

**Texas Permanent School Fund
Asset Allocation Mix - SBOE
November 30, 2016**

<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	\$1,081,356,440	4.33%	\$ 1,749,465,720	5.87%
	Domestic Large Cap	2,961,783,154	11.86%	5,733,789,534	19.22%
	Total Domestic Equity	4,043,139,594	16.19%	7,483,255,254	25.09%
	International Equity - Blackrock	4,185,222,675	16.76%	4,609,428,435	15.46%
	QMA Emerging Market Equity	450,000,000	1.80%	405,694,886	1.36%
	Navarro Emerging Market Equity	440,000,000	1.76%	474,859,133	1.59%
	Total Emerging Market Equity	890,000,000	3.56%	880,554,019	2.95%
Total Public Market Equity		9,118,362,269	36.52%	12,973,237,708	43.50%
Fixed Income	Domestic Fixed Income	3,903,210,518	15.63%	3,858,478,638	12.94%
	Investec Emerging Market Debt	754,853,882	3.02%	632,053,274	2.12%
	Ashmore Emerging Market Debt	746,674,034	2.99%	636,116,099	2.13%
	Stone Harbor Emerging Market Debt	746,570,754	2.99%	602,934,119	2.02%
	Total Emerging Market Debt	2,248,098,670	9.00%	1,871,103,492	6.27%
Total Fixed Income		6,151,309,188	24.63%	5,729,582,130	19.21%
Absolute Return	Raven 1	800,000,000	3.20%	977,281,080	3.28%
	Raven 2	176,742,661	0.71%	213,267,356	0.72%
	Raven 4	600,000,000	2.40%	876,248,234	2.94%
	Raven 6	353,884,155	1.42%	416,681,456	1.40%
	Raven 7	412,711,614	1.65%	479,625,481	1.61%
	Raven 8	136,877,995	0.55%	146,564,724	0.49%
Total Absolute Return		2,480,216,425	9.93%	3,109,668,331	10.44%
Private Equity	Columbia NB Crossroads Fund L.P.	382,041,600	1.53%	509,598,543	1.71%
	Columbia NB Crossroads Fund II L.P.	515,006,415	2.06%	579,833,999	1.94%
	TPSF NB PE Program	304,176,655	1.22%	354,002,480	1.19%
	Columbia CS Fund, L.P.	428,341,124	1.72%	548,590,019	1.84%
Total Private Equity		1,629,565,794	6.53%	1,992,025,041	6.68%
Real Estate	Direct Real Estate Investments	1,750,083,938	7.01%	2,150,164,449	7.21%
	Total Real Estate	1,750,083,938	7.01%	2,150,164,449	7.21%
Risk Parity	AQR Capital Management	846,664,411	3.39%	993,903,799	3.33%
	Bridgewater	764,790,629	3.06%	1,011,478,416	3.39%
	Total Risk Parity Strategies	1,611,455,040	6.45%	2,005,382,215	6.72%
Real Return	Real Return - TIPS	927,523,589	3.71%	919,163,468	3.08%
	Real Return Commodities - Terlingua 1	587,500,000	2.35%	416,378,270	1.40%
	Real Return Commodities - Terlingua 2	575,000,000	2.30%	390,226,912	1.31%
	Total Real Return	2,090,023,589	8.36%	1,725,768,650	5.79%
Total Unallocated Cash		138,998,941	0.57%	138,998,941	0.45%
Fund Total		24,970,015,184	100.00%	29,824,827,465	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 3,177,806,569 10.65%
Total Real Estate Exposure and Percentage of Fund Total Fair Value 3,026,287,757 10.15%

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>