

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**REQUEST FOR PROPOSAL (RFP)
SYNDICATED BANK LOAN
INVESTMENT MANAGEMENT SERVICES
APRIL 15, 2019**

PURPOSE

The Los Angeles County Employees Retirement Association (LACERA), a \$54 billion public pension fund, is evaluating the capabilities of firms that offer Syndicated Bank Loan investment management services.

SUBMISSION REQUIREMENTS

Please fill out the attached questionnaire, placement agent disclosure and SEC compliance form, and supplemental information. Responses to the questionnaire should be limited to a **maximum of 25 pages**, double-sided, 12 point size font using Microsoft Word (a version compatible with MS Word 97). Submit **one (1) copy** of your written response and **one (1) electronic copy**, on a flash drive to:

Mr. Robert Z. Santos
Investment Officer
LACERA
Gateway Plaza
300 North Lake Avenue, Suite 850
Pasadena, CA 91101-4199

Also, send one unbound copy marked "REDACTED." The redacted copy should exclude all material from your proposal that you believe in good faith is exempt from disclosure under the California Public Records Act, Cal. Government Code section 6250 et seq. (described in Section VI of this RFP). Redactions should appear as blacked out material or blank page(s) with the word "REDACTED" or "PROPRIETARY" inserted.

In addition, send **one electronic copy** of your written response to:

Ms. Colleen Smiley
Sr. Vice President
Meketa Investment Group, Inc.
5796 Armada Dr. Suite 110
Carlsbad, CA 92008
csmiley@meketagroup.com

Following the evaluation of the written responses, LACERA may invite managers for interviews.

DEADLINE

Completed responses must be received no later than **3:00 PM (PST) on Friday, May 10, 2019**. Responses received after the specified deadline may be considered for evaluation solely at the discretion of LACERA.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL (RFP)

SYNDICATED BANK LOAN INVESTMENT MANAGEMENT SERVICES

GENERAL INFORMATION

The Los Angeles County Employees Retirement Association (LACERA) was established under the provisions of the County Employees Retirement Law of 1937. LACERA is governed by two nine-member Boards: the Board of Retirement (BOR) and the Board of Investments (BOI). The BOR is responsible for the administration of the retirement system. The BOI is responsible for establishing LACERA's investment policies and objectives, as well as exercising authority and control over the investment management of the fund.

LACERA administers a pension fund with approximately \$54 billion in total assets as of December 31, 2018. These assets were invested as follows: 43% in domestic and international public equities, 11% in private equity, 27% in fixed income, 12% in real estate, 2% in commodities, 3% in hedge funds, and 2% in cash.

SERVICES TO BE PROVIDED

LACERA is seeking investment managers offering dedicated Syndicated Bank Loan strategies, not to include multi-strategy or carve-out strategies. LACERA's target allocation to bank loans is 4% of the Total Fund, with a range of 0 to 6%. The actual allocation, as of February 2019, is approximately 1.5%. The anticipated funding size is \$1 billion to be split between no less than 2 managers. The actual amount allocated to an individual manager will depend on the firm's total assets in the proposed strategy and total assets under management. LACERA's preference is for a separate account.

ADDITIONAL INFORMATION

Please note that during this evaluation process LACERA staff will not answer any questions related to the RFP. If a question appears unclear, state your interpretation of the question and answer it accordingly. Respondents are requested to not contact LACERA personnel for meetings, conferences, or discussions related to this RFP.

To ensure that prospective service providers responding to this RFP have equal access to information regarding the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the selection of one or more respondents is completed and announced. During the quiet period, respondents are not permitted to communicate with any LACERA staff member or Board member regarding this information request except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion. Respondents who are existing LACERA service providers must limit their communications with LACERA staff and Board members to the subject of the existing services provided by them.

Thank you for your continued interest in providing investment management services to LACERA.



NOTICE TO RESPONDENTS REGARDING FREEDOM OF INFORMATION AND OPEN MEETINGS

The information you submit in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (Cal. Gov. Code Sections 6250, et. seq., the "Act") in the sole discretion of LACERA based on its interpretation of its legal obligations under the Act. The Act generally provides that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act. In addition, if LACERA staff chooses to recommend your firm to the Board of Investments for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for a public meeting of the Board of Investments in accordance with the Ralph M. Brown Act (Cal. Gov. Code section 54950, et seq., the "Sunshine Law"), and parts or all of your proposal may be included in the agenda packet that is available to the public generally. If it is included in the agenda packet, your proposal will not be exempt from disclosure under the Act.

If you believe that any portion of your response to this RFP is exempt from public disclosure under the Act and should not be included as part of any public agenda packet, you must mark such portion "TRADE SECRETS", "CONFIDENTIAL" or "PROPRIETARY" and make it readily separable from the balance of your response and offer a brief explanation for the exemption under the Act. Responses marked "TRADE SECRET", "CONFIDENTIAL" or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of responses so marked. By submitting a response with material marked "TRADE SECRET", "CONFIDENTIAL" or "PROPRIETARY," you represent you have a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive.

You may be required to justify in writing why such material should not, upon request, be disclosed by LACERA under the Act and should not be included in the agenda packet. Fee and pricing proposals are not considered "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY". LACERA may also in its sole discretion produce any information in your response, including information marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY," in response to a Public Records Act request if LACERA believes it is required by law to do so.

If a request is made pursuant to the Act for materials you have marked "TRADE SECRET", "CONFIDENTIAL" or "PROPRIETARY" and LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will either notify you so you can seek a protective order at your own cost or expense, or LACERA will deny disclosure of those materials. If LACERA denies public disclosure, then by submitting your proposal you agree to reimburse LACERA for, and to indemnify, defend, and hold harmless LACERA, its officers, fiduciaries, employees, and agents from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to LACERA's non-disclosure. By submitting your proposal, you also agree to indemnify, save, and hold LACERA harmless from and against any and all Claims arising from or relating to LACERA's public disclosure of any such designated portions of your response if LACERA reasonably determines disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.



PRINCIPLES FOR RESPONSIBLE INVESTMENT

On November 19, 2008, LACERA's Board of Investments adopted the Principles for Responsible Investment (PRI or Principles, www.unpri.org/principles). The Principles were created by the United Nations to provide investors with a global structure for integrating environmental, social, and governance (ESG) criteria into investment decision-making processes to realize better long-term returns. As a result, LACERA is requesting that prospective investment managers consider becoming a PRI signatory and incorporating the Principles into the firm's investment process, as long as making such a commitment is consistent with your fiduciary responsibilities and does not result in any additional costs.

RESPONSES BECOME LACERA PROPERTY

The information you submit in response to this RFP will become the exclusive property of LACERA. Your response will not be returned to you, and LACERA will not reimburse you for the cost of preparing your response.

CONTRACT NEGOTIATIONS

If LACERA's Board of Investments so authorizes, staff will enter into negotiations with the approved firm(s) to enter into an investment management agreement. LACERA may terminate negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate (a) for its convenience upon not more than 30 days' notice, (b) if funds are not appropriated for the services to be provided, or (c) for default.

RESERVATIONS BY LACERA

LACERA reserves the right to cancel this RFP, in whole or in part, any time before the closing date.

LACERA is not liable and will not reimburse you for any costs your firm incurs in connection with the preparation or submission of any proposal.

If you submit a response to this RFP, LACERA reserves the right to make such investigations as it deems necessary to determine your ability to furnish the required services, and you agree to furnish all such information for this purpose as LACERA may request.

LACERA reserves the right to reject the proposal of anyone who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or promptly.

LACERA reserves the right to reject, in whole or in part, any proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.

LACERA reserves the right to award a contract, if at all, to the firm which in LACERA's sole discretion will provide the best match to the requirements of the RFP and the investment management services needs of LACERA, which may not be the proposal offering the lowest fees.

LACERA reserves the right to request additional documentation or information from each respondent. Requested information may vary by respondent. LACERA may ask questions of any respondent to seek



clarification of a proposal or to ensure the respondent understands the scope of the work or other terms of the RFP. LACERA reserves the right to terminate or modify this RFP.

LACERA reserves the right to submit the final agreement between LACERA and the respondent to the Board of Investments for approval.

This RFP is not an offer of a contract. Acceptance of a proposal does not commit LACERA to award a contract to any respondent, even if the respondent satisfied all requirements stated in this RFP. Publication of this RFP does not limit LACERA's right to negotiate for the services described in this RFP. If deemed by LACERA to be in its best interests, LACERA may negotiate for the services described in this RFP with a party that did not submit a proposal. LACERA reserves the right to choose to not enter into an agreement with any of the respondents to this RFP.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
PLACEMENT AGENT DISCLOSURE AND SEC COMPLIANCE FORM

The Board of Investments (“Board”) of the Los Angeles County Employees Retirement Association (“LACERA”) has adopted a Placement Agent Policy (“Policy”), a copy of which is attached as Attachment No.1. Under the Policy, each External Manager¹ must complete and deliver this Disclosure Form to LACERA prior to LACERA investing any money with that manager.

For purposes of this disclosure, “you” means the External Manager identified below and its affiliates, including the External Manager’s and affiliates’ respective officers, directors, partners, members, employees, contractors, and agents.

Name of External Manager: _____

Contact information for External Manager:

Address: _____

Contact Person: _____
Contact Information: _____
(email/phone/fax) _____

¹ As defined in California Government Code section 7513.8, “External Manager” means either of the following: (1) a Person who is seeking to be, or is, retained by a board or an Investment Vehicle to manage a portfolio of securities or other assets for compensation; (2) a Person who manages an Investment Fund and who offers or sells, or has offered or sold, an ownership interest in the Investment Fund to a board or an Investment Vehicle. (All code section references are to the Government Code, unless otherwise noted.)

As defined in section 7513.8, “Investment Vehicle” means a corporation, partnership, limited partnership, limited liability company, association, or other entity, either domestic or foreign, managed by an External Manager in which a board is the majority investor and that is organized in order to invest with, or retain the investment management services of, other External Managers.

As defined in section 7513.8, “Investment Fund” means a private equity fund, public equity fund, venture capital fund, hedge fund, fixed income fund, real estate fund, infrastructure fund, or similar pooled investment entity that is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, holding, or trading securities or other assets. Notwithstanding the preceding sentence, an investment company that is registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and that makes a public offering of its securities is not an Investment Fund.

As defined in section 7513.8, “Person” means an individual, corporation, partnership, limited partnership, limited liability company, or association, either domestic or foreign.



Purpose of contact (the “Proposed Investment”) with LACERA (check and complete as appropriate):

- _____ Response to RFP (describe which RFP in the space provided below)
 - _____ Response to RFI (describe which RFI in the space provided below)
 - _____ Private Equity / Other Commingled Fund (identify the fund in the space provided below)
 - _____ Unsolicited Contact (describe the purpose of the contact in the space provided below)
 - _____ Other (describe in the space provided below)
-
-

PART ONE: USE OF PLACEMENT AGENTS

1. Have you used a Placement Agent² in connection with the Proposed Investment?

Yes _____ No _____

2. Will a Placement Agent receive compensation from you if LACERA invests in the Proposed Investment?

Yes _____ No _____

If you answer “Yes” to either question, complete the remainder of the Disclosure Form. If you answer “No” to both questions, go to PART TWO.

3. The name of the Placement Agent is:

4. Please describe the relationship between you and the Placement Agent.

² As defined in section 7513.8, “Placement Agent” means any person directly or indirectly hired, engaged, or retained by, or serving for the benefit of or on behalf of, an External Manager or an Investment Fund managed by an External Manager, who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker or other intermediary in connection with the offer or sale to a board or an Investment Vehicle, either of the following: in the case of an External Manager as defined in subpart (1) of the definition of an External Manager, the investment management services of the External Manager; in the case of an External Manager as defined in subpart (2) of the definition of an External Manager, an ownership interest in an Investment Fund managed by the External Manager. Notwithstanding the preceding sentence, an individual who is an employee, officer, director, equity holder, partner, member, or trustee of an External Manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the External Manager is not a Placement Agent.



5. Please attach a resume for each officer, partner, or principal of the Placement Agent detailing the individual's education, professional designations, regulatory licenses, and investment and work experience. Please identify below all individuals whose resumes are attached.

6. Please describe any and all compensation³ of any kind provided, or agreed to be provided, to the Placement Agent or to a third party at the behest of the Placement Agent, in connection with the Placement Agent's work for the External Manager on the Proposed Investment or as a result of LACERA investing in the Proposed Investment.

7. Please describe in detail the services to be performed by the Placement Agent in connection with the Proposed Investment.

8. a. Is External Manager solely responsible for payment of the Placement Agent's fee, or providing the compensation if not a monetary fee?

Yes _____ No _____

If "No", explain:

b. Will any part of the fee or other compensation be paid or provided directly or indirectly by LACERA, the Investment Vehicle, the Investment Fund, or any investor(s) in the Investment Vehicle or in the Investment Fund?

Yes _____ No _____

If "Yes", explain:

³ "Compensation" means remuneration and other benefits (including without limitation, favors) of any kind.



9. Please list the name(s) of all current and former Board members, employees, and consultants and member(s) of the immediate family of any such individual that are either employed or receiving compensation of any kind provided, or agreed to be provided, directly or indirectly from the Placement Agent in connection with the Proposed Investment or as a result of LACERA investing in the Proposed Investment. If none, enter “none” below.

10. Please list the name(s) of any current or former Board members, employees, and consultants who suggested the retention of the Placement Agent in connection with the Proposed Investment. If none, enter “none” below.

11. Please confirm that the Placement Agent, and any affiliates, as applicable, is/are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar state regulatory agency, or any similar regulatory agency in a country other than the United States. Please describe the details of each registration. If the Placement Agent is not registered with any regulatory agency, please explain why no registration is required.

12. Please state whether the Placement Agent, or any of its affiliates, is registered (or is required to be registered as of a date certain) as a lobbyist with any local, state or national government. Please describe all such registrations.

Any External Manager or Placement Agent that violates the Policy shall not solicit new investments from LACERA for five years after the violation was committed. However, this prohibition may be reduced by a majority vote of the Board at a public session upon a showing of good cause.

Your attention is drawn to Sections 7513.87 and 7513.9 of the California Government Code relating to Placement Agents. Please note, there may be other laws relevant to Placement Agents, and you and any Placement Agent you engage with respect to managing or seeking to manage LACERA assets are strongly encouraged to consult your own legal counsel.

California Government Code section 7513.87:

(a) A person acting as a placement agent in connection with any potential system investment made by a local public retirement system shall file any applicable reports with a local government



agency that requires lobbyists to register and file reports and shall comply with any applicable requirements imposed by a local government agency pursuant to Section 81013.

(b) This section does not apply to an individual who is an employee, officer, director, equity holder, partner, member, or trustee of an external manager who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the external manager.

Please note that Los Angeles County has a lobbyist registration policy: See, for example:

<http://bos.lacounty.gov/Services/Conflict-of-Interest-Lobbyist/Lobbyist-Information>

https://library.municode.com/ca/los_angeles_county/codes/code_of_ordinances?nodeId=TIT2AD_DIV4MIRE_CH2_160COLO

<http://bos.lacounty.gov/LinkClick.aspx?fileticket=DQVCNY5ueRE%3d&portalid=1>

California Government Code section 7513.9:

(a) Any placement agent, prior to acting as a placement agent in connection with any potential system investment, shall disclose to the board all campaign contributions made by the placement agent to any elected member of the board during the prior 24-month period. Additionally, any subsequent campaign contribution made by the placement agent to an elected member of the board during the time the placement agent is receiving compensation in connection with a system investment shall also be disclosed.

(b) Any placement agent, prior to acting as a placement agent in connection with any potential system investment, shall disclose to the board all gifts, as defined in Section 82028, given by the placement agent to any member of the board during the prior 24-month period. Additionally, any subsequent gift given by the placement agent to any member of the board during the time the placement agent is receiving compensation in connection with a system investment shall also be disclosed.

PART TWO: SEC COMPLIANCE

You are expected to comply with all applicable laws, ordinances, rules, and regulations pertaining to investment advisers and the use of placement agents.

The U.S. Securities and Exchange Commission (“SEC”) has adopted rules governing political contributions by certain investment advisers to certain “officials”. “Official” is defined in 17 CFR 275.206(4)-5 as “any person (including any election committee for the person) who was, at the time of the contribution, an incumbent, candidate or successful candidate for elective office of a government entity, if the office: (i) is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity; or (ii) has authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity.”⁴

⁴ 17 CFR 275.206(4)-5(f)(6)



Four members of LACERA’s Board of Investments (“Investments Board”) are elected by various member constituencies (two by active members, one by retired members, and one by safety members). Furthermore, the Los Angeles County Board of Supervisors appoints the remaining four members of the Investments Board and the County Treasurer and Tax Collector, who is an *ex officio* member of the Investment Board.

Generally, investment advisers are prohibited from providing investment advisory services for compensation within two years after making a political contribution to an official in violation of the SEC rule. LACERA could be adversely affected if you or a covered associate made a prohibited political contribution.

1. Have you or a “covered associate” made a political “contribution” to an “official”, as the quoted terms are defined in 17 CFR 275.206(4)-5 (the “Regulation”) that would make it unlawful under the Regulation for you to provide investment advisory services for compensation to LACERA for any period of time?

Yes _____ No _____

If “Yes”, explain:

2. Are you an investment adviser registered (or required to be registered) with the SEC?

Yes _____ No _____

If “Yes”, go to question 4. If “No”, explain:

3. Are you unregistered with the SEC in reliance on the exemption available under section 203(b)(3) of the Investment Advisor Act of 1940?

Yes _____ No _____

If “Yes”, explain:

4. Have you or a “covered associate” as defined in the Regulation engaged in any of the conduct described in (a)(2) of the Regulation? If so, when?

Yes _____ No _____



If “Yes”, explain:

Please note, there are other relevant SEC compliance issues apart from political contributions. You are strongly encouraged to consult your own legal counsel.

By signing below, you are certifying you are in compliance with all SEC rules and regulations relating to investment advisers and placement agents.

PART THREE: CERTIFICATION

This form, completed and signed by you, will be incorporated into and made a part of any contract or other agreement pursuant to which you manage assets for LACERA.

By signing below, you represent and warrant that the information set forth herein, and attached hereto, is true and correct. Furthermore, you understand that LACERA is relying upon your representations and warranties in determining whether to engage you to provide investment advisory services to LACERA. You agree to update this information in writing within ten days of any happenings that render your responses untrue or inaccurate.

The execution and delivery of this form has been duly authorized by all necessary action by the undersigned.

Name of External Manager: _____

By: _____
Name: _____
Title: _____
Date: _____



ATTACHMENT NO. 1
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
PLACEMENT AGENT POLICY

Investment managers in both the public and private markets use placement agents to help them raise capital. The purpose of this Policy is to bring transparency to placement agent activity in connection with LACERA's investments and to help ensure that all investment decisions are made solely on their merits and in a manner consistent with the fiduciary duties of LACERA's Board of Investments (the "Board").

Prior to LACERA investing with any External Manager⁵, Investment Staff shall obtain a written representation from the External Manager, in a form acceptable to the Legal Office, stating that the External Manager has not used a Placement Agent⁶ in connection with LACERA's investment (and that a Placement Agent will not receive compensation from the External Manager if LACERA invests in the investment), or if the External Manager has used a Placement Agent (or if a Placement Agent will receive compensation from the External Manager if LACERA invests in the investment), it will disclose the following in writing, on a form prepared by Staff:

- The name of the Placement Agent and the relationship between the External Manager and the Placement Agent

⁵ As defined in California Government Code section 7513.8 "External Manager" means either of the following: (1) a Person who is seeking to be, or is, retained by a board or an Investment Vehicle to manage a portfolio of securities or other assets for compensation; (2) a Person who manages an Investment Fund and who offers or sells, or has offered or sold, an ownership interest in the Investment Fund to a board or an Investment Vehicle. (All code section references are to the Government Code, unless otherwise noted.)

As defined in section 7513.8, "Person" means an individual, corporation, partnership, limited partnership, limited liability company, or association, either domestic or foreign.

As defined in section 7513.8, "Investment Vehicle" means a corporation, partnership, limited partnership, limited liability company, association, or other entity, either domestic or foreign, managed by an External Manager in which a board is the majority investor and that is organized in order to invest with, or retain the investment management services of, other External Managers.

As defined in section 7513.8, "Investment Fund" means a private equity fund, public equity fund, venture capital fund, hedge fund, fixed income fund, real estate fund, infrastructure fund, or similar pooled investment entity that is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, holding, or trading securities or other assets. Notwithstanding the preceding sentence, an investment company that is registered with the Securities and Exchange Commission pursuant to the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and that makes a public offering of its securities is not an Investment Fund.

⁶ As defined in section 7513.8, "Placement Agent" means any Person directly or indirectly hired, engaged, or retained by, or serving for the benefit of or on behalf of, an External Manager or an Investment Fund managed by an External Manager, and who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker or other intermediary in connection with the offer or sale to a board or an Investment Vehicle either of the following: in the case of an External Manager as defined in subpart (1) of the definition of an External Manager, the investment management services of the External Manager; in the case of an External Manager as defined in subpart (2) of the definition of an External Manager, an ownership interest in an Investment Fund managed by the External Manager. Notwithstanding the preceding sentence, an individual who is an employee, officer, director, equity holder, partner, member, or trustee of an External Manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the External Manager is not a Placement Agent.



- A resume for each officer, partner, or principal of the Placement Agent detailing the individual's education, professional designations, regulatory licenses, and investment and work experience
- A description of any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent
- A description of the services to be performed by the Placement Agent
- Representation that the fee is the sole obligation of the External Manager and not of LACERA, the Investment Vehicle, the Investment Fund, or any investor(s) in the Investment Vehicle or in the Investment Fund
- The name(s) of current or former LACERA board members, employees, or consultants or member(s) of the immediate family of any such individual that are either employed or receiving compensation of any kind provided, or agreed to be provided, directly or indirectly from the Placement Agent.
- The name(s) of any current or former LACERA Board members, employees, or consultants who suggested the retention of the Placement Agent
- A statement whether the Placement Agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar state regulatory agency, or any similar regulatory agency in a country other than the United States, and the details of that registration or explanation as to why no registration is required
- A statement whether the Placement Agent, or any of its affiliates, is registered (or is required to be registered as of a date certain) as a lobbyist with any state or national government

Any External Manager or Placement Agent that violates the Policy shall not solicit new investments from LACERA for five years after the violation was committed. However, this prohibition may be reduced by a majority vote of the Board at a public session upon a showing of good cause.

LACERA shall not enter into any agreement with an External Manager that does not agree in writing to comply with the Policy.

In the event a Placement Agent is expected to receive compensation of any kind in connection with LACERA's investment with the External Manager, the Investment Office will notify the Board in the memorandum discussing the recommended/approved investment. If an External Manager breaches this Policy, Staff will notify the Board in a timely manner.

Revised September 11, 2015



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL (RFP)

SYNDICATED BANK LOAN

INVESTMENT MANAGEMENT SERVICES

Instructions: LACERA is considering proposals for Syndicated Bank Loan Investment Management Services as outlined in the Request for Proposal.

FIRM NAME: _____

ADDRESS: _____

CONTACT NAME: _____

TITLE: _____

TELEPHONE #: _____

FACSIMILE #: _____

E-MAIL: _____



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**REQUEST FOR PROPOSAL (RFP)
SYNDICATED BANK LOAN
INVESTMENT MANAGEMENT SERVICES**

Minimum Qualifications Compliance

(To be signed by authorized person and returned with RFP response.)

Respondent hereby certifies that it meets all of the following minimum qualifications:

Yes/No

1. Must be registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”), or exempt from registration. If exempt, must explain the nature of the exemption.
2. Must have at least \$2 billion in assets under management in the proposed strategy, or a similar strategy, as of December 31, 2018.
3. Must have at least a 10-year performance history for the proposed strategy, or a similar strategy, as of December 31, 2018.
4. Must have at least three defined benefit public pension plan clients in the proposed strategy, or a similar strategy.
5. Must comply with the Global Investment Performance Standards of the CFA Institute.

Signature

Title

Date



A. ORGANIZATION

1. Provide a brief overview of your firm, including:
 - a. Year founded and year registered with SEC.
 - b. Any material developments for the firm within the past three years.
 - c. Description of the firm's ownership (specify the % ownership by key employees).
 - d. State the type of product, name of the proposed product (hereafter known as **Subject Product (S.P.)**), and date the firm began managing the S.P for U.S. tax-exempt clients.
2. Over the past five years, has your organization, affiliates, parent, any officer or principal been involved in any inquiry/investigation by a federal or state governmental agency and/or business litigation or other legal proceedings related to your investment activities? If so, provide a brief explanation and indicate the current status.
3. Has your firm been audited by the Securities and Exchange Commission (SEC) or any regulatory agency in the last ten years? If yes, please provide a summary of findings.
4. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities or any past or current relationships of any kind with LACERA Board members. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.
5. Does your firm have a responsible investment (RI) and/or environmental, social, and governance (ESG) policy? If so, provide a copy. Also, is your firm a signatory of the PRI (Principles for Responsible Investing) or other responsible investment associations?
6. Who is the firm's current auditor? Has the firm changed auditors in the past five years? If so, please explain why.



B. ASSETS UNDER MANAGEMENT

7. Historical breakdown of Assets under Management (AUM) in \$ millions.

	2018	2017	2016	2015	2014
Total AUM (firm-wide, all products)	_____	_____	_____	_____	_____
Total AUM for U.S. tax-exempt clients (firm-wide, all products)	_____	_____	_____	_____	_____
Total Fixed Income AUM	_____	_____	_____	_____	_____
AUM in the S.P.	_____	_____	_____	_____	_____

8. What is the projected asset capacity of the S.P. and what steps would your firm take as assets under management approach the capacity level?

9. List your 3 largest clients (regardless of product) by type and size (follow the format below).

Type of Client	Size (in millions)	Type of Mandate
Corporate Pension	\$120	Bank Loan
Foundation	\$80	High Yield

10. List your 5 largest clients in the S.P. by type and size (follow the format below)

Type of Client	Date of Inception	Size (in millions)
Corporate Pension		\$120
Endowment		\$70



11. Please list the number of clients and assets gained and lost for each of the last five calendar years for the S.P. in the following format (in US\$ millions where applicable):

Year	Number of Clients Gained	Assets Gained	Number of Clients Lost	Assets Lost	Net Assets Gained/Lost	Net Clients Gained/Lost
2018						
2017						
2016						
2015						
2014						

12. Please provide the client name, contact, title, telephone number, the asset value of the account, and the reason for termination of your firm's services for the S.P. in the last five years (follow the format below).

Client Name	Contact	Title	Email Address	Phone Number	Asset Value	Reason

C. PROFESSIONAL STAFF

13. List the number of employees in your organization by department:

	2018	2017	2016	2015	2014
Portfolio Managers					
Research Analysts					
Economists					
Marketing					
Trading					
Administration					
Client Service					
Other (Specify)					
TOTAL:					

14. Please list all principal officers, portfolio managers, analysts, and client service officers involved in the S.P. Only list those individuals that will be directly involved in account management. Highlight the person(s) who would be responsible for this account (follow the format below).



Name	Title	Responsibilities	Total Years of Experience	Years with Firm	Education/School	Other Designation

15. Please provide biographies of all key investment professionals involved in the management of the S.P. How is their time allocated between the S.P. and other product responsibilities?
16. Are portfolio managers/analysts industry specialists or generalists? In addition to the proposed strategy, what other product responsibilities do the portfolio managers/analysts have?
17. Please list additions and departures to the management and research team(s) responsible for the indexing strategies in the last five years, including their responsibilities. Provide a brief explanation for each departure, and list any replacement for these vacancies.

Additions: Name	Title	Coverage Responsibilities	Product Responsibilities	Date of Hire

Departures: Name	Title	Coverage Responsibilities	Product Responsibilities	Reason for Departure

D. INVESTMENT PHILOSOPHY AND PORTFOLIO CONSTRUCTION PROCESS

18. Describe your firm’s investment philosophy as it relates to the S.P.
19. Provide a brief description of the S.P. What are its objectives, merits, and risks?
20. Describe each phase of the portfolio construction process:
 - a) Overview of Decision Making Process (top down/bottom up, etc.)
 - b) Security Selection
 - c) Portfolio Construction



d) Portfolio Rebalancing

21. List all eligible investments for the S.P.?
22. Describe the role of leverage in the strategy, if any. If leverage is used, please describe the type of leverage, its characteristics, and limitations.
23. What is your firm's competitive advantage and why should your firm be hired for this mandate?
24. What is the benchmark for the S.P.? Does this benchmark include all of the investments you would invest in? How do you think about the benchmark when constructing the portfolio?
25. What is the decision-making body that has final authority for the S.P.? Does it take the form of an investment policy committee, a team of portfolio managers and research analysts, or some other form? Who comprises this group?
26. Provide your portfolio distribution information for each of the last 5 calendar years (follow the format shown below).

	2018	2017	2016	2015	2014
Duration & Yield:					
Average Effective Duration					
Average Coupon					
Average Dollar Price					
Yield to Worst					
Quality Structure:					
Average Rating					
AAA, AA, and A					
BBB					
BB					
B					
CCC					
Below CCC					
Non-rated					
Sector Allocation:					
Bank Debt					
Cash Equivalents					
Other (describe)					
Non-U.S. Dollar Denominated					
Number of Issues					
Number of Issuers					
Percent U.S. Issuers					
Percent Non-U.S. Issuers					
Industry/Sector Weightings: (<i>show % for benchmark in parentheses</i>)					
1) Three largest sectors					
2) Three largest overweights					
3) Three largest underweights					
Percent Portfolio in Top 10 Holdings					



27. What elements of your strategy have had the greatest influence on returns relative to the benchmark?
28. Do you incorporate non-dollar and other non-U.S. bank loans (including emerging market debt) in your strategy? If so, what is your policy on hedging currency exposure?
29. Are sector, industry, and geographic weightings explicitly targeted, or are they the result of other strategy decisions? Are there any explicit limits on these weightings?
30. Please enter a range for the typical number of positions in the portfolio. Discuss if this has changed over time and why. How would this change as assets under management increase?
31. What is the minimum and maximum percentage of the portfolio that can be invested in non-Bank Loans securities? What is the rationale for investing in non-Bank Loans credit sectors and in what type of situations will these investments be utilized? Please address potential allocations to high yield, securitized credit (all sectors), convertible bonds, preferred stock, common stock, municipal bonds and other bond asset classes.
32. Provide a brief explanation of your approach to reinvesting cash proceeds.
33. How does your firm manage and monitor the portfolio's liquidity? Please describe the liquidity of the S.P. and its investable universe. Does this product have any liquidity constraints?
34. Do you believe your product is capacity constrained given your investment approach? When would you consider closing to new investors?
35. Within the last three years, have you made any significant enhancements to your decision-making process and risk controls? Please elaborate.
36. What is your expected return and risk for the S.P. and its benchmark for the next five years? In your opinion, what are the key market challenges facing investors in the S.P. over the next three to five years?
37. Discuss the investment strategy with respect to defaulted debt. What are the historical default and recovery rates for the past five calendar years? Please provide a discussion of each default.
38. What portions of the investment operational process (if any) are performed by outside firms (i.e., services that are "outsourced"). Please explain your rationale for outsourcing any operational tasks and to what outside firm they are delegated to.



E. RESEARCH

39. Describe your credit research process and resources. What internal and external sources are used? Please review the sectors covered by credit analysts/portfolio managers. On average, how many companies does each analyst/portfolio manager evaluate? How does their input fit into the investment process?
40. Is the research team located at the same office as the portfolio manager(s)? If not, where is research conducted?
41. What is the on-going monitoring process once an issue is purchased?
42. Provide any commentary you feel communicates the uniqueness of your firm's research efforts.

F. TRADING AND OPERATIONS

43. What is your firm's trading philosophy and capabilities related to the S.P.?
44. What trading advantages do you have over other managers? What trading systems are in place for risk and order management?
45. Describe the allocation objectives and implementation procedures across all accounts. Distinguish between commingled vehicles and separate accounts.
46. Describe your firm's risk control procedures pertaining to trading and compliance. Describe the systems (proprietary and off-the-shelf) and procedures used to: settle trades, monitor trades relative to guidelines, and reconcile accounts with the custodian. Are outside firms used to assist with compliance?
47. If a holding exceeds the firm's stated limit, what is the process for paring this holding?
48. Describe how transaction costs for the S.P. are measured and monitored. What is the typical bid/ask spread for the sectors used in the S.P.? Do you expect these costs will be materially different in the next 12 months?
49. What pricing service do you employ to value the S.P.? When you find pricing differences with the custodian, what is your procedure for reconciliation?
50. What are your policies for managing counterparty risk? Be sure to address diversification of counterparty risk and credit requirements of counterparties.



G. RISK AND PERFORMANCE (No simulated results will be accepted).

51. List and rank the various types of risk inherent in the S.P. How are those risks measured, managed, and monitored? What risk limits do you impose? What is the estimated tracking error of the proposed strategy? Reference any internal guidelines and risk control factors.
52. What security measures does your firm have in place to ensure the protection of firm and client assets?
53. Does your firm have a dedicated Risk Team? If so, please describe their reporting structure and role.
54. If the performance history submitted is GIPS compliant, submit a letter from your firm’s independent certified auditor or a third party vendor attesting to the accuracy of the information provided.
55. Submit monthly and quarterly time series returns for the S.P. and its benchmark, since inception, through December 31, 2018, in an Excel worksheet and a USB (flash drive). Please format to two decimals (e.g., 1.34%).
56. Provide the highest and lowest return contained in the composite return for the S.P. Comment as to the cause of the return dispersion for each calendar year from 2014 to December 31, 2018 (follow the format below).

	2018	2017	2016	2015	2014
High Return					
Low Return					
Difference					

57. Provide a copy of investment guidelines that apply to the investment product for which you are submitting performance history.
58. For the periods ended December 31, 2018, please provide the information in the table below (rounded to two decimals).

	«Product Name»	«Benchmark»
Composite Inception Date		
Trailing Five Years (Annualized):		
Return		
Standard Deviation		
Tracking Error		
<i>Information Ratio</i>		
Correlation with Benchmark		



Calendar Year Performance:		
2018		
2017		
2016		
2015		
2014		
2013		
2012		
2011		
2010		
2009		

59. Describe how you conduct performance attribution analysis, including information on any models or tools used.
60. Provide performance attribution for each of the last five calendar years. Include specific performance drivers and detractors.

H. FEES

61. Provide your standard fee schedule for the S.P.
62. The size of this account is anticipated to be at least \$500 million. Please provide your best fee proposal for this mandate.
63. Do you offer a Most Favored Nations (MFN) clause? If so, would you be willing to provide LACERA an MFN?



I. CLIENT REFERENCES

64. Provide the firm name, address, contact name, title and phone number for three references invested in the S.P.

Firm Name	Address	Contact	Title	Phone

J. SUPPLEMENTAL INFORMATION

Provide the following documentation in an Appendix or Binder. If your firm will not provide a requested item, explain why.

- Audited Financial Statements, Annual Report, and Auditor's Management Letter
- ADV's Parts 1, 2a and 2b
- SOC1 (SSAE 16) or appropriate Internal Control examination document
- Dates of all SEC and other regulatory examinations in the last five years. Copies of deficiency letters, if any
- Disaster Recovery Policy and Business Resumption Plan
- Code of Ethics
- Trading/Allocation/Valuation Policies
- An organizational chart showing interrelationships between the professional staff, proposed product team, as well as any parent-subsidiary, affiliate, or joint venture entities
- Investment guidelines with detailed constraints/diversification requirements
- Biographies of the team responsible for S.P. (Name, Title, Responsibility, Total Years of Experience, Years with the Firm, Education/School, Other Designations)
- Describe the levels (dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage.
- Sample quarterly client report
- The attached Supplemental Manager Due Diligence regarding Diversity and Inclusion is voluntary.



LACERA Supplemental Manager Due Diligence Regarding Diversity and Inclusion Enhanced Due Diligence Questions

I. Policy

1. Describe your firm's approach to workplace diversity and inclusion and how it relates to your business model.
2. Does your firm have a written policy addressing workplace diversity and inclusion ("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, age, veteran's status, and other legally protected categories. A Policy may be a standalone document or part of a larger firm document.

Please provide a copy of your firm's Policy.

3. Does your Policy address sexual harassment in the workplace? If not, please explain.
4. If your firm does not have a written policy, do you commit to promptly adopting and providing a copy of such a Policy, if your firm is awarded an agreement to manage assets on behalf of LACERA?

II. Oversight

5. Who is responsible for overseeing the Policy's implementation? Please provide name and title. What processes are employed to implement and enforce the firm's Policy?
6. Who is responsible for overseeing compliance with the Policy? Please provide name and title. What processes are employed to promote compliance with the Policy?
7. Please describe the oversight and monitoring, if any, exercised by the firm's board and executive team regarding the firm's diversity and inclusion policy and efforts.
8. What data, trends, or analysis does the firm's board or oversight committee receive regarding the firm's effectiveness in adhering to the Policy and allegations of non-compliance?
9. Under what circumstances would an alleged incident of non-compliance with the Policy prompt notification to and consideration by the firm's board and/or executive committee?



III. Track Record

10. Please complete the charts in **Appendix A** regarding your firm's workplace composition by gender and race/ethnicity as defined by the Equal Employment Opportunity Commission categories for employees of your firm's U.S. operations. We also request completion of similar information for non-U.S. employees, absent any applicable legal or regulatory restrictions.
11. Does your firm commit to providing the firm's workforce composition in a format similar to **Appendix A** on a periodic basis, if the firm is awarded a contract to manage assets on behalf of LACERA?
12. Has your firm been subject to any judicial, regulatory, or another legal finding, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years? Please describe.
13. Please identify the number of confidential settlements and non-disclosure agreements related to workplace discrimination and/or sexual harassment entered into by your firm during the past twelve years. Please describe the nature of each settlement within the terms of the confidential settlement.

IV. Incentives and Risk Mitigation Strategies

14. Does your firm integrate diversity and inclusion into executives' performance reviews and incentive pay objectives? Please describe.
15. Does your firm conduct a compensation or pay disparity analysis to discern any pay disparities by gender, race, or ethnicity? Please describe or explain why not.
16. Does your firm have a clawback or recoupment policy in place by which workplace misconduct, such as sexual harassment, may trigger recoupment of incentive pay, awards, bonuses, or other compensation?
17. Please explain any other incentives or risk mitigation strategies your firm employs to promote compliance with your workplace diversity and inclusion and sexual harassment policies.
18. Describe any efforts, organizations, or leadership positions related to workplace diversity and inclusion in the financial services industry with which your firm is involved.



LACERA Supplemental Manager Due Diligence Regarding Diversity and Inclusion

Appendix A

General Instructions

The categories have the same definitions as the diversity categories used by the United States Equal Employment Commission (EEOC) in its Employer Report EEO-1. See www.eeoc.gov/employers/eeo1survey/index.cfm for further information.

Please complete all columns by entering in the number of employees for each category (not percentage of employees). Blank cells will be interpreted as having a value of zero.

Job Categories:

- Board of directors, and CEO, CFO & COO: This row includes all members of the firm's governing board (or executive committee), as well as CEO, CFO, COO or equivalent positions.
- Investment professionals: All professionals who have a role in investment decision making at the firm, such as portfolio managers, analysts, and traders.
- If an employee is both a member of the board of directors or occupies the position of CEO, CFO or COO, as well as as serves as a member of the investment staff, the individual may be counted in both rows.

Total compensation figures should be provided for all investment professionals in each category reported in Row 2 as a percentage of total compensation of all investment professionals (not total personnel of the firm).

Your firm may elect to provide information on additional diversity categories. If you choose to do so, please provide such information on additional sheets.



