

Hedge Funds, Credit, and Real Assets Consultant(s) RFP LACERA Responses to Questions Received

1. Can you disclose what you are currently paying the hedge funds, credit, and real assets (excluding real estate and TIPS) incumbent(s) on an annual basis?

LACERA pays the incumbent hedge funds, illiquid credit, and real assets non-discretionary consultant \$747,200 annually, on average, across the existing 5-year consulting agreement period.

2. What do you expect to commit to credit, private real assets (excluding real estate and TIPS), and hedge funds on an annual basis over the next three years? How many funds do you expect to commit to annually?

The hedge funds and credit portfolios are at their strategic target asset allocations. Any additional investments in hedge funds or credit over the next three years could be a result of portfolio adjustments or prospective changes to LACERA's strategic asset allocation targets which is unknown at this time. More details regarding LACERA's hedge funds and credit portfolios can be found in LACERA's structure reviews for [Risk Reduction and Mitigation](#) and [Credit](#), respectively.

Real Assets intends to allocate ~\$1.5bn of assets to private managers over the course of the next 12 months. Future private fund contributions in real assets are expected to reduce the allocation to public markets within real assets. More detail can be found in LACERA's Real Asset's [structure review](#)¹. The program is actively allocating private capital and has not reached its target allocation to private assets.

3. In Attachment C, Exhibit C-1, the list of LACERA interested persons is nearly illegible. Is there an updated and higher-res version available?

Please see the updated List of LACERA Interested Persons on page 3 of this document.

4. If we had to provide a hypothetical or pro forma track record, would this be accepted?

If you do not have an actual track record specific to the LACERA question being asked, you can provide a hypothetical or pro forma track record with appropriate disclosures and provide a description of the rationale for why the hypothetical or pro forma track record is relevant to your firm's services.

5. RFP process / logistics:

For questions with the wording "hedge fund, credit and real assets," is it permissible to cross-reference information that is identical by mandate (i.e., is it permissible to respond with a degree of high-level information before breaking into comments by mandate)?

Yes.

¹ This links to LACERA's materials for the December 13, 2023 Real Assets Committee meeting of the Board of Investments that includes LACERA's proposed Real Assets Structure Review which was approved by the Board of Investments on January 10, 2024.

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6. Questionnaire clarifications:

Please confirm the “as of” date for the information requested in Question 21.

LACERA restated Question 21 from Attachment D as below:

Please complete **Table 2** as of December 31, 2023, providing all employees within the firm’s **hedge funds, credit, and/or real assets** team and attach as **Exhibit E**.

7. Scope of services clarifications:

Can attendance at quarterly and monthly meetings be a combination of on-site and virtual?

A representative of the consulting firm is expected to attend in-person during LACERA’s monthly Board of Investments meeting and during the relevant Board Committee meeting that is scheduled (i.e., Credit and Risk Mitigation Committee and/or Real Assets Committee). Each Committee of the Board typically meets twice per year. Committee meetings take place on the same day as the monthly Board of Investments meetings.

8. Allocation clarification:

Is the allocation to listed infrastructure a permanent allocation or a placeholder that is going to be used to fund further private market allocations?

The listed infrastructure and public market natural resources equity and commodities allocations are intended to fund private allocations in the same categories, therefore listed assets should decrease over time as private asset commitments are funded over time.

9. Are the three public defined benefit pension plan clients, each with total plan assets of at least \$10 billion as of December 31, 2023, required to be HF advisory clients or can they be clients of the broader firm?

With regards to minimum qualification number 2 from Attachment C, the three (3) public defined benefit pension plan clients, each with total plan assets of at least \$10 billion as of December 31, 2023 must be advisory clients of the firm, not exclusively “hedge fund” advisory clients.

10. If a candidate firm is awarded a contract under this RFP, they will be disqualified from serving as an active manager of any portfolio for LACERA. Can you clarify if this disqualification applies to non-hedge fund related portfolios for LACERA?

With regards to minimum qualification number 6 from Attachment C, the disqualification applies to any investment mandate that the awarded firm currently manages for LACERA.

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LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA) DESIGNATED PERSONS LIST

(Revised January 20, 2024)

LOS ANGELES COUNTY BOARD OF SUPERVISORS

Hilda L. Solis - First District
Holly J. Mitchell - Second District
Lindsey P. Horvath - Third District
Janice Hahn - Fourth District
Kathryn Barger - Fifth District

BOARD OF RETIREMENT

1 Shawn R. Kehoe, Chair
2 Les Robbins, Vice Chair
3 Ronald Okum, Secretary
4 Nancy M. Durazo
5 Elizabeth Ginsberg, Alternate Ex-Off
6 Vivian H. Gray
7 Jason E. Green
8 James P. Harris, Alternate
9 Keith Knox, Ex-Officio
10 Wayne Moore
11 David E. Ryu
12 Antonio Sanchez

BOARD OF INVESTMENTS

1 Patrick T. Jones, Chair
2 Keith Knox, Vice Chair, Ex-Officio
3 Herman B. Santos, Secretary
4 Mike Gatto
5 Elizabeth Ginsberg, Alternate Ex-Officio
6 Jason E. Green
7 Debbie Martin
8 Nicole Mi
9 David E. Ryu
10 Vacant

Board of Retirement Contact
Bonnie Nolley, Board Executive Assistant
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

Board of Investments Contact
Linda El-Farra, Board Executive Assistant
300 North Lake Avenue, Suite 820
Pasadena, CA 91101

EXECUTIVE STAFF

Santos H. Kreimann
Chief Executive Officer

Laura Guglielmo
Assistant Executive Officer

Luis Lugo
Deputy Chief Executive Officer

John Popowich
Assistant Executive Officer

INVESTMENT STAFF

Jonathan Gabel
Chief Investment Officer

Jude Perez
Deputy Chief Investment Officer

Esmeralda del Bosque
Principal Investment Officer - Portfolio Analytics

Quoc Nguyen
Investment Officer - Credit & Hedge Funds

Derek Kong
Investment Officer - Private Equity

David Simpson
Investment Officer - Private Equity

Krista Powell
Investment Officer - Credit & Hedge Funds

Calvin Chang
Senior Investment Analyst - Private Equity

Mel Tsao
Senior Investment Analyst - Real Estate

Noah Damsky
Senior Investment Analyst - Real Assets

Inga Tadevosyan
Investment Analyst - Real Estate

Adrian Gonzalez
Senior Investment Analyst - Global Equity

Vache Mahseredjian
Principal Investment Officer - Credit & Risk Mitigation

James Rice
Principal Investment Officer - Real Assets

Chad Timko
Senior Investment Officer - Credit & Hedge Funds

Pushpam Jain
Investment Officer - Real Assets

Dale Johnson
Investment Officer - Corporate Governance

Cheryl Lu
Investment Officer - Private Equity

John Kim
Investment Officer - Portfolio Analytics

Michael Romero
Senior Investment Analyst - Real Estate

Magdalia Serna-Armstrong
Senior Investment Analyst - Global Equity

Terra Elijah
Senior Investment Analyst - Real Assets

Kathryn Ton
Senior Investment Analyst - Portfolio Analytics

Christopher J. Wagner
Principal Investment Officer - Private Equity

Scott Zdrasil
Principal Investment Officer - Corporate Governance

Amit Aggarwal
Investment Officer - Real Estate

Didier Acevedo
Investment Officer - Private Equity

Daniel Joye
Investment Officer - Real Assets

Ron Senkandwa
Investment Officer - Global Equity

Cindy Rivera
Investment Officer - Real Estate

Shelly Tilaye
Senior Investment Analyst - Private Equity

Sergik Tahmazyan
Investment Analyst - Fixed Income

Jason Choi
Investment Officer - Credit & Hedge Funds

Soniah Ginoyan
Senior Investment Analyst - Portfolio Analytics

LEGAL STAFF

Steven P. Rice
Chief Counsel

Michael D. Herrera
Senior Staff Counsel

John Harrington
Senior Staff Counsel

Jasmine Bath
Senior Staff Counsel

Christine Roseland
Senior Staff Counsel

Jessica Rivas
Staff Counsel

Frank Boyd
Senior Staff Counsel

Elaine Salon
Staff Counsel

Lisa Garcia
Legal Analyst

INTERNAL AUDIT AND ACCOUNTING

Richard Bendall
Chief Audit Executive

Theodore R. Granger
Interim Chief Financial Officer

Ervin Wu
Interim Accounting Officer

Michael Huang
Accounting Officer

*Bold type denotes department head