



**Board of Administration Agenda**

**REGULAR MEETING**

**TUESDAY, OCTOBER 9, 2018**

**TIME: 10:00 A.M.**

**MEETING LOCATION:**

LACERS Ken Spiker Boardroom  
202 West First Street, Suite 500  
Los Angeles, California 90012-4401

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 473-7169.

President:	Cynthia M. Ruiz
Vice President:	Elizabeth L. Greenwood
Commissioners:	Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Retirement Benefits Division

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION
- II. [APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF SEPTEMBER 25, 2018 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
- V. CONSENT AGENDA
  - A. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
  - B. [MARKETING CESSATION NOTIFICATION](#)

- C. [RECEIVE AND FILE – COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON THE PRINCIPLES FOR RESPONSIBLE INVESTMENT \(PRI\) IN PERSON 2018, SAN FRANCISCO, CALIFORNIA, SEPTEMBER 12-14, 2018](#)
- VI. BOARD/DEPARTMENT ADMINISTRATION
- A. [SOLE SOURCE CONTRACT WITH CEM BENCHMARKING, INC. FOR PENSION ADMINISTRATION BENCHMARKING SERVICES AND POSSIBLE BOARD ACTION](#)
  - B. [LEGISLATIVE UPDATE OF OCTOBER 2018](#)
  - C. SPOTLIGHT – SERVICE RETIREMENT UNIT
- VII. INVESTMENTS
- A. CHIEF INVESTMENT OFFICER VERBAL REPORT
  - B. [INVESTMENT MANAGER SEARCH FOR PRIVATE CREDIT MANDATE AND POSSIBLE BOARD ACTION](#)
  - C. [REPORT ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE \(ESG\) FACTORS](#)
- VIII. BENEFITS ADMINISTRATION
- A. ALEX ONLINE BENEFITS COUNSELOR DEMONSTRATION
- IX. DISABILITY RETIREMENT APPLICATION(S)
- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ADRIENNE ELLOIE AND POSSIBLE BOARD ACTION**
  - B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ARNOLD STOVALL AND POSSIBLE BOARD ACTION**
- X. LEGAL/LITIGATION
- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) TO CONFER WITH COUNSEL REGARDING PENDING LITIGATION IN ONE CASE AND POSSIBLE BOARD ACTION:**
    - 1. **IN RE: PROPOSED OPT-IN INVESTOR GROUP ACTION IN THE NETHERLANDS AGAINST STEINHOFF INTERNATIONAL HOLDINGS N.V.**
- XI. OTHER BUSINESS
- XII. NEXT MEETING: A Special Board Meeting is scheduled for Tuesday, October 16, 2018 at 9:00 a.m. at the Los Angeles Zoo, 5333 Zoo Drive, Los Angeles, CA 90027.

The next Regular meeting of the Board is scheduled for Tuesday, October 23, 2018 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XIII. ADJOURNMENT

MINUTES OF THE REGULAR MEETING  
**BOARD OF ADMINISTRATION**  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

LACERS Ken Spiker Boardroom  
202 West First Street, Fifth Floor  
Los Angeles, California

September 25, 2018

10:02 a.m.

**Agenda of: Oct. 9, 2018**

**Item No: II**

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PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Elizabeth L. Greenwood
	Commissioners:	Elizabeth Lee Sandra Lee Nilza R. Serrano
	Acting Manager-Secretary:	Lita Payne
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	James Napier
ABSENT:	Commissioners:	Sung Won Sohn Michael R. Wilkinson

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*The Items in the Minutes are numbered to correspond with the Agenda.*

I

PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION – President Ruiz asked if there were any persons who wished to speak on matters within the Board's jurisdiction, to which there was no response and no public comment cards were received.

II

APPROVAL OF MINUTES FOR SPECIAL BOARD AND REGULAR BOARD MEETINGS OF SEPTEMBER 11, 2018 POSSIBLE BOARD ACTION – A motion to approve the Special Board and Regular Board Meeting minutes of September 11, 2018 was moved by Vice President Greenwood, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Greenwood and President Ruiz -5; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that she attended the largest Environmental, Social, Governance (ESG) Conference, Principles for Responsible Investment (PRI) in Person 2018, held in San Francisco from September 12-14, 2018. She stated that this Board will be

educated on these topics and there will be presenters invited to future Board Meetings to discuss these topics.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Lita Payne, Assistant General Manager, discussed the following items:
- LACERS new office hours, 7:00 a.m. to 4:00 p.m. will be going live on October 1, 2018.
  - One business day response time by LACERS staff for voicemail inquiries by members.
  - Staff continuing to monitor and reach out to Airport Peace Officers to make themselves eligible for enhanced benefits. The Airport Peace Officers have until early January to respond.
- B. UPCOMING AGENDA ITEMS – Lita Payne, Assistant General Manager, stated there will be a request from staff to engage CEM Benchmarking for operational benchmarking. On October 16, 2018, the Board will hold a Strategic Planning Special Board Meeting at the Los Angeles Zoo.

V

CONSENT AGENDA

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR AUGUST 2018 – The report was received by the Board and filed.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. AMENDMENT TO CONTRACT NO. 4171 WITH CORTEX APPLIED RESEARCH, INC. AND POSSIBLE BOARD ACTION – Edeliza Fang, Senior Management Analyst II with Administrative Services, presented this item to the Board. After discussion, Commissioner Serrano moved approval of the following Resolution:

**AMENDMENT NO.1 TO CONTRACT NO. 4171  
WITH CORTEX APPLIED RESEARCH INC.  
FOR BOARD GOVERNANCE CONSULTING SERVICES**

**RESOLUTION 180925-A**

WHEREAS, Cortex Applied Research Inc. (“Cortex”) has been under contract with LACERS since June 13, 2017, providing board governance consulting services; and

WHEREAS, the original contract annual ceiling amount is \$60,000; and

WHEREAS, LACERS issued a Task Order Solicitation in July 2018 for strategic planning and Cortex was selected to provide the consulting services for a proposed fee of \$77,500; and

WHEREAS, it is recommended that an additional \$20,000 be authorized under this contract for a total maximum compensation amount of \$80,000 in Fiscal Year 2018-19; and

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Approve a contract amendment to increase the Fiscal Year 2018-19 contract limit by \$20,000, with a total annual contract amount not to exceed \$80,000; and,
2. Authorize the General Manager to approve and execute the necessary contract amendment documents with Cortex.

Which motion was seconded by Vice President Greenwood, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Greenwood and President Ruiz - 5; Nays, None.

## VII

### COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE MEETING OF SEPTEMBER 11, 2018 – Commissioner Serrano stated that the Committee was presented with presentations by Lazard Asset Management, LLC, MFS Institutional Advisors, Inc. and Barrow, Hanley, Mewhinney & Strauss, LLC. The Committee also approved forwarding the Investment Manager Contract with AJO, LP to the Board.

## VIII

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.84 Billion as of September 24, 2018. Mr. June stated that the Investment Manager Contract with AJO, LP will go before the Board after his report. He stated there will be a report from staff regarding Environmental, Social, Governance (ESG) at the October 9, 2018 Board Meeting. Upcoming agenda items include RFP on private credit and Investment Policy Review with the Board. Mr. June stated that Amy Petrique, Senior Administrative Clerk with Investments Division, recently climbed Mt. Whitney. Ms. Petrique shared her experience with the Board.
- B. INVESTMENT MANAGER CONTRACT WITH AJO, LP REGARDING THE MANAGEMENT OF AN ACTIVE LARGE CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Manager II and Rod June, Chief Investment Officer, presented this item to the Board. Vice President Greenwood moved approval of the following Resolution:

**CONTRACT EXTENSION  
AJO, LP  
ACTIVE LARGE CAP VALUE EQUITIES  
PORTFOLIO MANAGEMENT**

**RESOLUTION 180925-B**

WHEREAS, LACERS current one-year contract extension with AJO, LP (AJO) for active large cap value equities portfolio management expires on October 31, 2018; and,

WHEREAS, AJO was placed “On-Watch” on July 26, 2016, for performance as of June 30, 2016, in accordance with the LACERS Manager Monitoring Policy (Policy); and,

WHEREAS, AJO has shown progress toward compliance with the Policy during the “On-Watch” period; and,

WHEREAS, on September 25, 2018, the Board approved the Investment Committee’s recommendation for a one-year contract extension; and,

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	AJO, LP
<u>Service Provided:</u>	Active Large Cap Value Equities Portfolio Management
<u>Effective Dates:</u>	November 1, 2018 through October 31, 2019
<u>Duration:</u>	One year
<u>Benchmark:</u>	Russell 1000 Value Index
<u>Allocation as of June 30, 2018:</u>	\$184 million

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Greenwood and President Ruiz - 5; Nays, None.

IX

ACTUARIAL PROGRAM

- A. ASSUMPTIONS FOR THE JUNE 30, 2018 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – Todd Bouey, Assistant General Manager and Andy Yeung from Segal Consulting discussed this item. Commissioner Serrano moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Greenwood and President Ruiz -5; Nays, None.

BENEFITS ADMINISTRATION

- A. PROPOSED RATING SCHEDULE FOR ENHANCED DISABILITY RETIREMENT BENEFITS AND POSSIBLE BOARD ACTION – Ferralyn Sneed, Senior Management Analyst II with Retirement Services Division presented this item to the Board. Vice President Greenwood moved approval of the following Resolution:

**APPROVAL OF DISABILITY RATING SCHEDULE  
FOR ENHANCED DISABILITY RETIREMENT BENEFIT**

**RESOLUTION 180925-C**

WHEREAS, Los Angeles Administrative Code (LAAC) Section 4.1008.1 pursuant to Ordinance No. 184853, establishes LACERS’ Tier 1 Enhanced Benefits for sworn Airport Peace Officers who comply with the eligibility requirements under the plan;

WHEREAS, LAAC Section 4.1008.1(d) requires the Board of Administration to adopt a Disability Rating Schedule to assist in standardizing sworn Service-connected disability retirement awards;

WHEREAS, after review and discussion of the proposed Rating Schedule, the Board determined the schedule guidelines met the criteria for providing consistent standardized disability retirement awards;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Service-connected Disability Retirement Rating Schedule as required pursuant to LAAC Section 4.1008.1(d).

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Greenwood and President Ruiz - 5; Nays, None.

- B. BOARD TRAINING ON TIER 1 ENHANCED BENEFITS – Ferralyn Sneed, Senior Management Analyst II with Retirement Services and James Napier, Deputy City Attorney conducted this training for the Board. After discussion, President Ruiz requested staff to include the training material in all disability retirement applications for sworn personnel.

President Ruiz adjourned the Regular Meeting at 11:32 a.m. to convene in Closed Session.

DISABILITY RETIREMENT APPLICATION(S)

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION FOR EMMETT JACKSON AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 11:34 a.m. and announced that during Closed Session the Board unanimously approved the the Disability Retirement Application of Emmett Jackson.

OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 9, 2018 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XIV

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 11:35 a.m.

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Cynthia M. Ruiz  
President

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Lita Payne  
Acting Manager-Secretary

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

Abruzzo, Anthony

Anthony C Abruzzo for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Richard A Abruzzo for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Anderson, Andy F

Amy G Anderson for the payment of the  
Burial Allowance

Arensdorf, Mary Anne  
(Deceased Active)

Catherine Arensdorf Special Needs Trust  
for the payment of the  
Accumulated Contributions

Austin, Georgia L

Bernard Austin for the payment of the  
Accrued But Unpaid Continuance Allowance

Bosarreyes, Ubaldino

Maria Ester Bosarreyes for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Brogan, Charles J

Michael Brogan for the payment of the  
Burial Allowance

Brown, Mavis A

Derrick S Kerr for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Patricia Lyons for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Robert L Young for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Bryant, William J	Merle Bryant for the payment of the Accrued But Unpaid Continuance Allowance
Carter, Wanda L	William C Carter for the payment of the Accrued But Unpaid Continuance Allowance
Cisneros Alvarez, Amalia	Fernando Gomez Jr. for the payment of the Accrued But Unpaid Vested Retirement Allowance Unused Contributions
Craig, Thomas J	James P C Craig for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Karenanne Maddox for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Crawford, Samuel A	Broderick A Crawford for the payment of the Accrued But Unpaid Service Retirement Allowance
Duncan, Julie M (Deceased Active)	Jasmine Danielle Paredes for the payment of the Accumulated Contributions
Ellis, Asin J	Bertha Ellis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Falcis, Luisita G	Juventino G Falcis for the payment of the Accrued But Unpaid Continuance Allowance
Feingold, Morton	Georgia G Feingold for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Jason Feingold for the payment of the Burial Allowance
	Wendy Sternberg for the payment of the Burial Allowance
Foster, Juanita D	Bryan Paul Dooley for the payment of the Accrued But Unpaid Continuance Allowance
Gamez, Tomas	Martin Gamez for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Garcia, Christine Marie	Daniel Russell Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Garcia, Frances A	Richard Garcia for the payment of the Accrued But Unpaid Continuance Allowance  Robert Garcia for the payment of the Accrued But Unpaid Continuance Allowance  Rudolfo Garcia for the payment of the Accrued But Unpaid Continuance Allowance
Goldstein, David	Linda A Goldstein for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gutierrez, Abelino	Gina Marie Gutierrez-Winowich for the payment of the Burial Allowance
Hall, Tee R	Felecia Hall for the payment of the Accrued But Unpaid Continuance Allowance
Hanzel, Penny M	William L Hanzel for the payment of the Accrued But Unpaid Continuance Allowance
Honore, Louis C	Louis C Honore for the payment of the Burial Allowance  Rosalba Honore for the payment of the Accrued But Unpaid Service Retirement Allowance
Huang, Charles	Josephine Huang for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Hunter, Elease	Donald Hawkins for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance
Johnson, Edwin H (Deceased Active)	Estate Of Edwin H Johnson for the payment of the Accumulated Contributions
Johnson, Willie J	Audrea L Gilbert for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions

Jones, Alcue	Alcue Cedric Jones for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jones, Daniel L	Elaine Graves for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Jones, Nathaniel W	Estate Of Nathaniel W Jon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kayano, Roy M	David Kayano for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Linda Quon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kerwitz, Arthur E	Dominich Arthur Kerwitz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ketterer, Roger	Jeffrey R Ketterer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Landry, Raymond A	Kay Dowgun for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Michael Landry for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lavery, Beatrice C	Geoffrey Lavery for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Tracy Lavery for the payment of the Accrued But Unpaid Service Retirement Allowance
Lee, Wilma J	Michelle D Jones for the payment of the Accrued But Unpaid Continuance Allowance

Llata, Mercedes	Gina Llata Isobe for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Luna, Gilbert J	Craig G Luna for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lyons, Helen	Melba L Medawar for the payment of the Accrued But Unpaid Continuance Allowance Burial Allowance
Lyons, John S	Melba L Medawar for the payment of the Accrued But Unpaid Continuance Allowance Burial Allowance
Macaspac, Virginia J (Deceased Active)	Raul J Macaspac for the payment of the Accumulated Contributions  Rowen J Macaspac for the payment of the Accumulated Contributions
Matheis, Thomas A	Marianne A Matheis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mauleon, Carmelita G	Evelyn Ramirez for the payment of the Accrued But Unpaid Continuance Allowance  Teresita Tampoya for the payment of the Accrued But Unpaid Continuance Allowance
Miller, Gary D	Judith R Miller for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Million, Samuel	Inez M Million for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mills, Benjamin	Lillie M Mills for the payment of the Burial Allowance
Moore, Arleana	Valencia Moore for the payment of the Accrued But Unpaid Continuance Allowance

Nakayama, Hideko	Arleen Nakayama for the payment of the Accrued But Unpaid Continuance Allowance
	George Nakayama for the payment of the Accrued But Unpaid Continuance Allowance
	Joyce Toya for the payment of the Accrued But Unpaid Continuance Allowance
Nalapo, Emelito Gabriel	Priscilla S Nalapo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Nash, Edward M	Mary Terrell Bailey for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Unused Contributions
Navarro, Phillip T (Deceased Active)	Phillip Thomas Navarro for the payment of the Limited Pension
Perez, Jorge F	Alex Franquez for the payment of the Burial Allowance
Perez, Leandro	Isidra Ruelas Franquez for the payment of the Accrued But Unpaid Service Retirement Allowance
	Jorge Luis Franquez for the payment of the Burial Allowance
	Leandro Perez for the payment of the Accrued But Unpaid Service Retirement Allowance
Perez, Victor A	Luis A Perez for the payment of the Accrued But Unpaid Service Retirement Allowance
	Maria P Nakamura for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Martha C Perez for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Petisme, Rodolfo Sanchez	Aurora F Petisme for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Roberts, Julius	Craig R Roberts for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rothschild, Norman Douglas	Lois E Rothschild for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rushing Jackson, Donna A	Charlie Rushing for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Sanchez, Gilbert	Victoria Martinez for the payment of the Accrued But Unpaid Service Retirement Allowance
Sedgwick, Charles Jerome	David C Sedgwick for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Shaphran, Ilene D	Bruce L Shaphran for the payment of the Accrued But Unpaid Continuance Allowance
Skinner, Donna Lynn	Harold R Skinner for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Solis, Lilia M	Luis David Solis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sumpter, Gladys	Edgar A Sumpter for the payment of the Accrued But Unpaid Continuance Allowance
Takanabe, Kiyoko	Daniel Akira Takanabe for the payment of the Accrued But Unpaid Continuance Allowance
Tamayo, Michael Joseph (Deceased Active)	Patricia Tamayo for the payment of the Limited Pension
Tanaka, Shoji	Sumiko Tanaka for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Thomas, Beulah M	Dwayne A Thomas for the payment of the Accrued But Unpaid Continuance Allowance
Thompson, Sharon G (Deceased Active)	Andrew I Thompson for the payment of the Accumulated Contributions

Tom, James Q	James Q K Tom Ira Inher for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Turner, Julia E	Jewett L Walker for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Michelle D Walker for the payment of the Accrued But Unpaid Service Retirement Allowance
Unite, Eddie Marquez	Mely E Unite for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Watson, Dan F	Enriqueta Watson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wikstrom, Edwin A	Charles A Wikstrom for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Eric A Wikstrom for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wills, Laura A	Laura M Wills for the payment of the Accrued But Unpaid Continuance Allowance
Wilson, Gary A	Linda L Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wilson, Naomia L	Donald R Wilson for the payment of the Accrued But Unpaid Continuance Allowance
	Peggy F Topp for the payment of the Accrued But Unpaid Continuance Allowance

Yamzon, Jacinto Cupay

Anne Marie J Yamzon for the payment of the  
Accrued But Unpaid Continuance Allowance  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Hyacinth Yamzon Salazar for the payment of the  
Accrued But Unpaid Continuance Allowance  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Jacinto J Yamzon for the payment of the  
Accrued But Unpaid Service Retirement Allowance

**TIER 3**  
**NONE**



*Securing Your Tomorrows*

**Agenda of: OCTOBER 9, 2018**

**Item No: V-B**

## **MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD**

The Board's Marketing Cessation Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Firms listed in Attachments 1 and 2 are subject to limited communications with Board Members and staff pursuant to the Policy and will appear and remain on the list, along with the status, from the first publicized intention to contract for services through the award of the contract. Lists of current LACERS contracts are on file in the Board office and are available upon request.

Attachments: 1) Contracts Under Consideration for Renewal  
2) Active RFPs and RFQs

**CONTRACTS UNDER CONSIDERATION FOR RENEWAL**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
<b>INVESTMENTS</b>							
1	EAM Investors, LLC	Active U.S. Small Cap Growth Equities	10/1/2015	9/30/2018	Board approved renewal on 8/14/2018; Contract under review for execution.	6/30/2018	3/31/2019
2	AJO, LP	Active Large Cap Value Equities	11/1/2010	10/31/2018	Board approved renewal on 9/25/2018; Contract under review for execution.	8/1/2018	4/30/2019
3	LM Capital Group, LLC	Active Domestic Fixed Income	3/1/2011	2/28/2019	Board approved renewal on 8/28/2018; Contract under review for execution.	8/28/2018	8/1/2019
<b>RETIREMENT SERVICES</b>							
4	Frasco Investigative Services	Investigative Services	9/1/2014	8/31/2018	Board approved renewal on 8/14/2018; Contract under review for execution.	5/31/2018	11/31/2018
5	TruView BSI LLC	Investigative Services	Pending	Pending	Board awarded new contract on 8/14/2018; Contract under review for execution.	5/31/2018	11/31/18
<b>ADMINISTRATIVE SERVICES</b>							
6	Travers Cresa	Real Estate Services	Pending	Pending	Board awarded new contract on 11/28/2017; Contract under review for execution.	10/1/2017	11/30/2018

CITY ATTORNEY							
7	Reed Smith	Outside Tax Counsel	Pending	Pending	Board awarded new contract on 9/11/2018; Contract under review for execution.	6/27/2018	12/11/2018
8	Ice Miller	Outside Tax Counsel	Pending	Pending	Board awarded new contract on 9/11/2018; Contract under review for execution.	6/27/2017	12/11/2018

\*RESTRICTED PERIOD

**Start Date** - The estimated start date of the restricted period is three (3) months prior to the expiration date of the current contract. No entertainment or gifts of any kind should be accepted from the restricted source as of this date. Firms intending to participate in the Request for Proposal process are also subject to restricted marketing and communications.

**End Date** - The estimated end date of the restricted period is three (3) months following the expiration date of the current contract. For investment-related contracts, the estimated end date is normally six (6) months following the expiration of the current contract. For health carrier contracts, the estimated end date is normally one (1) year following the expiration of the current contract. Estimated dates are based on contract negotiation periods from prior years.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE OCTOBER 9, 2018 BOARD MEETING

**ACTIVE RFPs AND RFQs\***

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
<b>INVESTMENTS</b>		
1	Investment Transition Management Services	<b>RFP Release Date:</b> December 12, 2016
		<b>Submission Deadline:</b> February 13, 2017
		<b>Status:</b> Board awarded contracts to Abel Noser, LLC (contract executed); BlackRock Institutional Trust Company, N.A.(contract under negotiation); Citigroup Global Markets Inc.(contract under negotiation); Loop Capital Markets LLC (contract executed); Macquarie Capital (USA) Inc.(contract executed); and Penserra Transition Management LLC (contract executed).
		<b>List of Respondents:</b> Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; Loop Capital Markets LLC; Macquarie Capital (USA) Inc.; Northern Trust Investments Inc.; Pavilion Global Markets Ltd.; Penserra Transition Management LLC; Russell Investments Implementation Services, LLC; State Street Bank and Trust Company
2	Investigative Services	<b>RFP Release Date:</b> April 4, 2018
		<b>Submission Deadline:</b> April 26, 2018
		<b>Status:</b> Board awarded contracts to TruView BSI, LLC and Frasco.
		<b>List of Respondents:</b> Digistream Investigations, Frasco, G4S Compliance & Investigations, TruView BSI, LLC
3	Outside Tax Counsel	<b>RFP Release Date:</b> June 27, 2018
		<b>Submission Deadline:</b> July 20, 2018
		<b>Status:</b> Board awarded contracts to Ice Miller, LLP and Reed Smith, LLP
		<b>List of Respondents:</b> Best Best & Krieger, Attorneys At Law, Ice Miller, LLP, Kutak Rock, and Reed Smith, LLP

\* RESTRICTED PERIOD FOR REQUEST FOR PROPOSAL OR REQUEST FOR QUALIFICATIONS:

**Start Date** - The restricted period commences on the day the Request for Proposal is released.

**End Date** - The restricted period ends on the day the contract is executed.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)  
 BOARD MEMBER EDUCATION EVALUATION FORM

Board Member Name:	Cynthia M. Ruiz
Conference/Seminar Title	PRI in Person 2018
Date	9/12 to 9/14/18
Location (City/State)	San Francisco, CA
TOTAL EDUCATION HOURS:	20 HOURS
Level of complexity of the Conference/Seminar:	<input type="checkbox"/> Introductory <input checked="" type="checkbox"/> Intermediate <input type="checkbox"/> Advanced <input type="checkbox"/> Others: _____
Conference/Seminar Category:	<input checked="" type="checkbox"/> Finance/Investments <input type="checkbox"/> Benefits (Retirement/Healthcare) <input type="checkbox"/> Legislative/Fiduciary Law <input type="checkbox"/> Corporate Governance <input type="checkbox"/> Others: _____

**SEMINAR CONTENT**

Please provide an evaluation on the quality of the conference or seminar and its relevance to you as a Board member.

1. What letter grade would you give to the overall educational value of the conference/seminar? <i>Rate seminar with A (excellent), B (very good), C (good), D (not beneficial).</i>	A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> Comments: _____
2. Would you recommend your fellow trustees attend this conference?	Never <input type="checkbox"/> At least Once <input type="checkbox"/> Annually <input checked="" type="checkbox"/> Every other year <input type="checkbox"/> Other <input type="checkbox"/> Comments: _____
3. Do you feel the conference was a good use of your time?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Why? _____
4. Are there other conferences addressing this subject area that you feel would be a better investment than this conference?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please provide the name/title of the recommended conference: _____

Additional Comments:

\_\_\_\_\_



## Report to Board of Administration

Agenda of: **OCTOBER 9, 2018**

*Neil M. Guglielmo*  
From: Neil M. Guglielmo, General Manager

ITEM: **VI - A**

**SUBJECT: SOLE SOURCE CONTRACT WITH CEM BENCHMARKING, INC. FOR PENSION ADMINISTRATION BENCHMARKING SERVICES AND POSSIBLE BOARD ACTION**

### Recommendation

That the Board, relative to the proposed contract with CEM Benchmarking, Inc. (CEM) for Pension Administration Benchmarking services:

- 1) Make a determination, under City Charter Section 1022, that work under the proposed contract is performed more feasibly by independent contractors rather than by City employees;
- 2) Find that pursuant to City Charter Section 371(e)(10), the use of competitive bidding would be undesirable or impractical;
- 3) Authorize expenditure of \$25,000 for CEM to perform a benchmarking analysis of LACERS' pension administration costs and performance; and,
- 4) Authorize the General Manager to approve and execute the contract with a one-year term, subject to the approval of the City Attorney as to form.

### Discussion

In an effort to measure LACERS' services and practices against its peers and in implementing a performance management approach to departmental operations, as well as to help the Board and staff assess if there are opportunities for efficiencies, staff recommends that an administrative performance benchmarking study of the Plan be conducted.

Staff canvassed the market and was unable to find any other qualified firms aside from CEM Benchmarking, Inc. (CEM) to provide pension administration cost and performance benchmarking services comparative to a comprehensive dataset of similar public pension plans.

CEM specializes in providing cost and performance benchmarking information to institutional investors such as public and private pension funds since 1990. CEM has maintained a database of investment management and administration costs for a universe of funds that consist of over 350 corporate and government clients worldwide and whose data is updated annually through comprehensive surveys. LACERS most recently engaged CEM to perform an objective cost and performance benchmarking analysis of LACERS' investment portfolio compared to a peer group of funds for a five year period ending December 31, 2016.

This proposed benchmarking study will provide a detailed report of LACERS' benefit administration costs compared to a customized peer group with analysis to include: 1) costs, 2) factors that affect costs, 3) services, 4) activity service levels, and 5) transaction volumes. Additionally, the report will provide a current state assessment and comparison to funds that are similar in size and characteristics to LACERS, factoring in complexity, identifying high performing areas, and pinpointing areas for improvement. The benchmarking analysis will also provide the Board and staff insights into best practices and trends to better manage costs, improve service levels, and develop comparable performance metrics.

Staff discussed the matter of utilizing CEM with the City Attorney's Office and was advised that consistent with the cited Charter Sections, a sole source contract would be appropriate based on the unique nature of professional services to be provided and the impracticality of engaging in a competitive bidding or Request for Proposal process given the relatively low contract amount.

The total cost of services is \$25,000. Funds needed for this project will come from anticipated surpluses in the Fiscal Year 2018-19 contractual services accounts.

#### *Strategic Plan Impact Statement*

This request conforms to LACERS Strategic Plan Board Governance Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty as well as the Organizational Goal to maximize organizational effectiveness and efficiency.

This report was prepared by John Koontz, Senior Management Analyst.

NMG:TB:DWN:EF:JPK

Attachments:           A) Proposed Resolution  
                              B) CEM proposal dated September 10, 2018

CONTRACT WITH  
CEM BENCHMARKING INC.  
FOR PENSION ADMINISTRATION BENCHMARKING SERVICES

PROPOSED RESOLUTION

WHEREAS, the CEM Benchmarking Inc. (CEM) study will provide LACERS with an objective cost and performance benchmarking analysis of its pension administration costs;

WHEREAS, LACERS staff lacks the expertise necessary to perform this work;

WHEREAS, CEM has expertise and accumulated datasets in this area that are unique and cannot be acquired through any other service provider;

WHEREAS, the Board determined CEM to be a sole source for this work due to the unique nature of professional services to be provided and the impracticality of engaging in a competitive bidding or Request for Proposal process given the relatively low contract amount;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes an expenditure of \$25,000 to CEM to perform a cost and performance benchmarking analysis of the LACERS Plan; and, authorizes the General Manager to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following:

<u>Company Name:</u>	CEM Benchmarking Inc.
<u>Service Provided:</u>	Pension Administration Comparison and Analysis
<u>Duration:</u>	One year
<u>Contract Ceiling:</u>	\$25,000

October 9, 2018

## ATTACHMENT B



September 10, 2018

Neil M. Guglielmo  
General Manager  
Los Angeles City Employees' Retirement System  
202 West First Street, Suite 500  
Los Angeles, CA 90012-4401

Dear Neil

CEM Benchmarking is delighted that Los Angeles City Employees' Retirement System (LACERS or the fund) shall be participating in the CEM Pension Administration Service. This letter provides a description of the key deliverables for the service as well as background information about CEM.

1. CEM will collect operational and cost data from FY2017-18.
2. CEM will have resources available to assist you, by email and telephone, to complete the survey and will answer questions regarding the survey during this process.
3. CEM provide an individualized soft copy report. The report shall compare your fund to the peer group of participating funds.
4. CEM shall include a customized "Complexity section" not usually included in this report.
5. The fund shall review a draft report and respond to CEM with any questions or queries for amendment. CEM shall produce a 'final' report for the fund, including a soft copy and 3 hard copy reports.
6. CEM will provide a presentation of the report by conference call. The purpose of this call is to provide the fund with an understanding of the results of the report. If a face to face meeting is requested by the fund, CEM will make a qualified person available to present to an audience of the fund's choosing at a mutually agreeable time. CEM shall charge the fund the cost of an economy return flight and the hotel cost for a face to face meeting, over and above the fee charged for the service.
7. The service includes one invitation to CEM's annual World Peer Conference. The conference will be held in May 2019 in Los Angeles. There is no conference fee and CEM provides meals during the conference. Attendees cover their own transportation and accommodation expenses. Additional attendee requests will be considered at an additional fee to be agreed on.
8. Participants shall receive the CEM Insights papers for the 2018 year. There is no additional cost for the Insights paper.
9. Individual results contained in the completed surveys, the CEM Administration database and the benchmarking reports are proprietary and confidential, and may not be disclosed to third parties without express prior written mutual consent of both CEM and the client.

10. Your key CEM contact people are:

Brenda Yuyitung,  
Production Manager  
[Brenda@cembenchmarking.com](mailto:Brenda@cembenchmarking.com)  
+1 416 369 0334

Alan Torrance,  
Principle  
[Alan@cembenchmarking.com](mailto:Alan@cembenchmarking.com);  
+1 416 369 1078

11. The total cost of this service of USD \$25,000 is due when you receive your draft report. This fee includes all services described in this letter.

CEM details that you may need:

CEM Benchmarking Inc.

Address:  
372 Bay Street, Suite 1000  
Toronto, Ontario.  
M5H 2W9

Phone: (416) 369-0568  
Fax: (416) 369-0879  
Website: [www.cembenchmarking.com](http://www.cembenchmarking.com)

Legal Status: Corporation

Taxpayer Identification #: 98-0180257

Please indicate your acceptance of the benchmarking service as described in this letter, by signing on the space provided below and returning one copy to me.

For CEM Benchmarking Inc.:

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Alan Torrance, Principal

For LACERS:

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Neil M. Guglielmo General Manager



**Report to Board of Administration**

Agenda of: **OCTOBER 9, 2018**

*Neil M. Guglielmo*  
From: Neil M. Guglielmo, General Manager

ITEM: **VI - B**

SUBJECT: **LEGISLATIVE UPDATE OF OCTOBER 2018**

Recommendation

That the Board receive and file this report.

Discussion

Legislation at the Federal and State level of impact or interest to LACERS is placed on a watch list for on-going tracking. California court activity relating to challenges to public employee vested rights are also being monitored by City Attorney.

**Court Cases**

The Legislative Watch List has been updated with an additional court case on vested rights, *Hipsher v. LACERA, et al.* (see attached - updates indicated in yellow highlight). The City Attorney Retirement Benefits Division is available to provide additional information on court cases pertinent to LACERS.

**Updates to Federal and State Legislation Watch List**

Significant Legislation

*HR 6290 – Public Employee Pension Transparency Act (“PEPTA”)*

On August 14, 2018, the Board recommended that the City take an official position to oppose this Federal bill. As a result, the City’s Chief Legislative Analyst submitted a recommendation that the City Council resolve to oppose HR 6290 as part of the City’s 2017-2018 Federal Legislative Program. There has been no movement on the Federal bill since its introduction on June 28, 2018, and indications are that this bill will not be moving forward since it was not included in the Tax Reform 2.0 package that was introduced in Congress on September 10, 2018.

New

*HR 6757 – Family Savings Act of 2018*

This bill, to amend the Internal Revenue Code of 1986 to encourage retirement and family savings, is one of three bills that was introduced by the House of Representatives on September 10, 2018 as part of the Tax Reform 2.0 package. The proposed bill has no impact on LACERS' current plan, however it is added to the LACERS Watch List due to the inclusion of changes to the governmental plan "pickups" provisions – the ability of employees to make contributions on a pre-tax basis via deduction by the employer – that may impact future plan designs. The bill would permit members to make an irrevocable election between two benefit formulas without violating any pick-up rules or incurring tax liability on contributions. The potential impact of this bill is unclear in its current form.

Informational – No Impact on LACERS

Two bills on LACERS Watch List have been presented to the Governor for signature:

- AB 1912 – Public Employees' Retirement: Joint Powers Agreements: Liability
- SB 964 – Public Employees' Retirement Fund and Teachers' Retirement Fund: Investments: Climate-Related Financial Risk

Please see the attached watch list for additional details on these and other bills being monitored.

The report was prepared by Chhintana Kurimoto, Management Analyst, Administrative Services Division.

NG:TB:DWN:CK

Attachment: Legislative Watch List

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<b>Court Cases</b>			
Case No. Court of Appeal/ Supreme Court	These cases challenges the interpretation of the "California Rule" which constitutionally protects the pension offered at hire as a "vested right" that cannot be taken away unless there is an offset by a new benefit of comparable value.	1, 2, 3, 5) Should the California Supreme Court narrow the California Rule, it would broaden LACERS' authority to modify members' benefits without providing comprable new benefits.	Consolidated Cases, Marin, CalPERS, and Hipsher accepted for review by the California Supreme Court. Alameda is the "lead" vested rights case to be decided first.
A141913/ S247095	1) Alameda et al. ("Consolidated Cases")		
A141913/ S237460	2) Marin County Employees Retirement System Case ("Marin")	4) Gov. Code § 3505 precludes an agency representative from promoting a ballot initiative to modify agency employees' pension benefits.	
A142793/ S239958	3) CalPERS Case ("CalPERS")		San Diego City case reversed and remanded to Court of Appeal.
D069630/ S242034	4) San Diego City		
B276486	5) Hipsher v. LACERA, et al (CA Supreme Court granted review on 9/12/18)		

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

BILL NO./ AUTHOR	<u>TITLE/SUMMARY</u>	<u>IMPACT ON LACERS</u>	<u>STATUS</u>
<b>Statewide Legislation</b>			
<a href="#">AB 2571</a>  <a href="#">Fletcher</a>	<p><b>Public Employee Retirement Systems: Investments: Race and Gender Pay Equity</b></p> <p>Effective September 1, 2019, the bill would require a public investment fund to require its alternative investment vehicles, which are hospitality employers, to report at least annually certain information concerning race and gender pay equity, and sexual harassment complaints/alligations. The bill would require the public investment fund to disclose such reports at least once annually at a meeting open to the public.</p>	<p>Alternative investment vehicles, who are hospitality employers, may be required to comply in order to conduct business with LACERS.</p>	<p>2/15/18 Intro  4/18/18 In committee: Set, first hearing. Hearing canceled at the request of author.</p> <div data-bbox="1680 706 1984 820" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Senate:</b> <span style="display: inline-block; width: 50px; height: 10px; background-color: green; vertical-align: middle;"></span></p> <p><b>Assembly:</b> 1st Cmt</p> </div>
<a href="#">AB 1912</a>  <a href="#">Rodriguez</a>	<p><b>Public Employees' Retirement: Joint Powers Agreements: Liability</b></p> <p>This bill would prohibit the board (PERS), on and after January 1, 2019, from contracting with any public agency formed under the Joint Exercise of Powers Act unless all the parties to that agreement are jointly and severally liable for all of the public agency's obligation to the system.</p>	<p>No impact on LACERS.</p>	<p>1/23/18 Intro  9/11/18 Enrolled and presented to the Governor.</p> <div data-bbox="724 1177 2005 1307" style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Senate:</b> <span style="display: inline-block; width: 500px; height: 10px; background-color: green; vertical-align: middle;"></span></p> <p><b>Assembly:</b> 1st Cmt 2nd Cmt 2nd 3rd Pass</p> </div>

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<p><a href="#">SB 562</a></p> <p><a href="#">Lara/Atkins</a></p>	<p><b>The Healthy California Act</b></p> <p>An act to add Title 22.2 (commencing with Section 100600) to the Government Code, relating to health care coverage, and making an appropriation therefor.</p> <p>This bill, the Healthy California Act, would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state.</p> <p>The goal of the Healthy California Act is to fold all federal healthcare programs--including Medicare, Medi-Cal, and Children's Health Insurance Plan (CHIP) into Healthy California.</p> <p>Health benefits currently covered under <i>CALPERS</i> would be incorporated into and covered under Healthy California. Healthy California members can choose to enroll with and receive care from integrated healthcare delivery systems (like Kaiser). There will be no co-pays, premiums or deductibles.</p>	<p>Our Health and Welfare consultant reports that this bill is dead. Staff will continue to keep this on the watch list for any amendments.</p>	<p>2/17/17 Intro</p> <p>6/1/17 In assembly. Read first time. Held at Desk.</p>



**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<p><a href="#">AB 3084</a></p> <p><a href="#">Levine</a></p>	<p><b><u>Public Employees: Other postemployment benefits: Annual Report</u></b></p> <p>An act to add Section 7514.8 to the Government Code, relating to public employees.</p> <p>Existing law requires all state and local public retirement systems to submit audited financial statements to the Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. Existing law requires the Controller to review these reports and to publish an annual report on the financial condition of all state and local public retirement systems, as specified.</p> <p>This bill would require each governing body of a public agency that provides other postemployment benefits to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the public agency has met or if it has not met, detail why it has not met and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits.</p>	<p>Passage of bill will require LACERS to include in the annual audited financial statement whether LACERS has met the specified parameters related to the provision of other postemployment benefits.</p>	<p>2/16/18 Intro</p> <p>5/25/18 In committee: Held under submission.</p>

**Senate:**

**Assembly:** 1st Cmt



**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<a href="#">AB 2731</a>  <a href="#">Gipson/</a> <a href="#">Bonta</a>	<p><b><u>Income Taxes: Investment Management Services Interest: Education Funding</u></b></p> <p>This bill would impose a tax of 17% on that portion of an individual’s taxable income derived from an investment management services interest, as defined. The bill would require the Franchise Tax Board to report to the Legislature, no more than 30 days thereafter, if the United States Congress passes and the President of the United States signs legislation having an identical effect as the above-described tax applicable to that income earned in all of the states and territories, and would further require the Legislature to determine whether to repeal, make inoperative, or continue in effect the tax. The bill would also require the revenues derived from this tax to be deposited in the College, Career, and Community Ready Fund, which the bill would establish.</p>	<p>Passage of the bill would tax 17% of income from investment management services on top of the 20% capital gains tax that GP's (General Partners) pay.</p> <p>Impact of this bill would be indirect to LACERS, however passage of the bill may impact GPs and make it more difficult and costly for GP's to do business in California.</p> <div data-bbox="1404 691 2018 818" style="border: 1px solid gray; padding: 5px; margin-top: 20px;"> <p><b>Senate:</b> _____</p> <p><b>Assembly:</b> 1st Cmt 2nd Cmt 2nd Cmt</p> </div>	<p>2/15/18 Intro</p> <p>5/29/18 Re-referred to Com. On RLS.</p>



**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<a href="#">SB 1031</a>  <a href="#">Moorlach</a>	<p><b>Public Employees' Retirement: Cost-of-Living Adjustments: Prohibitions</b></p> <p>The bill would prohibit a public retirement system (CalPERS, CalSTRS), as defined, from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system who becomes a new member on or after January 1, 2019, or to any survivor or beneficiary of that member or person retired under the system, for any year, in which the unfunded actuarial liability of that system is greater than 20%. The bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based.</p>	<p><b>No impact on LACERS.</b></p>	<p>2/8/18 Intro</p> <p>4/24/18 Failed passage in committee. (Ayes 1. Noes 3. Page 4788.) Reconsideration granted.</p> <div data-bbox="1675 626 1982 760" style="border: 1px solid gray; padding: 5px; margin-top: 10px;"> <p><b>Senate:</b>    1st    Cmt</p> <hr style="width: 50px; margin: 0 auto;"/> <p><b>Assembly:</b></p> </div>
<a href="#">SB 1032</a>  <a href="#">Moorlach</a>	<p><b>California Public Employees' Retirement System: Contract Members: Termination</b></p> <p>This bill would authorize a contracting agency to terminate its contract with the board (Board of Administratin of PERS) at the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. The bill would authorize the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency who terminates its contract with the board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency.</p>	<p><b>No impact on LACERS.</b></p>	<p>2/8/18 Intro</p> <p>4/24/18 Failed passage in committee. (Ayes 1. Noes 3. Page 4788.) Reconsideration granted.</p> <div data-bbox="1684 1205 1990 1338" style="border: 1px solid gray; padding: 5px; margin-top: 10px;"> <p><b>Senate:</b>    1st    Cmt</p> <hr style="width: 50px; margin: 0 auto;"/> <p><b>Assembly:</b></p> </div>

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<a href="#">SB 1033</a>  <a href="#">Moorlach</a>	<p><b><u>Public employees' retirement: Reciprocal Benefits: Actuarial Liability</u></b></p> <p>This bill would require that an agency participating in PERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019.</p>	<p><b>No impact on LACERS.</b></p>	<p>2/8/18 Intro</p> <p>4/24/18 Set for first hearing. Testimony taken.</p> <div data-bbox="1661 459 1961 578" style="border: 1px solid gray; padding: 5px; margin-top: 10px;"> <p>Senate: 1st Cmt</p> <p>Assembly:</p> </div>

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

BILL NO./ AUTHOR	<u>TITLE/SUMMARY</u>	<u>IMPACT ON LACERS</u>	<u>STATUS</u>
<b>Federal Legislation</b>			
<a href="#">S 1742</a>  <a href="#">Stabenow</a>	<p><b><u>Medicare at 55 Act</u></b></p> <p>This bill amends title XVIII (Medicare) of the Social Security Act to allow individuals aged 55 to 64 to buy into Medicare or Medicare Advantage. Such enrollees shall be entitled to Medicare hospital, medical, and prescription-drug benefits.</p> <p>The Secretary of Health and Human Services (HHS) must establish enrollment periods and determine monthly premiums with respect to such enrollees, as specified by the bill. Premium amounts collected by HHS shall be deposited in the Hospital Insurance and Supplementary Medical Insurance Trust Funds.</p> <p>Such enrollees shall not be eligible for Medicare cost-sharing assistance but may be eligible for premium assistance under the Patient Protection and Affordable Care Act.</p>	<p>LACERS Health and Welfare consultant reports that this bill is dead for now.</p>	<p>8/3/17 Intro</p> <p>08/03/2017 Read twice and referred to the Committee on Finance.</p>

**Tracker:**

Introduced
Passed Senate
Passed House
To President
Became Law

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<a href="#">HR 6290</a>  <a href="#">Nunes</a>	<p><b>Public Employee Pension Transparency Act (PEPTA)</b></p> <p><i>Current Bill Summary not available yet. See below previous Bill Summary:</i>            (H.R. 4822 - 114th CONGRESS (2015-2016) This bill amends the Internal Revenue Code to deny tax benefits relating to bonds issued by a state or political subdivision during any period in which such state or political subdivision is noncompliant with specified reporting requirements for state or local government employee pension benefit plans. The bill requires plan sponsors of a state or local government employee pension benefit plan to file with the Secretary of the Treasury a report for each plan year beginning on or after January 1, 2017, setting forth:</p> <ul style="list-style-type: none"> <li>• a schedule of the funding status of the plan;</li> <li>• a schedule of contributions by the plan sponsor for the plan year;</li> <li>• alternative projections for each of the next 60 plan years of the cash flows associated with the current plan liability;</li> <li>• a statement of the actuarial assumptions used for the plan year;</li> <li>• a statement of the number of plan participants who are retired or separated from service and are either receiving benefits or are entitled to future benefits and those who are active under the plan;</li> <li>• a statement of the plan's investment returns;</li> <li>• a statement of the degree to which unfunded liabilities are expected to be eliminated;</li> <li>• a statement of the amount of pension obligation bonds outstanding; and</li> <li>• a statement of the current cost of the plan for the plan year.</li> </ul> <p>The Secretary shall develop model reporting statements and create and maintain a public website, with searchable capabilities, for purposes of posting pension plan information required by this Act. The bill grants the United States an exemption from liability for any current or future shortfall in any state or local government employee pension plan.</p>	<p>Failure to report under the specified reporting requirements would threaten the ability for state and local governments to issue tax-exempt bonds.</p> <p>6/28/18 Rep. Devin Nunes re-introduced PEPTA (previous bill H.R. 4822 - 114th CONGRESS 2015-2016) along with three co-sponsors (Rep. Ken Calvert, Rep. Chris Stewart and Rep. Tom McClintock). Many retirement systems have written their delegations opposing the inappropriate Federal intrusion into state and local pensions. Twenty national organizations have also sent letters of opposition to all members of the U.S. House of Representatives.</p> <p>LACERS stands to oppose the bill. CLA has submitted a resolution to the Rules, Elections, and Intergovernmental Relations Committee to oppose the bill.</p>	<p>6/28/18 Intro</p> <p>06/28/2018 Referred to the House Committee on Ways and Means.</p>

**Tracker:**

Introduced
  Passed Senate
  Passed House
  To President
  Became Law

**LACERS LEGISLATIVE WATCH LIST  
AS OF OCTOBER 2018**

<b>BILL NO./ AUTHOR</b>	<b><u>TITLE/SUMMARY</u></b>	<b><u>IMPACT ON LACERS</u></b>	<b><u>STATUS</u></b>
<a href="#">HR 6757</a>  <a href="#">Kelly</a>	<p><b><u>Family Savings Act of 2018</u></b></p> <p>To amend the Internal Revenue Code of 1986 to encourage retirement and family savings, and for other purposes. One of three bills introduced by the House of Representatives as part of the Tax Reform 2.0 package.</p> <p>This bill would provide that a member contribution would not be disqualified from being treated as “picked up” for purposes of the governmental plan pick-up rules--and thus be made on a pre-tax basis--merely because the employee could make an irrevocable election between the application of two alternative benefit formulas involving the same or different levels of employee contributions.</p>	<p>This bill would permit members to make an irrevocable election between two benefit formulas without running afoul of pick-up rules and thereby incurring tax liability on the contributions. The benefit formulas could even include different levels of employee contributions.</p> <p>Unclear how far this provision would extend in bill's current form. Regardless, bill unlikely to be enacted into law in near future.</p>	<p>9/10/18 Intro</p> <p>09/28/2018 Received in the Senate and Read twice and referred to the Committee on Finance</p>

**Tracker:**

Introduced
Passed Senate
Passed House
To President
Became Law



**Report to Board of Administration**

*Neil M. Guglielmo*

From: Neil M. Guglielmo, General Manager

Agenda of: **OCTOBER 9, 2018**

ITEM: **VII-B**

**SUBJECT: INVESTMENT MANAGER SEARCH FOR PRIVATE CREDIT MANDATE AND POSSIBLE BOARD ACTION**

Recommendation

That the Board approve the Private Credit manager search pursuant to the LACERS Manager Search and Selection Policy; the process for evaluating candidates outlined in this report; the proposed draft Private Credit Request for Proposal (RFP), substantially in the form attached hereto; and authorize the General Manager to release the RFP on LACERS' website and advertise the RFP in industry publications.

Discussion

*Background*

On April 10, 2018, the Board approved a new asset allocation mix. The Board further approved an asset allocation implementation plan on August 14, 2018. Pursuant to the adopted implementation plan, and consistent with LACERS' contracting practices, staff recommends conducting an RFP process to evaluate the current marketplace for private credit investment managers. Based upon the asset allocation targets approved by the LACERS Board on June 26, 2018, approximately \$670 million (3.75% of total fund assets) will be allocated to this mandate. LACERS seeks one or more qualified private credit managers for separately managed account(s) and/or commingled fund(s). Funding will be derived principally from a reduction to core fixed income allocations.

*Minimum Qualifications*

Staff and NEPC will execute the search according to the LACERS Manager Search and Selection Policy (Policy) adopted on October 4, 2017, subject to the amendments proposed in this Board report.

1. Firm is a registered investment advisor under the Investment Advisors Act of 1940 or possesses bank exemption;
2. **Must have a proven and verifiable track record, which conforms to the CFA Institute's Global Investment Performance Standards ("GIPS"), of at least five (5) years as of the most recent quarter end (as of September 30, 2018).**

3. At least 60% of rolling four (4) quarter information ratios (i.e., excess return divided by excess risk) must be positive versus a mandate-appropriate benchmark, gross of fees, for the last five (5) years (12 of 20 quarters);
4. Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 25% of the proposed product assets.

#### *Exemptions to Minimum Qualifications*

In order to conform to industry practice of evaluating private credit strategies, staff and NEPC recommend the following two minimum qualifications from the Policy be exempted for this RFP:

3. At least 60% of rolling four (4) quarter information ratios (i.e., excess return divided by excess risk) must be positive versus a mandate-appropriate benchmark, gross of fees, for the last five (5) years (12 of 20 quarters);  
Rationale: Information ratios are not a suitable metric to measure performance for private market investments.
4. Strategy AUM must be of sufficient size that LACERS' expected mandate size would not comprise more than 25% of the proposed product assets.  
Rationale: This qualification is modified (see below) to take into consideration different investment vehicles available in private credit.

#### *Amendments to Minimum Qualifications*

In order to develop a sufficient pool of well-qualified candidates, staff and NEPC recommend the Board approve the following additional minimum qualifications for the RFP:

1. As of September 30, 2018, firms must manage at least \$1 billion in private credit assets; Emerging Managers must manage at least \$100 million in private credit assets;
2. LACERS' commitment to a separately managed account shall not exceed 25% of the firm-wide assets or, if to a fund partnership, LACERS' commitment shall not exceed 25% of the partnership total commitment at the time the Board awards the contract;
3. Demonstrated expertise with constructing portfolios of 1<sup>st</sup> lien senior secured debt;
4. The proposer must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm or a legal joint venture partner;
5. The senior members of the investment team must have worked together at the firm for at least one year;
6. The firm must have been in existence for a minimum of one year (as a legal entity);
7. A completed NEPC Due Diligence Questionnaire for the proposed product must be submitted to NEPC either prior to the search or in conjunction with the proposal submitted.

#### *Emerging Manager Designation Criteria (EMDC)*

Emerging Managers are encouraged to participate in the search. Staff and NEPC will identify emerging managers pursuant to the LACERS Emerging Investment Manager Policy (EM Policy), subject to the amendments proposed in this Board report.

1. The General Partner will have no more than \$500 million in firm-wide assets plus unfunded commitments at the time LACERS makes its commitment;
2. First- or second-time institutional fund for a General Partner;
3. The Fund shall have a minimum fund size of \$100 million in committed capital inclusive of LACERS' pending commitment;\*
4. The firm must have been in existence for a minimum of one year (as a legal entity);
5. The firm must have a minimum track record of five years. Any firm with a track record of less than five years may utilize track records established at prior firms when performance can be clearly attributed to the emerging firm's key individuals and/or the specific team associated with the strategy being considered;
6. No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm;
7. No Limited Partner can represent more than 30% of the total Fund's capital;\*
8. LACERS commitment in the strategy being considered shall not exceed 10% of the projected final closing fund size or \$20 million, whichever is lower.

\*Excludes co-investments or sidecar investments.

#### *Exemptions to Emerging Manager Designation Criteria*

Staff and NEPC recommend removing the following criteria from the EMDC:

3. The Fund shall have a minimum fund size of \$100 million in committed capital inclusive of LACERS' pending commitment;  
Rationale: The minimum asset requirement for qualifying RFP participants are covered in the minimum qualifications.

#### *Amendment to Emerging Manager Designation Criteria*

Due to the size of the private credit mandate, staff and NEPC recommend the following criteria from the EM Policy (listed above) be amended for the RFP:

1. The General Partner will have no more than \$1 billion in firm-wide assets LACERS';  
Rationale: The limits were adjusted to be consistent with the minimum qualifications.
8. LACERS commitment in the strategy being considered shall not exceed 20% of the fund total commitment at the time the Board awards the contract or \$100 million, whichever is lower.  
Rationale: The limits were adjusted to be consistent with the minimum qualifications.

All candidates must meet these minimum qualifications to be given consideration for hire. Upon verification of the above proposed minimum qualifications, the firms will continue in the selection process. The draft RFP questionnaire attached to this report is subject to further modifications.

*Performance Objective*

Candidates must accept the following benchmark and performance objective.

Benchmark	Outperform objective*
Credit Suisse Leveraged Loan Index	+200 bps

\*Annualized over a full market cycle (normally three-to-five years).

*Search Process and Estimated Timeline*

Following Board approval of the minimum qualifications, the search will be completed according to the process outlined below:

1. The investment manager search documents, which detail the requirements to participate in the process and request supplemental firm and product information, will be published in the following print and digital media: LACERS' website, NEPC's website, Pensions & Investments, Emerging Manager Monthly, and other publications and websites targeting emerging managers. NEPC will also screen its database for a list of potential candidates. Estimated completion by November 2018.
2. Staff and NEPC will evaluate the responses and develop semi-finalist candidates. Estimated completion by January 2019.
3. Investment Committee (IC) will review and consider the semi-finalist candidate list and determine semi-finalists to move forward in the process. Estimated completion by January 2019.
4. Staff will conduct due diligence on the semi-finalists and collaborate with NEPC to develop proposed finalist recommendation(s) for the IC. Estimated completion by March 2019.
5. IC will interview the finalists and develop a list of firm(s) for Board consideration. Estimated completion by April 2019.
6. Board will consider IC recommended finalist(s) for contract award. Estimated completion by April 2019.
7. Authorize staff to execute the contract(s). Estimated completion by June 2019.

*Strategic Plan Impact Statement*

The Request for Proposal (RFP) for investment management services assist the fund with achieving satisfactory long-term risk adjusted investment returns (Goal IV). Implementing a competitive bidding process by issuing an RFP is in line with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

This report was prepared by Jimmy Wang, Investment Officer I, Investment Division.

RJ:BF:WL:JW

Attachment: A) Proposed Draft Request for Proposal Questionnaire for Private Credit Mandate

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>-Date</b>	[Enter Date]
<b>Firm Member Who Completed Form</b>	[Please enter name or names]

**Please return this questionnaire in word format (i.e. not in pdf).**

**Please do not alter the format of this template.**

**Please do not change or modify text in BLUE or PURPLE shaded boxes. Please provide answers in the WHITE boxes provided.**

**Please try to be as concise as possible with answers.**

**Please provide any legal disclaimers as a separate attachment (i.e. do not include as part of this document).**

General Firm and Fund Information			
<b>Fund Name</b>	[Please enter]		
<b>General Partner Name</b>	[Please enter]		
<b>Firm / Sponsor Name</b>	[Please enter]		
<b>Office Locations</b>	<b>City</b>	<b>State / Province</b>	<b>Country</b>
<b>Main Office</b>	[Please enter]	[Please enter]	[Please enter]
<b>Additional Office Locations</b>	[Please enter]	[Please enter]	[Please enter]
	[Please enter]	[Please enter]	[Please enter]
	[Please enter]	[Please enter]	[Please enter]
	[Please enter]	[Please enter]	[Please enter]
	[Please enter]	[Please enter]	[Please enter]
	[Please enter]	[Please enter]	[Please enter]
<b>Year Firm was Founded</b>	[Please add]		
<b>Firm History / Description</b>	[Please describe the firm’s origins, evolution and current structure. Please list any predecessor organizations or ownership or subsidiary relationships with other organizations]		
<b>Asset Under Management</b>	[Please add the equity value of asset under management as of most recent quarter (indicate date)]		
<b>Private Equity/Debt Assets Under Management</b>	[Please add the equity value of private market asset under management as of most recent quarter (indicate date)]		
<b>Number of Existing Private Equity/Debt Funds</b>	[Please enter the number of past private equity funds that have been raised by the firm]		

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Fund Overview		
<b>Fund Size (\$M)</b>	<b>Target</b>	[Please enter]
	<b>Hard Cap</b>	[Please enter]
	<b>Amount Raised</b>	[Please enter amount raised to date]
<b>Fund Closings to Date</b>	<b>Date</b>	<b>Amount Raised (\$M)</b>
	[Please enter]	[Please enter]
<b>Expected Final Close Date</b>	[Please enter expected date]	
<b>Minimum Investment Size (\$M)</b>	[Please enter minimum investment size for fund investors (e.g., \$5,000,000, though the General Partner may accept a lower amount at its discretion)]	
<b>Investment Period</b>	[Ex. 2 years from initial close]	
<b>Projected Fund Draw-downs (% per Year)</b>  (Please use best estimate realizing that actual draw-downs will vary)	<b>Year 1</b>	[Please enter % of target fund size]
	<b>Year 2</b>	[Please enter % of target fund size]
	<b>Year 3</b>	[Please enter % of target fund size]
	<b>Year 4</b>	[Please enter % of target fund size]
	<b>Year 5+</b>	[Please enter % of target fund size]
<b>Investment Term</b>	[Ex. 8 years from initial close, plus 2 1-year extensions]	
<b>Target Fund Returns, Net</b>	<b>Target Investor IRR, Net</b>	[Please enter % or range]
	<b>Target Investor Equity Multiple, Net</b>	[Please enter multiple or multiple range]
<b>Fund Distributions</b>	[Please specify if distributions will be in cash or is the fund permitted to make distributions in securities?]	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Competing Funds / Vehicles</b>	
[Please provide details below for any funds or investment vehicles including separate accounts that target assets that would also fit the strategy of the new fund]	
<b>Competing Fund / Vehicle #1</b>	
<b>Vehicle Name</b>	[Please enter the name of the investment vehicle, fund or separate account]
<b>Vehicle Strategy</b>	[Please provide a short description of the vehicle investment strategy and how it overlaps with new fund strategy]
<b>Vehicle Size (Equity Commitment)</b>	[Please provide the size of the investment vehicle (equity commitment)]
<b>Uncalled Capital Commitment</b>	[Please provide the remaining capital to invest (equity capital)]
<b>Allocation Policy for Investments</b>	[Please describe the allocation policy for how investments are allocated between this vehicle and the new fund]
<b>Vehicle Fee Structure</b>	[Please outline vehicle fee structure including transaction fees, management fees, and promote structure]
<b>Competing Fund / Vehicle #2</b>	
<b>Vehicle Name</b>	[Please enter the name of the investment vehicle, fund or separate account]
<b>Vehicle Strategy</b>	[Please provide a short description of the vehicle investment strategy and how it overlaps with new fund strategy]
<b>Vehicle Size (Equity Commitment)</b>	[Please provide the size of the investment vehicle (equity commitment)]
<b>Uncalled Capital Commitment</b>	[Please provide the remaining capital to invest (equity capital)]
<b>Allocation Policy for Investments</b>	[Please describe the allocation policy for how investments are allocated between this vehicle and the new fund]
<b>Vehicle Fee Structure</b>	[Please outline vehicle fee structure including transaction fees, management fees, and promote structure]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Competing Fund / Vehicle #3	
<b>Vehicle Name</b>	[Please enter the name of the investment vehicle, fund or separate account]
<b>Vehicle Strategy</b>	[Please provide a short description of the vehicle investment strategy and how it overlaps with new fund strategy]
<b>Vehicle Size (Equity Commitment)</b>	[Please provide the size of the investment vehicle (equity commitment)]
<b>Uncalled Capital Commitment</b>	[Please provide the remaining capital to invest (equity capital)]
<b>Allocation Policy for Investments</b>	[Please describe the allocation policy for how investments are allocated between this vehicle and the new fund]
<b>Vehicle Fee Structure</b>	[Please outline vehicle fee structure including transaction fees, management fees, and promote structure]
Competing Fund / Vehicle #4	
<b>Vehicle Name</b>	[Please enter the name of the investment vehicle, fund or separate account]
<b>Vehicle Strategy</b>	[Please provide a short description of the vehicle investment strategy and how it overlaps with new fund strategy]
<b>Vehicle Size (Equity Commitment)</b>	[Please provide the size of the investment vehicle (equity commitment)]
<b>Uncalled Capital Commitment</b>	[Please provide the remaining capital to invest (equity capital)]
<b>Allocation Policy for Investments</b>	[Please describe the allocation policy for how investments are allocated between this vehicle and the new fund]
<b>Vehicle Fee Structure</b>	[Please outline vehicle fee structure including transaction fees, management fees, and promote structure]
<b>[Copy and Add Sections Above As Needed for Additional Competing Funds / Vehicles]</b>	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Fund Strategy		
<b>Fund Investment Style</b>	[Ex. venture, growth equity, buyout, direct lending (mezzanine, senior, both), distressed/turnaround, fund of funds, secondaries]	
<b>Fund Investment Strategy</b>	[Please provide description for the fund’s target investment strategy]	
<b>Target Deal/Investment Size</b>	[Please enter the target deal size or range (Please enter equity value and gross value). For fund of funds or secondary deals, please enter commitment or investment ranges]	
<b>Expected Number of Investments in Fund</b>	[Please enter]	
<b>Investment Process</b>	[Please detail the firm’s investment process. Detail the entire transactional process from sourcing, to creation of deal teams, to due diligence procedures and investment committee decision making. Please also describe post-transaction monitoring and other related actions. Further describe the exit analysis]	
<b>Value Creation Process</b>	[Please describe how the fund creates value: acquisitions, leasing strategies, asset turnaround strategies, sales, financing structure, repositioning, development, in underlying fund investments, etc.]	
<b>Investment Restrictions</b>	[Please describe any investment restrictions for the fund (maximum investment size, geographic concentration, investment type, etc.)]	
<b>Recycling of Capital</b>	[Please indicate if recycling is permitted? (i.e., can distributions made during the investment / commitment period be recycled into new investments or will the distributions be returned to the limited partners, Please describe)]	
<b>Investment Hold Period</b>	[e.g., the fund anticipates an average holding period of 4 years per investment]	
<b>Risk Mitigation Strategies for the Fund</b>	[Please describe any risk mitigation strategies for the fund]	
<b>Investment Exit Strategy</b>	[Please describe the expected investment strategy for fund investments (i.e. aggregate assets and sell portfolios, IPO of pool of assets, single asset sales, etc.)]	
<b>For Primary and Secondary Fund of Funds only: Split Between Investment Types</b>	<b>Primary Fund Investment %</b>	[Please enter the expected % of capital that will be invested directly in underlying funds]
	<b>Secondary Fund Investment %</b>	[Please enter the expected % of capital that will be invested in secondary investments]
	<b>Co-Investment %</b>	[Please enter the expected % of capital that will be invested in co-investment opportunities]
	<b>Direct Investment %</b>	[Please enter the expected % of capital that will be invested in direct investments]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Security Allocation (where applicable)</b>		
<b>Split Between Debt and Equity Investments</b>	<b>Equity %</b>	[Please enter the % of investments that funds would expect to be a pure equity investment in a deal]
	<b>Debt %</b>	[Please enter the % of investments that funds would expect to be a debt or structured investment in a deal]
	<b>Total</b>	<b>100%</b>
<b>Public/Private Mix</b>	<b>Public Equity</b>	[Please enter the % of investments that funds would expect to be a acquired from the public equity markets in a deal]
	<b>Private Equity</b>	[Please enter the % of investments that funds would expect to be a acquired in as private equity securities]
	<b>Public Debt</b>	[Please enter the % of investments that funds would expect to be a acquired from the public debt markets]
	<b>Private Debt</b>	[Please enter the % of investments that funds would expect to be a acquired from the private debt markets]
	<b>Total</b>	<b>100%</b>
<b>Security Type</b>	<b>Debtor In Possession Financing</b>	[Please enter the % of investments that funds would expect to be dedicated to DIP financing]
	<b>Senior Secured (1<sup>st</sup> Lien)</b>	[Please enter the % of investments that funds would expect to be dedicated to 1 <sup>st</sup> lien debt]
	<b>2<sup>nd</sup> Lien Secured Loans</b>	[Please enter the % of investments that funds would expect to be dedicated to 2 <sup>nd</sup> lien debt]
	<b>Unitranche</b>	[Please enter the % of investments that funds would expect to be dedicated to unitranche financing]
	<b>Mezzanine Loans</b>	[Please enter the % of investments that funds would expect to be dedicated to mezzanine debt]
	<b>High Yield Corporate Bonds</b>	[Please enter the % of investments that funds would expect to be dedicated to high yield bonds]
	<b>Preferred Equity</b>	[Please enter the % of investments that funds would expect to be dedicated to preferred equity]
	<b>Common Equity</b>	[Please enter the % of investments that funds would expect to be dedicated to common equity]
	<b>Other (Please describe)</b>	[Please enter the % of investments that funds would expect to be dedicated to other security types]
<b>Total</b>	<b>100%</b>	
<b>Investment Rating Quality</b>	<b>Investment Grade</b>	[Please enter the % of investments that funds would expect to be classified as investment grade]
	<b>Non-Investment Grade</b>	[Please enter the % of investments that funds would expect to be classified as non-investment grade]
	<b>Total</b>	<b>100%</b>
<b>Income Characteristics</b>	<b>Investments Paying Interest</b>	[Please enter the % of investments that funds would expect to be paying interest]
	<b>Investments Not Paying Interest</b>	[Please enter the % of investments that funds would not expect to be paying interest]
	<b>Total</b>	<b>100%</b>

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Industry Sector Targets/Estimates in Fund					
	New Fund		% of Last Three Funds		
Sector	Target Sector	Target % of Fund	[Enter Fund Name]	[Enter Fund Name]	[Enter Fund Name]
<b>Business Products and Services</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Consumer Products and Services</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Education</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Financial Services</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Retailing and Distribution</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Media &amp; Entertainment</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Industrial</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Energy</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Technology</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Software</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Telecom</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Networking &amp; Equipment</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Computers &amp; Peripherals</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>IT Services</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Semiconductors</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Electronics/Instrumentation</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Healthcare</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Biotechnology</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Medical Devices &amp; Equipment</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Healthcare Services</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>[Other, Please define]</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Geographic Focus of Fund					
	New Fund		% of Last Three Funds		
Geo	Target Geo	Target % of Fund	[Enter Fund Name]	[Enter Fund Name]	[Enter Fund Name]
<b>North America</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<i>United States</i>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target State / Region]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target State / Region]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target State / Region]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target State / Region]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<i>Canada</i>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<i>Mexico</i>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>South America</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target Country / Add rows as Needed]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Europe</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target Country / Add rows as Needed]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Asia / Pacific</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target Country / Add rows as Needed]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Middle East</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target Country / Add rows as Needed]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
<b>Africa</b>	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]
[Enter Target Country / Add rows as Needed]	[Yes or No]	[Enter %]	[Enter %]	[Enter %]	[Enter %]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>For Direct Funds: Existing or Pre-Specified Fund Investments</b>							
Investment Name / Investment Date	Investment Location		Industry Sector	Investment Transaction Details			Target Net IRR / Equity Multiple
	State / Province	Country		Aggregate Value	Equity Value	Fund Equity Investment	
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x
[Name] [Date]	[Name]	[Name]	(ex. Energy, Healthcare, etc.)	[Value]	[Value]	[Value]	[X.X]% [X.X]x

<b>For Fund of Funds: Existing or Pre-Specified Fund Investments</b>	
[Please add to the extent that the FOF has already commitment to an underlying fund or investment]	
<b>Existing or Pre-Specified FOF Investment (#1)</b>	
<b>Fund Name</b>	[Please enter]
<b>Date of Commitment</b>	[Please enter]
<b>Vintage Year of Fund</b>	[Please enter]
<b>Fund Investment Style</b>	[Please enter (ex. core, core-plus, value-add, opportunistic)]
<b>Size of Commitment</b>	[Please enter]
<b>Size of Fund</b>	[Please enter]
<b>Property Type Focus of Fund</b>	[Please enter]
<b>Geographic Focus of Fund</b>	[Please enter]
<b>Number of Prior Real Estate Funds Raised by Firm</b>	[Please enter]
<b>Target Net IRR for Fund</b>	[Please enter]
<b>Target Equity Multiple for Fund</b>	[Please enter]
<b>[Copy and complete for additional investments as needed]</b>	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

**Leverage Strategy – Fund Investments**

<b>Expected Investment Level Leverage</b>	<b>Target (%)</b>	[Please enter the target leverage % (loan-to-cost) that the fund expects to put on individual investments (i.e. 60%)]
	<b>Expected Minimum (%)</b>	[Please enter the minimum leverage % (loan-to-cost) that the fund expects to put on individual investments (i.e. 30%)]
	<b>Expected Maximum (%)</b>	[Please enter the maximum leverage % (loan-to-cost) that the fund expects to put on individual investments (i.e. 70%)]
	<b>Investment Level Leverage Cap (Yes or No)</b>	[Does the fund have a cap on leverage % (loan-to-cost) that can be put on individual investments? Please enter "Yes" or "No"]
	<b>Investment Level Leverage Cap (%)</b>	[If the answer was "Yes" to the above question, Please enter the % LTC]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

**Leverage Strategy – Overall Fund**

<b>Fund Level Line of Credit</b>	<b>Does the Fund Intend to Put In Place a Fund Level Line of Credit</b>	[Please enter "Yes" or "No"]
	<b>Is Line of Credit Currently In Place</b>	[Please enter "Yes" or "No"]
	<b>Purpose for Line of Credit</b>	[Please describe the purpose of the line of credit]
	<b>Collateral for Line</b>	[Please describe the expected collateral for the line of credit (i.e. undrawn capital commitment, fund investments, other)]
<b>Fund Level Leverage</b>	<b>Does the Fund Intend to Use Leverage at the Fund Level in Addition to any Line of Credit</b>	[Please enter "Yes" or "No"]
	<b>Target (%)</b>	[Please enter the target leverage % (loan-to-cost against fund investments) that the fund expects to put on individual investments (i.e. 60%)]
	<b>Expected Minimum (%)</b>	[Please enter the minimum leverage % (loan-to-cost against fund investments) that the fund expects to put on individual investments (i.e. 30%)]
	<b>Expected Maximum (%)</b>	[Please enter the maximum leverage % (loan-to-cost against fund investments) that the fund expects to put on individual investments (i.e. 70%)]
	<b>Fund Level Leverage Cap (Yes or No)</b>	[Does the fund have a cap on leverage % (loan-to-cost against fund investments) that can be put on individual investments? Please enter "Yes" or "No"]
	<b>Fund Level Leverage Cap (%)</b>	[If the answer was "Yes" to the above question, Please enter the % LTC against fund investments]
	<b>Collateral for Fund Leverage</b>	[Please describe the expected collateral for the fund level leverage (i.e. undrawn capital commitment, fund investments, other)]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Deal Sourcing Capabilities</b>			
<b>Sourcing</b>	[Please detail the sourcing channels for finding potential transactions. In the cells below, Please show the percent of deals that were sourced from different channels (i.e. auctions, brokers, etc.)]		
<b>Sourcing Channel</b>	<b>% of Last Three Funds</b>		
	<b>[Enter Fund Name]</b>	<b>[Enter Fund Name]</b>	<b>[Enter Fund Name]</b>
<b>[Please enter sourcing channel]</b>	[Enter %]	[Enter %]	[Enter %]
<b>[Please enter sourcing channel]</b>	[Enter %]	[Enter %]	[Enter %]
<b>[Please enter sourcing channel]</b>	[Enter %]	[Enter %]	[Enter %]
<b>[Please enter sourcing channel]</b>	[Enter %]	[Enter %]	[Enter %]
<b>[Please enter sourcing channel]</b>	[Enter %]	[Enter %]	[Enter %]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Firm and Fund Employee Breakdown</b>		
<b>Name</b>	<b>Firm</b>	<b>Dedicated Fund Professionals</b> [employees who will dedicate >50% of their time to the Fund]
Total Employees	[Please enter #]	[Please enter #]
<b>Employees Breakdown by Function Area</b>	<b>Firm</b>	<b>Dedicated Fund Professionals</b> [employees who will dedicate >50% of their time to the Fund]
Partners / Owners	[Please enter #]	[Please enter #]
Partners with Ownership Stake in GP	[Please enter #]	[Please enter #]
Investment Professionals	[Please enter #]	[Please enter #]
Asset Management	[Please enter #]	[Please enter #]
Property Management	[Please enter #]	[Please enter #]
Construction / Development	[Please enter #]	[Please enter #]
Administration (Non-Investment)	[Please enter #]	[Please enter #]
Legal	[Please enter #]	[Please enter #]
Other	[Please enter #]	[Please enter #]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Recent Employee Departures (Last Five Years)</b> (Vice President and Above)				
<b>Name / Departure Date</b>	<b>Title</b>	<b>Years with Firm</b>	<b>Reason for Departure</b>	<b>Employee at Firm who Filled Position</b>
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]
[Name] [Departure Date]	[Please enter]	[#]	[Please enter]	[Please enter]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Recent Employee Additions (Last Five Years)</b> (Vice President and Above)				
<b>Name</b>	<b>Title</b>	<b>Years Prior Private Equity/Debt Experience</b>	<b>Prior Firm and Title</b>	<b>Hire Date / Date Departed Prior Firm</b>
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]
[Please enter]	[Please enter]	[#]	[Please enter Firm] [Please enter Title]	[Hire Date] [Departure Date from Prior]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Key Firm Employees</b>						
<b>Name</b>	<b>Title</b>	<b>Age</b>	<b>Years with Firm</b>	<b>Years in Sector</b>	<b>Fund Investment Committee Member</b>	<b>Percent of Time Dedicated to Fund</b>
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[#]	[#]	[#]	[Yes or No]	[%]
[Please limit to a maximum of 7 names]						

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Dedicated Fund Professionals</b>							
[Please provide a list of senior firm employees who will dedicate >50% of their time to the Fund]							
<b>Name</b>	<b>Title</b>	<b>Function</b>	<b>Age</b>	<b>Years with Firm</b>	<b>Years in Sector</b>	<b>Fund IC Member</b>	<b>Percent of Time Dedicated to Fund</b>
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please enter]	[Please enter]	[i.e. acquisitions, asset mgmt, etc]	[#]	[#]	[#]	[Yes or No]	[%]
[Please add rows as needed]							

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Employee Bios</b>	
[Please provide bios for the employees listed in two prior table]	
Name	Bio
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]
	Education [Please list institution and degree]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]
[Please enter]	[Please enter bio – Please keep bio to 200 words or less]	
	Education	[Please list institution and degree]

**Firm's View on Market Conditions**

[Please provide the firm's view of current market conditions and how the proposed fund will capitalize on current market conditions – Please limit response to one page]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Analysis of Last Three Funds Raised</b>	
[Please provide a analysis for the track record of private equity/debt funds raised]	
<b>Fund Name</b>	<b>Analysis of Track Record</b>
<b>Fund 1</b>	[Please enter fund name]
<b>Fund style</b>	[Ex. venture, growth equity, buyout, direct lending (mezzanine, senior, both), distressed/turnaround]
<b>Vintage Year</b>	[Please enter]
<b>Target Investor IRR, Net (at capital raise)</b>	[Please enter % or range]
<b>Current Expected Investor IRR, Net</b>	[Please enter % or range]
<b>Analysis of Fund Performance</b>	[Please provide a qualitative analysis of fund performance]
<b>Fund Name</b>	<b>Analysis of Track Record</b>
<b>Fund 2</b>	[Please enter fund name]
<b>Fund style</b>	[Ex. venture, growth equity, buyout, direct lending (mezzanine, senior, both), distressed/turnaround]
<b>Vintage Year</b>	[Please enter]
<b>Target Investor IRR, Net (at capital raise)</b>	[Please enter % or range]
<b>Current Expected Investor IRR, Net</b>	[Please enter % or range]
<b>Analysis of Fund Performance</b>	[Please provide a qualitative analysis of fund performance]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Fund Name</b>	<b>Analysis of Track Record</b>
<b>Fund 3</b>	[Please enter fund name]
<b>Fund style</b>	[Ex. venture, growth equity, buyout, direct lending (mezzanine, senior, both), distressed/turnaround]
<b>Vintage Year</b>	[Please enter]
<b>Target Investor IRR, Net (at capital raise)</b>	[Please enter % or range]
<b>Current Expected Investor IRR, Net</b>	[Please enter % or range]
<b>Analysis of Fund Performance</b>	[Please provide a qualitative analysis of fund performance]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Fund Investor Base						
<b>Expected Investor Types in Fund</b>	[Please provide a summary of the fund’s expected investor types (i.e. endowments, foundations, corporate plan, public plan, etc)]					
<b>Committed Fund Investors</b>  [Please provide the names of any investors who have already committed to invest in the fund]	<b>Committed Fund Investor Name</b>		<b>Amount Committed</b>			
	[Enter name]		[Enter amount]			
	[Enter name]		[Enter amount]			
	[Enter name]		[Enter amount]			
	[Enter name]		[Enter amount]			
	[Enter name]		[Enter amount]			
<b>Investor Types from Last Three Funds</b>	<b>% of Last Three Funds</b>					
	<b>[Enter Fund Name]</b>		<b>[Enter Fund Name]</b>		<b>[Enter Fund Name]</b>	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>[Enter investor type]</b>	[Enter %]		[Enter %]		[Enter %]	
<b>Add rows above as needed</b>						
<b>Five Largest Investors from Past Three Funds</b>	<b>[Enter Fund Name]</b>		<b>[Enter Fund Name]</b>		<b>[Enter Fund Name]</b>	
	<b>Investor Name</b>	<b>% of Fund</b>	<b>Investor Name</b>	<b>% of Fund</b>	<b>Investor Name</b>	<b>% of Fund</b>
	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]
	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]
	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]
	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]
	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]	[Enter Investor name]	[Enter %]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Sponsor Investment and Fund Promote Structure</b>		
<b>Sponsor Investment</b>	<b>% of Target Fund Size</b>	[Please enter the expected sponsor investment as a % of target fund size]
	<b>Minimum Dollar Amount</b>	[Please enter the minimum dollar amount that the sponsor intends to invest]
	<b>Will Sponsor Investment be Made as a Limited Partner or the General Partner</b>	[Please specify; if investment will be split between LP and GP, Please specific the %s]
	<b>Please Provide the Expected Cash Investment from the Firm as an Entity</b>	[Please enter dollar amount from the Firm as an Entity]
	<b>Please Provide the Expected Cash Investment from Firm Partners / Employees</b>	[Please enter dollar amount from Firm Partners / Employees]
	<b>Source of Partner / Employee Investment</b>	[Will any partner / employee investment be funded by a loan from the firm? If so, what percent of the total sponsor investment will be provided by the firm loan?]
<b>Carried Interest / Promote</b>	[Please describe the promote structure /waterfall]	
<b>Deal and Fund Level Carried Interest</b>	[Please indicate if carried interest is calculated on a deal by deal basis or at the fund level]	
<b>Claw-back Provision</b>	[Does that fund have a claw-back provision? If so, Please describe]	
<b>Claw-Back Provision Escrow</b>	[Please indicate if there is an escrow account or firm guarantee for the claw back provision. IF escrow account, please indicate where the escrow account is held. If firm guarantee please indicate the name of the entity making the guarantee]	
<b>Distribution of Carried Interest</b>	[Please describe the policy for sharing the carried interest (e.g., the 5 founders receive 80% of the carried interest, and the remaining 20% is distributed to other senior team members). Please be specific.]	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Fund Management and Other Fees</b>			
<b>Management Fees</b>	<b>During Investment Period</b>		[Please describe the management fee structure]
	<b>Post Investment Period</b>		[Please describe the management fee structure]
	<b>Additional Detail</b>		[What expenses are covered by the Fund’s Management Fees? What expenses are charged directly to the Fund? Please provide any additional detail if required]
<b>Organization Costs Charged to Fund</b>	<b>Fee is Applicable</b>	<b>Amount or % of Fee</b>	<b>Description of Fee</b>
<b>Placement Fees</b>	[Yes or No]	\$ and/or %	[Please provide if applicable]
<b>Organization Costs</b>	[Yes or No]	\$ and/or %	[Please provide if applicable]
<b>Fee Credit / Offset</b>	[Does the general partner offset any of the above fees against the management fees]		
<b>Inside or Outside Fees</b>	[Are management and other fees included in the capital commitment or are the management fees, etc. in addition to the capital commitment?]		

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Management Fees and Partnership Expenses</b>		
<b>Fee or Expense</b>	<b>Management Fees</b>	<b>Partnership Expenses borne by LPs</b>
<b>Compensation and Benefits for Investment Professionals</b>	[Yes or No]	[Yes or No]
<b>Compensation and Benefits for Administrative Staff</b>	[Yes or No]	[Yes or No]
<b>Compensation and Benefits for In-house Counsel</b>	[Yes or No]	[Yes or No]
<b>Salaries of Operating Professionals</b>	[Yes or No]	[Yes or No]
<b>Hardware (i.e. laptops, mobile phones, copy machines, data center, etc.)</b>	[Yes or No]	[Yes or No]
<b>Business Applications &amp; other software (i.e. Bloomberg, Investran)</b>	[Yes or No]	[Yes or No]
<b>Office Rent</b>	[Yes or No]	[Yes or No]
<b>Utilities</b>	[Yes or No]	[Yes or No]
<b>Out-of-Pocket Travel Expenses</b>	[Yes or No]	[Yes or No]
<b>LP Advisory Board Expenses</b>	[Yes or No]	[Yes or No]
<b>Annual Meeting Expenses</b>	[Yes or No]	[Yes or No]
<b>Broken Deal Fees</b>	[Yes or No]	[Yes or No]
<b>3<sup>rd</sup> Party Consultants</b>	[Yes or No]	[Yes or No]
<b>Fund Auditors</b>	[Yes or No]	[Yes or No]
<b>Financing Fees</b>	[Yes or No]	[Yes or No]
<b>Acquisition Fees &amp; Related Party fees</b>	[Yes or No]	[Yes or No]
<b>Valuation Services</b>	[Yes or No]	[Yes or No]
<b>Legal Services</b>	[Yes or No]	[Yes or No]
<b>Other (please specify)</b>	[Yes or No]	[Yes or No]
<b>Prior Funds</b>	Please list the total amount of Partnership Expenses borne by Limited Partners for each of the prior funds	
[Enter Fund Name]	[Enter Amount]	
[Enter Fund Name]	[Enter Amount]	
[Enter Fund Name]	[Enter Amount]	
[Enter Fund Name]	[Enter Amount]	
[Enter Fund Name]	[Enter Amount]	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Third Party Service Providers</b>	
[Please list all placement agents, marketing consultants, fund administrators, auditors, legal counsel, finders or any entities or persons that would receive compensation for administration, marketing or business development for the fund]	
<b>Firm # 1</b>	
<b>Firm Name</b>	[Please Enter Firm Name]
<b>Name of Key Contact at Firm</b>	[Enter Key Contact at Firm]
<b>Scope of Services</b>	[Please describe]
<b>Exclusive Relationship</b>	[Yes or No]
<b>Compensation Structure</b>	[Please describe]
<b>Firm # 2</b>	
<b>Firm Name</b>	[Please Enter Firm Name]
<b>Name of Key Contact at Firm</b>	[Enter Key Contact at Firm]
<b>Scope of Services</b>	[Please describe]
<b>Exclusive Relationship</b>	[Yes or No]
<b>Compensation Structure</b>	[Please describe]
<b>Firm # 3</b>	
<b>Firm Name</b>	[Please Enter Firm Name]
<b>Name of Key Contact at Firm</b>	[Enter Key Contact at Firm]
<b>Scope of Services</b>	[Please describe]
<b>Exclusive Relationship</b>	[Yes or No]
<b>Compensation Structure</b>	[Please describe]
<b>Firm # 4</b>	
<b>Firm Name</b>	[Please Enter Firm Name]
<b>Name of Key Contact at Firm</b>	[Enter Key Contact at Firm]
<b>Scope of Services</b>	[Please describe]
<b>Exclusive Relationship</b>	[Yes or No]
<b>Compensation Structure</b>	[Please describe]
<b>[Copy and Add Sections Above As Needed for Additional Firms]</b>	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Fund Administration, Structure and Policies</b>	
<b>QPAM Status</b>	[Is the manager of the fund a Qualified Professional Asset Manager]
<b>Fund Structure</b>	[Ex. Delaware Limited Partnership, etc.]
<b>ERISA Provisions</b>	[If the GP is willing to be an ERISA fiduciary, please provide a description of the considerations being made for ERISA investors, e.g. will ERISA investors be limited to less than 25% or will the Fund be managed as a Plan assets vehicle? Does the Fund plan to apply for VCOC or REOC status? Is the Fund going to establish a separate vehicle for ERISA investors?]
<b>Fiduciary</b>	[Please describe the level of responsibility: ERISA, Negligence, Gross/Simple, etc.]
<b>Federal Tax Matters</b>	[Please describe fund approach regarding UBTI, taxes that impact tax-exempt investors, foreign tax impact, FIRPTA, etc. IF UBTI is expected to be generated, how does the fund intend to minimize UBTI reporting for limited partners?]
<b>Labor Policy</b>	[Please describe the labor policy for investments in the fund. Does the fund use exclusively union labor?]
<b>Fund Key Person</b>	[Please enter names of individuals designated as Fund Key Persons.]
<b>Key Person Clause</b>	[Please describe any provisions of the clause]
<b>Key Person Insurance</b>	[Please enter if the fund has key person insurance. Please enter "Yes" or "No".]
<b>GP Removal Provisions</b>	[Please describe the conditions under which Limited Partners may engage in either a "For Cause" or a "No Fault" Cancellation.]
<b>Reporting</b>	[Please describe the frequency and timing of financial reports and the transparency into underlying holdings and of other Limited Partners. If there are multiple vehicles, how will holdings be aggregated across all Fund Vehicles?]
<b>Valuation Policy</b>	[Please describe the policy regarding valuation for investments in the portfolio. When are investment written up, written down, or held at cost? Will the proposed Fund's valuation policy be in compliance with FAS 157?]
<b>FAS 157 Accounting</b>	[Will the fund use FAS 157 accounting standards? Please enter "Yes" or "No"]
<b>Insurance (Errors and Omission, Director's)</b>	[Please describe the levels of coverage at the fund level and the insurance requirements at the portfolio investment level]
<b>Environmental Policy and Practices</b>	[Please describe any environmental policies and practices for the fund]
<b>Social Responsible Policy</b>	[Does the fund have a socially-responsible policy?]
<b>Firm Ownership Structure</b>	[Please describe the ownership structure of the firm. For private firms, Please include the names of any individuals or employees who own greater than 10% of the firm. For public firms, Please provide the names of firm employees who own a significant percentage of the firm]
<b>Firm Succession Plan</b>	[Please describe the succession plan for the firm]
<b>Compensation Philosophy</b>	[Please describe the compensation philosophy of the firm. Are employees rewarded with carried interest points? Please provide tables detailing how the management company net profits are allocated and how the GP carry is expected to be allocated. How do you structure your overall compensation package?]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Firm Advisory Board</b>	<b>Does the Firm have an Advisory Board</b>	[Please enter "Yes" or "No"]		
	<b>How is the Advisory Board Compensated</b>	[Please describe]		
	<b>Function of the Advisory Board</b>	[Please describe]		
	<b>Names / Position of Advisory Board Members</b>	<b>Name</b>	<b>Firm</b>	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
[Please enter]	[Please enter]			
<b>Fund Advisory Board</b>	<b>Does the Fund have an LP Advisory Board</b>	[Please enter "Yes" or "No"]		
	<b>How is the Advisory Board Compensated</b>	[Please describe]		
	<b>Function of the Advisory Board</b>	[Please describe]		
	<b>Names / Position of Advisory Board Members</b>	<b>Name</b>	<b>Firm</b>	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
		[Please enter]	[Please enter]	
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		[Please enter]	[Please enter]	
[Please enter]	[Please enter]			

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Litigation, Regulation and Compliance		
<b>Current Material Firm Litigation</b>	[Please describe any current material litigation regarding the firm]	
<b>Past Material Firm Litigation</b>	[Please describe any past material litigation regarding the firm]	
<b>Compliance</b>	[Please describe the Firm’s compliance philosophy and staff allocated to this function, e.g. how many and which staff resources are assigned to this function, what are their roles and responsibilities? What are the key compliance procedures?]	
<b>SEC Registered Investment Advisor</b>	<b>Year Registered</b>	[Please enter]
	<b>Entity Name</b>	[Please enter]
	<b>ADV Attached</b>	[Please enter “Yes” or “no”]
<b>SEC Oversight</b>	[Please describe the Firm’s most recent examination by the SEC. When was the date of the most recent SEC examination? What were the key findings? Were there any deficiencies noted and what was done to remediate them?]	
<b>SEC Investigation</b>	Is any employee of your firm under investigation by the SEC? have a pending criminal or civil matter? Or has been convicted of a misdemeanor or felony in the past 10 years? If yes, please explain.	
<b>Other Regulators</b>	[Please describe other regulatory authorities to which the General Partner is subject. Has the GP ever been subject to reviews or audits by these other regulatory bodies? What were the key findings?]	
<b>Personal Trading</b>	[Please provide your compliance policy with regard to personal trading restrictions.]	
<b>Investigations, Litigation, Claims</b>	For the past 10 years has the firm, its officers or principals or any affiliate ever: <ol style="list-style-type: none"> <li>a. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization,</li> <li>b. been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or</li> <li>c. submitted a claim to your errors &amp; omission, fiduciary liability and/or fidelity bond insurance carrier(s)?</li> </ol> If ‘yes’ to any, please provide details and the current status or disposition.	

Environmental, Social & Governance (ESG) Disclosures		
<b>ESG Analysis</b>	[Does the Firm integrate analysis of financially material environmental, social and governance issues into its investment process? Please enter “Yes” or “no”]	
<b>ESG Risk Assessment</b>	[If so, please describe the Firm’s approach to assessing ESG risks and opportunities.]	
<b>ESG Integration</b>	How does your firm incorporate Environmental, Social, and Governance (ESG) approaches into the investment process?	
<b>Principles for Responsible Investment (PRI)</b>	<b>Signatory</b>	[Please enter “Yes” or “no”]
	<b>Year Signed</b>	[Please enter]
	<b>ESG Policy Attached</b>	[Please enter “Yes” or “no”]
<b>PRI Reporting Framework</b>	Is your firm a signatory to the Principles for Responsible Investment (PRI)? [Does your Firm generate a Responsible Investing (RI) Transparency Report? An RI Activity Report? Please enter “Yes” or “no”]	
<b>Socially Responsible Investing Vehicles and Share Classes</b>	[Does the Firm offer any Socially Responsible Investing vehicles or share classes?]	

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Firm Infrastructure</b>	
<b>Office Locations</b>	[Please provide office locations, office functions and number of employees at each office.]
<b>Technology Resources and Systems</b>	[Please provide a list at brief description of the significant technology resources and software systems that are used to support investment, compliance, cash management and fund accounting/reporting.]
<b>Business Continuity Planning</b>	[Please provide a brief description of the Firm’s business continuity plans.]
<b>Back Office Resources</b>	[Please provide a description of the Firm’s back office resources and estimation of how many FTE’s will support the Fund.]

<b>Standard of Conduct</b>																					
<b>Conflicts</b>	Disclose any financial or other relationship you have or have had with any LACERS Board member, consultant, or LACERS employees. If there are no conflicts of interest, please state, “There are no conflicts of interest to report.”																				
<b>Disclosure</b>	<p>Disclose any gifts (meals, tickets, anything of value over \$50, etc.) that you have given to any LACERS Board member, consultant, or LACERS employee in the last 12 months using the format below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 10%;">No.</th> <th style="width: 15%;">Date (mm/dd /yy)</th> <th style="width: 10%;">Give n to</th> <th style="width: 30%;">Description of Gifts <sup>1</sup></th> <th style="width: 15%;">Value (US\$)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <p><sup>1</sup> Gifts could be in the form of meals, tickets, paid travel, anything of value over \$50, etc.</p>	No.	Date (mm/dd /yy)	Give n to	Description of Gifts <sup>1</sup>	Value (US\$)															
No.	Date (mm/dd /yy)	Give n to	Description of Gifts <sup>1</sup>	Value (US\$)																	
<b>Policies</b>	Do you have any written policies or procedures to address conflicts of interest? If so, please provide as Exhibit 6.																				
<b>Potential Conflicts</b>	What potential conflicts of interest are posed by other activities undertaken by the organization, if any? How are these addressed?																				
<b>Code of Conduct</b>	Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct?																				
<b>Standards of Conduct</b>	Does the firm have a written code of conduct or set of standards for professional behavior? If so, how is employee compliance monitored?																				

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

Other	
<b>Business Planning</b>	Please describe your business continuity plan. Have you ever had to activate any parts the plan? If so, describe the effectiveness of the plan and any post-activity modifications to that plan.
<b>Under-representation</b>	Please describe any policies, programs, and initiatives your firm has adopted to mentor under-represented groups in your firm. Provide examples of such staff who have promoted up or out of the organization under such a program.
<b>Under-representation II</b>	Please describe any partnerships and programs that seek to do business with under-represented firms.
<b>Harassment</b>	Does your firm have a sexual harassment policy? Please provide a Yes or No response.

Firm / Fund Key Contacts		
<b>Primary Fund Contact</b>	Name	[Please enter]
	Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Fund Attorney Contact</b>	Name	[Please enter]
	Title	[Please enter]
	Firm	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Fund Auditor Contact</b>	Name	[Please enter]
	Title	[Please enter]
	Firm	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Fund Placement Agent / 3<sup>rd</sup> Party Marketer / Consultant Contact</b>	Name	[Please enter]
	Title	[Please enter]
	Firm	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Firm / Fund References</b>		
[Please provide references from the following sources: investors in prior funds, investors committed to current funds, JV partners, lending sources, sellers]		
<b>Reference 1</b>	Name	[Please enter]
	Relationship to Firm	[Please enter]
	Firm / Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Reference 2</b>	Name	[Please enter]
	Relationship to Firm	[Please enter]
	Firm / Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Reference 3</b>	Name	[Please enter]
	Relationship to Firm	[Please enter]
	Firm / Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Reference 4</b>	Name	[Please enter]
	Relationship to Firm	[Please enter]
	Firm / Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]
<b>Reference 5</b>	Name	[Please enter]
	Relationship to Firm	[Please enter]
	Firm / Title	[Please enter]
	Business Address	[Please enter]
	Business Telephone	[Please enter]
	Business Email	[Please enter]

**[Enter Firm Name / Enter Fund Name] ATTACHMENT A  
NEPC, LLC – RFP for Closed-End Funds**

<b>Attachments</b>	
<b>Attachment 1 – Fund Cash Flows</b>	Please provide a schedule of cash flows and current valuation for each past private equity/debt fund ... Please see attached excel spreadsheet
<b>Attachment 2 – Fund Returns</b>	Please provide a schedule returns for each past private equity/debt fund ... Please see attached excel spreadsheet
<b>Attachment 3 – Fund Returns</b>	Please provide deal-by-deal analysis for each past private equity/debt fund ... Please see attached excel spreadsheet
<b>Additional Attachments (3-7)</b>	Please provide an electronic version of the following: <ol style="list-style-type: none"><li>3. Current draft of the Limited Partnership Agreement for the fund</li><li>4. Investment offering memorandum</li><li>5. Most recent audited financial statements for previous private equity/debt funds</li><li>6. Most recent report to investors for previous private equity/debt funds</li><li>7. Firm organization chart</li><li>8. Fund organizational chart</li></ol>



**Report to Board of Administration**

*Neil M. Guglielmo*

Agenda of: **OCTOBER 9, 2018**

From: Neil M. Guglielmo, General Manager

ITEM: **VII-C**

**SUBJECT: REPORT ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS**

Recommendation

That the Board receive and file this report.

Discussion

*Background*

At the meeting of April 24, 2018, the Board directed staff to prepare a report on Environmental, Social, and Governance (ESG) factors within its investment program, cite LACERS' level of participation and connection (if any) with ESG investing, and present ESG efforts undertaken by peer public pension plans.

Currently, LACERS does not have a dedicated ESG policy or program but its current investment program contains several investment practices related to ESG, including:

- Geopolitical Risk Policy
- Governance Committee
- Proxy Voting Policy and LACERS' Proxy Voting Agent ISS
- Advocacy Efforts
- Council of Institutional Investors (CII) Membership

*Geopolitical Risk Policy*

The LACERS Geopolitical Risk Policy is intended to provide a framework to address such issues as social unrest, labor standards, human rights violations, and environmental concerns. The policy imposes fiduciary responsibility on the commissioners of the Board to:

- Administer the System's assets
- Exercise a high degree of care, skill, prudence and diligence
- Diversify investments to minimize risk and maximize return
- Specifically emphasizes that their duty to the System's members come first, before any other duty

Beyond defining the fiduciary responsibilities of the Board, the policy (attached) outlines an eight-step process to identify and mitigate geopolitical risks to the LACERS portfolio and categorizes the risk factors facing the System.

#### *Governance Committee*

The purpose of this Committee is to help ensure good governance internally and within the corporations in which LACERS is invested to enhance shareholder value. The Committee consists of three LACERS Board Members, all appointed by the LACERS Board President.

The Committee has the authority to:

- Monitor developments in the corporate governance arena that may affect the value of the equity holdings in the LACERS portfolio and to review and make recommendations to the Board regarding corporate governance issues, proxy voting practices related to corporate securities held in the LACERS portfolio, and securities litigation issues/ activities
- Seek any information it requires from LACERS staff
- Seek information from outside service providers as long as the expense, if any, has been approved by the Board in advance

Duties and responsibilities include:

- Board Governance Policies & Monitoring
- Consultant Monitoring
- Corporate Governance Policies & Monitoring
- Proxy Voting Policies & Monitoring
- Securities Litigation Policies & Monitoring

#### *Proxy Voting Policy and LACERS' Proxy Voting Agent ISS*

The core objectives of the LACERS Proxy Voting Policy are:

- Manage proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing other assets
- Exercise proxy voting rights in the sole interest of the System's members and beneficiaries in accordance with all applicable statutes consistent with the Board proxy policy
- Provide a framework for voting shares responsibly and in a well-reasoned manner
- Align the interests of shareowners and corporate management to build long-term sustainable growth in shareholder value for the benefit of LACERS portfolio

ISS acts as LACERS' proxy voting agent and acts within LACERS' Proxy Voting Policy.

#### *Advocacy Efforts*

The Board occasionally directs staff to send letters to LACERS investment managers to inform them of important ESG issues. As an example, LACERS notified managers of its concern about the activities of the Sudanese government in that country's Darfur region. Subsequently, LACERS sent advocacy letters to managers to ascertain that portfolio investments were not contributing in any way to the genocide taking place in that region.

### *CII Membership*

The Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of pension funds, other employee benefit funds, endowments and foundations with the objective of developing governance policies and promoting corporate governance best practices that enhance long-term value for U.S. institutional asset owners and their beneficiaries.

### *Peer Plans*

Examples of public pension plans aligned with ESG goals include (source NEPC):

#### Public Fund A

- Funded carbon footprint/carbon emissions focused investment program.
- Hired ESG focused staff and continue to build out ESG resources internally.
- Continuing to pursue prospective ESG investment policy changes and best practices.

#### Public Fund B

- Reviewing investment beliefs and investment values statement as it pertains to social impact of prison ownership within private equity.

#### Public Fund C

- ESG policy was revised to include: "When conducting an investment manager search, the investment consultant shall require each prospective investment manager to disclose, in addition to its proposed investment guidelines and practices for investment selection, its ESG policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks, to the extent the same may be applicable."
- Exploring the possibility of creating a new passive commingled investment vehicle that could be seeded by the Plan and would be consistent with their ESG policy.
  - a. The Plan would like the possibility of working with other institutional investors together in a collaborative effort to provide an opportunity to bring like-minded institutional investors together to identify potential low cost and passive investment vehicles.
- The Fund should work with its consultant to explore ways to identify renewable energy opportunities as incorporated in asset classes or a subset of asset classes.
- The Fund recommends working with its consultants' third-party vendors to review the feasibility of developing reporting tools on ESG factors to further monitoring efforts.
- The Fund continues its dialogue with investment managers on climate change and ESG issues and prepares periodic updates.

#### Public Fund D

- Assessing the efficacy of fossil fuel divestment and building a framework for assessing the risk/return impact at the Asset Allocation Policy level as well as by Asset Class. The Plan is actively involved with being an active owner through engagement and proxy voting initiatives

#### Public Fund E

- Main focus is on shareholder advocacy, sustainability investments and climate risk integration into their investment process. They achieve renewables exposure in their private asset classes in the context of funds with exposure to, e.g., solar assets/ energy infrastructure

Local peer plans that are United Nations Principles for Responsible Investment (PRI) signatories include (Source: PRI website):

- LACERA
- CalSTRS
- CalPERS
- University of California
- Loyola Marymount University
- San Francisco Employees' Retirement System
- Humboldt State University Advancement Foundation

*Next Steps*

The Board is scheduled to receive ESG-related education from ClearBridge Investments, PRI, and LACERA.

This report was prepared by Ronald Aubert II, Investment Officer I, Investment Division

RJ:BF:EP:RA

Attachments: A) LACERS Geopolitical Risk Policy

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY****XIII. GEOPOLITICAL RISK INVESTMENT POLICY****A. Introduction**

This policy is intended to provide a framework to address such issues as social unrest, labor standards, human rights violations, and environmental concerns.

**B. LACERS Board's Fiduciary Responsibilities**

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System's assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System's members come first, before any other duty.

The System is sensitive to concerns that environmental, social, and corporate governance geopolitical issues may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Importantly, the System's ownership of securities in a corporation does not signify approval of all of a company's policies, products, or actions.

Investments shall not be selected or rejected based solely on geopolitical risk factors. Accordingly, a company's possible risky geopolitical conduct can only be taken into consideration if the conduct is deemed to demonstrate a negative effect on the investment performance of the company, and ultimately the System.

**C. Process for Identifying and Mitigating Corporate Governance Geopolitical Risks to the LACERS Portfolio**

1. The LACERS Staff will keep the Board apprised of geopolitical problems and issues, and take into account actions of other like prudent investors.
2. Once identified, the Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business' violation of the System's Geopolitical Risk Factors on investment returns.
3. The Board will direct the Staff to solicit feedback from the investment managers holding the security exposed to geopolitical risk as well as conduct independent study to research the impact of the risk.

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

4. Upon the Board determination of a company’s behavior presenting a potential investment loss to the System, the Board shall promptly direct the Staff to seek a change in the company’s behavior.
5. Staff will engage, in a constructive manner, corporate management whose actions are inconsistent with this Policy to seek a change in corporate behavior.
6. After all reasonable efforts have been made to engage management constructively, the Board may determine whether it is prudent to hold such investments or whether it is prudent to sell such investments.
7. At such time, the System will work with the investment manager whose portfolio holds the investment, consultant(s) and fiduciary counsel to determine a prudent course of action.
8. Should the Board decide to take action to divest, Staff will communicate the decision to all of the System’s investment managers to adhere to the Board’s actions going forward.

**D. Geopolitical Risk Factors**

<p><b>Respect for Human Rights</b></p> <ul style="list-style-type: none"> <li>• Judicial System</li> <li>• Arbitrary or Unlawful Deprivation of Life</li> <li>• Disappearance</li> <li>• Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment</li> <li>• Arbitrary Arrest, Detention, or Exile</li> <li>• Arbitrary Interference with Privacy, Family, Home, or Correspondence</li> <li>• Use of Excessive Force and Violations of Humanitarian Law in Internal Conflicts</li> <li>• Governmental Attitude Regarding International and Non-Governmental Investigation of Alleged Violations of Human Rights</li> </ul>
<p><b>Respect for Civil Liberties</b></p> <ul style="list-style-type: none"> <li>• Freedom of Speech and Press</li> <li>• Freedom of Peaceful Assembly and Association</li> <li>• Freedom of Religion</li> <li>• Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation</li> <li>• Civil Unions/Same Sex Marriage</li> </ul>
<p><b>Respect for Political Rights</b></p> <ul style="list-style-type: none"> <li>• The Right of Citizens to Change Their Government</li> </ul>
<p><b>Discrimination Based on Race, Sex, Sexual Orientation, Disability, Language, or Social Status</b></p> <ul style="list-style-type: none"> <li>• Women/Gender</li> <li>• Children</li> <li>• Persons With Disabilities</li> <li>• National/Racial/Ethnic Minorities</li> <li>• Indigenous People</li> </ul>

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

<ul style="list-style-type: none"><li>• Gender Identity</li><li>• Age Discrimination</li></ul>
<b>Worker Rights</b> <ul style="list-style-type: none"><li>• The Right of Association</li><li>• The Right to Organize and Bargain Collectively</li><li>• Prohibition of Forced or Bonded Labor</li><li>• Status of Child Labor Practices and Minimum Age for Employment</li><li>• Acceptable Conditions of Work</li><li>• Trafficking in Persons</li></ul>
<b>Environmental</b> <ul style="list-style-type: none"><li>• Air Quality</li><li>• Water Quality</li><li>• Climate Change</li><li>• Land Protection</li></ul>
<b>War/Conflicts/Acts of Terrorism</b> <ul style="list-style-type: none"><li>• Internal/External Conflict</li><li>• War</li><li>• Acts of Terrorism</li><li>• Party to International Conventions and Protocols</li></ul>