

Commonwealth of Pennsylvania - State Employees' Retirement System

Asset Allocation Report - Total Fund Summary

March 31, 2017

(Unaudited) - (Dollars in Millions)

| ASSET CLASS Sub-asset Class | Market Exposure | % of Total Fund | Policy Target % | Policy Range % |
|-----------------------------------|--------------------|--------------------|--------------------|-------------------|
| PRIVATE EQUITY | | | | |
| Buyouts | 2,337.5 | 8.6 | | |
| Special Situations | 693.7 | 2.6 | | |
| Venture Capital | 1,018.4 | 3.8 | | |
| Total Private Equity | 4,049.5 | 15.0% | 16.0% | |
| GLOBAL PUBLIC EQUITY | | | | |
| Global Mandates | 744.2 | 2.8 | | |
| U.S. Equity | 6,641.8 | 24.6 | | |
| Non-U.S. Developed Markets Equity | 4,954.0 | 18.3 | | |
| Emerging Markets Equity | 909.8 | 3.4 | | |
| Total Global Public Equity | 13,249.8 | 49.0% | 43.0% | |
| Total Equity | 17,299.4 | 64.0% | 59.0% | 54-64% |
| REAL ESTATE | | | | |
| Core Real Estate Funds | 330.5 | 1.2 | | |
| Real Estate Separate Accounts | 1,140.4 | 4.2 | | |
| Non-Core Real Estate Funds | 489.4 | 1.8 | | |
| Timberland | 149.2 | 0.6 | | |
| REITs | 227.1 | 0.8 | | |
| Total Real Estate | 2,336.7 | 8.6% | 12.0% | 9-15% |
| HEDGE FUNDS | | | | |
| Funds-of-Hedge Funds | 1,542.3 | 5.7 | | |
| Absolute Return Strategies | 75.6 | 0.3 | | |
| Direct Investments | 107.6 | 0.4 | | |
| Commodities | 359.1 | 1.3 | | |
| Total Hedge Funds | 2,084.6 | 7.7% | 12.0% | 9-15% |
| FIXED INCOME | | | | |
| Core Plus Fixed Income | 1,533.8 | 5.7 | | |
| Core Fixed Income | 1,296.1 | 4.8 | | |
| Global TIPS | 799.8 | 3.0 | | |
| Nominal U.S. Treasuries | 538.1 | 2.0 | | |
| Short-Term Notes | 357.1 | 1.3 | | |
| Total Fixed Income | 4,524.9 | 16.7% | 14.0% | 11-17% |
| CASH | | | | |
| Cash | 783.7 | 2.9 | | |
| Total Cash | 783.7 | 2.9% | 3.0% | 0-6% |
| TOTAL FUND | \$ 27,029.4 | 100.0% | 100.0% | |