



Hamilton Lane



Los Angeles City Employees' Retirement System

Board Presentation

November 2012

Agenda

- Hamilton Lane Update..... 1
- LACERS' Private Equity History..... 4
- 1H 2012 Performance..... 10
- Private Equity Market Overview..... 18
- Appendix..... 25



Hamilton Lane Update

Employee Ownership

- Expanded employee ownership
- 67 employee shareholders

Offices

- Las Vegas office opened September 2012
 - New geographically focused investment mandate in Nevada

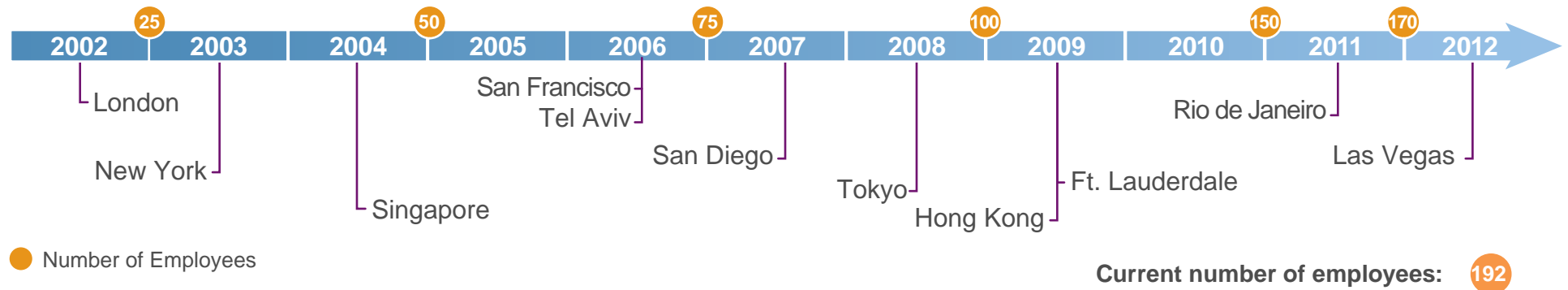
Analyst Development Program

- 2-year training and development program for top college graduates
- First analyst class has 15 participants

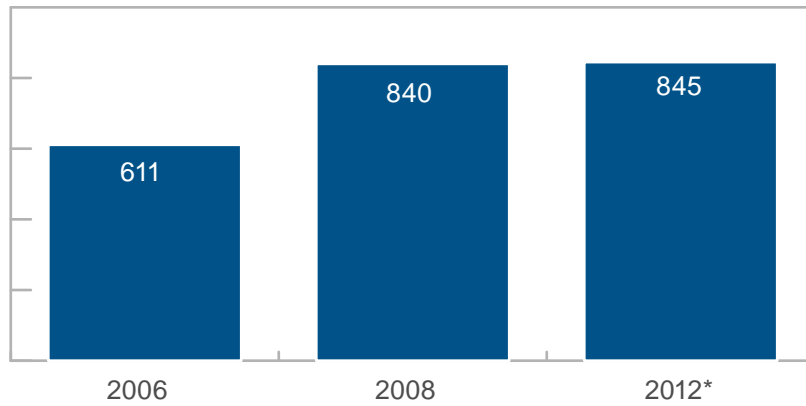
Awards

- 2012 Inc. 500|5000 Fastest Growing Companies

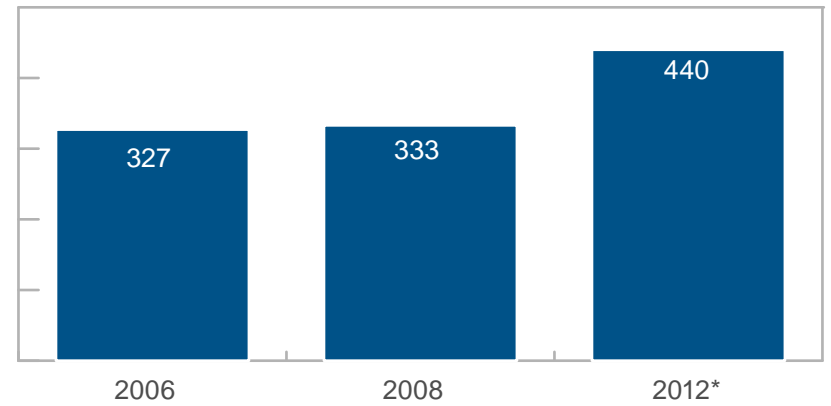
Employees and Offices



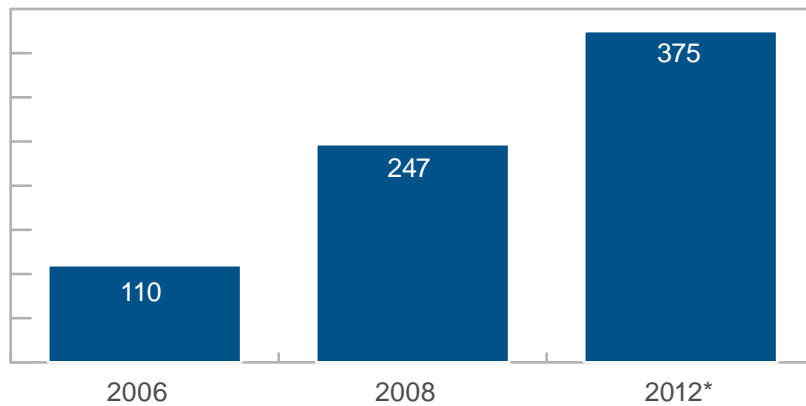
Investment Opportunities



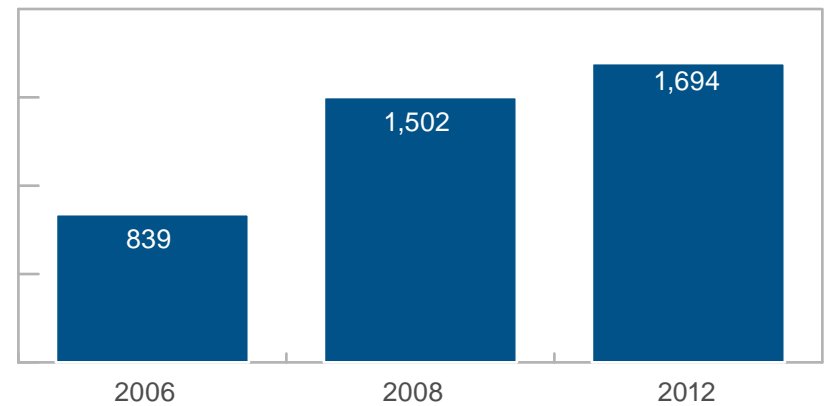
GP Meetings Held



Annual Meetings Attended



Funds in Database

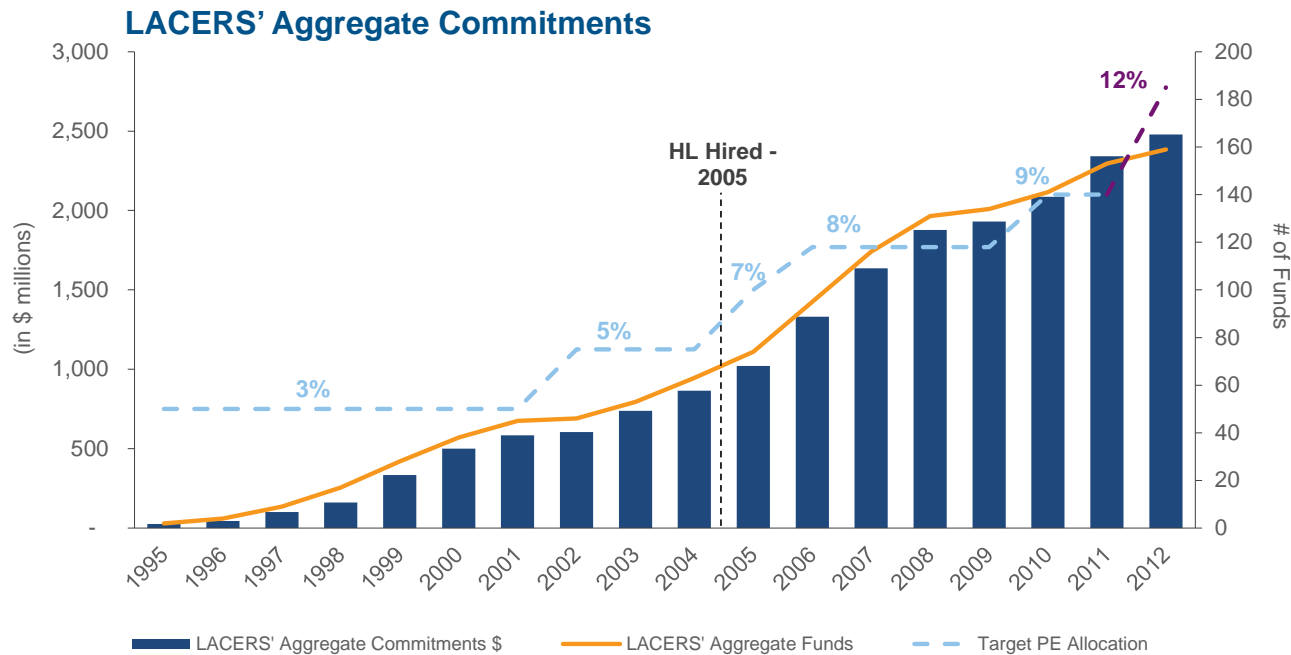


* Annualized as of July 2012
Source: Hamilton Lane Fund Investment Database (July 2012)



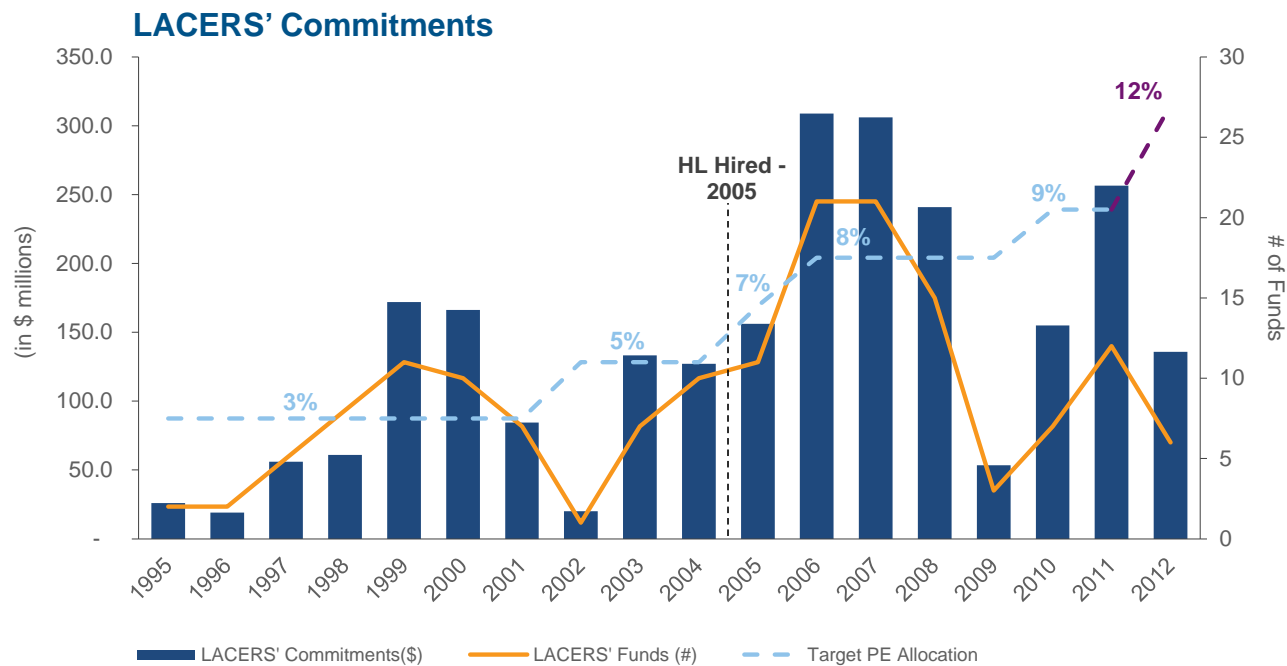
LACERS Private Equity History

- LACERS began investing in Private Equity in 1995 with commitments totaling \$26 million to OCM Opportunities Fund I and Welsh, Carson, Anderson & Stowe VII
- As of June 30, 2012 LACERS had committed \$2.4 billion to 156 partnerships and 84 managers through its private equity program
 - Core Portfolio accounts for 133 partnerships and 66 managers
 - Specialized Portfolio is responsible for 23 partnerships and 19 managers
- Target PE allocation of 12% - exposure as of June 30, 2012 was approximately 11.7%



Activity updated through October 31, 2012

- LACERS' average annual commitment amount since inception is approximately \$134.3 million across 9 funds
- Between 2006-2011, average annual commitment totaled \$220.3 million invested in 13 funds; pre HL \$86.5 million average commitment in 6 funds
 - In 2006-2007, LACERS committed \$615.0 million to 42 funds (includes \$117.1 million to 14 funds in the Specialized Portfolio); a combination of growth in total plan assets, increased allocation to PE and robust fundraising market
- Recent commitment activity has picked up after stepping back in 2009-10 as a result of the GFC which created liquidity concerns for the LACERS' Portfolio
 - Goal – to re-establish vintage year diversification
 - Hamilton Lane commitment modeling projects an annual target of \$250-\$300 million per year to maintain PE exposure within the target range



Activity updated through October 31, 2012

Hamilton Lane is engaged by LACERS in January of 2005 to select new investments, monitor, and provide advice for the alternative portfolio

In early 2006, LACERS' adjusted target exposure to 7%

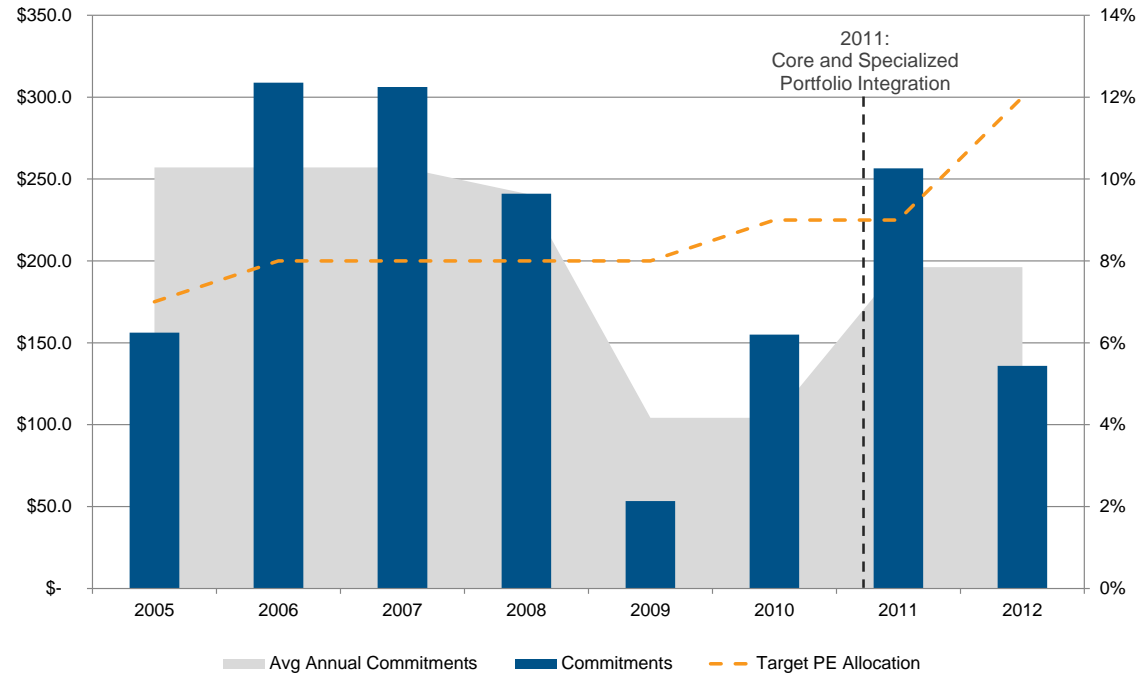
Hamilton Lane was tasked with increasing the target exposure to 8% to be reached in 2009

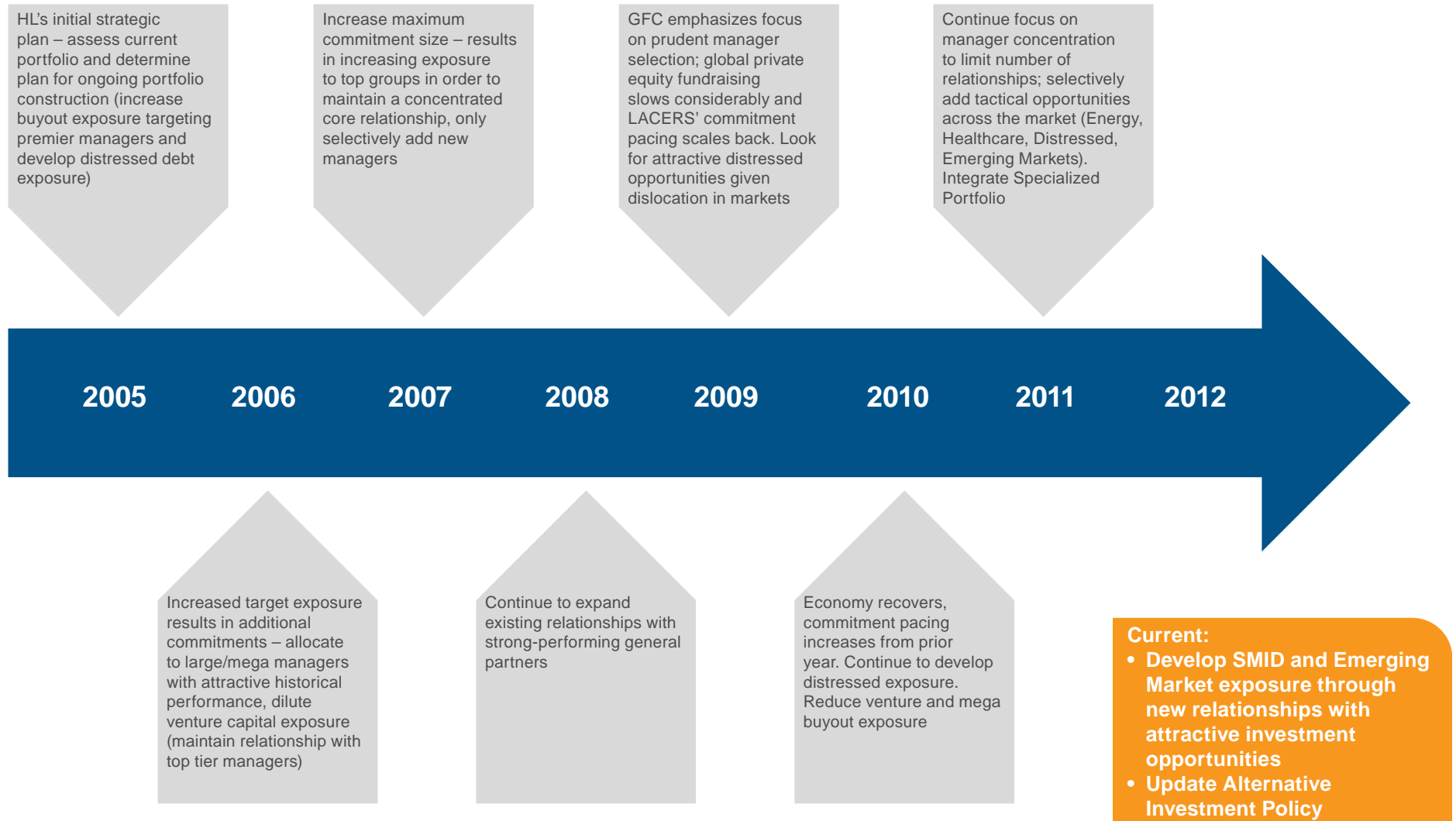
2009 – LACERS' becomes over allocated to PE as a result of the decline in overall plan value impacted by the GFC

2011 – Investment pacing picks up as markets recover

2012 – Target Allocation is increased to 12%

- Hamilton Lane increased commitments and was able to reach the target in 2008
- Average annual commitments in 2005 – 2007 stepped up to \$257.1m
- This resulted in commitments of \$241.0m in 15 funds for 2008
- Hamilton Lane adjusts pacing model and reduces commitments in 2009 and 2010 to maintain allocation at 9%– average \$104.2m in five investments per year
- Annual commitments of \$256.5m in 12 funds
- Commitment Pacing models indicate a range of \$250 - \$300m to maintain target exposure



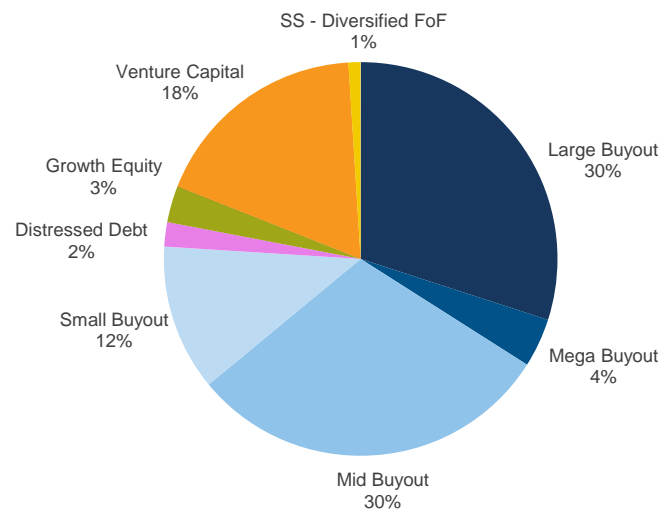


In 2005, Hamilton Lane implemented Annual Strategic Plans and included sub-strategy target allocations for further diversification

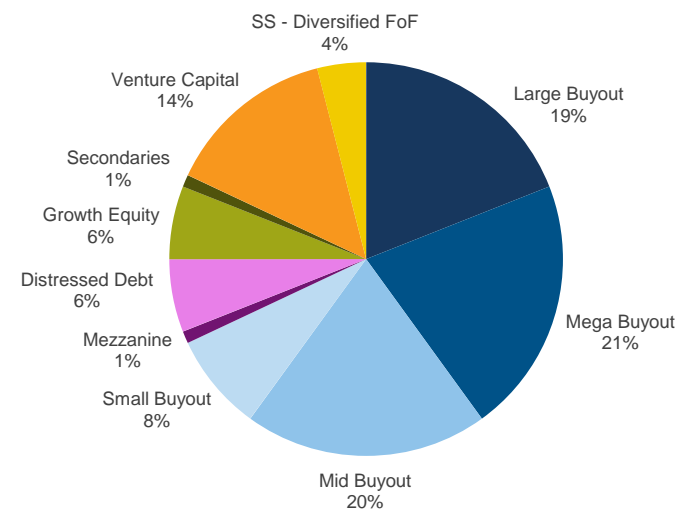
- In 2005, 76% portfolio exposure was buyout; since has been reduced to 68% and is more diversified by size
 - Portfolio diversification has evolved - increased exposure to mega vs large during 2005-2008
 - Emphasis since 2010 has been increased exposure to SMID; bringing down mega exposure
- Increased Distressed Debt – more opportunities in troubled markets (US in 2009 and 2010 and Europe in 2011 – current) have made investments in this strategy more attractive
- Decreased Venture Capital – returns have proved to be more volatile over time; limit exposure by only targeting best managers
- Opportunistically added Secondary and Mezzanine exposure

Strategic Diversification by Total Exposure

As of June 30, 2005



As of June 30, 2012





1H 2012 Performance

Portfolio

- LACERS' Portfolio added two new partnerships in the first half of 2012 totaling \$55.0 million in commitments
- Subsequent to June 30, 2012 the Portfolio added four new investments totaling \$80.9 million in commitments
- As of June 30, 2012, the Core Portfolio accounts for 92% of total commitments and 90% of total market value

Performance

- Performance in the 1st half of 2012 was positive as a result of a strong 1st quarter; Q2 2012 was relatively flat
- The Aggregate Portfolio, led by the performance of the Core Portfolio, has a since inception IRR of 10.55% up 17 bps from year end 2011
- The Specialized Portfolio's since inception return turned positive in the 4th quarter of 2011 and has maintained consistency generating a 1.83% IRR as of June 30, 2012

Cash flows

- The Aggregate Portfolio had net cash inflows of \$7.2 million over the past five quarters (Q3 2011 – Q3 2012)
- Distribution activity over the past two quarters (Q2 and Q3 2012) are the single highest quarterly totals since Q4 2010

2012 Commitment Activity				
Closing Date	Partnership	Investment Strategy	Geographic Focus	Commitment Amount
Core Portfolio				
6/21/2012	Coller International Partners VI, L.P.	Secondaries	Global	\$25.0
6/29/2012	Advent International GPE VII-B, L.P.*	Buyout - Large	Global	\$30.0
8/14/2012	Platinum Equity Capital Partners III, L.P.	Buyout - Large	North America	\$25.0
8/15/2012	FIMI Opportunity V, L.P.	Buyout- Small	Middle East	\$20.0
9/14/2012	AION Capital Partners Ltd.	Special Situation	Asia	\$20.0
10/26/2012	SSG Capital Partners II, L.P.	Special Situation	Asia	\$15.9
				\$135.9

* Existing GP relationship

- 2012 commitment activity is diversified by geography spanning North America, Asia, Middle East and other selected regions covered by Global Managers
- Added new managers that present attractive opportunities in areas of focus for increased Portfolio exposure – consistent with current investment strategy

Aggregate Portfolio Snapshot ¹			
\$ millions	12/31/2011	6/30/2012	Net Change
Active Partnerships	154	156	2
Active GP Relationships	83	84	1
Capital Committed ²	\$2,363.8	\$2,417.5	\$53.7
Unfunded Commitment	\$613.0	\$567.9	(\$45.1)
Paid-in Capital	\$1,834.2	\$1,940.5	\$106.3
Capital Distributed	\$1,347.4	\$1,458.1	\$110.7
Market Value	\$1,167.7	\$1,242.1	\$74.4
Total Value Multiple	1.37x	1.39x	0.02x
Core Portfolio Since Inception IRR	10.88%	11.03%	15 bps
Avg Age of Commitments	6.4 years	6.8 years	0.4 years
Specialized Portfolio Since Inception IRR	0.68%	1.83%	115 bps
Avg Age of Commitments	4.7 years	5.2 years	0.5 years
Aggregate Since Inception IRR ¹	10.38%	10.55%	17 bps

¹Includes "Core" and "Specialized" private equity portfolios

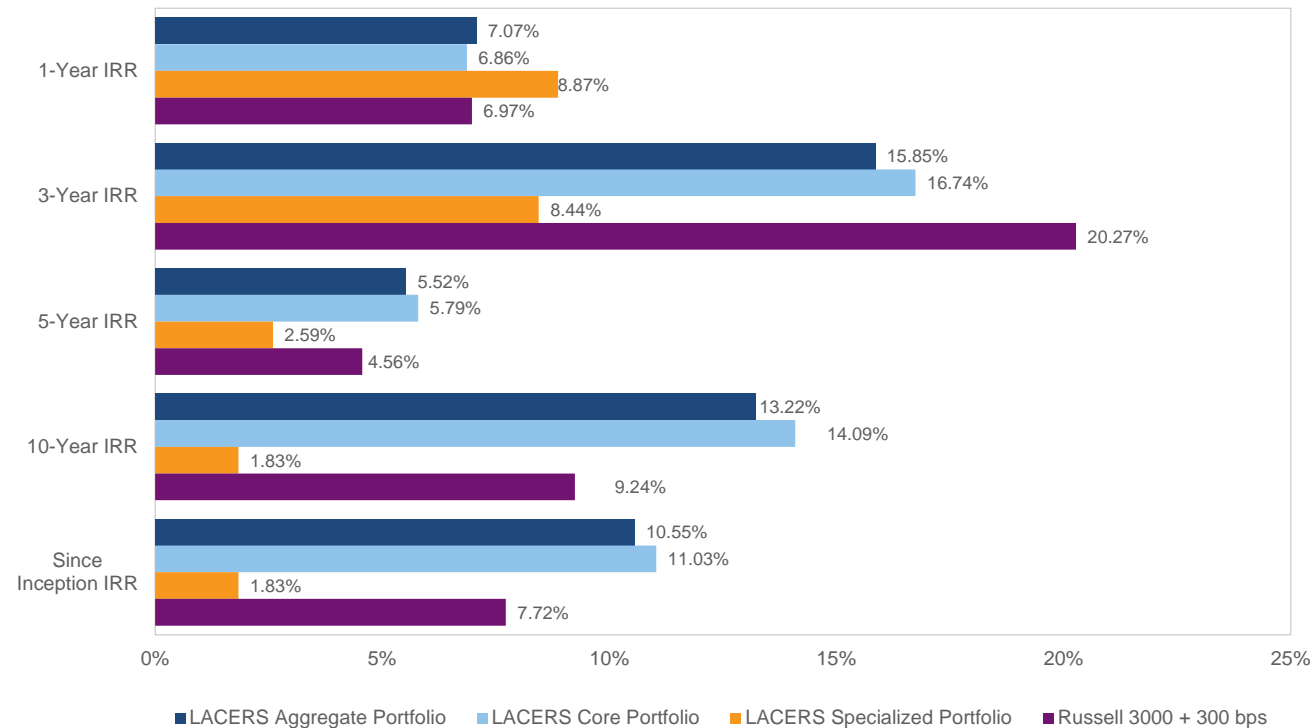
²The "change" from fourth quarter of 2011 to second quarter of 2012 reflects the actual commitments made by the Portfolio +/- currency movements in the Portfolio's existing non-USD denominated funds.

- 1H of 2012 – Aggregate since inception IRR increased 17 bps, while market value grew \$74.4 million
- Tale of two quarters – after a strong first quarter (Aggregate Portfolio up 5.8%), 2nd quarter performance was relatively flat with a period IRR of 0.83% outperforming the public markets (S&P 500 was down 2.8% and the Russell 3000 was down 3.1%)
- Of the \$2.4 billion in capital committed, 23% remains unfunded and available for deployment
- Of the capital paid-in to underlying investments, 75% has been returned through distributions
- Specialized Portfolio performance is led by top performers Saybrook Corporate Opportunity Fund, L.P., Spire Capital II, L.P. and Palladium Equity Partners III, L.P. with respective since inception IRRs of 16.85%, 14.61% and 12.08%

Aggregate Portfolio Summary					
	Quarter Ending				Year Ending
in \$ millions	9/30/2011	12/31/2011	3/31/2012	6/30/2012	6/30/2012
Beginning Market Value	\$1,136.4	\$1,112.6	\$1,167.7	\$1,256.7	\$1,136.4
Paid-in Capital	56.8	67.5	59.6	46.7	230.6
Distributions	(37.2)	(59.5)	(39.0)	(71.7)	(207.4)
Net Value Change	(43.4)	47.1	68.4	10.5	82.6
Ending Market Value	1,112.6	\$1,167.7	\$1,256.7	\$1,242.2	\$1,242.2
Unfunded Commitments	609.7	\$613.0	\$557.8	\$567.9	\$567.9
Total Exposure	1,722.3	\$1,780.7	\$1,814.6	\$1,810.1	\$1,810.1
Point-to-Point IRR - Core	(4.12%)	4.18%	6.03%	0.83%	6.86%
Point-to-Point IRR - Specialized	(0.78%)	4.56%	3.96%	0.85%	8.87%
Since Inception IRR - Core	10.72%	10.88%	11.21%	11.03%	11.03%
Since Inception IRR - Specialized	(0.69%)	0.68%	1.72%	1.83%	1.83%

- Core Portfolio's since inception returns declined slightly in the 2nd quarter, however the Aggregate Portfolio was able to create \$10.5 million of net value
- The Core Portfolio created \$71.6 million in net value over the past year and produced a one-year point-to-point return of 6.86%
 - In total, 63% of Core Portfolio partnerships generated positive net value for the year
- The Specialized Portfolio had a net value increase of \$11.0 million for the one-year period, which led to a point-to-point return of 8.87%
 - Aggregated, 59% of the Specialized Portfolio's partnerships created positive value for the year
- The market value of the Aggregate Portfolio increased by \$105.8 million over the past year driven by strong performance from underlying managers

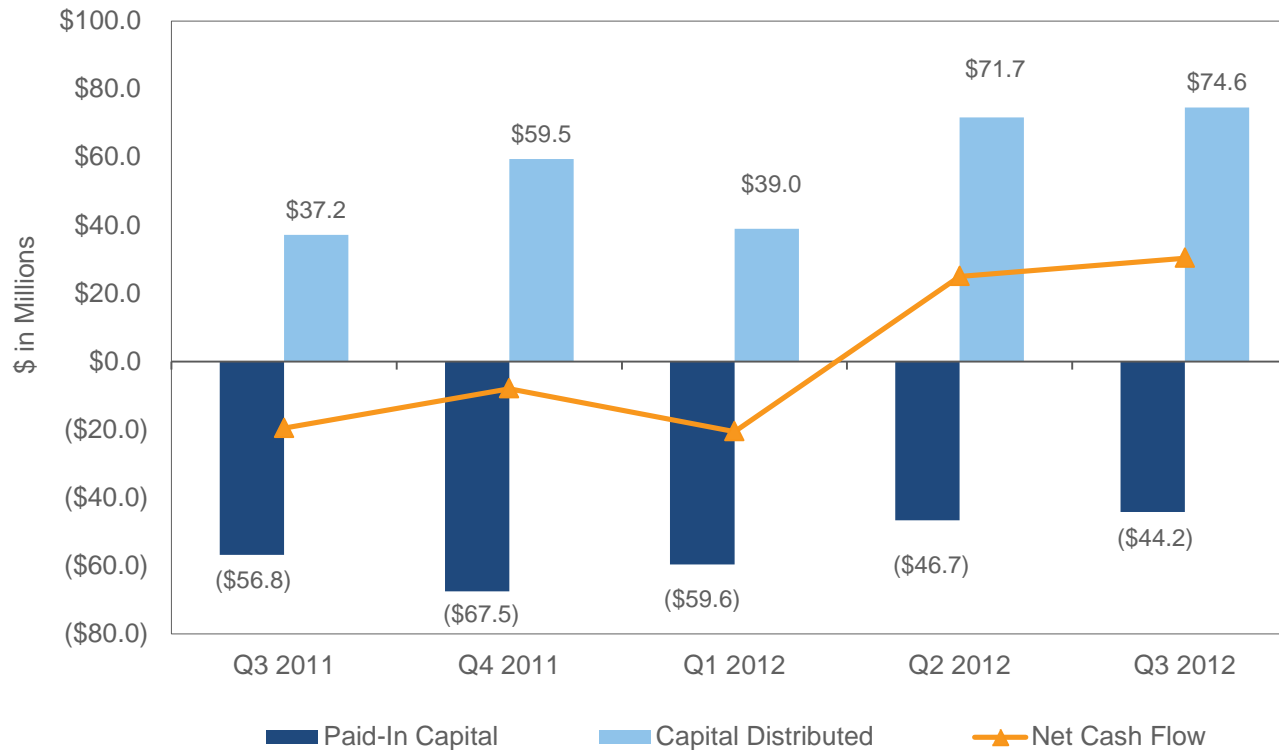
IRR Performance as of June 30, 2012*



- Both the Aggregate and Core Portfolios outperform the Russell 3000 + 300 bps benchmark over the 5-, 10-year and since inception time periods - longer term performance is more meaningful in PE
- Double digit returns have been achieved by the Aggregate and Core Portfolios over the 3-year, 10-year and since inception time periods
- Three year public market outperformance - beginning time period is considered a trough in the GFC and the ending period captures the economic recovery
- The Specialized Portfolio has a slight negative impact to the return of the Overall Portfolio - however, has generated positive performance across all time periods for the 2nd consecutive quarter

* Benchmark return is calculated using a cash flow weighted approach assuming dollars invested and reinvested at the closing price of index

Net Portfolio Cash Flow Activity



- Over the past five quarters, distributions outweighed contributions by \$7.2 million
- Q3 cash flow activity remained consistent with the prior quarter
- Distribution activity has picked up the past two quarters – exit markets continue to build momentum with the current quarter representing the highest value for private equity backed exits since the post crisis high of Q2 2011

Top Five Performing Investments for the Six Months Ending June 30, 2012

Investment Name	Strategy	Vintage Year	Net Value Change (\$ Millions)	% of Positive Change	Point-to-Point IRR	Since Inception IRR
CVC European Equity Partners IV, L.P.	Mega Buyout	2005	\$6.9	7.6%	44.3%	16.26%
Vista Equity Partners Fund III, L.P.	Mid Buyout	2007	\$5.1	5.6%	16.1%	29.42%
KKR 2006 Fund, L.P.	Mega Buyout	2006	\$3.7	4.1%	14.5%	6.30%
Resolute Fund, L.P.	Mid Buyout	2002	\$2.9	3.2%	20.0%	16.69%
CHS Private Equity V, L.P.	Mid Buyout	2005	\$2.9	3.2%	14.1%	8.79%
Sub Total			\$21.6	23.7%	19.95%	14.89%

- Top drivers include a mix of mega and mid buyout funds
- All five investments are past their investment stage and are currently in the realization stage of the fund's life – in aggregate total distributions over the past six months are nearly 8x more than total contributions
- All five top performing funds for the 1st half of 2012 have generated a positive since inception IRR and have accounted for 23.7% of the portfolio growth over the past 6 months



Private Equity Market Overview

“The future ain’t what it used to be.”

Yogi Berra



*Positive momentum in the
face of headwinds*

*Reuters
August 2012*

The debt wall that wasn't

*Fortune
August 2012*

*Lackluster US economy
shows stronger pulse*

*Reuters
September 2012*

*European debt crisis dragging
down world economy*

*Los Angeles Times
September 2012*

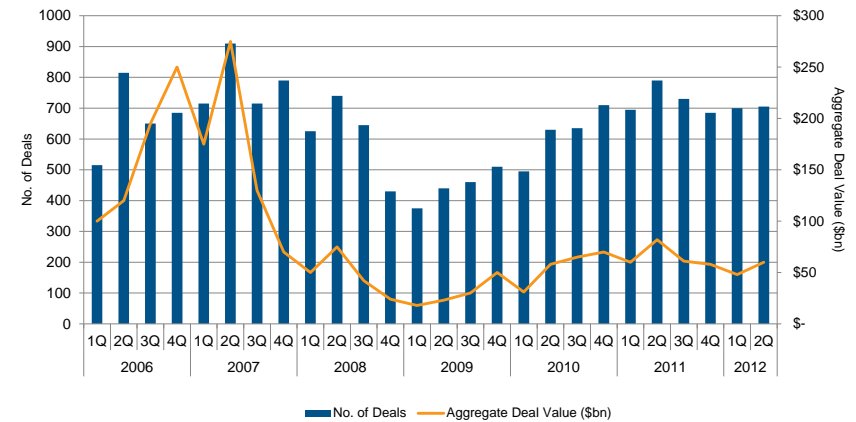
Second quarter shows improvement

- \$60.4B of value; 705 PE-backed buyout deals announced
- 37% QoQ rise in aggregate deal value result of increase in large transactions
 - 21 deals valued over \$1B versus 8 in prior quarter
- QoQ deal value increased everywhere, but Europe still struggling
 - Second quarter deal value in Europe of \$16.9B well below 2011 average of \$24.0B per quarter



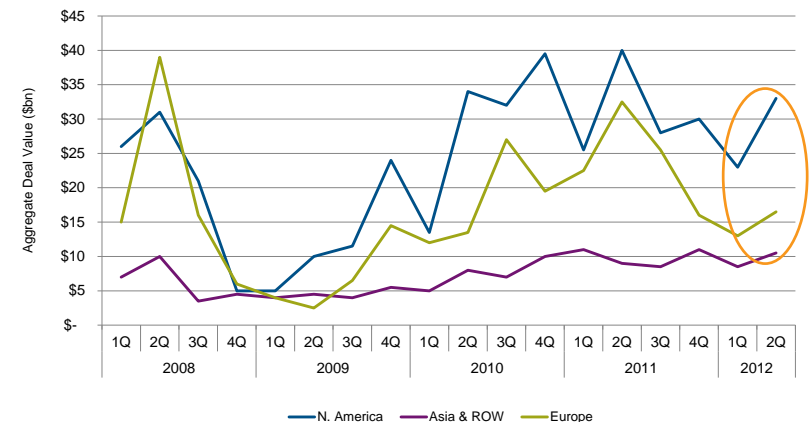
With other sources pointing to continued steady deal flow through July... is the deal market finding some stability? If so, could indicate increase in capital calls as announced deals close.

Number and Aggregate Value of Buyout Deals Globally Q1 2006 - Q2 2012



Source: Prequin (July 2012)

Aggregate Deal Value by Region Q1 2008 - Q2 2012



Source: Prequin (July 2012)

Top 5 PE-Backed Deals in Q2 2012

Company	Investors	Deal Size (\$m)	Industry	Location
Party City Corporation	THL Partners	2,690 USD	Consumer Products	US
BSN Medical	EQT Partners	1,800 EUR	Medical Devices	Germany
EMI Music Publishing	Blackstone, Sony, Mubadala Development, Raine Group	2,200 USD	Entertainment	US
Collective Brands	Blum Capital, Golden Gate Capital, Wolverine World Wide	2,000 USD	Retail	US
Motel 6	Blackstone	1,900 USD	Hotels and Offices	US

Source: Prequin, July 2012

European equity contribution spread over U.S. at historic high

Europe

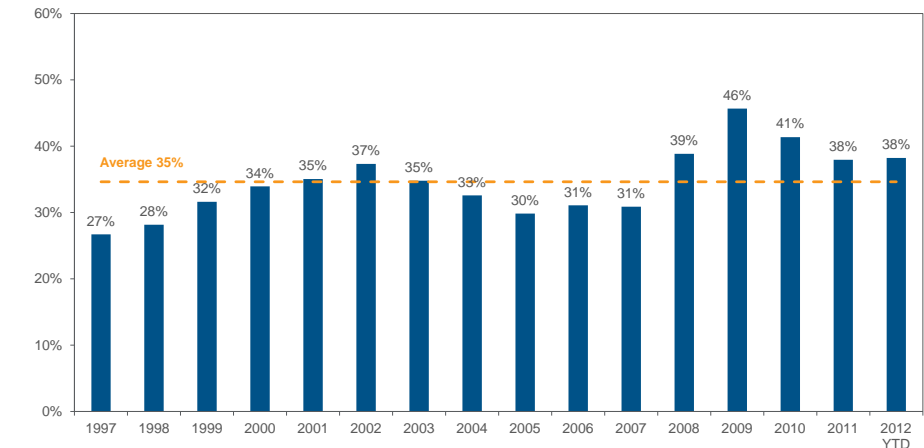
- Purchase prices high and constant, though limited deal activity
- Greater equity requirements (due in part to limited debt availability)

U.S.

- Deal activity maintaining steady pace (per prior page)
- In comparison to historic averages, equity requirements and purchase prices within reach

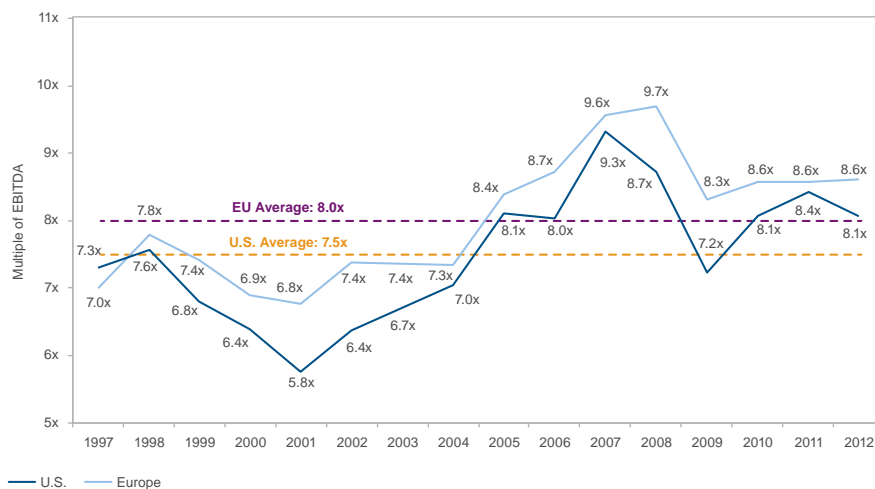
Average Equity Contributions

US LBOs



Source: S&P LCD (July 2012)

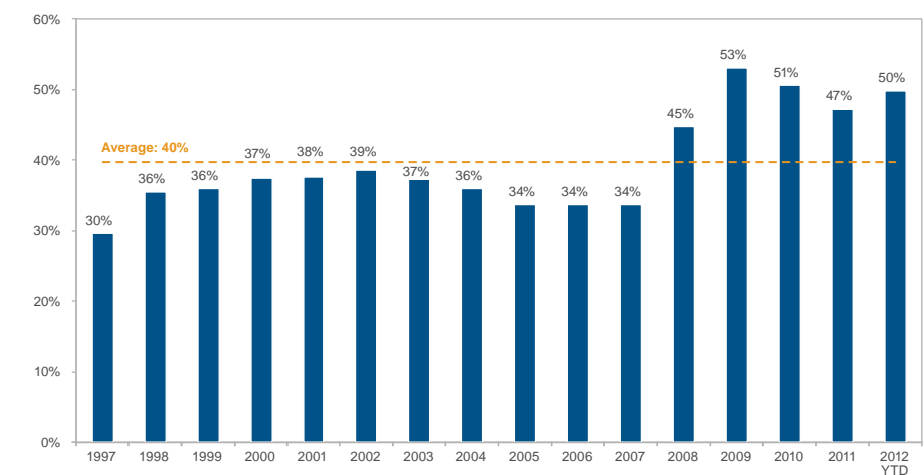
Average LBO Purchase Price Multiples



Source: S&P LCD; excludes fees and expenses (July 2012)

Average Equity Contributions

EU LBOs



Source: S&P LCD (July 2012)

Debt is available, defaults are low, maturities pushed out

High Yield Volume

- High yield market, driven by low rates and investors' search for yield, continues to be robust
- High yield volume has already surpassed historical averages and is on pace to see volume just below the heights of 2010

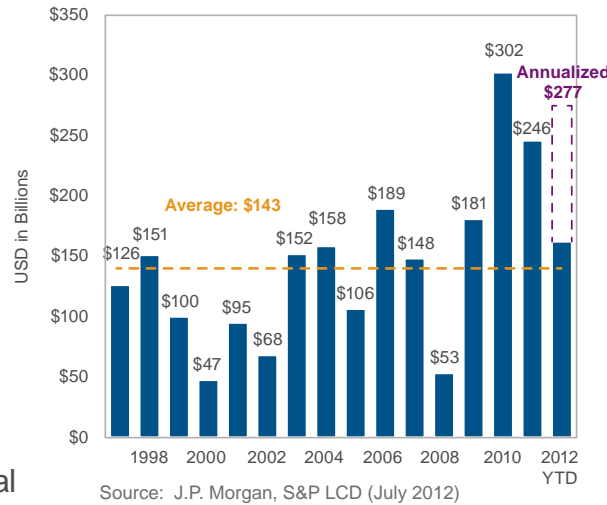
Leveraged Loan Volume

- Leveraged loan volume on pace to exceed historical averages
- Leveraged loan volume more correlated to new deal volume

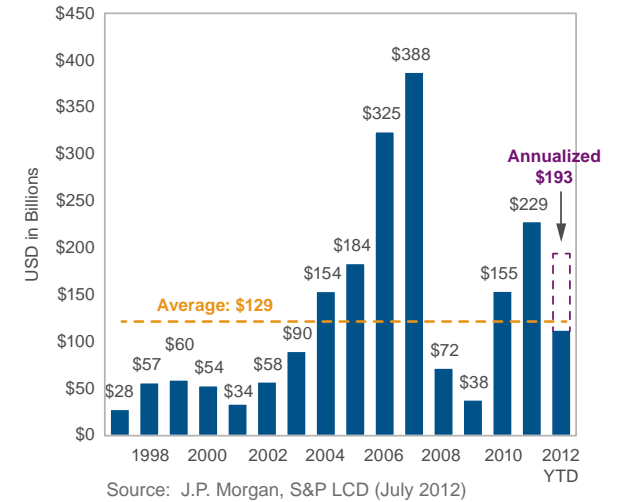
Default rates remain near historic lows

- During the past 9 months, 30 companies and \$26.8B in bonds and loans have defaulted (an avg of 3.3 defaults and \$3.0B per month)
- Maturities continue to be pushed out via refinancing and paydown

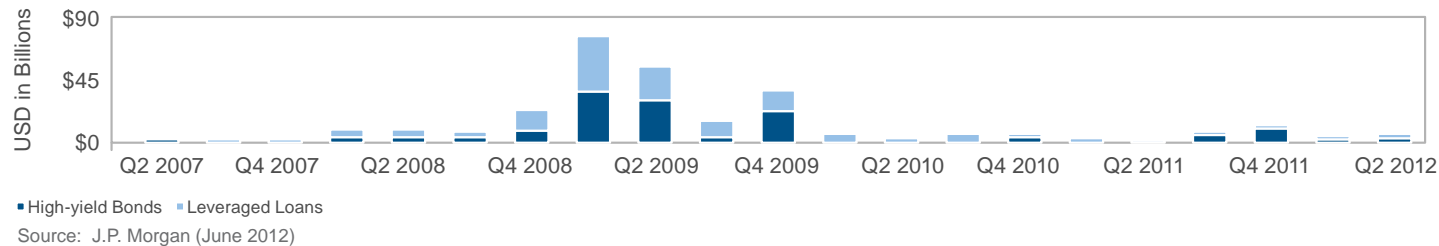
U.S. High Yield Issuance



U.S. Leveraged Loans Issuance



U.S. Default Rates

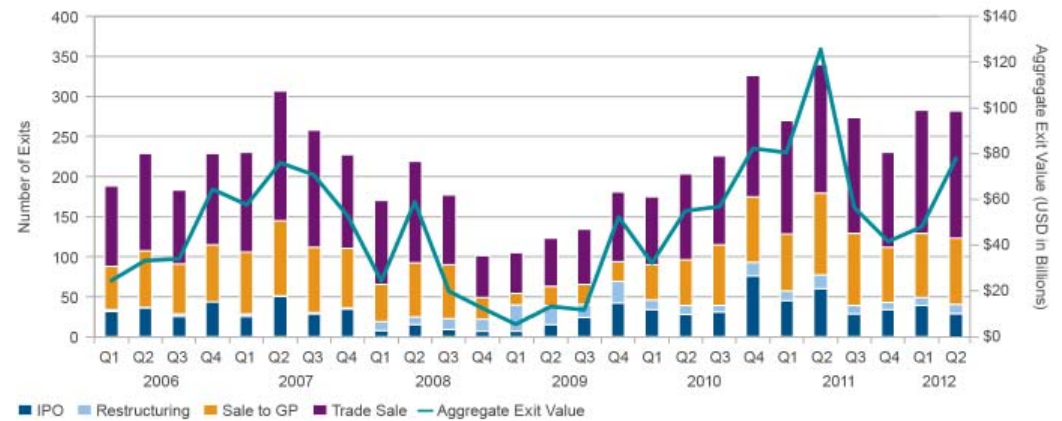


Backlog of companies grows

- \$77.7B of value; 293 PE-backed exits announced
- Recent announced exits show strength
 - 61% increase in value compared to previous quarter
 - Strongest quarter since post-Lehman peak in 2Q 2011
 - Value of exits in 2Q 2012 well above average quarterly value since 2006 of approximately \$50B
- PE exits should increase over time with more than 4,000 U.S. portfolio companies 3 years or older (18,000 portfolio companies held by buyout firms globally according to Preqin)

Quarterly Aggregate PE-Backed Exit Value and Number of Exits

by Type



Source: Preqin (July 2012)

Notable PE-Backed Exits in Q2 2012

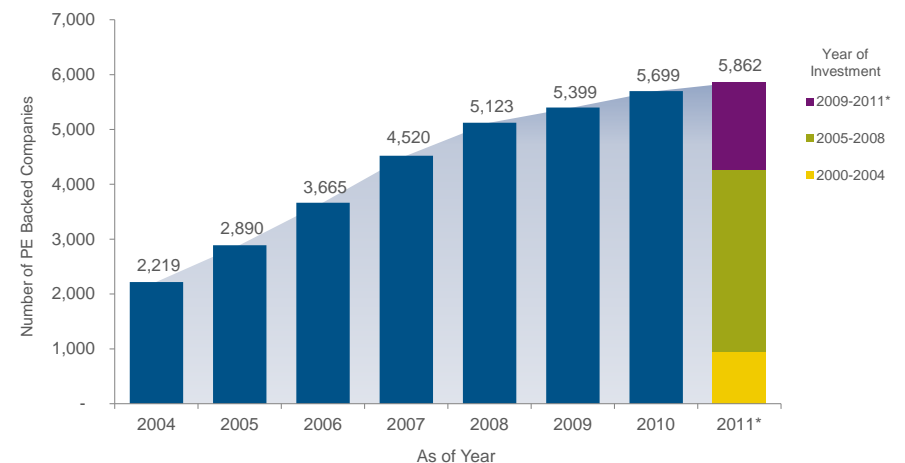
Company	Investors (Entry)	Exit Value (\$m)	Industry	Location
Actavis Group	Novator Partners	4,250 EUR	Pharmaceuticals	Switzerland
Healthcare Partners	Summit Partners	4,420 USD	Healthcare	US
StarBev Mgmt Services	CVC Capital Partners	2,650 EUR	Beverages	Czech Republic
Party City Corporation*	AAH Holdings, Berkshire Partners, Weston Presidio	2,690 USD	Consumer Products	US
AMC Entertainment	Apollo Global, Bain, Carlyle, JP Morgan, Loews Cineplex, Spectrum Equity	2,600 USD	Entertainment	US

* Denotes partial exit

Source: Preqin, July 2012

Number of US Private Equity Company Inventory

by Deal Year



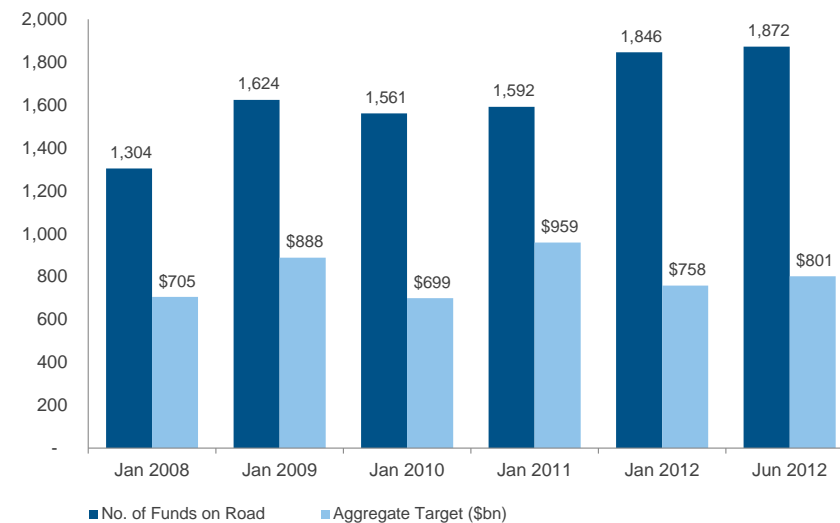
Source: Pitchbook

- More funds seeking more capital in 2012
 - 1,872 funds in market seeking \$801B worldwide (Preqin)
- Investor interest high:
 - 89% intend to maintain or increase PE allocation in short term
 - 28% to increase exposure in the long term



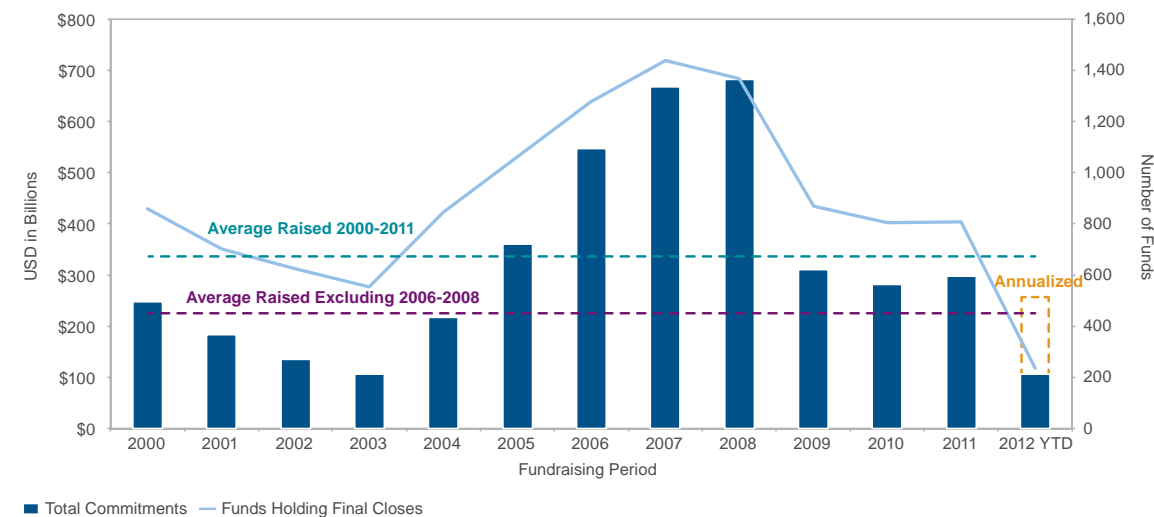
Actual dollars raised in 2012 are expected to be among the lowest in the past ten years

Funds on the Road over Time



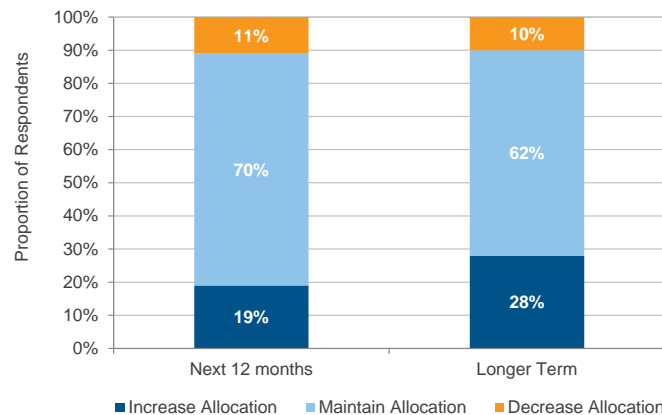
Source: Preqin (July 2012)

Global Private Equity Fundraising



Source: Preqin (June 2012)

Investors Intentions for Their PE Allocations



Source: Preqin (July 2012)



Appendix

Investment Name	Vintage Year	Investment Strategy	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR ²
Acon-Bastion Partners II, L.P.	2006	Corporate Finance/Buyout - Small	\$5,000,000	\$4,559,882	\$1,017,534	\$6,934,873	18.09%
Advent International GPE VI-A, L.P.	2008	Corporate Finance/Buyout - Mid	20,000,000	15,872,805	982,805	18,857,640	12.64%
Advent International GPE VII-B, L.P.	2012	Corporate Finance/Buyout - Large	30,000,000	-	-	-	NA
Alchemy Investment Plan (LACERS)	1999	Corporate Finance/Buyout - Small	42,386,302	40,109,377	39,444,474	13,006,457	7.13%
American Securities Opportunities Fund II, L.P.	2010	Distressed Debt - Control	20,000,000	16,782,553	5,576,649	12,789,871	11.80%
Apollo Investment Fund IV, L.P.	1998	Corporate Finance/Buyout - Large	5,000,000	5,067,557	8,094,470	80,453	7.97%
Apollo Investment Fund VI, L.P.	2006	Corporate Finance/Buyout - Mega	15,000,000	18,103,485	7,454,291	15,654,797	7.44%
Apollo Investment Fund VII, L.P.	2008	Corporate Finance/Buyout - Mega	20,000,000	19,659,488	9,773,778	16,328,891	20.08%
Austin Ventures VII, L.P.	1999	Venture Capital - Multi-Stage (VC)	17,000,000	17,000,000	8,196,857	4,358,215	(4.51%)
Austin Ventures VIII, L.P.	2001	Venture Capital - Multi-Stage (VC)	8,300,000	8,822,844	3,816,120	8,165,805	5.25%
Avenue Europe Special Situations Fund II, L.P. (Euro)	2011	Distressed Debt - Non-Control	27,593,325	10,974,061	59,832	10,651,432	(5.40%)
Avenue Special Situations Fund IV, L.P.	2006	Distressed Debt - Non-Control	10,000,000	12,589,797	15,716,536	444,996	7.93%
Avenue Special Situations Fund V, L.P.	2007	Distressed Debt - Non-Control	10,000,000	10,000,000	12,539,437	605,471	10.99%
BC European Capital IX, L.P.	2011	Corporate Finance/Buyout - Mega	18,920,148	2,121,816	9,730	2,427,754	16.23%
Blackstone Capital Partners V, L.P.	2006	Corporate Finance/Buyout - Mega	20,000,000	20,134,608	3,469,928	17,163,191	0.64%
Blackstone Capital Partners VI, L.P.	2011	Corporate Finance/Buyout - Mega	20,000,000	2,684,389	1	2,216,325	(25.14%)
Blackstone Energy Partners, L.P.	2011	Corporate Finance/Buyout - Large	25,000,000	7,095,649	-	6,911,506	(5.36%)
Carlyle Partners IV, L.P.	2005	Corporate Finance/Buyout - Mega	20,000,000	20,268,580	16,593,686	17,216,644	11.52%
Carlyle Partners V, L.P.	2007	Corporate Finance/Buyout - Mega	30,000,000	21,846,950	7,463,245	19,759,602	8.96%
CGW Southeast Partners III, L.P.	1996	Corporate Finance/Buyout - Small	9,000,000	8,645,139	14,564,093	207,163	9.24%
CGW Southeast Partners IV, L.P.	1999	Corporate Finance/Buyout - Small	10,000,000	8,536,566	12,962,899	403,537	8.45%
Charterhouse Capital Partners IX, L.P.	2009	Corporate Finance/Buyout - Large	18,360,223	7,654,886	-	8,920,864	9.86%
Charterhouse Capital Partners VIII, L.P.	2006	Corporate Finance/Buyout - Large	21,812,156	19,052,351	516,318	16,647,681	(2.26%)
Chisholm Partners IV, L.P.	1999	Corporate Finance/Buyout - Small	9,000,000	8,831,882	9,082,667	227,928	0.64%
CHP III, L.P.	2007	Venture Capital - Early Stage	15,000,000	9,103,081	33,348	7,411,922	(8.15%)
CHS Private Equity V, L.P.	2005	Corporate Finance/Buyout - Mid	20,000,000	21,342,230	7,684,288	22,201,359	8.79%
Coller International Partners VI, L.P.	2012	Secondaries	25,000,000	2,222,637	-	2,606,407	NM
CVC European Equity Partners II, L.P.	1998	Corporate Finance/Buyout - Large	10,000,000	13,380,344	27,721,377	1,098,396	20.38%
CVC European Equity Partners III, L.P.	2001	Corporate Finance/Buyout - Large	15,000,000	14,474,207	36,863,913	4,344,325	41.22%
CVC European Equity Partners IV, L.P.	2005	Corporate Finance/Buyout - Mega	26,216,202	24,553,663	25,520,171	15,781,488	16.26%
CVC European Equity Partners V, L.P.	2008	Corporate Finance/Buyout - Mega	18,755,748	12,749,522	3,107,654	11,826,617	8.45%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The IRR net of Hamilton Lane fees is 10.95%.

Investment Name	Vintage Year	Investment Strategy	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR ²
CVC European Equity Partners, LP	1996	Corporate Finance/Buyout - Mid	10,000,000	9,753,529	24,358,828	938,951	23.23%
EnCap Energy Capital Fund VIII, L.P.	2011	Corporate Finance/Buyout - Large	15,000,000	4,568,830	560,281	5,333,219	53.01%
Energy Capital Partners II, L.P.	2009	Corporate Finance/Buyout - Large	20,000,000	11,400,488	2,880,865	10,717,512	18.27%
Enhanced Equity Fund II, L.P.	2010	Corporate Finance/Buyout - Small	10,000,000	4,309,133	135,674	4,440,397	7.11%
Enhanced Equity Fund, L.P.	2006	Corporate Finance/Buyout - Small	10,000,000	10,165,803	607,722	11,585,945	4.78%
Essex Woodlands Health Ventures Fund IV, L.P.	1998	Venture Capital - Early Stage	4,000,000	4,000,000	4,438,440	738,848	6.59%
Essex Woodlands Health Ventures Fund V, L.P.	2000	Venture Capital - Multi-Stage (VC)	10,000,000	10,000,000	8,600,871	4,174,978	5.73%
Essex Woodlands Health Ventures Fund VI, L.P.	2004	Venture Capital - Multi-Stage (VC)	15,000,000	14,212,500	6,221,698	8,448,828	0.64%
First Reserve Fund X, L.P.	2004	Corporate Finance/Buyout - Mid	20,000,000	20,000,000	27,427,941	8,240,772	31.85%
First Reserve Fund XI, L.P.	2006	Corporate Finance/Buyout - Mega	30,000,000	29,319,654	9,447,687	22,905,311	3.14%
First Reserve Fund XII, L.P.	2008	Corporate Finance/Buyout - Mega	25,000,000	18,560,267	1,417,116	17,361,574	0.53%
GTCR Fund IX, L.P.	2006	Corporate Finance/Buyout - Mid	15,000,000	13,600,432	2,208,924	15,033,965	9.33%
Golder, Thoma, Cressey & Rauner Fund V, LP ³	1997	Corporate Finance/Buyout - Mid	10,000,000	10,000,000	17,985,102	239,656	10.99%
Golder, Thoma, Cressey & Rauner Fund VI, L.P.	1998	Corporate Finance/Buyout - Mid	10,000,000	10,000,000	8,645,950	82,610	(4.93%)
Golder, Thoma, Cressey & Rauner Fund VII, L.P.	2000	Corporate Finance/Buyout - Mid	18,750,000	18,609,375	43,792,961	78,411	21.84%
Golder, Thoma, Cressey & Rauner Fund VII-A, L.P.	2001	Corporate Finance/Buyout - Mid	6,250,000	4,140,625	11,538,800	25,241	83.04%
Golder, Thoma, Cressey & Rauner Fund VIII, L.P.	2003	Corporate Finance/Buyout - Mid	20,000,000	18,316,734	26,383,553	6,500,737	25.08%
Green Equity Investors V, L.P. ⁴	2007	Corporate Finance/Buyout - Large	20,000,000	16,028,325	5,373,618	17,214,664	15.92%
Green Equity Investors VI, L.P.	2012	Corporate Finance/Buyout - Large	20,000,000	-	-	-	NA
Halifax Capital Partners II, L.P.	2006	Corporate Finance/Buyout - Small	10,000,000	9,239,057	5,681,639	8,460,325	18.32%
Hellman & Friedman Capital Partners V, L.P.	2004	Corporate Finance/Buyout - Large	11,000,000	9,813,952	17,650,038	6,336,163	27.87%
Hellman & Friedman Capital Partners VI, L.P.	2007	Corporate Finance/Buyout - Mega	20,000,000	19,248,375	7,005,310	16,012,719	5.69%
Hellman and Friedman Capital Partners VII, L.P.	2011	Corporate Finance/Buyout - Mega	20,000,000	4,356,383	-	3,883,044	(13.74%)
Highbridge Principal Strategies Senior Loan Fund II ³	2010	Special Situations	50,000,000	40,081,699	3,252,195	40,013,091	7.66%
Hony Capital Fund V, L.P.	2011	Corporate Finance/Buyout - Mid	25,000,000	832,572	-	504,802	N/M
InterWest Partners VI, L.P.	1997	Venture Capital - Early Stage	5,000,000	5,000,000	14,812,746	42,018	48.89%
J.H. Whitney IV, L.P.	1999	Growth Equity	25,000,000	22,448,463	8,584,866	830,973	(11.87%)
J.H. Whitney VI, L.P.	2005	Corporate Finance/Buyout - Small	15,000,000	14,864,720	6,472,894	13,128,792	7.71%
J.H. Whitney VII, L.P.	2010	Corporate Finance/Buyout - Small	25,000,000	6,281,389	465,861	6,298,732	8.20%
Whitney V, L.P.	2001	Corporate Finance/Buyout - Mid	10,000,000	11,727,151	22,346,956	170,214	23.35%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The IRR net of Hamilton Lane fees is 10.95%.

³ Underlying Holdings information for June 30, 2012 was not available at the time of completion of this report. Valuation of Holdings has been carried forward from the previous quarter.

⁴ The ratios and performance information (including but not limited to the cash-on-cash return, the investment multiple and the internal rate of return) have been calculated by HLA as LACERS's advisor.

Investment Name	Vintage Year	Investment Strategy	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR ²
Kelso Investment Associates VI, L.P.	1998	Corporate Finance/Buyout - Mid	5,000,000	4,309,418	5,982,794	-	9.31%
Kelso Investment Associates VII, L.P.	2004	Corporate Finance/Buyout - Mid	18,000,000	17,904,548	13,959,343	14,779,834	12.59%
Kelso Investment Associates VIII, L.P.	2007	Corporate Finance/Buyout - Large	20,000,000	11,116,003	1,322,202	9,489,487	(1.73%)
Khosla Ventures IV, L.P.	2011	Venture Capital - Early Stage	20,000,000	4,600,000	-	4,968,163	16.99%
KKR 1996 Fund, LP	1997	Corporate Finance/Buyout - Mega	25,000,000	26,292,271	46,601,754	288,942	13.17%
KKR 2006 Fund, L.P.	2006	Corporate Finance/Buyout - Mega	30,000,000	30,631,108	11,458,346	26,847,385	6.30%
KKR European Fund II, L.P.	2005	Corporate Finance/Buyout - Large	15,000,000	15,984,430	4,687,668	12,034,591	0.97%
Levine Leichtman Capital Partners III, L.P.	2003	Corporate Finance/Buyout - Small	20,000,000	21,735,992	17,891,091	11,870,606	10.45%
Levine Leichtman Capital Partners IV, L.P.	2008	Corporate Finance/Buyout - Mid	20,000,000	17,171,665	5,874,826	17,754,820	25.17%
Lindsay Goldberg & Bessemer II, L.P.	2006	Corporate Finance/Buyout - Large	20,000,000	18,018,929	8,249,071	16,357,616	8.09%
Lindsay Goldberg III, L.P.	2008	Corporate Finance/Buyout - Large	20,000,000	7,633,894	462,445	7,066,062	(0.86%)
Madison Dearborn Capital Partners III, L.P.	1999	Corporate Finance/Buyout - Large	16,000,000	16,028,469	24,041,103	233,120	8.50%
Madison Dearborn Capital Partners IV, L.P.	2000	Corporate Finance/Buyout - Large	25,000,000	25,260,125	31,241,665	11,616,222	13.18%
Menlo Ventures IX, L.P.	2001	Venture Capital - Multi-Stage (VC)	20,000,000	20,000,000	15,515,652	6,402,566	1.76%
Menlo Ventures VII, L.P.	1997	Venture Capital - Early Stage	5,000,000	5,000,000	23,552,033	-	135.80%
Menlo Ventures VIII, L.P.	1999	Venture Capital - Multi-Stage (VC)	18,000,000	18,000,000	6,279,994	1,808,308	(13.18%)
Nautic Partners V, L.P.	2000	Corporate Finance/Buyout - Mid	15,000,000	14,378,056	22,508,688	6,463,806	17.01%
New Enterprise Associates 13, L.P.	2009	Venture Capital - Multi-Stage (VC)	15,000,000	10,650,000	573,901	12,314,154	15.13%
New Mountain Partners III, L.P.	2007	Corporate Finance/Buyout - Large	20,000,000	15,618,123	3,914,146	14,293,459	8.08%
Newbridge Asia IV, L.P.	2005	Growth Equity	10,000,000	10,758,275	9,195,056	12,468,988	19.87%
Nordic Capital V, L.P.	2003	Corporate Finance/Buyout - Mid	15,705,315	15,817,322	30,369,843	11,878,546	21.29%
Oak Investment Partners XII, L.P.	2006	Growth Equity	15,000,000	13,766,272	2,336,204	13,740,039	4.53%
OCM Opportunities Fund II, L.P.	1997	Distressed Debt - Non-Control	11,000,000	11,000,000	16,619,202	1,407	8.44%
OCM Opportunities Fund III, L.P.	1999	Distressed Debt - Non-Control	10,000,000	10,500,000	15,366,380	111,065	11.91%
OCM Opportunities Fund IV, L.P.	2001	Distressed Debt - Non-Control	10,000,000	10,000,000	16,463,298	25,709	28.37%
OCM Opportunities Fund V, L.P.	2004	Distressed Debt - Non-Control	7,100,000	7,100,000	10,326,647	1,090,768	14.15%
OCM Opportunities Fund VII, L.P.	2007	Distressed Debt - Non-Control	10,000,000	10,000,000	7,302,850	6,086,084	8.05%
OCM Opportunities Fund VII-B, L.P.	2008	Distressed Debt - Non-Control	10,000,000	9,000,000	8,460,000	6,133,494	17.59%
OCM Opportunities Fund, LP	1995	Distressed Debt - Non-Control	11,000,000	11,002,050	18,030,431	-	10.30%
Olympus Growth Fund IV, L.P.	2003	Corporate Finance/Buyout - Small	7,700,000	7,467,797	6,858,681	3,943,678	8.56%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The IRR net of Hamilton Lane fees is 10.95%.

Investment Name	Vintage Year	Investment Strategy	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR ²
Onex Partners, L.P.	2003	Corporate Finance/Buyout - Mid	20,000,000	18,854,087	40,371,277	12,136,577	39.47%
Permira Europe III, L.P.	2003	Corporate Finance/Buyout - Large	24,954,498	24,954,498	31,893,196	8,280,285	28.20%
Permira Europe IV, L.P.	2006	Corporate Finance/Buyout - Mega	15,015,819	13,778,822	1,828,338	14,335,265	4.73%
Pharos Capital Partners II-A, L.P.	2005	Corporate Finance/Buyout - Small	5,000,000	4,700,000	1,519,262	6,003,229	12.59%
Polaris Venture Partners V, L.P.	2006	Venture Capital - Multi-Stage (VC)	15,000,000	12,525,000	1,410,750	15,312,704	9.17%
Polaris Venture Partners VI, L.P.	2011	Venture Capital - Multi-Stage (VC)	15,000,000	1,425,000	-	1,069,118	(64.99%)
Providence Equity Partners V, L.P. ⁵	2005	Corporate Finance/Buyout - Large	18,000,000	18,366,711	13,136,917	8,055,374	2.85%
Providence Equity Partners VI, L.P. ⁵	2007	Corporate Finance/Buyout - Mega	30,000,000	29,910,634	7,604,082	27,425,103	5.65%
Providence TMT Debt Opportunity Fund II, L.P.	2010	Distressed Debt - Control	20,000,000	16,798,686	692,721	17,736,454	9.23%
Resolute Fund, L.P.	2002	Corporate Finance/Buyout - Mid	20,000,000	19,392,224	27,322,697	15,032,671	16.69%
Richland Ventures III, L.P.	1999	Venture Capital - Late Stage	18,000,000	18,000,000	15,236,565	24,811	(3.02%)
Spark Capital II, L.P.	2008	Venture Capital - Early Stage	9,750,000	7,948,590	7,895,499	14,196,487	57.74%
Spark Capital III, L.P.	2011	Venture Capital - Early Stage	10,000,000	2,950,000	-	2,598,075	(15.85%)
Spark Capital, L.P.	2005	Venture Capital - Early Stage	9,000,000	8,370,000	5,594,903	5,537,950	8.38%
TA X, L.P.	2006	Growth Equity	6,000,000	6,174,196	2,949,196	3,686,480	2.13%
TA XI, L.P.	2010	Growth Equity	20,000,000	8,050,000	500,000	7,869,664	3.80%
TCV V, L.P.	2004	Venture Capital - Multi-Stage (VC)	19,500,000	19,181,200	15,488,530	13,266,646	9.52%
TCV VII, L.P.	2008	Growth Equity	20,000,000	15,650,000	622,997	16,282,119	5.19%
TCW/Crescent Mezzanine Partners IV, L.P.	2006	Mezzanine	10,000,000	10,362,425	7,701,455	4,928,822	5.66%
TCW/Crescent Mezzanine Partners V, L.P.	2008	Mezzanine	10,000,000	8,447,097	2,981,603	7,099,424	10.84%
Thoma Cressey Fund VI, L.P.	1998	Corporate Finance/Buyout - Small	5,000,000	4,909,444	4,260,405	713,254	0.16%
Thomas H. Lee Equity Fund IV, L.P.	1998	Corporate Finance/Buyout - Large	7,000,000	6,314,965	5,484,109	-	(2.61%)
Thomas H. Lee Equity Fund V, L.P.	2001	Corporate Finance/Buyout - Large	15,000,000	15,679,108	20,461,520	4,708,055	13.39%
TPG Growth II, L.P.	2011	Corporate Finance/Buyout - Mid	30,000,000	2,355,474	1,756	1,836,915	(36.97%)
TPG Partners III, L.P.	2000	Corporate Finance/Buyout - Large	25,000,000	22,870,855	52,139,240	3,358,682	24.51%
TPG Partners IV, L.P.	2003	Corporate Finance/Buyout - Large	25,000,000	27,320,962	30,564,823	15,786,148	15.01%
TPG Partners V, L.P.	2006	Corporate Finance/Buyout - Mega	30,000,000	30,714,966	7,943,515	18,283,105	(4.38%)
TPG Partners VI, L.P.	2008	Corporate Finance/Buyout - Mega	22,500,000	15,054,154	2,809,407	12,943,022	2.75%
TPG STAR, L.P.	2007	Corporate Finance/Buyout - Mid	20,000,000	18,227,060	3,416,109	20,830,739	11.59%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The IRR net of Hamilton Lane fees is 10.95%.

⁵ The data presented for Providence Equity Partners V, L.P. and Providence Equity Partners VI, L.P. is confidential and must be kept confidential except to the extent that disclosure is required by law. This information does not necessarily accurately reflect the current or expected future performance of the Partnership.

Investment Name	Vintage Year	Investment Strategy	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR ²
Trident Capital Fund V, L.P.	2000	Venture Capital - Multi-Stage (VC)	10,587,999	10,571,391	7,652,012	6,303,502	5.70%
Trident Capital Fund V, L.P. - Secondary	1999	Venture Capital - Multi-Stage (VC)	3,781,680	3,375,305	2,711,991	2,251,395	9.89%
Trident Capital Fund VI, L.P.	2004	Venture Capital - Multi-Stage (VC)	8,500,000	8,500,000	1,997,587	6,077,859	(1.17%)
VantagePoint Venture Partners IV, L.P.	2000	Venture Capital - Multi-Stage (VC)	15,000,000	15,000,000	6,254,281	7,244,427	(1.80%)
Vestar Capital Partners IV, L.P.	2000	Corporate Finance/Buyout - Large	17,000,000	16,582,532	24,556,924	4,334,100	13.62%
Vista Equity Partners Fund III, L.P.	2007	Corporate Finance/Buyout - Mid	25,000,000	23,652,702	12,160,169	38,013,429	29.42%
Vista Equity Partners IV, L.P.	2011	Corporate Finance/Buyout - Mid	30,000,000	9,697,851	37,272	9,254,805	(7.58%)
Welsh, Carson, Anderson & Stowe IX, L.P.	2000	Corporate Finance/Buyout - Large	15,000,000	14,700,000	19,424,555	4,653,116	11.54%
Welsh, Carson, Anderson & Stowe VII, LP	1995	Corporate Finance/Buyout - Large	15,000,000	15,000,000	32,633,357	-	17.70%
Welsh, Carson, Anderson & Stowe VIII, L.P.	1998	Corporate Finance/Buyout - Large	15,000,000	14,984,405	19,209,036	126,409	3.14%
Weston Presidio Capital IV, L.P.	2000	Growth Equity	15,000,000	14,888,006	11,674,927	5,050,666	2.30%
Weston Presidio Capital IV, L.P. - Secondary	1999	Venture Capital - Multi-Stage (VC)	2,826,000	2,796,519	2,366,503	1,023,758	4.58%
Yucaipa American Alliance Fund II, L.P.	2008	Corporate Finance/Buyout - Mid	20,000,000	23,408,933	8,932,851	22,706,570	17.10%
Total Portfolio:			\$2,219,265,415	\$1,774,308,354	\$1,413,452,287	\$1,111,440,236	11.03%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The IRR net of Hamilton Lane fees is 10.95%.

Investment Name	Vintage Year	Investment Strategy	Focus	Capital Committed	Paid-In Capital	Capital Distributed ¹	Reported Market Value	Net IRR
Angeleno Investors III, L.P.	2010	Venture Capital	Energy /Clean Tech	\$10,000,000	\$2,200,000	\$729	\$1,388,511	(36.25%)
Ares Distressed Securities Fund, L.P.	2007	Distressed Debt	Distressed Debt	10,000,000	10,171,330	4,017,467	10,328,901	10.16%
Carpenter Community BancFund-A, L.P.	2008	Growth Equity	Community Banks	10,000,000	9,079,047	116,611	10,365,050	6.30%
Craton Equity Investors I, L.P.	2007	Growth Equity	CleanTech	10,000,000	9,735,230	420,230	7,991,098	(6.18%)
DFJ Element I, L.P.	2006	Venture Capital	CleanTech	8,000,000	7,250,106	-	5,040,659	(8.49%)
DFJ Element II, L.P.	2007	Venture Capital	Underserved California	10,000,000	5,332,827	1,631	6,592,429	11.74%
DFJ Frontier Fund II, L.P.	2007	Venture Capital	CleanTech	5,000,000	3,756,113	385,117	4,207,656	8.61%
NGEN II, L.P.	2006	Venture Capital	CleanTech: Materials	8,000,000	7,680,192	438,789	1,831,907	(35.40%)
NGEN III, L.P.	2008	Venture Capital	CleanTech: Materials	10,000,000	5,499,843	554,825	4,891,634	(0.50%)
Nogales Investors Fund II, L.P.	2006	Corporate Finance/Buyout	Lower Middle Market	10,000,000	3,562,760	158,632	3,599,172	1.78%
Palladium Equity Partners III, L.P.	2004	Corporate Finance/Buyout	Hispanic-oriented	10,000,000	13,717,545	8,727,946	9,856,168	12.08%
Reliant Equity Partners, L.P. ²	2004	Corporate Finance/Buyout	Minority Focused	8,008,449	8,113,728	161,051	115,429	(51.63%)
Rustic Canyon/Fontis Partners, L.P.	2006	Growth Equity	Underserved Markets	5,000,000	3,605,270	129,659	2,781,302	(6.43%)
Saybrook Corporate Opportunity Fund,L.P. ³	2007	Distressed Debt	Distressed Debt	6,192,813	6,061,853	3,882,307	3,777,188	16.85%
Sector Performance Fund, L.P.	2007	Corporate Finance/Buyout	Energy, Food, Media	10,000,000	11,696,328	1,947,638	8,747,312	(3.30%)
Spire Capital II, L.P.	2007	Corporate Finance/Buyout	BIMC Sectors	10,000,000	6,762,815	3,919,057	6,830,181	14.61%
St. Cloud Capital Partners II, L.P.	2008	Mezzanine	Lower Middle Market	5,000,000	4,626,840	1,861,831	2,632,390	(1.50%)
StarVest Partners II, L.P.	2007	Venture Capital	Later Stage	5,000,000	3,247,595	96,260	2,634,549	(9.57%)
Stepstone Pioneer Capital I, L.P.	2004	Diversified FoF	Small end of market	10,000,000	10,290,824	5,755,233	7,224,828	6.47%
Stepstone Pioneer Capital II, L.P.	2007	Diversified FoF	Small end of market	10,000,000	8,988,788	1,821,015	7,880,779	2.29%
Sterling Venture Partners II, L.P.	2005	Venture Capital	Expansion Stage	8,000,000	8,006,256	2,243,260	10,576,379	11.44%
Vicente Capital Partners GEF, L.P.	2007	Growth Equity	Later Stage	10,000,000	5,072,528	316,765	4,142,568	(5.63%)
Yucaipa American Alliance Fund I, L.P.	2005	Corporate Finance/Buyout	Upper-Middle Market	10,000,000	11,692,929	7,678,948	7,301,087	8.91%
Specialized Portfolio:				\$198,201,262	\$166,150,744	\$44,634,999	\$130,737,177	1.83%
Aggregate Total Portfolio:				\$2,417,466,677	\$1,940,459,098	\$1,458,087,287	\$1,242,177,413	10.55%

¹ Capital distributed includes recallable returns of capital, which will increase the unfunded commitment.

² The June 30, 2012 financial statement for this investment was not available from the general partner at the time of completion of this report. The reported market value listed has been provided by Northern Trust.

³ Underlying Holdings information for June 30, 2012 was not available at the time of completion of this report. Valuation of Holdings has been carried forward from the previous quarter.

This presentation has been prepared solely for informational purposes and contains confidential and proprietary information, the disclosure of which could be harmful to Hamilton Lane. Accordingly, the recipients of this presentation are requested to maintain the confidentiality of the information contained herein. This presentation may not be copied or distributed, in whole or in part, without the prior written consent of Hamilton Lane.

All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. In addition, nothing contained herein shall be deemed to be a prediction of future performance. The information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable but the accuracy of such information cannot be guaranteed.

This presentation is not an offer to sell, or a solicitation of any offer to buy, any security or to enter into any agreement with Hamilton Lane or any of its affiliates. Any such offering will be made only at your request. We do not intend that any public offering will be made by us at any time with respect to any potential transaction discussed in this presentation. Any offering or potential transaction will be made pursuant to separate documentation negotiated between us, which will supersede entirely the information contained herein.

The results shown herein are compared to the performance of the Russell 3000 since institutional investors often use such indices for comparative purposes for private equity portfolio performance.

The investment volatility of the Russell 3000 may differ from the funds or strategies reflected.

Certain of the performance results included herein do not reflect the deduction of any applicable advisory or management fees since it is not possible to allocate such fees accurately in a vintage year presentation or in a composite measured at different points in time. A client's rate of return will be reduced by any applicable advisory or management fees and any expenses incurred. Hamilton Lane's fees are described in Part 2 of our Form ADV, a copy of which is available upon request.

The following hypothetical example illustrates the effect of fees on earned returns for both separate accounts and fund of funds investment vehicles. The example is solely for illustration purposes and is not intended as a guarantee or prediction of the actual returns that would be earned by similar investment vehicles having comparable features. The example is as follows: The hypothetical separate account or fund of funds consisted of \$100 million in commitments with a fee structure of 1.0% on committed capital during the first four years of the term of the investment and then declining by 10% per year thereafter for the 12-year life of the account. The commitments were made during the first three years in relatively equal increments and the assumption of returns was based on cash flow assumptions derived from a historical database of actual private equity cash flows. Hamilton Lane modeled the impact of fees on four different return streams over a 12-year time period. In these examples, the effect of the fees reduced returns by approximately 2%. This does not include performance fees since the performance of the account would determine the effect such fees would have on returns. Expenses also vary based on the particular investment vehicle and, therefore, were not included in this hypothetical example. Both performance fees and expenses would further decrease the return.

Hamilton Lane (UK) Limited is a wholly-owned subsidiary of Hamilton Lane Advisors, L.L.C. Hamilton Lane (UK) Limited is authorized and regulated by the Financial Services Authority. In the UK this communication is directed solely at persons who would be classified as a professional client or eligible counterparty under the FSA Handbook of Rules and Guidance. Its contents are not directed at, may not be suitable for and should not be relied upon by retail clients.

Any tables, graphs or charts relating to past performance included in this presentation are intended only to illustrate the performance of the indices, composites, specific accounts or funds referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

The information herein is not intended to provide, and should not be relied upon for, accounting, legal, tax advice or investment recommendations. You should consult your accounting, legal, tax or other advisors about the matters discussed herein.