

**Texas Permanent School Fund
Asset Allocation Mix
September 30, 2015**

<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	\$ 1,196,067,375	4.91%	\$ 1,745,063,581	6.15%
	Domestic Large Cap	3,501,317,250	14.37%	6,099,734,845	21.49%
	Total Domestic Equity	4,697,384,625	19.28%	7,844,798,426	27.64%
	International Equity - Blackrock	4,017,026,636	16.49%	4,365,894,999	15.38%
	QMA Emerging Market Equity	450,000,000	1.85%	374,113,271	1.32%
	Total Emerging Market Equity	450,000,000	1.85%	374,113,271	1.32%
Total Public Market Equity		9,164,411,261	37.62%	12,584,806,696	44.34%
Fixed Income	Domestic Fixed Income	3,991,477,121	16.38%	4,015,572,199	14.15%
	Investec Emerging Market Debt	748,697,862	3.07%	601,841,462	2.12%
	Ashmore Emerging Market Debt	713,513,776	2.93%	551,468,631	1.94%
	Stone Harbor Emerging Market Debt	734,825,797	3.02%	552,379,820	1.95%
	Total Emerging Market Debt	2,197,037,435	9.02%	1,705,689,913	6.01%
Total Fixed Income		6,188,514,556	25.40%	5,721,262,112	20.16%
Absolute Return	Raven 1	800,000,000	3.28%	960,447,371	3.38%
	Raven 2	318,000,000	1.31%	382,931,068	1.35%
	Raven 4	600,000,000	2.46%	850,477,741	3.00%
	Raven 6	354,634,155	1.46%	413,316,853	1.46%
	Raven 7	411,961,614	1.69%	467,749,745	1.65%
Total Absolute Return		2,484,595,769	10.20%	3,074,922,778	10.83%
Private Equity	Columbia NB Crossroads Fund L.P.	386,878,680	1.59%	541,910,461	1.91%
	Columbia NB Crossroads Fund II L.P.	260,621,002	1.07%	271,537,483	0.96%
	TPSF NB PE Program	136,791,300	0.56%	153,820,646	0.54%
	Columbia CS Fund, L.P.	413,409,017	1.70%	528,986,227	1.86%
Total Private Equity		1,197,699,999	4.92%	1,496,254,817	5.27%
Real Estate	Direct Real Estate Investments	1,562,537,917	6.41%	1,854,280,133	6.53%
Total Real Estate		1,562,537,917	6.41%	1,854,280,133	6.53%
Risk Parity	AQR Capital Management	821,664,411	3.37%	921,959,993	3.25%
	Bridgewater	739,790,629	3.04%	920,333,343	3.24%
	Total Risk Parity Strategies	1,561,455,040	6.41%	1,842,293,336	6.49%
Real Return	Real Return - TIPS	909,715,333	3.73%	881,975,085	3.11%
	Real Return Commodities - Terlingua 1	535,000,000	2.20%	357,211,104	1.26%
	Real Return Commodities - Terlingua 2	557,500,000	2.29%	364,932,583	1.29%
	Total Real Return	2,002,215,333	8.22%	1,604,118,772	5.65%
Total Unallocated Cash		205,024,827	0.83%	205,024,827	0.72%
Fund Total		<u>24,366,454,702</u>	<u>100.00%</u>	<u>28,382,963,471</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	2,503,931,309	8.82%
Total Real Estate Exposure and Percentage of Fund Total Fair Value	2,634,192,477	9.28%

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 International Lar	16.00%	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	10.00%
			<u>100.00%</u>