

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**

SERS # 00874.4

**FOURTH AMENDMENT TO ADVISORY AGREEMENT
WITH BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.**

This Fourth Amendment made as of this 31 day of December, 2010 (the "Fourth Amendment"), by and between the **COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM** (herein "SERS") and **BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.**, a national banking association, with its principal office and place of business at 400 Howard Street, San Francisco, CA 94105 (herein "ADVISOR"),

WITNESSETH:

WHEREAS, SERS and ADVISOR have previously entered into an Advisory Agreement for Enhanced Index Equity Portfolio and Collective Funds Management, SERS # 00874, dated September 1, 2006 (the "Agreement"), as amended; and

WHEREAS, SERS and ADVISOR wish to amend the Agreement to amend the ADVISOR's Insurance found in Section 6 of the Agreement and the Expiration and Termination provision found at Section 18 of the Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals that are incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The above recitals are incorporated into this Fourth Amendment as if fully set forth herein.
2. Section 6 of the Agreement is hereby deleted and replaced in its entirety with:

ADVISOR's Insurance. ADVISOR represents and warrants that the insurance coverage submitted to SERS prior to execution of the Fourth Amendment to the Agreement is in full force and effect and is unmodified and that such representation and warranty will survive execution of the Fourth Amendment to the Agreement. ADVISOR shall maintain such insurance coverage, at a minimum, in effect throughout the term of this Agreement, as amended. ADVISOR shall submit evidence of continued coverage as mutually agreed upon by SERS and ADVISOR.

Subject to the proviso below, ADVISOR shall be expected to comply with such procedures and requirements relating to insurance and bond coverage for the protection of SERS and the Fund as SERS may convey to ADVISOR in writing. SERS may require changes to insurance coverage and bonding as it deems appropriate for the protection of SERS and the Fund by giving written notice of such changes to ADVISOR at least one hundred twenty (120) days in advance of the effective date of such changes; provided, however, that if ADVISOR does not wish to effectuate such changes to its insurance coverage, ADVISOR may terminate this Agreement by providing ninety (90) days notice of termination in accordance with Section 18(b) hereof.

3. Section 18(b) of the Agreement is hereby deleted and replaced in its entirety with:

(b) *Termination.* ADVISOR may terminate this Agreement by furnishing written notice to SERS not less than ninety (90) days prior to the effective date of termination, and SERS reserves the right to terminate this Agreement at any time, for any reason, by furnishing written notice to ADVISOR, whereupon, and in either of such events, ADVISOR's fees for services under this Agreement shall be prorated and paid, provided that notwithstanding any other provision of this Agreement, SERS may withhold such payment of fees until ADVISOR has fully complied, in SERS' sole discretion, with subsection (d) below.

4. Capitalized terms used in this Fourth Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.

5. Except as expressly provided otherwise herein, all other provisions and terms of the Agreement remain in full force and effect.
6. This Fourth Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have caused this Fourth Amendment to be executed as of the date first written above.

ATTEST:

**BLACKROCK INSTITUTIONAL TRUST
COMPANY, N.A.**

Federal Tax Identification Number:

BY: Natalie Chapman 12/29/10
TITLE: Associate Date

BY: Almond G. Goduti 12/29/10
TITLE: Managing Director Date

BY: Angela Samson 12/29/10
TITLE: Director Date

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**

Federal Tax Identification Number:

BY: Maren Nicely 12/31/10
TITLE: Portfolio Manager I Date