

**Texas Permanent School Fund  
Asset Allocation Mix - SBOE  
September 30, 2018**

<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	\$ 1,010,985,587	3.81%	\$ 1,690,351,917	4.97%
	Domestic Large Cap	2,319,852,388	8.74%	5,565,385,302	16.37%
	Total Domestic Equity	<u>3,330,837,975</u>	<u>12.55%</u>	<u>7,255,737,219</u>	<u>21.34%</u>
	International Equity - Blackrock	4,047,416,476	15.25%	5,284,464,176	15.55%
	QMA Emerging Market Equity	404,099,888	1.52%	458,767,386	1.35%
	Navarro Emerging Market Equity	330,737,541	1.25%	465,079,022	1.37%
Total Emerging Market Equity		<u>734,837,429</u>	<u>2.77%</u>	<u>923,846,408</u>	<u>2.72%</u>
	Total Public Market Equity	<u>8,113,091,880</u>	<u>30.57%</u>	<u>13,464,047,803</u>	<u>39.61%</u>
Fixed Income	Domestic Fixed Income	4,645,941,543	17.51%	4,477,066,106	13.17%
	Investec Emerging Market Debt	803,347,555	3.03%	745,660,832	2.19%
	Ashmore Emerging Market Debt	849,550,141	3.20%	789,116,575	2.32%
	Stone Harbor Emerging Market Debt	801,772,043	3.02%	676,593,632	1.99%
	Total Emerging Market Debt	<u>2,454,669,739</u>	<u>9.25%</u>	<u>2,211,371,039</u>	<u>6.50%</u>
Total Fixed Income	<u>7,100,611,282</u>	<u>26.76%</u>	<u>6,688,437,145</u>	<u>19.67%</u>	
Absolute Return	Raven 1	800,000,000	3.01%	1,101,891,025	3.24%
	Raven 2	24,646,867	0.09%	32,822,447	0.10%
	Raven 4	600,000,000	2.26%	978,339,529	2.88%
	Raven 6	353,884,155	1.33%	461,126,070	1.36%
	Raven 7	412,711,614	1.56%	547,909,890	1.61%
	Raven 8	367,370,489	1.38%	421,279,814	1.24%
Total Absolute Return	<u>2,558,613,125</u>	<u>9.63%</u>	<u>3,543,368,775</u>	<u>10.43%</u>	
Private Equity	Columbia NB Crossroads Fund L.P.	292,955,514	1.10%	397,628,203	1.17%
	Columbia NB Crossroads Fund II L.P.	413,152,180	1.56%	667,060,640	1.96%
	Columbia NB Crossroads Fund II Tranche C	500,334,992	1.89%	552,932,060	1.63%
	TPSF NB PE Program	641,838,487	2.42%	826,397,312	2.43%
	Private Equity Direct	254,841,948	0.96%	263,360,567	0.77%
	Columbia CS Fund, L.P.	340,716,486	1.28%	450,112,010	1.32%
Total Private Equity	<u>2,443,839,607</u>	<u>9.21%</u>	<u>3,157,490,792</u>	<u>9.28%</u>	
Real Estate	Direct Real Estate Investments	2,096,154,518	7.90%	2,569,478,497	7.56%
Total Real Estate	<u>2,096,154,518</u>	<u>7.90%</u>	<u>2,569,478,497</u>	<u>7.56%</u>	
Risk Parity	AQR Capital Management	846,664,411	3.19%	1,165,147,433	3.43%
	Bridgewater	764,790,629	2.88%	1,146,619,747	3.37%
	Total Risk Parity Strategies	<u>1,611,455,040</u>	<u>6.07%</u>	<u>2,311,767,180</u>	<u>6.80%</u>
Real Return	Real Return - TIPS	1,057,342,176	3.98%	1,037,982,516	3.05%
	Real Return Commodities - Terlingua 1	587,500,000	2.21%	419,335,613	1.23%
	Real Return Commodities - Terlingua 2	575,000,000	2.17%	405,163,530	1.19%
	Real Return Commodities - Terlingua 3	172,048,523	0.65%	169,412,053	0.50%
	Total Real Return	<u>2,391,890,699</u>	<u>9.01%</u>	<u>2,031,893,712</u>	<u>5.97%</u>
Total Unallocated Cash	223,484,630	0.85%	223,484,629	0.68%	
Fund Total	<u>26,539,140,781</u>	<u>100.00%</u>	<u>33,989,968,533</u>	<u>100.00%</u>	

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 5,343,342,039 15.72%  
Total Real Estate Exposure and Percentage of Fund Total Fair Value 4,103,488,981 12.07%

Current State Board of Education approved Strategic Asset Allocation Mix (approved June 15, 2018)

Large Cap U.S. Equity	13.00%	Real Estate	10.00%
Small/Mid Cap U.S. Equity	5.00%	Risk Parity	7.00%
Developed and Emerging Market International Large Cap Equity	14.00%	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	13.00%
			<u>100.00%</u>