

## **2022 LACERS Private Credit Consultant RFP Questions & Answers**

- 1. Why are you launching the RFP? Who is the incumbent and has that firm been invited to rebid?**

This is a new consultant mandate to address the asset growth in Private Credit. There is no incumbent and all firms that meet the minimum qualifications are encouraged to bid. Please refer to the [LACERS Board memo dated December 14, 2021](#) for further details.

- 2. What do you expect to commit to private credit on an annual basis over the next three years? How many funds do you expect to commit to annually?**

LACERS Board of Administration approved a [Private Credit Pacing Implementation Plan on October 26, 2021](#), which calls for \$375 million in annual commitments in 2022, 2023, and 2024, and \$250 million in 2025 to achieve the target allocation of 5.75% by 2026. LACERS expects to revisit this pacing plan on an annual basis and will make adjustments as needed. The number of fund commitments has not been determined and will be based on the recommendations from the Private Credit Consultant.

- 3. How many private credit funds are currently in your portfolio?**

LACERS currently has three separately managed accounts in the portfolio with total commitments of \$100 million each.

- 4. Over the last three years, how many private credit managers have you committed to annually?**

LACERS committed to one private credit manager in 2020 and two private credit managers in 2021.

- 5. What is the size of your senior staff? Do you have any dedicated staff to private credit?**

There are a total of 10 investment professionals including the CIO, a Chief Operating Officer who is head of Public Market Assets, and a Director of Private Market Assets. The Director of Private Market Assets oversees the Private Equity, Private Real Estate, and Private Credit Programs.

- 6. How many meetings do you expect to have in person on an annual basis?**

LACERS' Board of Administration meets at a minimum of twice a month (the second and fourth Tuesday). The LACERS Investment Committee meets on the second Tuesday, usually following

the conclusion of the Board meeting. There may be ad hoc meetings throughout the year and LACERS will notify the consultant ahead of time to coordinate scheduling arrangements. The consultant is not expected to be present at all Board or Investment Committee meetings, but only when relevant agenda items are presented.

**7. Are you looking for your consultant to drive most of the manager idea generation or do you expect staff to source managers which the consultant will then underwrite?**

The Private Credit Consultant will be the primary source of manager idea generation, working collaboratively with staff to identify the best new relationships.

**8. Would you have any interest in outsourcing the private credit portfolio to gain efficiencies in the market?**

Outsourcing the Private Credit portfolio is not currently under consideration.

**9. What is the expectation of the consultant regarding capital calls?**

LACERS staff and custodian bank are primarily responsible for capital calls. The Private Credit Consultant will be expected to monitor cash flows for performance monitoring purposes.