

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
July 31, 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	\$ 1,086,139,553	4.39%	\$ 1,686,474,688	5.61%
	Domestic Large Cap	3,101,308,294	12.55%	5,992,120,367	19.95%
	Total Domestic Equity	4,187,447,847	16.94%	7,678,595,055	25.56%
	International Equity - Blackrock	4,110,230,081	16.63%	4,705,808,649	15.67%
	QMA Emerging Market Equity	450,000,000	1.82%	406,075,938	1.35%
	Navarro Emerging Market Equity	440,000,000	1.78%	479,704,980	1.60%
	Total Emerging Market Equity	890,000,000	3.60%	885,780,918	2.95%
Total Public Market Equity		9,187,677,928	37.17%	13,270,184,622	44.18%
Fixed Income	Domestic Fixed Income	3,889,078,507	15.73%	4,022,574,410	13.39%
	Investec Emerging Market Debt	745,814,078	3.02%	666,838,230	2.22%
	Ashmore Emerging Market Debt	735,963,073	2.98%	663,091,893	2.21%
	Stone Harbor Emerging Market Debt	735,900,829	2.98%	633,823,932	2.11%
	Total Emerging Market Debt	2,217,677,980	8.98%	1,963,754,055	6.54%
Total Fixed Income		6,106,756,487	24.71%	5,986,328,465	19.93%
Absolute Return	Raven 1	800,000,000	3.24%	948,598,750	3.16%
	Raven 2	221,192,772	0.89%	262,512,100	0.87%
	Raven 4	600,000,000	2.43%	853,074,420	2.84%
	Raven 6	353,884,154	1.43%	406,427,876	1.35%
	Raven 7	412,711,614	1.67%	466,324,998	1.55%
	Raven 8	73,177,577	0.30%	78,298,238	0.26%
	Total Absolute Return	2,460,966,117	9.96%	3,015,236,382	10.03%
	Private Equity	Columbia NB Crossroads Fund L.P.	370,519,726	1.50%	506,559,032
Columbia NB Crossroads Fund II L.P.		387,904,236	1.57%	428,044,700	1.43%
TPSF NB PE Program		253,013,253	1.02%	283,986,998	0.95%
Columbia CS Fund, L.P.		393,466,182	1.59%	501,569,490	1.67%
Total Private Equity	1,404,903,397	5.68%	1,720,160,220	5.74%	
Real Estate	Direct Real Estate Investments	1,712,980,910	6.93%	2,094,045,209	6.97%
	Total Real Estate	1,712,980,910	6.93%	2,094,045,209	6.97%
Risk Parity	AQR Capital Management	846,664,411	3.43%	1,027,115,140	3.42%
	Bridgewater	739,790,629	2.99%	1,012,332,945	3.37%
	Total Risk Parity Strategies	1,586,455,040	6.42%	2,039,448,085	6.79%
Real Return	Real Return - TIPS	917,146,393	3.71%	942,585,491	3.14%
	Real Return Commodities - Terlingua 1	587,500,000	2.38%	410,248,054	1.37%
	Real Return Commodities - Terlingua 2	575,000,000	2.33%	377,287,624	1.26%
	Total Real Return	2,079,646,393	8.42%	1,730,121,169	5.77%
Total Unallocated Cash		180,384,317	0.74%	180,384,317	0.59%
Fund Total		24,719,770,589	100.03%	30,035,908,469	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 2,917,420,367 9.71%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 2,943,411,021 9.80%

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>