128,766 | 61,677,041 |
| Liabilities: | | | | |
| Accounts payable and accrued expenses | 83,337 | 136 | 3,407 | 86,880 |
| Benefits payable | 34,653 | - | 13,039 | 47,692 |
| Participant premium advances | | | 14,265 | 14,265 |
| Investment purchases and other liabilities | 2,278,654 | - | - | 2,278,654 |
| Obligations under securities lending | 4,193,755 | - | - | 4,193,755 |
| Total Liabilities | 6,590,399 | 136 | 30,711 | 6,621,246 |
| Net assets held in trust for pension and postemployment healthcare benefits: | \$ 54,864,104 | \$ 93,636 | \$ 98,055 | \$ 55,055,795 |

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Statement of Changes in Plan Net Assets

Quarter ended September 30, 2008

Unaudited

(Dollar Amounts in Thousands)

| | Fiscal Year 2008-2009 | | | |
|---|-----------------------|---------------------------|------------------------|----------------------|
| | Pension | Postemployment Healthcare | | Totals |
| | | Premium Assistance | Health Options Program | |
| Additions: | | | | |
| Contributions: | | | | |
| Members | \$ 166,970 | \$ - | \$ 46,088 | \$ 213,058 |
| Employers | 132,163 | 19,418 | - | 151,581 |
| Centers for Medicare & Medicaid Service | - | - | 9,205 | 9,205 |
| Total contributions | 299,133 | 19,418 | 55,293 | 373,844 |
| Investment income: | | | | |
| From investing activities: | | | | |
| Net appreciation (depreciation) in fair value of investments | (7,117,411) | (158) | - | (7,117,569) |
| Short-term | 52,562 | 620 | 596 | 53,778 |
| Fixed income | 177,396 | - | - | 177,396 |
| Common and preferred stock | 124,781 | - | - | 124,781 |
| Real estate | 30,321 | - | - | 30,321 |
| Alternative Investments | 18,863 | - | - | 18,863 |
| Total investing activity income | (6,713,488) | 462 | 596 | (6,712,430) |
| Investment expenses | (120,320) | - | - | (120,320) |
| Net Income from Investing Activities | (6,833,808) | 462 | 596 | (6,832,750) |
| From securities lending activities: | | | | |
| Securities lending income | 35,422 | - | - | 35,422 |
| Securities lending expense | (25,970) | - | - | (25,970) |
| Net income from securities lending activities | 9,452 | - | - | 9,452 |
| Total net investment income | (6,824,356) | 462 | 596 | (6,823,298) |
| Total Additions | (6,525,223) | 19,880 | 55,889 | (6,449,454) |
| Deductions: | | | | |
| Benefits | 1,066,351 | 21,311 | 43,754 | 1,131,416 |
| Refunds of contributions | 351 | - | - | 351 |
| Net transfer to State Employees' Retirement Retirement System | 9,993 | - | - | 9,993 |
| Administrative expenses | 7,404 | 718 | 3,493 | 11,615 |
| Total Deductions | 1,084,099 | 22,029 | 47,247 | 1,153,375 |
| Net increase (decrease) | (7,609,322) | (2,149) | 8,642 | (7,602,829) |
| Net assets held in trust for pension and postemployment healthcare benefits: | | | | |
| Balance, beginning of year | 62,473,426 | 95,785 | 89,413 | 62,658,624 |
| Balance, end of period | \$ 54,864,104 | \$ 93,636 | \$ 98,055 | \$ 55,055,795 |