

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
February 28, 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	\$1,055,337,706	4.22%	\$ 1,770,294,371	5.68%
	Domestic Large Cap	2,906,748,164	11.61%	6,020,306,777	19.33%
	Total Domestic Equity	3,962,085,870	15.83%	7,790,601,148	25.01%
	International Equity - Blackrock	4,171,182,186	16.67%	4,968,835,727	15.95%
	QMA Emerging Market Equity	450,000,000	1.80%	441,447,586	1.42%
	Navarro Emerging Market Equity	440,000,000	1.76%	524,885,671	1.69%
	Total Emerging Market Equity	890,000,000	3.56%	966,333,257	3.11%
Total Public Market Equity		9,023,268,056	36.06%	13,725,770,132	44.07%
Fixed Income	Domestic Fixed Income	3,954,769,328	15.80%	3,936,972,588	12.64%
	Investec Emerging Market Debt	753,004,390	3.01%	677,221,837	2.17%
	Ashmore Emerging Market Debt	762,369,247	3.05%	699,840,870	2.25%
	Stone Harbor Emerging Market Debt	746,957,722	2.98%	644,668,990	2.07%
	Total Emerging Market Debt	2,262,331,359	9.04%	2,021,731,697	6.49%
	Total Fixed Income		6,217,100,687	24.84%	5,958,704,285
Absolute Return	Raven 1	800,000,000	3.20%	1,005,440,270	3.23%
	Raven 2	140,391,361	0.56%	173,884,354	0.56%
	Raven 4	600,000,000	2.40%	901,454,292	2.89%
	Raven 6	353,884,155	1.41%	428,364,117	1.38%
	Raven 7	412,711,614	1.65%	494,738,280	1.59%
	Raven 8	180,519,345	0.72%	196,210,484	0.63%
Total Absolute Return		2,487,506,475	9.94%	3,200,091,797	10.28%
Private Equity	Columbia NB Crossroads Fund L.P.	349,953,243	1.40%	465,025,740	1.49%
	Columbia NB Crossroads Fund II L.P.	455,739,199	1.82%	541,959,317	1.74%
	Columbia NB Crossroads Fund II Tranche C	98,217,832	0.39%	101,273,127	0.33%
	TPSF NB PE Program	349,339,421	1.40%	400,823,393	1.29%
	Private Equity Direct	5,115,290	0.02%	5,115,290	0.02%
	Columbia CS Fund, L.P.	425,895,999	1.70%	548,045,592	1.76%
Total Private Equity		1,684,260,984	6.73%	2,062,242,459	6.63%
Real Estate	Direct Real Estate Investments	1,761,881,065	7.04%	2,163,171,323	6.95%
Total Real Estate		1,761,881,065	7.04%	2,163,171,323	6.95%
Risk Parity	AQR Capital Management	846,664,411	3.38%	1,062,462,451	3.41%
	Bridgewater	764,790,629	3.06%	1,060,976,343	3.41%
	Total Risk Parity Strategies	1,611,455,040	6.44%	2,123,438,794	6.82%
Real Return	Real Return - TIPS	928,354,242	3.71%	932,613,025	2.99%
	Real Return Commodities - Terlingua 1	587,500,000	2.35%	426,596,133	1.37%
	Real Return Commodities - Terlingua 2	575,000,000	2.30%	401,539,311	1.29%
	Total Real Return	2,090,854,242	8.36%	1,760,748,469	5.65%
Total Unallocated Cash		150,110,903	0.59%	150,110,903	0.47%
Fund Total		25,026,437,452	100.00%	31,144,278,162	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 3,345,506,051 10.74%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 3,082,618,875 9.90%

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>