

Commonwealth of Pennsylvania – State Employees' Retirement System

Asset Allocation Report – Total Fund Summary

March 31, 2016

(Unaudited) - (Dollars in Millions)

ASSET CLASS Sub-asset Class	Market Exposure	% of Total Fund	Policy Target %	Policy Range %
ALTERNATIVE INVESTMENTS				
Private Equity	2,594.0	10.1		
Special Situations	755.9	2.9		
Venture Capital	1,208.8	4.7		
Total Alternative Investments	4,558.7	17.7%	20.0%	
GLOBAL PUBLIC EQUITY				
Global Mandates	669.2	2.6		
U.S. Equity	5,077.4	19.7		
Non-U.S. Developed Market Equity	3,510.5	13.6		
Emerging Markets Equity	755.7	2.9		
Total Global Public Equity	10,012.8	38.9%	37.0%	
Total Equity	14,571.5	56.6%	57.0%	52-62%
REAL ASSETS				
Private Real Assets				
Private Energy	143.9	0.6		
Non-Core Real Estate	499.8	1.9		
Total Private Real Assets	643.7	2.5		
Public Real Assets				
Core Real Estate	1,710.3	6.6		
REITs	361.6	1.4		
Commodities & Infrastructure	809.9	3.1		
Total Public Real Assets	2,881.8	11.2		
Total Real Assets	3,525.4	13.7%	17.0%	14-20%
DIVERSIFYING ASSETS				
Absolute Return Strategies	97.7	0.4		
Hedged Strategies	1,398.5	5.4		
Direct Investments	98.7	0.4		
Total Diversifying Assets	1,594.9	6.2%	8.0%	5-11%
FIXED INCOME				
Core Plus Fixed Income	1,166.1	4.5		
Core Fixed Income	1,863.8	7.2		
Global TIPS	789.0	3.1		
Nominal U.S. Treasuries	556.2	2.2		
Total Fixed Income	4,375.0	17.0%	15.0%	12-18%
LIQUIDITY RESERVE				
Short-Term Notes	354.5	1.4		
Cash	1,311.6	5.1		
Liquidated Holdings	0.1	0.0		
Total Liquidity Reserve	1,666.3	6.5%	3.0%	0-6%
TOTAL FUND	\$ 25,733.1	100.0%	100.0%	