

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**Statement of Plan Net Assets**

**As of December 31, 2008**

Unaudited

(Dollar Amounts in Thousands)

	Fiscal Year 2008-2009			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Assets:</b>				
Receivables:				
Members	\$ 215,993	\$ 533	\$ 2,946	\$ 219,472
Employers	155,282	25,708	-	180,990
Investment income	240,215	270	135	240,620
Investment proceeds	802,951	-	-	802,951
Miscellaneous	6,658	30	4,419	11,107
<b>Total Receivables</b>	<b>1,421,099</b>	<b>26,541</b>	<b>7,500</b>	<b>1,455,140</b>
Investments, at fair value:				
Short-term	5,326,762	67,597	126,343	5,520,702
Fixed income	11,133,134	-	-	11,133,134
Common and preferred stock	14,993,476	-	-	14,993,476
Real estate	5,093,668	-	-	5,093,668
Alternative investments	9,397,442	-	-	9,397,442
<b>Total Investments</b>	<b>45,944,482</b>	<b>67,597</b>	<b>126,343</b>	<b>46,138,422</b>
Securities lending collateral pool	1,772,484	-	-	1,772,484
Capital assets (net of accumulated depreciation)	665	-	-	665
<b>Total Assets</b>	<b>49,138,730</b>	<b>94,138</b>	<b>133,843</b>	<b>49,366,711</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	68,439	136	1,946	70,521
Benefits payable	35,856	-	12,811	48,667
Participant premium advances	-	-	15,123	15,123
Investment purchases and other liabilities	1,695,180	-	-	1,695,180
Obligations under securities lending	1,772,485	-	-	1,772,485
<b>Total Liabilities</b>	<b>3,571,960</b>	<b>136</b>	<b>29,880</b>	<b>3,601,976</b>
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>	<b>\$ 45,566,770</b>	<b>\$ 94,002</b>	<b>\$ 103,963</b>	<b>\$ 45,764,735</b>

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**Statement of Changes in Plan Net Assets**

**Quarter ended December 31, 2008**

Unaudited

(Dollar Amounts in Thousands)

	Fiscal Year 2008-2009			
	Pension	Postemployment Healthcare		Totals
		Premium Assistance	Health Options Program	
<b>Additions:</b>				
Contributions:				
Members	\$ 407,899	\$ -	\$ 90,150	\$ 498,049
Employers	262,406	43,125	-	305,531
Centers for Medicare & Medicaid Service	-	-	18,289	18,289
<b>Total contributions</b>	<b>670,305</b>	<b>43,125</b>	<b>108,439</b>	<b>821,869</b>
Investment income:				
From investing activities:				
Net appreciation (depreciation) in fair value of investments	(15,943,019)	(485)	-	(15,943,504)
Short-term	90,421	1,275	1,016	92,712
Fixed income	298,232	-	-	298,232
Common and preferred stock	250,104	-	-	250,104
Real estate	51,713	-	-	51,713
Alternative investments	42,166	-	-	42,166
<b>Total investment activity income (loss)</b>	<b>(15,210,383)</b>	<b>790</b>	<b>1,016</b>	<b>(15,208,577)</b>
Investment expenses	(238,671)	-	-	(238,671)
<b>Net income from investing activities</b>	<b>(15,449,054)</b>	<b>790</b>	<b>1,016</b>	<b>(15,447,248)</b>
From securities lending activities:				
Securities lending income	48,012	-	-	48,012
Securities lending expense	(32,031)	-	-	(32,031)
<b>Net income from securities lending activities</b>	<b>15,981</b>	<b>-</b>	<b>-</b>	<b>15,981</b>
<b>Total net investment income (loss)</b>	<b>(15,433,073)</b>	<b>790</b>	<b>1,016</b>	<b>(15,431,267)</b>
<b>Total Additions</b>	<b>(14,762,768)</b>	<b>43,915</b>	<b>109,455</b>	<b>(14,609,398)</b>
<b>Deductions:</b>				
Benefits	2,120,511	44,250	88,417	2,253,178
Refunds of contributions	3,384	-	-	3,384
Net transfer to State Employees' Retirement System	3,905	-	-	3,905
Administrative expenses	16,088	1,448	6,488	24,024
<b>Total Deductions</b>	<b>2,143,888</b>	<b>45,698</b>	<b>94,905</b>	<b>2,284,491</b>
<b>Net increase (decrease)</b>	<b>(16,906,656)</b>	<b>(1,783)</b>	<b>14,550</b>	<b>(16,893,889)</b>
<b>Net assets held in trust for pension and postemployment healthcare benefits:</b>				
<b>Balance, beginning of year</b>	<b>62,473,426</b>	<b>95,785</b>	<b>89,413</b>	<b>62,658,624</b>
<b>Balance, end of period</b>	<b>\$ 45,566,770</b>	<b>\$ 94,002</b>	<b>\$ 103,963</b>	<b>\$ 45,764,735</b>