

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
November 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	\$ 1,087,395,547	4.07%	\$ 1,615,107,126	4.90%
	Domestic Large Cap	2,200,461,838	8.23%	4,942,324,099	14.98%
	Total Domestic Equity	<u>3,287,857,385</u>	<u>12.30%</u>	<u>6,557,431,225</u>	<u>19.88%</u>
	International Equity - Blackrock	4,051,801,601	15.16%	4,903,236,836	14.86%
	QMA Emerging Market Equity	404,099,888	1.51%	433,665,276	1.31%
	Navarro Emerging Market Equity	330,737,541	1.24%	440,976,853	1.34%
	Total Emerging Market Equity	<u>734,837,429</u>	<u>2.75%</u>	<u>874,642,129</u>	<u>2.65%</u>
Total Public Market Equity		<u>8,074,496,415</u>	<u>30.21%</u>	<u>12,335,310,190</u>	<u>37.39%</u>
Fixed Income	Domestic Fixed Income	4,667,890,946	17.46%	4,470,144,589	13.55%
	Investec Emerging Market Debt	802,653,072	3.00%	749,296,388	2.27%
	Ashmore Emerging Market Debt	850,411,338	3.18%	797,795,327	2.42%
	Stone Harbor Emerging Market Debt	802,049,467	3.00%	682,762,660	2.07%
	Total Emerging Market Debt	<u>2,455,113,877</u>	<u>9.18%</u>	<u>2,229,854,375</u>	<u>6.76%</u>
Total Fixed Income		<u>7,123,004,823</u>	<u>26.64%</u>	<u>6,699,998,964</u>	<u>20.31%</u>
Absolute Return	Raven 1	800,000,000	2.99%	1,071,626,125	3.25%
	Raven 2	14,353,640	0.05%	19,109,052	0.06%
	Raven 4	600,000,000	2.24%	971,654,131	2.94%
	Raven 6	353,884,155	1.32%	449,750,115	1.36%
	Raven 7	412,711,614	1.54%	542,837,075	1.65%
	Raven 8	379,530,256	1.42%	425,154,993	1.29%
	Total Absolute Return		<u>2,560,479,665</u>	<u>9.56%</u>	<u>3,480,131,491</u>
Private Equity	Columbia NB Crossroads Fund L.P.	277,421,466	1.04%	373,696,078	1.13%
	Columbia NB Crossroads Fund II L.P.	409,425,693	1.53%	677,269,206	2.05%
	Columbia NB Crossroads Fund II Tranche C	533,176,658	1.99%	633,281,573	1.92%
	TPSF NB PE Program	684,757,935	2.56%	885,287,928	2.68%
	Private Equity Direct	293,310,643	1.10%	309,266,444	0.94%
	Columbia CS Fund, L.P.	319,055,447	1.19%	434,057,034	1.32%
Total Private Equity		<u>2,517,147,842</u>	<u>9.41%</u>	<u>3,312,858,263</u>	<u>10.04%</u>
Real Estate	Direct Real Estate Investments	2,247,071,456	8.41%	2,745,024,345	8.32%
Total Real Estate		<u>2,247,071,456</u>	<u>8.41%</u>	<u>2,745,024,345</u>	<u>8.32%</u>
Risk Parity	AQR Capital Management	846,664,411	3.17%	1,118,096,609	3.39%
	Bridgewater	764,790,629	2.86%	1,113,693,390	3.38%
	Total Risk Parity Strategies	<u>1,611,455,040</u>	<u>6.03%</u>	<u>2,231,789,999</u>	<u>6.77%</u>
Real Return	Real Return - TIPS	1,057,184,922	3.96%	1,027,528,800	3.11%
	Real Return Commodities - Terlingua 1	587,500,000	2.20%	406,462,967	1.23%
	Real Return Commodities - Terlingua 2	575,000,000	2.15%	385,212,395	1.17%
	Real Return Commodities - Terlingua 3	168,389,165	0.63%	164,789,784	0.50%
	Total Real Return	<u>2,388,074,087</u>	<u>8.94%</u>	<u>1,983,993,946</u>	<u>6.01%</u>
Total Unallocated Cash		205,804,470	0.80%	205,804,471	0.61%
Fund Total		<u>26,727,533,798</u>	<u>100.00%</u>	<u>32,994,911,669</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 5,578,793,698 16.91%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 4,375,731,468 13.26%

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>