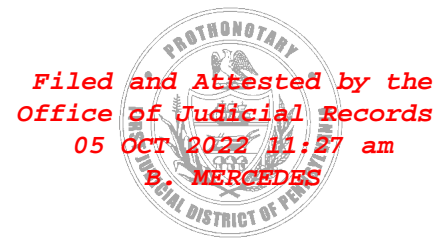


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Tel: 215.656.3300



*Attorneys for Defendant  
Hamilton Lane Advisors, L.L.C.*

---

KEVIN STEINKE, et al., on behalf of themselves  
and all others similarly situated,

*Plaintiffs,*

v.

AON INVESTMENTS USA, INC., et al.,

*Defendants.*

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: **PHILADELPHIA COUNTY**  
: **COURT OF COMMON PLEAS**  
:  
: **COMMERCE PROGRAM**  
:  
: CIVIL TRIAL DIVISION  
: JUNE TERM, 2021  
: NO.: 210601197  
:  
:

**NOTICE TO PLEAD**

TO: Plaintiffs Kevin Steinke, Louis Fantini, Emily Fantini, and Daniel Reyes:

c/o McLaughlin & Lauricella, P.C.  
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*(Counsel for Plaintiffs)*

YOU ARE HEREBY NOTIFIED to plead to the attached ANSWER, AFFIRMATIVE DEFENSES, AND NEW MATTER within twenty (20) days from service hereof or a judgment may be entered against you.

Date: October 5, 2022

Respectfully submitted,

/s/ Joseph Kernen

Joseph Kernen (PA Bar No. 56343)

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Hamilton Lane Advisors, L.L.C.*

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KEVIN STEINKE, et al., on behalf of themselves  
and all others similarly situated,

*Plaintiffs,*

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AON INVESTMENTS USA, INC., et al.,

*Defendants.*

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**DEFENDANT HAMILTON LANE ADVISORS, L.L.C.’s ANSWER, AFFIRMATIVE  
DEFENSES & NEW MATTER TO PLAINTIFFS’ THIRD AMENDED COMPLAINT**

Defendant Hamilton Lane Advisors, L.L.C. (“Hamilton Lane” or “Defendant”), by its counsel, DLA Piper LLP (US), submits the following in Answer to the Third Amended Class Action Complaint of Plaintiffs Kevin Steinke, Louis Fantini, Emily Fantini, and Daniel Reyes (collectively, Plaintiffs):

1. Admitted in part, denied in part. Admitted only that the Pennsylvania Public School Employees Retirement System (“PSERS”) administers retirement plans for employees of the public school system in Pennsylvania, that certain plan participants are subject to mandatory contributions, and that PSERS increased percentage rate of that contribution for certain classes of participants in 2021. This paragraph is denied in all other respects.

2. To the extent the allegations in this paragraph are directed to parties other than Hamilton Lane, no response is required. By way of further response, the existence and scope of Hamilton Lane's fiduciary duties vis-à-vis PSERS plan participants is a legal question to which no response is required. To the extent that any averments in this paragraph are deemed factual, they are denied.

### **THE PARTIES**

3. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

4. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

5. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

6. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

7. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

8. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

9. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

10. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

11. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

12. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

13. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

14. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

15. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

16. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

17. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

18. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

19. Admitted in part, denied in part. Admitted only that Kevin Steinke, Louis Fantini, Emily Fantini, and Daniel Reyes (“Plaintiffs”) purport to bring a class action on behalf of themselves and a proposed class and that they allege that they and the proposed class experienced an increase in his shared-risk contributions as a result of Defendants’ actions or inactions. This paragraph is denied in all other respects, including the averment that any action or inaction by Hamilton Lane resulted in an increase in Plaintiffs’ shared-risk contribution.

20. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

21. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

22. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

23. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

24. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

25. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

26. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

27. This paragraph contains an instruction to which no response is required.

28. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

29. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

30. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

31. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

32. Admitted.

33. Admitted that Hamilton Lane entered into a contract dated September 15, 2017, under which Hamilton Lane provided certain services in connection with alternative and private credit investments. Under an amendment to the original contract, Hamilton Lane agreed to provide certain services for PSERS' portfolio of private real estate and infrastructure investments. These contracts are in writing and speak for themselves. Hamilton Lane denies it "assumed duties" other than the duties set forth in the contract.

34. Admitted in part, denied in part. It is admitted that Hamilton Lane entered into the Consulting Agreement dated September 15, 2017, with PSERS, under which Hamilton Lane agreed to provide certain services to PSERS. This paragraph is denied to the extent that Plaintiffs' characterization of those obligations in this paragraph is inconsistent with the plain language of the Consulting Agreement.

35. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

36. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

### **JURISDICTION AND VENUE**

37. Plaintiffs' citizenship is a conclusion of law to which no response is required. To the extent that any averments in this paragraph are deemed factual, after reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny them.

38. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

39. The citizenship of the members of the putative class is a legal conclusion to which no response is required. To the extent that any averments in this paragraph are deemed factual, after reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny them.

40. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

41. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

42. Admitted.

43. The allegations in this paragraph are directed to a party other than Hamilton Lane, and so no response is required.

44. This paragraph contains conclusions of law to which no response is required. To the extent that any allegation in this paragraph is deemed factual, it is denied.

45. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments in this paragraph.

46. This paragraph contains conclusions of law to which no response is required. To the extent that any allegation in this paragraph is deemed factual, it is denied.

## **GENERAL ALLEGATIONS**

### **1. Overview of the Pennsylvania Public School Employees Retirement Plans**

47. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

48. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.



49. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

50. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

51. Admitted.

52. This paragraph contains legal conclusions to which no response is required. To the extent it is deemed factual, it is admitted in part and denied in part. It is admitted that Plaintiffs make allegations in his Third Amended Complaint concerning the investment, administration, and management of the PSERS Plan. This paragraph is denied in all other respects, including that any conduct of Hamilton Lane injured Plaintiffs.

**2. PSERB's Role as Fiduciary and Administrator of the Retirement System**

53. The legal status of the PSERS Board is a conclusion of law to which no response is required.

54. The terms and structure of PSERS' Board is set forth in the Pennsylvania Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied.

55. The nature of the legal relationship between the PSERS Board members and their employees and agents, and the PSERS' plan participants, is a conclusion of law to which no response is required. By way of further response, this paragraph purports to quote from 24 Pa. C.S. § 8521(e), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied.

56. This paragraph contains legal conclusions to which no response is required. By way of further response, this paragraph purports to quote from 24 Pa. C.S. § 8521(e), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied.

57. This paragraph contains a legal conclusion to which no response is required. By way of further response, this paragraph purports to quote from 24 Pa. C.S. § 8521(a), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied.

58. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

59. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

60. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

**3. Changes to Traditional "Pure" Defined Benefit Pension Plans**

61. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

62. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

63. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

64. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

65. This paragraph contains legal conclusions to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board, including with respect to assumed rates of return, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied. To the extent that any allegation in this paragraph is deemed factual, upon reasonable investigation, Hamilton Lane lacks sufficient information or knowledge to admit or deny it.

66. This paragraph contains legal conclusions to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board, including under the 2011 amendments to the Code and any obligation to compare the Plan's performance to its assumed rate of return, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

67. This paragraph contains legal conclusions to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

68. The terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

69. The terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

70. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

**4. Changes to Traditional Investments for Public Pension Plans**

71. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

72. Denied as stated. By way of further response, upon reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the general and non-specific averments in this paragraph.

73. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

74. Admitted in part and denied in part. It is admitted that the term "alternative investments" refers to investments "other than traditional stocks, bonds, and other publicly-traded investments," and that such investments can include private equity investments, hedge funds, private venture capital opportunities and direct real estate investment. It is denied such investments are "widely considered" to be moderate to very high-risk investments.

75. Denied as stated. It is admitted that PSERS makes private markets investments, that those investments are structured as partnerships in which PSERS is a limited partner and the fund manager is the general partner, that those partnerships are typically governed by partnership agreements, and that those agreements often contain terms relating to the term of the investment and delineate the fees, expenses, and costs of the investment. By way of further response, PSERS' private markets investments are governed by partnership agreements the terms of which PSERS negotiates with the fund managers without the advice, input, or consent of Hamilton Lane. To the extent the allegations in this paragraph could be interpreted to suggested that Hamilton Lane negotiates the terms of PSERS' agreements with the general partners into whose funds it invests as a limited partner, it is denied.

76. Denied as stated. It is admitted that the general partners of the funds into which PSERS invests as a limited partner often charge management fees, carried interest, and allocate expenses. By way of further response, PSERS' private markets investments are governed by partnership agreements the terms of which—including the level of management fees and carried interest, and the allocation of expenses—PSERS negotiates with the fund managers without the advice, input, or consent of Hamilton Lane

77. Admitted in part, denied in part. It is admitted that private market investments are not publicly traded. This paragraph is denied in all other respects, including that it is difficult or impossible to accurately assess the fees charged or make performance, cost, or fee comparisons.

78. Denied as stated. Upon reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the general and non-specific averments in this paragraph, including what is "common" for investment advisors to do with respect to benchmarks, or how those actions or inactions might be "seen" by unspecified others. By way of

further response, Hamilton Lane states that, given the complexities and nuances of benchmarking private market investments, it recommends that its client take a multifaceted approach to benchmarking, which includes comparisons to peer private markets data sets and to public markets via public market equivalents. Additionally, Hamilton Lane notes that PSERS' Investment Policy Statement identifies the pertinent benchmarks for its portfolios, all of which are created by third parties over whom Hamilton Lane exercises no control.

79. Admitted in part and denied in part. Hamilton Lane admits that PSERS' portfolio includes what Plaintiffs describe as "alternative" and "non-traditional" investments. It is denied that the percentage is "extremely high." After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining averments in this paragraph.

80. The report of the Pennsylvania Public Pension Management and Asset Investment Review Commission is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' characterization of the content of the Report is inconsistent with its terms, this paragraph is denied.

81. The report of the Pennsylvania Public Pension Management and Asset Investment Review Commission is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' characterization of the content of the Report is inconsistent with its terms, this paragraph is denied.

82. The report of the Pennsylvania Public Pension Management and Asset Investment Review Commission is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' characterization of the content of the Report is inconsistent with its terms, this paragraph is denied.

## **5. Who Does What?**

83. Hamilton Lane admits that PSERS employs in-house investment professionals. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

84. Hamilton Lane admits that Glenn R. Grell served as PSERS' Executive Director. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

85. Hamilton Lane admits James H. Grossman, Jr. served as PSERS' Chief Investment Officer. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

86. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the salaries of Mr. Grossman's "deputies."

87. Hamilton Lane admits that Charles J. Spiller served as PSERS' Deputy Chief Investment Officer, Non-Traditional Investments. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

88. Hamilton Lane admits that PSERS employed William Stalter. After reasonable investigation, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

89. This paragraph contains conclusions of law to which no response is required. To the extent that any allegation in this paragraph is deemed factual, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

90. Admitted in part. Hamilton Lane admits that James Grossman, Glen Grell, and Charles Spiller were employed by PSERS. By way of further response, after reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the specific job responsibilities of Messrs. Grossman, Grell, or Spiller.

91. . Admitted in part, denied in part. It is admitted that Hamilton Lane worked closely with several PSERS employees in the course of fulfilling its obligations under the Consulting Agreement, including Charles Spiller. This paragraph is denied in all other respects.

92. Admitted in part. It is admitted that PSERS engages certain professional consultants, including, among others, accountants and investment advisors. After reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny each category of professionals PSERS engages or what Plaintiffs consider to be “extensive” as that term is used in this paragraph.

93. Admitted.

94. The legal rights and obligations of PSERS’ participants are set forth in the Public School Employees’ Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs’ averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required. To the extent that any part of this paragraph is deemed factual, it is admitted in part and denied in part. Hamilton Lane admits that the participants in PSERS defined benefit plan have no direct ability to control how PSERS’ funds are invested. It is denied that they are “wholly dependent” on investment advisors, insofar as their interests are represented by the PSERS Board of Trustees, several of whom are elected by active PSERS participants.



95. The legal rights and obligations of PSERS' participants are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required. To the extent that any part of this paragraph is deemed factual, it is admitted in part and denied in part. It is admitted that PSERS' defined benefit plan participants are required to make contributions to PSERS. It is denied that they have "no ability" to direct how their investments are made, insofar as their interests are represented by the PSERS Board of Trustees, several of whom are elected by active PSERS participants.

96. The legal rights and obligations of PSERS' participants are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required.

**6. Defendant Portfolio Advisors LLC**

97. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or it.

98. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

99. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

100. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

101. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

102. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

103. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required. By way of further response, Hamilton Lane states that Plaintiffs purport to quote from 29 U.S.C. § 1104(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

104. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required. By way of further response, Hamilton Lane states that Plaintiffs purport to quote from 29 U.S.C. § 1105(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

105. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required.

106. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required. By way of further response, Hamilton Lane states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

107. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required. By way of further response, Hamilton Lane states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for

themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

108. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required.

109. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required. By way of further response, Hamilton Lane states that, to the extent any part of this paragraph is deemed factual, after reasonable investigation, Hamilton Lane lacks information or knowledge sufficient to admit or deny the averments in this paragraph.

110. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph is a legal conclusion to which no response is required. To the extent any portion of this paragraph is deemed factual, Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny the averments in this paragraph.

111. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

112. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

113. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

114. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

115. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

116. Admitted in part. Hamilton Lane admits that PSERS did not renew its agreement with Portfolio Advisors in 2017, and entered into the Consulting Agreement with Hamilton Lane. By way of further response, upon reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny whether the Consulting Agreement between Hamilton Lane and PSERS was “similar” to the agreement between Portfolio Advisors and PSERS.

117. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

118. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

119. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

120. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

121. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

122. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

123. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

124. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of that document are contradicted by its terms, or omit other relevant information, they are denied.

125. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of that document are contradicted by its terms, or omit other relevant information, they are denied

126. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph

references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint.

127. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint.

128. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint.

129. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

130. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.



131. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

132. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

133. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, this paragraph is admitted in part, denied in part. Hamilton Lane states that, on October 5, 2017, the PSERS Board adopted Resolution 2017-37, authorizing an investment of an amount not to exceed \$125 million into Portfolio Advisors Secondary Fund III, L.P. and an amount not to exceed \$200 million “to exploit market dislocations if and when they occur.” Hamilton Lane further admits that the plain language of Resolution 2017-37 states: “Any additional capital deployed through the separately managed account shall be reported to the Board in a timely manner.” Hamilton Lane denies this paragraph to the extent it could be read to suggest that Hamilton Lane engaged in any improper conduct.

134. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

**7. Defendant Hamilton Lane Advisors LLC**

135. Admitted in part, denied in part. Hamilton Lane admits only that it was retained by PSERS in 2017 to provide non-discretionary investment advice to PSERS regarding certain classes of investments, which means that PSERS retained exclusive control over whether to make particular investments and how much to commit. By way of further response, Hamilton Lane states that the terms of Hamilton Lane's engagement by PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

136. Admitted in part. Hamilton Lane admits that its original Consulting Agreement with PSERS called for payments of \$1,400,000 per year. By way of further response, that fee was revised when the Consulting Agreement was later amended to add new elements of PSERS' portfolio to Hamilton Lane's scope of work. Furthermore, upon reasonable investigation, Hamilton Lane is without information or knowledge to admit or deny the source of the funds used to pay its fee.

137. Hamilton Lane states that the terms of Hamilton Lane's engagement by PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

138. Denied. Subsection A.1 of Schedule II of Rider B of Hamilton Lane's Consulting Agreement with PSERS does not obligate Hamilton Lane to recommend allocation changes within the private markets "space." By way of further response, Hamilton Lane states that it was obligated by its Consulting Agreement with PSERS, and the amendments thereto, to make allocation

recommendations within the private markets portfolio, but not at the PSERS Plan-level. In other words, PSERS, in conjunction with consultants who were not, and never have been, Hamilton Lane, determined the total amount of Plan assets to devote to the private market portfolio, and Hamilton Lane made recommendations as to how the assets devoted by PSERS to the private market program—*i.e.*, the private equity, private credit, real estate, and infrastructure portfolios—could be invested.

139. Admitted.

140. Hamilton Lane states that the terms of Hamilton Lane's engagement by PSERS, including the standard of care by which Hamilton Lane was to perform its obligations thereunder, are governed by a written Consulting Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

141. This paragraph contains legal conclusions to which no response is required. To the extent that any part of this paragraph is deemed factual, Hamilton Lane states that Plaintiffs purport to quote 29 U.S.C. § 1104(a), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

142. This paragraph contains legal conclusions to which no response is required. To the extent that any part of this paragraph is deemed factual, Hamilton Lane states that Plaintiffs purport to quote 29 U.S.C. § 1105(a), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

143. The scope of Hamilton Lane's fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. To the extent that any part of this paragraph is

deemed factual—including that Hamilton Lane owed fiduciary duties to PSERS’ plan participants—it is denied. Hamilton Lane did not owe fiduciary duties to PSERS’ plan participants, nor was it an agent of PSERS.

144. The scope of Hamilton Lane’s fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. Further, Hamilton Lane admits that Plaintiffs have accurately quoted 24 Pa. C.S. § 8521(e). To the extent that any part of this paragraph is deemed factual—including that Hamilton Lane owed fiduciary duties to PSERS’ plan participants or was an agent of PSERS—it is denied. Hamilton Lane did not owe fiduciary duties to PSERS’ plan participants, nor was it an agent of PSERS.

145. The scope of Hamilton Lane’s fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. Further, Hamilton Lane admits that Plaintiffs have accurately quoted 24 Pa. C.S. § 8521(e). To the extent any part of this paragraph is deemed factual, Hamilton Lane specifically denies that it was an agent of PSERS in light of the unambiguous terms of the Consulting Agreement (which specifies that Hamilton Lane was an independent contractor) and the course of conduct between the parties.

146. Hamilton Lane’s legal status vis-à-vis PSERS is a legal conclusion to which no response is required. To the extent any part of this paragraph is deemed factual, Hamilton Lane specifically denies that it was an agent of PSERS in light of the unambiguous terms of the Consulting Agreement (which specifies that Hamilton Lane was an independent contractor) and the course of conduct between the parties.

147. Admitted in part. Hamilton Lane admits only that it shared investment information, proprietary software, and conducted training for PSERS' personnel. Hamilton Lane's legal relationship with PSERS is a legal conclusion to which no response is required. To the extent that it is deemed factual, Hamilton Lane specifically denies that it was an agent of PSERS, in light of the unambiguous terms of the Consulting Agreement (which specifies that Hamilton Lane was an independent contractor) and the course of conduct between the parties.

148. The scope of Hamilton Lane's fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. By way of further response, Hamilton Lane states that the terms of Hamilton Lane's engagement by PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

149. The scope of Hamilton Lane's fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. By way of further response, Hamilton Lane states that the terms of Hamilton Lane's engagement by PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

150. The scope of Hamilton Lane's fiduciary and other obligations—including the interpretation of its Consulting Agreement with PSERS and its relationship with PSERS—is a

conclusion of law to which no response is required. By way of further response, the statute referenced in this paragraph—20 Pa. C.S. § 7206—is inapplicable on its face.

151. Denied as stated. By way of further response, Hamilton Lane states that the Consulting Agreement was fully executed by the Parties as of September 15, 2017. However, at PSERS' direction, Hamilton Lane began working for PSERS once it received notice that it had been awarded the contract by PSERS following PSERS' RFP process, which occurred earlier in the summer of 2017.

152. Hamilton Lane's September 7, 2017, recommendation is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the plain language of the recommendation, they are denied. By way of further response, Hamilton Lane states that it began to consult regularly with PSERS and to provide investment advice after receiving notification that its response to PSERS' request for proposal was accepted, which preceded the effective date stated in the Consulting Agreement.

153. The contents of Hamilton Lane's September 7, 2017, recommendation is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the plain language of the recommendation, they are denied. By way of further response, Hamilton Lane admits that it began to consult regularly with PSERS, conduct due diligence on investment opportunities on select funds, and to provide investment advice after receiving notification that its response to PSERS' request for proposal was accepted, which preceded the effective date stated in the Consulting Agreement.

154. The contents of Hamilton Lane's September 7, 2017, recommendation is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the plain language of the recommendation, they are denied. By way

of further response, Hamilton Lane admits that it began to consult regularly with PSERS, conduct due diligence on investment opportunities on select funds, and to provide investment advice after receiving notification that its response to PSERS' request for proposal was accepted, which preceded the effective date stated in the Consulting Agreement. By way of further response, Hamilton Lane denies Plaintiffs' assertion that the "timing" of its recommendation "strongly suggests" that Hamilton Lane was improperly "cooperating" with Portfolio Advisors. Hamilton Lane's vetting of Portfolio Advisors Secondary Fund III, L.P. was done at the request of PSERS' staff, and its recommendation complied with Hamilton Lane's obligations under the Consulting Agreement. Moreover, Hamilton Lane had no prior interaction with Portfolio Advisors concerning Portfolio Advisors Secondary Fund III, L.P., and, in fact, considers Portfolio Advisors to be a competitor in the secondary market.

155. The scope of Hamilton Lane's fiduciary and other obligations is a conclusion of law to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane breached duties that Plaintiffs claim they were owed by Hamilton Lane—it is denied.

156. Admitted in part. Hamilton Lane admits that it recommended to PSERS that it invest in the funds identified in sub-parts [A] through [JJJ]. Upon reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the source of the funds used to make those investments other than that they came from PSERS.

157. Hamilton Lane admits that it recommended investments that are not identified in Paragraph 156 of the Third Amended Complaint.

158. Admitted in part, denied in part. Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS are governed by a written Consulting Agreement, and the

amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied. It is further denied that Hamilton Lane "was responsible for calculating the performance of the *PSERS plan*," because Hamilton Lane was responsible for calculating performance metrics only for PSERS' private equity, real estate, private credit, and restructure portfolios.

159. Admitted in part, denied in part. Hamilton Lane admits that documents entitled "Year End Asset Listing" are publicly available on PSERS' website. Hamilton Lane denies that it "failed to include the value of certain investments in its computations" or to "ensure that the value of these investments was included in the value of assets reported in the Comprehensive Annual Financial Reports." By way of further response, Hamilton Lane provides financial data to PSERS directly from the general partners of the funds into which PSERS invests. That data is typically provided 70 to 90 days following the end of a given fiscal quarter, and so it is not possible or practical for all data to be provided to PSERS by June 30 of each year, which is also typically a quarter close date. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny Plaintiffs' allegation that these documents "list a value for every PSERS asset" as of June 30 of the fiscal years, because Hamilton Lane did not prepare, or participate in the preparation of, these documents. Hamilton Lane is not involved in the preparation of either the "Annual Final Asset Listing" or "Comprehensive Annual Financial Reports," and so it is without information or knowledge sufficient to admit or deny Plaintiffs' allegations concerning the comparison of the two documents.

160. The scope of Hamilton Lane's fiduciary and other obligations—including Hamilton Lane's alleged obligation to review certain Pennsylvania statutes—is a conclusion of law to which



no response is required. By way of further response, Hamilton Lane states that the scope of Hamilton Lane's obligations to PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

161. The scope of Hamilton Lane's fiduciary and other obligations—including Hamilton Lane's alleged obligation to "evaluate, examine, and monitor" investments in PSERS' portfolio—is a conclusion of law to which no response is required. By way of further response, Hamilton Lane states that the scope of Hamilton Lane's obligations to PSERS are governed by a written Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

162. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny the averments in this paragraph. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs' Third Amended Complaint.

163. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny the averments in this paragraph. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs' Third Amended Complaint.

164. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny Verus' conclusion that the funds identified in his paragraph charged were "above the average amount" in this paragraph because: (1) PSERS

negotiates the terms of its investments with the general partners—including the structure and amounts of the fees, costs, and expenses—without Hamilton Lane’s advice, input, or consent; (2) this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint; and, (3) this paragraph purports to make a comparison of the fees and carried interest charged by certain funds to an “average,” without identifying the data set forming that average.

165. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny that the investments identified in paragraph 164 had “higher fees than the remainder of [PSERS’] portfolio,” because Hamilton Lane’s mandate is and was limited to PSERS’ private market, private credit, real estate, and infrastructure portfolios, and it has no role in monitoring the “remainder of [PSERS’] portfolio.” Hamilton Lane denies that the investments identified in paragraph 164 were “inappropriate” for a public pension fund or that they “contributed to PSERS’s Fund’s overall underperformance.”

166. Admitted in part. It is admitted that Hamilton Lane recommended that PSERS invest in Clearlake Opportunities Partners (P) II, L.P. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny Verus’ conclusion regarding Clearlake Opportunities Partners (P) II, L.P. in this paragraph because (1) PSERS negotiates the terms of its investments with the general partners—including the actual structure of the fees, costs, and expenses—without Hamilton Lane’s advice, input, or consent; (2) this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint; and, (3) this paragraph purports to make a comparison of the fees charged by a particular investment to an “average,” without identifying the data set forming that average. By way of further response, Hamilton Lane states that a fund’s fees

are not the sole factor that Hamilton Lane considers when determining whether a particular investment is a suitable recommendation for investment by PSERS. Fees are a single data point that Hamilton Lane considers before deciding whether to recommend a particular investment. Hamilton Lane's due diligence process includes a review of many factors, such as the fund manager's team and key personnel, their targeted investment strategy, and their historical track record.

167. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny that the investment identified in paragraph 166 had "higher fees than the remainder of [PSERS'] portfolio," because Hamilton Lane's mandate is and was limited to PSERS' private equity, private credit, real estate, and infrastructure portfolios, and it has no role in monitoring the "remainder of [PSERS'] portfolio." Hamilton Lane denies that the investments identified in paragraph 164 were "inappropriate" for a public pension fund or that it "contributed to PSERS's Fund's overall underperformance." By way of further response, Hamilton Lane states that it provided periodic recommendations to PSERS concerning investments to buy, hold and/or sell, and that it did so based on the overall performance of the investments and not isolated variables, like fees.

168. Denied. As part of its due diligence process, Hamilton Lane reviews the fee structure—i.e., the "rack" or advertised fees and rate of carried interest—for each fund that it recommends to PSERS, compares those rates to alternative investments of similar size and strategy, and presents that information to PSERS staff and Board for their review and consideration as part of its investment recommendation package, which incorporates a wide-range of data points that includes more than isolated variables like fees and carried interest. By way of further response, PSERS negotiated its own investment agreements—including the actual fees and rate of carried

interest—with the general partners of the funds into which it invested without the advice, consent, or input of Hamilton Lane.

169. Admitted in part, denied in part. Hamilton Lane admits that it did not consider the shared-risk provisions of the PSERS Plan. It denies this paragraph to the extent it implies that Hamilton Lane was obligated to consider this Plan feature to satisfy its obligations to PSERS under the Consulting Agreement.

170. The scope of Hamilton Lane’s fiduciary and other obligations—including the existence and scope of its alleged fiduciary obligations to PSERS’ participants—is a conclusion of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Hamilton Lane owed fiduciary duties to PSERS’ plan participants or concealed any information from them—it is denied. Hamilton Lane did not owe fiduciary duties to PSERS’ plan participants as the Consulting Agreement makes clear, nor did it “conceal[]” the fees, costs, and expenses of PSERS’ investments. To the contrary, all fees, costs and expenses were shared with the PSERS Board for its consideration in making investment decisions.

171. Denied. The benchmarks recommended by Hamilton Lane for use by PSERS were reasonable and appropriate.

172. The scope of Hamilton Lane’s fiduciary and other obligations is a conclusion of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Hamilton Lane breached any fiduciary duties it owed to PSERS—it is denied.

#### **8. Defendant Aksia LLC**

173. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

174. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

175. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

176. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

177. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

178. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

179. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

180. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

181. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

182. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

183. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

184. This paragraph contains legal conclusions to which no response is required. By way of further response, 29 U.S.C. § 1104(a) is a statute, the terms of which speak for themselves. To the extent that Plaintiffs mischaracterize or misquote the statute in this paragraph, it is denied. .

185. This paragraph contains legal conclusions to which no response is required. By way of further response, 29 U.S.C. § 1105(a) is a statute, the terms of which speak for themselves. To the extent that Plaintiffs mischaracterize or misquote the statute in this paragraph, it is denied.

186. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required.

187. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

188. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required.

189. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that it is without sufficient information or knowledge to admit or deny those averments, and that the averment of an agency relationship is a legal argument to which no response is required.

190. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

191. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

192. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

193. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

194. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

195. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.



196. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

197. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

198. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

199. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

200. Denied. The benchmarks recommended by Hamilton Lane for use by PSERS were reasonable and appropriate.

201. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

202. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

203. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

204. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

205. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

206. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

207. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

208. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

209. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

210. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

211. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

212. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

213. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

214. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

215. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

**9. Defendant Aon Investments USA, Inc.**

216. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

217. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

218. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

219. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

220. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

221. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

222. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

223. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

224. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

225. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

226. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

227. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

228. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

229. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in this paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

230. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

231. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

232. This paragraph contains legal conclusions to which no response is required. By way of further response, Hamilton Lane states that 29 U.S.C. § 1104(a) is a statute, the terms of which speak for themselves. To the extent that Plaintiffs misquote or mischaracterize those terms, this paragraph is denied.

233. This paragraph contains legal conclusions to which no response is required. Hamilton Lane states that 29 U.S.C. § 1105(a) is a statute, the terms of which speak for themselves. To the extent that Plaintiffs misquote or mischaracterize those terms, this paragraph is denied. To the extent that any part of this paragraph is deemed to be factual, Hamilton Lane states that this paragraph is directed to a party other than Hamilton Lane and so no response is required.

234. The allegations in this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, this paragraph contains legal argument to which no response is required.

235. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required.

236. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal argument to which no response is required.

237. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal arguments to which no response is required.

238. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal arguments to which no response is required.

239. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that this paragraph contains legal arguments to which no response is required.

240. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain



to Hamilton Lane, Hamilton Lane states that this paragraph contains legal arguments to which no response is required.

241. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

242. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

243. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

244. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

245. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

246. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

247. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

248. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

249. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

250. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

251. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain

to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

252. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

253. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

254. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

255. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

**10. The Legislature Authorizes A Study of PSERS to Determine How It Should “Maximize Future Rates of Return Net of Fees”**

256. Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

257. 24 Pa. C.S. § 8538 is a statute, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the statute, they are denied.

258. Hamilton Lane admits that in December 2018, the Pennsylvania Public Pension Management and Asset Investment Review Commission issued its report and that the terms of the report are in writing and speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the report, they are denied.

**11. Aon, Hamilton Lane and Aksia Respond to the December 2018 PPM AIRC Directives**

259. To the extent that the allegations in this paragraph are directed to parties other than Hamilton Lane, no response is required. By way of further response, Hamilton Lane states that the existence and scope of Hamilton Lane's fiduciary and other obligations is a conclusion of law to which no response is required. To the extent that any part of paragraph is deemed factual—including that Hamilton Lane owed fiduciary duties to PSERS' participants—it is denied.

260. To the extent that the allegations in this paragraph are directed to parties other than Hamilton Lane, no response is required. By way of further response, Hamilton Lane states that the existence and scope of Hamilton Lane's fiduciary and other obligations is a conclusion of law to which no response is required. To the extent that any part of paragraph is deemed factual—including that Hamilton Lane owed fiduciary duties to PSERS' plan participants or that Hamilton Lane had any obligation to take, or not take, any action based on the contents of the Report—it is denied.

261. Admitted in part, denied in part. Hamilton Lane admits only that after the PPM AIRC issued its report, Hamilton Lane continued to provide private market investment

consulting services as required by the Consulting Agreement and as requested by PSERS. All other characterizations and averments in this paragraph are denied.

262. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

263. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required. To the extent any averment in his paragraph is deemed to pertain to Hamilton Lane, Hamilton Lane states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

264. Denied. By way of further response, Hamilton Lane always discussed and presented multiple investment opportunities at a time with PSERS staff. Hamilton Lane admits further that once PSERS staff decided which of the options Hamilton Lane presented they preferred, Hamilton Lane would present that opportunity to PSERS' Board.

265. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Hamilton Lane aided and abetted any individual's breach of fiduciary duty—it is denied.

266. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Hamilton Lane's recommendations led to "significant losses in the Plan's assets"—it is denied.

267. After reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny the averments of this paragraph, which vaguely refer to a "cursory review of the Plan's overall actual performance," without providing any further information about

such a review. By way of further response, Hamilton Lane denies that the fees or expenses of investments that Hamilton Lane recommended or monitored led to the diminution of the Plan's investment returns considering the performance of the asset classes within Hamilton Lane's mandate during the time Hamilton Lane was retained. Hamilton Lane did nothing to harm the Plaintiffs or members of the putative Class. By way of further response, Hamilton Lane notes that the averments in this paragraph refer to PSERS' "overall actual performance," even though Hamilton Lane had recommendation and/or oversight responsibilities over only a portion of the Fund.

268. To the extent the allegations in this paragraph are directed to a party other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, Hamilton Lane admits only that it provided no advice with respect to the Harrisburg properties and this paragraph is denied to the extent it implies that Hamilton Lane was under any obligation to provide such advice. By way of further response, upon information and belief, PSERS' purchase of properties in and around Harrisburg was done at the recommendation of PSERS' employees.

269. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is admitted in part and denied in part. Hamilton Lane admits that, as a result of the nature of private market investing—in which investors invest directly into limited partnerships, which then invest capital into specific assets—neither PSERS nor Hamilton Lane knew the specific assets that the investment funds into which PSERS invested would invest at the time of the commitment of those funds. It is denied that PSERS made investments "without knowing" what those funds would do, as each investment Hamilton Lane recommended was the subject of an intensive due diligence review process which covered, among other matters, the fund's investment strategies and

objectives, the geographic location of the assets into which it planned to invest, and the internal investment guidelines and restrictions of the investment fund.

270. Admitted in part, denied in part. The terms of Hamilton Lane's December 19, 2018, recommendation are reduced to writing and speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the recommendation, they are denied. By way of further response, Hamilton Lane denies Plaintiffs' characterization of PSERS' investment as "blind." A result of the nature of private market investing—in which investors invest directly into limited partnerships, which then invest capital into specific assets—neither PSERS nor Hamilton Lane knew the specific assets that investment funds into which PSERS invested would invest at the time of the commitment of those funds. Nevertheless, each investment Hamilton Lane recommended was the subject of an intensive due diligence review process which covered, among other matters, the fund's investment strategies and objectives, the geographic location of the assets into which it planned to invest, and the internal investment guidelines and restriction of the investment fund.

271. Admitted.

272. Admitted in part, denied in part. It is admitted that the December 19, 2018, memorandum recommended that PSERS invest in Sante Health Ventures III, L.P. and Sante Health Ventuers IV, L.P. This paragraph is denied to the extent this allegation suggests that HLA's analysis, examination, or review did not consider other investment options.

273. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required.

274. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required.

275. The allegations of this paragraph are directed to a party other than Hamilton Lane and so no response is required.

276. Denied as stated. The terms of Hamilton Lane's January 25, 2019, recommendation to *PSERS* are reduced to writing and speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the recommendation, they are denied.

277. Admitted.

278. Admitted in part, denied in part. It is admitted that the January 25, 2019, memorandum recommended that PSERS invest in Searchlight Capital III, L.P. This paragraph is denied to the extent it suggests that HLA's analysis, examination, or review did not consider other investment options.

279. The terms of Hamilton Lane's April 1, 2019, recommendation are reduced to writing and speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the recommendation, they are denied.

280. Admitted in part, denied in part. Hamilton Lane admits that its April 1, 2019, memorandum recommended that PSERS invest in Platinum Equity Partners V, L.P. This paragraph is denied to the extent it suggests that HLA's analysis, examination, or review did not consider other investment options.

281. Denied in part, admitted in part. It is denied that Hamilton Lane made recommendations to PSERS before 2017. Hamilton Lane admits that between 2017 and 2019, it recommended that PSERS invest in limited partnerships managed by Platinum Equity Capital Partners. It is denied, however, that the amount totaled \$1.3 billion; it totaled \$460 million.

282. Admitted in part, denied in part. Hamilton Lane admits that Securus Technologies Inc. is a holding of Platinum Fund *IV*, a fund that closed in *February of 2017*, months before



Hamilton Lane was retained by PSERS. In other words, Hamilton Lane did not recommend this investment. Hamilton Lane further admits that Securus Technologies Inc. provides telecommunications services to correctional institutions, and that Securus Technologies Inc. was the subject of negative press coverage that may have impacted the value of the company. Hamilton Lane denies that the alleged decrease in the value of this single investment (made by an entity over which Hamilton Lane has no control and within a larger investment that Hamilton Lane did not recommend) caused losses to PSERS, or that Hamilton Lane is or was responsible for any alleged losses by PSERS as a result of this fund manager's investment.

283. Denied. Hamilton Lane denies that there is anything "facially implausible" about investing in funds active in the natural resources and/or agricultural products market segments, which are reasonably included within a pension fund's portfolio of investments. By way of further response, assets backed by production in Kurdish oil fields are held in PSERS' public markets portfolio, which is outside the scope of Hamilton Lane's mandate under the Consulting Agreement.

284. Admitted in part, denied in part. Hamilton Lane admits that private market investments are, by definition, often illiquid, but denies that Hamilton Lane's recommendations were unsuccessful or resulted in losses, or that there is no secondary market for alternative investments.

285. Denied. By way of further response, Hamilton Lane states that all alternative investments, by their nature, are illiquid and have less transparent fee structures than public market investments available to retail consumers. However, all fees and costs for every investment Hamilton Lane recommended to PSERS were identified for PSERS.

## **12. The Harrisburg Property Purchases**

286. Admitted in part. Hamilton Lane became aware of the existence of PSERS' investment in certain parcels of real estate in Harrisburg after PSERS asked Hamilton Lane to add those parcels to the list of real estate investments for which Hamilton Lane provided monitoring services. Hamilton Lane had no role and made no recommendations with respect to these investments.

287. After reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the type of session during which PSERS approved the Harrisburg real estate purchases or PSERS' "oft-repeated commitment to transparency."

288. After reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the terms of a PSERS' real estate transactions.

289. Admitted that these properties were, at the request of PSERS, included in its Private Real Estate asset portfolio for reporting purposes only.

290. Hamilton Lane states that, after reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

291. Hamilton Lane states that, after reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

292. Denied in part. Hamilton Lane denies Plaintiffs' characterization that the purchase and holding of real estate is "curious[]." By way of further response, Hamilton Lane states that, following reasonable investigation, it is without information or knowledge sufficient to admit or deny whether PSERS' properties in Harrisburg have been developed or sold, or PSERS' future intentions with the properties.

293. Upon reasonable investigation, Hamilton Lane is without information sufficient to admit or deny the averments in this paragraph, which refer to a press report without identifying the title or author of the article or the publication in which it appeared.

294. Upon reasonable investigation, Hamilton Lane is without information sufficient to admit or deny the averments in this paragraph, which refer to a press report without identifying the title or author of the article or the publication in which it appeared.

295. Admitted in part. Hamilton Lane admits only that *Muth v. Public School Employees' Retirement Board*, et al., Case No. 182 M.D. 2021 (Pa. Commw. 2021) is currently pending in the Commonwealth Court but is, upon reasonable investigation, without information sufficient to admit or deny the remaining averments in this paragraph.

**13. Defendants Hamilton Lane, Aon, and Aksia Promote PSERS Staff Travel**

296. Hamilton Lane states that, to the extent this paragraph is addressed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is addressed to Hamilton Lane, it is admitted in part, denied in part. Hamilton Lane admits only that it made arrangements for, and reimbursed, PSERS' staff travel to Philadelphia, Pennsylvania for Hamilton Lane's client summit. This paragraph is denied in all other respects, including that Philadelphia, Pennsylvania is an "exotic location" or that any of the travel Hamilton Lane arranged for PSERS' staff was "extravagant."

297. To the extent this paragraph is addressed to parties other than Hamilton Lane, no response is required. By way of further response, Hamilton Lane admits only that its obligation with respect to reimbursing travel expenses for PSERS' employees is set forth in Paragraph 10(b) of the Consulting Agreement; that that obligation is triggered only by PSERS' travel to Hamilton Lane's location or to attend conferences or seminars sponsored by Hamilton Lane; that that

obligation is limited to \$10,000 per year; and, that, during the relevant time period, Hamilton Lane reimbursed PSERS only for travel to Hamilton Lane's annual investor conference in Philadelphia, Pennsylvania.

298. To the extent that this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is admitted in part and denied in part. By way of further response, Hamilton Lane admits only that the only travel that Hamilton Lane reimbursed for PSERS' employees was to Philadelphia, Pennsylvania and paid for directly by Hamilton Lane as required by the Section 10(b) of the Consulting Agreement. This paragraph is denied in all other respects, as Hamilton Lane's reimbursements were not "ultimately borne by the nontraditional investments," but by Hamilton Lane itself.

#### **14. The Attempt to Re-Write History**

299. The obligations of PSERS' Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

300. Upon reasonable investigation, Hamilton Lane is without information sufficient to admit or deny the averments in this paragraph.

301. The obligations of PSERS' Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves.

302. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

303. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

304. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

305. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

306. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

307. Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

308. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

309. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

310. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

311. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is

deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

312. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

313. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

314. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that this paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane had any obligation to act or not act in response to the PPMAIRC report (it did not) or that Hamilton Lane breached its fiduciary or other duties (it did not)—it is denied.

315. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it.

316. Hamilton Lane states that this averment is directed to parties and non-parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is

deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it.

317. Hamilton Lane states that this averment is directed to parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it.

318. Hamilton Lane states that this averment is directed to parties other than Hamilton Lane and so no response is required. To the extent that any part of this paragraph is deemed to be direct to Hamilton Lane, Hamilton Lane states that it is admitted that 6.34% is less than 6.36%,. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the remaining averments in this paragraph.

319. The contents of PSERS Board Resolution No 2021-16 consist of a writing, the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of Resolution No. 2021-16, they are denied.

320. The obligations of PSERS' Board, including with respect to the fluctuation of participants' shared risk contributions, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

321. Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to confirm or deny the averments in this paragraph.

322. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms

of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

323. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

324. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

325. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane's actions or inactions purportedly caused harm to any of the Plaintiffs or putative class members it is denied.

326. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

327. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.



328. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

329. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane's actions or inactions purportedly caused harm to any of the Plaintiffs or putative class members, it is denied.

330. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

**15. The Unreasonably Risky, Illiquid, and Expensive Alternative Investment Portfolio**

331. To the extent that this paragraph contains allegations directed to a party other than Hamilton Lane, no response is required. To the extent any are directed at Hamilton Lane, they are admitted in part, and denied in part. Hamilton Lane admits only that the terms of Hamilton Lane's engagement by PSERS, including the services that Hamilton Lane agreed to provide, are set out in a written Consulting Agreement, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Hamilton Lane pursuant to the Consulting Agreement are inconsistent with its terms, they are denied.

332. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. By way of further response, this paragraph contains legal conclusions, to which no response is required. To the extent that any averment in this paragraph is deemed

factual—including that Hamilton Lane owed fiduciary, contractual, or other duties to PSERS’ participants or that it breached such duties—it is denied. At all times, Hamilton Lane complied with its contractual and fiduciary obligations to its client, PSERS.

333. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. By way of further response, this paragraph contains legal conclusions, to which no response is required. To the extent that any averment in this paragraph is deemed factual, including that any increase in the shared-risk contributions “stem[s] from the actions and inactions of . . . Hamilton Lane,” it is denied, as Hamilton Lane was retained six years into the nine-year look-back period used to calculate the increase in shared-risk contributions alleged in the Second Amended Complaint.

334. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is admitted in part and denied in part. It is admitted that, with limited exceptions, Hamilton Lane did not negotiate on PSERS’ behalf with the general partners of the funds it recommended because PSERS did not retain Hamilton Lane to provide those services. It is further denied that Hamilton Lane made “no attempt” to obtain “transparency” on investment returns. Where PSERS had an existing relationship and Hamilton Lane performed investment diligence, Hamilton Lane did and does obtain gross performance data, which was and is shared with PSERS’ staff and the Board. On-going, post-diligence gross performance data is not typically provided by the fund managers and is not market standard.

335. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is admitted in part and denied in part. Hamilton Lane admits that, following its due diligence process and with

full disclosure to PSERS, it recommended that PSERS invest in private equity, private real estate, and/or infrastructure investments that charge fees based on the amount of committed capital, in line with standard, market practices for those types of investments. Hamilton Lane denies that it recommended investments that charged fees to PSERS Plan participants.

336. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is denied. At all times, Hamilton Lane recommended appropriate benchmarks for the measurement of performance. Hamilton Lane typically recommends a multifaceted approach to benchmarking through comparisons to both peer private markets benchmark data and public markets via a public market equivalent. Both types of benchmarks should align to the risk, return and exposure expectations for each respective portfolio.

337. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is admitted in part, denied in part. Hamilton Lane admits that it always discussed and presented multiple investment opportunities at a time with PSERS staff. Hamilton Lane admits further that once PSERS staff decided which of the options Hamilton Lane presented they preferred, Hamilton Lane would present that opportunity to PSERS' Board. Hamilton Lane denies that the manner in which it presented investment opportunities to PSERS' Board following PSERS' staff's vetting process "caused significant additional losses to the Fund."

338. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is denied. Hamilton Lane's obligations are set forth in the Consulting Agreement, and any amendments thereto, the terms and conditions of which speak for themselves. To the extent that Plaintiffs'

assertions about and characterizations of those terms and conditions are inconsistent with the Consulting Agreement, they are denied.

339. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the allegations in this paragraph.

340. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the allegations in this paragraph.

341. To the extent that the averments in this paragraph are directed to parties other than Hamilton Lane, no response is required. To the extent the averments in this paragraph are directed to Hamilton Lane, Hamilton Lane denies the allegations in this paragraph. Hamilton Lane calculated gross returns at the time of the diligence on existing managers in the portfolio.

342. Admitted in part, denied in part. Hamilton Lane admits that it made recommendations to PSERS for private market investments in compliance with its obligations under the Consulting Agreement between it and PSERS from and after 2018. Hamilton Lane denies that any action or inaction on its part “caused significant additional plan losses.”

343. Admitted in part, denied in part. The averments in this paragraph purport to quote from a written report prepared by an entity referred to as CEM Benchmarking, the terms of which speak for themselves. To the extent the averments of this paragraph misquote the report or mischaracterize its plain language, it is denied.

344. To the extent this paragraph is directed to Defendants other than Hamilton Lane, no response is required. To the extent this paragraph is directed at Hamilton Lane, it contains legal conclusions—including that Hamilton Lane had a legal obligation to act or not act in a particular way—to which no response is required.

345. To the extent this paragraph is directed to Defendants other than Hamilton Lane, no response is required. To the extent this paragraph is directed at Hamilton Lane, it contains legal conclusions—including that Hamilton Lane had a legal obligation to act or not act in a particular way—to which no response is required.

346. To the extent this paragraph is directed to Defendants other than Hamilton Lane, no response is required. To the extent this paragraph is directed at Hamilton Lane, it contains legal conclusions—including that Hamilton Lane had a legal obligation to act or not act in a particular way—to which no response is required. By way of further response, Hamilton Lane admits that it continued to make recommendations for PSERS portfolio of private markets, private credit, real estate, and infrastructure portfolios as required by its Consulting Agreement with PSERS.

347. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the averments in this paragraph that vaguely refer to “results obtained by PSERS” and “other public pension funds similar in size to PSERS” without identifying such funds. By way of further response, Hamilton Lane denies that its actions or inactions caused “significant Plan losses” or “damage and injury to Plaintiffs and the [putative] Class.”

348. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the averments in this paragraph.

349. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the averments in this paragraph.

350. Denied. To the extent that this paragraph and its subparts are directed to parties other than Hamilton Lane, no response is required. Hamilton Lane responds to the sub-paragraphs as follows:

- A. Hamilton Lane states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny that any of the fund managers into which PSERS invested charged “excessive fees and expenses” as this sub-paragraph only vaguely refers to “numerous investments” without reference to any particular fund or fund manager recommended by Hamilton Lane.
- B. Denied. Hamilton Lane organized PSERS’ travel to and from Philadelphia, Pennsylvania, and reimbursed that travel from its own funds as required by Section 10(b) of the Consulting Agreement.
- C. Denied. Hamilton Lane denies that investments in funds active in the commodities or agricultural market segments are “absurd and facially implausible.” By way of further response, Hamilton Lane denies that it recommended that PSERS “finance[e] Kurdish independence.”
- D. Denied. Hamilton Lane denies that it recommended that PSERS directly purchase “non-saleable and unimproved” real estate. It made no such recommendation, and did not “turn[]a blind eye to investments that were outside the scope of its mandate under its Consulting Agreement with PSERS.

351. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. This paragraph also contains conclusions of law to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane “failed to reveal and fraudulently concealed” the details of its work, it is denied.

By way of further response, Hamilton Lane complied with its disclosure obligations under the Consulting Agreement, including by providing diligence materials to PSERS.

352. To the extent this paragraph is directed to Defendants other than Hamilton Lane, no response is required. To the extent this paragraph is directed at Hamilton Lane, it contains legal conclusions to which no response is required. To the extent this paragraph is deemed factual, it is denied, because Hamilton Lane, at all times, used reasonable care, skill, and caution, in satisfying its obligations to PSERS.

353. To the extent this paragraph is directed to Defendants other than Hamilton Lane, no response is required. To the extent this paragraph is directed at Hamilton Lane, it contains legal conclusions to which no response is required. To the extent this paragraph is deemed factual, it is denied.

354. Upon reasonable investigation, Hamilton Lane states that it is without information or knowledge sufficient to admit or deny the averments in this paragraph, which vaguely refer to PSERS “financial statements and reports,” without specifying the statements and reports referenced. This paragraph also contains legal conclusion to which no response is required. To the extent that the averments in this paragraph are deemed factual—including that Hamilton Lane owed any duties to PSERS participants, or that Hamilton Lane breached those duties—the averments are denied.

355. Upon reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the allegations in this paragraph, which refer vaguely to a letter from “certain Board members” in 2021 that is not attached to Plaintiffs’ Third Amended Complaint or otherwise identified.

**16. Defendants’ Recent Activities Continue to Conceal their Actions and Obstruct Transparency**

356. Denied. Hamilton Lane has complied with its disclosure obligations under the Pennsylvania Rules of Civil Procedure, this Court's Orders, the Consulting Agreement between it and PSERS, and Hamilton Lane's obligations to third parties.

357. Denied. Plaintiffs have issued multiple sets of over-lapping, over-broad, and over-burdensome discovery requests, to which Hamilton Lane has responded consistent with its obligations under the Pennsylvania Rules of Civil Procedure, this Court's Orders, the Consulting Agreement between it and PSERS, and Hamilton Lane's obligations to third parties.

358. Denied. Hamilton Lane is—and has been—ready, willing, and able to produce responsive documents consistent with its obligations under the Pennsylvania Rules of Civil Procedure, this Court's Orders, the Consulting Agreement between it and PSERS, and Hamilton Lane's obligations to third parties.

359. Admitted in part, denied in part. It is denied that Hamilton Lane has ever refused to provide responsive documents. It is admitted that Hamilton Lane has agreed to provide responsive documents consistent with its obligations under the Pennsylvania Rules of Civil Procedure, this Court's Orders, the Consulting Agreement between it and PSERS, and/or Hamilton Lane's obligations to third parties, compliance with some or all of which requires the prior entry of a suitable protective order.

360. Admitted in part, denied in part. Plaintiffs' characterization of their discovery conduct as "prompt" is denied insofar as Plaintiffs' counsel waited from October 2021 until well into 2022 to serve any discovery requests that complied with the Court's October 25, 2021, Case Management Order. It is admitted only that Hamilton Lane submitted documents to PSERS for its deliberative privilege process review.



361. Upon reasonable investigation, Hamilton Lane is without knowledge or information sufficient to admit or deny the allegations in this paragraph.

362. Denied. The Court's Order dated May 9, 2022, is a writing, the terms of which speak for themselves. To the extent that the averments in this paragraph are inconsistent with the Order's contents, they are denied. It is further denied that Hamilton Lane produced "only" certain documents. In response to Plaintiffs' multiple discovery requests, Hamilton Lane provided pages of detailed responses and information, accompanied with multiple explanatory exhibits.

363. Admitted in part, denied in part. Hamilton Lane admits that responsive documents in its possession are subject to PSERS' deliberative privilege process review. It is denied that "virtually all" of the responsive records in its possession are subject to PSERS' deliberative privilege process view, others are subject to confidentiality obligations that production, in the absence of a suitable protective order, would violate.

364. This paragraph is directed to a party other than Hamilton Lane.

365. Admitted.

366. Admitted.

367. Denied. By way of further response, the parties filed a stipulated protective order on September 23, 2022, although it has not yet been entered by the Court.

368. To the extent this paragraph is directed to parties other than Hamilton Lane, no response is required. To the extent this paragraph is directed to Hamilton Lane, it is denied. Hamilton Lane has complied with its disclosure obligations under the Pennsylvania Rules of Civil Procedure, this Court's Orders, the Consulting Agreement between it and PSERS, and Hamilton Lane's obligations to third parties.

#### **CLASS ACTION ALLEGATIONS**

369. This paragraph contains an instruction and thus no response is required.

370. Admitted in part, denied in part. Hamilton Lane admits that Plaintiffs purport to bring this action on behalf of themselves and others similarly situated. This paragraph is denied in all other respects, including that Hamilton Lane made investment decisions or engaged in “other wrongful conduct.”

371. This paragraph contains conclusions of law to which no response is required.

372. This paragraph contains conclusions of law to which no response is required.

373. This paragraph contains conclusions of law to which no response is required.

374. This paragraph contains conclusions of law to which no response is required.

375. This paragraph contains conclusions of law to which no response is required.

376. This paragraph contains conclusions of law to which no response is required.

377. This paragraph contains conclusions of law to which no response is required.

378. This paragraph contains conclusions of law to which no response is required.

379. This paragraph contains conclusions of law to which no response is required.

380. This paragraph contains conclusions of law to which no response is required.

381. This paragraph contains conclusions of law to which no response is required.

382. This paragraph contains conclusions of law to which no response is required. By way of further response, Hamilton lane denies that it is liable for any of Plaintiffs alleged injuries and damages.

383. This paragraph contains an instruction to which no response is required.

384. This paragraph contains an instruction to which no response is required.

**COUNT I  
BREACH OF FIDUCIARY DUTY**

**AGAINST AON INVESTMENTS USA, INC. (HEWITT ENNISKNUPP, INC. and AON  
HEWITT INVESTMENTCONSULTING, INC.)**

385. This paragraph contains an instruction, and no response is required.

386. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

387. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

388. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

389. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

390. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

391. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

392. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

393. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

394. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

395. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

396. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

**COUNT II**  
**BREACH OF FIDUCIARY DUTY**  
**AGSAINST PORTFOLIO ADVISORS LLC**

397. This paragraph contains an instruction, and so no response is required.

398. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

399. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

400. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

401. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

402. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

403. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

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405. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

406. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

407. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

**COUNT III  
BREACH OF FIDUCIARY DUTY  
AGAINST HAMILTON LANE ADVISORS LLC**

408. This paragraph contains an instruction, and so no response is required.

409. The scope of Hamilton Lane’s fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

410. The scope of Hamilton Lane’s fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

411. The scope of Hamilton Lane’s fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

412. This paragraph contains legal conclusions to which no response is required. To the extent that any aspect of this paragraph is deemed to be factual—including Plaintiffs’ allegations that Hamilton Lane breached its fiduciary duties or somehow caused or contributed to “hundreds of millions of dollars of damages,” they are denied. At all times, Hamilton Lane’s conduct comported with the fiduciary obligations it owed its client, as set forth in the Consulting Agreement between it and PSERS.

413. This paragraph contains legal conclusions to which no response is required. To the extent that any aspect of this paragraph is deemed to be factual, they are denied. At all times, Hamilton Lane’s conduct comported with the fiduciary obligations it owed its client, as set forth in the Consulting Agreement between it and PSERS.

414. Denied. Hamilton Lane did not partake in any “wrongful actions and inactions,” nor was the nature and type of investments held by PSERS concealed such that they were

“uncovered” or “revealed” following the nine-year look back period ending on June 30, 2020. At all times, Hamilton Lane complied with its disclosure obligations under the Consulting Agreement between it and PSERS. This paragraph is denied in all other respects.

415. Admitted in part, denied in part. Hamilton Lane admits that calculating the rate of return for private market investments is a more intensive process than calculating the rate of return for public indices but denies that it is “almost impossible” to make such computations or compare the rates of return of private market investments to those of “more traditional investments.” Hamilton Lane states that, upon reasonable investigation, it is without sufficient information or knowledge to admit or deny the averment that “excessive fees and expenses” were charged to the Plan, because Plaintiffs did not identify any specific fees or expenses they allege were “excessive.” By way of further response, Hamilton Lane states that it routinely disclosed fee structure information to the PSERS Board for the Board to consider in making investment decisions, and that the fee structure of a particular investment was negotiated by PSERS with the fund’s general partner without the advice, involvement, or consent of Hamilton Lane.

416. Denied. Hamilton Lane’s actions or inactions did not cause any damages to the Plaintiffs or the putative Class members.

417. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane owed duties to PSERS participants or that its actions or inactions breached those duties, it is denied.

418. Denied. Neither the Plaintiff nor the Plaintiff class are entitled to any relief of any kind.

**COUNT IV  
BREACH OF FIDUCIARY DUTY  
AGAINST AKSIA LLC**

419. This paragraph contains an instruction and no response is required.

420. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

421. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

422. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

423. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

424. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

425. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

426. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

427. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

428. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

429. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

**COUNT V**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**AGAINST AON INVESTMENTS USA, INC. (HEWITT ENNISKNUPP, INC. and AON**  
**HEWITT INVESTMENT CONSULTING, INC.)**

430. This paragraph contains an instruction, and no response is required.

431. This paragraph contains an instruction, and no response is required.

432. Admitted in part, denied in part. Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS, including the services which Hamilton Lane agreed to provide and for whose benefit, are set out in a written Consulting Agreement, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Hamilton Lane pursuant to the Consulting Agreement are inconsistent with its terms, they are denied. To the extent that this paragraph contains allegations directed to a party other than Hamilton Lane, no response is required.

433. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

434. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Hamilton Lane, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Hamilton Lane and to be factual, it is denied.

435. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Hamilton Lane, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Hamilton Lane and to be factual, it is denied. By way of further response, Hamilton Lane did not breach any fiduciary (or other) duties.

436. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.



437. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

438. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

439. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required.

440. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any allegation in this paragraph is directed to Hamilton Lane, it is denied. By way of further response, Hamilton Lane did not breach any fiduciary (other) duties.

441. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any allegation in this paragraph is directed to Hamilton Lane, it is denied. By way of further response, Hamilton Lane did not breach any fiduciary (other) duties.

442. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Hamilton Lane, it is denied.

443. This paragraph contains allegations directed to a party other than Hamilton Lane and so no response is required. To the extent that any allegation in this paragraph is directed to Hamilton Lane, it is denied. By way of further response, Hamilton Lane did not breach any fiduciary (other) duties.

**COUNT VI  
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY  
AGAINST HAMILTON LANE ADVISORS L.L.C.**

444. This paragraph contains an instruction, and no response is required.

445. Admitted in part, denied in part. Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS, including the services which Hamilton Lane agreed to provide and the nature of the fiduciary obligations it owed (and to whom), are set out in a written Consulting Agreement, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Hamilton Lane pursuant to the Consulting Agreement are inconsistent with its terms, they are denied. To the extent that this paragraph contains allegations directed to a party other than Hamilton Lane, no response is required.

446. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed to be factual—including that Hamilton Lane had knowledge of the legal obligations of others—it is denied.

447. Denied. This paragraph contains conclusions of law to which no response is required. to the extent that any part of this paragraph is deemed to be factual, it is denied. To the extent that any part of this paragraph is deemed to be factual—including that Hamilton Lane had knowledge of the legal obligations of others—it is denied.

448. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed to be factual—including that Hamilton Lane aided and abetted the breaches of fiduciary duties of which it as not aware by third parties over whom it exercised no control—it is denied.

449. Admitted in part, denied in part. Hamilton Lane admits that the investment vehicles it recommended to PSERS charged fees, that information regarding the structure of those fees was disclosed to PSERS prior to investment, and that PSERS negotiated the terms of its investment

agreements with the general partners of the funds—including fees, costs, and expenses—without the advice, consent, or input of Hamilton Lane. Hamilton Lane denies that it recommended investment vehicles that “did not provide the targeted rates of return” or that investments it recommended would—or did—trigger the increase in shared-risk contributions. By way of further response, after reasonable investigation, Hamilton Lane is without sufficient information or knowledge to admit or deny Plaintiffs’ assertion that investments Hamilton Lane recommended charged “excessive costs and fees” because Plaintiff failed to identify any specific investments that he alleges to have charged such costs and fees.

450. Denied. Hamilton Lane denies that it had any knowledge that non-parties Grossman and Grell breached whatever fiduciary obligations they owed by virtue of their roles as employees of PSERS.

451. Denied. Hamilton Lane denies that it recommended “illiquid, high cost/high fee and/or poor performing alternative investments,” that the investment recommendations it did make “were likely to imperil the financial health and soundness of the Plan” (or that they did, in fact, imperil the financial health and soundness of the Plan), or that its recommendations caused others over whom Hamilton Lane exerted no control to breach whatever fiduciary duties they may have owed.

452. Hamilton Lane admits that it is aware that PSERS purchased real estate in Harrisburg during the period in which Hamilton Lane was retained by PSERS and that PSERS continues to own that property. By way of further response, this paragraph contains allegations directed to individuals or entities other than Hamilton Lane and so no response is required.

453. Denied. Hamilton Lane did not know of the alleged breaches of fiduciary duties by others, and did not fail to intervene to stop them.

454. Denied. Hamilton Lane denies that it had any obligation to act or not act in response to the PPMAIRC report. By way of further response, decisions about the plan-wide allocation of assets were outside the scope of Hamilton Lane's Consulting Agreement. Plan-wide allocation decisions—i.e., what percentage of Plan assets would be invested in which asset classes—were made by PSERS in consultation with its General Investment Consultant (who was not Hamilton Lane).

455. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is considered factual—including that Hamilton Lane aided and abetted the breaches of fiduciary duties of others of which it was not aware and over whom it exerted no control or that its conduct was responsible for Plaintiffs' purported injuries—they are denied.

456. After reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the quantum of Plaintiffs' claimed damages.

457. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Hamilton Lane aided and abetted breaches of fiduciary duties of which it was not aware and by others over whom it exerted no control—they are denied.

**COUNT VII  
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY  
AGAINST AKSIA LLC**

458. This paragraph contains an instruction, and no response is required.

459. Admitted in part, denied in part. Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS, including the services which Hamilton Lane agreed to provide and the nature of the fiduciary obligations it owed (and to whom), are set out in a written Consulting

Agreement, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Hamilton Lane pursuant to the Consulting Agreement are inconsistent with its terms, they are denied. To the extent that this paragraph contains allegations directed to a party other than Hamilton Lane, no response is required.

460. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

461. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is directed to Hamilton Lane, it is denied.

462. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is directed to Hamilton Lane, it is denied.

463. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

464. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

465. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

466. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

467. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is directed to Hamilton Lane, it is denied.

468. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required. To the extent that any averment in this paragraph is directed to Hamilton Lane, it is denied.

469. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

470. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

**COUNT VIII**  
**BREACH OF THIRD-PARTY BENEFICIARY CONTRACT**  
**AGAINST AON INVESTMENTS USA, INC. (HEWITT ENNISKNUPP, INC. and AON**  
**HEWITT INVESTMENT CONSULTING, INC.)**

471. This paragraph contains an instruction, and no response is required.

472. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

473. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

474. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

475. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

476. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

477. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

478. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

**COUNT IX  
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT  
AGAINST PORTFOLIO ADVISORS LLC**

479. This paragraph contains an instruction and so no response is required.

480. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

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**COUNT X  
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT  
AGAINST HAMILTON LANE ADVISORS L.L.C.**

487. This paragraph contains an instruction, and so no response is required.

488. Admitted. By way of further response, Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS, including the services which Hamilton Lane agreed to provide and the scope of the fiduciary duties it assumed, are set out in a written Consulting Agreement, the terms of which speak for themselves.

489. Admitted in part, denied in part. Hamilton Lane admits that the terms of Hamilton Lane's engagement by PSERS, including the services which Hamilton Lane agreed to provide and the scope of the fiduciary duties it assumed and to whom, are set out in a written Consulting Agreement, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the Consulting Agreement are inconsistent with its terms or seek to enlarge the scope of Hamilton Lane's obligations, they are denied.

490. The identity of any intended third-party beneficiaries of the Consulting Agreement between Hamilton Lane and PSERS, if any, is a legal conclusion to which no response is required. To the extent that any averment in this paragraph is deemed to be factual, they are denied.

491. The identity of any intended third-party beneficiaries of the Consulting Agreement between Hamilton Lane and PSERS, if any, is a legal conclusion to which no response is required. To the extent that any averment in this paragraph is deemed to be factual, they are denied.

492. Denied. At all times, Hamilton Lane acted in accordance with its obligations set forth to the Consulting Agreement between it and PSERS.

493. Admitted in part. Hamilton Lane admits that it willingly entered into the Consulting Agreement with PSERS, and the amendments thereto. After reasonable investigation, Hamilton Lane is without information or knowledge sufficient to admit or deny the specific source of the funds PSERS used to pay Hamilton Lane.



494. Denied. At all times, Hamilton Lane acted in accordance with its obligations set forth to the Consulting Agreement between it and PSERS, did not cause any harm to Plaintiffs or the Putative Class, and denies that Plaintiffs or the Putative Class are entitled to any damages.

**COUNT XI  
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT  
AGAINST AKSIA, L.L.C.**

495. This paragraph contains an instruction, and so no response is required.

496. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

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502. This paragraph contains allegations directed to parties other than Hamilton Lane and so no response is required.

**WHEREFORE**, Defendant, Hamilton Lane Advisors L.L.C., respectfully requests this Honorable Court dismiss Plaintiffs' Third Amended Class Action Complaint, enter judgment in

Hamilton Lane's favor and against Plaintiffs, and award such further relief as it deems necessary and proper.

### **AFFIRMATIVE DEFENSES & NEW MATTER**

Hamilton Lane does not assume the burden of proving any fact, issue, or element of a cause of action for which the burden properly belongs to Plaintiffs. Nothing in the New Matter is intended to be or shall be construed as an admission that any particular issue or subject is relevant to Plaintiffs' allegations.

1. The responses contained in paragraph 1 through 502 of Hamilton Lane's Answer are incorporated herein by reference.

2. The Third Amended Complaint fails to state a cause of action upon which relief can be granted against Hamilton Lane.

3. Plaintiffs' claims against Hamilton Lane are barred in whole or in part by the statute of limitations.

4. Plaintiffs' claims against Hamilton Lane are barred because Plaintiffs have failed to join one or more indispensable party.

5. Plaintiffs' claims against Hamilton Lane are barred by the doctrine of sovereign immunity.

6. Plaintiffs' claims against Hamilton Lane are barred because Plaintiff does not have standing to maintain this lawsuit.

7. Plaintiffs' claims against Hamilton Lane are barred because Hamilton Lane is immune from suit.

8. Plaintiffs have failed to mitigate, offset, minimize, or avoid any alleged damages.

9. At all times, Hamilton Lane acted reasonably, appropriately, and in good faith.

10. Hamilton Lane did not, and could not, have caused the injuries alleged in the Third Amended Complaint because Hamilton Lane did not make any investment decisions on behalf of PSERS.

11. Hamilton Lane did not, and could not, have caused the injuries alleged in the Third Amended Complaint because Hamilton Lane did not make any decisions or recommendations concerning the percentage of Plan assets to invest in private markets investments.

12. Hamilton Lane did not, and could not, have caused the injuries alleged in the Third Amended Complaint because PSERS, and not Hamilton Lane, negotiated the terms and conditions of PSERS' investment agreements with general partners of the funds into which it invested, included those terms pertaining to fees, costs, expenses, and carried interest.

13. Hamilton Lane expressly reserves the right to assert each and every defense available under Pennsylvania Rule of Civil Procedure 1030(a).

14. Hamilton Lane may have additional defenses that cannot now be determined due to lack of information and reserve their right to supplement this Answer with New Matter upon further investigation.

WHEREFORE, Defendant, Hamilton Lane Advisors L.L.C., respectfully requests this Honorable Court dismiss Plaintiffs' Third Amended Complaint, enter judgment in Hamilton Lane's favor and against Plaintiffs, and award such further relief as it deems necessary and proper.

Date: October 5, 2022

Respectfully submitted,

/s/ Joseph Kernen

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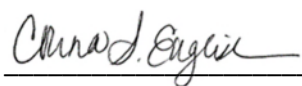
Philadelphia, Pennsylvania 19103

Telephone: 215.656.3300

Facsimile: 215.656.3301

**VERIFICATION**

I, Corina English, hereby verify that I am a Principal and Portfolio Strategist of Hamilton Lane Advisors, L.L.C., and that the facts set forth in the foregoing Answer, Affirmative Defenses, and New Matter are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
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### **CERTIFICATE OF COMPLIANCE**

I certify that this filing complies with the provision of the *Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently than non-confidential information and documents.

**Submitted by: DLA PIPER LLP (US)**

/s/ Joseph Kernen

Joseph Kernen, Esquire  
PA Bar No. 56343

*Attorney for Defendant Hamilton Lane Advisors,  
L.L.C.*

**CERTIFICATE OF SERVICE**

I, Joseph Kernen, hereby certify that on the 5th day of October, 2022, I caused a true and correct copy of the foregoing documents to be electronically filed using the Court's electronic filing system, and that the document is available for downloading and viewing there to all counsel of record.

/s/ Joseph Kernen  
Joseph Kernen, Esq