

**Texas Permanent School Fund  
Asset Allocation Mix - SBOE  
February 29, 2016**

<u>Asset Class</u>	<u>Portfolio</u>	<u>Book Value</u>	<u>Mix</u>	<u>Fair Value</u>	<u>Mix</u>
Equity	Domestic Small-Mid Cap	\$ 1,148,748,324	4.73%	\$ 1,600,244,408	5.77%
	Domestic Large Cap	3,366,025,151	13.85%	5,861,692,400	21.13%
	Total Domestic Equity	4,514,773,475	18.58%	7,461,936,808	26.90%
	International Equity - Blackrock	4,023,345,962	16.55%	4,159,977,737	15.00%
	QMA Emerging Market Equity	450,000,000	1.85%	342,236,003	1.23%
	Total Emerging Market Equity	450,000,000	1.85%	342,236,003	1.23%
Total Public Market Equity		8,988,119,437	36.98%	11,964,150,548	43.13%
Fixed Income	Domestic Fixed Income	3,866,160,645	15.91%	3,877,694,457	13.98%
	Investec Emerging Market Debt	746,548,928	3.07%	603,342,723	2.17%
	Ashmore Emerging Market Debt	734,711,906	3.02%	577,991,058	2.08%
	Stone Harbor Emerging Market Debt	735,414,271	3.03%	558,773,359	2.01%
	Total Emerging Market Debt	2,216,675,105	9.12%	1,740,107,140	6.26%
Total Fixed Income		6,082,835,750	25.03%	5,617,801,597	20.24%
Absolute Return	Raven 1	800,000,000	3.29%	920,486,603	3.32%
	Raven 2	318,000,000	1.31%	367,098,101	1.32%
	Raven 4	600,000,000	2.47%	828,513,303	2.99%
	Raven 6	354,634,154	1.46%	399,214,981	1.44%
	Raven 7	411,961,614	1.70%	445,998,507	1.61%
	Total Absolute Return	2,484,595,768	10.23%	2,961,311,495	10.68%
Private Equity	Columbia NB Crossroads Fund L.P.	384,433,831	1.58%	527,680,271	1.90%
	Columbia NB Crossroads Fund II L.P.	323,412,718	1.33%	356,074,818	1.28%
	TPSF NB PE Program	212,137,574	0.87%	237,425,745	0.86%
	Columbia CS Fund, L.P.	420,605,329	1.73%	539,221,905	1.94%
Total Private Equity	1,340,589,452	5.51%	1,660,402,739	5.98%	
Real Estate	Direct Real Estate Investments	1,657,167,680	6.82%	2,003,082,378	7.22%
	Total Real Estate	1,657,167,680	6.82%	2,003,082,378	7.22%
Risk Parity	AQR Capital Management	821,664,411	3.38%	901,169,887	3.25%
	Bridgewater	739,790,629	3.04%	905,887,817	3.27%
	Total Risk Parity Strategies	1,561,455,040	6.42%	1,807,057,704	6.52%
Real Return	Real Return - TIPS	898,121,792	3.70%	901,594,258	3.25%
	Real Return Commodities - Terlingua 1	587,500,000	2.42%	364,767,838	1.31%
	Real Return Commodities - Terlingua 2	575,000,000	2.37%	334,081,570	1.20%
	Total Real Return	2,060,621,792	8.49%	1,600,443,666	5.76%
Total Unallocated Cash		128,136,523	0.52%	128,136,523	0.47%
Fund Total		24,303,521,442	100.00%	27,742,386,650	100.00%

Notes: The asset classes include cash that has been allocated to the investment portfolios.  
Exposure includes fair value of funded investments plus unfunded commitments.

Exposure: Total Private Equity Exposure and Percentage of Fund Total Fair Value 2,687,877,723 9.69%  
Total Real Estate Exposure and Percentage of Fund Total Fair Value 2,828,747,814 10.20%

Current State Board of Education approved Strategic Asset Allocation Mix (approved July 18, 2014)

Large Cap U.S. Equity	16.00%	Real Estate	8.00%
Small/Mid Cap U.S. Equity	5.00%	Risk Parity	7.00%
Developed and Emerging Market International Lar	16.00%	Real Return-Commodities	3.00%
Emerging Market Equity	3.00%	Real Return-TIPS	3.00%
Domestic Investment Grade Fixed Income	12.00%	Absolute Return	10.00%
Emerging Market Debt (LC)	7.00%	Private Equity	10.00%
			<u>100.00%</u>