

**Texas Permanent School Fund
Asset Allocation Mix
July 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	\$1,183,200,052	4.89%	\$ 1,915,083,561	6.36%
Domestic Large Cap	3,453,478,497	14.26%	6,668,592,905	22.15%
Total Domestic Equity	4,636,678,549	19.15%	8,583,676,466	28.51%
International Equity	4,001,702,654	16.53%	4,955,709,979	16.46%
Total Public Market Equity	8,638,381,203	35.68%	13,539,386,445	44.97%
Fixed Income				
Domestic Fixed Income	4,151,415,014	17.15%	4,183,387,649	13.90%
Total Fixed Income	4,151,415,014	17.15%	4,183,387,649	13.90%
Alternative Investments				
Absolute Return				
Raven 1	800,000,000	3.30%	992,639,585	3.30%
Raven 2	318,000,000	1.31%	404,957,094	1.35%
Raven 4	600,000,000	2.48%	865,435,102	2.87%
Raven 6	354,634,155	1.46%	422,448,236	1.40%
Raven 7	411,961,614	1.70%	484,430,892	1.61%
Total Absolute Return	2,484,595,769	10.25%	3,169,910,909	10.53%
Emerging Market Debt				
Investec	749,769,737	3.10%	652,258,677	2.17%
Ashmore	713,513,776	2.95%	602,774,379	2.00%
Stone Harbor	714,579,384	2.95%	585,426,658	1.94%
Total Emerging Market Debt	2,177,862,897	9.00%	1,840,459,714	6.11%
Emerging Market Equity				
QMA	450,000,000	1.86%	421,008,057	1.40%
Private Equity				
Columbia NB Crossroads Fund L.P.	375,859,999	1.55%	534,441,994	1.78%
Columbia NB Crossroads Fund II L.P.	241,826,074	1.00%	253,767,939	0.84%
TPSF NB PE Program	126,074,251	0.52%	139,516,912	0.46%
Columbia CS Fund, L.P.	409,195,170	1.69%	544,300,828	1.81%
Total Private Equity	1,152,955,494	4.76%	1,472,027,673	4.89%
Real Estate				
Summary of RE Investments	1,522,721,141	6.29%	1,792,891,663	5.96%
Total Real Estate	1,522,721,141	6.29%	1,792,891,663	5.96%
Risk Parity				
AQR Capital Management	821,664,411	3.39%	981,649,645	3.26%
Bridgewater	739,790,629	3.06%	977,901,077	3.25%
Total Risk Parity Strategies	1,561,455,040	6.45%	1,959,550,722	6.51%
Real Return				
Real Return - TIPS	908,738,874	3.75%	895,602,578	2.98%
Real Return Commodities - Terlingua 1	530,000,000	2.19%	368,263,067	1.22%
Real Return Commodities - Terlingua 2	532,500,000	2.20%	359,097,701	1.19%
Total Real Return	1,971,238,874	8.14%	1,622,963,346	5.39%
Total Alternative Assets	11,320,829,215	46.75%	12,278,812,084	40.79%
Total Unallocated Cash	101,484,839	0.42%	101,484,839	0.34%
Fund Total	24,212,110,271	100.00%	30,103,071,017	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.

<u>Exposure</u> Total Private Equity Exposure and Percentage of Fund Total Fair Value	2,364,206,270	7.85%
Total Real Estate Exposure and Percentage of Fund Total Fair Value	2,564,628,295	8.52%

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%
International Large Cap Equity	16.00%	Real Return-Commodities	3.00%
Emerging Market Equity	3.00%	Real Return-TIPS	3.00%
Domestic Investment Grade Fixed Inc.	12.00%	Absolute Return	10.00%
Emerging Market Debt (LC)	7.00%	Private Equity	10.00%
			<u>100.00%</u>