

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

SERS # 00874.5

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

This Fifth Amendment made as of this 15 day of August, 2011 (the "Fifth 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 Section 18 – Expiration and Termination provision dealing with Expiration found in Section 18(a) of the Agreement, Exhibit C – Fee Schedule, and Exhibit G – Investment Guidelines;

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 Fifth Amendment as if fully set forth herein.
2. Section 18(a) of the Agreement is hereby deleted and replaced in its entirety with:

(a) *Expiration*. This Agreement's initial term shall be five (5) years from September 1, 2006 and this Agreement shall continue automatically for subsequent five

(5) year terms for each extension at SERS' option unless terminated earlier as provided herein.

3. The Exhibit C – Fee Schedule is hereby amended and restated in its entirety and replaced with the attached Exhibit C – Fee Schedule.
4. The Exhibit G – Investment Guidelines is hereby amended and restated in its entirety and replaced with the attached Exhibit G – Investment Guidelines.
5. Capitalized terms used in this Fifth Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.
6. Except as expressly provided otherwise herein, all other provisions and terms of the Agreement remain in full force and effect.
7. This Fifth 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 Fifth Amendment to be executed as of the date first written above.

ATTEST:

**BLACKROCK INSTITUTIONAL TRUST
COMPANY, N.A.**
Federal Tax Identification Number:

BY: Janen Kosile 8/12/11
TITLE: Vice President / Date

BY: Thomas M. Good 8/12/11
TITLE: Managing Director / Date 8/12/11

BY: Cedric 8/12/11
TITLE: Vice President / Date

**COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM**
Federal Tax Identification Number:

BY: Anthony A. Candel 8/15/11
TITLE: Chief Investment Officer / Date

Exhibit C

Exhibit G

Investment Guidelines
BlackRock Institutional Trust Company, N.A.
for
Commonwealth of Pennsylvania State Employees' Retirement System
Effective September 1, 2011

The Board has determined that the investment needs of the Fund can best be met by investing a portion of its assets in the Collective Funds listed below. Where listed in Exhibit G the Collective Funds may invest in structured transactions using stocks, bonds, currencies and money market instruments, as well as exchange traded futures and options and over-the-counter forward contracts, swaps and options, as a temporary substitute, or in addition to, or in lieu of, investing in equity securities, it shall be noted that the counterparties of such transactions enter into agreements with the Collective Funds, and not with SERS.

Equity Index Non-Lendable Fund (Fund # 656016)

2.2(a)(i) Equity Index Funds. Each Equity Index Fund shall be invested and reinvested in a portfolio of Equity Securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of that segment of the United States market for publicly traded equity securities represented by the larger capitalized companies. The criterion for selection of investments shall be the S&P 500® Index. The Equity Index Non-Lendable Fund will not engage in securities lending.

Russell 1000 Index Non-Lendable Fund (Fund # 661803)

2.2(a)(xxiii) Russell 1000® Index Funds. Each Russell 1000® Index Fund shall be invested and reinvested in a portfolio of Equity Securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of the segment of the United States market for publicly traded equity securities represented by the 1,000 largest capitalized companies. The criterion for the selection of investments shall be the Russell 1000® Index. The Russell 1000 Index Non-Lendable Fund will not engage in securities lending.

Russell 2000 Index Non-Lendable (Fund # 661821)

2.2(a)(xxvi) Russell 2000® Index Funds. Each Russell 2000® Index Fund shall be invested and reinvested in a portfolio of Equity Securities with the objective of approximating as closely as practicable the capitalization weighted total return of the segment of the United States market for publicly traded equity securities represented by the Russell 2000® Index. The Russell 2000 Index Non-Lendable Fund will not engage in securities lending.

Russell 3000 Index Non-Lendable Fund (Fund # 662241)

2.2(a)(xxx) Russell 3000® Index Funds. Each Russell 3000® Index Fund shall be invested and reinvested in a portfolio of Equity Securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of the segment of the United States market for publicly traded equity securities represented by the 3,000 largest capitalized companies. The criterion for the selection of investments shall be the Russell 3000® Index. The Russell 3000 Index Non-Lendable Fund will not engage in securities lending.

Emerging Markets Index Non-Lendable Fund (Fund # 655259)

Emerging Markets Small Capitalization Equity Index Non-Lendable Fund (Fund #669226)

2.3(a)(vi) Emerging Markets Index Funds. Each Emerging Markets Index Fund shall be invested and reinvested in a portfolio of International Equity Securities, registered investment companies, other investment funds and derivative assets with the objective of providing returns which approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside the United States. In addition to, or in lieu of, investing in International Equity Securities, the Trustee may invest in equity-linked notes, such as participatory notes; exchange-traded futures; and over-the-counter forward contracts and swaps. The Trustee shall determine from time to time which countries shall be represented in these Collective Funds and may subdivide these Collective Funds into one or more separate divisions each of which represents a national equity market ("National Division"), or may subdivide these Collective Funds into one or more separate divisions representing two or more national equity markets ("Multinational Divisions"). A Participating Account may be invested in an Emerging Markets Index Fund, in any one or more of the National Divisions or in any one or more of the Multinational Divisions in whatever proportion among National Divisions or Multinational Divisions as is deemed appropriate by the fiduciary responsible for the funding policy of a Participating Account. The primary criterion for selection of investments in each National Division shall be an emerging markets index for the country represented which is designated by the Trustee at the initiation of the Collective Fund, which may be the MSCI Emerging Markets Net Dividend Return Index. The Emerging Markets Index Non-Lendable Fund and Emerging Markets Small Capitalization Equity Index Non-Lendable Fund will not engage in securities lending.

BlackRock MSCI ACWI ex US Index Non-Lendable Fund (Fund # 661956)

2.3(a)(viii) ACWI Equity Index Funds. Each ACWI Equity Index Fund shall be invested and reinvested primarily in a portfolio of U.S. Equity Securities and International Equity Securities with the objective of approximating as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for publicly traded equity securities. The benchmark for the ACWI Equity Index Funds shall be the MSCI ACWI Net Dividend Return IndexSM. The Trustee shall determine from time to time which countries shall be represented in these funds and may subdivide these funds into one or more separate divisions, each of which represents a distinct equity market. The primary criterion for selection of investments in each country shall be the relative market capitalization weight of the constituent markets in the MSCI ACWI Net Dividend Return IndexSM. In addition to, or in lieu of investing in Equity Securities and International Equity Securities, the Trustee may invest assets in American Depository Receipts, Global Depository Receipts, registered investment companies and other country funds managed by investment advisors not affiliated with the Trustee, and other structured transactions utilizing foreign stocks, bonds, currencies and money market instruments, futures, exchange traded and over-the-counter options, forward contracts and swaps. The BlackRock MSCI ACWI ex US Index Non-Lendable Fund will not engage in securities lending.

World ex US IMI Index Non-Lendable Fund (Fund #689570)

2.3(a)(xxiv) World ex-U.S. IMI Index Funds. Each World ex-U.S. IMI Index Fund shall be invested and reinvested in a portfolio of International Equity Securities whose total rates of return will approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside the United States. The Trustee shall determine from time to time which countries shall be represented in a World ex-U.S. IMI Index Fund and may subdivide a World ex-U.S. IMI Index Fund into one or more separate divisions each of which represents a national equity market ("National Divisions"), or may subdivide a World ex-U.S. IMI Index Fund into one or more separate divisions representing two or more national equity markets ("Multinational Divisions"). A Participating Account may be invested in a World ex-U.S. IMI Index Fund, in any one or more of the National Divisions or in any one or more of the Multinational Divisions in whatever proportion among National Divisions or Multinational Divisions as is deemed appropriate by the fiduciary responsible for the funding policy of a

Participating Account. The primary criterion for selection of investments in each National Division shall be the MSCI World ex-U.S. IMI IndexSM for the country represented. The primary criterion for selection of investments in a World ex-U.S. IMI Index Fund shall be the relative market weight of units of the National Divisions.

When deemed appropriate, the Trustee may invest a portion of a World ex-U.S. IMI Index Fund in futures contracts approved by the Commodity Futures Trading Commission for the purpose of acting as a substitute for investment in securities for liquidity purposes or in shares of exchange-traded funds that are open-end investment companies registered under the Investment Company Act ("ETFs") including ETFs that are advised or sub-advised by the Trustee or an affiliate of the Trustee. In addition, a World ex-U.S. IMI Index Fund may hold other Collective Funds that seek to provide returns consistent with the World ex-U.S. IMI Index Fund's goal of approximating the return of the MSCI World ex-U.S. IMI IndexSM or a separate division of such Index, as applicable. No World ex-U.S. IMI Index Fund will engage in speculative futures transactions. The World ex US IMI Index Non-Lendable Fund will not engage in securities lending.

BlackRock MSCI World ex US Small Cap Equity Index Non-Lendable Fund (Fund #667656)

2.3(a)(xix) World Small Capitalization Equity Index Funds. Each World Small Capitalization Equity Index Fund will be invested and reinvested primarily in a portfolio of International Equity Securities with total rates of return that will approximate the capitalization weighted total rates of return of the markets in a certain country or countries for equity securities. The Trustee shall determine from time to time which country or countries shall be represented in a World Small Capitalization Equity Index Fund and may subdivide a World Small Capitalization Equity Index Fund into one or more separate divisions, each of which represents a national equity market ("National Division"), or may subdivide a World Small Capitalization Equity Index Fund into one or more separate divisions that represent two or more national equity markets ("Multinational Divisions"). The primary criterion for selection of investments in each National Division shall be a small capitalization equity index representing such National Division. The primary criterion for selection of investments in a World Small Capitalization Equity Index Fund shall be the relative market weight of units of the National Divisions. When deemed appropriate by the Trustee, the Trustee may invest a portion of a World Small Capitalization Equity Index Fund in future contracts for the purpose of acting as a temporary substitute for investment in common stocks. No World Small Capitalization Equity Index Fund or any Collective Fund in which it invests will engage in speculative futures transactions. The BlackRock MSCI World ex US Small Cap Equity Index Non-Lendable Fund will not engage in securities lending.