Los Angeles County Employees Retirement Association (LACERA)
OPEB Master Trust, Public Markets Passive Investment Management Services Search
LACERA Responses to Submitted Questions

Question:
Please clarify if Transition Management Service Provider should be replaced with Investment Manager Service Provider in this section of the sample IMA:

Section X(B) of the IMA: The Transition Management Service Provider will affirm that it will report economic interests and conflicts in accordance with California law and LACERA policy, including the Code of Ethical Conduct, by filing and submitting to LACERA California State Fair Political Practices Commission Form 700 – Statements of Economic Interests by key personnel on an annual basis.

Response:
Yes, that is correct. The language will be updated to *Investment Management Service Provider* for this mandate.

Question:
Can you confirm the below is the complete list of indexes LACERA is seeking passive management? Would you be able to provide the current AUM levels for each index?

MSCI ACWI IMI Net
BB US Corporate HY
Credit Suisse Leveraged Loans
JP Morgan EMBI GD
JP Morgan GBI-EM GD
JP Morgan CEMBI BD
BB US TIPS
BB Commodities Total Return
DJ US Select Real Estate
BB US Aggregate
BB US Long Treasury
Cash – FTSE 3 Month T-Bill

Response:
Highlighted in the Scope of Work section, LACERA is seeking one or more investment managers to manage OPEB's public markets passive investments in separately managed accounts across Global Equity, Liquid Credit, Real Estate, Commodities, TIPS, Investment Grade Bonds, and Long-Term Government Bonds. Policy benchmarks for these categories are listed in the appendix section of the Investment Policy Statement for the OPEB Master Trust.

The AUM for each category is listed below as of December 31, 2022:

Category	AUM
Global Equity	$1.2 billion
Liquid Credit	$484 million
Real Estate	$256 million
Commodities	$96 million
TIPS	$151 million
Investment Grade Bonds	$227 million
Long-Term Government Bonds	$64 million

Question:
We recognize the desire to move to separate accounts. However, given certain markets and related dynamics, the ability to invest efficiently in Commodities and Emerging Markets Debt may be constrained by fund size, resulting in higher potential tracking errors. Additionally, there will be an increased operational and contracting burden as it relates to Commodities. In these select instances, would a commingled vehicle be an acceptable vehicle?

Response:
The preference is for separate account structures. However, the evaluation team is open to reviewing alternative solutions in submitted proposals with the understanding that some mandates, such as Emerging Markets Debt, may be better serviced through other structures.