

**Texas Permanent School Fund
Asset Allocation Mix
May 31, 2015**

<u>Asset Class</u>	<u>Book Value</u>	<u>Mix</u>	<u>Fair Value</u>	<u>Mix</u>
Equity				
Domestic Small-Mid Cap	\$ 1,283,591,965	5.37%	\$ 2,124,059,206	6.94%
Domestic Large Cap	3,620,276,964	15.14%	7,052,660,788	23.03%
Total Domestic Equity	4,903,868,929	20.51%	9,176,719,994	29.97%
International Equity	4,046,266,817	16.92%	5,199,867,965	16.98%
Total Public Market Equity	8,950,135,746	37.43%	14,376,587,959	46.95%
Fixed Income				
Domestic Fixed Income	4,166,892,809	17.42%	4,243,204,416	13.86%
Total Fixed Income	4,166,892,809	17.42%	4,243,204,416	13.86%
Alternative Investments				
Absolute Return				
Raven 1	800,000,000	3.34%	996,969,828	3.26%
Raven 2	318,000,000	1.33%	411,237,935	1.34%
Raven 4	600,000,000	2.51%	864,862,604	2.82%
Raven 6	354,634,155	1.48%	422,123,859	1.38%
Raven 7	411,961,614	1.72%	487,986,858	1.53%
Total Absolute Return	2,484,595,769	10.38%	3,183,181,084	10.39%
Emerging Market Debt				
Investec	749,769,737	3.13%	684,261,859	2.23%
Ashmore	712,851,425	2.98%	628,871,687	2.05%
Stone Harbor	714,322,760	2.99%	612,208,083	2.00%
Total Emerging Market Debt	2,176,943,922	9.10%	1,925,341,629	6.28%
Private Equity				
Columbia NB Crossroads Fund L.P.	383,856,969	1.60%	535,120,204	1.75%
Columbia NB Crossroads Fund II L.P.	217,997,188	0.91%	226,529,454	0.74%
TPSF NB PE Program	102,806,419	0.43%	114,786,465	0.37%
Columbia CS Fund, L.P.	412,789,398	1.73%	529,823,287	1.73%
Total Private Equity	1,117,449,974	4.67%	1,406,259,410	4.59%
Real Estate				
Summary of RE Investments	1,423,022,261	5.95%	1,675,486,779	5.47%
Total Real Estate	1,423,022,261	5.95%	1,675,486,779	5.47%
Risk Parity				
AQR Capital Management	821,664,411	3.44%	1,027,459,401	3.36%
Bridgewater	739,790,629	3.09%	1,014,622,878	3.31%
Total Risk Parity Strategies	1,561,455,040	6.53%	2,042,082,279	6.67%
Real Return				
Real Return - TIPS	902,807,522	3.77%	900,883,223	2.94%
Real Return Commodities - Terlingua	515,000,000	2.15%	388,855,050	1.27%
Real Return Commodities - Terlingua	512,500,000	2.14%	373,236,363	1.22%
Total Real Return	1,930,307,522	8.06%	1,662,974,636	5.43%
Total Alternative Assets	10,693,774,488	44.69%	11,895,325,817	38.83%
Total Unallocated Cash	106,730,301	0.46%	106,730,301	0.36%
Fund Total	23,917,533,344	100.00%	30,621,848,493	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 2,265,392,425 7.40%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 2,505,446,544 8.18%

Current State Board of Education approved Strategic Asset Allocation Mix (approved July 18, 2014):

Large Cap U.S. Equity	16.00%	Real Estate	8.00%
Small/Mid Cap U.S. Equity	5.00%	Risk Parity	7.00%
Developed and Emerging Market I	16.00%	Real Return-Commodities	3.00%
Emerging Market Equity	3.00%	Real Return-TIPS	3.00%
Domestic Investment Grade Fixed	12.00%	Absolute Return	10.00%
Emerging Market Debt (LC)	7.00%	Private Equity	10.00%
			<u>100.00%</u>