

**Texas Permanent School Fund
Asset Allocation Mix
November 30, 2013**

<u>Asset Class</u>	<u>Book Value</u>	<u>Mix</u>	<u>Fair Value</u>	<u>Mix</u>
Equity				
Domestic Small-Mid Cap	\$ 1,413,082,951	6.26%	\$ 2,341,633,100	8.09%
Domestic Large Cap	4,348,902,283	19.27%	7,670,415,951	26.50%
Total Domestic Equity	5,761,985,234	25.54%	10,012,049,051	34.59%
International Equity	3,951,903,166	17.51%	5,201,099,563	17.96%
Total Public Market Equity	9,713,888,400	43.04%	15,213,148,614	52.54%
Fixed Income				
Domestic Fixed Income	5,041,376,591	22.33%	5,092,232,357	17.59%
Total Fixed Income	5,041,376,591	22.33%	5,092,232,357	17.59%
Alternative Investments				
Absolute Return				
Raven 1	800,000,000	3.54%	937,330,300	3.24%
Raven 2	318,000,000	1.41%	365,992,036	1.26%
Raven 3	32,961,302	0.15%	35,888,073	0.12%
Raven 4	600,000,000	2.65%	777,043,809	2.68%
Raven 5	52,770,912	0.23%	56,207,322	0.19%
Raven 6	341,501,275	1.51%	378,305,270	1.31%
Raven 7	332,732,122	1.47%	356,827,997	1.23%
Total Absolute Return	2,477,965,612	10.97%	2,907,594,808	10.04%
Private Equity				
Columbia NB Crossroads Fund L.P.	305,651,813	1.35%	398,321,833	1.38%
Columbia NB Crossroads Fund II L.P.	38,937,736	0.17%	38,433,560	0.13%
TPSF NB PE Program	9,841,220	0.04%	11,499,493	0.04%
Columbia CS Fund, L.P.	283,145,700	1.25%	340,855,020	1.18%
Total Private Equity	637,576,469	2.81%	789,109,906	2.74%
Real Estate				
Summary of RE Investments	832,552,434	3.69%	941,393,971	3.25%
Total Real Estate	832,552,434	3.69%	941,393,971	3.25%
Risk Parity				
AQR Capital Management	821,664,411	3.65%	924,277,145	3.19%
Bridgewater	739,790,629	3.28%	911,625,828	3.15%
Total Risk Parity Strategies	1,561,455,040	6.92%	1,835,902,973	6.34%
Real Return				
Real Return - TIPS	865,067,110	3.83%	831,520,708	2.87%
Real Return Commodities - Terlingua 1	450,000,000	1.99%	407,438,360	1.41%
Real Return Commodities - Terlingua 2	430,000,000	1.91%	365,529,610	1.26%
Total Real Return	1,745,067,110	7.73%	1,604,488,678	5.54%
Total Alternative Assets	7,254,616,665	32.13%	8,078,490,336	27.92%
Total Unallocated Cash	563,513,776	2.50%	563,513,776	1.95%
Fund Total	<u>22,573,395,432</u>	<u>100.00%</u>	<u>28,947,385,083</u>	<u>100.00%</u>

Notes: The asset classes include allocated portfolio cash but no income accruals.
Exposure includes fair value of funded investments plus unfunded commitments.

Current State Board of Education approved Strategic Asset Allocation Mix (approved July 20, 2012)

Large Cap U.S. Equity	18.00%
Small/Mid Cap U.S. Equity	7.00%
Developed and Emerging Market International Large Cap Equity	18.00%
Emerging Market Equity	3.00%
Domestic Investment Grade Fixed Income	12.00%
Emerging Market Debt (LC)	5.00%
Real Estate	8.00%
Risk Parity	7.00%
Real Return-Commodities	3.00%
Real Return-TIPS	3.00%
Absolute Return	10.00%
Private Equity	<u>6.00%</u>
	100.00%
Exposure:	
Total Private Equity Exposure and Percentage	2,256,273,932 7.79%
Total Real Estate Exposure and Percentage	1,580,958,739 5.46%