

Los Angeles County Employees Retirement Association
(LACERA) RFP
Questions & Responses

1. In order for us to provide an accurate custody fee quote with and without securities lending, please provide/confirm the following: [See excel attachment A for responses to the questions for \(a-h\), below.](#)
 - a. Please confirm the total number of separately managed, single line and/or derivatives accounts.
 - b. Please provide an excel based asset list including shares, industry standard security identifier, country, price and market value.
 - c. Please provide an excel based list of annual transaction volumes including asset category and/or country for separately managed and single line asset accounts.
 - d. Please advise on the investment guidelines applicable to cash collateral and if non-cash collateral would be accepted. If yes, what type of non-cash collateral?
 - e. Please provide any restrictions on your securities lending program such as minimum spreads, borrower restrictions, percentage on loan etc. which should be taken into account with respect to earnings potential.
 - f. Are there any impaired assets in your current securities lending cash collateral fund?
 - g. Please confirm total derivatives holdings by type (ETD/OTC) along with annual transaction volumes by type (ETD/OTC).
 - h. Please provide the average STIF balance
2. Does LACERA currently manage their own cash collateral reinvestment fund? [At this time, all of LACERA's assets are externally managed.](#)
3. Regarding #1 in Attachment C – Minimum Qualifications: Can you please specify which California law(s) and “other laws” would be applicable to LACERA and require LACERA’s custodian to be a fiduciary? [California Constitution Article XVI, Section 17 and California Government Code Section 31595.](#)
4. Given the breadth of information required in the Cover Letter and the stated limitation of one page, do responding institutions have the flexibility to add additional pages? [Please follow the requested format. More detail can be provided in your RFP responses.](#)
5. The cover letter requires a statement to the effect that the respondent is not currently under investigation by any regulatory agency, state or federal, for any reason. Please confirm this statement will be satisfactory: As one of the world's leading providers of asset servicing, we, along with our subsidiaries, occasionally receive requests for information from government and regulatory agencies. We frequently does not know if such requests are related to a formal government or regulatory investigations or, assuming an investigation is underway, whether we are a target of such investigation or simply thought to be in possession of information pertinent to such investigation. We are not currently involved in any government or regulatory investigation or proceeding that would have a material impact on its ability to provide custody services to its clients. [Respond with your best interpretation of the request.](#)

6. Regarding Attachment F - Investment Management Agreement, please provide an explanation of what service(s) the Agreement is designed to cover and if these services are core to the RFP or Ancillary that may be utilized in the future. [The sample agreement does not cover all custodial services but does reflect some of the general terms that LACERA expects its Custodian to adhere to. The specific services will be added at the time of contracting.](#)
7. The RFP's "Description of Services Sought" references custody and banking services. The Minimum Qualification Certification references "general investment consulting services". The RFP includes (i) Attachment F - Investment Management Agreement, and (ii) Attachment G - Placement Agent Disclosure SEC Compliance Form.
 - a. Can LACERA please clarify which services it is seeking under this RFP (i.e., custody, banking, and/or investment management)? [LACERA seeks a broad set of services for its global custody and commercial banking provider, as described in the RFP: *Global Custody and Commercial Banking Services PDF document* on LACERA.com. Refer to roman numeral II. Scope of Services.](#)
 - b. The Attachment F and Attachment G would not be applicable to custody and banking services, correct? [See Q#6 for further comment on Attachment F. Attachment G must be completed.](#)
8. Did LACERA execute with its incumbent custodian (i) two custody agreements (one for the Pension Plan assets and one for the OPEB Master Trust assets), or (ii) one custody agreement (for assets of both the Pension Plan and OPEB Master Trust)? [One.](#)
 - a. Is the Board of Retirement, or some other entity(ies), the contracting party(ies) under the current custody agreement(s)? [The current custody agreement is between LACERA and the custodian.](#)
 - b. Does LACERA intend to have two custody agreements, or one custody agreement, with the new custodian? [Please provide both options for our review.](#)
9. We noticed an Investment Management Agreement was included in the RFP. We wanted to check whether LACERA intended to include a sample Custody Contract, as the RFP appears to be for Custody Services, not Investment Management Services? [The IMA sample was intentional; refer to Q#6, above.](#)
10. Our firm cannot agree to an Investment Manager Agreement. Would it be appropriate to propose leveraging a current Custody Contract? [Ultimately, a custody agreement will be used for this service. The sample provided for the RFP questionnaire was for reference only; refer to Q#6, above.](#)