

# Commonwealth of Pennsylvania – State Employees' Retirement System

## Asset Allocation Report – Total Fund Summary

September 30, 2015

(Unaudited) - (Dollars in Millions)

<b>ASSET CLASS</b> Sub-asset Class	Market Exposure	% of Total Fund	Policy Target %	Policy Range %
<b>ALTERNATIVE INVESTMENTS</b>				
Private Equity	2,859.0	11.0		
Special Situations	746.8	2.9		
Venture Capital	1,331.8	5.1		
<b>Total Alternative Investments</b>	<b>4,937.6</b>	<b>19.0%</b>	20%	
<b>GLOBAL PUBLIC EQUITY</b>				
Global Mandates	625.2	2.4		
U.S. Equity	4,824.8	18.6		
Non-U.S. Developed Market Equity	3,089.7	11.9		
Emerging Markets Equity	700.9	2.7		
<b>Total Global Public Equity</b>	<b>9,240.6</b>	<b>35.6%</b>	37%	
<b>Total Equity</b>	<b>14,178.2</b>	<b>54.7%</b>	57%	52-62%
<b>REAL ASSETS</b>				
<b>Private Real Assets</b>				
Private Energy	180.2	0.7		
Non-Core Real Estate	553.0	2.1		
<b>Total Private Real Assets</b>	<b>733.1</b>	<b>2.8</b>		
<b>Public Real Assets</b>				
Core Real Estate	1,783.9	6.9		
REITs	332.9	1.3		
Commodities & Infrastructure	884.4	3.4		
<b>Total Public Real Assets</b>	<b>3,001.2</b>	<b>11.6</b>		
<b>Total Real Assets</b>	<b>3,734.3</b>	<b>14.4%</b>	17%	14-20%
<b>DIVERSIFYING ASSETS</b>				
Absolute Return Strategies	116.9	0.5		
Hedged Strategies	1,464.5	5.6		
Direct Investments	105.2	0.4		
<b>Total Diversifying Assets</b>	<b>1,686.7</b>	<b>6.5%</b>	8%	5-11%
<b>FIXED INCOME</b>				
Core Plus Fixed Income	1,211.8	4.7		
Core Fixed Income	1,845.2	7.1		
Global TIPS	760.6	2.9		
Nominal U.S. Treasuries	538.2	2.1		
<b>Total Fixed Income</b>	<b>4,355.8</b>	<b>16.8%</b>	15%	12-18%
<b>LIQUIDITY RESERVE</b>				
Short-Term Notes	352.2	1.4		
Cash	1,615.2	6.2		
<b>Total Liquidity Reserve</b>	<b>1,967.3</b>	<b>7.6%</b>	3%	0-6%
<b>TOTAL FUND</b>	<b>\$ 25,922.4</b>	<b>100.0%</b>	<b>100%</b>	