

ATTACHMENT C



**REAL ASSETS EMERGING MANAGER DISCRETIONARY
SEPARATE ACCOUNT MANAGER QUESTIONNAIRE**

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Limit responses to 15 pages, and any related non-Exhibit attachments to 15 pages

BACKGROUND INFORMATION

- a. Firm Name:
- b. Main Address:
- c. Primary Contact at Firm for this RFP
Name:

Title:

E-Mail Address:

CHECKLIST

- Exhibit A. Audited Financial Statements and Management Letter
- Exhibit B. SSAE 16, SOC 1 or 2, or similar internal control report
- Exhibit C. Example of a manager investment due diligence report

Please indicate whether your firm is applying for a separate or combined mandate to manage LACERA's emerging manager separate account program: (a) Real Estate only; (b) Real Assets only; or (c) Real Estate and Real Assets combined.

1. ORGANIZATION

- a. Indicate your firm's fiduciary classifications:
 - Bank
 - Insurance Company
 - Registered Investment Adviser (Investment Advisers Act of 1940)
 - Other: (Please Explain)
- b. List Your Regulatory Registrations:
 - Commodity Pool Operator?
 - Commodity Trading Advisor?
 - Registered Investment Advisor?
 - Registered Investment Company?
 - Broker-Dealer or Introducing Broker?
 - Other: specify
- c. Provide a brief history of your firm including the year organized/founded. Please describe the firm's ownership.
- d. In what year did the firm begin managing: a) portfolios including real estate managers, b) portfolios including real assets managers, and c) customized portfolios of emerging managers? Please note LACERA's definition of "emerging manager" for real estate and/or real assets funds is in general funds I, II, or III or with less than \$1 billion in fund size. Any data or information requested on your firm's experience with emerging managers should adhere to this definition.
- e. What is the month and year of SEC 1940 Act registration, if applicable?
- f. Provide the firm's most recent audited financial statements and management letter as Exhibit A.
- g. Describe the total asset base that your firm manages, and if relevant break down by strategy (real estate, real assets, etc.). Please clarify whether these assets managed are discretionary and include details on the evolution of the assets managed over the last 8 years. What portion of these assets or funds are dedicated to emerging managers? (Table I in Excel file Questionnaire Tables)
- h. Does your firm or any of its affiliates, hold any equity stakes in investment managers? If so, please elaborate.
- i. Provide a breakdown of the clients for whom you manage the assets and identify any public pensions that are part of your client base.

- j. Please explain your background in managing Real Estate investment programs. Additionally, please explain your background in managing Real Assets investment programs. Within these asset categories, what has been your experience in managing emerging manager investment programs? If so, how long has your firm been managing emerging manager investment programs? Please describe which of these emerging manager programs have a focus on selecting managers with diverse ownership.
- k. List your 5 largest clients in client-customized emerging manager portfolios that include Real estate or Real assets managers by type and size as of December 2023 (Table II in Excel file Questionnaire Tables)
- l. Has your firm been subject to any judicial, regulatory, or other legal finding, or formal action related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years? If yes, please describe the number (or volume), nature, business units, geographic regions, and recency of the actions, while respecting any confidentiality parameters.
- m. Has your firm been subject to any internal complaints, allegations, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years? If yes, please describe the number (or volume), nature, business units, geographic regions, and recency of the actions, while respecting any confidentiality parameters.
- n. Will you serve as a fiduciary to LACERA? If no, please explain.
- o. Do you have a SOC-1 and/or SOC-2 report? If so, please supply the most recent report(s). Please include report(s) as Exhibit B.
- p. Does your own firm have policies for each of the following areas of focus: 1) Diversity, Equity, and Inclusion (“DEI”); 2) Environmental, Social, and Governance (“ESG”); and 3) Anti-harassment? If so, please provide a copy of each policy. If not, does your firm have plans to develop such policies? Please note this question applies to the firm you represent rather than the emerging managers this mandate would require you to evaluate. ESG and DEI considerations in your emerging manager selection process are addressed below in Section 3. Investment Process.
- q. Is there any past or prospective involvement by you or a member of your firm in an activity related to a current LACERA employee, board member, or Los Angeles County official that may be interpreted as a possible conflict of interest?

2. PROFESSIONAL STAFF

- a. Provide an organizational chart with positions and relationships of employees involved in the management of emerging manager portfolios.

- b. Provide the information in Table III in Excel file Questionnaire Tables for each senior investment staff member involved with constructing emerging manager portfolios. Highlight the person(s) who would be responsible for a LACERA account.
- c. For each portfolio manager, please specify their location, the number of portfolios each manages, and include the dollar value of assets under management.
- d. Describe the compensation and incentive program for professionals involved in managing the emerging manager and investment portfolios including the percentage of compensation from: base salary, performance bonus, firm profit split, equity incentives, fund general partner share, and any other sources.

3. INVESTMENT PROCESS

- a. Please describe the firm's investment process life cycle from sourcing to exit and explain any nuances as it relates to emerging managers. Explain how the firm sources and screens managers, and the process involved from initial screening to investing in a fund manager, and future exit from investment. What makes an attractive emerging manager? Does the firm consider single asset or pre-fund investments as part of emerging manager potential investments? How does the firm manage its portfolio of managers? How does your firm view the graduation process for emerging managers? Provide an example of a manager investment due diligence report as an attachment Exhibit C.
- b. Estimate of the number of emerging managers and, separately, emerging real estate managers and emerging real assets managers analyzed annually and the percentage that are hired.
- c. How does your firm negotiate more favorable fees and related economic and governance terms, for underlying funds beyond the managers' standard fund terms? Does your firm negotiate the terms for a series of funds upfront or only for a single fund at a time?
- d. Please describe how the firm incorporates DEI analysis into investment due diligence and emerging manager selection. Does your firm collect data on specific demographics?
- e. Does your firm assess or provide any technical assistance regarding workplace DEI practices as part of the portfolio analysis, construction, and management process for the emerging manager programs or investments you manage on behalf of investors?
- f. Describe the firm's capacity and resources to research and assess ESG factors that may be material to specific investment strategies and mandates. How does the firm evaluate the materiality of ESG factors in

emerging manager and investment selection? What staffing resources does the firm utilize? What research sources does the firm use to assess ESG factors?

- g. How does your firm support or advise emerging managers once you have invested, to improve the chances for long-term success?

4. OPERATIONAL PROCESS

- a. What aspects of the investment manager's organization and operations are examined during an operational due diligence review? Please list and describe fully. Describe the approach to helping emerging firms establish institutional policies and practices.
- b. Are any third parties used to assist in operational due diligence? If so, please describe.
- c. Please describe the interaction of investment and operational due diligence professionals.
- d. Provide a detailed explanation of an investment manager in any of the firm's portfolios that permanently or temporarily ceased business operations or trading activity, or was subject to regulatory actions or prosecution. Elaborate on the underlying issues that led to such outcome.
- e. Did any aspect of your due diligence process fail to identify weaknesses in the funds or firms? Describe how your firm responded to the situation.
- f. List any changes to policies or procedures that resulted from this situation.

5. TRANSPARENCY AND COLLABORATION

- a. How does your firm collaborate with existing clients once awarded a mandate for a separate account?
- b. Describe the proposed level of involvement between your firm and LACERA.
- c. Which members of the team would LACERA interact with and across what functions? Describe the level of access to IDD and ODD professionals.
- d. Describe the level of data sharing and access to analytic systems.
- e. Does your firm have any history of establishing revenue sharing agreements with underlying managers and clients for whom you manage separate accounts?

6. PERFORMANCE AND RISK MANAGEMENT

- a. Please provide a detailed track record of your emerging manager program, as Table IV in Excel file Questionnaire Tables. How is your performance benchmarked compared to a broad universe for the real estate and real assets asset categories? Please describe periods that represent under- and out-performance relative to broad markets. For the track record, distinguish between discretionary and non-discretionary accounts and include investment risk profile descriptions.
- b. Discuss the various types of risk inherent in a portfolio of emerging real estate and/or real assets managers. How are those risks measured, monitored, and managed?

7. FEES

Identify your proposed fees for this mandate. Please clearly outline any additional costs that LACERA would be expected to cover related to your proposed portfolio and structure (e.g., legal, audit, administration, other).