

Private Equity Portfolio Performance Report As of December 31, 2019

- Private Equity Portfolio Overview
- Summary Of 2019 Activity
- Private Equity Portfolio Exposures
- Private Equity Performance Drilldown
- Appendix – Fund-By-Fund Returns
 - Active Core Portfolio
 - Liquidated Core Portfolio
 - Active Specialized Portfolio
 - Liquidated Specialized Portfolio

Aggregate Portfolio Summary As Of December 31, 2019

- ❖ As of December 31, 2019 the aggregate portfolio's fair market value of \$2.1 billion represents 11.2% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$18,867,824,935
Private Equity Exposure Target (%)	14.0%
Private Equity Exposure Target (\$)	\$2,641,495,491
Private Equity Exposure (%)	11.2%
Fair Market Value ("FMV")	\$2,110,267,957

- ❖ As of March 31, 2020 Total Plan Assets had decreased to ~\$16.3 billion – which translates into ~13.0% exposure to private equity (based on private equity Fair Market Value as of 12/31/19)

Aggregate Portfolio Snapshot – Year Over Year

- ❖ LACERS has committed \$5.1 billion to 277 partnerships since the inception of its private equity program in 1995; 226 of those partnerships remain active as of 12/31/19
- ❖ Distributions for the year (\$340mm) slightly outpaced contributions for the year (\$338mm)
- ❖ The Fair Market Value of the portfolio increased by \$229 million during the year
- ❖ The aggregate portfolio has generated a total value of 1.56x and a Net IRR of 11.2% since inception

Aggregate Portfolio Snapshot (\$ millions)			
Portfolio Since Inception	12/31/19	12/31/18	Change (+/-)
Partnerships	277	257	+ 20
Active	226	215	+ 11
Inactive	51	42	+ 9
Sponsors	109	107	+ 2
Investment To Date Contributions	\$3,805	\$3,467	+ \$338
Investment To Date Distributions	\$3,763	\$3,423	+ \$340
Fair Market Value	\$2,108	\$1,879	+ \$229
Fair Market Value + Distributions	\$5,872	\$5,302	+ \$570
TVPI ¹	1.56x	1.54x	+ 0.02x
Net IRR	11.2%	11.1%	+ 0.1%

1. Total Value / Paid In Capital ("TVPI") - (Cumulative Distributions + Fair Market Value) / (Cumulative Contributions)

The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

- ❖ “Mature” bucket (\$222.5 million of fair market value with vintage years ranging from 1995-2009)
 - Minimal change year over year with respect to Net TVPI and Net IRR
 - Will have limited impact going forward given the small value relative to other buckets
- ❖ “Maturing” bucket (\$1,253.5 million of fair market value with vintage years ranging from 2010-2015)
 - Net TVPI increased .09x while the Net IRR fell by ~15bps
 - Potential for growth or decline to occur in these investments
 - Bulk of any near-term distributions are likely to come from the “Maturing” bucket
- ❖ “Developing” bucket (\$634.3 million of fair market value with vintage years ranging from 2016-2020)
 - Net TVPI and Net IRR increased meaningfully
 - Significant potential for growth or decline to occur in these investments
 - Bulk of the near-term contributions are likely to come from the “Developing” bucket

\$'s in millions									
Vintage Years	LTM ¹	ITD ¹	LTM ¹	ITD ¹	Fair	12/31/2019	Year Over Year	12/31/2019	Year Over Year
	Contributions	Contributions	Distributions	Distributions	Market Value	Net TVPI	Change Net TVPI	Net IRR	Change Net IRR
Mature (1995-2009)	\$2.81	\$1,877.66	\$85.04	\$2,825.73	\$222.53	1.62x	0.00x	10.45%	-0.07%
Maturing (2010-2015)	\$84.81	\$1,342.73	\$230.22	\$885.43	\$1,253.48	1.63x	0.09x	14.17%	-0.15%
Developing (2016-2020)	\$250.32	\$585.00	\$25.01	\$52.48	\$634.26	1.18x	0.08x	13.03%	3.20%
Total Portfolio	\$337.94	\$3,805.38	\$340.27	\$3,763.65	\$2,110.27	1.56x	0.02x	11.17%	0.06%

¹ Last 12 Months (“LTM”) and Inception to Date (“ITD”)

10 Largest Sponsor Relationships (by total exposure)

- ❖ The top ten Sponsors by exposure account for 33.7% of aggregate portfolio exposure and 23.2% of aggregate portfolio commitments

Firm	Number of Funds	Commitment	% of Total Comm	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI	Net IRR
Vista Equity Partners	7	\$185,000,000	3.6%	\$192,356,158	5.4%	2.07x	22.2%
ABRY Partners	6	\$145,000,000	2.8%	\$146,947,169	4.2%	1.25x	9.6%
Advent International	5	\$145,000,000	2.8%	\$132,320,692	3.7%	1.64x	16.0%
Thoma Bravo	5	\$90,000,000	1.8%	\$119,164,173	3.4%	1.85x	24.7%
Platinum Equity	4	\$112,500,000	2.2%	\$105,732,861	3.0%	1.64x	28.5%
Spark Management Partners	6	\$93,750,000	1.8%	\$104,048,457	2.9%	2.42x	27.4%
New Enterprise Associates	4	\$95,000,000	1.9%	\$103,565,654	2.9%	1.60x	15.7%
Technology Crossover Ventures	5	\$104,500,000	2.0%	\$100,481,558	2.8%	1.95x	14.9%
EnCap Investments	4	\$120,000,000	2.3%	\$97,535,330	2.8%	1.11x	4.5%
Hellman & Friedman	5	\$100,463,972	2.0%	\$91,816,195	2.6%	2.09x	20.3%

SUMMARY OF 2019 ACTIVITY

Board Meeting: 05/26/20
Item VIII-D

New Investments made in 2019

Commitments – 1/1/19 – 12/31/19						
Closing Date	Sponsor	Partnership	Fund Size ¹	New or Existing	Investment Strategy	Commitment Amount (\$million)
2/14/2019	Spark Capital	Spark Capital Partners VI	\$400	Existing	VC-Early Stage	\$13.3
		Spark Capital Growth Fund III	\$800		Growth Equity	\$26.7
2/21/2019	Genstar Partners	Genstar Capital Partners IX	\$5,000	New	Medium Buyouts	\$50.0
2/28/2019	Gilde Buyout Partners	Gilde Buyout Fund VI	€1,500	Existing	Medium Buyouts	€34.9 ³
3/7/2019	Harvest Partners	Harvest Partners VIII	\$3,250	Existing	Medium Buyouts	\$50.0
3/22/2019	DEFY²	DEFY Partners II	\$225	Existing	VC-Early Stage	\$18.0
5/2/2019	TA Associates	TA XIII	\$7,500	Existing	Growth Equity	\$35.0
5/2/2019	Advent International	Advent International GPE IX	\$17,500	Existing	Large Buyouts	\$45.0
6/25/2019		Advent Global Technology Fund	\$1,750		Medium Buyouts	\$15.0
5/3/2019	Freeman Spogli	FS Equity Partners VIII	\$1,500	New	Medium Buyouts	\$25.0
5/23/2019	Platinum Equity	Platinum Equity Capital Partners V	\$8,000	Existing	Large Buyouts	\$50.0
6/6/2019	NEA	New Enterprise Associates 17	\$3,600	Existing	VC-Multi-Stage	\$35.0
7/30/2019	P4G²	P4G Capital Fund I	\$300	New	Small Buyouts	\$10.0
7/31/2019	Oak HC-FT	Oak HC- FT III	\$700	Existing	VC- Multi-Stage	\$25.0
8/16/2019	Sunstone²	Sunstone Partners II	\$375	Existing	Growth Equity	\$10.0
7/30/2019	Montagu Private Equity	Montagu Fund VI	€3,500	New	Medium Buyouts	€35.4 ⁴
10/10/2019	KPS	KPS Special Situations Fund V	\$5,000	Existing	Large Buyouts	\$40.0
		KPS Special Situations Mid Cap Fund	\$750		Medium Buyouts	\$10.0
12/10/2019	Clearlake Capital	Clearlake Capital Partners VI	\$5,000	New	Distressed	\$30.0
Total	16	19				~\$568.0

¹ Based on target fund size.

² Qualifies as an Emerging Manager based on LACERS' definition.

³ Commitment made in Euros – translates into roughly \$40.0 million based on 1/14/19 Fx rate.

⁴ Commitment made in Euros – translates into roughly \$40.0 million based on 7/3/19 Fx rate.