

**LACERA Risk and Analytics System, and ESG Research Services RFP
Questions and Responses**

1. The overview of the Asset Allocation and the Fund report does not show the expected number of funds/managers. Can LACERA please provide an estimate of the number of funds/portfolios at any one time and what number is needed for historical portfolio history. The table below shows an approximate count of funds within LACERA's program.

	Public Markets	Private Markets	Total
Active	175	505	680
Exited	30	300	330

2. What will LACERA require throughout for reporting of holdings per portfolio/fund? Please refer to the scope of services, monitoring and reporting section, in the RFP for a description of the services sought.
3. What is the number of unique securities across all assets? Please provide number by asset type. This information can be provided to firms further along the RFP process.
4. What exactly do they mean by conversion? Converting from one PMS to another? Or specifically related to data ingestion from third-party applications? Firms can interpret conversion to mean transferring historical data from the current risk provider to the new system. In addition, the risk system should be able to streamline data feeds from third-party providers such as State Street Bank, LACERA's custodian, as well as attribution reports from LACERA's fund managers and consultants.
5. Is LACERA interested in licensing ESG Ratings as a separate data set? LACERA may choose to license ESG (including climate-related) ratings, data, analytics, and tools, as a separate service.
6. In reviewing the approved asset allocation benchmarks, we understand that coverage of non-listed assets is required. Can you give an indication of the volume of private equity and real asset coverage that will be required? Any additional information that can be provided will help our team provide the most appropriate pricing. To this, please clarify whether LACERA's need for private equity & real asset coverage is limited to climate analytics, or if it extends to screening/ratings too. The number of non-listed assets is approximately 6,000. Coverage of ESG (including climate-related) ratings, data, analytics, and tools.
7. Are there specific indices for which LACERA would like to see coverage, such as those listed within the benchmark table? All indices as available and applicable.
8. Are we required to respond to Attachment I_DEI_Questionnaire? There is no such requirement stated in the RFP. Respondents are required to respond to Attachment I_DEI_Questionnaire. Please provide as Exhibit I the completed DEI questionnaire and DEI Policy.

9. Are Cover Letter and Executive Summary interchangeable title/requirements? Or should we submit both, according to the descriptions on p.5 of the RFP and p.1 of attachment F, respectively?

Respondents should submit both a cover letter and executive summary as noted in the RFP.

10. As the vendor Firm(s) for risk analytics and/or ESG research and analytics will not be providing investment advice or similar professional services, is it correct to assume then that the Firm(s) will not be required to be deemed as acting in any fiduciary capacity to LACERA or any associated trust? If this assumption is incorrect, can you please describe the premise for seeking the Firm(s) for risk analytics and/or ESG research and analytics to be acting as a fiduciary?

Providing risk analytics and ESG analysis is not acting in a fiduciary capacity.

11. The RFP refers to a Transition Management Service Provider filing and submitting Form 700 – Statements of Economic Interests by key personnel on an annual basis. If the vendor Firm(s) for risk analytics and/or ESG research and analytics are only providing those service(s), and not also providing transition management services, is it correct to assume that they will not be subject to this reporting regime? If the Firm(s) are in fact expected to make any public filings under this report regime, can you please identify which specific Form number(s) and schedule(s) may be applicable?

The vendor selected through this RFP would not be required to file Form 700.

12. Can you describe what is meant by "risk budgeting" in question #48.

Risk budgeting helps pensions control their risk-return profiles by incorporating risk tolerance into the asset allocation process. This process would allow LACERA to better understand and control the active risk LACERA's program is willing to bear. To accomplish this, a comprehensive risk software system is needed to allow for better measuring and monitoring of the Total Fund and OPEB Trust.

13. Section III: B. Format and Content, Point 5 (Attachments). Can we provide any attachments/appendices to support our responses within the questionnaire?

Firms may provide attachments/appendices to support their responses within the questionnaire. This would not contribute to the questionnaire page limit.

14. Section III. B. Format and Content, Point 4 – Questionnaires. This point states that the response should not be more than 50 pages excluding exhibits. The questionnaire (Attachment F) has a requested exhibit in it named "Exhibit B – Proposal Questionnaire" which is the same as Attachment F. Does this mean that Response to Proposal Questionnaire (Attachment F/Exhibit B) is exempt from the 50-page limit?

Responses to the questionnaire (Exhibit B) should not exceed 50 pages, excluding all other exhibits.

15. **Asset Classes:** Can LACERA provide the asset class breakdown of the total AUM in scope across publics and privates for the Pension Plan and an OPEB Master Trust of approximately \$75.9 billion and \$3.5 billion in assets, respectively, as of Dec 2023? Alternatively, would the Statement of Fiduciary Net Position table in LACERA's Annual Comprehensive Financial Report (as of June 2023) serve as a fair representation of the asset class breakdown?

Firms can refer to the fund reports for the AUM and asset class breakdowns.

[Fund Reports | LACERA](#)

16. **Portfolios:** How many portfolios/accounts does LACERA have at the sleeve level?

See Q1 response.

17. **Derivatives:** In addition to the Investment Derivative exposures schedule in LACERA's annual report, are you able to share the total number of OTC Derivative Line Items?
[This information can be provided to firms further along in the RFP process.](#)
18. **Users:** How many investment professionals does LACERA expect to use the risk analytics system? How many private markets professionals does LACERA have?
[The approximate number of active users is between 15-20. LACERA has around 30 private market professionals.](#)
19. **Private Markets:**
- Regarding Private Market Fund Investments, can LACERA provide the most up to date guidance on following metrics?
 - # of Private Fund Investments – [See Q28 response.](#)
 - # of Commitments – [Around 500 current commitments and around 300 for exited.](#)
 - Total AUM (NAV + unfunded commitments) – [Around \\$45 billion.](#)
 - Specific Asset Classes (Private Equity, Private Real Estate, Infrastructure, Private Credit?) – [Also includes Natural Resources and Diversified Hedge Funds.](#)
 - Regarding Private Market Direct Investments, if any, can LACERA provide the most up to date guidance on the following metrics? [This information can be provided to firms further along the RFP process.](#)
 - # of Direct Investments
 - Are these Direct Investments co-led with a GP?
 - Total AUM of Direct Investments
 - Specific Asset Classes?
20. **References:** Can you share which individual from LACERA will contact the references provided? Can LACERA provide their name, email address, and phone number?
[This information can be shared to firms further along the RFP process.](#)
21. **Sustainability:** Can LACERA provide a sample ESG Research and Analytics report the team is leveraging today? Reports are for internal use only and are confidential and proprietary. [Please see LACERA's Corporate Governance and Stewardship webpage for areas of focus highlighted in the Corporate Governance and Stewardship Update.](#) In addition, presentations to LACERA's [Board of Investments – Corporate Governance Committee](#) provide additional guidance on initiatives.
22. **Accounting:** Who is LACERA's accounting software provider?
[LACERA's accounting provider is Great Plains, a Microsoft product. State Street Bank is LACERA's custodian.](#)
23. **Third-Party Providers:** Are there any third-party service providers supporting LACERA's investment operations today? Can LACERA outline any specific requirements for connectivity or integration?
[The selected firm should have a system that connects with LACERA's custodian, State Street Bank, for performance data, as well as fund data for private market accounts. LACERA currently maintains various service providers to help monitor investment risks, analytics, and exposures: MSCI BarraOne for risk measurement, and MSCI ESG and S&P Trucost for specialized ESG research and analytics, including climate-related data.](#)

24. What are LACERA's pain points with the current risk and analytics tools used?
 The search is for a robust risk and analytics system that can provide ex-post and ex-ante risk and attribution analysis for public and private markets. The comprehensive risk system should minimize the number of proxied accounts.
25. How many users will need access to the ESG capabilities?
 3 at a minimum up to 10 users will need access to the ESG capabilities.
26. How many users will need access to the risk and analytics tools?
 See Q18 response.
27. Please provide a master security list with identifiers (i.e. CUSIP, ISIN, etc).
 This list can be provided to firms further along the RFP process.
28. Please provide the # of funds by manager and asset type.
 The table below shows an approximate count of funds within LACERA's program by functional category.

Public Markets	Total Fund	OPEB Trust	Total
Growth	40	5	45
Credit	30	5	35
Real Assets and Inflation Hedges	40	5	45
Risk Reduction and Inflation Hedges	40	5	45
Overlays and Hedges	5	0	5
Total	155	20	175

Private Markets	Total Fund	OPEB Trust	Total
Growth	385	10	395
Credit	25	5	30
Real Assets and Inflation Hedges	40	10	50
Risk Reduction and Inflation Hedges	30		30
Total	480	25	505