

**Texas Permanent School Fund  
Asset Allocation Mix - SBOE  
July 31, 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	\$1,089,027,706	4.30%	\$ 1,737,198,633	5.35%
	Domestic Large Cap	2,781,282,695	10.97%	5,935,733,674	18.28%
	Total Domestic Equity	<u>3,870,310,401</u>	<u>15.27%</u>	<u>7,672,932,307</u>	<u>23.63%</u>
	International Equity - Blackrock	4,130,927,138	16.29%	5,410,841,367	16.67%
	QMA Emerging Market Equity	450,000,000	1.77%	511,793,228	1.58%
	Navarro Emerging Market Equity	393,406,809	1.55%	540,219,334	1.66%
	Total Emerging Market Equity	<u>843,406,809</u>	<u>3.32%</u>	<u>1,052,012,562</u>	<u>3.24%</u>
Total Public Market Equity		<u>8,844,644,348</u>	<u>34.88%</u>	<u>14,135,786,236</u>	<u>43.54%</u>
Fixed Income	Domestic Fixed Income	4,129,686,223	16.29%	4,144,164,645	12.76%
	Investec Emerging Market Debt	771,200,508	3.04%	755,295,381	2.33%
	Ashmore Emerging Market Debt	783,879,365	3.09%	781,630,575	2.41%
	Stone Harbor Emerging Market Debt	757,641,267	2.99%	704,014,470	2.17%
	Total Emerging Market Debt	<u>2,312,721,140</u>	<u>9.12%</u>	<u>2,240,940,426</u>	<u>6.91%</u>
Total Fixed Income		<u>6,442,407,363</u>	<u>25.41%</u>	<u>6,385,105,071</u>	<u>19.67%</u>
Absolute Return	Raven 1	800,000,000	3.16%	1,014,996,722	3.13%
	Raven 2	91,337,210	0.36%	116,442,255	0.36%
	Raven 4	600,000,000	2.37%	916,121,089	2.82%
	Raven 6	353,884,155	1.40%	433,673,095	1.34%
	Raven 7	412,711,613	1.63%	506,502,829	1.56%
	Raven 8	236,166,156	0.93%	262,780,289	0.81%
Total Absolute Return		<u>2,494,099,134</u>	<u>9.85%</u>	<u>3,250,516,279</u>	<u>10.02%</u>
Private Equity	Columbia NB Crossroads Fund L.P.	327,774,721	1.29%	438,143,660	1.35%
	Columbia NB Crossroads Fund II L.P.	439,697,284	1.73%	588,430,139	1.81%
	Columbia NB Crossroads Fund II Tranche C	161,314,051	0.64%	169,265,431	0.52%
	TPSF NB PE Program	405,686,184	1.60%	487,509,081	1.50%
	Private Equity Direct	10,427,412	0.04%	11,439,442	0.04%
	Columbia CS Fund, L.P.	393,074,461	1.55%	527,528,549	1.62%
Total Private Equity		<u>1,737,974,113</u>	<u>6.85%</u>	<u>2,222,316,302</u>	<u>6.84%</u>
Real Estate	Direct Real Estate Investments	1,966,820,496	7.76%	2,387,564,245	7.35%
Total Real Estate		<u>1,966,820,496</u>	<u>7.76%</u>	<u>2,387,564,245</u>	<u>7.35%</u>
Risk Parity	AQR Capital Management	846,664,411	3.34%	1,107,974,332	3.41%
	Bridgewater	764,790,629	3.02%	1,084,481,787	3.34%
	Total Risk Parity Strategies	<u>1,611,455,040</u>	<u>6.36%</u>	<u>2,192,456,119</u>	<u>6.75%</u>
Real Return	Real Return - TIPS	957,200,795	3.78%	952,808,381	2.93%
	Real Return Commodities - Terlingua 1	587,500,000	2.32%	414,752,778	1.28%
	Real Return Commodities - Terlingua 2	575,000,000	2.27%	387,854,203	1.19%
	Total Real Return	<u>2,119,700,795</u>	<u>8.37%</u>	<u>1,755,415,362</u>	<u>5.40%</u>
Total Unallocated Cash		136,228,707	0.52%	136,228,707	0.43%
Fund Total		<u>25,353,329,996</u>	<u>100.00%</u>	<u>32,465,388,321</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 3,689,130,406 11.36%  
Total Real Estate Exposure and Percentage of Fund Total Fair Value 3,557,554,254 10.96%

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>