

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
September 30, 2017**

<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	\$1,103,426,546	4.34%	\$ 1,786,973,746	5.44%
	Domestic Large Cap	2,784,864,365	10.96%	6,026,581,502	18.33%
	Total Domestic Equity	3,888,290,911	15.30%	7,813,555,248	23.77%
	International Equity - Blackrock	3,999,415,842	15.74%	5,315,070,280	16.17%
	QMA Emerging Market Equity	424,104,750	1.67%	492,187,657	1.50%
	Navarro Emerging Market Equity	375,659,523	1.48%	526,828,688	1.60%
	Total Emerging Market Equity	799,764,273	3.15%	1,019,016,345	3.10%
Total Public Market Equity		8,687,471,026	34.19%	14,147,641,873	43.04%
Fixed Income	Domestic Fixed Income	4,166,527,328	16.39%	4,175,763,417	12.70%
	Investec Emerging Market Debt	771,200,508	3.03%	770,067,995	2.34%
	Ashmore Emerging Market Debt	783,879,365	3.08%	794,738,885	2.42%
	Stone Harbor Emerging Market Debt	757,939,016	2.98%	715,394,962	2.18%
	Total Emerging Market Debt	2,313,018,889	9.09%	2,280,201,842	6.94%
Total Fixed Income		6,479,546,217	25.48%	6,455,965,259	19.64%
Absolute Return	Raven 1	800,000,000	3.15%	1,027,056,347	3.12%
	Raven 2	86,630,815	0.34%	111,659,616	0.34%
	Raven 4	600,000,000	2.36%	926,566,693	2.82%
	Raven 6	353,884,155	1.39%	438,153,659	1.33%
	Raven 7	412,711,613	1.62%	512,743,963	1.56%
	Raven 8	242,166,156	0.95%	272,058,833	0.83%
Total Absolute Return		2,495,392,739	9.81%	3,288,239,111	10.00%
Private Equity	Columbia NB Crossroads Fund L.P.	329,220,853	1.30%	435,276,284	1.32%
	Columbia NB Crossroads Fund II L.P.	449,699,785	1.77%	622,516,461	1.89%
	Columbia NB Crossroads Fund II Tranche C	210,537,770	0.83%	221,455,918	0.67%
	TPSF NB PE Program	455,419,392	1.79%	554,765,738	1.69%
	Private Equity Direct	12,952,297	0.05%	14,789,078	0.04%
	Columbia CS Fund, L.P.	389,641,223	1.53%	521,787,528	1.59%
Total Private Equity		1,847,471,320	7.27%	2,370,591,007	7.20%
Real Estate	Direct Real Estate Investments	2,010,361,676	7.91%	2,450,551,593	7.45%
Total Real Estate		2,010,361,676	7.91%	2,450,551,593	7.45%
Risk Parity	AQR Capital Management	846,664,411	3.33%	1,126,764,085	3.43%
	Bridgewater	764,790,629	3.01%	1,105,930,214	3.36%
	Total Risk Parity Strategies	1,611,455,040	6.34%	2,232,694,299	6.79%
Real Return	Real Return - TIPS	967,261,605	3.81%	966,502,877	2.94%
	Real Return Commodities - Terlingua 1	587,500,000	2.31%	415,451,798	1.26%
	Real Return Commodities - Terlingua 2	575,000,000	2.26%	390,452,767	1.19%
	Total Real Return	2,129,761,605	8.38%	1,772,407,443	5.39%
Total Unallocated Cash		153,840,446	0.62%	153,840,446	0.49%
Fund Total		25,415,300,069	100.00%	32,871,931,031	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 3,865,940,814 11.76%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 3,565,828,591 10.85%

Current State Board of Education approved Strategic Asset Allocation Mix (approved July 22, 2016)

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>