

Public School Employees' Retirement System



Manor Street Elementary School, Lancaster County

Investment Section



COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

ALAN H. VAN NOORD, CFA
Chief Investment Officer

Investment Overview

Authority

The PSERS Board of Trustees has the responsibility to invest funds of the System in accordance with guidelines and limitations set forth in the Code and other applicable state law. Act 29 of 1994 authorizes the Board to invest the funds of the System using the "prudent person" standard which allows the Board to consider the probable safety of investments, avoid speculative investments, and invest as people of prudence, discretion, and intelligence would manage their own affairs.

Policy and Objectives

The Board is responsible for the formulation of investment policy for the System. The overall investment objectives of the System are to: (i) preserve capital in real terms; (ii) maximize total returns while limiting the risk of volatility through diversification; (iii) achieve returns in excess of the policy benchmark (the policy benchmark is a custom index created based on the Board established asset allocation structure to generate a return that meets the actuarial rate of return assumption); (iv) to achieve a real rate of return over CPI over time; and (v) provide sufficient liquidity to meet the current operating needs of the System. To achieve these objectives, the Board meets at least once per year to establish an overall asset allocation plan and investment policies for the System. Implementation of the investment policies is accomplished through external investment management firms who act as agents for the System and through internal investment managers. The Board also retains various investment consultants to assist with the formulation and implementation of investment policy.

Operations

The Board provides oversight of investment activities through the Finance Committee that makes recommendations to the Board. The Finance Committee generally conducts eight meetings per year and may meet more frequently as needed. Investment Office staff, as well as outside investment advisors, internal investment managers, and Investment Accounting office staff, assist the Board in achieving investment objectives and monitoring compliance with investment policy. For the fiscal year ended June 30, 2004, Wilshire Associates Incorporated (Wilshire) served as the overall investment consultant to assist the Board in formalizing investment objectives, establishing an asset allocation plan, conducting investment advisor searches, reviewing performance, and commenting on compliance with investment policy. In addition, the Board utilized Russell Real Estate Advisors as a real estate consultant and Portfolio Advisors, LLC as an alternative investment consultant. Alternative investments generally consist of investments in private debt, private equity, and venture capital limited partnerships. Investment Office staff implements the investment decisions within the stated policy regarding asset allocation, security selection, or other objectives directed by the Board.

The Board employs both external investment management firms and internal investment managers to manage the investment portfolio of the System. At year end, 28 external investment management firms were managing \$21.8 billion in assets of the System, \$19.8 billion in assets were managed by the System's internal investment managers, and the remaining \$7.4 billion in assets were managed by numerous developmental, alternative investment, and real estate managers. The performance of each external investment management firm and each internal manager is monitored annually against a pre-established benchmark as well as the performance of its peers.

Asset Allocation

The Board reviews the long-term asset allocation targets of the System at least annually, usually in the first quarter of the calendar year. In establishing the asset allocation plan, the Board will consult with its actuary, consultants, Investment Office staff, and other sources of information it deems appropriate in formulating this plan. The purpose of the asset allocation plan is to meet the long-term financial needs and investment objectives of the System.

The long-term target allocation for FY 2004 included an equity target allocation of **60.0%** consisting of publicly traded stocks. Specific targets have been established for U.S. equity exposure (42.0%) and international equity exposure (18.0%). Within the U.S. equity target, the portfolios are diversified between large and small capitalization investment managers and growth and value investment managers. The international equity exposure includes both developed and emerging markets portfolios.

The fixed income target allocation of **22.0%** consisted of U.S. core fixed income exposure (10.4%), Treasury Inflation-Protected Securities exposure (5.0%), specialty fixed income exposure (3.3%), and global fixed income exposure (3.3%). Within these categories, all sectors of the bond market are represented. Specialty fixed income includes high yield and mortgage-backed portfolios.

The real estate target allocation of **7.0%** consists primarily of opportunistic limited partnerships and publicly traded real estate investment trusts (REITs).

Alternative investments have a target of **11.0%**. The primary vehicle used to invest funds in this asset class is the limited partnership. The partnerships are established by individual management groups that have been selected by the System for the purpose of investing in and managing private equity and unlisted subordinated debt positions on behalf of PSERS and other limited partners.

Finally, unallocated cash of the System has an asset allocation target of 0% since cash historically represents the lowest returning asset class over time.

Investment Results

As of June 30, 2004, the fair value of the investment portfolio was \$49.0 billion. The market value increased approximately \$5.3 billion over last year's value. This increase came primarily from net investment income (\$8.2 billion), which was partially offset by benefit payments in excess of member and employer contributions (\$2.1 billion) and net changes in other investment assets and liabilities (\$0.8 billion). The investment portfolio, as invested, was composed of 61.6% of common and preferred stocks (equity), 22.1% of fixed income investments, 6.7% real estate, and 9.6% of alternative investments at June 30, 2004. The table on page 73 illustrates a more detailed description of the investment portfolio's asset classes in dollars and as a percent of the total investment portfolio.

The first half of the past fiscal year was very strong for the global equity markets as both the Federal Reserve's accommodative Federal Funds rate (1.00%) and the massive fiscal stimulus package passed by Congress in the latter half of FY 2003 led to significant amounts of liquidity in the markets. This liquidity, combined with increases in both business and consumer spending, improving durable goods orders, low inflation, and strong Gross Domestic Product growth continued to fuel a significant rally in the global equity markets while the fixed income markets remained relatively flat. The second half of the past fiscal year saw the equity markets continue to advance while the fixed income markets remained flat. During this period, the markets had to deal with increased inflation fears as there were a couple of strong U.S. jobs reports, rising oil prices, and geopolitical uncertainties, including the upcoming presidential election in the U.S., the on-going war in Iraq, and terrorism concerns. In addition, on June 30, 2004, the Federal Reserve increased the Federal Funds rate by 25 basis points to 1.25%.

Strong domestic and international equity markets drove the System's returns for the fiscal year. In the U.S., the Dow Jones Wilshire 5000 Index, a domestic equity index, was up 21.24% during the fiscal year, driven by improved economic prospects and significant liquidity generated by the accommodative fiscal and monetary policies. The Morgan Stanley Capital International (MSCI) All-Country World Index Free Ex. U.S., an international equity index, was up 32.50% during the fiscal year, driven by the same factors driving the U.S. equity markets and a weakening U.S. dollar. In the corporate bond market, credit spreads continued to tighten during the fiscal year as improved economic conditions led to fewer defaults which resulted in continued strength in the high yield bond market as evidenced by the 11.74% return in the Credit Suisse First Boston High Yield Bond Index during the fiscal year.

Strong returns in the System's equity portfolios overcame the weakness in both the domestic and international investment grade bond portfolios. With the improved economic prospects, fixed income markets around the globe struggled as the prospects for further Federal Reserve tightening hung over the markets. The Lehman Brothers Aggregate Index, a U.S. investment-grade bond index, was up a modest 0.32% while the Lehman Brothers Global Aggregate Index, a global investment-grade bond index, was up 4.61%.

As a result of the strong returns from the equity portfolios, the System was able to generate a total return of 19.67% for the one-year period ended June 30, 2004. This return exceeded the total fund policy benchmark return of 16.34% by 333 basis points. Annualized total returns for the three- and five-year periods ended June 30, 2004 were 5.21% and 3.88%, respectively. These returns exceeded the total fund policy benchmark returns for the three- and five-year periods ended June 30, 2004 of 4.18% and 2.45%, respectively.

Wilshire calculates the total investment return of the System as well as the performance of each external investment management firm and each internal investment manager employed by the Board to invest the System's assets. All performance measurement calculations are conducted in accordance with the presentation standards of the Association of Investment Management and Research.

The following table provides the System's total investment return for each major asset class and the total portfolio, including, where applicable and available, respective benchmark indices used by asset class and median performance by asset class:

	Annualized Total Returns (%) Net of Fees Ended June 30, 2004		
	1 Year	3 Years	5 Years
	PSERS TOTAL PORTFOLIO	19.67	5.21
Total Fund Policy Benchmark	16.34	4.18	2.45
Median Public Defined Benefit Plan (DBP) Fund Universe (Wilshire Database)	16.47	4.31	3.17
PSERS DOMESTIC STOCK PORTFOLIOS	22.30	2.06	1.89
Dow Jones Wilshire 5000 Index	21.24	0.79	(1.04)
Median Public DBP Fund Universe - Domestic Equities (Wilshire Database)	21.23	0.62	(0.65)
PSERS INTERNATIONAL STOCK PORTFOLIOS	32.14	5.48	2.68
MSCI All-Country World Index Free Ex. U.S.	32.50	5.25	0.96
Median Public DBP Fund Universe - International Equities (Wilshire Database)	30.95	3.93	1.28
PSERS DOMESTIC FIXED INCOME PORTFOLIOS	3.31	7.74	7.49
Lehman Brothers Aggregate Index	0.32	6.36	6.95
Median Public DBP Fund Universe - Domestic Bonds (Wilshire Database)	1.88	6.81	6.89
PSERS GLOBAL FIXED INCOME PORTFOLIOS	4.89	11.80	6.63
Lehman Brothers Global Aggregate Index	4.61	11.33	6.67
Median Public DBP Fund Universe - Global Bonds (Wilshire Database)	7.31	11.80	6.30
PSERS REAL ESTATE*	23.59	10.83	11.02
Blended Real Estate Index**	12.51	8.94	10.23
Median Public DBP Fund Universe - Real Estate (Wilshire Database)	15.92	9.87	10.86
PSERS ALTERNATIVE INVESTMENTS*	20.63	2.82	5.67
Venture Economics Median Return, Vintage Year Weighted***	6.33	(1.49)	(0.54)

* Returns reported on a one-quarter lag, except for publicly traded REIT investments.

** Returns presented are a blend of the Wilshire REIT Index (16%) and the NCREIF Index (84%). The NCREIF Index is reported on a one-quarter lag.

*** Returns presented are on a one-quarter lag.

The System also is involved in a securities lending program administered by Mellon Bank N.A. This program provides incremental income to the System by lending securities in the System's portfolio to securities dealers in exchange for either cash collateral, which can be reinvested to generate income, or non-cash collateral plus a cash fee. This program generated approximately \$14.7 million in additional net income during the year.

Accomplishments

The System's returns during the fiscal year ended June 30, 2004 not only exceeded its total fund policy benchmark, but also placed the System in the top quartile of all public defined benefit pension funds in the country as measured by Wilshire. Strong returns such as these can be attributed to the combined efforts of the Board, the System's Investment Office and Investment Accounting staff, and its external consultants and investment advisors. Without their efforts, accomplishments such as this would not be possible.

The System continued its multi-year project to implement an independent accounting book of record for the System's investment transactions and holdings. In FY 2004, the domestic and international equity portfolios were converted to the System's internal investment accounting software provided by Financial Control Systems, Inc. In FY 2005, the domestic and international fixed income portfolios will be converted to the internal accounting software.

Summary

The System had a tremendous fiscal year ended June 30, 2004, as the returns generated by the System were in the top quartile of all public defined benefit pension plan returns. Strong returns generated in the domestic and international equity markets outweighed the weaker returns produced by the domestic and global fixed income portfolios. For the fiscal year ended June 30, 2004, the System exceeded its targeted actuarial rate of return of 8.5%. In addition, we continue to believe that the System's asset allocation is structured to generate a long-term return that meets the actuarial rate of return assumption of the System for years to come.



Alan H. Van Noord, CFA
Chief Investment Officer

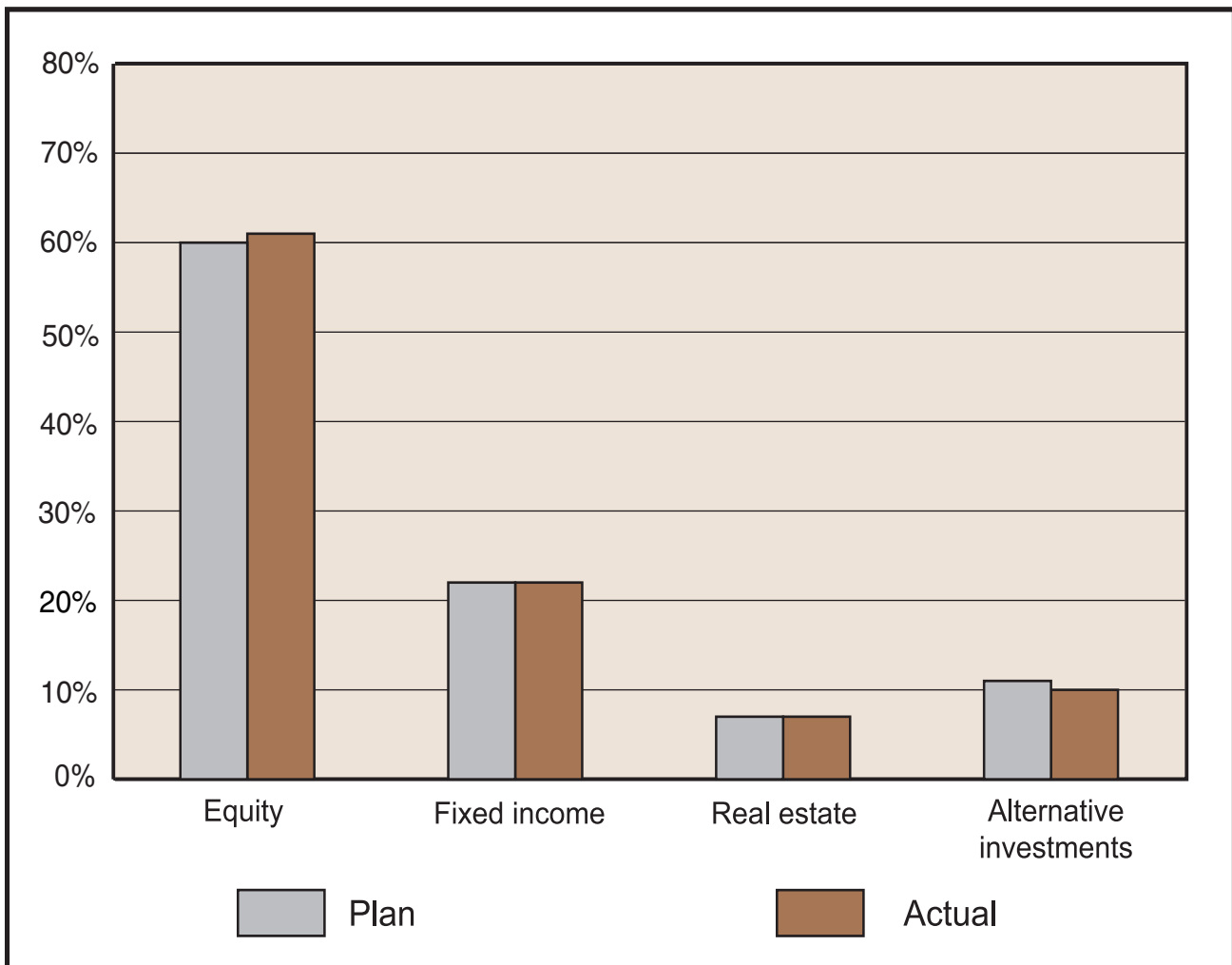
Portfolio Summary Statistics
Asset Allocation
As of June 30, 2004
(Dollar Amounts in Thousands)

Pension investments	Fair Value (\$)	% Fair Value
Common and preferred stock (Equity):		
Domestic common and preferred stock	\$ 18,143,777	37.2%
Collective trust funds	335,911	0.7%
International common stock	8,208,411	16.8%
Subtotal per Statement of Plan Net Assets	26,688,099	54.7%
Short-term *	481,358	1.0%
Enhanced S&P 500 Index *	3,974,209	8.1%
Publicly and privately traded REITs *	(1,059,746)	(2.2%)
Total Common and preferred stock - Asset Allocation Basis	30,083,920	61.6%
Fixed income:		
Domestic mortgage-backed securities	4,856,812	10.0%
U.S. government and agency obligations	2,176,793	4.5%
Domestic corporate and taxable municipal bonds	2,880,925	5.9%
Miscellaneous domestic fixed income	407,476	0.8%
Collective trust funds	303,563	0.6%
International fixed income	1,479,588	3.0%
Subtotal per Statement of Plan Net Assets	12,105,157	24.8%
Short-term *	2,657,409	5.4%
Enhanced S&P 500 Index *	(3,974,209)	(8.1)%
Total Fixed income - Asset Allocation Basis	10,788,357	22.1%
Real estate:		
Equity real estate	1,810,972	3.7%
Real estate owned	398,795	0.8%
Subtotal per Statement of Plan Net Assets	2,209,767	4.5%
Publicly and privately traded REITs *	1,059,746	2.2%
Total Real estate - Asset Allocation Basis	3,269,513	6.7%
Alternative investments:		
Private equity	3,004,550	6.2%
Private debt	1,314,044	2.7%
Venture capital	366,259	0.7%
Total Alternative investments - Asset Allocation Basis	4,684,853	9.6%
Pension investments - Asset Allocation Basis	\$ 48,826,643	100.0%
Postemployment Healthcare investments	\$ 205,036	100.0%

* - For asset allocation purposes, Short-term investments are included with the asset class of the investment manager which holds them, Publicly and privately traded REIT portfolios are reclassified from Common and preferred stock (Equity) to Real estate, and Enhanced S&P 500 Index portfolios are reclassified from Fixed income to Common and preferred stock (Equity). See the table and graph which follow.

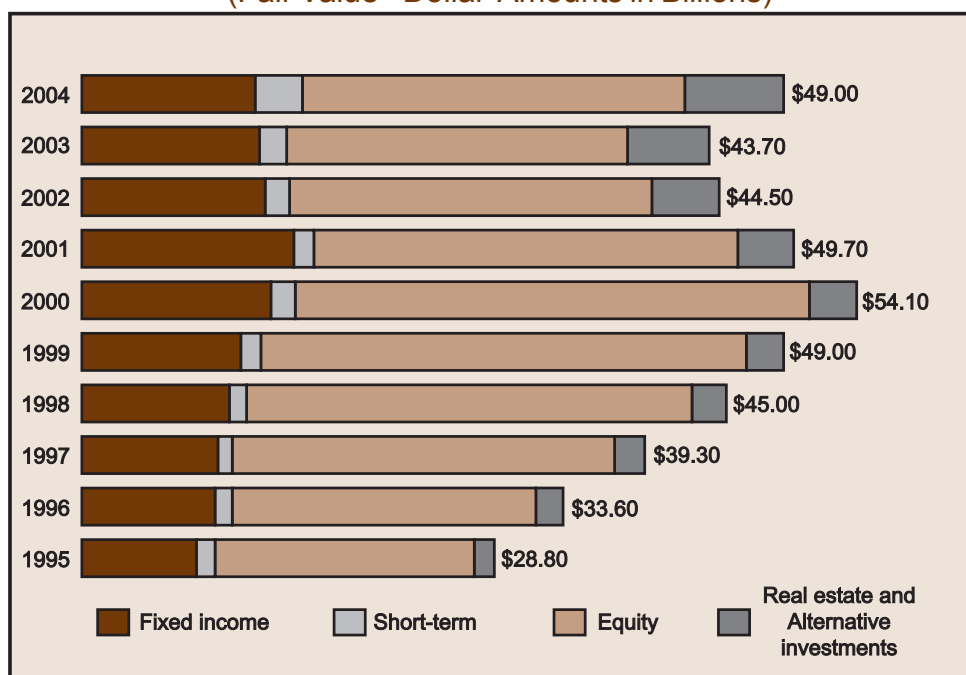
Comparison of Actual Portfolio Distribution to Asset Allocation Plan As of June 30, 2004

Asset Category	Plan	Actual
Common and preferred stock (Equity)	60%	61%
Fixed income	22%	22%
Real estate	7%	7%
Alternative investments	11%	10%
Total	100%	100%



Portfolio Distribution 10 Year Trend

(Fair Value - Dollar Amounts in Billions)



The following lists of portfolio detail statistics present the ten largest holdings by descending order of fair value for the largest asset classes. Information on the complete holdings of the System is available by writing to the Public School Employees' Retirement System, Office of Financial Management, P. O. Box 125, Harrisburg, PA 17108.

Portfolio Detail Statistics as of June 30, 2004

Domestic common and preferred stock

10 Largest Holdings in Descending Order by Fair Value

(Dollar Amounts and Shares in Thousands)

Description	No. of Shares	Fair Value (\$)
General Electric Company	11,363	368,154
Microsoft Corporation	11,657	332,913
Exxon Mobil Corporation	7,047	312,959
Security Capital Preferred Growth	9,674	304,621
Pfizer Inc.	8,243	282,576
Citigroup Inc.	5,576	259,272
Wal-Mart Stores, Inc.	4,304	242,898
American International Group, Inc.	2,832	201,892
Intel Corporation	6,971	192,391
Bank of America Corporation	2,209	186,908
Total of 10 Largest Holdings		2,684,584
Total System Holdings - Domestic common and preferred stock		18,143,777

Portfolio Detail Statistics as of June 30, 2004

International common stock

10 Largest Holdings in Descending Order by Fair Value

(Dollar Amounts and Shares in Thousands)

Description	No. of Shares	Fair Value (\$)
Vodafone Group PLC	59,299	129,853
Nestle SA	376	100,248
Glaxosmithkline PLC	4,814	97,431
Royal Bank of Scotland	3,376	97,230
UBS AG	1,123	79,158
BP PLC	8,314	73,428
Takeda Pharmaceutical Company Ltd.	1,601	70,291
Canon, Inc.	1,266	66,693
Barclays PLC	7,778	66,260
Total SA	332	63,241
Total of 10 Largest Holdings		843,833
Total System Holdings - International common stock		8,208,411

Portfolio Detail Statistics as of June 30, 2004

Domestic and international fixed income

10 Largest Holdings in Descending Order by Fair Value

(Dollar Amounts and Shares in Thousands)

Description	Maturity Date	Interest Rate (%)	Par Value(\$) or No. of Shares	Fair Value (\$)
U.S. Treasury - Inflation Index	04/15/28	3.625	164,108	200,264
U.S. Treasury - Inflation Index	07/15/12	3.000	167,529	181,200
U.S. Treasury - Inflation Index	01/15/11	3.500	129,472	143,795
U.S. Treasury - Inflation Index	01/15/08	3.625	131,018	143,219
U.S. Treasury - Inflation Index	07/15/13	1.875	133,212	131,627
U.S. Treasury - Inflation Index	01/15/12	3.375	95,015	105,288
U.S. Treasury - Inflation Index	01/15/10	4.250	78,434	89,807
U.S. Treasury - Inflation Index	01/15/07	3.375	77,299	82,831
Pyramid High Yield Fixed Income Fund	-	-	36,169	77,655
U.S. Treasury - Inflation Index	01/15/14	2.000	71,036	70,639
Total of 10 Largest Holdings				1,226,325
Total System Holdings - Domestic and international fixed income				12,105,157

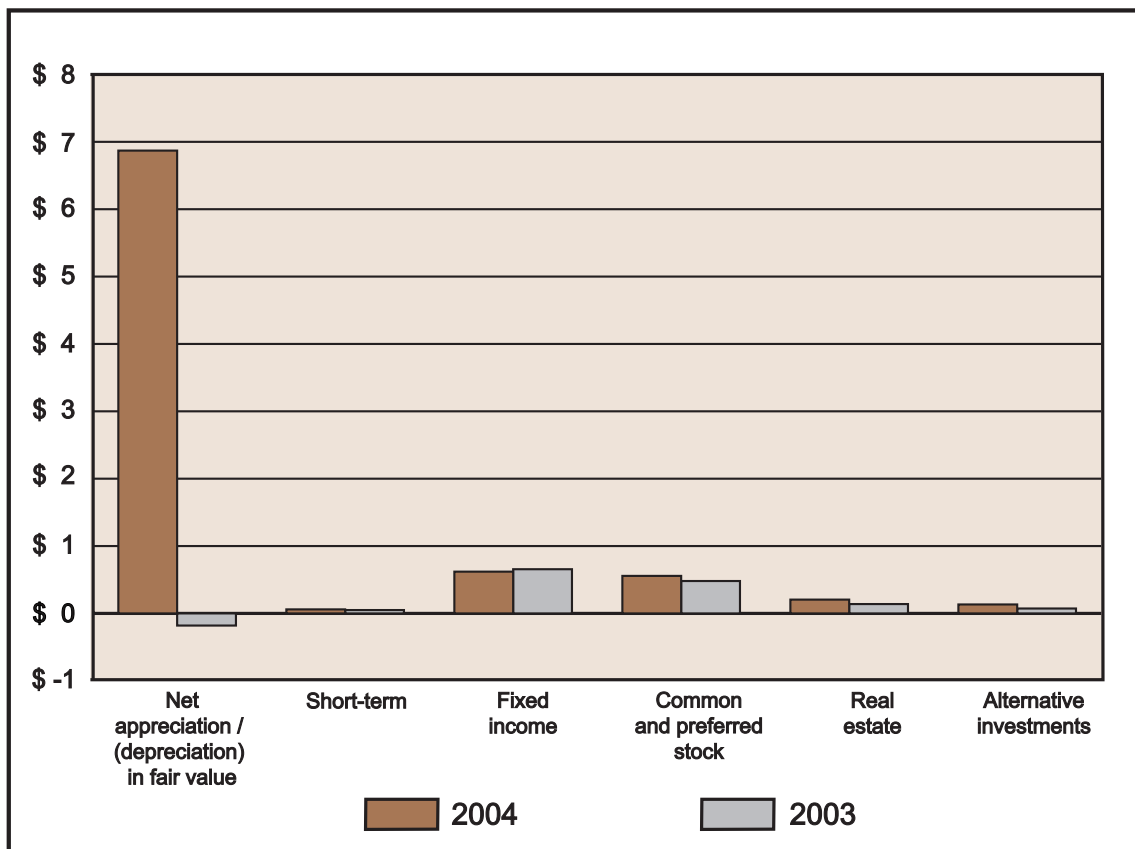
Portfolio Detail Statistics as of June 30, 2004
Postemployment Healthcare investments
10 Largest Holdings in Descending Order by Fair Value
(Dollar Amounts in Thousands)

Description	Maturity Date	Interest Rate (%)	Par Value (\$)	Fair Value (\$)
PA Treasury Short-Term Investment Fund	Various	Various	56,094	56,094
M & T Bank Repurchase Agreement	07/01/04	0.875	16,353	16,353
U.S. Treasury - Inflation Index	07/15/13	1.875	15,353	15,170
M & T Bank Repurchase Agreement	07/01/04	0.731	15,000	15,000
FHLMC Multiclass 1465 Class G	12/15/07	7.000	6,697	6,785
FHLMC Multiclass 2562 Class PA	12/15/06	4.500	3,738	3,736
FHLMC Multiclass 2782 Class HD	09/15/06	4.000	3,524	3,533
FHLMC Multiclass 2332 Class VL	04/15/12	6.500	3,121	3,152
Toyota Auto Owner Trust 2001-C Class A4	09/15/08	4.720	2,117	2,139
Ford Credit Auto Owner Trust 2001-E Class A4	03/15/06	4.010	2,052	2,069
Total of 10 Largest Holdings				124,031
Total System Holdings - Postemployment Healthcare investments				205,036

Comparison of Investment Activity Income For Fiscal Years Ended June 30, 2004 and 2003 (Dollar Amounts in Thousands)

Investing Activities	2004	2003
Net appreciation (depreciation) in fair value of investments	\$ 6,871,417	\$ (172,506)
Short-term	34,622	30,178
Fixed income	619,972	655,861
Common and preferred stock	556,984	480,735
Real estate	205,229	140,774
Alternative investments	132,984	51,449
Total investment activity income	<u>\$ 8,421,208</u>	<u>\$ 1,186,491</u>

(Dollar Amounts in Billions)



Brokers' fees on equity investment transactions for the fiscal year ended June 30, 2004 were \$20.9 million. The System has commission recapture contracts with several brokers. These contracts generally stipulate that the brokers rebate a percentage of commissions earned on investment transactions directly to the System. During the fiscal year ended June 30, 2004, the System earned \$3.9 million from a commissions recapture program. A list of the brokers receiving fees in excess of \$100,000 during the fiscal year follows.

Summary Schedule of Brokers' Fees
(Cumulative Fiscal Year Amounts Exceeding \$100,000)
Fiscal Year Ended June 30, 2004

Broker Name	Fees Paid (\$)	Broker Name	Fees Paid (\$)
Merrill Lynch	1,627,111	ABN AMRO	309,835
UBS Warburg	1,303,547	Susquehanna Financial Group	288,029
Goldman Sachs and Company	1,287,427	Status Securities	268,188
J. P. Morgan, Inc.	1,252,217	Union Bank	264,120
Citigroup	1,114,003	Lynch, Jones & Ryan	254,584
Morgan Stanley and Company	1,022,940	Weeden and Company	230,956
Deutsche Bank	848,865	Nomura Securities International	229,132
Bear, Stearns and Company	845,689	Jefferies and Company Inc.	205,712
Credit Suisse First Boston	748,066	Legg Mason Wood Walker	204,166
Lehman Brothers	681,105	Execution Services Ltd.	180,370
Dresdner Kleinwort Wasserstein	535,961	Knight Securities	175,868
Instinet Corp.	436,290	ING Barings	170,364
Jones & Associates	382,028	BNP Paribas	158,984
Credit Lyonnais Securities	360,460	RBC Dominion	127,175
Investment Technology Group	343,398	HSBC Securities	124,983
Tradition Asiel Securities Inc.	336,643	Cathay Financial Corp.	114,891
Cantor, Fitzgerald & Company	329,019	L H Friend	107,589

Professional Consultants External Investment Advisors



Domestic Enhanced Equity Index

- Acorn Derivatives Management Corp.
- Pacific Investment Management Company
- Smith Breeden Associates, Inc.



Domestic Small Cap Equity

- The Boston Company Asset Management, LLC
- Duncan-Hurst Capital Management, LP
- Emerald Advisors, Inc.
- First Pacific Advisors, Inc.
- Longwood Investment Advisors, Inc.
- Mellon Equity Associates
- NorthPointe Capital
- Wellington Management Company, LLP



Publicly Traded REIT

- Morgan Stanley Investment Management, Inc.
- Security Capital Global Capital Management Group, Inc.



International Large Cap Equity

- Baillie Gifford Overseas Ltd.
- Bank of Ireland Asset Management
- The Boston Company Asset Management, LLC
- Marathon Asset Management Limited
- Martin Currie, Inc.
- Mercator Asset Management, LP



International Emerging Market Equity

- The Boston Company Asset Management, LLC
- Templeton Investment Counsel, Inc.



Short-Term Investment Funds

- Evergreen Investment Management Co., LLC



Domestic Fixed Income

- BlackRock Financial Management, Inc.
- Deutsche Asset Management, Inc.
- Pacific Investment Management Company

Professional Consultants (Continued)



Treasury Inflation - Protected Securities

- Bridgewater Associates, Inc.
- Brown Brothers Harriman & Co.



Specialty Fixed Income

- MacKay-Shields Financial Corporation
- W.R. Huff Asset Management Company, LLC
- Wellington Management Company, LLP



Global Fixed Income

- Deutsche Asset Management, Inc.
- Fischer Francis Trees & Watts, Inc.
- Rogge Global Partners



Real Estate

- ArCap REIT, Inc.
- Berwind Property Group, Inc.
- Carlyle Group (The)
- Charter Oak Advisors, Inc.
- Credit Suisse First Boston Advisory Partners, LLC
- Fortress Investment Fund, LP
- GF Management, Inc.
- Goldman Sachs Asset Management
- Hines U.S. Office Value Added Fund, LLC
- L&B Realty Advisors
- Laureate Capital, LLC
- Lazard Freres Real Estate Investors, LLC
- Legg Mason Real Estate Capital, Inc.
- Legg Mason Real Estate Services
- Lehman Brothers
- Lubert-Adler Partners
- Morgan Stanley Investment Management, Inc.
- Paladin Realty Partners, LLC
- Peabody Group (The)
- Prudential Agricultural Group
- RREEF America, LLC
- Security Capital Global Capital Management Group, Inc.
- Stockbridge Capital Group, LLC
- Westbrook Partners, LLC

Professional Consultants (Continued)



Private Equity

- ABS Capital Partners
- BG Media Investors
- Bastion Capital Corporation
- Bear Stearns Merchant Banking Partners II, LP
- Blue Point Capital Partners, LLC
- Bridgepoint Capital Limited
- Bruckmann, Rosser, Sherrill & Company, Inc.
- Catterton Partners V Management Company, LLC
- Clarity Partners, LP
- Credit Suisse First Boston Advisory Partners, LLC
- Deutsche Asset Management, Inc.
- Dubin Clark & Company, Inc.
- Goldman Sachs Asset Management
- Gordon Management, Inc.
- Graham Partners Investments, LP
- Greenwich Street Capital Partners
- Halifax Group (The)
- Heritage Partners, Inc.
- Houlihan, Lokey, Howard & Zukin Investment Fund
- ING Barings
- KRG Capital Partners, LLC
- Landmark Advisors, Inc.
- Lehman Brothers
- Leonard Green & Partners, Inc.
- Lexington Capital Partners, Inc.
- Lindsay, Goldberg & Bessemer, LP
- Morgan Stanley Investment Management, Inc.
- New Mountain Capital, LLC
- New York Life Capital Partners, LP
- PAI Management
- PNC Equity Management Corp.
- Palladium Equity Partners II, LLC
- Platinum Equity Advisors, LLC
- Quadrangle Capital Partners, LP
- SC Partners, LP
- TPG Partners, LP
- Wasserstein & Co.
- Wicks Communications & Media Partners, LP
- Willis Stein & Partners

Professional Consultants (Continued)



Venture Capital

- Adams Capital Management, Inc.
- Apax Partners
- Cross Atlantic Capital Partners, Inc.
- Edison Venture Funds
- Franklin Capital Associates III, LP
- Grotech Capital Group, Inc.
- Jefferson Partners
- KBL Healthcare Ventures, LP
- LLR Equity Partners, LP
- Landmark Advisors, Inc.
- Lehman Brothers
- Mid-Atlantic Venture Funds
- Pennsylvania Early Stage Partners, LP
- Perseus-Soros BioPharmaceutical Fund, LP
- Philadelphia Ventures, Inc.
- Quaker BioVentures Capital, LP
- SCP Private Equity Partners, LP
- Spectrum Equity Partners
- StarVest Management, Inc.
- Sterling Venture Partners, LLC
- TDH III, LP
- Technology Leaders, LP



Private Debt

- Avenue Capital Management, LLC
- Cerberus Institutional Associates , LLC
- Gleacher & Co., LLC
- Greenwich Street Capital Partners
- New York Life Capital Partners, LP



Developmental Fund

- Charter Financial Group, Inc.
- Connors Investor Services, Inc.
- EDMP, Inc.
- Global Capital Management, Inc.
- Hanseatic Management Services, Inc.
- John Hsu Capital Group, Inc.
- Piedra Capital, Inc.
- Roll & Ross Asset Management, LP
- Smithbridge Asset Management, Inc.
- Snow Capital Management, LP
- Tanaka Capital Management, Inc.
- Tucker Hargrove Management, Inc.
- West Chester Capital Advisors

Professional Consultants (Continued)



Investment Accounting Application Service Provider

- Financial Control Systems, Inc.



Custodian and Securities Lending Agent

- Mellon Bank N.A.



Investment Evaluator

- Wilshire Associates Inc.



Real Estate Consultant

- Russell Real Estate Advisors



Alternative Investment Consultant

- Portfolio Advisors, LLC



Proxy Voting Agent

- Institutional Shareholder Services