



Los Angeles County Employees Retirement Association
300 North Lake Avenue
Suite 850
Pasadena, CA 91101

**Global Equity Emerging Manager Program
Separate Account Manager**

REQUEST FOR PROPOSAL

May 20, 2022

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RFP ATTACHMENTS

- A – Intent to Respond
- B – LACERA Investment Policy Statement
- C – Minimum Qualification Certification
- D – Questionnaire
- E – Supplemental Diversity, Equity, & Inclusion Questionnaire
- F – Supplemental Diversity, Equity, & Inclusion Table
- G – Investment Management Agreement
- H – LACERA Placement Agent Disclosure and SEC Compliance Form
& LACERA Placement Agent Policy

May 20, 2022

Dear Potential Service Provider:

The Los Angeles County Employees Retirement Association ("LACERA") is requesting proposals from qualified firms interested in providing separate account manager services for a portfolio of emerging global equity managers. The separate account manager would source and select the emerging managers. The specific services requested via this Request for Proposal ("RFP") are contained in Section II, Scope of Work.

If you are interested in responding, please submit your Intent to Respond **Attachment A** by **5:00 PM, PDT, Friday, June 3, 2022**, and the completed proposal via email no later than **Friday, June 24, 2022, 5:00 PM, PDT**, to:

Mr. Ron Senkandwa
Investment Officer
Publicequities@lacera.com

Detailed instructions for proposal submission are included in Section III of this RFP. Questions concerning the RFP must be submitted via email by **5:00 PM PDT, June 10, 2022**.

Thank you for your interest in providing global equity emerging manager separate account services to LACERA, and we look forward to your response.

Sincerely,

Ron Senkandwa
Investment Officer

I. Background Information

LACERA is a public pension fund established pursuant to the County Employees Retirement Law of 1937. In addition to providing service to its members, LACERA acts as fiduciary agent and manager of the portfolio.

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 policy and objectives, as well as exercising authority and control over the investment management of the fund. The day-to-day management of LACERA is delegated to a Chief Executive Officer appointed by both Boards. The day-to-day management of LACERA's investment portfolio is delegated to a Chief Investment Officer appointed by the BOI.

LACERA administers a Pension Plan and an OPEB Master Trust of approximately \$75 billion and \$2.6 billion in assets, respectively. The purpose of this RFP is to select a global equity emerging separate account manager for the Pension Plan.

LACERA's strategic asset allocation includes a 32% target to global equity which consists of three sub-strategies: i) Passive ii) Factor-Based and iii) Active. The emerging manager program resides within the active sub-strategy and has a target range of 0-5% of the global equity portfolio. For this search, LACERA is seeking a separate account manager(s) to manage a portfolio of approximately 5–10 managers, dependent upon the strategies proposed/received. The investment strategies should provide differentiated sources of return from existing LACERA's global equity mandates such as small cap stocks. Given LACERA's current total Fund size and targets, the global equity emerging separate account manager(s) mandate may be up to 5% of the global equity portfolio.

In 2021, the Board of Investments approved a new strategic asset allocation for the Pension Plan. The new strategic asset allocation target for the Pension Plan is included in **Attachment B**. The scope of work section, below, highlights some of the services for this mandate.

II. Scope of Work

A. Description of Services Sought

The purpose of this RFP is to identify a separate account investment manager(s) to construct and manage a portfolio of emerging global equity managers. A separate account manager would source, conduct due diligence on, and manage a portfolio of global equity managers that adheres to LACERA's policies. LACERA seeks firms with the following experiences and competencies.

1. Source, diligence, and select high-quality investments

2. Construct portfolios adhering to LACERA’s program guidelines and objectives
3. Strong operational due diligence capabilities and experience providing feedback and guidance to emerging firms
4. Provide reporting on investments including detailed written recommendations, investment and operational due diligence summaries, and performance reports
5. Provide research on emerging managers including best practices, trends, and events

III. Requirements and Instructions for RFP Response

A. Proposal Deadline

The completed proposal must be delivered by **5:00 PM PDT, June 24, 2022**, via email. Any proposal delivered after the proposal deadline will not be considered. Faxed transmissions are not acceptable. The email transmission is to be sent to the attention of:

Mr. Ron Senkandwa
Investment Officer
LACERA
Publicequities@lacera.com

cc: LACERARFP@Meketa.com
Meketa Investment Group, Inc.

The size of any emails should not exceed 32 megabytes. If necessary, attachments that have a large file size may be distributed across multiple emails. Also email one PDF 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. Gov. Code Sections 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.

B. Format and Content

Proposals are to address all the questions posed by LACERA in the order in which they appear in this RFP. All requested information must be provided in the format and order described below. Answers are to be succinct in a 12-point font and on single-sided pages.

1. Cover Letter

A cover letter (1 page) shall be signed by the individual(s) who is (are) authorized to bind the respondent contractually. The letter shall contain a statement to the effect that the respondent is not currently under investigation

by any regulatory agency, state or federal, for any reason. The letter should identify the proposed services, your firm's competitive advantage, the specific team that will be working on the LACERA account, and reasons why your firm should be selected.

2. Minimum Qualification Certification

Your firm must certify, by completing and signing **Attachment C** that it meets the minimum qualifications required.

3. Table of Contents

The response must contain a table of contents (1 page) that identifies the major sub-sections of the Questionnaire.

4. Questionnaire

Provide your response to the enclosed Questionnaire **Attachment D**. Excluding the requested Exhibits, your response to the questionnaire must not exceed **50 pages**. Responses shall be emailed; PDF or Word formats are acceptable. The RFP and Attachments have been made available for review and download via LACERA's website (www.lacera.com) under the "Business Opportunities" section (follow on the website: About LACERA/Who We Are/Business Opportunities).

5. Attachments

Respondents seeking consideration must provide all information requested to be included as Exhibits to the completed Questionnaire.

Please complete the Diversity, Equity, and Inclusion Questionnaire (**Attachment E**), and the Diversity, Equity, and Inclusion Questionnaire Firm Demographics Table (**Attachment F**) and include your response as Exhibit Q.

Please do not include additional Exhibits or Attachments in your response beyond what is requested in the Questionnaire, as they will not be considered in this evaluation.

C. Questions Relating to this RFP

All questions, inquiries, and requests for additional information concerning this RFP should be received no later than **5:00 PM PDT, June 10, 2022**, and should be emailed to Publicequities@lacera.com. All questions received and responses thereto will be posted on LACERA's website (www.lacera.com) under the "Business Opportunities" section (follow on the website: About LACERA/Who We Are/Business Opportunities) on or about **5:00 PM PDT, June 17, 2022**.

Additional Information

Please note that during this evaluation process LACERA staff will not answer any questions related to the RFP except as set forth in the above paragraph. After **June 17, 2022**, if a question appears unclear to you, please state your interpretation of the question, and answer it accordingly.

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 RFP 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.

IV. Evaluation Process

An evaluation team consisting of LACERA investment staff members will review the RFP responses. An initial screen and assessment will be conducted to both ensure that minimum qualifications are met and that proposals align with the objectives of the search.

Responses that meet minimum qualifications and are fit for purpose shall be subject to evaluation on the following categories by the evaluation team.

1. Organization and Professional staff
2. Experience with Emerging Manager Programs, Sourcing Managers, and Portfolio Construction
3. Investment Process
4. Operations and Operational Due Diligence
5. Performance and Risk Management
6. Fees

If advanced beyond round one of the evaluation phase, web-based and/or in-person interviews with LACERA may be scheduled. Finalists may be asked to make oral presentations to the Board of Investments and the final selection(s) will be made by the Board of Investments.

V. Tentative Timetable

The following is a tentative schedule for this search. The evaluation and staff recommendation phases are subject to modification by LACERA.

Task	Date
LACERA RFP Issued	May 20, 2022
Submission – Letter of Intent	June 03, 2022
Submission – RFP Questions to LACERA Deadline	June 10, 2022
LACERA Responses to Written Questions	June 17, 2022
RFP Response Deadline	June 24, 2022
RFP Responses Evaluated	June – July 2022
Due Diligence Interviews	August – September 2022
Staff Recommendation to Board of Investments	October 2022

VI. Notice Regarding the California Public Records Act and Brown Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the “Act”). The Act provides generally 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. If a respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the respondent must provide a full explanation and mark such portion “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” and make it readily separable from the balance of the response. Proposals marked “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY” in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” a respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Act. Fee and pricing proposals are not considered “TRADE SECRET,” “CONFIDENTIAL” or “PROPRIETARY.”

If LACERA receives a request pursuant to the Act for materials that a respondent has marked “TRADE SECRET,” “CONFIDENTIAL” or “PROPRIETARY,” and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will either notify the respondent so that it can seek a protective order at its own cost and expense, or LACERA will deny disclosure of those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in LACERA’s sole discretion. LACERA retains the right to disclose all information provided by a respondent.

If LACERA denies public disclosure of any materials designated as “TRADE SECRETS,” “CONFIDENTIAL” or “PROPRIETARY,” the respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees and agents from and against:

1. 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 of any such designated portions of a proposal; and
2. Any and all claims arising from or relating to LACERA’s public disclosure of any such designated portions of a proposal if LACERA reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any respondent to the Boards for hiring, such recommendation, the reasons for the recommendation and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

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

VII. 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.

VIII. 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 response preparation expenses.

IX. 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., fees, services to be provided) during contract negotiations.

The contract negotiated, if any, 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, and (c) for default.

The general form of the contract LACERA intends to use for the services set forth in this RFP is attached as **Attachment G**. The Attachment is a sample investment management agreement that sets forth basic contract terms that LACERA will require including insurance, indemnification, representations, termination rights, and standard of care. By submitting a proposal without comment on the contract, you will be deemed to have agreed to each term in the contract, and to not seek any modifications to the contract. If you object to a term in the contract or wish to modify or add terms to the contract, your proposal must identify each objection, and propose language for each modification and additional term sought, including the rationale for the change.

LACERA reserves the right to make changes to the contract prior to execution, including material changes.

X. Contract Terms and Conditions

The winning bidder will be required to comply with applicable California law and LACERA's Investment Policy Statement, including without limitation the following:

A. Fiduciary Responsibility

The investment manager will acknowledge that it is a fiduciary under the contract and as a fiduciary shall perform its duties with the standard care, skill, prudence, and diligence that apply to other reputable experts practicing in the same field.

B. Conflicts and Economic Interests

The investment manager 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.

XI. Reservations by LACERA

In addition to the other provisions of this RFP, LACERA reserves the right to:

Cancel or modify this RFP, in whole or in part, at any time.

Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as LACERA may request.

Reject the proposal of any respondent who has failed to comply with the requirements of this RFP, or who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.

Waive 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.

Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.

Request additional documentation or information from respondents. 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.

The right to choose to not enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.

Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.

Defer selection of a winning bidder to a time of LACERA's choosing.

Consider information about a respondent in addition to the information submitted in the response or interview.

Add terms and conditions during contract negotiations.

The information that a respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs respondents incur in connection with the preparation or submission of a proposal.

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