



*PA Public School Employees' Retirement System
Investment Performance Analysis*

Final

September 30, 2012



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total Public Market Composite | | | | | | | | | |
| Gross of Fee Return | 5.44 | 3.44 | 9.75 | 14.10 | 10.33 | 1.38 | 8.97 | 3/31/92 | 8.35 |
| Net of Fee Return | 5.36 | 3.27 | 9.50 | 13.71 | 9.97 | 1.08 | 8.72 | 3/31/98 | 5.67 |
| Blended Policy (Pub Mkt) | 4.54 | 2.92 | 8.56 | 12.52 | 7.80 | 0.28 | 7.77 | 3/31/98 | 4.82 |
| Total Private Market Composite | | | | | | | | | |
| Net of Fee Return | 1.00 | 5.75 | 9.18 | 6.06 | 11.95 | -0.83 | 10.49 | 3/31/81 | 8.38 |
| Blended Policy (Priv Mkt) | 0.85 | 3.67 | 6.51 | 5.18 | 9.25 | 2.95 | 6.47 | | |
| PSERS Total Fund | | | | | | | | | |
| Gross of Fee Return | 3.97 | 4.28 | 9.74 | 11.87 | 11.12 | 0.72 | 9.08 | 6/30/82 | 10.32 |
| Net of Fee Return | 3.85 | 4.06 | 9.40 | 11.45 | 10.71 | 0.39 | 8.78 | 6/30/97 | 6.63 |
| Blended Policy (TF) | 3.27 | 3.12 | 7.85 | 10.00 | 8.25 | 0.66 | 7.58 | | |

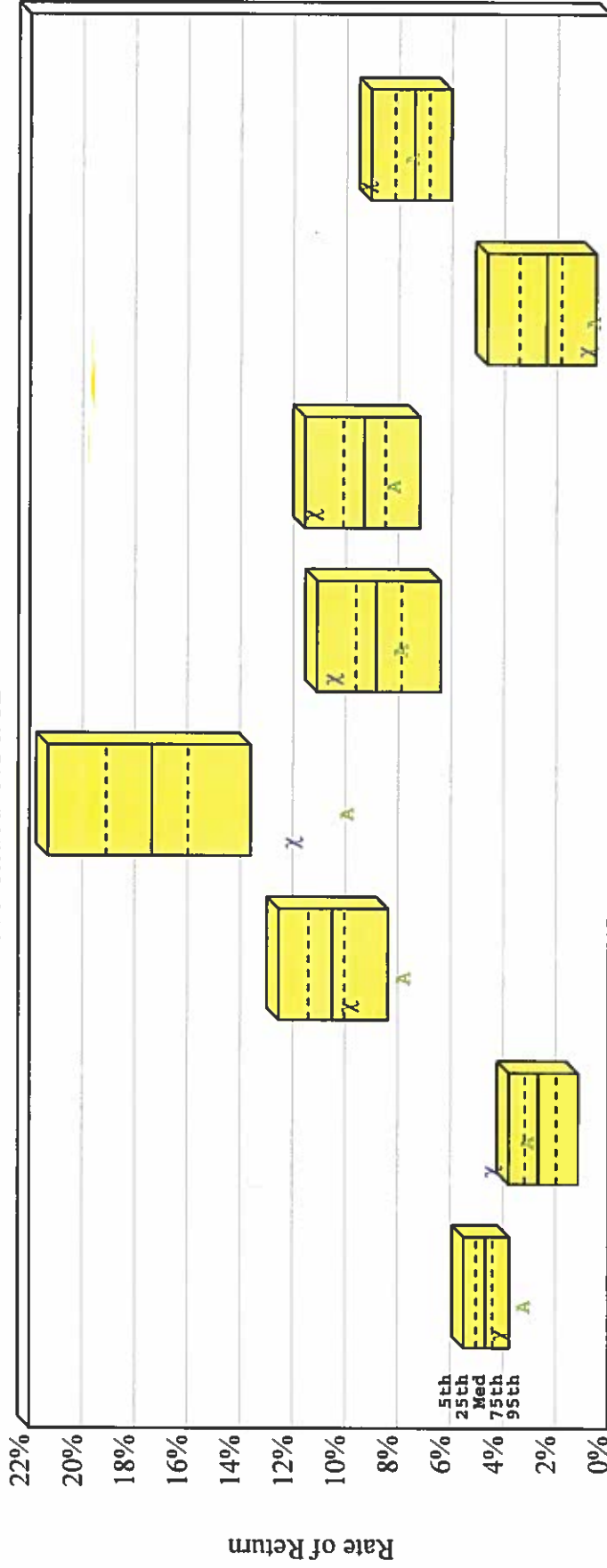
*The PSERS Total Public Markets Composite and PSERS Total Fund Composite incorporate the levered returns for the PSERS Gold Fund and PSERS U.S. Long Treasuries Fund.

PA Public School Employees' Retirement Sys

Performance Comparison

Total Returns of Total Fund Public Sponsors

Periods Ended 9/30/12



Manager returns are Gross of Fees

| | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 2 Years | 3 Years | 5 Years | 10 Years |
|--------------------|-----------|------------|------------|------------|------------|------------|-----------|-----------|
| χ PSERS Total Fund | 3.97 (91) | 4.28 (2) | 9.74 (84) | 11.87 (98) | 10.33 (10) | 11.12 (10) | 0.72 (91) | 9.08 (6) |
| ▲ Policy Index | 3.27 (97) | 3.12 (28) | 7.85 (97) | 10.00 (98) | 7.96 (72) | 8.25 (82) | 0.66 (91) | 7.58 (47) |
| Median | 4.68 | 2.66 | 10.51 | 17.36 | 8.84 | 9.31 | 2.39 | 7.44 |
| Number of Funds | 126 | 126 | 126 | 126 | 125 | 123 | 118 | 101 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total Equity Composite | | | | | | | | | |
| Net of Fee Return | 7.05 | 1.05 | 13.53 | 22.09 | 9.29 | -0.64 | 9.25 | 6/30/97 | 5.97 |
| MSCI AC World IMI Index (N) | 6.84 | 0.77 | 13.00 | 21.13 | 7.56 | -1.71 | 9.03 | 6/30/97 | 4.53 |
| MSCI ACWI with USA Gross IMI (N) | 6.92 | 0.93 | 13.25 | 21.49 | 7.84 | -1.44 | 9.34 | | |
| Blended Policy (Total Eq) | 6.92 | 0.93 | 13.25 | 21.49 | 7.67 | -1.05 | 8.87 | 6/30/97 | 5.11 |
| US Core Plus FI Composite | | | | | | | | | |
| Net of Fee Return | 2.63 | 5.69 | 6.92 | 8.74 | 9.20 | 7.34 | 6.16 | 6/30/87 | 7.89 |
| Barclays Universal | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | | |
| Barclays Aggregate | 1.59 | 3.68 | 4.00 | 5.16 | | | | | |
| Blended Policy (US Core+FI) | 1.59 | 3.68 | 4.00 | 5.16 | 6.27 | 6.37 | 5.61 | | |
| Non-U.S. Developed Mkts. FI Composite | | | | | | | | | |
| Net of Fee Return | 4.54 | 4.20 | 6.16 | 6.29 | 6.73 | 7.33 | 7.37 | 6/30/97 | 6.39 |
| Barclays Multiverse Index | 3.38 | 4.01 | 5.14 | 5.57 | 5.27 | 6.31 | 6.65 | | |
| Barclays GlobalAgg GDP Weighted | 4.46 | 3.41 | 6.05 | 5.39 | | | | | |
| Blended Policy (Active Global) | 4.46 | 3.41 | 6.05 | 5.39 | 5.21 | 6.27 | 6.63 | | |
| Emerging Markets FI Composite | | | | | | | | | |
| Net of Fee Return | 5.95 | 5.13 | 12.95 | 15.39 | | | | 3/31/10 | 9.03 |
| JP Morgan GBI EM Global Diversif | 4.80 | 3.54 | 12.12 | 12.66 | | | | 3/31/10 | 7.87 |
| Barclays Emerging Mkt 10% Countr | 4.97 | 3.67 | 11.33 | 12.15 | | | | 3/31/10 | 7.68 |
| Blended Policy (EM FI) | 4.97 | 3.67 | 11.33 | 12.15 | | | | | |
| Global Fixed Income Composite | | | | | | | | | |
| Net of Fee Return | 3.68 | | | | | | | 6/30/12 | 3.68 |
| U.S. Long Treasuries Composite | | | | | | | | | |
| Net of Fee Return | 1.20 | | | | | | | 6/30/12 | 1.20 |
| Barclays Long Treasury | 0.20 | | | | | | | 6/30/12 | 0.20 |

* Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| High Yield Fixed Income Composite | | | | | | | | | |
| Net of Fee Return | 6.28 | 8.07 | 14.51 | 16.60 | 12.24 | 7.78 | 10.52 | 9/30/99 | 7.91 |
| Barclays High Yield | 4.53 | 6.45 | 12.12 | 19.37 | 12.90 | 9.34 | 10.99 | 9/30/99 | 7.75 |
| CS High Yield Index | 4.27 | 5.90 | 11.21 | 17.91 | 12.54 | 8.62 | 10.54 | 9/30/99 | 7.98 |
| Blended Policy (HY & Opp) | 4.53 | 6.45 | 12.12 | 19.37 | 12.90 | 9.35 | 10.91 | 9/30/99 | 8.26 |
| Total US FI X TIPS Composite | | | | | | | | | |
| Net of Fee Return | 4.69 | 7.07 | 11.11 | 13.09 | 10.98 | 8.40 | 7.23 | 6/30/97 | 7.27 |
| TIPS Composite | | | | | | | | | |
| Net of Fee Return | 3.36 | 5.99 | 6.91 | 10.60 | 16.86 | 13.98 | | 3/31/04 | 9.79 |
| Barclays U.S. TIPS Index | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | | 3/31/04 | 6.14 |
| Total US Fixed Income Composite | | | | | | | | | |
| Net of Fee Return | 4.20 | 6.64 | 9.52 | 12.08 | 12.77 | 10.07 | 8.02 | 6/30/97 | 7.79 |
| Barclays Universal | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | 6/30/97 | 6.39 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 6/30/97 | 6.28 |
| Blended Policy (Total US FI) | 2.84 | 5.22 | 7.67 | 11.52 | 10.01 | 9.86 | 6.98 | 6/30/97 | 7.37 |
| Total Fixed Income x TIPS | | | | | | | | | |
| Net of Fee Return | 4.73 | | | | | | | 6/30/12 | 4.73 |
| Total FI x TIPS x Pimco Multi-Sector | | | | | | | | | |
| Net of Fee Return | 4.86 | | | | | | | 6/30/12 | 4.86 |
| PIMCO Multi-Sector Strategy | | | | | | | | | |
| Net of Fee Return | 3.68 | | | | | | | 6/30/12 | 3.68 |
| Blended Policy Index | 3.12 | | | | | | | 6/30/12 | 3.12 |
| Total Fixed Income Composite | | | | | | | | | |
| Net of Fee Return | 4.33 | 6.46 | 9.69 | 12.09 | 12.18 | 9.80 | 8.05 | 6/30/97 | 7.53 |
| Blended Policy (Total FI) | 3.20 | 4.98 | 7.98 | 11.13 | 9.48 | 9.51 | 7.06 | 6/30/97 | 7.23 |

*Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.

*The PIMCO Multi-Sector Strategy Fund policy is as follows: 26% Barclays U.S. Agg. Bond, 16% Barclays U.S. Treasury Long, .5% Barclays Global Agg GDP-weighted Dev. Mkt ex-U.S. (Unhedged)



PA Public School Employees' Retirement Sys
Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PTRES Composite | | | | | | | | | |
| Net of Fee Return | 0.94 | 3.84 | 11.66 | 17.33 | 13.28 | -2.26 | 11.67 | 6/30/97 | 9.66 |
| FTSE EPRA/NAREIT Developed RE | 5.51 | 7.74 | 21.64 | 30.59 | 12.91 | -2.21 | 11.77 | 6/30/97 | 7.29 |
| FTSE EPRA/NAREIT Developed X-US | 11.05 | 11.55 | 28.71 | 29.06 | 7.28 | -5.32 | 12.16 | 6/30/97 | 6.21 |
| FTSE EPRA/NAREIT Global RE Index | 6.06 | 7.65 | 22.14 | 30.37 | 11.89 | -3.38 | | | |
| Wilshire Real Est. Secs Index | -0.11 | 3.42 | 14.72 | 32.40 | 20.55 | 1.53 | 11.51 | 6/30/97 | 9.36 |
| Blended Policy (PTRES) | 6.06 | 7.65 | 22.14 | 30.37 | 11.89 | -2.52 | 10.43 | 6/30/97 | 8.78 |
| Unallocated Cash & Cash Equivalents | | | | | | | | | |
| Net of Fee Return | 0.18 | 2.04 | 3.63 | 5.63 | 2.42 | -0.56 | 0.82 | 6/30/98 | 0.33 |
| ML US T-Bill 0-3 Months Index | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.61 | 1.73 | 6/30/98 | 2.51 |
| Commodities Composite | | | | | | | | | |
| Net of Fee Return | 11.45 | 4.25 | 8.00 | 11.31 | 7.87 | -1.40 | | 12/31/06 | 2.20 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | | 12/31/06 | -0.86 |
| Total Absolute Return Composite | | | | | | | | | |
| Net of Fee Return | 2.43 | 1.43 | 2.81 | 3.59 | 9.39 | | | 3/31/09 | 9.84 |
| Blended Policy (Abs Ret) | 1.82 | 3.68 | 5.57 | 7.50 | 7.79 | | | 3/31/09 | 7.82 |
| Risk Parity Composite | | | | | | | | | |
| Net of Fee Return | 7.23 | 11.99 | 17.00 | 24.36 | | | | 6/30/11 | 23.51 |
| Blended Policy (Risk Par.) | 4.69 | 2.25 | 8.08 | 11.64 | | | | 6/30/11 | 3.65 |
| MLP Composite | | | | | | | | | |
| Net of Fee Return | 9.25 | 8.53 | 12.73 | 31.72 | 29.06 | | | 9/30/08 | 27.15 |
| S&P MLP Index | 8.84 | 6.49 | 8.36 | 26.08 | 25.10 | | | 9/30/08 | 24.20 |
| Total Public Market Composite | | | | | | | | | |
| Net of Fee Return | 5.36 | 3.27 | 9.50 | 13.71 | 9.97 | 1.08 | 8.72 | 3/31/98 | 5.67 |
| Blended Policy (Pub Mkt) | 4.54 | 2.92 | 8.56 | 12.52 | 7.80 | 0.28 | 7.77 | 3/31/98 | 4.82 |

*Please note the PSERS Gold Fund had a 3Q2012 levered return of 10.47 and an unlevered return of 10.47. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Private Real Estate Composite | 1.70 | 4.57 | 6.75 | 6.49 | 5.71 | -10.79 | 5.69 | 3/31/81 | 7.31 |
| Blended Policy (Private RE) | 2.29 | 4.41 | 7.46 | 8.18 | 9.04 | 2.63 | 8.35 | 3/31/81 | 8.27 |
| Total Real Estate Composite | 1.70 | 4.57 | 6.93 | 6.85 | 7.11 | -9.57 | 6.53 | 3/31/81 | 7.59 |
| Blended Policy (Total RE) | 2.29 | 4.41 | 7.46 | 8.18 | 9.80 | 2.05 | 9.01 | 3/31/81 | 8.48 |
| Total Alternative Investments | 0.61 | 6.42 | 10.58 | 5.85 | 14.55 | 4.76 | 13.00 | 6/30/98 | 10.25 |
| Venture Econ Index (Lagged) -Int | 0.00 | 0.00 | | | | | | | |
| Venture Econ Index (Lagged) - VC | 0.05 | 2.64 | 2.51 | 1.34 | 1.39 | -2.81 | -2.96 | | |
| Venture Econ Index (Lagged) - PE/PD | 0.04 | 3.31 | 6.29 | 3.83 | 9.97 | 3.40 | 5.75 | | |
| Venture Econ Index(Lagged)-PE/PD/VC | 0.04 | 3.26 | 5.99 | 3.65 | 9.27 | 2.91 | 5.24 | 6/30/98 | 3.42 |
| Total Private Market Composite | 1.00 | 5.75 | 9.18 | 6.06 | 11.95 | -0.83 | 10.49 | 3/31/81 | 8.38 |
| Blended Policy (Priv Mkt) | 0.85 | 3.67 | 6.51 | 5.18 | 9.25 | 2.95 | 6.47 | | |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total US Large Cap Composite | | | | | | | | | |
| Net of Fee Return | 6.42 | 3.38 | 16.36 | 30.22 | 13.56 | -0.14 | 7.47 | 6/30/97 | 4.38 |
| Published S&P 500 Index | 6.35 | 3.42 | 16.44 | 30.20 | 13.20 | 1.05 | 8.01 | 6/30/97 | 5.12 |
| MSCI USA Large Cap Index | 6.27 | 3.38 | 16.38 | 29.66 | 12.27 | 0.46 | | | |
| PSERS Small Index Composite | | | | | | | | | |
| Net of Fee Return | 5.77 | 1.44 | 14.74 | 31.96 | 15.59 | 4.50 | 11.28 | 6/30/92 | 11.74 |
| US Small Cap Active Composite | | | | | | | | | |
| Net of Fee Return | 6.21 | 0.53 | 11.09 | 27.38 | 12.88 | 2.50 | 10.10 | 6/30/97 | 7.92 |
| US Micro Cap Composite | | | | | | | | | |
| Net of Fee Return | 0.88 | -6.95 | 11.46 | 27.13 | 9.00 | -1.44 | | 12/31/04 | 2.25 |
| MSCI US Microcap Index | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.82 | | 12/31/04 | 4.96 |
| Blended Policy (US Micro) | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.06 | | 12/31/04 | 4.15 |
| Total US Equity Composite | | | | | | | | | |
| Net of Fee Return | 6.29 | 2.76 | 15.36 | 29.74 | 14.20 | 0.80 | 8.26 | 12/31/99 | 3.39 |
| MSCI USA IMI | 6.10 | 2.57 | 15.66 | 29.48 | 12.78 | 0.95 | 8.12 | 12/31/99 | 3.03 |
| Wilshire 5000 Index | 6.15 | 2.83 | 15.95 | 29.89 | 13.21 | 1.35 | 8.66 | 12/31/99 | 2.30 |
| Blended Policy (Tot US Eq) | 6.10 | 2.57 | 15.66 | 29.48 | 12.78 | 1.10 | 8.53 | 12/31/99 | 2.20 |
| PSERS ACWI x US Index Fund | | | | | | | | | |
| Net of Fee Return | 7.52 | -0.52 | 10.92 | 15.21 | 3.85 | -3.34 | 10.10 | 3/31/97 | 5.42 |
| MSCI ACWI/EAFE Index Blend (N) | 7.40 | -0.77 | 10.37 | 14.48 | 3.17 | -4.12 | 9.57 | 3/31/97 | 4.88 |
| Active Non-US Lg Cap Comp | | | | | | | | | |
| Net of Fee Return | 7.63 | 0.47 | 13.29 | 18.66 | 7.52 | -2.24 | 10.80 | 6/30/97 | 6.01 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

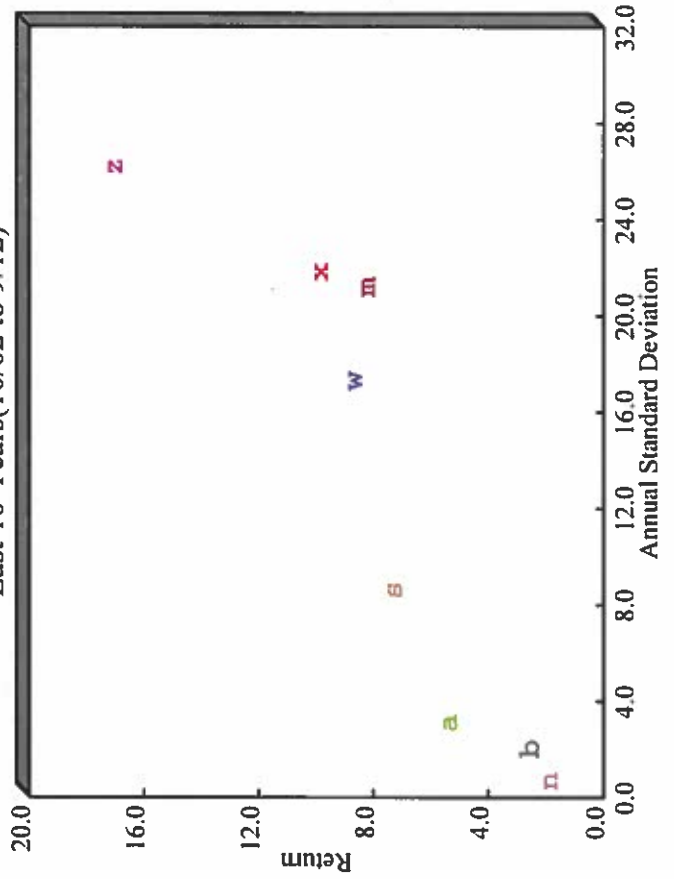
| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS World x-US Small Cap Index | | | | | | | | | |
| Net of Fee Return | 8.96 | -0.85 | 12.94 | 13.89 | | | | 6/30/10 | 11.32 |
| MSCI - World Ex USA Small (\$Net) | 8.58 | -1.39 | 12.05 | 12.82 | | | | 6/30/10 | 10.57 |
| Active Non-US Sm Cap Comp | | | | | | | | | |
| Net of Fee Return | 11.16 | 2.60 | 20.15 | 22.15 | 11.40 | -2.23 | | 6/30/05 | 7.27 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | | 6/30/05 | 6.34 |
| Blended Policy (Act Non-US Sm) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -1.74 | | 6/30/05 | 7.19 |
| Passive Emerging Markets Composite | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| MSCI EM Index (N) | | | | | | | | | |
| Active Emerg Mrkts Comp | | | | | | | | | |
| Net of Fee Return | 7.62 | -0.91 | 14.04 | 17.13 | 5.97 | -1.49 | 16.03 | 6/30/97 | 6.13 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.28 | 17.00 | 6/30/97 | 6.40 |
| MSCI EM Index (G) | 7.88 | -1.59 | 12.33 | 17.33 | 5.96 | -0.98 | 17.36 | 6/30/97 | 6.67 |
| Blended Policy (EM) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.25 | 17.20 | 6/30/97 | 6.58 |
| Total Non-US Equity Composite | | | | | | | | | |
| Net of Fee Return | 7.77 | -0.43 | 11.95 | 16.04 | 5.57 | -1.92 | 11.39 | 9/30/99 | 5.79 |
| MSCI-AC World Ex US IMI (\$N) | 7.53 | -0.82 | 10.69 | 14.36 | 3.49 | -3.84 | 10.21 | 9/30/99 | 4.49 |
| Blended Policy (Ttl Non-US Eq) | 7.53 | -0.82 | 10.69 | 14.36 | 3.49 | -3.03 | 10.43 | 9/30/99 | 4.35 |
| Total Equity Composite | | | | | | | | | |
| Net of Fee Return | 7.05 | 1.05 | 13.53 | 22.09 | 9.29 | -0.64 | 9.25 | 6/30/97 | 5.97 |
| MSCI AC World IMI Index (N) | 6.84 | 0.77 | 13.00 | 21.13 | 7.56 | -1.71 | 9.03 | 6/30/97 | 4.53 |
| MSCI ACWI with USA Gross IMI (N) | 6.92 | 0.93 | 13.25 | 21.49 | 7.84 | -1.44 | 9.34 | | |
| Blended Policy (Total Eq) | 6.92 | 0.93 | 13.25 | 21.49 | 7.67 | -1.05 | 8.87 | 6/30/97 | 5.11 |



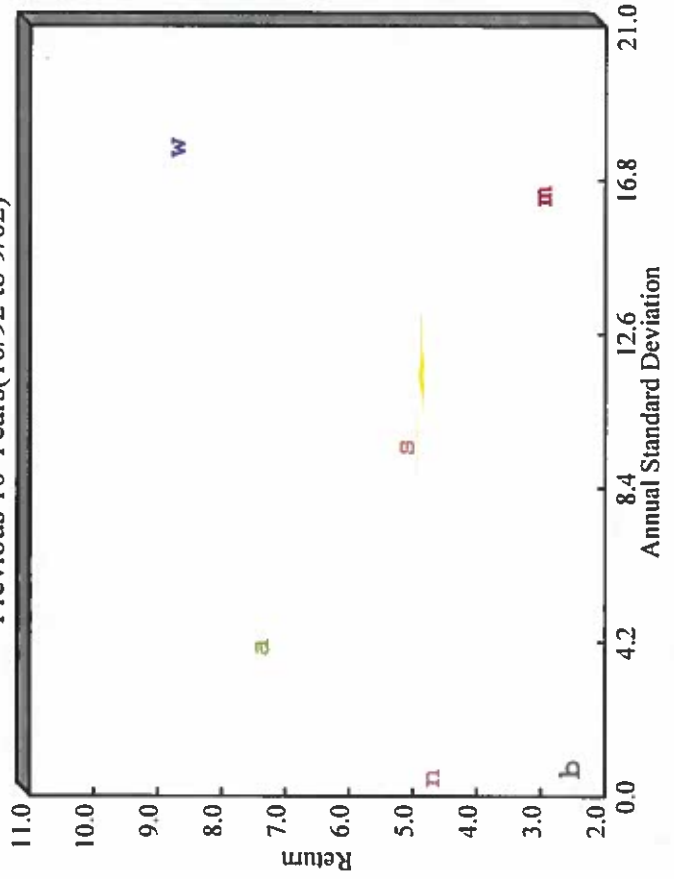
Market Environment Overview of Major Asset Classes As of 9/30/12

| Indices | Legend | Returns | | | | | | | 10 Year Std Dev |
|---|--------|---------|-------|-------|-------|-------|-------|-------|-----------------|
| | | Qtr | Ytd | 1Yr | 3Yrs | 5Yrs | 10Yrs | 20Yrs | |
| U.S. Equity (Wilshire 5000) | w | 6.15 | 15.95 | 29.89 | 13.21 | 1.35 | 8.66 | 8.67 | 17.52 |
| U.S. Bonds (Barclays Aggregate) | a | 1.59 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 6.34 | 3.31 |
| Non U.S. Equity (ACWI X US Net) | x | 7.40 | 10.37 | 14.48 | 3.17 | -4.12 | 9.84 | -- | 22.04 |
| Developed Equity (EAFE Net) | m | 6.92 | 10.08 | 13.75 | 2.12 | -5.24 | 8.20 | 5.54 | 21.43 |
| Emerging Equity (Emg Mkts Net) | z | 7.74 | 11.98 | 16.93 | 5.63 | -1.28 | 17.00 | -- | 26.39 |
| Int'l Bonds (Citigroup Non-US Gov't Bond) | s | 3.98 | 3.96 | 3.46 | 4.02 | 6.56 | 7.27 | 6.18 | 8.82 |
| Treasury Bills (91 Day) | n | 0.03 | 0.07 | 0.07 | 0.11 | 0.72 | 1.82 | 3.25 | 0.92 |
| Consumer Price Index | b | 0.84 | 2.54 | 1.99 | 2.33 | 2.11 | 2.49 | 2.50 | 2.26 |

Last 10 Years(10/02 to 9/12)



Previous 10 Years(10/92 to 9/02)





**Market Environment
U.S. Common Stocks**
As of 9/30/12

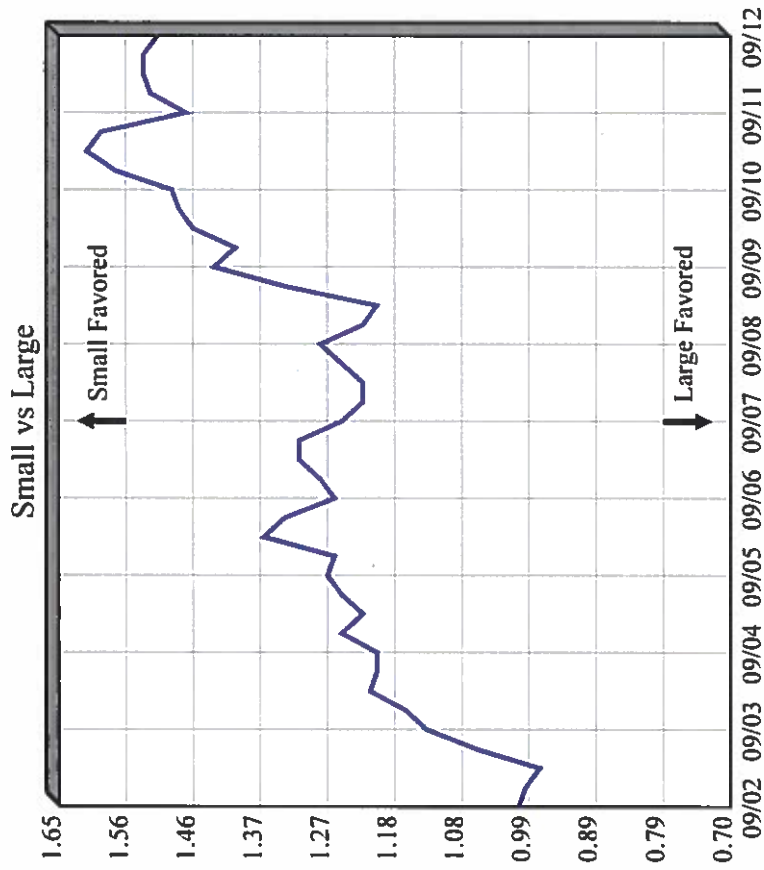
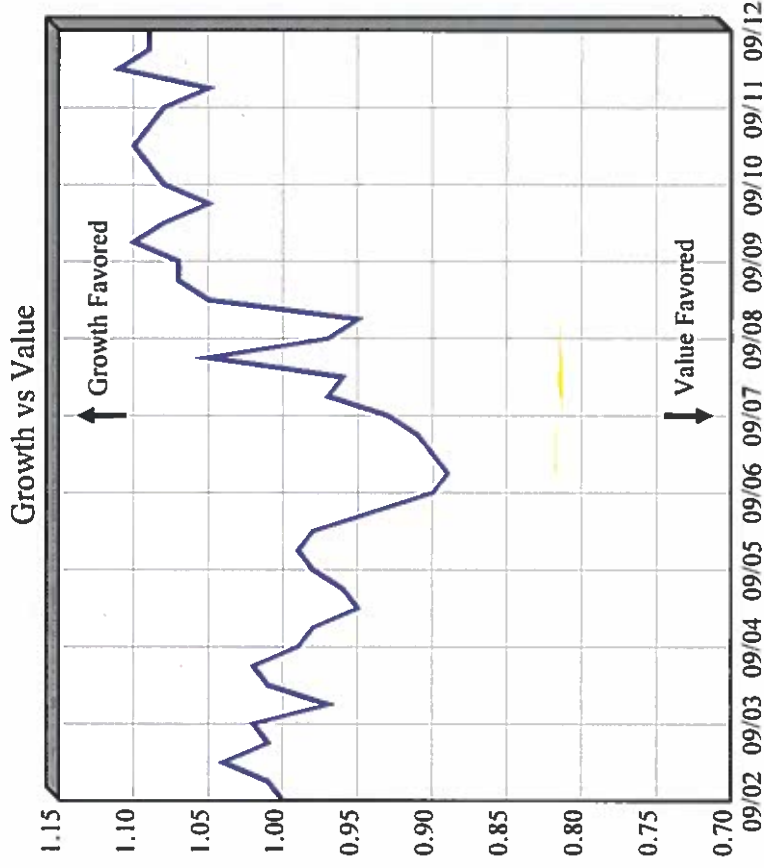
| Indices | Returns | | | | | | | | | |
|--------------------------------|---------|-------|-------|-------|-------|-------|-------|--|--|--|
| | Qtr | Ytd | 1Yr | 3Yrs | 5Yrs | 10Yrs | 20Yrs | | | |
| Standard & Poor's 500 | 6.35 | 16.43 | 30.18 | 13.20 | 1.04 | 8.01 | 8.50 | | | |
| Wilshire 5000 | 6.15 | 15.95 | 29.89 | 13.21 | 1.35 | 8.66 | 8.67 | | | |
| Wilshire 4500 | 5.24 | 14.47 | 29.20 | 13.88 | 2.64 | 10.95 | 9.42 | | | |
| Wilshire US Large Cap | 6.25 | 15.97 | 29.58 | 13.10 | 1.11 | 8.27 | 8.51 | | | |
| Wilshire US Small Cap | 5.16 | 15.19 | 32.38 | 14.39 | 3.78 | 11.90 | 10.53 | | | |
| Wilshire Real Est. Secs | -0.11 | 14.72 | 32.40 | 20.55 | 1.53 | 11.51 | 11.04 | | | |
| Styles | | | | | | | | | | |
| Wilshire US Large Growth | 6.31 | 17.77 | 30.42 | 13.13 | 2.73 | 8.48 | 7.84 | | | |
| Wilshire US Large Value | 6.19 | 14.23 | 28.71 | 13.02 | -0.61 | 7.95 | 8.84 | | | |
| Wilshire US Small Growth | 5.24 | 13.71 | 29.18 | 15.06 | 3.99 | 12.70 | 8.90 | | | |
| Wilshire US Small Value | 5.09 | 16.52 | 35.26 | 13.56 | 3.52 | 11.03 | 11.72 | | | |
| Sectors (Wilshire 5000) | | | | | | | | | | |
| Consumer Discretionary | 7.83 | 20.39 | 35.23 | 20.61 | 5.49 | 9.12 | -- | | | |
| Consumer Staples | 3.78 | 12.44 | 23.30 | 15.24 | 7.59 | 9.25 | -- | | | |
| Energy | 9.96 | 6.68 | 26.64 | 13.12 | 1.61 | 15.01 | -- | | | |
| Financials | 6.15 | 20.67 | 34.52 | 5.12 | -9.39 | 1.61 | -- | | | |
| Health Care | 6.40 | 19.31 | 31.33 | 14.65 | 5.17 | 7.77 | -- | | | |
| Industrials | 3.56 | 10.98 | 30.11 | 13.47 | -0.56 | 8.68 | -- | | | |
| Information Technology | 6.50 | 19.60 | 30.35 | 14.34 | 4.42 | 11.67 | -- | | | |
| Materials | 6.12 | 12.93 | 30.54 | 11.85 | 1.06 | 11.47 | -- | | | |
| Telecommunication Services | 7.86 | 25.64 | 35.02 | 19.95 | 2.43 | 12.01 | -- | | | |
| Utilities | 0.59 | 4.80 | 13.88 | 12.95 | 2.99 | 11.42 | -- | | | |

Index Definitions
 Wilshire 5000: All publicly traded U.S. corporations
 Wilshire 4500: All Wilshire 5000 companies excluding large S&P500 companies
 Wilshire US Large Cap: Largest 750 publicly traded companies
 Wilshire US Small Cap: Companies ranking between 750 and 2500 by market capitalization

Style Definitions (Wilshire Style Indices)
 Large Co: Largest 750 companies in the Wilshire 5000
 Small Co: Next 1750 companies in the Wilshire 5000
 Value: Relatively low P/E and P/B ratios
 Growth: Relatively high P/E and P/B ratios



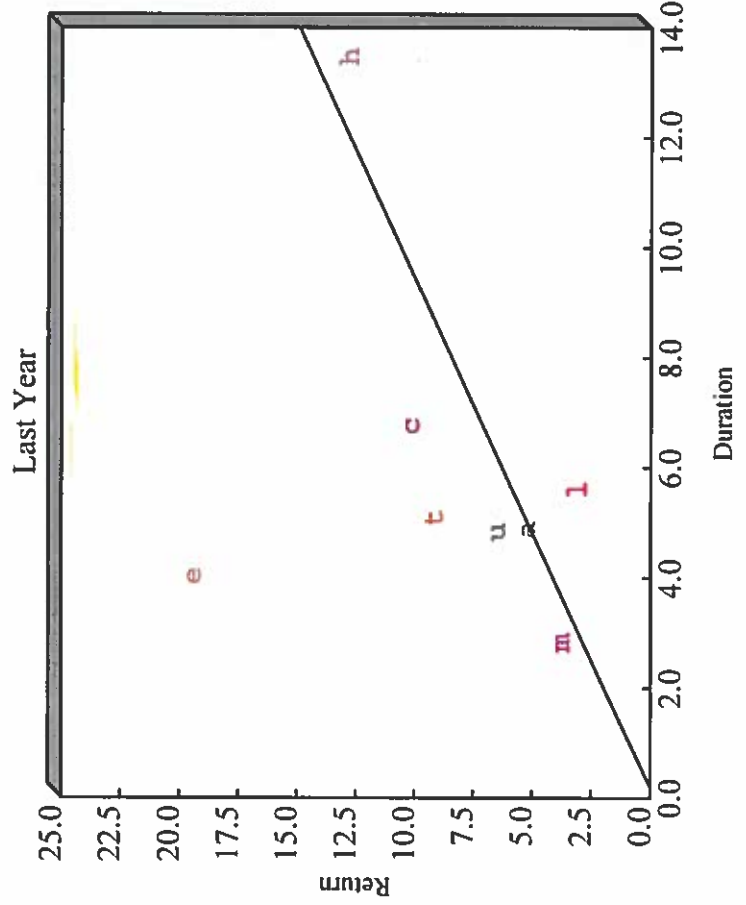
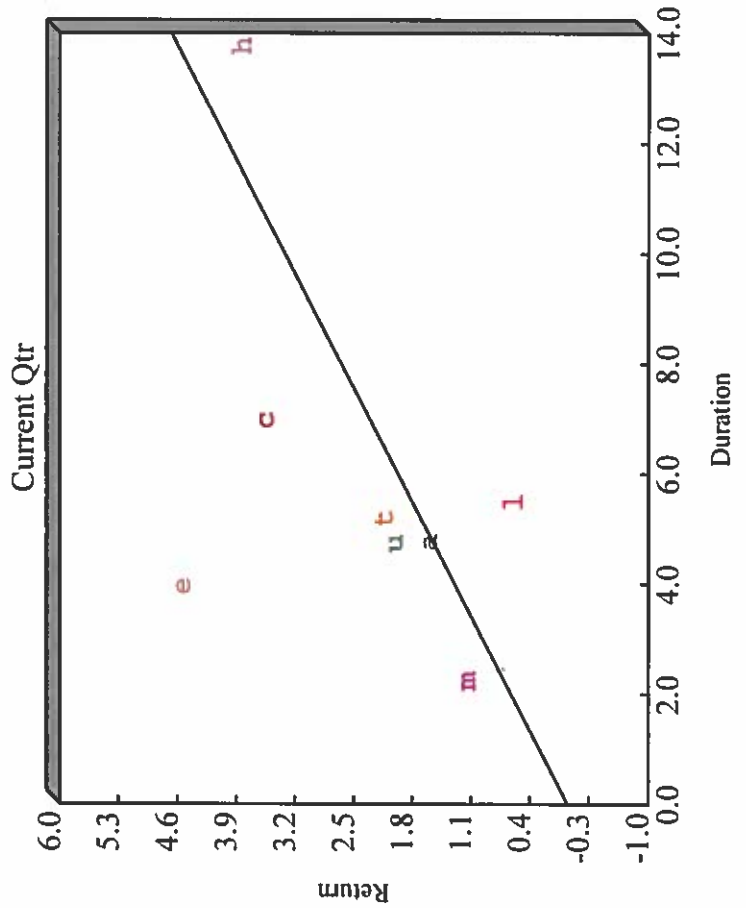
Market Environment U.S. Common Stocks Relative Return As of 9/30/12



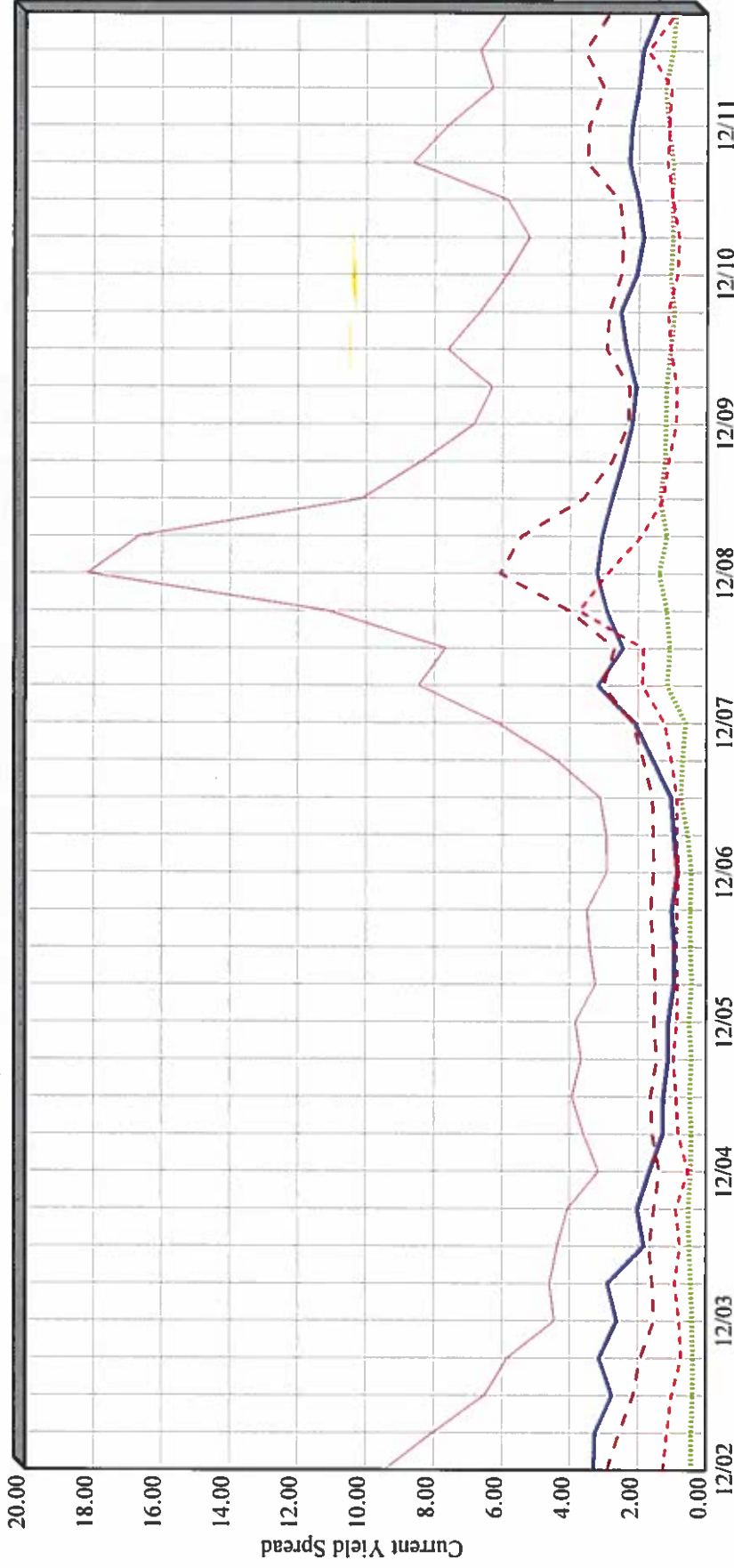
Based on Wilshire Style Indices

Market Environment U.S. Fixed Income Indices As of 9/30/12

| Indices | Legend | Returns | | | | | | | Characteristics (Current Qtr) | | |
|-----------------------------|--------|---------|-------|-------|-------|-------|-------|-------|-------------------------------|--------------|------------|
| | | Qtr | Ytd | 1Yr | 3Yrs | 5Yrs | 10Yrs | 20Yrs | Eff Maturity | Eff Duration | Yld to Mat |
| Barclays Aggregate | a | 1.59 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 6.34 | 6.73 | 4.85 | 1.61 |
| Barclays Treasury | l | 0.57 | 2.08 | 2.99 | 5.42 | 6.24 | 4.81 | 6.14 | 6.82 | 5.59 | 0.82 |
| Barclays Credit (Corporate) | c | 3.54 | 8.25 | 10.09 | 8.73 | 7.90 | 6.45 | 7.00 | 10.59 | 7.07 | 2.64 |
| Barclays Mortgage | m | 1.13 | 2.80 | 3.71 | 4.99 | 6.35 | 5.24 | 6.22 | 3.80 | 2.34 | 1.77 |
| Barclays High Yield | e | 4.53 | 12.12 | 19.37 | 12.90 | 9.34 | 10.99 | 8.08 | 6.65 | 4.04 | 6.51 |
| Citigroup High Grade | h | 3.81 | 10.13 | 12.70 | 12.63 | 10.79 | 7.86 | 8.36 | 26.72 | 13.86 | 3.59 |
| Barclays Universal | u | 2.00 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | 6.51 | 6.79 | 4.83 | 2.04 |
| Barclays US TIPS | t | 2.12 | 6.25 | 9.10 | 9.29 | 7.93 | 6.64 | -- | 9.17 | 5.28 | 1.46 |



Market Environment
U.S. Fixed Income Markets
 Historical Spread Comparison to Treasuries As of 9/30/2

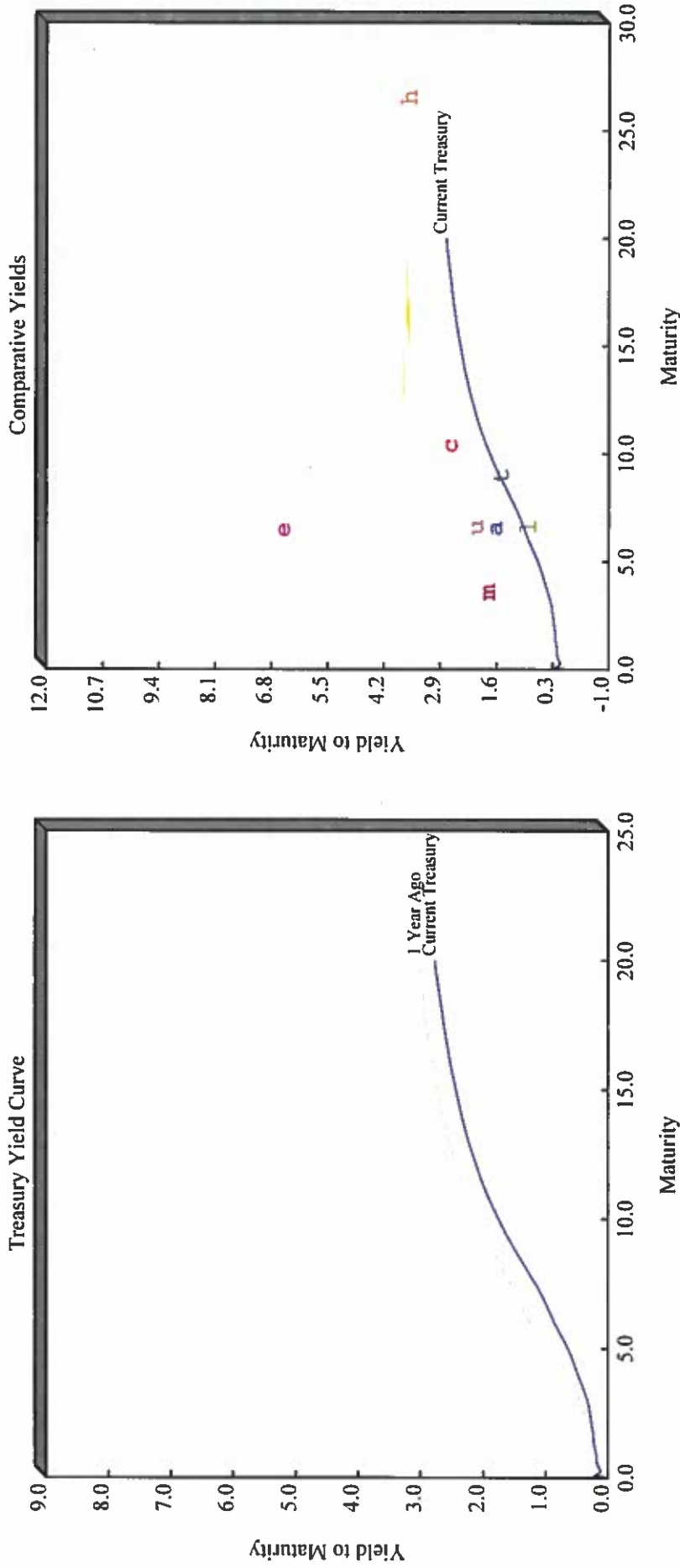


| Description | Legend | Current Qtr Spread | Median Spread (10 Years) |
|------------------------|--------|--------------------|--------------------------|
| Barclays Mortgage | — | 1.46 | 2.08 |
| Barclays Long Agencies | ⋯ | 0.94 | 0.73 |
| Barclays AAA Long Corp | - - - | 0.94 | 0.95 |
| Barclays BAA Long Corp | - - - | 2.87 | 2.29 |
| Barclays High Yield | — | 5.93 | 5.90 |

Market Environment

U.S. Fixed Income Markets

Yield Spread To Treasuries As of 9/30/2

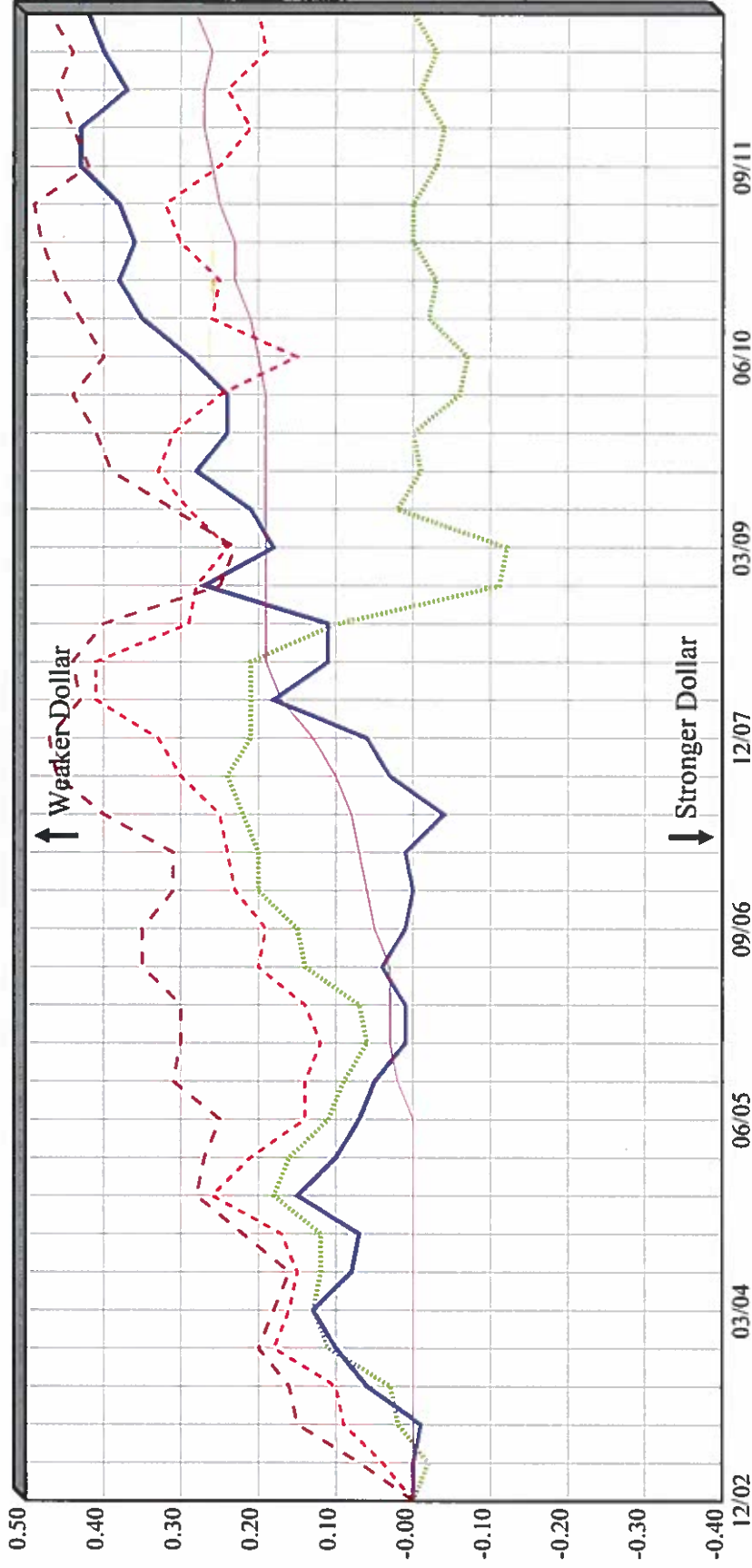


| Description | Legend | Eff Maturity | Yield to Mat |
|----------------------|--------|--------------|--------------|
| Barclays Aggregate | a | 6.73 | 1.61 |
| Barclays Treasury | l | 6.82 | 0.82 |
| Barclays Credit | c | 10.59 | 2.64 |
| Barclays Mortgage | m | 3.80 | 1.77 |
| Barclays High Yield | e | 6.65 | 6.51 |
| Citigroup High Grade | h | 26.72 | 3.59 |
| Barclays Universal | u | 6.79 | 2.04 |
| Barclays U.S. TIPS | t | 9.17 | 1.46 |

**Market Environment
International Markets**
As of 9/30/12

| | Returns | | | | | | | | | | 10 Year Std Dev | |
|-----------------------------------|---------|-------|-------|-------|--------|-------|-------|--|--|--|--------------------|--|
| | Qtr | Ytd | 1Yr | 3Yrs | 5Yrs | 10Yrs | 20Yrs | | | | | |
| Equity (in U.S. dollars) | | | | | | | | | | | | |
| U.S. (S & P 500) | 6.35 | 16.43 | 30.18 | 13.20 | 1.04 | 8.01 | 8.50 | | | | 16.98 | |
| Non U.S. (ACWI X U.S.) Net | 7.40 | 10.37 | 14.48 | 3.17 | -4.12 | 9.84 | -- | | | | 22.04 | |
| Developed (EAFE) Net | 6.92 | 10.08 | 13.75 | 2.12 | -5.24 | 8.20 | 5.54 | | | | 21.43 | |
| Emerging (Emg Mkts) Net | 7.74 | 11.98 | 16.93 | 5.63 | -1.28 | 17.00 | -- | | | | 26.39 | |
| Europe | 8.70 | 11.31 | 17.31 | 2.02 | -5.72 | 8.76 | 7.53 | | | | 23.51 | |
| Pacific | 3.73 | 8.05 | 7.73 | 2.64 | -4.04 | 7.02 | 2.75 | | | | 19.74 | |
| France | 7.19 | 9.44 | 12.36 | -3.79 | -8.06 | 7.58 | 5.97 | | | | 25.58 | |
| Germany | 13.93 | 20.64 | 25.40 | 3.07 | -5.27 | 11.99 | 7.08 | | | | 29.17 | |
| Japan | -0.84 | 2.27 | -1.68 | -0.56 | -6.50 | 3.73 | 0.60 | | | | 19.66 | |
| United Kingdom | 7.05 | 10.63 | 20.70 | 7.84 | -3.26 | 8.51 | 7.18 | | | | 21.68 | |
| Equity (in local currency) | | | | | | | | | | | | |
| Non U.S. (ACWI X US) Net | 5.35 | 10.06 | 14.75 | 3.02 | -4.28 | 6.84 | -- | | | | 17.16 | |
| Developed (EAFE) Net | 4.91 | 10.14 | 14.74 | 1.84 | -5.87 | 5.08 | 4.80 | | | | 17.11 | |
| Emerging (Emg Mkts) Net | 6.02 | 11.50 | 17.08 | 6.53 | 0.37 | 15.14 | -- | | | | 20.64 | |
| Europe | 6.58 | 10.76 | 19.08 | 3.93 | -3.65 | 6.58 | 7.88 | | | | 17.50 | |
| Pacific | 1.84 | 8.87 | 6.99 | -1.59 | -9.65 | 2.39 | 0.69 | | | | 18.84 | |
| France | 5.90 | 11.75 | 18.70 | 1.17 | -5.76 | 5.03 | 6.44 | | | | 19.68 | |
| Germany | 12.38 | 22.74 | 31.90 | 8.06 | -3.07 | 9.24 | 7.65 | | | | 23.52 | |
| Japan | -3.24 | 3.55 | -0.68 | -5.02 | -13.49 | -0.78 | -1.54 | | | | 21.36 | |
| United Kingdom | 4.10 | 6.89 | 17.00 | 7.82 | 1.53 | 8.32 | 7.75 | | | | 15.10 | |
| % Change in Exchange Rates | | | | | | | | | | | | |
| Euro vs Dollar | 1.38 | -0.90 | -4.11 | -4.17 | -1.98 | 2.67 | -- | | | | 10.37 | |
| Yen vs Dollar | 2.56 | -1.11 | -0.93 | 4.79 | 8.13 | 4.58 | 2.19 | | | | 10.43 | |
| Pound vs Dollar | 2.96 | 3.91 | 3.66 | 0.32 | -4.54 | 0.27 | -0.48 | | | | 10.48 | |
| International Fixed Income | | | | | | | | | | | | |
| Citigroup Non-US Gov't Bond | 3.98 | 3.96 | 3.46 | 4.02 | 6.56 | 7.27 | 6.18 | | | | 8.82 | |
| Citigroup World Bond | 2.99 | 3.41 | 3.29 | 4.29 | 6.45 | 6.72 | 6.23 | | | | 7.40 | |
| Citigroup Non-US Hedged | 1.80 | 4.26 | 4.89 | 3.64 | 4.62 | 4.34 | 6.48 | | | | 3.11 | |
| Barclays Global Aggregate | 3.27 | 4.82 | 5.07 | 5.04 | 6.22 | 6.45 | 6.25 | | | | 5.86 | |

Market Environment
 U.S. Dollar Cost of Foreign Currencies
 As of 9/30/12



| Description | Legend |
|-----------------|--------|
| Japanese Yen | — |
| U.K. Pound | ⋯ |
| Euro | - - - |
| Canadian Dollar | - - - |
| Chinese Yuan | — |



Market Environment
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS INDICES | | | | | | | | | |
| Wilshire 5000 | 6.15 | 2.83 | 15.95 | 29.89 | 13.21 | 1.35 | 8.66 | 12/31/70 | 10.29 |
| Wilshire 4500 | 5.24 | 0.23 | 14.47 | 29.20 | 13.88 | 2.64 | 10.95 | 9/30/60 | 13.10 |
| Russell 3000 | 6.24 | 2.90 | 16.13 | 30.21 | 13.26 | 1.30 | 8.49 | 12/31/78 | 11.51 |
| Published S&P 500 | 6.35 | 3.42 | 16.44 | 30.20 | 13.20 | 1.05 | 8.01 | 3/31/82 | 11.62 |
| S&P 500/Citigroup Value Index | 6.29 | 2.49 | 15.78 | 30.82 | 11.39 | -1.75 | 7.77 | 12/31/92 | 8.17 |
| S&P 500/Citigroup Growth | 6.41 | 4.23 | 17.01 | 29.65 | 14.93 | 3.56 | 8.06 | 12/31/74 | 10.96 |
| Russell 1000 | 6.31 | 2.99 | 16.28 | 30.06 | 13.28 | 1.22 | 8.35 | 12/31/78 | 11.54 |
| Russell 1000 Value | 6.49 | 4.15 | 15.73 | 30.90 | 11.83 | -0.91 | 8.16 | 12/31/78 | 12.01 |
| Russell 1000 Growth | 6.11 | 1.85 | 16.81 | 29.20 | 14.74 | 3.24 | 8.42 | 12/31/78 | 10.68 |
| Published S&P 400 | 5.44 | 0.24 | 13.77 | 28.54 | 14.33 | 3.83 | 10.77 | 12/31/91 | 11.23 |
| S&P Citigroup 400 Value | 4.81 | 0.49 | 13.44 | 31.43 | 12.74 | 2.41 | 10.65 | 6/30/91 | 12.03 |
| S&P 400/Citigroup Growth Index | 6.06 | 0.05 | 14.13 | 25.84 | 15.96 | 5.19 | 10.77 | 6/30/99 | 7.34 |
| Russell 2500 | 5.56 | 1.19 | 14.33 | 30.93 | 14.06 | 2.80 | 10.86 | 12/31/78 | 12.71 |
| Russell 2500 Value | 5.85 | 2.65 | 14.47 | 32.15 | 13.06 | 2.22 | 10.34 | 12/31/85 | 11.16 |
| Russell 2500 Growth | 5.22 | -0.44 | 14.11 | 29.53 | 15.17 | 3.26 | 11.23 | 12/31/85 | 8.97 |
| Published S&P 600 | 5.40 | 1.62 | 13.80 | 33.35 | 15.14 | 3.29 | 10.74 | 12/31/93 | 9.65 |
| S&P 600/Citigroup Value Index | 6.76 | 1.50 | 14.56 | 35.84 | 13.74 | 3.35 | 10.63 | 6/30/01 | 7.55 |
| S&P 600/Citigroup Growth Index | 4.09 | 1.75 | 13.11 | 31.04 | 16.65 | 3.95 | 11.23 | 6/30/01 | 7.76 |
| Russell 2000 | 5.25 | 1.59 | 14.23 | 31.91 | 12.99 | 2.21 | 10.17 | 12/31/78 | 11.41 |
| Russell 2000 Value | 5.66 | 2.48 | 14.36 | 32.63 | 11.72 | 1.34 | 9.68 | 12/31/78 | 13.17 |
| Russell 2000 Growth | 4.84 | 0.71 | 14.07 | 31.18 | 14.18 | 2.95 | 10.55 | 12/31/78 | 9.25 |
| Wilshire US Micro Cap | 7.29 | 4.24 | 23.79 | 35.87 | 10.34 | 0.68 | 11.03 | 6/30/78 | 11.26 |

Market Environment
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Wilshire Real Est. Sees | -0.11 | 3.42 | 14.72 | 32.40 | 20.55 | 1.53 | 11.51 | 12/31/77 | 12.13 |
| Wilshire REIT Index | -0.15 | 3.56 | 14.74 | 32.43 | 20.72 | 1.73 | 11.35 | 12/31/77 | 12.61 |
| FTSE EPRA/NAREIT Global RE Index | 6.06 | 7.65 | 22.14 | 30.37 | 11.89 | -3.38 | 11.77 | 3/31/05 | 4.65 |
| FTSE EPRA/NAREIT Developed RE | 5.51 | 7.74 | 21.64 | 30.59 | 12.91 | -2.21 | 11.77 | 12/31/89 | 7.52 |
| FTSE EPRA/NAREIT Developed x N Am. | 11.05 | 11.55 | 28.71 | 29.06 | 7.28 | -5.32 | 12.16 | 3/31/95 | 7.79 |
| PSERS NCREIF Lagged | 2.68 | 5.34 | 8.46 | 12.04 | 8.81 | 2.50 | 8.29 | 12/31/80 | 8.36 |
| NTFI Core Index (Value W-Lagged) | 2.29 | 4.90 | 7.74 | 11.31 | 7.37 | -1.81 | 5.57 | 3/31/78 | 7.22 |
| NTFI Opportunistic (Value W-Lagged) | 2.23 | 4.32 | 6.64 | 6.14 | 8.65 | -8.19 | 7.34 | 12/31/88 | 6.94 |
| NTFI Value Added Closed-End (Value W-L) | 2.44 | 4.44 | 9.40 | 11.91 | 2.55 | -6.12 | 4.65 | 6/30/88 | 5.67 |
| Venture Econ Index (Lagged) - VC | 0.05 | 2.64 | 2.51 | 1.34 | 1.39 | -2.81 | -2.96 | 12/31/01 | -4.09 |
| Venture Econ Index (Lagged) - PE/PD | 0.04 | 3.31 | 6.29 | 3.83 | 9.97 | 3.40 | 5.75 | 12/31/01 | 5.04 |
| Venture Econ Index(Lagged)-PE/PD/VC | 0.04 | 3.26 | 5.99 | 3.65 | 9.27 | 2.91 | 5.24 | 3/31/98 | 3.43 |
| Venture Econ Index (Lagged) -Internal | 0.00 | 0.00 | | | | | | 3/31/12 | 0.00 |
| PSERS MSCI ACWI X US (G) | 7.49 | -0.44 | 10.85 | 15.04 | 3.63 | -3.67 | 10.32 | 12/31/87 | 5.99 |
| MSCI ACWI Ex-US (LC Gross) | 5.20 | -0.25 | 9.66 | 14.24 | 2.88 | -4.16 | 7.12 | 12/31/87 | 6.15 |
| MSCI AC World IMI Index (\$N) | 6.84 | 0.77 | 13.00 | 21.13 | 7.56 | -1.71 | 9.03 | 6/30/94 | 6.07 |
| MSCI ACWI X US IMI Index (N) | 7.53 | -0.82 | 10.69 | 14.36 | 3.49 | -3.84 | 10.21 | 6/30/94 | 4.51 |
| MSCI ACWI with USA Gross IMI Index (N) | 6.92 | 0.93 | 13.25 | 21.49 | 7.84 | -1.44 | 9.34 | 9/30/01 | 6.87 |
| MSCI-AC World Ex US IMI Index (LC Net) | 5.22 | -0.72 | 9.47 | 13.48 | 0.96 | -5.33 | 6.47 | 6/30/94 | 3.95 |
| PSERS MSCI EAFE Index (N) | 6.92 | -0.70 | 10.08 | 13.75 | 2.12 | -5.24 | 8.20 | 12/31/69 | 8.96 |
| PSERS MSCI EMF Index (G) | 7.88 | -1.59 | 12.33 | 17.33 | 5.96 | -0.98 | 16.39 | 12/31/87 | 12.24 |
| PSERS MSCI EAFE + Canada (N) | 7.30 | 18.42 | 30.70 | 35.29 | 8.59 | -1.48 | 10.56 | 12/31/69 | 9.41 |
| Citigroup World ex-U.S. EMI | 8.33 | -0.85 | 12.72 | 14.06 | 6.29 | -2.83 | 12.24 | 6/30/89 | 5.84 |
| MSCI ACWI X US Small Cap (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | 13.14 | 6/30/94 | 4.83 |

Market Environment
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| MSCI - World Ex USA Small (\$Net) | 8.58 | -1.39 | 12.05 | 12.82 | 5.68 | -2.62 | | 6/30/07 | -3.20 |
| MSCI Emerging Mkts Small Cap Index | 8.41 | -0.29 | 16.29 | 15.52 | 6.54 | -1.05 | 17.95 | 6/30/94 | 5.18 |
| Barclays Universal | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | 12/31/89 | 7.13 |
| Barclays Aggregate | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 9/30/60 | 6.92 |
| Barclays Global Aggregate | 3.27 | 3.91 | 4.82 | 5.07 | 5.04 | 6.22 | 6.45 | 12/31/89 | 7.02 |
| Barclays Multiverse Index | 3.38 | 4.01 | 5.14 | 5.57 | 5.27 | 6.31 | 6.65 | 12/31/98 | 5.62 |
| Barclays GlobalAgg GDPWeighted Dev xU | 4.46 | 3.41 | 6.05 | 5.39 | 4.06 | 5.81 | | 12/31/06 | 6.36 |
| Barclays U.S. TIPS | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | 6.64 | 9/30/97 | 7.36 |
| BGI Custom IL Bond Index | 3.17 | 4.62 | 6.56 | 8.99 | 7.81 | 7.31 | | 6/30/04 | 6.51 |
| Barclays High Yield | 4.53 | 6.45 | 12.12 | 19.37 | 12.90 | 9.34 | 10.99 | 6/30/83 | 9.50 |
| CS High Yield | 4.27 | 5.90 | 11.21 | 17.91 | 12.54 | 8.62 | 10.54 | 12/31/85 | 9.25 |
| JP Morgan GBI EM Global Diversified | 4.80 | 3.54 | 12.12 | 12.66 | 9.43 | 8.73 | | 12/31/02 | 12.16 |
| Barclays Emerging Mkt 10% Country Cap | 4.97 | 3.67 | 11.33 | 12.15 | 9.10 | | 5.24 | 6/30/08 | 6.89 |
| Barclays Mortgage | 1.13 | 2.22 | 2.80 | 3.71 | 4.99 | 6.35 | | 12/31/75 | 8.32 |
| HFN AB Index | 1.36 | 3.42 | 6.78 | 9.24 | 4.13 | | | 9/30/08 | 4.19 |
| 91-Day Treasury Bill | 0.03 | 0.06 | 0.07 | 0.07 | 0.11 | 0.72 | 1.82 | 9/30/60 | 5.41 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | 0.25 | 0.95 | | 12/31/05 | 2.04 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | 2.18 | 9/30/97 | 3.07 |
| Citigroup 1 Month T-Bill | 0.02 | 0.03 | 0.03 | 0.04 | 0.07 | 0.51 | 1.64 | 6/30/86 | 3.82 |
| ML US T-Bill 0-3 Months | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.61 | 1.73 | 12/31/97 | 2.60 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | 5.20 | 12/31/01 | 6.70 |
| Goldman Sachs Commodity | 11.54 | -2.27 | 3.47 | 12.74 | 6.52 | -5.44 | 3.42 | 9/30/89 | 4.89 |
| MSCI- World (Energy Sector) | 9.06 | 0.88 | 4.70 | 22.02 | 7.93 | -0.37 | 12.61 | 12/31/97 | 9.07 |



Market Environment
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|------------------|-------------------|---------------------|
| MSCI Metals and Mining | 8.74 | -6.71 | -2.46 | 0.41 | -3.03 | -10.61 | | 3/31/04 | 7.20 |
| MSCI - World (RE Mng/Dev Ind.) Index | 12.92 | 11.28 | 32.19 | 31.82 | 7.98 | -3.65 | | 9/30/03 | 9.49 |
| MSCI World (Agricultural Prod) Index | -2.01 | -11.45 | 1.52 | 9.01 | 1.69 | -3.79 | 8.17 | 12/31/00 | 5.18 |
| MSCI World (Constr. & Farm Mach.) Indx | 1.49 | -13.46 | 4.66 | 19.99 | 13.42 | -1.56 | 17.02 | 12/31/00 | 13.51 |
| MSCI - World (Materials Sector) | 7.90 | -3.44 | 6.44 | 12.77 | 5.02 | -3.48 | 12.78 | 12/31/97 | 8.03 |
| PSERS Currency Hedge Bnmk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.53 | | 3/31/06 | 0.35 |



PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|--|------------------|-------------|------------------|-------------|----------------|------------|------------------|-------------|------------------|------------|------------------|-------------|-------------------|-------------|----------------|------------|-------------------------|-------------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| US Equity x-E/M Composite | 4,411,003 | 9.0 | 0 | 0.0 | 460,050 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 4,871,053 | 10.0 |
| E/M US Equity Composite | 183,003 | 0.4 | 0 | 0.0 | 4,573 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 187,576 | 0.4 |
| Managed Equity | 4,594,006 | 9.4 | 0 | 0.0 | 464,623 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,058,629 | 10.3 |
| US Fixed Income x-E/M Composite | 0 | 0.0 | 8,247,798 | 16.9 | 41,046 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 8,288,845 | 16.9 |
| E/M US Core Plus FI Composite | 0 | 0.0 | 141,548 | 0.3 | 1,733 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 143,281 | 0.3 |
| PIMCO Multi-Sector Strategy | 0 | 0.0 | 855,559 | 1.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 855,559 | 1.7 |
| Managed Fixed | 0 | 0.0 | 9,244,906 | 18.9 | 42,779 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 9,287,685 | 19.0 |
| Unallocated Cash & Cash Equivalents | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 |
| Unallocated STIF/Dreyfus | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 |
| Non-U.S. Equity x-E/M Composite | 0 | 0.0 | 0 | 0.0 | 146,668 | 0.3 | 5,057,100 | 10.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,203,768 | 10.6 |
| E/M Non-US Equity Composite | 0 | 0.0 | 0 | 0.0 | 844 | 0.0 | 136,638 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 137,482 | 0.3 |
| Int'l Equity | 0 | 0.0 | 0 | 0.0 | 147,512 | 0.3 | 5,193,738 | 10.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,341,250 | 10.9 |
| Global Fixed Income Comp | 0 | 0.0 | 0 | 0.0 | 83,001 | 0.2 | 0 | 0.0 | 1,241,201 | 2.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,324,202 | 2.7 |
| Global Fixed Income | 0 | 0.0 | 0 | 0.0 | 83,001 | 0.2 | 0 | 0.0 | 1,241,201 | 2.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,324,202 | 2.7 |
| Private Real Estate Composite | 190,635 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 |
| PTRES Composite | 190,635 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 | 0 | 0.0 | 0 | 0.0 | 190,635 | 0.4 |
| Real Estate | 190,635 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 | 0 | 0.0 | 0 | 0.0 | 6,267,950 | 12.8 |
| Managed Stock Distribution | 4,281 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 4,281 | 0.0 |
| Private Equity Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 8,017,674 | 16.4 | 0 | 0.0 | 8,017,674 | 16.4 |
| Private Debt Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,724,350 | 3.5 | 0 | 0.0 | 1,724,350 | 3.5 |
| Venture Capital Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 889,496 | 1.8 | 0 | 0.0 | 889,496 | 1.8 |
| Internally Managed Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 28,601 | 0.1 | 0 | 0.0 | 28,601 | 0.1 |
| Special Investments | 4,281 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 10,660,120 | 21.8 | 0 | 0.0 | 10,664,401 | 21.8 |
| Non-Core STIF | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Miscellaneous Composite | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 | 897 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 |
| Commodities Composite | 1,527,453 | 3.1 | 0 | 0.0 | 863,217 | 1.8 | 863,217 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,390,669 | 4.9 |
| Total Absolute Return Composite | 5,180,630 | 10.6 | 0 | 0.0 | 394,988 | 0.8 | 394,988 | 0.3 | 134,422 | 0.0 | 263,688 | 0.0 | 0 | 0.0 | 263,688 | 0.5 | 5,973,728 | 12.2 |



PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|---------------------------------|-------------------|-------------|------------------|-------------|------------------|------------|------------------|-------------|------------------|------------|------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------------|--------------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| MLP Composite | 699,409 | 1.4 | 0 | 0.0 | 95,747 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 795,157 | 1.6 |
| Risk Parity Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 940,646 | 1.9 | 940,646 | 1.9 |
| Other | 7,407,492 | 15.1 | 0 | 0.0 | 1,354,849 | 2.8 | 134,422 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,204,333 | 2.5 | 10,101,097 | 20.7 |
| As Invested by Managers | 12,196,413 | 24.9 | 9,244,906 | 18.9 | 2,959,420 | 6.1 | 5,328,161 | 10.9 | 1,241,201 | 2.5 | 6,077,315 | 12.4 | 10,660,120 | 21.8 | 1,204,333 | 2.5 | 48,911,869 | 100.0 |
| As Allocated to Managers | 5,058,629 | 10.3 | 9,287,685 | 19.0 | 866,656 | 1.8 | 5,341,250 | 10.9 | 1,324,202 | 2.7 | 6,267,950 | 12.8 | 10,664,401 | 21.8 | 10,101,097 | 20.7 | 48,911,869 | 100.0 |

PA Public School Employees' Retirement Sys
Asset Allocation
Total Public Market Composite
Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|-------------------------------------|-------------------|-------------|------------------|-------------|------------------|------------|------------------|-------------|------------------|------------|----------------|------------|----------------|------------|-------------------|-------------|-------------------------|--------------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| US Equity x-E/M Composite | 4,411,003 | 13.7 | 0 | 0.0 | 460,050 | 1.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 4,871,053 | 15.1 |
| E/M US Equity Composite | 183,003 | 0.6 | 0 | 0.0 | 4,573 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 187,576 | 0.6 |
| Managed Equity | 4,594,006 | 14.3 | 0 | 0.0 | 464,623 | 1.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,058,629 | 15.7 |
| US Fixed Income x-E/M Composite | 0 | 0.0 | 8,247,798 | 25.6 | 41,046 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 8,288,845 | 25.8 |
| E/M US Core Plus F1 Composite | 0 | 0.0 | 141,548 | 0.4 | 1,733 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 143,281 | 0.4 |
| PIMCO Multi-Sector Strategy | 0 | 0.0 | 855,559 | 2.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 855,559 | 2.7 |
| Managed Fixed | 0 | 0.0 | 9,244,906 | 28.7 | 42,779 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 9,287,685 | 28.9 |
| Unallocated Cash & Cash Equivalents | 0 | 0.0 | 0 | 0.0 | 866,656 | 2.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 866,656 | 2.7 |
| Unallocated STIF/Dreyfus | 0 | 0.0 | 0 | 0.0 | 866,656 | 2.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 866,656 | 2.7 |
| Non-U.S. Equity x-E/M Composite | 0 | 0.0 | 0 | 0.0 | 146,668 | 0.5 | 5,057,100 | 15.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,203,768 | 16.2 |
| E/M Non-US Equity Composite | 0 | 0.0 | 0 | 0.0 | 844 | 0.0 | 136,638 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 137,482 | 0.4 |
| Int'l Equity | 0 | 0.0 | 0 | 0.0 | 147,512 | 0.5 | 5,193,738 | 16.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,341,250 | 16.6 |
| Global Fixed Income Comp | 0 | 0.0 | 0 | 0.0 | 83,001 | 0.3 | 0 | 0.0 | 1,241,201 | 3.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,324,202 | 4.1 |
| Global Fixed Income | 0 | 0.0 | 0 | 0.0 | 83,001 | 0.3 | 0 | 0.0 | 1,241,201 | 3.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,324,202 | 4.1 |
| PTRES Composite | 190,635 | 0.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 190,635 | 0.6 |
| Real Estate | 190,635 | 0.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 190,635 | 0.6 |
| Miscellaneous Composite | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 |
| Non-Core STIF | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Commodities Composite | 1,527,453 | 4.7 | 0 | 0.0 | 863,217 | 2.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,390,669 | 7.4 |
| Total Absolute Return Composite | 5,180,630 | 16.1 | 0 | 0.0 | 394,988 | 1.2 | 134,422 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 263,688 | 0.8 | 5,973,728 | 18.6 |
| MLP Composite | 699,409 | 2.2 | 0 | 0.0 | 95,747 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 795,157 | 2.5 |
| Risk Parity Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 940,646 | 2.9 |
| Other | 7,407,492 | 23.0 | 0 | 0.0 | 1,354,849 | 4.2 | 134,422 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,204,333 | 3.7 | 10,101,097 | 31.4 |
| As Invested by Managers | 12,192,132 | 37.9 | 9,244,906 | 28.7 | 2,959,420 | 9.2 | 5,328,161 | 16.6 | 1,241,201 | 3.9 | 0 | 0.0 | 0 | 0.0 | 1,204,333 | 3.7 | 32,170,154 | 100.0 |
| As Allocated to Managers | 5,058,629 | 15.7 | 9,287,685 | 28.9 | 866,656 | 2.7 | 5,341,250 | 16.6 | 1,324,202 | 4.1 | 190,635 | 0.6 | 0 | 0.0 | 10,101,097 | 31.4 | 32,170,154 | 100.0 |



PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|-------------------------------------|------------------|------------|-----------|------------|----------------|------------|-------------|------------|------------|------------|-------------|------------|----------------|------------|----------|------------|-------------------------|-------------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| PSERS - Misc - Equity | 5,516 | 0.0 | 0 | 0.0 | 815 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,332 | 0.0 |
| PSERS S&P 500 Index Fund | 3,737,753 | 7.6 | 0 | 0.0 | 421,143 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 4,158,896 | 8.5 |
| PSERS S&P 600 Index Fund | 2 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2 | 0.0 |
| PSERS JP Morgan 600 Swap | 46,695 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 46,695 | 0.1 |
| PSERS JP Morgan 600 Swap II | 125,245 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 125,245 | 0.3 |
| PSERS S&P 400 Index Fund | 2 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2 | 0.0 |
| PSERS S&P 400 SWAP I | 296,196 | 0.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 296,196 | 0.6 |
| First Pacific Advisors, Inc. | 134,888 | 0.3 | 0 | 0.0 | 34,159 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 169,047 | 0.3 |
| NorthPointe Capital, LLC | 64,705 | 0.1 | 0 | 0.0 | 3,933 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 68,638 | 0.1 |
| AH Lisanti | 46,420 | 0.1 | 0 | 0.0 | 1,456 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 47,876 | 0.1 |
| Conestoga Capital Advisors | 50,052 | 0.1 | 0 | 0.0 | 160 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 50,211 | 0.1 |
| Hellman Jordan Mgmt | 37,938 | 0.1 | 0 | 0.0 | 2,235 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 40,173 | 0.1 |
| Opus Capital Management | 48,593 | 0.1 | 0 | 0.0 | 722 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 49,315 | 0.1 |
| Managed Equity | 4,594,006 | 9.4 | 0 | 0.0 | 464,623 | 0.9 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,058,629 | 10.3 |
| PSERS Fixed Liquidation | | 0.0 | 1,740 | 0.0 | -23 | -0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,717 | 0.0 |
| Bridgewater TIPS | | 0.0 | 1,633,929 | 3.3 | -9,197 | -0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,624,732 | 3.3 |
| PSERS TIPS (unlevered) | | 0.0 | 1,064,738 | 2.2 | 34,433 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,099,171 | 2.2 |
| PSERS TIPS (cash) | | 0.0 | 287,061 | 0.6 | 10,751 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 297,812 | 0.6 |
| Black River Inflation Opp. Fund | | 0.0 | 70,000 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 70,000 | 0.1 |
| MacKay Shields | | 0.0 | 412,646 | 0.8 | 9,563 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 422,209 | 0.9 |
| TOP NPL (A) | | 0.0 | 12,677 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 12,677 | 0.0 |
| TPG Opp Partners II | | 0.0 | 18,107 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 18,107 | 0.0 |
| Brevan Howard CMBS Fund | | 0.0 | 217,464 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 217,464 | 0.4 |
| Apollo European Principle Fund II | | 0.0 | 14,820 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 14,820 | 0.0 |
| Carlyle Emerging Mezz. Opp. Fund LP | | 0.0 | 41,062 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 41,062 | 0.1 |
| Sankaty Credit Opp. Fund V-A | | 0.0 | 10,937 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 10,937 | 0.0 |
| BlackRock Mortgage Investors | | 0.0 | 524,874 | 1.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 524,874 | 1.1 |
| Brigade Distressed Value | | 0.0 | 107,943 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 107,943 | 0.2 |
| PIMCO Mortgage | | 0.0 | 38,474 | 0.1 | 13,042 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 51,516 | 0.1 |
| Cerberus Levered Loan Fund I | | 0.0 | 175,537 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 175,537 | 0.4 |
| LBC Credit Partners | | 0.0 | 197,373 | 0.4 | 13,594 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 197,373 | 0.4 |
| Mariner/Gallton RMBS | | 0.0 | 279,671 | 0.6 | 12,170 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 293,264 | 0.6 |
| Oaktree Loan Fund 2X, LP | | 0.0 | 124,605 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 136,775 | 0.3 |

PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|------------------------------|---------|-----|-----------|------|---------|------|-------------|-----|------------|-----|-------------|-----|----------------|-----|---------|-----|-------------------------|------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| Sankaty Credit Oppt. Fund IV | 0 | 0.0 | 356,345 | 0.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 356,345 | 0.7 |
| Sankaty Advisors Bank Loans | 0 | 0.0 | 389,248 | 0.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 389,248 | 0.8 |
| Sankaty Middle Market Fund | 0 | 0.0 | 147,169 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 147,169 | 0.3 |
| PSERS U.S. Long Treasuries | 0 | 0.0 | 3 | 0.0 | 18,045 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 18,048 | 0.0 |
| BlackRock Global Alpha | 0 | 0.0 | 600,702 | 1.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 600,702 | 1.2 |
| PSERS Active | 0 | 0.0 | 1,222,455 | 2.5 | -29,372 | -0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,193,083 | 2.4 |
| Western Asset Management | 0 | 0.0 | 298,218 | 0.6 | -31,959 | -0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 266,259 | 0.5 |
| Piedmont Inv. Advisors | 0 | 0.0 | 51,173 | 0.1 | 997 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 52,170 | 0.1 |
| Pugh Capital Management | 0 | 0.0 | 90,375 | 0.2 | 736 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 91,111 | 0.2 |
| PIMCO Multi-Sector Strategy | 0 | 0.0 | 855,559 | 1.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 855,559 | 1.7 |
| Managed Fixed | 0 | 0.0 | 9,244,906 | 18.9 | 42,779 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 9,287,685 | 19.0 |
| Bridgewater All Weather @15 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 940,646 | 1.9 |
| Risk Parity | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 940,646 | 1.9 |
| PSERS Cash Management | 0 | 0.0 | 0 | 0.0 | 828,852 | 1.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 828,852 | 1.7 |
| PSERS Cash Management Sub | 0 | 0.0 | 0 | 0.0 | 37,805 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 37,805 | 0.1 |
| Unallocated STIF/Dreyfus | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 866,656 | 1.8 |
| Pareto | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 397 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 397 | 0.0 |
| Batterymarch Mgmt. | 0 | 0.0 | 0 | 0.0 | 19,621 | 0.0 | 0 | 0.0 | 171 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 19,791 | 0.0 |
| Wellington Mgmt. | 0 | 0.0 | 0 | 0.0 | 106 | 0.0 | 0 | 0.0 | 494 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 600 | 0.0 |
| Wasatch EM Small Cap | 0 | 0.0 | 0 | 0.0 | 5,158 | 0.0 | 0 | 0.0 | 159,775 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 164,933 | 0.3 |
| Westwood Global | 0 | 0.0 | 0 | 0.0 | 4,779 | 0.0 | 0 | 0.0 | 66,518 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 71,298 | 0.1 |
| PSERS ACWI x US | 0 | 0.0 | 0 | 0.0 | 1,554 | 0.0 | 0 | 0.0 | 2,105,401 | 4.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,106,955 | 4.3 |
| PSERS France Swaps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 166,846 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 166,846 | 0.3 |
| PSERS JP Morgan Swaps | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 45,315 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 45,315 | 0.1 |
| PSERS JP Morgan Swaps III | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 210,707 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 210,707 | 0.4 |
| PSERS JP Swap 4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 144,302 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 144,302 | 0.3 |
| PSERS JP Swap 5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 26,272 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 26,272 | 0.1 |
| BTC - Pan Europe | 0 | 0.0 | 0 | 0.0 | 5,763 | 0.0 | 0 | 0.0 | 32,043 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 37,806 | 0.1 |
| BTC - Japan | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 3,396 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 3,396 | 0.0 |
| BTC - Canada | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 10,956 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 10,956 | 0.0 |
| BTC - Pacific Rim Ex-Japan | 0 | 0.0 | 0 | 0.0 | -838 | -0.0 | 0 | 0.0 | 13,856 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 13,018 | 0.0 |

PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|---------------------------------|----------------|------------|----------|------------|----------------|------------|------------------|-------------|------------------|------------|------------------|-------------|----------------|------------|----------|------------|-------------------------|-------------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| BTC - UBS | 0 | 0.0 | 0 | 0.0 | 21,915 | 0.0 | -933 | -0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20,982 | 0.0 |
| BTC - UBS Japan CFD | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 14,729 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 14,729 | 0.0 |
| BTC - Alpha Advantage Emerging | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 104,075 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 104,075 | 0.2 |
| BTC - 32 Cap Ltd. | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 163,999 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 163,999 | 0.3 |
| BTC - Global Ex-US Equity | 0 | 0.0 | 0 | 0.0 | 36,313 | 0.1 | 8,129 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 44,441 | 0.1 |
| BTC - Active Currency Overlay | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | -2,235 | -0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2,235 | -0.0 |
| BTC - Money Market EBT | 0 | 0.0 | 0 | 0.0 | 15,448 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15,448 | 0.0 |
| Baillie Gifford | 0 | 0.0 | 0 | 0.0 | 6,280 | 0.0 | 456,966 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 463,247 | 0.9 |
| Marathon Asset Mgmt. | 0 | 0.0 | 0 | 0.0 | 13,487 | 0.0 | 442,480 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 455,967 | 0.9 |
| PSERS World x-US Sm Swap 1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 154,879 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 154,879 | 0.3 |
| PSERS World x-US Sm Swap 3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 72,581 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 72,581 | 0.1 |
| Acadian Asset Mgmt | 0 | 0.0 | 0 | 0.0 | 1,590 | 0.0 | 142,528 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 144,118 | 0.3 |
| Batterymarch Int'l Sm Cap | 0 | 0.0 | 0 | 0.0 | 339 | 0.0 | 58,486 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 58,825 | 0.1 |
| Obervois Asset Mgmt | 0 | 0.0 | 0 | 0.0 | 4,130 | 0.0 | 83,281 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 87,411 | 0.2 |
| Pyramis | 0 | 0.0 | 0 | 0.0 | 1,856 | 0.0 | 110,590 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 112,446 | 0.2 |
| Wasatch Advisors | 0 | 0.0 | 0 | 0.0 | 1,578 | 0.0 | 168,005 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 169,582 | 0.3 |
| PSERS Emerging Markets Fund | 0 | 0.0 | 0 | 0.0 | 7,590 | 0.0 | 93,092 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100,682 | 0.2 |
| Glovia | 0 | 0.0 | 0 | 0.0 | 365 | 0.0 | 29,289 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 29,654 | 0.1 |
| John Hsu Capital | 0 | 0.0 | 0 | 0.0 | 478 | 0.0 | 72,604 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 73,083 | 0.1 |
| Shah Capital Management | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 34,745 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 34,745 | 0.1 |
| Int'l Equity | 0 | 0.0 | 0 | 0.0 | 147,512 | 0.3 | 5,193,738 | 10.6 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 5,341,250 | 10.9 |
| Alliance Bernstein Global Fixed | 0 | 0.0 | 0 | 0.0 | 12,808 | 0.0 | 0 | 0.0 | 295,943 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 308,751 | 0.6 |
| Strategic Fixed Income LLC | 0 | 0.0 | 0 | 0.0 | 4,162 | 0.0 | 0 | 0.0 | 149,754 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 153,916 | 0.3 |
| Franklin Templeton | 0 | 0.0 | 0 | 0.0 | 37,901 | 0.1 | 0 | 0.0 | 401,006 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 438,907 | 0.9 |
| Stone Harbor | 0 | 0.0 | 0 | 0.0 | 28,131 | 0.1 | 0 | 0.0 | 394,498 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 422,629 | 0.9 |
| Global Fixed Income | 0 | 0.0 | 0 | 0.0 | 83,001 | 0.2 | 0 | 0.0 | 1,241,201 | 2.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,324,202 | 2.7 |
| Private Real Estate Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 | 0 | 0.0 | 0.0 | 0.0 | 6,077,315 | 12.4 |
| PTRES Composite | 190,635 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 190,635 | 0.4 |
| Real Estate | 190,635 | 0.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 6,077,315 | 12.4 | 0 | 0.0 | 0 | 0.0 | 6,267,950 | 12.8 |
| Managed Stock Distribution | 4,281 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 4,281 | 0.0 |
| Private Equity Composite | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 8,017,674 | 16.4 | 0 | 0.0 | 0.0 | 0.0 | 8,017,674 | 16.4 |

PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|---------------------------------|-----------|-----|---------|-----|---------|-----|-------------|---------|------------|-----|-------------|-----|----------------|------|---------|-----|-------------------------|------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| Private Debt Composite | | 0.0 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | 1,724,350 | 3.5 | | 0.0 | 1,724,350 | 3.5 |
| Venture Capital Composite | | 0.0 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | 889,496 | 1.8 | | 0.0 | 889,496 | 1.8 |
| Internally Managed Composite | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 28,601 | 0.1 | | 0.0 | 28,601 | 0.1 |
| Special Investments | 4,281 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 10,660,120 | 21.8 | 0 | 0.0 | 10,664,401 | 21.8 |
| Credit Suisse | 287,373 | 0.6 | 0 | 0.0 | 38,943 | 0.1 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 326,317 | 0.7 |
| DB Advisors | 194,120 | 0.4 | 0 | 0.0 | 185,738 | 0.4 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 379,858 | 0.8 |
| Gresham | 413,125 | 0.8 | 0 | 0.0 | 109,174 | 0.2 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 522,299 | 1.1 |
| PSERS Gold Fund | 728 | 0.0 | 0 | 0.0 | 31,514 | 0.1 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 32,242 | 0.1 |
| Schroders Investment Management | 25,779 | 0.1 | 0 | 0.0 | 486,538 | 1.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 512,317 | 1.0 |
| Wellington Management Company | 606,327 | 1.2 | 0 | 0.0 | 11,310 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 617,637 | 1.3 |
| Commodities | 1,527,453 | 3.1 | 0 | 0.0 | 863,217 | 1.8 | | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 2,390,669 | 4.9 |
| AQR Capital Management | 405,398 | 0.8 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 405,398 | 0.8 |
| BlackRock Global Ascend | 505,145 | 1.0 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 505,145 | 1.0 |
| BlackRock Capital Structure | 248,987 | 0.5 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 248,987 | 0.5 |
| BlueTrend Fund Limited | 251,152 | 0.5 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 251,152 | 0.5 |
| Boston Co. Microcap Fund | 85,225 | 0.2 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 85,225 | 0.2 |
| Brevar Howard | | 0.0 | | 0.0 | 394,988 | 0.8 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 394,988 | 0.8 |
| Bridgewater Pure Alpha | 858,286 | 1.8 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 858,286 | 1.8 |
| Brigade Capital Mgmt. | 700,171 | 1.4 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 700,171 | 1.4 |
| Capula Tail Risk Fund | 360,854 | 0.7 | 0 | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 360,854 | 0.7 |
| Capula Global Relative Val. | 213,559 | 0.4 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 213,559 | 0.4 |
| FX Concepts | 54,575 | 0.1 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 54,575 | 0.1 |
| Lazard Emerging Mkts Income | | 0.0 | | 0.0 | 0 | 0.0 | | 122,037 | 0.2 | | | 0.0 | | 0.0 | | 0.0 | 122,037 | 0.2 |
| Mariner/Caspian Credit Select | 206,633 | 0.4 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 206,633 | 0.4 |
| Nephila Capital | 271,871 | 0.6 | 0 | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 271,871 | 0.6 |
| Pareto Active Currency | | 0.0 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 0 | 0.0 |
| Robeco Transrend Diversified | 205,341 | 0.4 | | 0.0 | 0 | 0.0 | | 12,385 | 0.0 | | | 0.0 | | 0.0 | | 0.0 | 12,385 | 0.0 |
| Black River Rel Val Opp | 0 | 0.0 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 0 | 0.0 |
| Acolus Property Catastrophe J | 112,186 | 0.2 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 112,186 | 0.2 |
| PIMCO MAV | 200,000 | 0.4 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 200,000 | 0.4 |
| PIMCO PARS/GCOF | 464,429 | 0.9 | | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 464,429 | 0.9 |
| Denali Advisors | 36,819 | 0.1 | 0 | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 36,819 | 0.1 |



PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|-------------------------------------|------------|------|-----------|------|-----------|-----|-------------|------|------------|-----|-------------|------|----------------|------|-----------|------|-------------------------|-------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| Absolute Return | 5,180,630 | 10.6 | 0 | 0.0 | 394,988 | 0.8 | 134,422 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 263,688 | 0.5 | 5,973,728 | 12.2 |
| Non-Core STIF | | 0.0 | 0 | 0.0 | 0 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | 0 | 0.0 |
| Miscellaneous Composite | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 897 | 0.0 | 0.0 |
| Other | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 897 | 0.0 |
| Harvest MLP AL-pha | 343,939 | 0.7 | 0 | 0.0 | 34,307 | 0.1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | | | 378,245 | 0.8 |
| Harvest Enhanced Index | 5,187 | 0.0 | 0 | 0.0 | 117 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | | 5,304 | 0.0 |
| Salient Capital Partners | 205,761 | 0.4 | 0 | 0.0 | 1,941 | 0.0 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | | 207,701 | 0.4 |
| Atlantic Trust Private Wealth Mgmt. | 144,523 | 0.3 | 0 | 0.0 | 59,383 | 0.1 | | 0.0 | | 0.0 | | 0.0 | | 0.0 | | | 203,907 | 0.4 |
| Managed MLP | 699,409 | 1.4 | 0 | 0.0 | 95,747 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 795,157 | 1.6 |
| As Invested by Managers | 12,196,413 | 24.9 | 9,244,906 | 18.9 | 2,959,420 | 6.1 | 5,328,161 | 10.9 | 1,241,201 | 2.5 | 6,077,315 | 12.4 | 10,660,120 | 21.8 | 1,204,333 | 2.5 | 48,911,869 | 100.0 |
| As Allocated to Managers | 5,853,785 | 12.0 | 9,287,685 | 19.0 | 866,656 | 1.8 | 5,341,250 | 10.9 | 1,324,202 | 2.7 | 6,267,950 | 12.8 | 10,664,401 | 21.8 | 9,305,940 | 19.0 | 48,911,869 | 100.0 |



PA Public School Employees' Retirement Sys
 Asset Allocation
 PSERS Healthcare & HOP
 Quarter Ended 9/30/12

| Manager Name | Equity | | Bonds | | Cash | | Intl Equity | | Intl Bonds | | Real Estate | | Special Invest | | Other | | As Allocated To Manager | |
|-----------------------------------|---------|-----|---------|------|---------|------|-------------|-----|------------|-----|-------------|-----|----------------|-----|---------|-------|-------------------------|-------|
| | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % | \$(000) | % |
| PSERS Healthcare - Premium Assist | 0 | 0.0 | 39,265 | 30.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 39,265 | 30.8 |
| PSERS Healthcare - HOP | 0 | 0.0 | 88,282 | 0.0 | 88,282 | 69.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 88,282 | 69.2 |
| PSERS Healthcare & HOP | 0 | 0.0 | 39,265 | 30.8 | 88,282 | 69.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 127,547 | 100.0 |
| As Invested by Managers | 0 | 0 | 39,265 | 30.8 | 88,282 | 69.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 127,547 | 100.0 |
| As Allocated to Managers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 127,547 | 100.0 | 127,547 | 100.0 |



PA Public School Employees' Retirement Sys
 Sources of Fund Growth
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|---------------------------------|-------------------------|---------------------|----------------------------|---------------------|--------------------------|----------------------|---------------------|
| PSERS - Misc - Equity | 5,812 | -54 | 0 | 0 | 574 | 6,332 | NA |
| PSERS S&P 500 Index Fund | 4,419,972 | -521,734 | 0 | 0 | 260,658 | 4,158,896 | 6.42 |
| PSERS S&P 600 Index Fund | 1 | -1 | 0 | 0 | 1 | 2 | NA |
| PSERS JP Morgan 600 Swap | 122,798 | -80,167 | 0 | 0 | 4,063 | 46,695 | 5.80 |
| PSERS JP Morgan 600 Swap II | 118,371 | 0 | 0 | 0 | 6,874 | 125,245 | 5.81 |
| PSERS S&P 400 Index Fund | 2 | -17 | 0 | 0 | 17 | 2 | NA |
| PSERS S&P 400 SWAP I | 279,849 | 0 | 0 | 0 | 16,347 | 296,196 | 5.84 |
| First Pacific Advisors, Inc. | 229,487 | -80,368 | 0 | 296 | 20,223 | 169,047 | 8.70 |
| NorthPointe Capital, LLC | 68,097 | -55 | 0 | 171 | 767 | 68,638 | 0.88 |
| AH Lisanti | 65,402 | -20,000 | 0 | 62 | 2,537 | 47,876 | 4.19 |
| Conestoga Capital Advisors | 69,573 | -20,000 | 0 | 69 | 707 | 50,211 | 1.32 |
| Hellman Jordan Mgmt | 37,520 | 0 | 0 | 33 | 2,686 | 40,173 | 7.07 |
| Opus Capital Management | 66,085 | -20,000 | 0 | 45 | 3,275 | 49,315 | 5.22 |
| Managed Equity | 5,482,970 | -742,396 | 0 | 676 | 318,731 | 5,058,629 | |
| PSERS Fixed Liquidation | 1,858 | -85 | 0 | 0 | -57 | 1,717 | NA |
| Bridgewater TIPS | 1,547,534 | 0 | 0 | 4,087 | 81,285 | 1,624,732 | 4.99 |
| PSERS TIPS (unlevered) | 1,277,561 | -208,307 | 0 | 0 | 29,917 | 1,099,171 | 2.54 |
| PSERS TIPS (cash) | 297,127 | 0 | 0 | 0 | 685 | 297,812 | 0.23 |
| Black River Inflation Opp. Fund | 0 | 75,000 | 0 | 0 | -5,000 | 70,000 | NA |
| MacKay Shields | 414,002 | -8,593 | 0 | 331 | 17,131 | 422,209 | 4.11 |
| TOP NPL (A) | 8,768 | 3,801 | 0 | 0 | 108 | 12,677 | 0.99 |
| TPG Opp Partners II | 18,417 | 0 | 0 | 0 | -309 | 18,107 | -1.68 |



PA Public School Employees' Retirement Sys
Sources of Fund Growth
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|-----------------------------------|----------------------------|------------------------|-------------------------------|------------------------|-----------------------------|-------------------------|---------------------|
| Brevan Howard CMBS Fund | 206,521 | 0 | 0 | 0 | 10,943 | 217,464 | 5.30 |
| Apollo European Principle Fund II | 0 | 15,293 | 0 | 0 | -473 | 14,820 | NA |
| Carlyle Emerging Mezz. Opp. Fund | 0 | 45,074 | 0 | 0 | -4,012 | 41,062 | NA |
| Sankaty Credit Opp. Fund V-A | 0 | 10,500 | 0 | 0 | 437 | 10,937 | NA |
| BlackRock Mortgage Investors | 562,225 | -101,027 | 0 | 0 | 63,675 | 524,874 | 12.40 |
| Brigade Distressed Value | 103,979 | 0 | 0 | 0 | 3,964 | 107,943 | 3.81 |
| PIMCO Mortgage | 88,637 | -47,823 | 0 | 208 | 10,909 | 51,516 | 14.88 |
| Cerberus Levered Loan Fund I | 170,275 | 0 | 0 | 0 | 5,262 | 175,537 | 3.09 |
| LBC Credit Partners | 154,223 | 26,521 | 0 | 0 | 16,630 | 197,373 | 10.62 |
| Mariner/Galton RMBS | 365,327 | -101,863 | 0 | 0 | 29,800 | 293,264 | 9.85 |
| Oaktree Loan Fund 2X, LP | 161,287 | -32,207 | 0 | 0 | 7,695 | 136,775 | 4.78 |
| Sankaty Credit Oppt. Fund IV | 415,994 | -70,027 | 0 | 0 | 10,378 | 356,345 | 2.81 |
| Sankaty Advisors Bank Loans | 574,843 | -200,000 | 0 | 0 | 14,405 | 389,248 | 3.59 |
| Sankaty Middle Market Fund | 147,142 | -9,883 | 0 | 0 | 9,910 | 147,169 | 6.86 |
| PSERS U.S. Long Treasuries | 9,949 | 10,000 | 0 | 0 | -1,901 | 18,048 | -1.20 |
| BlackRock Global Alpha | 575,935 | 0 | 0 | 0 | 24,767 | 600,702 | 4.30 |
| PSERS Active | 1,283,139 | -112,623 | 0 | 0 | 22,568 | 1,193,083 | 1.78 |
| Western Asset Management | 259,575 | -2,182 | 0 | 131 | 8,998 | 266,259 | 3.43 |
| Piedmont Inv. Advisors | 50,987 | 0 | 0 | 32 | 1,215 | 52,170 | 2.32 |
| Pugh Capital Management | 89,412 | 0 | 0 | 43 | 1,742 | 91,111 | 1.90 |
| PIMCO Multi-Sector Strategy | 751,649 | 77,008 | 2,008 | 0 | 28,911 | 855,559 | 3.68 |
| PIMCO | 12,182 | -12,122 | 0 | 0 | -60 | 0 | NA |



PA Public School Employees' Retirement Sys
Sources of Fund Growth
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|---------------------------------|-------------------------|---------------------|----------------------------|---------------------|--------------------------|----------------------|---------------------|
| Managed Fixed | 9,548,547 | -643,545 | 2,008 | 4,831 | 389,522 | 9,287,685 | |
| Bridgewater All Weather @15 | 0 | 925,158 | 0 | 0 | 15,488 | 940,646 | NA |
| Bridgewater All Weather @12 | 736,819 | -775,158 | 0 | 0 | 38,339 | 0 | NA |
| Risk Parity | 736,819 | 150,000 | 0 | 0 | 53,827 | 940,646 | |
| PSERS Cash Management | 451,923 | 2,555,721 | 2,180,498 | 0 | 1,705 | 828,852 | 0.18 |
| PSERS Cash Management Sub | 57,271 | -19,469 | 0 | 0 | 3 | 37,805 | 0.03 |
| Unallocated STIF/Dreyfus | 509,194 | 2,536,252 | 2,180,498 | 0 | 1,708 | 866,656 | |
| Pareto | -986 | 11,999 | 0 | 405 | -10,211 | 397 | -0.53 |
| Batterymarch Mgmt. | 80,212 | -66,094 | 0 | 165 | 5,838 | 19,791 | 8.67 |
| Wellington Mgmt. | 89,960 | -93,992 | 0 | 184 | 4,817 | 600 | 7.02 |
| Wasatch EM Small Cap | 154,465 | -1,551 | 0 | 393 | 12,411 | 164,933 | 7.85 |
| Westwood Global | 66,672 | 0 | 0 | 143 | 4,768 | 71,298 | 6.94 |
| PSERS ACWI x US | 2,244,374 | -297,296 | 0 | 80 | 159,956 | 2,106,955 | 7.51 |
| PSERS France Swaps | 202,812 | -49,974 | 0 | 0 | 14,007 | 166,846 | 7.72 |
| PSERS JP Morgan Swaps | 157,130 | -117,064 | 0 | 0 | 5,249 | 45,315 | 5.50 |
| PSERS JP Morgan Swaps III | 195,279 | -200 | 0 | 0 | 15,628 | 210,707 | 8.01 |
| PSERS JP Swap 4 | 134,004 | -400 | 0 | 0 | 10,699 | 144,302 | 7.99 |
| PSERS JP Swap 5 | 84,218 | -59,808 | 0 | 0 | 1,863 | 26,272 | 7.10 |
| BTC - Pan Europe | 30,644 | 4,004 | 0 | 0 | 3,158 | 37,806 | 11.13 |
| BTC - Japan | 0 | 3,344 | 0 | 0 | 52 | 3,396 | NA |



PA Public School Employees' Retirement Sys
Sources of Fund Growth
PSERS Total Fund
Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|--------------------------------|-------------------------|---------------------|----------------------------|---------------------|--------------------------|----------------------|---------------------|
| BTC - Canada | 9,086 | 889 | 0 | 0 | 980 | 10,956 | 11.31 |
| BTC - Pacific Rim Ex-Japan | 10,912 | 3,143 | 0 | 2,185 | 1,148 | 13,018 | -9.59 |
| BTC - UBS | 18,588 | 0 | 0 | 0 | 2,394 | 20,982 | 12.88 |
| BTC - UBS Japan CFD | 16,369 | -2,019 | 0 | 0 | 379 | 14,729 | 2.71 |
| BTC - Alpha Advantage Emerging | 94,981 | 0 | 0 | 0 | 9,094 | 104,075 | 9.57 |
| BTC - 32 Cap Ltd. | 161,205 | 0 | 0 | 0 | 2,793 | 163,999 | 1.73 |
| BTC - Global Ex-US Equity | 31,881 | -2,938 | 0 | 0 | 15,498 | 44,441 | 49.17 |
| BTC - Active Currency Overlay | -1,511 | 251 | 0 | 0 | -975 | -2,235 | -100.00 |
| BTC - Money Market EBT | 22,243 | -6,812 | 3 | 0 | 20 | 15,448 | 0.09 |
| Baillie Gifford | 430,493 | -5,414 | 14 | 342 | 38,524 | 463,247 | 8.96 |
| Marathon Asset Mgmt. | 430,993 | -4,994 | 0 | 362 | 30,330 | 455,967 | 7.02 |
| PSERS World x-US Sm Swap 1 | 142,143 | 0 | 0 | 0 | 12,735 | 154,879 | 8.96 |
| PSERS World x-US Sm Swap 3 | 66,604 | 0 | 0 | 0 | 5,977 | 72,581 | 8.97 |
| Acadian Asset Mgmt | 132,968 | -1,663 | 0 | 173 | 12,986 | 144,118 | 9.74 |
| Batterymarch Int'l Sm Cap | 54,623 | -770 | 0 | 107 | 5,078 | 58,825 | 9.21 |
| Oberweis Asset Mgmt | 77,525 | -1,009 | 0 | 200 | 11,094 | 87,411 | 14.19 |
| Pyramis | 103,233 | -1,081 | 0 | 213 | 10,507 | 112,446 | 10.06 |
| Wasatch Advisors | 152,256 | -1,287 | 0 | 343 | 18,957 | 169,582 | 12.31 |
| PSERS Emerging Markets Fund | 0 | 100,000 | 0 | 0 | 682 | 100,682 | NA |
| Glovista | 27,995 | 0 | 0 | 0 | 1,659 | 29,654 | 5.93 |
| John Hsu Capital | 69,471 | 0 | 0 | 68 | 3,680 | 73,083 | 5.20 |
| Shah Capital Management | 35,706 | 0 | 0 | 0 | -960 | 34,745 | -2.69 |
| PSERS Spain Swap | 32 | -32 | 0 | 0 | 0 | 0 | NA |



PA Public School Employees' Retirement Sys
Sources of Fund Growth
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|---------------------------------|-------------------------|---------------------|----------------------------|---------------------|--------------------------|----------------------|---------------------|
| Int'l Equity | 5,526,582 | -590,769 | 17 | 5,361 | 410,815 | 5,341,250 | |
| Alliance Bernstein Global Fixed | 297,398 | -2,705 | 0 | 324 | 14,382 | 308,751 | 4.75 |
| Strategic Fixed Income LLC | 0 | 150,000 | 0 | 0 | 3,916 | 153,916 | NA |
| Franklin Templeton | 418,276 | -8,509 | 0 | 569 | 29,709 | 438,907 | 7.07 |
| Stone Harbor | 409,231 | -6,182 | 0 | 646 | 20,226 | 422,629 | 4.82 |
| Global Fixed Income | 1,124,905 | 132,603 | 0 | 1,539 | 68,234 | 1,324,202 | |
| Private Real Estate Composite | 5,889,149 | 217,218 | 129,722 | 24,568 | 125,238 | 6,077,315 | 1.70 |
| PTRES Composite | 190,430 | -1,565 | 0 | 0 | 1,770 | 190,635 | 0.94 |
| Real Estate | 6,079,579 | 215,654 | 129,722 | 24,568 | 127,008 | 6,267,950 | |
| Managed Stock Distribution | 4,406 | 0 | 0 | 0 | -125 | 4,281 | -2.84 |
| Private Equity Composite | 8,038,538 | 289,937 | 327,368 | 1,433 | 18,000 | 8,017,674 | 0.21 |
| Private Debt Composite | 1,708,522 | 121,453 | 136,569 | 806 | 31,748 | 1,724,350 | 1.84 |
| Venture Capital Composite | 887,806 | 32,768 | 44,940 | 339 | 14,201 | 889,496 | 1.57 |
| Internally Managed Composite | 4,044 | 20,746 | 0 | 10 | 3,822 | 28,601 | 27.65 |
| Special Investments | 10,643,316 | 464,903 | 508,877 | 2,587 | 67,646 | 10,664,401 | |
| Credit Suisse | 296,029 | -154 | 0 | 142 | 30,584 | 326,317 | 10.29 |
| DB Advisors | 351,497 | -880 | 0 | 777 | 30,017 | 379,858 | 8.33 |
| Gresham | 475,575 | 0 | 0 | 353 | 47,078 | 522,299 | 9.82 |
| PSERS Gold Fund | 41,374 | -55,000 | 0 | 0 | 45,868 | 32,242 | 10.47 |

PA Public School Employees' Retirement Sys
Sources of Fund Growth
 PSERS Total Fund
 Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|-------------------------------|----------------------------|------------------------|-------------------------------|------------------------|-----------------------------|-------------------------|---------------------|
| Schroders Investment Mgmt. | 464,872 | -85 | 0 | 888 | 48,418 | 512,317 | 10.22 |
| Wellington Management Co. | 568,569 | -2,308 | 4 | 1,296 | 52,676 | 617,637 | 9.06 |
| Commodities | 2,197,916 | -58,428 | 4 | 3,456 | 254,642 | 2,390,669 | |
| AQR Capital Management | 615,659 | -200,000 | 0 | 0 | -10,262 | 405,398 | -2.59 |
| BlackRock Global Ascent | 584,745 | -99,742 | 0 | 258 | 20,400 | 505,145 | 2.98 |
| BlackRock Capital Structure | 249,195 | 0 | 0 | 0 | -208 | 248,987 | -0.08 |
| BlueTrend Fund Limited | 236,529 | 0 | 0 | 0 | 14,623 | 251,152 | 6.18 |
| Boston Co. Microcap Fund | 208,297 | -121,127 | 0 | 0 | -1,944 | 85,225 | -1.07 |
| Brevan Howard | 374,316 | 0 | 0 | 0 | 20,672 | 394,988 | 5.52 |
| Bridgewater Pure Alpha | 812,936 | 0 | 0 | 0 | 45,350 | 858,286 | 5.58 |
| Brigade Capital Mgmt. | 689,966 | 0 | 0 | 0 | 10,205 | 700,171 | 1.48 |
| Capula Tail Risk Fund | 262,323 | 115,000 | 0 | 0 | -16,470 | 360,854 | -4.39 |
| Capula Global Relative Val. | 211,795 | 0 | 0 | 0 | 1,764 | 213,559 | 0.83 |
| FX Concepts | 42,283 | 10,000 | 0 | 1,000 | 3,292 | 54,575 | 0.86 |
| Lazard Emerging Mkts Income | 116,240 | 0 | 0 | 0 | 5,797 | 122,037 | 4.99 |
| Mariner/Caspian Credit Select | 200,048 | 0 | 0 | 0 | 6,585 | 206,633 | 3.29 |
| Nephila Capital | 260,146 | 0 | 0 | 0 | 11,726 | 271,871 | 4.51 |
| Pareto Active Currency | 15,590 | 0 | 0 | 800 | -2,405 | 12,385 | -1.50 |
| Robeco Transtrend Diversified | 207,294 | 0 | 0 | 0 | -1,954 | 205,341 | -0.94 |
| Black River Rel Val Opp | 259,928 | 0 | 0 | 0 | 3,760 | 263,688 | 1.45 |
| Aeolus Property Catastrophe I | 100,320 | 0 | 0 | 0 | 11,866 | 112,186 | 11.83 |
| PIMCO MAV | 0 | 200,000 | 0 | 0 | 0 | 200,000 | NA |

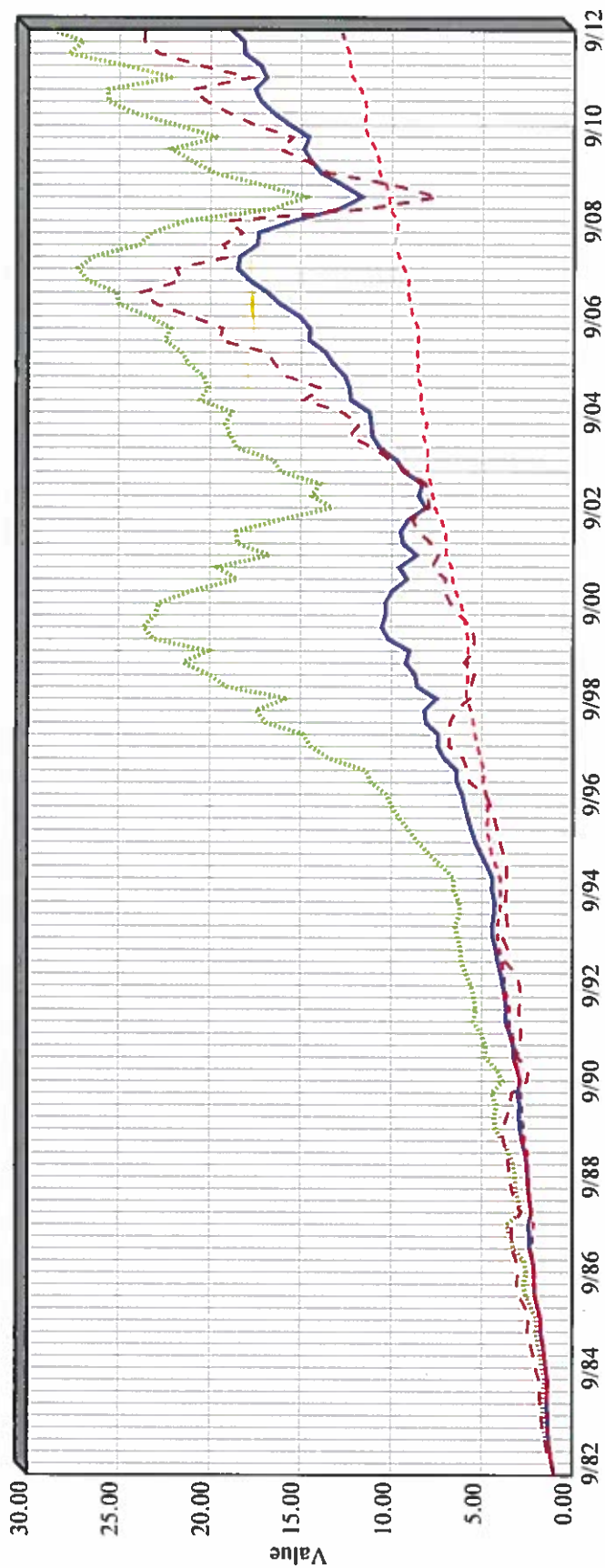


PA Public School Employees' Retirement Sys
Sources of Fund Growth
PSERS Total Fund
Quarter Ended 9/30/12

| Manager Name | Beginning Value \$(000) | Net Contrib \$(000) | Distrib & Adm Fees \$(000) | Invest Fees \$(000) | Invest Gain/Loss \$(000) | Ending Value \$(000) | Time Wtd Return (%) |
|-------------------------------|-------------------------|---------------------|----------------------------|---------------------|--------------------------|----------------------|---------------------|
| PIMCO PARS/GCOF | 440,328 | 0 | 0 | 8,289 | 32,390 | 464,429 | 5.47 |
| Denali Advisors | 37,148 | 0 | 0 | 46 | -283 | 36,819 | -0.89 |
| Capula Special Opportunities | 228,590 | -228,590 | 0 | 0 | 0 | 0 | NA |
| Absolute Return | 6,153,676 | -324,459 | 0 | 10,394 | 154,905 | 5,973,728 | |
| Non-Core STIF | 0 | 0 | 0 | 0 | 0 | 0 | NA |
| Miscellaneous Composite | 920 | -1,810 | 0 | 0 | 1,788 | 897 | NA |
| Other | 920 | -1,810 | 0 | 0 | 1,788 | 897 | |
| Harvest MLP ALpha | 297,380 | 50,000 | 0 | 0 | 30,866 | 378,245 | 9.82 |
| Harvest Enhanced Index | 4,812 | 0 | 0 | 0 | 492 | 5,304 | 10.22 |
| Salient Capital Partners | 0 | 200,000 | 0 | 0 | 7,701 | 207,701 | NA |
| Altantic Trust Private Wealth | 0 | 200,000 | 0 | 0 | 3,907 | 203,907 | NA |
| Managed MLP | 302,191 | 450,000 | 0 | 0 | 42,965 | 795,157 | |
| PSERS Total Fund | 48,306,615 | 1,588,007 | 2,821,127 | 53,414 | 1,891,788 | 48,911,869 | 3.85 |



PA Public School Employees' Retirement Sys
 Growth of One Dollar
 PSERS Total Fund
 Quarter Ended 9/30/2



| | Legend | Return | | \$ Value |
|-------------------------|--------|---------|-------------------|----------|
| | | 3 Years | Inception 6/30/82 | |
| Total | — | 10.71 | 10.20 | 18.88 |
| S&P 500 (Official) | ... | 13.20 | 11.74 | 28.76 |
| Barclays Aggregate | - - - | 6.19 | 8.80 | 12.83 |
| Wilshire Real Est. Secs | - . - | 20.55 | 11.02 | 23.63 |

PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS S&P 500 Composite | | | | | | | | | |
| Gross of Fee Return | 6.42 | 3.39 | 16.37 | 30.23 | 13.56 | 1.50 | 8.28 | 9/30/83 | 10.52 |
| Net of Fee Return | 6.42 | 3.39 | 16.37 | 30.23 | 13.56 | 1.50 | 8.28 | 9/30/83 | 10.52 |
| Published S&P 500 Index | 6.35 | 3.42 | 16.44 | 30.20 | 13.20 | 1.05 | 8.01 | 9/30/83 | 10.45 |
| Hellman Jordan Mgmt | | | | | | | | | |
| Gross of Fee Return | 7.16 | 2.56 | 17.60 | 37.53 | 10.93 | | | 6/30/09 | 16.17 |
| Net of Fee Return | 7.07 | 2.38 | 17.31 | 37.06 | 10.45 | | | 6/30/09 | 15.71 |
| S&P 500/Citigroup Growth Index | 6.41 | 4.23 | 17.01 | 29.65 | 14.93 | | | 6/30/09 | 18.24 |
| Total US Large Cap Composite | | | | | | | | | |
| Gross of Fee Return | 6.42 | 3.38 | 16.36 | 30.22 | 13.56 | -0.11 | 7.53 | 6/30/82 | 11.38 |
| Net of Fee Return | 6.42 | 3.38 | 16.36 | 30.22 | 13.56 | -0.14 | 7.47 | 6/30/97 | 4.38 |
| Published S&P 500 Index | 6.35 | 3.42 | 16.44 | 30.20 | 13.20 | 1.05 | 8.01 | 6/30/97 | 5.12 |
| MSCI USA Large Cap Index | 6.27 | 3.38 | 16.38 | 29.66 | 12.27 | 0.46 | | | |
| PSERS S&P 400 Composite | | | | | | | | | |
| Gross of Fee Return | 5.85 | 0.85 | 14.78 | 29.78 | 15.11 | 4.84 | 11.36 | 6/30/98 | 9.19 |
| Net of Fee Return | 5.85 | 0.85 | 14.78 | 29.78 | 15.11 | 4.84 | 11.36 | 6/30/98 | 9.19 |
| Published S&P 400 | 5.44 | 0.24 | 13.77 | 28.54 | 14.33 | 3.83 | 10.77 | 6/30/98 | 8.74 |
| PSERS S&P 600 Composite | | | | | | | | | |
| Gross of Fee Return | 5.80 | 2.24 | 14.82 | 34.74 | 16.22 | 4.58 | 11.45 | 12/31/94 | 11.09 |
| Net of Fee Return | 5.80 | 2.24 | 14.82 | 34.74 | 16.22 | 4.58 | 11.45 | 12/31/94 | 11.09 |
| Published S&P 600 | 5.40 | 1.62 | 13.80 | 33.35 | 15.14 | 3.29 | 10.74 | 12/31/94 | 10.52 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS Small Index Composite | | | | | | | | | |
| Gross of Fee Return | 5.77 | 1.44 | 14.74 | 31.96 | 15.59 | 4.50 | 11.28 | 6/30/92 | 11.74 |
| Net of Fee Return | 5.77 | 1.44 | 14.74 | 31.96 | 15.59 | 4.50 | 11.28 | 6/30/92 | 11.74 |
| First Pacific Advisors, Inc. | | | | | | | | | |
| Gross of Fee Return | 8.83 | -1.87 | 6.76 | 22.57 | 11.66 | 4.78 | 11.49 | 9/30/91 | 15.10 |
| Net of Fee Return | 8.70 | -2.12 | 6.37 | 21.97 | 11.08 | 4.24 | 10.92 | 6/30/97 | 10.60 |
| Russell 2500 Value Index | 5.85 | 2.65 | 14.47 | 32.15 | 13.06 | 2.22 | 10.34 | 6/30/97 | 8.54 |
| Barclays Universal Index | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | 6/30/97 | 6.39 |
| Blended Benchmark (FPA) | 4.67 | 1.94 | 12.09 | 24.70 | 12.76 | 2.26 | 10.36 | 6/30/97 | 8.55 |
| Opus Capital Management | | | | | | | | | |
| Gross of Fee Return | 5.29 | -1.56 | 8.07 | 25.39 | 12.44 | 2.08 | | 12/31/04 | 4.72 |
| Net of Fee Return | 5.22 | -1.70 | 7.78 | 24.84 | 11.99 | 1.63 | | 12/31/04 | 4.20 |
| MSCI USA Small Cap Value | 5.30 | 2.00 | 14.74 | 32.54 | 12.64 | 3.31 | | 12/31/04 | 5.24 |
| Russell 2000 Value | 5.66 | 2.48 | 14.36 | 32.63 | 11.72 | 1.34 | | 12/31/04 | 3.90 |
| Blended Benchmark (Opus) | 5.30 | 2.00 | 14.74 | 32.54 | 12.39 | 1.71 | | 12/31/04 | 4.14 |
| US Small Cap Value Composite | | | | | | | | | |
| Gross of Fee Return | 8.00 | -1.84 | 7.68 | 23.62 | 11.98 | 3.78 | 10.86 | 6/30/90 | 12.75 |
| Net of Fee Return | 7.88 | -2.07 | 7.28 | 23.01 | 11.40 | 3.23 | 10.29 | 6/30/97 | 8.35 |
| MSCI USA Small Cap Value | 5.30 | 2.00 | 14.74 | 32.54 | 12.64 | 3.31 | 10.37 | 6/30/97 | 7.89 |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| AH Lisanti | | | | | | | | | |
| Gross of Fee Return | 4.29 | 2.40 | 18.38 | 30.04 | 17.12 | | | 9/30/08 | 13.13 |
| Net of Fee Return | 4.19 | 2.21 | 18.05 | 29.55 | 16.66 | | | 9/30/08 | 12.70 |
| MSCI USA Small Cap Growth | 5.53 | -0.03 | 14.35 | 29.77 | 15.18 | | | 9/30/08 | 10.49 |
| Russell 2000 Growth | 4.84 | 0.71 | 14.07 | 31.18 | 14.18 | | | 9/30/08 | 8.67 |
| Blended Benchmark (AH Lisanti) | 5.53 | -0.03 | 14.35 | 29.77 | 13.79 | | | 9/30/08 | 8.40 |
| US Small Cap Growth Composite | | | | | | | | | |
| Gross of Fee Return | 4.29 | 2.40 | 18.38 | 30.04 | 17.12 | | | 9/30/08 | 13.04 |
| Net of Fee Return | 4.19 | 2.21 | 18.05 | 29.55 | 16.66 | | | 9/30/08 | 12.61 |
| MSCI USA Small Cap Growth | 5.53 | -0.03 | 14.35 | 29.77 | 15.18 | | | 9/30/08 | 10.49 |
| Conestoga Capital Advisors | | | | | | | | | |
| Gross of Fee Return | 1.42 | 1.32 | 11.39 | 26.70 | 16.50 | 6.22 | | 12/31/04 | 7.56 |
| Net of Fee Return | 1.32 | 1.11 | 11.04 | 26.19 | 16.02 | 5.77 | | 12/31/04 | 7.11 |
| MSCI USA Small Cap Index | 5.41 | 1.00 | 14.56 | 31.18 | 13.95 | 3.48 | | 12/31/04 | 5.00 |
| Russell 2000 | 5.25 | 1.59 | 14.23 | 31.91 | 12.99 | 2.21 | | 12/31/04 | 4.67 |
| Blended Benchmark (Conestoga) | 5.41 | 1.00 | 14.56 | 31.18 | 13.14 | 2.30 | | 12/31/04 | 4.73 |
| US Small Cap Core Composite | | | | | | | | | |
| Gross of Fee Return | 1.42 | 0.48 | 6.86 | 23.68 | 21.91 | 10.93 | | 12/31/04 | 10.61 |
| Net of Fee Return | 1.32 | 0.28 | 6.50 | 23.08 | 21.24 | 10.36 | | 12/31/04 | 10.09 |
| MSCI USA Small Cap Index | 5.41 | 1.00 | 14.56 | 31.18 | 13.95 | 3.48 | | 12/31/04 | 5.00 |



PA Public School Employees' Retirement Sys
Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| US Small Cap Active Composite | | | | | | | | | |
| Gross of Fee Return | 6.33 | 0.74 | 11.48 | 27.98 | 13.44 | 3.07 | 10.66 | 6/30/90 | 12.72 |
| Net of Fee Return | 6.21 | 0.53 | 11.09 | 27.38 | 12.88 | 2.50 | 10.10 | 6/30/97 | 7.92 |
| Total US Small Cap X Micro Composite | | | | | | | | | |
| Gross of Fee Return | 6.05 | 1.03 | 12.90 | 29.77 | 14.68 | 4.11 | 11.11 | 6/30/90 | 12.88 |
| Net of Fee Return | 6.00 | 0.92 | 12.73 | 29.52 | 14.48 | 3.87 | 10.87 | 6/30/97 | 9.38 |
| MSCI USA SMID Index | 5.65 | 0.52 | 13.82 | 29.00 | 14.06 | 2.36 | 10.83 | 6/30/97 | 7.59 |
| MSCI USA Small Cap Index | 5.41 | 1.00 | 14.56 | 31.18 | 13.95 | 3.48 | 10.72 | | |
| NorthPointe Capital, LLC | | | | | | | | | |
| Gross of Fee Return | 1.14 | -6.27 | 12.36 | 28.49 | 14.51 | 0.53 | | 12/31/04 | 3.43 |
| Net of Fee Return | 0.88 | -6.98 | 11.51 | 27.18 | 13.36 | -0.51 | | 12/31/04 | 2.38 |
| MSCI US Microcap Index | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.82 | | 12/31/04 | 4.96 |
| Blended Benchmark (NPC) | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.06 | | 12/31/04 | 3.96 |
| US Micro Cap Composite | | | | | | | | | |
| Gross of Fee Return | 1.14 | -6.24 | 12.32 | 28.44 | 10.28 | -0.33 | | 12/31/04 | 3.32 |
| Net of Fee Return | 0.88 | -6.95 | 11.46 | 27.13 | 9.00 | -1.44 | | 12/31/04 | 2.25 |
| MSCI US Microcap Index | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.82 | | 12/31/04 | 4.96 |
| Blended Policy (US Micro) | 8.31 | 6.87 | 27.09 | 44.20 | 15.22 | 3.06 | | 12/31/04 | 4.15 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total US Small Cap Composite | | | | | | | | | |
| Gross of Fee Return | 5.73 | 0.55 | 12.89 | 29.71 | 14.24 | 3.77 | 10.90 | 6/30/90 | 12.78 |
| Net of Fee Return | 5.66 | 0.40 | 12.68 | 29.39 | 13.93 | 3.43 | 10.59 | 6/30/97 | 9.20 |
| MSCI USA Small Cap Index | 5.41 | 1.00 | 14.56 | 31.18 | 13.95 | 3.48 | 10.72 | | |
| MSCI USA SMID Index | 5.65 | 0.52 | 13.82 | 29.00 | 14.06 | 2.36 | 10.83 | 6/30/97 | 7.59 |
| Wilshire 4500 Index | 5.24 | 0.23 | 14.47 | 29.20 | 13.88 | 2.64 | 10.95 | 6/30/97 | 7.01 |
| Published S&P 400 Index | 5.44 | 0.24 | 13.77 | 28.54 | 14.33 | 3.83 | 10.77 | 6/30/97 | 9.86 |
| Published S&P 600 Index | 5.40 | 1.62 | 13.80 | 33.35 | 15.14 | 3.29 | 10.74 | 6/30/97 | 8.27 |
| Total US Equity Composite | | | | | | | | | |
| Gross of Fee Return | 6.31 | 2.79 | 15.42 | 29.82 | 14.29 | 0.91 | 8.38 | 12/31/99 | 3.51 |
| Net of Fee Return | 6.29 | 2.76 | 15.36 | 29.74 | 14.20 | 0.80 | 8.26 | 12/31/99 | 3.39 |
| MSCI USA IMI | 6.10 | 2.57 | 15.66 | 29.48 | 12.78 | 0.95 | 8.12 | 12/31/99 | 3.03 |
| Wilshire 5000 Index | 6.15 | 2.83 | 15.95 | 29.89 | 13.21 | 1.35 | 8.66 | 12/31/99 | 2.30 |
| Blended Policy (Tot US Eq) | 6.10 | 2.57 | 15.66 | 29.48 | 12.78 | 1.10 | 8.53 | 12/31/99 | 2.20 |
| PSERS ACWI x US Index Fund | | | | | | | | | |
| Gross of Fee Return | 7.52 | -0.51 | 10.93 | 15.22 | 3.86 | -3.32 | 10.11 | 3/31/97 | 5.43 |
| Net of Fee Return | 7.52 | -0.52 | 10.92 | 15.21 | 3.85 | -3.34 | 10.10 | 3/31/97 | 5.42 |
| MSCI ACWI/EAFE Index Blend (N) | 7.40 | -0.77 | 10.37 | 14.48 | 3.17 | -4.12 | 9.57 | 3/31/97 | 4.88 |
| Baillie Gifford | | | | | | | | | |
| Gross of Fee Return | 9.05 | 2.22 | 16.02 | 21.72 | 8.45 | -0.55 | 13.17 | 6/30/02 | 10.46 |
| Net of Fee Return | 8.96 | 1.82 | 15.48 | 21.06 | 7.91 | -0.97 | 12.79 | 6/30/02 | 10.10 |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-----------------------------------|-----------|------------|------------|--------|---------|---------|------------------|-------------------|---------------------|
| BlackRock Global Composite | | | | | | | | | |
| Gross of Fee Return | 8.80 | 2.14 | 16.42 | 23.98 | 12.98 | -0.34 | | 9/30/04 | 9.37 |
| Net of Fee Return | 8.20 | 1.42 | 15.40 | 22.35 | 11.96 | -1.03 | | 9/30/04 | 8.75 |
| Marathon Asset Mgmt. | | | | | | | | | |
| Gross of Fee Return | 7.11 | 1.27 | 13.38 | 17.49 | 7.73 | -0.06 | 13.31 | 9/30/90 | 10.33 |
| Net of Fee Return | 7.02 | 1.10 | 13.10 | 17.09 | 7.36 | -0.41 | 12.97 | 6/30/97 | 8.59 |
| John Hsu Capital | | | | | | | | | |
| Gross of Fee Return | 5.30 | -4.62 | 9.00 | 17.36 | 5.09 | -2.41 | 12.50 | 3/31/98 | 6.30 |
| Net of Fee Return | 5.20 | -4.81 | 8.69 | 16.91 | 4.70 | -2.79 | 12.05 | 3/31/98 | 5.87 |
| MSCI World Index (N) | 6.71 | 1.30 | 13.01 | 21.59 | 7.48 | -2.15 | 8.04 | 3/31/98 | 3.21 |
| Shah Capital Management | | | | | | | | | |
| Gross of Fee Return | -2.69 | -20.18 | -11.48 | -7.56 | -13.23 | -5.33 | | 6/30/06 | 0.11 |
| Net of Fee Return | -2.69 | -20.18 | -11.48 | -7.56 | -13.23 | -5.39 | | 6/30/06 | -0.01 |
| MSCI World (N) | 6.71 | 1.30 | 13.01 | 21.59 | 7.48 | -2.15 | | 6/30/06 | 2.05 |
| 1 Mo LIBOR (lag) | 0.06 | 0.12 | 0.18 | 0.24 | 0.25 | | | | |
| Blended Benchmark (Shah) | 3.38 | 0.79 | 6.65 | 10.73 | 4.25 | -1.28 | | 6/30/06 | 2.76 |
| Active Non-US Lg Cap Comp | | | | | | | | | |
| Gross of Fee Return | 7.86 | 0.87 | 13.86 | 19.48 | 8.13 | -1.78 | 11.20 | 6/30/92 | 8.21 |
| Net of Fee Return | 7.63 | 0.47 | 13.29 | 18.66 | 7.52 | -2.24 | 10.80 | 6/30/97 | 6.01 |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Non-US Lg Cap Eq Comp | | | | | | | | | |
| Gross of Fee Return | 7.64 | -0.12 | 11.71 | 16.31 | 4.90 | -3.14 | 10.45 | 9/30/89 | 6.74 |
| Net of Fee Return | 7.56 | -0.24 | 11.54 | 16.08 | 4.74 | -3.30 | 10.24 | 6/30/97 | 5.61 |
| MSCI ACWI ex-US Index (N) | 7.40 | -0.77 | 10.37 | 14.48 | 3.17 | -4.12 | 9.84 | | |
| MSCI ACWI ex-US Index (G) | 7.49 | -0.44 | 10.85 | 15.04 | 3.63 | -3.67 | 10.32 | 6/30/97 | 4.57 |
| Blended Policy (Non-US Large) | 7.40 | -0.77 | 10.37 | 14.48 | 3.17 | -4.04 | 10.10 | 6/30/97 | 4.63 |
| PSERS World x-US Small Cap Index | | | | | | | | | |
| Gross of Fee Return | 8.96 | -0.85 | 12.94 | 13.89 | | | | 6/30/10 | 11.32 |
| Net of Fee Return | 8.96 | -0.85 | 12.94 | 13.89 | | | | 6/30/10 | 11.32 |
| MSCI - World Ex USA Small (\$Net) | 8.58 | -1.39 | 12.05 | 12.82 | | | | 6/30/10 | 10.57 |
| Acadian Asset Mgmt | | | | | | | | | |
| Gross of Fee Return | 9.88 | -0.06 | 17.24 | 17.31 | 9.14 | -3.60 | | 6/30/05 | 9.74 |
| Net of Fee Return | 9.74 | -0.32 | 16.80 | 16.71 | 8.58 | -4.09 | | 6/30/05 | 9.23 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | | 6/30/05 | 6.34 |
| Blended Benchmark (Acadian) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -1.74 | | 6/30/05 | 7.19 |
| Batterymarch Int'l Sm Cap | | | | | | | | | |
| Gross of Fee Return | 9.43 | 0.80 | 16.27 | 18.27 | 10.99 | | | 6/30/08 | 2.21 |
| Net of Fee Return | 9.21 | 0.39 | 15.60 | 17.34 | 10.07 | | | 6/30/08 | 1.42 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | | | 6/30/08 | 1.53 |
| Oberweis Asset Mgmt | | | | | | | | | |
| Gross of Fee Return | 14.47 | 3.74 | 22.94 | 28.43 | 15.73 | | | 6/30/08 | -0.16 |
| Net of Fee Return | 14.19 | 3.21 | 22.04 | 27.15 | 14.58 | | | 6/30/08 | -1.16 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | | | 6/30/08 | 1.53 |

PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Pyramis | | | | | | | | | |
| Gross of Fee Return | 10.28 | 0.28 | 17.40 | 19.43 | 7.19 | | | 9/30/08 | 11.02 |
| Net of Fee Return | 10.06 | -0.33 | 16.69 | 18.44 | 6.32 | | | 9/30/08 | 10.16 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | | | 9/30/08 | 9.31 |
| Wasatch Advisors | | | | | | | | | |
| Gross of Fee Return | 12.56 | 8.41 | 27.30 | 30.38 | 17.82 | 3.57 | | 9/30/05 | 9.67 |
| Net of Fee Return | 12.31 | 7.92 | 26.48 | 29.22 | 16.77 | 2.61 | | 9/30/05 | 8.73 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | | 9/30/05 | 4.96 |
| Blended Benchmark (Wasatch) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -1.74 | | 9/30/05 | 5.83 |
| Active Non-US Sm Cap Comp | | | | | | | | | |
| Gross of Fee Return | 11.38 | 3.05 | 20.85 | 23.11 | 12.33 | -1.46 | | 6/30/05 | 8.03 |
| Net of Fee Return | 11.16 | 2.60 | 20.15 | 22.15 | 11.40 | -2.23 | | 6/30/05 | 7.27 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | | 6/30/05 | 6.34 |
| Blended Policy (Act Non-US Sm) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -1.74 | | 6/30/05 | 7.19 |
| Non-US Small Cap Equity Composite | | | | | | | | | |
| Gross of Fee Return | 10.68 | 1.92 | 18.51 | 20.38 | 11.56 | -1.86 | | 6/30/05 | 7.72 |
| Net of Fee Return | 10.53 | 1.60 | 18.03 | 19.70 | 10.82 | -2.53 | | 6/30/05 | 7.04 |
| MSCI ACWI ex-US Sm Cap Idx (N) | 8.54 | -1.15 | 12.98 | 13.44 | 5.92 | -2.19 | | 6/30/05 | 6.34 |
| Total Non-U.S. Developed Equity Comp. | | | | | | | | | |
| Gross of Fee Return | 8.10 | 0.20 | 12.60 | 16.89 | 5.77 | -2.91 | 10.64 | 9/30/89 | 6.82 |
| Net of Fee Return | 8.01 | 0.05 | 12.40 | 16.61 | 5.54 | -3.13 | 10.38 | 6/30/97 | 5.70 |
| MSCI ACWI ex-US Index (N) | 7.40 | -0.77 | 10.37 | 14.48 | 3.17 | -4.12 | 9.84 | | |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS Emerging Markets Fund | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| MSCI EM Index (N) | | | | | | | | | |
| Passive Emerging Markets Composite | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| MSCI EM Index (N) | | | | | | | | | |
| Batterymarch Mgmt. | | | | | | | | | |
| Gross of Fee Return | 8.89 | -1.66 | 11.05 | 13.62 | 5.11 | -4.06 | | 6/30/06 | 5.42 |
| Net of Fee Return | 8.67 | -2.07 | 10.38 | 12.68 | 4.22 | -4.91 | | 6/30/06 | 4.58 |
| Wasatch EM Small Cap | | | | | | | | | |
| Gross of Fee Return | 8.12 | 2.30 | 21.31 | 24.72 | 21.65 | | | 6/30/08 | 14.54 |
| Net of Fee Return | 7.85 | 1.78 | 20.43 | 23.47 | 20.42 | | | 6/30/08 | 13.46 |
| MSCI EM Small Cap Index | 8.41 | -0.29 | 16.29 | 15.52 | 6.54 | | | 6/30/08 | 5.04 |

PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-----------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Wellington Mgmt. | | | | | | | | | |
| Gross of Fee Return | 7.23 | -3.78 | 10.96 | 15.86 | 2.85 | -2.00 | | 6/30/06 | 7.24 |
| Net of Fee Return | 7.02 | -4.19 | 10.30 | 14.21 | 1.93 | -2.91 | | 6/30/06 | 6.35 |
| Westwood Global | | | | | | | | | |
| Gross of Fee Return | 7.16 | -0.27 | 11.93 | 19.54 | 10.04 | | | 9/30/09 | 10.04 |
| Net of Fee Return | 6.94 | -0.70 | 11.23 | 18.53 | 9.16 | | | 9/30/09 | 9.16 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | | | 9/30/09 | 5.63 |
| Glovista | | | | | | | | | |
| Gross of Fee Return | 5.93 | -2.62 | 11.89 | 18.76 | | | | 9/30/11 | 18.76 |
| Net of Fee Return | 5.93 | -2.68 | 11.75 | 18.62 | | | | 9/30/11 | 18.62 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | | | | 9/30/11 | 16.93 |
| Active Emerg Mrkts Comp | | | | | | | | | |
| Gross of Fee Return | 7.85 | -0.48 | 14.77 | 18.37 | 7.11 | -0.49 | 17.07 | 3/31/97 | 7.55 |
| Net of Fee Return | 7.62 | -0.91 | 14.04 | 17.13 | 5.97 | -1.49 | 16.03 | 6/30/97 | 6.13 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.28 | 17.00 | 6/30/97 | 6.40 |
| MSCI EM Index (G) | 7.88 | -1.59 | 12.33 | 17.33 | 5.96 | -0.98 | 17.36 | 6/30/97 | 6.67 |
| Blended Policy (EM) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.25 | 17.20 | 6/30/97 | 6.58 |
| Emerging Markets Composite | | | | | | | | | |
| Gross of Fee Return | 7.79 | -0.54 | 14.71 | 18.31 | 7.09 | -0.50 | 17.07 | 3/31/97 | 7.55 |
| Net of Fee Return | 7.56 | -0.97 | 13.98 | 17.06 | 6.06 | -1.44 | 16.10 | 6/30/98 | 9.94 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.28 | 17.00 | 6/30/98 | 10.65 |
| MSCI EM Index (G) | 7.88 | -1.59 | 12.33 | 17.33 | 5.96 | -0.98 | 17.36 | 6/30/98 | 10.95 |
| Blended Policy (EM) | 7.74 | -1.84 | 11.98 | 16.93 | 5.63 | -1.25 | 17.20 | 6/30/98 | 10.84 |

PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Pareto | | | | | | | | | |
| Gross of Fee Return | -0.51 | -1.12 | -1.47 | -1.84 | 0.02 | 0.88 | | 6/30/06 | -0.03 |
| Net of Fee Return | -0.53 | -1.16 | -1.53 | -1.92 | -0.05 | 0.81 | | 6/30/06 | -0.10 |
| Currency Hedge Composite | | | | | | | | | |
| Gross of Fee Return | -0.51 | -1.12 | -1.47 | -1.84 | 0.02 | 0.88 | | 6/30/06 | -0.03 |
| Net of Fee Return | -0.53 | -1.16 | -1.53 | -1.92 | -0.05 | 0.81 | | 6/30/06 | -0.10 |
| PSERS Currency Hedge Bnmk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.53 | | 6/30/06 | 0.36 |
| Total Non-US Equity Composite | | | | | | | | | |
| Gross of Fee Return | 7.88 | -0.25 | 12.21 | 16.41 | 5.88 | -1.61 | 11.72 | 9/30/99 | 6.09 |
| Net of Fee Return | 7.77 | -0.43 | 11.95 | 16.04 | 5.57 | -1.92 | 11.39 | 9/30/99 | 5.79 |
| MSCI-AC World Ex US IMI (\$N) | 7.53 | -0.82 | 10.69 | 14.36 | 3.49 | -3.84 | 10.21 | 9/30/99 | 4.49 |
| Blended Policy (Ttl Non-US Eq) | 7.53 | -0.82 | 10.69 | 14.36 | 3.49 | -3.03 | 10.43 | 9/30/99 | 4.35 |
| Total Equity Composite | | | | | | | | | |
| Gross of Fee Return | 7.11 | 1.16 | 13.69 | 22.33 | 9.51 | -0.42 | 9.46 | 3/31/92 | 8.77 |
| Net of Fee Return | 7.05 | 1.05 | 13.53 | 22.09 | 9.29 | -0.64 | 9.25 | 6/30/97 | 5.97 |
| MSCI AC World IMI Index (N) | 6.84 | 0.77 | 13.00 | 21.13 | 7.56 | -1.71 | 9.03 | 6/30/97 | 4.53 |
| MSCI ACW1 with USA Gross IMI (N) | 6.92 | 0.93 | 13.25 | 21.49 | 7.84 | -1.44 | 9.34 | | |
| Blended Policy (Total Eq) | 6.92 | 0.93 | 13.25 | 21.49 | 7.67 | -1.05 | 8.87 | 6/30/97 | 5.11 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|----------------------------------|-----------|------------|------------|--------|---------|---------|------------------|-------------------|---------------------|
| BlackRock Global Alpha | | | | | | | | | |
| Gross of Fee Return | 4.30 | 8.37 | 9.79 | 13.62 | 12.63 | 10.08 | | 6/30/07 | 9.93 |
| Net of Fee Return | 4.30 | 8.37 | 9.79 | 13.62 | 12.63 | 10.08 | | 6/30/07 | 9.93 |
| PSERS Active | | | | | | | | | |
| Gross of Fee Return | 1.78 | 4.41 | 5.10 | 6.13 | 7.95 | 8.45 | 6.67 | 3/31/98 | 7.18 |
| Net of Fee Return | 1.78 | 4.41 | 5.10 | 6.13 | 7.95 | 8.45 | 6.67 | 3/31/98 | 7.18 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 3/31/98 | 6.05 |
| Western Asset Management | | | | | | | | | |
| Gross of Fee Return | 3.48 | 5.83 | 8.18 | 10.29 | 9.56 | 7.17 | | 6/30/05 | 6.13 |
| Net of Fee Return | 3.43 | 5.72 | 8.02 | 10.07 | 9.35 | 6.97 | | 6/30/05 | 5.95 |
| Piedmont Inv. Advisors | | | | | | | | | |
| Gross of Fee Return | 2.38 | 4.70 | 5.90 | 7.80 | 7.49 | 7.22 | | 12/31/04 | 6.10 |
| Net of Fee Return | 2.32 | 4.57 | 5.70 | 7.47 | 7.23 | 6.96 | | 12/31/04 | 5.84 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | | 12/31/04 | 5.58 |
| Pugh Capital Management | | | | | | | | | |
| Gross of Fee Return | 1.95 | 4.04 | 5.20 | 6.07 | 7.11 | 7.71 | | 6/30/06 | 7.64 |
| Net of Fee Return | 1.90 | 3.94 | 5.05 | 5.89 | 6.90 | 7.48 | | 6/30/06 | 7.41 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | | 6/30/06 | 6.67 |
| US Core Plus FI Composite | | | | | | | | | |
| Gross of Fee Return | 2.64 | 5.72 | 6.96 | 8.79 | 9.27 | 7.42 | 6.24 | 12/31/83 | 8.83 |
| Net of Fee Return | 2.63 | 5.69 | 6.92 | 8.74 | 9.20 | 7.34 | 6.16 | 6/30/87 | 7.89 |
| Barclays Universal | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | | |
| Barclays Aggregate | 1.59 | 3.68 | 4.00 | 5.16 | 6.27 | 6.37 | 5.61 | | |
| Blended Policy (US Core+FI) | 1.59 | 3.68 | 4.00 | 5.16 | 6.27 | 6.37 | 5.61 | | |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Alliance Bernstein Global Fixed | | | | | | | | | |
| Gross of Fee Return | 4.87 | 4.02 | 6.33 | | | | | 12/31/11 | 6.33 |
| Net of Fee Return | 4.75 | 3.83 | 6.14 | | | | | 12/31/11 | 6.14 |
| Strategic Fixed Income LLC | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| Barclays GlobalAgg GDP Weighted | | | | | | | | | |
| Non-U.S. Developed Mkts. FI Composite | | | | | | | | | |
| Gross of Fee Return | 4.64 | 4.39 | 6.37 | 6.55 | 6.98 | 7.56 | 7.56 | 6/30/92 | 7.15 |
| Net of Fee Return | 4.54 | 4.20 | 6.16 | 6.29 | 6.73 | 7.33 | 7.37 | 6/30/97 | 6.39 |
| Barclays Multiverse Index | 3.38 | 4.01 | 5.14 | 5.57 | 5.27 | 6.31 | 6.65 | | |
| Barclays GlobalAgg GDP Weighted | 4.46 | 3.41 | 6.05 | 5.39 | | | | | |
| Blended Policy (Active Global) | 4.46 | 3.41 | 6.05 | 5.39 | 5.21 | 6.27 | 6.63 | | |
| Franklin Templeton | | | | | | | | | |
| Gross of Fee Return | 7.21 | 7.01 | 15.23 | 18.20 | 12.76 | | | 9/30/08 | 13.11 |
| Net of Fee Return | 7.07 | 6.72 | 14.77 | 17.56 | 12.16 | | | 9/30/08 | 12.50 |
| 8% Annualized Return | 1.94 | 3.92 | 5.94 | 8.00 | 8.00 | | | 9/30/08 | 8.00 |
| BofA-ML GI Em Sov & Credit Plus | 6.73 | 8.12 | 14.78 | 19.67 | 11.49 | | | | |
| Blended Benchmark (Franklin) | 6.73 | 8.12 | 14.78 | 19.67 | 10.71 | | | 9/30/08 | 10.03 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Stone Harbor | | | | | | | | | |
| Gross of Fee Return | 4.99 | 3.85 | 11.64 | 13.94 | | | | 3/31/10 | 9.31 |
| Net of Fee Return | 4.82 | 3.52 | 11.10 | 13.21 | | | | 3/31/10 | 8.68 |
| Barclays Emerging Mkt 10% Countr | 4.97 | 3.67 | 11.33 | 12.15 | | | | 3/31/10 | 7.53 |
| JP Morgan GBI EM Global Diversif | 4.80 | 3.54 | 12.12 | 12.66 | | | | 3/31/10 | 7.87 |
| Emerging Markets FI Composite | | | | | | | | | |
| Gross of Fee Return | 6.11 | 5.44 | 13.45 | 16.08 | | | | 3/31/10 | 9.63 |
| Net of Fee Return | 5.95 | 5.13 | 12.95 | 15.39 | | | | 3/31/10 | 9.03 |
| JP Morgan GBI EM Global Diversif | 4.80 | 3.54 | 12.12 | 12.66 | | | | 3/31/10 | 7.87 |
| Barclays Emerging Mkt 10% Countr | 4.97 | 3.67 | 11.33 | 12.15 | | | | 3/31/10 | 7.87 |
| Blended Policy (EM FI) | 4.97 | 3.67 | 11.33 | 12.15 | | | | 3/31/10 | 7.68 |
| Global Fixed Income Composite | | | | | | | | | |
| Gross of Fee Return | 3.73 | | | | | | | 6/30/12 | 3.73 |
| Net of Fee Return | 3.68 | | | | | | | 6/30/12 | 3.68 |
| PSERS U.S. Long Treasuries | | | | | | | | | |
| Gross of Fee Return | 1.20 | | | | | | | 6/30/12 | 1.20 |
| Net of Fee Return | 1.20 | | | | | | | 6/30/12 | 1.20 |
| Barclays Long Treasury | 0.20 | | | | | | | 6/30/12 | 0.20 |
| U.S. Long Treasuries Composite | | | | | | | | | |
| Gross of Fee Return | 1.20 | | | | | | | 6/30/12 | 1.20 |
| Net of Fee Return | 1.20 | | | | | | | 6/30/12 | 1.20 |
| Barclays Long Treasury | 0.20 | | | | | | | 6/30/12 | 0.20 |

* Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Apollo European Principle Fund II | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| Barclays High Yield | | | | | | | | | |
| Carlyle Emerging Mezz. Opp. Fund LP | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| Barclays High Yield | | | | | | | | | |
| MacKay Shields | | | | | | | | | |
| Gross of Fee Return | 4.19 | 6.26 | 11.05 | 16.69 | 12.43 | 8.86 | 12.29 | 9/30/99 | 9.33 |
| Net of Fee Return | 4.11 | 6.00 | 10.79 | 16.32 | 12.06 | 8.50 | 11.90 | 9/30/99 | 8.96 |
| TOP NPL (A) | | | | | | | | | |
| Gross of Fee Return | 0.99 | 2.17 | | | | | | 3/31/12 | 2.17 |
| Net of Fee Return | 0.99 | 2.17 | | | | | | 3/31/12 | 2.17 |
| Barclays High Yield | 4.53 | 6.45 | | | | | | 3/31/12 | 6.45 |
| TPG Opp Partners II | | | | | | | | | |
| Gross of Fee Return | -1.68 | -4.90 | | | | | | 3/31/12 | -4.90 |
| Net of Fee Return | -1.68 | -4.90 | | | | | | 3/31/12 | -4.90 |
| Barclays High Yield | 4.53 | 6.45 | | | | | | 3/31/12 | 6.45 |
| Brevan Howard CMBS Fund | | | | | | | | | |
| Gross of Fee Return | 5.30 | | | | | | | 6/30/12 | 5.30 |
| Net of Fee Return | 5.30 | | | | | | | 6/30/12 | 5.30 |
| BlackRock Mortgage Investors | | | | | | | | | |
| Gross of Fee Return | 12.40 | 13.58 | 25.19 | 25.25 | 19.46 | | | 3/31/08 | 8.76 |
| Net of Fee Return | 12.40 | 13.58 | 25.19 | 25.25 | 19.46 | | | 3/31/08 | 8.76 |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Brigade Distressed Value | | | | | | | | | |
| Gross of Fee Return | 3.81 | 4.91 | 7.48 | 7.94 | | | | 9/30/11 | 7.94 |
| Net of Fee Return | 3.81 | 4.91 | 7.48 | 7.94 | | | | 9/30/11 | 7.94 |
| PIMCO Mortgage | | | | | | | | | |
| Gross of Fee Return | 15.16 | 17.65 | 28.23 | 27.77 | 16.38 | | | 3/31/08 | 7.46 |
| Net of Fee Return | 14.88 | 17.04 | 27.57 | 26.91 | 15.62 | | | 3/31/08 | 6.81 |
| Cerberus Levered Loan Fund I | | | | | | | | | |
| Gross of Fee Return | 3.09 | 6.05 | 9.28 | | | | | 12/31/11 | 9.28 |
| Net of Fee Return | 3.09 | 6.05 | 9.28 | | | | | 12/31/11 | 9.28 |
| LBC Credit Partners | | | | | | | | | |
| Gross of Fee Return | 10.62 | 15.68 | 25.56 | 32.06 | 12.81 | | | 12/31/08 | 4.80 |
| Net of Fee Return | 10.62 | 15.68 | 25.56 | 32.06 | 12.81 | | | 12/31/08 | 4.80 |
| Mariner/Galton RMBS | | | | | | | | | |
| Gross of Fee Return | 9.85 | 13.66 | 19.64 | 20.83 | | | | 6/30/10 | 13.03 |
| Net of Fee Return | 9.85 | 13.39 | 19.07 | 19.95 | | | | 6/30/10 | 11.74 |
| 7.5% Annualized Return | 1.82 | 3.68 | 5.57 | 7.50 | | | | 6/30/10 | 7.50 |
| USSWAP5 Index | 2.33 | 5.48 | 9.07 | 13.38 | | | | 6/30/10 | 19.57 |
| USSWAP5 Index Plus 2% | 2.83 | 6.52 | 10.68 | 15.62 | | | | 6/30/10 | 21.93 |
| Oaktree Loan Fund 2X, LP | | | | | | | | | |
| Gross of Fee Return | 4.78 | 9.59 | 12.75 | 16.25 | 11.42 | | | 12/31/07 | 9.62 |
| Net of Fee Return | 4.78 | 9.59 | 12.75 | 16.25 | 11.42 | | | 12/31/07 | 9.62 |
| Sankaty Credit Oppt. Fund IV | | | | | | | | | |
| Gross of Fee Return | 2.81 | 2.59 | 6.85 | 9.04 | 8.64 | | | 9/30/08 | 12.96 |
| Net of Fee Return | 2.81 | 2.59 | 6.85 | 9.04 | 8.64 | | | 9/30/08 | 12.96 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Sankaty Advisors Bank Loans | | | | | | | | | |
| Gross of Fee Return | 3.59 | 3.63 | 9.07 | 12.04 | 9.66 | | | 6/30/09 | 11.24 |
| Net of Fee Return | 3.59 | 3.63 | 9.07 | 12.04 | 9.66 | | | 6/30/09 | 11.24 |
| Sankaty Middle Market Fund | | | | | | | | | |
| Gross of Fee Return | 6.86 | 10.01 | 14.68 | 16.86 | | | | 6/30/10 | 11.31 |
| Net of Fee Return | 6.86 | 10.01 | 14.68 | 16.86 | | | | 6/30/10 | 11.31 |
| Sankaty Credit Opp. Fund V-A | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| Barclays High Yield | | | | | | | | | |
| High Yield Fixed Income Composite | | | | | | | | | |
| Gross of Fee Return | 6.30 | 8.14 | 14.62 | 16.78 | 12.48 | 7.98 | 10.83 | 9/30/99 | 8.25 |
| Net of Fee Return | 6.28 | 8.07 | 14.51 | 16.60 | 12.24 | 7.78 | 10.52 | 9/30/99 | 7.91 |
| Barclays High Yield | 4.53 | 6.45 | 12.12 | 19.37 | 12.90 | 9.34 | 10.99 | 9/30/99 | 7.75 |
| CS High Yield Index | 4.27 | 5.90 | 11.21 | 17.91 | 12.54 | 8.62 | 10.54 | 9/30/99 | 7.98 |
| Blended Policy (HY & Opp) | 4.53 | 6.45 | 12.12 | 19.37 | 12.90 | 9.35 | 10.91 | 9/30/99 | 8.26 |
| Total US FI X TIPS Composite | | | | | | | | | |
| Gross of Fee Return | 4.71 | 7.12 | 11.19 | 13.21 | 11.14 | 8.55 | 7.37 | 6/30/82 | 9.43 |
| Net of Fee Return | 4.69 | 7.07 | 11.11 | 13.09 | 10.98 | 8.40 | 7.23 | 6/30/97 | 7.27 |
| Total Fixed Income x TIPS | | | | | | | | | |
| Gross of Fee Return | 4.76 | | | | | | | 6/30/12 | 4.76 |
| Net of Fee Return | 4.73 | | | | | | | 6/30/12 | 4.73 |

*Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total FI x TIPS x Pimco Multi-Sector | | | | | | | | | |
| Gross of Fee Return | 4.90 | | | | | | | 6/30/12 | 4.90 |
| Net of Fee Return | 4.86 | | | | | | | 6/30/12 | 4.86 |
| PSERS Total TIPS (levered) | | | | | | | | | |
| Gross of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.95 | | 3/31/04 | 7.96 |
| Net of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.95 | | 3/31/04 | 7.96 |
| Barclays U.S. TIPS Index | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | | 3/31/04 | 6.14 |
| US TIPS Composite | | | | | | | | | |
| Gross of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.94 | | 3/31/04 | 7.93 |
| Net of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.94 | | 3/31/04 | 7.91 |
| Barclays U.S. TIPS Index | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | | 3/31/04 | 6.14 |
| Black River Inflation Opp. Fund | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| LIBOR 3 MONTH | | | | | | | | | |
| Bridgewater TIPS | | | | | | | | | |
| Gross of Fee Return | 5.25 | 7.69 | 8.77 | 13.17 | 23.74 | 19.89 | | 6/30/04 | 14.32 |
| Net of Fee Return | 4.99 | 7.15 | 7.95 | 12.03 | 22.43 | 18.78 | | 6/30/04 | 13.59 |
| BGI Custom IL Bond Index | 3.17 | 4.62 | 6.56 | 8.99 | 7.81 | 7.31 | | 6/30/04 | 6.51 |

*Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| TIPS Composite | | | | | | | | | |
| Gross of Fee Return | 3.50 | 6.27 | 7.32 | 11.16 | 17.41 | 14.42 | | 3/31/04 | 10.08 |
| Net of Fee Return | 3.36 | 5.99 | 6.91 | 10.60 | 16.86 | 13.98 | | 3/31/04 | 9.79 |
| Barclays U.S. TIPS Index | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | | 3/31/04 | 6.14 |
| Total US Fixed Income Composite | | | | | | | | | |
| Gross of Fee Return | 4.26 | 6.77 | 9.72 | 12.36 | 13.05 | 10.30 | 8.20 | 6/30/82 | 9.71 |
| Net of Fee Return | 4.20 | 6.64 | 9.52 | 12.08 | 12.77 | 10.07 | 8.02 | 6/30/97 | 7.79 |
| Barclays Universal | 2.00 | 4.04 | 4.93 | 6.44 | 6.69 | 6.63 | 5.74 | 6/30/97 | 6.39 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | 5.33 | 6/30/97 | 6.28 |
| Blended Policy (Total US FI) | 2.84 | 5.22 | 7.67 | 11.52 | 10.01 | 9.86 | 6.98 | 6/30/97 | 7.37 |
| PIMCO Multi-Sector Strategy | | | | | | | | | |
| Gross of Fee Return | 3.68 | | | | | | | 6/30/12 | 3.68 |
| Net of Fee Return | 3.68 | | | | | | | 6/30/12 | 3.68 |
| Blended Policy Index | 3.12 | | | | | | | 6/30/12 | 3.12 |
| Total Fixed Income Composite | | | | | | | | | |
| Gross of Fee Return | 4.40 | 6.60 | 9.91 | 12.39 | 12.48 | 10.05 | 8.24 | 6/30/91 | 7.90 |
| Net of Fee Return | 4.33 | 6.46 | 9.69 | 12.09 | 12.18 | 9.80 | 8.05 | 6/30/97 | 7.53 |
| Blended Policy (Total FI) | 3.20 | 4.98 | 7.98 | 11.13 | 9.48 | 9.51 | 7.06 | 6/30/97 | 7.23 |

*Please note the PSERS U.S. Long Treasuries had a 3Q2012 levered return of 3.80 and an unlevered return of 1.20. All respective composites are incorporating the levered return.
 *The PIMCO Multi-Sector Strategy Fund policy is as follows 26% Barclays U.S. Agg. Bond, 16% Barclays U.S. Treasury Long, 5% Barclays Global Agg GDP-weighted Dev. Mkt ex-U.S. (Unhedged) 42% Barclays U.S. High Yield Bond, and 11% Barclays Emerging Markets Local Currency - Government - MV Weighted (Unhedged) - 10% Country Max Can



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Unallocated Cash & Cash Equivalents | | | | | | | | | |
| Gross of Fee Return | 0.18 | 2.04 | 3.66 | 5.67 | 2.43 | -0.55 | 0.83 | | |
| Net of Fee Return | 0.18 | 2.04 | 3.63 | 5.63 | 2.42 | -0.56 | 0.82 | 6/30/98 | 0.33 |
| ML US T-Bill 0-3 Months Index | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.61 | 1.73 | 6/30/98 | 2.51 |
| Security Capital - Preferred Growth | | | | | | | | | |
| Gross of Fee Return | 0.94 | 3.84 | 11.66 | 17.33 | 17.27 | | | 6/30/08 | 7.42 |
| Net of Fee Return | 0.94 | 3.84 | 11.66 | 17.33 | 17.27 | | | 6/30/08 | 7.42 |
| Wilshire Real Est. Secs Index | -0.11 | 3.42 | 14.72 | 32.40 | 20.55 | | | 6/30/08 | 6.26 |
| PTRES Composite | | | | | | | | | |
| Gross of Fee Return | 0.94 | 3.84 | 11.66 | 17.33 | 13.57 | -1.88 | 12.03 | 9/30/95 | 11.77 |
| Net of Fee Return | 0.94 | 3.84 | 11.66 | 17.33 | 13.28 | -2.26 | 11.67 | 6/30/97 | 9.66 |
| FTSE EPRA/NAREIT Developed RE | 5.51 | 7.74 | 21.64 | 30.59 | 12.91 | -2.21 | 11.77 | 6/30/97 | 7.29 |
| FTSE EPRA/NAREIT Developed X-US | 11.05 | 11.55 | 28.71 | 29.06 | 7.28 | -5.32 | 12.16 | 6/30/97 | 6.21 |
| FTSE EPRA/NAREIT Global RE Index | 6.06 | 7.65 | 22.14 | 30.37 | 11.89 | -3.38 | | | |
| Wilshire Real Est. Secs Index | -0.11 | 3.42 | 14.72 | 32.40 | 20.55 | 1.53 | 11.51 | 6/30/97 | 9.36 |
| Blended Policy (PTRES) | 6.06 | 7.65 | 22.14 | 30.37 | 11.89 | -2.52 | 10.43 | 6/30/97 | 8.78 |
| Credit Suisse | | | | | | | | | |
| Gross of Fee Return | 10.34 | 5.42 | 6.62 | 7.05 | 5.82 | -2.61 | | 12/31/06 | 0.17 |
| Net of Fee Return | 10.29 | 5.32 | 6.47 | 6.85 | 5.63 | -2.80 | | 12/31/06 | -0.01 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | | 12/31/06 | -0.86 |



PA Public School Employees' Retirement Sys
Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| DB Advisors | | | | | | | | | |
| Gross of Fee Return | 8.56 | 0.67 | 4.09 | 10.22 | 4.79 | -4.26 | | 6/30/07 | -2.83 |
| Net of Fee Return | 8.33 | 0.22 | 3.40 | 9.24 | 3.86 | -5.13 | | 6/30/07 | -3.67 |
| Blended Benchmark (DBA) | 9.09 | 1.70 | 5.71 | 11.84 | 6.21 | -2.12 | | 6/30/07 | -0.77 |
| Gresham | | | | | | | | | |
| Gross of Fee Return | 9.90 | 3.05 | 6.80 | 9.77 | 10.70 | 0.34 | | 9/30/07 | 0.34 |
| Net of Fee Return | 9.82 | 1.73 | 5.44 | 8.26 | 9.77 | -0.25 | | 9/30/07 | -0.25 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | | 9/30/07 | -3.04 |
| PSERS Gold Fund | | | | | | | | | |
| Gross of Fee Return | 10.47 | | | | | | | 6/30/12 | 10.47 |
| Net of Fee Return | 10.47 | | | | | | | 6/30/12 | 10.47 |
| Schroders Investment Management | | | | | | | | | |
| Gross of Fee Return | 10.42 | 3.37 | 6.87 | 8.26 | 8.61 | 2.84 | | 9/30/07 | 2.84 |
| Net of Fee Return | 10.22 | 2.97 | 6.27 | 7.44 | 7.74 | 2.13 | | 9/30/07 | 2.13 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | | 9/30/07 | -3.04 |
| Wellington Management Company | | | | | | | | | |
| Gross of Fee Return | 9.30 | 0.98 | 6.71 | 12.53 | 8.31 | -0.08 | | 12/31/06 | 3.93 |
| Net of Fee Return | 9.06 | 0.51 | 5.99 | 11.22 | 7.33 | -1.03 | | 12/31/06 | 3.00 |
| Blended Benchmark (WMC) | 9.46 | 1.32 | 7.08 | | | | | | |
| Commodities Composite | | | | | | | | | |
| Gross of Fee Return | 11.62 | 4.84 | 8.76 | 12.37 | 8.70 | -0.67 | | 12/31/06 | 2.91 |
| Net of Fee Return | 11.45 | 4.25 | 8.00 | 11.31 | 7.87 | -1.40 | | 12/31/06 | 2.20 |
| DJ UBS Commodity Index | 9.70 | 4.71 | 5.64 | 6.00 | 5.26 | -3.04 | | 12/31/06 | -0.86 |

*Please note the PSERS Gold Fund had a 3Q2012 levered return of 120.66 and an unlevered return of 10.47. All respective composites are incorporating the levered return.



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Aeolus Property Catastrophe I | | | | | | | | | |
| Gross of Fee Return | 11.83 | | | | | | | 6/30/12 | 11.83 |
| Net of Fee Return | 11.83 | | | | | | | 6/30/12 | 11.83 |
| AQR Capital Management | | | | | | | | | |
| Gross of Fee Return | -2.59 | -0.72 | 1.37 | 7.46 | 6.99 | 1.13 | | 12/31/05 | -0.58 |
| Net of Fee Return | -2.59 | -0.72 | 1.37 | 7.46 | 6.99 | 1.13 | | 12/31/05 | -0.58 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | 0.25 | 0.95 | | 12/31/05 | 2.04 |
| BlackRock Capital Structure | | | | | | | | | |
| Gross of Fee Return | -0.08 | 0.96 | -0.24 | 5.00 | 7.64 | | | 6/30/09 | 6.48 |
| Net of Fee Return | -0.08 | 0.96 | -0.24 | 5.00 | 7.64 | | | 6/30/09 | 6.48 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | 0.25 | | | 6/30/09 | 0.25 |
| BlackRock Global Ascent | | | | | | | | | |
| Gross of Fee Return | 3.02 | -4.20 | 2.13 | 1.13 | 3.15 | 1.32 | | 12/31/05 | 5.46 |
| Net of Fee Return | 2.98 | -4.24 | 2.08 | 1.08 | 3.14 | 1.31 | | 12/31/05 | 5.45 |
| Citigroup 3 Month T-Bill Index | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.64 | | 12/31/05 | 1.71 |
| Black River Rel Val Opp | | | | | | | | | |
| Gross of Fee Return | 1.45 | 1.94 | 4.85 | | | | | 12/31/11 | 4.85 |
| Net of Fee Return | 1.45 | 1.94 | 4.85 | | | | | 12/31/11 | 4.85 |
| BlueTrend Fund Limited | | | | | | | | | |
| Gross of Fee Return | 6.18 | | | | | | | 6/30/12 | 6.18 |
| Net of Fee Return | 6.18 | | | | | | | 6/30/12 | 6.18 |
| Boston Co. Microcap Fund | | | | | | | | | |
| Gross of Fee Return | -1.07 | -4.57 | 0.06 | 2.64 | 3.80 | | | 6/30/08 | 0.61 |
| Net of Fee Return | -1.07 | -4.57 | 0.06 | 2.64 | 3.80 | | | 6/30/08 | 0.61 |
| 91-Day Treasury Bill Index | 0.03 | 0.06 | 0.07 | 0.07 | 0.11 | | | 6/30/08 | 0.32 |

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|------------------------------------|-----------|------------|------------|--------|---------|---------|------------------|-------------------|---------------------|
| Brevan Howard | | | | | | | | | |
| Gross of Fee Return | 5.52 | 1.08 | 1.95 | 2.57 | | | | 6/30/10 | 6.21 |
| Net of Fee Return | 5.52 | 1.08 | 1.95 | 2.57 | | | | 6/30/10 | 6.20 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | | | | 6/30/10 | 0.39 |
| Bridgewater Pure Alpha | | | | | | | | | |
| Gross of Fee Return | 5.58 | 2.78 | 1.66 | 1.94 | 29.27 | 20.90 | | 12/31/05 | 17.36 |
| Net of Fee Return | 5.58 | 2.78 | 1.66 | 1.94 | 29.27 | 20.90 | | 12/31/05 | 17.36 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | | 12/31/05 | 2.24 |
| Brigade Capital Mgmt. | | | | | | | | | |
| Gross of Fee Return | 1.48 | 2.47 | 5.20 | 4.83 | 6.46 | 6.65 | | 9/30/07 | 6.65 |
| Net of Fee Return | 1.48 | 2.47 | 5.20 | 4.83 | 6.46 | 6.65 | | 9/30/07 | 6.65 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | 0.25 | 0.95 | | 9/30/07 | 0.95 |
| Capula Global Relative Val. | | | | | | | | | |
| Gross of Fee Return | 0.83 | 1.27 | 0.42 | 1.62 | | | | 3/31/11 | 4.08 |
| Net of Fee Return | 0.83 | 1.27 | 0.42 | 1.62 | | | | 3/31/11 | 4.08 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | | | | 3/31/11 | 0.23 |
| Capula Tail Risk Fund | | | | | | | | | |
| Gross of Fee Return | -4.39 | -3.98 | -12.36 | -12.59 | | | | 6/30/11 | -0.16 |
| Net of Fee Return | -4.39 | -3.98 | -12.36 | -12.59 | | | | 6/30/11 | -0.16 |
| Denali Advisors | | | | | | | | | |
| Gross of Fee Return | -0.77 | -4.95 | -5.58 | -4.56 | -1.70 | -7.75 | | 9/30/05 | -2.33 |
| Net of Fee Return | -0.89 | -5.97 | -6.60 | -5.71 | -2.34 | -8.28 | | 9/30/05 | -2.83 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | | 9/30/05 | 2.32 |
| S&P 500/Citigroup Value Index | 6.29 | 2.49 | 15.78 | 30.82 | 11.39 | -1.75 | | 9/30/05 | 2.86 |
| Blended Benchmark (Denali) | 0.11 | 0.23 | 0.36 | 0.48 | -0.87 | -8.39 | | 9/30/05 | -2.15 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Mariner/Caspian Credit Select | | | | | | | | | |
| Gross of Fee Return | 3.29 | 4.46 | 8.66 | 9.45 | | | | 3/31/11 | 2.24 |
| Net of Fee Return | 3.29 | 4.46 | 8.66 | 9.45 | | | | 3/31/11 | 2.24 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | | | | 3/31/11 | 0.23 |
| FX Concepts | | | | | | | | | |
| Gross of Fee Return | 1.26 | -1.06 | 0.92 | -5.80 | -2.94 | -2.22 | | 9/30/06 | -1.09 |
| Net of Fee Return | 0.86 | -1.86 | -0.28 | -7.32 | -4.06 | -3.09 | | 9/30/06 | -2.04 |
| Lazard Emerging Mkts Income | | | | | | | | | |
| Gross of Fee Return | 4.99 | 0.73 | 7.98 | 10.39 | 5.16 | | | 9/30/09 | 5.16 |
| Net of Fee Return | 4.99 | 0.74 | 7.98 | 10.43 | 5.22 | | | 9/30/09 | 5.22 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | | | 9/30/09 | 0.37 |
| Nephila Capital | | | | | | | | | |
| Gross of Fee Return | 4.51 | 6.30 | 6.58 | 6.98 | | | | 6/30/11 | 8.10 |
| Net of Fee Return | 4.51 | 6.30 | 6.58 | 6.98 | | | | 6/30/11 | 8.10 |
| Pareto Active Currency | | | | | | | | | |
| Gross of Fee Return | -1.19 | 0.22 | 1.47 | 0.89 | | | | 6/30/10 | -5.66 |
| Net of Fee Return | -1.50 | -0.42 | 0.51 | -0.39 | | | | 6/30/10 | -6.56 |
| PIMCO PARS/GCOF | | | | | | | | | |
| Gross of Fee Return | 7.31 | 11.61 | 18.12 | 19.87 | 16.17 | | | 3/31/08 | 15.85 |
| Net of Fee Return | 5.47 | 8.28 | 12.86 | 14.46 | 8.65 | | | 3/31/08 | 10.59 |
| 1 Month LIBOR Rate | 0.06 | 0.12 | 0.18 | 0.25 | 0.25 | | | 3/31/08 | 0.62 |
| PIMCO MAV | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PIMCO PARS/GCOF/MAV Composite | | | | | | | | | |
| Gross of Fee Return | 7.23 | 11.52 | 18.03 | 19.78 | 16.14 | | | 3/31/08 | 15.83 |
| Net of Fee Return | 5.42 | 8.23 | 12.80 | 14.41 | 8.63 | | | 3/31/08 | 10.58 |
| Robeco Transrend Diversified | | | | | | | | | |
| Gross of Fee Return | -0.94 | 2.09 | 5.71 | 5.72 | | | | 9/30/11 | 5.72 |
| Net of Fee Return | -0.94 | 2.09 | 5.71 | 5.72 | | | | 9/30/11 | 5.72 |
| Total Absolute Return Composite | | | | | | | | | |
| Gross of Fee Return | 2.61 | 1.72 | 3.21 | 4.33 | 10.23 | | | 3/31/09 | 10.68 |
| Net of Fee Return | 2.43 | 1.43 | 2.81 | 3.59 | 9.39 | | | 3/31/09 | 9.84 |
| Blended Policy (Abs Ret) | 1.82 | 3.68 | 5.57 | 7.50 | 7.79 | | | 3/31/09 | 7.82 |
| Bridgewater All Weather @15 | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| Risk Parity Composite | | | | | | | | | |
| Gross of Fee Return | 7.23 | 11.99 | 17.00 | 24.36 | | | | 6/30/11 | 23.51 |
| Net of Fee Return | 7.23 | 11.99 | 17.00 | 24.36 | | | | 6/30/11 | 23.51 |
| Blended Policy (Risk Par.) | 4.69 | 2.25 | 8.08 | 11.64 | | | | 6/30/11 | 3.65 |
| Altantic Trust Private Wealth Mgmt. | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| S&P MLP Index | | | | | | | | | |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Harvest Funds | | | | | | | | | |
| Gross of Fee Return | 9.83 | 9.22 | 13.64 | 33.01 | 30.09 | | | 9/30/08 | 28.09 |
| Net of Fee Return | 9.83 | 9.11 | 13.32 | 32.42 | 29.28 | | | 9/30/08 | 27.31 |
| Salient Capital Partners | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| S&P MLP Index | | | | | | | | | |
| MLP Composite | | | | | | | | | |
| Gross of Fee Return | 9.25 | 8.65 | 13.04 | 32.31 | 29.86 | | | 9/30/08 | 27.92 |
| Net of Fee Return | 9.25 | 8.53 | 12.73 | 31.72 | 29.06 | | | 9/30/08 | 27.15 |
| S&P MLP Index | 8.84 | 6.49 | 8.36 | 26.08 | 25.10 | | | 9/30/08 | 24.20 |
| Total Public Market Composite | | | | | | | | | |
| Gross of Fee Return | 5.44 | 3.44 | 9.75 | 14.10 | 10.33 | 1.38 | 8.97 | 3/31/92 | 8.35 |
| Net of Fee Return | 5.36 | 3.27 | 9.50 | 13.71 | 9.97 | 1.08 | 8.72 | 3/31/98 | 5.67 |
| Blended Policy (Pub Mkt) | 4.54 | 2.92 | 8.56 | 12.52 | 7.80 | 0.28 | 7.77 | 3/31/98 | 4.82 |

* Please note the Total Public Markets Composite is incorporating the levered returns of the PSERS Gold Fund and PSERS U.S. Long Treasuries Fund.



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Private Real Estate Composite | | | | | | | | | |
| Blended Policy (Private RE) | 1.70 | 4.57 | 6.75 | 6.49 | 5.71 | -10.79 | 5.69 | 3/31/81 | 7.31 |
| | 2.29 | 4.41 | 7.46 | 8.18 | 9.04 | 2.63 | 8.35 | 3/31/81 | 8.27 |
| Total Real Estate Composite | | | | | | | | | |
| Blended Policy (Total RE) | 1.70 | 4.57 | 6.93 | 6.85 | 7.11 | -9.57 | 6.53 | 3/31/81 | 7.59 |
| | 2.29 | 4.41 | 7.46 | 8.18 | 9.80 | 2.05 | 9.01 | 3/31/81 | 8.48 |
| Total Fund Composite Ex. Alt. Inv. | | | | | | | | | |
| Blended Policy (TF x AH) | 4.78 | 3.43 | 9.09 | 12.98 | 9.80 | -0.18 | 8.25 | 3/31/81 | 7.79 |
| | 4.19 | 3.13 | 8.39 | 11.87 | 8.04 | 0.49 | 7.85 | | |
| Private Equity Composite | | | | | | | | | |
| Venture Capital Composite | 0.21 | 6.19 | 10.55 | 6.09 | 14.92 | 4.36 | 14.26 | 3/31/01 | 11.34 |
| Private Eq/Venture Capital Comp | 1.57 | 4.48 | 12.01 | 8.44 | 7.71 | 4.52 | 3.00 | 3/31/01 | 1.41 |
| Internally Managed Composite | 0.34 | 6.01 | 10.69 | 6.32 | 14.13 | 4.43 | 12.97 | 6/30/98 | 10.05 |
| Priv. Eq/Venture Cap/Priv. Debt/Int. | 27.65 | 27.65 | | | | | | 3/31/12 | 27.65 |
| | 0.61 | 6.43 | | | | | | 3/31/12 | 6.43 |
| Managed Stock Distribution | | | | | | | | | |
| Priv Equity/Venture Cap Total Comp | -2.84 | -8.12 | 3.67 | 18.03 | -37.77 | -23.66 | -3.46 | 6/30/98 | -6.88 |
| Venture Econ Index (Lagged) | 0.34 | 6.00 | 10.69 | 6.33 | 13.98 | 4.35 | 12.96 | 6/30/98 | 9.97 |
| | 0.04 | 3.26 | 5.99 | 3.65 | 9.27 | 2.91 | 5.24 | 6/30/98 | 3.42 |
| Private Debt Composite | | | | | | | | | |
| Private Eq/Venture Cap/Private Debt | 1.84 | 8.29 | 9.94 | 3.56 | 14.93 | 4.61 | 11.19 | 3/31/01 | 7.62 |
| | 0.58 | 6.39 | 10.54 | 5.80 | 14.65 | 4.81 | 12.99 | 6/30/98 | 10.28 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Total Alternative Investments | 0.61 | 6.42 | 10.58 | 5.85 | 14.55 | 4.76 | 13.00 | 6/30/98 | 10.25 |
| Venture Econ Index (Lagged) - Int | 0.00 | 0.00 | | | | | | | |
| Venture Econ Index (Lagged) - VC | 0.05 | 2.64 | 2.51 | 1.34 | 1.39 | -2.81 | -2.96 | | |
| Venture Econ Index (Lagged) - PE/PD | 0.04 | 3.31 | 6.29 | 3.83 | 9.97 | 3.40 | 5.75 | | |
| Venture Econ Index(Lagged)-PE/PD/VC | 0.04 | 3.26 | 5.99 | 3.65 | 9.27 | 2.91 | 5.24 | 6/30/98 | 3.42 |
| Total Private Market Composite | 1.00 | 5.75 | 9.18 | 6.06 | 11.95 | -0.83 | 10.49 | 3/31/81 | 8.38 |
| Blended Policy (Priv Mkt) | 0.85 | 3.67 | 6.51 | 5.18 | 9.25 | 2.95 | 6.47 | | |



PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS Total Fund | | | | | | | | | |
| Gross of Fee Return | 3.97 | 4.28 | 9.74 | 11.87 | 11.12 | 0.72 | 9.08 | 6/30/82 | 10.32 |
| Net of Fee Return | 3.85 | 4.06 | 9.40 | 11.45 | 10.71 | 0.39 | 8.78 | 6/30/97 | 6.63 |
| Blended Policy (TF) | 3.27 | 3.12 | 7.85 | 10.00 | 8.25 | 0.66 | 7.58 | | |
| PSERS Prop Fund | | | | | | | | | |
| Gross of Fee Return | 0.08 | 0.15 | 0.25 | 0.34 | 0.29 | | | 12/31/08 | 0.51 |
| Net of Fee Return | 0.08 | 0.15 | 0.25 | 0.34 | 0.29 | | | 12/31/08 | 0.51 |
| ML US T-Bill 0-3 Months | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | | | 12/31/08 | 0.10 |
| Total Cash (Allocated and Unallocated) | | | | | | | | | |
| Gross of Fee Return | 0.08 | 1.12 | 2.01 | 3.28 | 1.46 | | | 12/31/08 | 1.45 |
| Net of Fee Return | 0.08 | 1.12 | 2.01 | 3.28 | 1.46 | | | 12/31/08 | 1.45 |

* Please note the PSERS Total Fund Composite is incorporating the levered returns of the PSERS Gold Fund and PSERS U.S. Long Treasuries Fund.

PA Public School Employees' Retirement Sys
Fund Return Table
Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS Cash Management | | | | | | | | | |
| Gross of Fee Return | 0.18 | 0.26 | 0.40 | 0.59 | 0.50 | -1.85 | 0.17 | | |
| Net of Fee Return | 0.18 | 0.25 | 0.34 | 0.54 | 0.48 | -1.86 | 0.16 | 6/30/98 | -0.13 |
| PSERS Cash Management Sub | | | | | | | | | |
| Gross of Fee Return | 0.03 | 0.09 | 0.12 | 0.14 | 0.15 | | | 12/31/08 | 0.26 |
| Net of Fee Return | 0.03 | 0.09 | 0.12 | 0.14 | 0.15 | | | 12/31/08 | 0.26 |
| Unallocated Cash & Cash Equivalents | | | | | | | | | |
| Gross of Fee Return | 0.18 | 2.04 | 3.66 | 5.67 | 2.43 | -0.55 | 0.83 | | |
| Net of Fee Return | 0.18 | 2.04 | 3.63 | 5.63 | 2.42 | -0.56 | 0.82 | 6/30/98 | 0.33 |
| ML US T-Bill 0-3 Months Index | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.61 | 1.73 | 6/30/98 | 2.51 |
| PSERS Healthcare - Premium Assist | | | | | | | | | |
| Gross of Fee Return | 0.14 | 0.16 | 0.67 | 0.81 | 0.99 | 2.07 | 2.73 | 3/31/92 | 4.14 |
| Net of Fee Return | 0.14 | 0.16 | 0.67 | 0.81 | 0.99 | 2.07 | 2.73 | 3/31/92 | 4.14 |
| ML US T-Bill 0-3 Months Index | 0.02 | 0.04 | 0.05 | 0.05 | 0.09 | 0.61 | 1.73 | | |
| PSERS Healthcare - HOP | | | | | | | | | |
| Gross of Fee Return | 0.06 | 0.15 | 0.21 | 0.29 | 0.35 | 1.19 | 2.51 | 12/31/01 | 2.34 |
| Net of Fee Return | 0.06 | 0.15 | 0.21 | 0.29 | 0.35 | 1.19 | 2.51 | 12/31/01 | 2.34 |
| PSERS LIBOR | | | | | | | | | |
| Gross of Fee Return | 0.20 | 0.31 | 0.64 | 0.80 | 0.90 | 2.00 | | 12/31/06 | 2.48 |
| Net of Fee Return | 0.20 | 0.31 | 0.64 | 0.80 | 0.90 | 2.00 | | 12/31/06 | 2.48 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | | 12/31/06 | 1.75 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|---|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Mariner/Galton Short Term Dur RMBS | | | | | | | | | |
| Gross of Fee Return | 6.00 | 7.76 | 8.46 | 9.43 | | | | 6/30/11 | 7.12 |
| Net of Fee Return | 5.32 | 6.91 | 7.61 | 8.46 | | | | 6/30/11 | 6.36 |
| Radcliffe Capital Mgmt. | | | | | | | | | |
| Gross of Fee Return | | | | | | | | | |
| Net of Fee Return | | | | | | | | | |
| LIBOR Composite | | | | | | | | | |
| Gross of Fee Return | 0.49 | 0.77 | 1.13 | 1.35 | 1.03 | 2.05 | | 12/31/06 | 2.53 |
| Net of Fee Return | 0.47 | 0.74 | 1.11 | 1.32 | 1.01 | 2.03 | | 12/31/06 | 2.51 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | | 12/31/06 | 1.75 |
| PSERS TIPS (unlevered) | | | | | | | | | |
| Gross of Fee Return | 2.54 | 6.37 | 7.45 | 11.07 | 12.55 | 10.57 | | 3/31/04 | 7.75 |
| Net of Fee Return | 2.54 | 6.37 | 7.45 | 11.07 | 12.55 | 10.57 | | 3/31/04 | 7.75 |
| PSERS TIPS (cash) | | | | | | | | | |
| Gross of Fee Return | 0.23 | 0.42 | 0.81 | 1.06 | 1.05 | | | 3/31/09 | 1.69 |
| Net of Fee Return | 0.23 | 0.42 | 0.81 | 1.06 | 1.05 | | | 3/31/09 | 1.69 |
| PSERS Total TIPS (unlevered) | | | | | | | | | |
| Gross of Fee Return | 2.08 | 5.18 | 6.13 | 9.05 | 9.76 | 8.49 | | 3/31/04 | 6.55 |
| Net of Fee Return | 2.08 | 5.18 | 6.13 | 9.05 | 9.76 | 8.49 | | 3/31/04 | 6.55 |
| PSERS Total TIPS (levered) | | | | | | | | | |
| Gross of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.95 | | 3/31/04 | 7.96 |
| Net of Fee Return | 2.08 | 5.16 | 6.19 | 9.52 | 13.00 | 10.95 | | 3/31/04 | 7.96 |
| Barclays U.S. TIPS Index | 2.12 | 5.34 | 6.25 | 9.10 | 9.29 | 7.93 | | 3/31/04 | 6.14 |

PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|-----------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| AH Lisanti | | | | | | | | | |
| Gross of Fee Return | 4.29 | 2.40 | 18.38 | 30.04 | 17.12 | | | 9/30/08 | 13.13 |
| Net of Fee Return | 4.19 | 2.21 | 18.05 | 29.55 | 16.66 | | | 9/30/08 | 12.70 |
| MSCI USA Small Cap Growth | 5.53 | -0.03 | 14.35 | 29.77 | 15.18 | | | 9/30/08 | 10.49 |
| Russell 2000 Growth | 4.84 | 0.71 | 14.07 | 31.18 | 14.18 | | | 9/30/08 | 8.67 |
| Blended Benchmark (AH Lisanti) | 5.53 | -0.03 | 14.35 | 29.77 | 13.79 | | | 9/30/08 | 8.40 |
| Conestoga Capital Advisors | | | | | | | | | |
| Gross of Fee Return | 1.42 | 1.32 | 11.39 | 26.70 | 16.50 | 6.22 | | 12/31/04 | 7.56 |
| Net of Fee Return | 1.32 | 1.11 | 11.04 | 26.19 | 16.02 | 5.77 | | 12/31/04 | 7.11 |
| MSCI USA Small Cap Index | 5.41 | 1.00 | 14.56 | 31.18 | 13.95 | 3.48 | | 12/31/04 | 5.00 |
| Russell 2000 | 5.25 | 1.59 | 14.23 | 31.91 | 12.99 | 2.21 | | 12/31/04 | 4.67 |
| Blended Benchmark (Conestoga) | 5.41 | 1.00 | 14.56 | 31.18 | 13.14 | 2.30 | | 12/31/04 | 4.73 |
| Hellman Jordan Mgmt | | | | | | | | | |
| Gross of Fee Return | 7.16 | 2.56 | 17.60 | 37.53 | 10.93 | | | 6/30/09 | 16.17 |
| Net of Fee Return | 7.07 | 2.38 | 17.31 | 37.06 | 10.45 | | | 6/30/09 | 15.71 |
| S&P 500/Citigroup Growth Index | 6.41 | 4.23 | 17.01 | 29.65 | 14.93 | | | 6/30/09 | 18.24 |
| Opus Capital Management | | | | | | | | | |
| Gross of Fee Return | 5.29 | -1.56 | 8.07 | 25.39 | 12.44 | 2.08 | | 12/31/04 | 4.72 |
| Net of Fee Return | 5.22 | -1.70 | 7.78 | 24.84 | 11.99 | 1.63 | | 12/31/04 | 4.20 |
| MSCI USA Small Cap Value | 5.30 | 2.00 | 14.74 | 32.54 | 12.64 | 3.31 | | 12/31/04 | 5.24 |
| Russell 2000 Value | 5.66 | 2.48 | 14.36 | 32.63 | 11.72 | 1.34 | | 12/31/04 | 3.90 |
| Blended Benchmark (Opus) | 5.30 | 2.00 | 14.74 | 32.54 | 12.39 | 1.71 | | 12/31/04 | 4.14 |

PA Public School Employees' Retirement Sys
Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| E/M US Equity Composite | | | | | | | | | |
| Gross of Fee Return | 4.19 | 1.01 | 9.90 | 25.40 | 12.77 | 1.85 | 9.52 | 12/31/99 | 3.58 |
| Net of Fee Return | 4.10 | 0.83 | 9.56 | 24.85 | 12.28 | 1.40 | 9.06 | 12/31/99 | 3.15 |
| Blended Policy (E/M US Eq) | 5.57 | 4.56 | 14.86 | 31.24 | 13.97 | 2.16 | 8.93 | 12/31/99 | 4.10 |
| John Hsu Capital | | | | | | | | | |
| Gross of Fee Return | 5.30 | -4.62 | 9.00 | 17.36 | 5.09 | -2.41 | 12.50 | 3/31/98 | 6.30 |
| Net of Fee Return | 5.20 | -4.81 | 8.69 | 16.91 | 4.70 | -2.79 | 12.05 | 3/31/98 | 5.87 |
| MSCI World Index (N) | 6.71 | 1.30 | 13.01 | 21.59 | 7.48 | -2.15 | 8.04 | 3/31/98 | 3.21 |
| Shah Capital Management | | | | | | | | | |
| Gross of Fee Return | -2.69 | -20.18 | -11.48 | -7.56 | -13.23 | -5.33 | | 6/30/06 | 0.11 |
| Net of Fee Return | -2.69 | -20.18 | -11.48 | -7.56 | -13.23 | -5.39 | | 6/30/06 | -0.01 |
| MSCI World (N) | 6.71 | 1.30 | 13.01 | 21.59 | 7.48 | -2.15 | | 6/30/06 | 2.05 |
| 1 Mo LIBOR (lag) | 0.06 | 0.12 | 0.18 | 0.24 | 0.25 | | | 6/30/06 | |
| Blended Benchmark (Shah) | 3.38 | 0.79 | 6.65 | 10.73 | 4.25 | -1.28 | | 6/30/06 | 2.76 |
| Glovista | | | | | | | | | |
| Gross of Fee Return | 5.93 | -2.62 | 11.89 | 18.76 | | | | 9/30/11 | 18.76 |
| Net of Fee Return | 5.93 | -2.68 | 11.75 | 18.62 | | | | 9/30/11 | 18.62 |
| MSCI EM Index (N) | 7.74 | -1.84 | 11.98 | 16.93 | | | | 9/30/11 | 16.93 |
| E/M Non-US Equity Composite | | | | | | | | | |
| Gross of Fee Return | 3.29 | -8.71 | 3.53 | 10.41 | 1.27 | -1.18 | 12.69 | 3/31/98 | 6.43 |
| Net of Fee Return | 3.24 | -8.82 | 3.35 | 10.10 | 0.91 | -1.50 | 12.29 | 3/31/98 | 6.02 |
| Blended Policy (E/M Non-US) | 6.05 | 0.66 | 7.65 | 13.15 | 4.56 | -2.35 | 7.93 | | |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|--------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| Piedmont Inv. Advisors | | | | | | | | | |
| Gross of Fee Return | 2.38 | 4.70 | 5.90 | 7.80 | 7.49 | 7.22 | | 12/31/04 | 6.10 |
| Net of Fee Return | 2.32 | 4.57 | 5.70 | 7.47 | 7.23 | 6.96 | | 12/31/04 | 5.84 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | | 12/31/04 | 5.58 |
| Pugh Capital Management | | | | | | | | | |
| Gross of Fee Return | 1.95 | 4.04 | 5.20 | 6.07 | 7.11 | 7.71 | | 6/30/06 | 7.64 |
| Net of Fee Return | 1.90 | 3.94 | 5.05 | 5.89 | 6.90 | 7.48 | | 6/30/06 | 7.41 |
| Barclays Aggregate Index | 1.59 | 3.68 | 4.00 | 5.16 | 6.19 | 6.53 | | 6/30/06 | 6.67 |
| E/M US Core Plus FI Composite | | | | | | | | | |
| Gross of Fee Return | 2.11 | 4.28 | 5.45 | 6.70 | 1.49 | 0.07 | | 12/31/04 | 1.47 |
| Net of Fee Return | 2.05 | 4.17 | 5.29 | 6.46 | 1.30 | -0.11 | | 12/31/04 | 1.27 |
| Blended Policy (E/M US FI) | 1.58 | 3.68 | 4.00 | 5.16 | 5.82 | 5.31 | | 12/31/04 | 4.79 |
| Denali Advisors | | | | | | | | | |
| Gross of Fee Return | -0.77 | -4.95 | -5.58 | -4.56 | -1.70 | -7.75 | | 9/30/05 | -2.33 |
| Net of Fee Return | -0.89 | -5.97 | -6.60 | -5.71 | -2.34 | -8.28 | | 9/30/05 | -2.83 |
| LIBOR 3 MONTH | 0.11 | 0.23 | 0.36 | 0.48 | 0.37 | 1.21 | | 9/30/05 | 2.32 |
| S&P 500/Citigroup Value Index | 6.29 | 2.49 | 15.78 | 30.82 | 11.39 | -1.75 | | 9/30/05 | 2.86 |
| Blended Benchmark (Denali) | 0.11 | 0.23 | 0.36 | 0.48 | -0.87 | -8.39 | | 9/30/05 | -2.15 |
| E/M Absolute Return Composite | | | | | | | | | |
| Gross of Fee Return | -0.77 | -4.95 | -5.58 | -4.56 | 2.93 | | | 9/30/08 | 5.42 |
| Net of Fee Return | -0.89 | -5.97 | -6.60 | -5.71 | 2.25 | | | 9/30/08 | 4.76 |
| Blended Policy (E/M Abs Ret) | 0.11 | 0.23 | 0.36 | 0.47 | 6.94 | | | 9/30/08 | 8.89 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/02 | Inception Date | Inception Return |
|------------------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| E/M Total Program Composite | | | | | | | | | |
| Gross of Fee Return | 3.06 | -1.21 | 6.19 | 15.67 | 7.07 | -0.70 | 8.57 | | |
| Net of Fee Return | 2.98 | -1.41 | 5.88 | 15.20 | 6.65 | -1.07 | 8.15 | 3/31/95 | 7.45 |
| Emerging Mgr Bnchmk | 4.27 | 2.85 | 11.20 | 21.09 | 10.00 | 0.90 | 8.39 | 3/31/95 | 8.20 |



PA Public School Employees' Retirement Sys
 Fund Return Table
 Quarter Ended 9/30/12

| Manager | 1 Quarter | 2 Quarters | 3 Quarters | 1 Year | 3 Years | 5 Years | Since 9/30/04 | Inception Date | Inception Return |
|-------------------------|-----------|------------|------------|--------|---------|---------|---------------|----------------|------------------|
| PSERS Total Fund | | | | | | | | | |
| Gross of Fee Return | 3.97 | 4.28 | 9.74 | 11.87 | 11.12 | 0.72 | 6.99 | 6/30/82 | 10.32 |
| Net of Fee Return | 3.85 | 4.06 | 9.40 | 11.45 | 10.71 | 0.39 | 6.68 | 6/30/97 | 6.63 |
| Blended Policy (TF) | 3.27 | 3.12 | 7.85 | 10.00 | 8.25 | 0.66 | 5.67 | | |

* Please note the PSERS Total Fund Composite is incorporating the levered returns of the PSERS Gold Fund and PSERS U.S. Long Treasuries Fund.