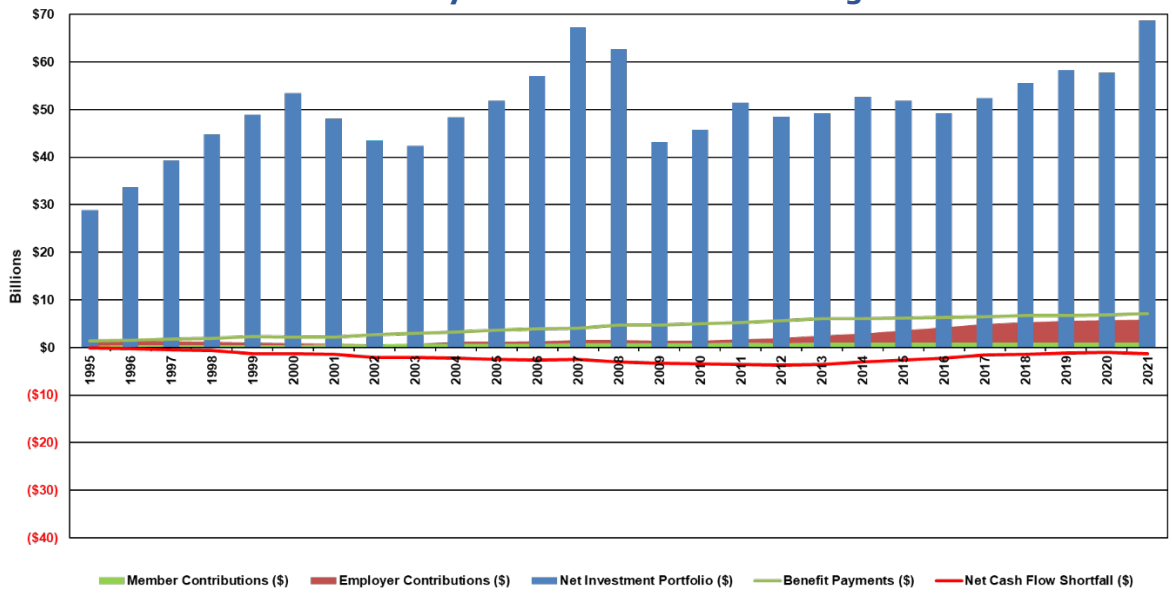
Historic Overview of PSERS Annual Cash Flows & Net Investment Performance

- **Aug. 4, 2021:** PSERS announces preliminary net investment return of 25%+ for the fiscal year ended June 30, 2021.
- **2020:** Covid-19 pandemic begins and PSERS net investment income falls.
- **2019:** Act 5 of 2017 takes effect. PSERS benefit structure now includes a Defined Contribution component.
- **2016-17:** PSERS funding begins to trend upward as policymakers follow through with their Act 120 commitment by making their first full actuarially required payment in over a decade.
- **2010:** Landmark Act 120 is passed to gradually increase employer contributions to make up for prior years' shortfalls and to reduce benefits for school employees hired as of July 1, 2011.

PSERS Annual Cash Flows and Net Investment Portfolio
*Preliminary Fiscal Year 2020-2021 Figures



1995
Dotcom and internet-based businesses boom begins.

1997
State law permits employers' contributions to fall to nearly 0% because PSERS is overfunded. (The reductions accelerate PSERS' net cash flow shortfall.)

2001-02
Dotcom bubble bursts, net investment income falls.

May 2001
Act 9 is passed, retroactively increasing pensions to all existing state and school employees. Law causes spike in benefit payments and steeper drop in net cash shortfall.

Sep 2001
9/11 terrorist attacks lead to war and more investment losses.

2004-07
National housing boom leads to big market gains

2008-09
Housing and credit bubbles burst, leading to big investment losses

Visit PSERS.PA.GOV for more information on PSERS cash flows and investment portfolio.