

Commonwealth of Pennsylvania – State Employees' Retirement System

Asset Allocation Report – Total Fund Summary

June 30, 2016

(Unaudited) - (Dollars in Millions)

ASSET CLASS Sub-asset Class	Market Exposure	% of Total Fund	Policy Target %	Policy Range %
ALTERNATIVE INVESTMENTS				
Private Equity	2,448.8	9.5		
Special Situations	730.6	2.8		
Venture Capital	1,122.1	4.4		
Total Alternative Investments	4,301.5	16.7%	20.0%	
GLOBAL PUBLIC EQUITY				
Global Mandates	682.2	2.7		
U.S. Equity	5,454.1	21.2		
Non-U.S. Developed Market Equity	3,978.9	15.5		
Emerging Markets Equity	762.7	3.0		
Total Global Public Equity	10,877.9	42.3%	37.0%	
Total Equity	15,179.5	59.1%	57.0%	52-62%
REAL ASSETS				
Private Real Assets				
Private Energy	137.7	0.5		
Non-Core Real Estate	485.1	1.9		
Total Private Real Assets	622.8	2.4		
Public Real Assets				
Core Real Estate	1,727.8	6.7		
REITs	368.9	1.4		
Commodities & Infrastructure	624.0	2.4		
Total Public Real Assets	2,720.8	10.6		
Total Real Assets	3,343.6	13.0%	17.0%	14-20%
DIVERSIFYING ASSETS				
Absolute Return Strategies	93.5	0.4		
Hedged Strategies	1,422.8	5.5		
Direct Investments	99.0	0.4		
Total Diversifying Assets	1,615.3	6.3%	8.0%	5-11%
FIXED INCOME				
Core Plus Fixed Income	1,210.3	4.7		
Core Fixed Income	1,284.3	5.0		
Global TIPS	802.7	3.1		
Nominal U.S. Treasuries	573.7	2.2		
Total Fixed Income	3,871.0	15.1%	15.0%	12-18%
LIQUIDITY RESERVE				
Short-Term Notes	356.7	1.4		
Cash	1,330.7	5.2		
Liquidated Holdings	0.1	0.0		
Total Liquidity Reserve	1,687.6	6.6%	3.0%	0-6%
TOTAL FUND	\$ 25,697.0	100.0%	100.0%	