

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
November 30, 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	\$ 1,056,849,406	4.14%	\$ 1,793,744,192	5.34%
	Domestic Large Cap	2,772,403,650	10.85%	6,305,271,282	18.76%
	Total Domestic Equity	<u>3,829,253,056</u>	<u>14.99%</u>	<u>8,099,015,474</u>	<u>24.10%</u>
	International Equity - Blackrock	3,997,759,931	15.65%	5,457,588,690	16.24%
	QMA Emerging Market Equity	424,104,750	1.66%	508,111,764	1.51%
	Navarro Emerging Market Equity	375,659,523	1.47%	542,282,017	1.61%
Total Public Market Equity	Total Emerging Market Equity	<u>799,764,273</u>	<u>3.13%</u>	<u>1,050,393,781</u>	<u>3.12%</u>
		<u>8,626,777,260</u>	<u>33.77%</u>	<u>14,606,997,945</u>	<u>43.46%</u>
Fixed Income	Domestic Fixed Income	4,296,005,959	16.82%	4,283,997,556	12.75%
	Investec Emerging Market Debt	770,238,162	3.02%	762,856,523	2.27%
	Ashmore Emerging Market Debt	809,757,897	3.17%	808,849,327	2.41%
	Stone Harbor Emerging Market Debt	783,241,292	3.07%	728,507,983	2.17%
	Total Emerging Market Debt	<u>2,363,237,351</u>	<u>9.26%</u>	<u>2,300,213,833</u>	<u>6.85%</u>
Total Fixed Income		<u>6,659,243,310</u>	<u>26.08%</u>	<u>6,584,211,389</u>	<u>19.60%</u>
Absolute Return	Raven 1	800,000,000	3.13%	1,040,772,019	3.10%
	Raven 2	78,096,494	0.31%	101,345,580	0.30%
	Raven 4	600,000,000	2.35%	937,903,405	2.79%
	Raven 6	353,884,155	1.39%	444,935,964	1.32%
	Raven 7	412,711,613	1.62%	520,170,299	1.55%
	Raven 8	273,166,156	1.07%	308,215,366	0.92%
Total Absolute Return		<u>2,517,858,418</u>	<u>9.87%</u>	<u>3,353,342,633</u>	<u>9.98%</u>
Private Equity	Columbia NB Crossroads Fund L.P.	328,672,686	1.29%	429,740,981	1.28%
	Columbia NB Crossroads Fund II L.P.	433,507,174	1.70%	642,189,921	1.91%
	Columbia NB Crossroads Fund II Tranche C	329,575,569	1.29%	347,698,381	1.03%
	TPSF NB PE Program	487,894,937	1.91%	598,895,282	1.78%
	Private Equity Direct	19,939,492	0.08%	21,477,254	0.06%
	Columbia CS Fund, L.P.	365,714,626	1.43%	508,641,236	1.51%
Total Private Equity		<u>1,965,304,484</u>	<u>7.70%</u>	<u>2,548,643,055</u>	<u>7.57%</u>
Real Estate	Direct Real Estate Investments	1,793,078,265	7.02%	2,195,027,217	6.53%
Total Real Estate		<u>1,793,078,265</u>	<u>7.02%</u>	<u>2,195,027,217</u>	<u>6.53%</u>
Risk Parity	AQR Capital Management	846,664,411	3.31%	1,158,284,848	3.45%
	Bridgewater	764,790,629	2.99%	1,131,903,842	3.37%
	Total Risk Parity Strategies	<u>1,611,455,040</u>	<u>6.30%</u>	<u>2,290,188,690</u>	<u>6.82%</u>
Real Return	Real Return - TIPS	997,463,590	3.91%	994,950,734	2.96%
	Real Return Commodities - Terlingua 1	587,500,000	2.30%	421,704,407	1.26%
	Real Return Commodities - Terlingua 2	575,000,000	2.25%	398,925,537	1.19%
	Total Real Return	<u>2,159,963,590</u>	<u>8.46%</u>	<u>1,815,580,678</u>	<u>5.41%</u>
Total Unallocated Cash		207,321,231	0.80%	207,321,231	0.63%
Fund Total		<u>25,541,001,598</u>	<u>100.00%</u>	<u>33,601,312,838</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 4,064,650,401 12.10%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 3,518,541,039 10.47%

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>