



Santa Barbara County Employees' Retirement System

DATE: February 22, 2023 **Agenda Item #6**
TO: SBCERS BOARD OF RETIREMENT
FROM: SBCERS Investments
RE: **Annual Private Equity and Private Real Return Strategic Plans**

Recommendation

That the Board of Retirement receive and approve the 2023 Private Equity and Private Real Return Strategic Plans presented by Managing Director Paul Yett and Principal Natalie Fitch.

Summary

The reports cover the direction of the Private Equity and Private Real Return (“PRR”) portfolios for calendar year 2023 including commitment pacing and strategic targets.

Hamilton Lane will commit \$65-\$85M during 2023 to maintain the Private Equity target allocation of 10% of SBCERS’ total plan assets. Commitments will focus on core existing managers while evaluating new manager opportunities. Broader market and economic conditions will also be evaluated to take advantage of opportunities in Small to Mid-cap (SMID) Buyout or Venture/Growth Equity strategies. Continued focus on primary geographic exposure to North American, funds targeting European exposure will also be considered. Hamilton Lane has already closed into two new funds in 2023 and has a strong pipeline of existing managers to choose from in the coming months.

With regards to PRR, Hamilton Lane will commit \$65-\$85M in 2023 to reach the long-term target allocation of 9% of SBCERS’ total plan assets. Commitments will focus on core existing managers while evaluating new manager opportunities. 2023 appears to have significant pipeline for potential re-ups. Additionally, Hamilton Lane plans to seek potential J-Curve mitigating strategies when available. This year’s strategy continues to focus on prudent diversification by strategies and geographies of funds. Hamilton Lane has one fund potentially closing in February 2023 and has a strong pipeline of existing managers to choose from in the coming months.

Attachments

- SBCERS 2023 PE Strategic Plan
- SBCERS 2023 PRR Strategic Plan