



MEMORANDUM

June 15, 2012

TO: Board of Mayor and Aldermen
FROM: Eric S. Stuckey, City Administrator
Russ Truell, Assistant City Administrator
SUBJECT: Hamilton Lane subscription agreement

Purpose

The purpose of this agenda item is to consider approval of an agreement with Hamilton Lane for an investment by the City of Franklin Pension Plan.

Background

The Pension Committee, at its May 21, 2012 meeting, unanimously approved a motion to select Hamilton Lane LLC to manage private equity investments for the Employees Pension Plan. Hamilton Lane would be the second firm hired to participate in the private equity secondary market. Landmark Associates, the current private equity firm, has produced outstanding results but cannot take additional funding from the City. By engaging Hamilton Lane, the Committee will increase the total allocation in this category to its target of five percent of pension assets. Selection of Hamilton Lane resulted from an advertised search process conducted by our Pension Investment Advisor, followed by Committee interviews of the two finalists.

Financial Impact

No impact to General Fund.

Options

Approve or disapprove the subscription agreement recommended by the Pension Committee, subject to the review of the City Attorney, our Pension Attorney, and the City Administrator.

Recommendation

Staff recommends approval.

