ATTACHMENT F

**RISK AND ANALYTICS SYSTEM, AND ESG RESEARCH SERVICES
SEARCH QUESTIONNAIRE**

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RISK AND ANALYTICS SYSTEM, AND ESG RESEARCH SERVICES
SEARCH QUESTIONNAIRE

I. CHECKLIST

Check the selection box for the service(s) that your firm is including in its response and intends to perform. You may apply for one or both services.

Service Categories:
- ☐ Risk and Analytics System *(complete entire questionnaire)*
- ☐ ESG Research and Analytics Services *(complete sections I, II, III, IV, ESG Analytics Section of V, VI, and VII in questionnaire)*

Please confirm that the RFP Package has been reviewed in full.

_____	Attachment A	Intent to Respond
_____	Attachment B	Total Fund Strategic Asset Allocation & Benchmarks
_____	Attachment C	OPEB Trust Strategic Asset Allocation & Benchmarks
_____	Attachment D	Minimum Qualification Certification – Risk/Analytics
_____	Attachment E	Minimum Qualification Certification – ESG Research
_____	Attachment F	Proposal Questionnaire
_____	Attachment G	IT Security Controls Form & Vendor Questionnaire
_____	Attachment H	Investment Vendor Services Agreement Template
_____	Attachment I	Diversity, Equity & Inclusion (DEI) Questionnaire
_____	Attachment J	DEI Attributes Template

Provide the following Exhibits as instructed. If your firm will not provide a requested item, explain why.

_____	Exhibit A	Minimum Qualifications
_____	Exhibit B	Proposal Questionnaire
_____	Exhibit C	Organizational Chart
_____	Exhibit D	Audited Financial Reports
_____	Exhibit E	Risk System – Proposed Team Bios
_____	Exhibit F	Investment Analytics Platform – Proposed Team Bios
_____	Exhibit G	ESG Research – Proposed Team Bios
_____	Exhibit H	Certificates of Insurance
_____	Exhibit I	DEI Policy
_____	Exhibit J	DEI Attributes
_____	Exhibit K	Security Vendor Questionnaire and SOC-2 Report
_____	Exhibit L	External Penetration Test Results
_____	Exhibit M	Incident Response Program
_____	Exhibit N	List of Platform Attributes by Asset Class
_____	Exhibit O	Sample Monthly and Quarterly Report Package
_____	Exhibit P	Proposed Fee Schedule
_____	Exhibit Q	Client References

II. EXECUTIVE SUMMARY

Firm Name:
Main Address:

Primary Contact(s) at Firm for this RFP
- Name:
- Title:
- Phone Number:
- E-Mail Address:

Summarize the firm's proposed services and include sections that address the below topics:
- Brief description of the proposed services
- Firm's experience in providing the proposed services
- Key factors that differentiate your proposed services and give it a competitive advantage over others in the marketplace
- The case for why the firm is best suited to meet LACERA's needs

III. ORGANIZATION AND PROFESSIONAL STAFF

Firm History and Structure

1. Complete the following table.

Firm Name	No. of Offices; Headquarters/Other Locations	Firm inception (and product launch date, if different)	Distinct product offerings list

2. Provide a description of the organizational and operational structure of the firm, including the following:
   a. What is the ownership structure of the firm?
   b. How many employees are there at locations which will be providing services?
   c. How many of these employees will be performing services related to this agreement?
   d. Include an organization chart indicating reporting relationships and geographic location of staff proposed for the LACERA account. Include as **Exhibit C**.
   e. If you anticipate any other significant changes within the calendar year, including changes in key personnel considered for this contract, please explain.
   f. Provide a timeline of past changes in the last five (5) years to the ownership or organizational structure.

3. Explain your firm's goals for expansion and accepting new client business. How will the firm control the quality of service to clients relating to the proposed services? Include the following:
   a. Current and targeted total number of accounts.
   b. Current and targeted total assets.
   c. Current and targeted client to staff ratio.

4. Provide information to demonstrate the firm's financial stability, including total revenue, net income/(loss), assets, liabilities, and net worth for the last two (2) fiscal years.

	Total Revenue	Net Income/ (Loss)	Assets	Liabilities	Net Worth
FY 2023					
FY 2022					

5.   Provide the firm's latest two (2) years of audited financial statements for your firm. Include as **Exhibit D.**
        a. How often are the financial statements audited by a third party?
        b. Has your firm changed auditors over the last five (5) years? Provide the date of the last audit.
        c. Disclose any qualified opinions of financial audits conducted on your firm.

Firm's Experience

6.   Please complete the following table for the risk system.

Length of time providing risk system services to clients	
Length of time providing risk system services for defined benefit pension plans	
Percentage of total firm revenue derived from providing risk services	
Number of full-time risk professionals employed by the firm	

7.   Please complete the following table for the investment analytics platform.

Length of time providing investment analytics to clients	
Length of time providing public market investment analytics for defined benefit pension plans	
Length of time providing private market investment analytics for defined benefit pension plans	
Percentage of total firm revenue derived from the investment analytics platform	
Number of full-time analytics platform professionals employed by the firm	

8.   Please complete the following table for ESG research and analytics.

Length of time providing ESG research and analytics to clients	
Length of time providing ESG research for defined benefit pension plans	
Percentage of total firm revenue derived from ESG research	
Number of full-time ESG professionals employed by the firm	

Team's Experience

9.   Provide a list of key personnel and the proposed team that will have direct responsibility for LACERA's risk management system. Please provide biographies, no longer than ½ page, on each of the persons listed below. Include in **Exhibit E**.

Name	Location of Office/Hours of Operation	Professional Title	Responsibilities	Length of Experience

10. Provide a list of key personnel and the proposed team that will have direct responsibility for LACERA's investment analytics platform. Please provide biographies, no longer than ½ page, on each of the persons listed below. Include in **Exhibit F**.

Name	Location of Office/Hours of Operation	Professional Title	Responsibilities	Length of Experience

11. Provide a list of key personnel and the proposed team that will have direct responsibility for LACERA's ESG research and analytics services. Please provide biographies, no longer than ½ page, on each of the persons listed below. Include in **Exhibit G**.

Name	Location of Office/Hours of Operation	Professional Title	Responsibilities	Length of Experience

12. For each team member listed, identify the role everyone would play in accomplishing the services required by this RFP.
    a. Estimate the percentage of time each person would spend performing services for LACERA.
    b. For the Lead Project Manager, describe the accessibility of this individual to LACERA staff.

13. Provide a breakdown of client type, client size, and client experience that the Lead Project Manager has worked on in the past five (5) years. Describe the Lead Project Manager's prior experience (public sector organizations are preferred) and work of similar scope and magnitude.

Name	Client Type	Client Membership Size	Clients' AUM (range)	Pension Experience	OPEB Experience
	Public Sector				
	Private Sector				

14. Indicate how long the proposed LACERA team has worked together as a team.

15. Describe the methods used to track client requests. Can clients view the status of open requests?

16. Describe the level of ongoing support LACERA would receive if selected (e.g., frequency of contact, training, support, etc.). Describe the standard training program that your firm offers and any periodic educational sessions, user conferences, and/or publications that you provide to clients.

17. Describe the firm's commitment to assigning qualified staff to the LACERA account during the term of the agreement. In the event the Lead Project Manager must be replaced, the replacement must meet the same standards as outlined in this proposal and be pre-approved by LACERA.

18. Describe the firm's transition plan for unanticipated departures of key professionals and/or proposed team members assigned to the LACERA account.

Conflicts of Interest and Legal Matters

19. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, or any kind of past or current relationships with LACERA Board Trustees. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.

20. Over the past five (5) years, has your organization, affiliates, or parent been involved in any inquiry/investigation, by a federal or state governmental agency and/or business

litigation or other legal proceedings that could impact the financial standing of your organization or affiliates, or your ability to deliver the required services? If so, provide an explanation and indicate status.

21. If resources for this engagement will be drawn from subcontractors, identify the proposed contributions of each, and briefly describe how those resources will be applied to this proposal and how the firm will control the quality of services provided to LACERA. If not applicable, please indicate so.

22. Please confirm that your firm has and will comply with LACERA's quiet period for search respondents with regards to contact with staff and trustees.

Coverage of Insurance

23. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries for negligent acts or omissions, including the dollar amounts and insurance carrier names, with at least the minimum coverages. List proof of coverage (e.g., a certificate of insurance) for such insurance that would be applicable under the contract. Include certificate(s) of insurance as **Exhibit H**.

Diversity, Equity, and Inclusion

24. Describe your firm's approach to diversity, equity, and inclusion ("DEI") in the workplace and its relation to your strategic objectives.

25. Does your firm have a written policy (or policies) addressing workplace DEI ("Policy")? A Policy defines the firm's commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, gender identity, age, veteran's status, and other legally protected categories. A Policy (or policies) may be a standalone document or part of a larger firm document. Please provide a copy of the firm's policy as **Exhibit I**.

26. LACERA takes a broad view of diversity and welcomes firms to report on diversity attributes relevant to your business. However, as a standard baseline, LACERA requests all firms with U.S. operations to provide reporting consistent with the gender, race, and ethnicity categories used by the United States Equal Employment Commission (EEOC) in your firm's Employer Report EEO-1. See www.eeoc.gov/employers/eeo1survey/index.cfm for further information. Please complete the DEI Attributes Template (**Attachment J** of the RFP) as **Exhibit J**.

IV.   **DATA MANAGEMENT AND SYSTEM ADMINISTRATION**

Data Requirements

27. List all security types supported in your system.

28. What data is necessary to fully utilize your system?

29. What is your process for including new instruments in your system?

30. How is the data sourced from clients and third-party systems?

31. How does your system handle asset classes or portfolios in which holdings data may not be available?

32. What capabilities does your system have for loading portfolios directly from third-party administrators? Provide details on any existing relationship, system reporting connectivity/integration, and/or infrastructure/interfaces with State Street Bank, LACERA's custodian.

33. Which pricing sources and processes are utilized and supported? Provide a pricing hierarchy by asset type. For difficult to price securities, what is your process? What proxies do you generally use?

34. How is the valuation of the total portfolio and its underlying constituents confirmed?

35. Describe the methods available to export data from your system.

36. Describe data automation capabilities and describe what function(s) requires manual input and/or processing.

Project Implementation

37. Provide a detailed implementation project plan with steps, tasks, timelines, hours, milestones, deliverables, and timing of anticipated resources.

38. Describe the client's role and responsibilities during implementation.

39. Are there any conversion risks associated with the implementation?

40. Once data conversion is complete, how is the data and any corresponding outputs reconciled? Describe your quality control process for checking data for accuracy prior to releasing it to clients.

41. Describe your past experience with custodians, plan accounting providers, prime brokers, and third-party administrators in setting up and maintaining data feeds.

System Maintenance, Security, and Access

42. Please complete the Security Vendor Questionnaire (**Attachment G** of the RFP). Include as **Exhibit K**. In addition, please provide the following:
    a. Most recent SOC-2 report, if available. If attaching a SOC-2 report, complete sections 1-4 and sign the Security Vendor Questionnaire. Complete entire questionnaire if SOC-2 report is not provided.
    b. Latest penetration testing report for the proposed system. Include as **Exhibit L.**

V. RISK, INVESTMENT ANALYTICS, AND ESG REPORTING CAPABILITIES

Risk System Overview

43. Provide a history of the development of your firm's risk and investment analytics system(s). Indicate if the system was built internally or acquired from a third-party and if the system specialized in a single asset class at origination.

44. Provide an overview of the workflows for the risk, investment analytics, and/or ESG research system(s).

45. Is the risk and investment analytics system(s) fully integrated or are there standalone modules for the different business units such as performance, accounting, and trading?

Risk Reporting

46. List all available risk models. Provide a general description of your risk models and outputs for public and private market investments.

47. Does your system support multi-asset class risk modeling based on holdings data? If so, since when? Are there any limitations to the multi-asset class model?

48. Describe how your risk system could be used to support risk budgeting.

49. What risk metrics are included in your reports? List all metrics your system calculates and describe the level at which those risk metrics are calculated (e.g., total fund, functional category, asset class, investment manager, security level).

50. Discuss the system's historical data retention and reporting capabilities. What are the standard lookback periods and length of time for models? Is that customizable?

51. Does the system have forecasting capabilities. If so, what can it forecast?

52. List all different models available to measure and monitor volatility and Value at Risk (VaR).

53. Are there any limitations on the types of derivatives that can be modeled? If so, what are they?

54. Describe your system's scenario analysis and stress testing capabilities. Are these customizable? Can the system perform what-if scenarios, trend analysis, simulations, and/or allocation optimizations?

55. Which benchmarks are utilized and supported in your system? What solutions exist for blended benchmarks? For customized benchmarks (e.g., absolute return, 'BM + bps' benchmarks)?

56. Describe the reporting tools available to clients.

57. Describe the ability to customize reports. Does the system allow for ad hoc calculations on the spot?

58. Describe the month-end process for updating the different portfolio level of risk exposures, including a general timeline for delivery of reports to the client.

59. Is your system capable of producing reports that show the total and active risk decomposition by asset class within the composites? By manager within the asset classes? Can the system break down VaR and tracking error?

Investment Analytics Reporting

60. Describe your performance measurement capabilities. What types of performance calculations are available? What is the timing of performance analyses?

61. Describe your performance attribution capabilities across asset classes. What model of attribution is employed? Does the system have attribution capabilities down to the security level? Include a list of all platform attributes by asset class in **Exhibit N**.

62. Describe how your platform can capture asset level data including cashflows per investment.

63. Describe if and how the platform can undertake and report on valuation reconciliations between the fund administrator and fund manager reported NAV.

64. Describe the platform's performance measurement and attribution capabilities. Can the platform aggregate performance by multiple funds, asset classes, etc.?

65. Provide examples of the platform's ability to drill down on data such as overall portfolios, asset classes, fund managers, geographies, sectors/industries, and assets. (You may provide screenshots as examples). Include sample monthly and quarterly reports in **Exhibit O**.

<u>ESG Research and Analytics</u>

66. What data systems, ratings, and analytical tools do you offer to identify, assess, and monitor ESG factors on an issuer or security-level, manager-level or portfolio-level, and total-fund basis?
    a. Describe approach for public market assets and private market assets.
    b. Describe the level of detail, analysis, and rationale for any ESG ratings that is available for each issuer-level rating.
    c. Explain how the firm defines the materiality of ESG factors and incorporates such materiality assessment into the firm's ESG research process.
    d. Describe how often ESG data and ratings are updated. For example, are issuer-level corporate public filings immediately incorporated and available? What incidents or circumstances would prompt a re-assessment of an issuer-level rating?
    e. Describe available tools enabling users to identify specific environmental, social, or corporate governance performance indicators to weight and conduct portfolio scenario analysis and/or perform multi-dimensional analysis.
    f. Provide list and description of all modules and tools available and any dependencies.

67. Describe the scope or universe of securities for which the firm provides ESG data and analysis.
    a. Which indices are covered?
    b. Which geographical markets?
    c. Which size of market capitalization?
    d. What types of private markets assets (bank loans, infrastructure, private equity, private real estate, etc.) are evaluated? What tools are available for analysis of private market holdings?

68. Describe the firm's research capacity (size of research team, geographic reach), professional background, and expertise to generate quality and reliable ESG factor analysis.

69. If the firm's ESG data ratings, tools, and feeds are availed through third party service providers, disclose any limitations to the breadth of data and services available that are otherwise available to the third party's direct clients.

70. Describe any data and analysis tools to measure climate-related exposures and risks, such as carbon emissions, carbon intensity, carbon reserves, green or opportunity-focused revenue (such as renewables or energy transition exposures), and forward-looking scenario analysis on an issuer, manager portfolio, or total fund basis.

71. Explain to what extent ESG data and tools have been back-tested to assess materiality and reliability and any results of such back-testing.

72. Describe research and data tools available to identify, assess, and prospectively screen portfolio exposures related to certain geographies, industries, or ESG factors using portfolio holding analytics (below the fund level), such as China, tobacco, firearms, Sudan, etc. Explain at what level the data is available (portfolio holding, known supply chain, etc.) and what metrics may be available (revenue exposure, NAV, etc.).

73. Please describe any prospective services or tools under consideration or in development for ESG and climate related data.

74. Please describe any current plans to add additional prospective services or tools under consideration or in development for ESG and climate related data.

VI.   FEE PROPOSAL

76. Detail your fee proposal for both a complete (packaged) solution and detail the cost for the individual parts you would be capable to supplying on a stand-alone basis. Include in **Exhibit P**. Indicate your willingness to negotiate this fee and guarantee your fee for a specified period of time. If relevant, provide detail in the fee proposal for:
    a. Frequency of risk analysis (daily/monthly holdings update and risk analysis)
    b. With/without performance attribution capabilities
    c. Limitations on the number of accounts and/or composites
    d. Other costs that might be incurred in the implementation of the risk, analytics, and ESG research services system.

VII.   OTHER REFERENCES

77. Provide at least three (3) current client references most comparable to LACERA who have engaged your firm for a risk management system, investment analytics platform, and/or ESG research services and can be contacted. Include the following in **Exhibit Q**.
    - Client name, address, and website
    - Nature of business
    - Account type (defined benefit, defined contribution, asset management, etc.)
    - Fund asset size and/or annual revenue
    - Number of plan or program members
    - Primary contact name, title, telephone number, and email address
    - Nature and length of relationship with said entity
    - Description of services provided by bidder