



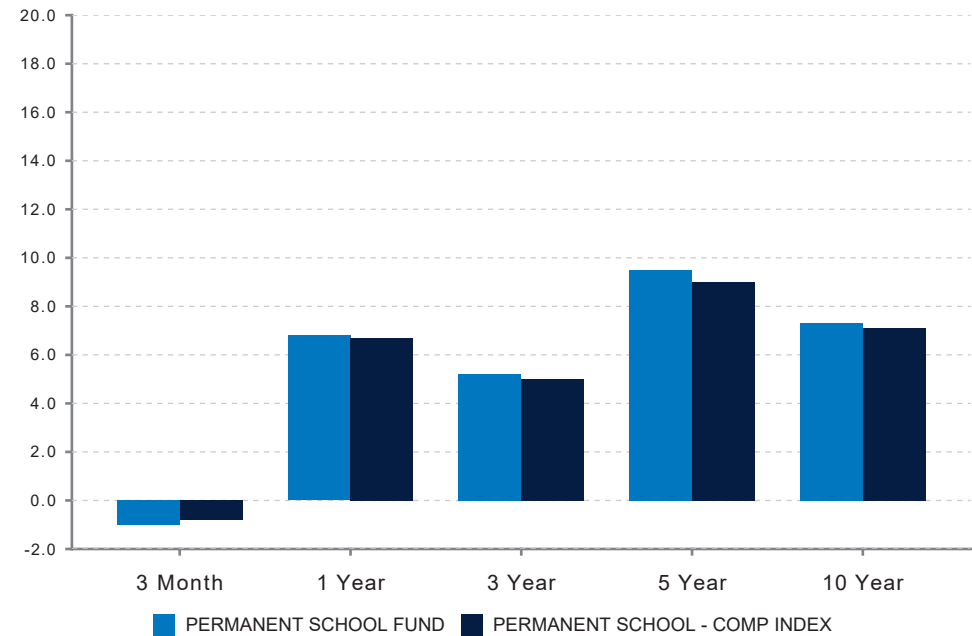
Permanent School Fund Quarter-End Review

Permanent School Fund

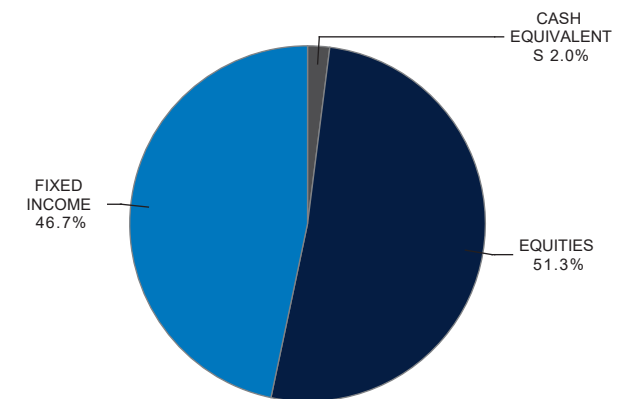
The investment objective of the Permanent School Fund is to produce a growing level of spendable income, within the constraints of maintaining adequate portfolio quality and liquidity. The income from the portfolio is transferred to the school endowment fund and distributed to Minnesota's public schools.

The Permanent School Fund is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds provide portfolio diversification and a more stable stream of current income.

The stock segment is passively managed to track the performance of the S&P 500. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions. The fixed income benchmark is the Bloomberg U.S. Aggregate. The total fund benchmark is a combination of the fixed income and equity benchmarks, weighted according to the total fund asset allocation targets of 2% cash, 50% equity, and 48% fixed income. The actual asset mix will fluctuate and is shown in the graph below.



	Ending Market Value	Last Qtr	1 Year	3 Year	5 Year	10 Year
PERMANENT SCHOOL FUND	\$2,192,556,338	-1.0%	6.8%	5.2%	9.5%	7.3%
CASH EQUIVALENTS	\$44,511,852	1.1%	5.2%	4.5%	2.7%	2.0%
EQUITIES	\$1,124,009,596	-4.3%	8.2%	9.1%	18.6%	12.5%
FIXED INCOME	\$1,024,034,890	2.7%	5.4%	0.9%	0.5%	1.8%
PERMANENT SCHOOL - COMP INDEX		-0.8%	6.7%	5.0%	9.0%	7.1%
Excess		-0.2%	0.1%	0.1%	0.5%	0.2%
S&P 500		-4.3%	8.3%	9.1%	18.6%	12.5%
Bloomberg U.S. Aggregate		2.8%	4.9%	0.5%	-0.4%	1.5%



Note: Since 12/1/2017 the equity segment has been managed by Mellon and the fixed income segment by PGIM. Prior to 12/1/2017 both segments were managed internally by SBI staff. Prior to 7/1/97 the Fund allocation was 100% fixed income.