

Commonwealth of Pennsylvania – State Employees' Retirement System

Asset Allocation Report – Total Fund Summary

March 31, 2015

(Unaudited) - (Dollars in Millions)

ASSET CLASS Sub-asset Class	Market Exposure	% of Total Fund	Policy Target %	Policy Range %
ALTERNATIVE INVESTMENTS				
Private Equity	2,989.5	11.0		
Special Situations	792.5	2.9		
Venture Capital	1,338.0	4.9		
Total Alternative Investments	5,120.0	18.8%	20%	
GLOBAL PUBLIC EQUITY				
Global Mandates	664.5	2.4		
U.S. Equity	5,240.8	19.2		
Non-U.S. Developed Market Equity	3,490.0	12.8		
Emerging Markets Equity	843.0	3.1		
Total Global Public Equity	10,238.3	37.6%	37%	
Total Equity	15,358.4	56.4%	57%	52-62%
REAL ASSETS				
Private Real Assets				
Private Energy	186.3	0.7		
Non-Core Real Estate	596.9	2.2		
Total Private Real Assets	783.3	2.9		
Public Real Assets				
Core Real Estate	1,894.9	7.0		
REITs	366.5	1.3		
Commodities & Infrastructure	1,081.6	4.0		
Total Public Real Assets	3,343.0	12.3		
Total Real Assets	4,126.3	15.1%	17%	14-20%
DIVERSIFYING ASSETS				
Absolute Return Strategies	138.7	0.5		
Hedged Strategies	1,502.0	5.5		
Direct Investments	111.1	0.4		
Total Diversifying Assets	1,751.9	6.4%	8%	5-11%
FIXED INCOME				
Core Plus Fixed Income	1,259.9	4.6		
Core Fixed Income	1,892.7	6.9		
Global TIPS	776.9	2.9		
Nominal U.S. Treasuries	538.4	2.0		
Total Fixed Income	4,467.9	16.4%	15%	12-18%
LIQUIDITY RESERVE				
Short-Term Notes	350.6	1.3		
Cash	1,197.9	4.4		
Total Liquidity Reserve	1,548.6	5.7%	3%	0-6%
TOTAL FUND	\$ 27,253.0	100.0%	100%	