

Investment Consultant Services
for:
General Investments and Risk
Private Equity
Real Assets
Real Estate

Requests for Proposal

Issued August 2021

Orange County Employees Retirement System (OCERS)

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Instructions

Orange County Employees Retirement System (“OCERS”) is requesting proposals from qualified firms interested in providing pension fund investment consulting services that will help OCERS improve portfolio performance over the long run while managing risk in alignment with the risk profiles articulated collectively by our Investment Committee. The primary objectives are to provide OCERS with non-discretionary consulting services for the entire OCERS’ portfolio or any one or combination of the following services:

- General investments and total portfolio risk**
- Private equity investments**
- Real assets investments**
- Real estate investments**

The specific services requested via this Request for Proposal (“RFP”) are contained in [Section 2: Description of Services Sought](#) and [Appendix “D”: Scope of Services](#).

Step 1: Submit Intent to Respond

If your firm is interested in responding to this RFP, please submit your [Intent to Respond \(Appendix “A”\)](#), via email to the [Point of Contact](#) identified in Section 4, by **5:00 p.m., PT, September 10, 2021**. Failure to submit your Intent to Respond may disqualify your firm from submitting a response to this RFP.

Step 2: Submit Questions

Questions about this RFP must be submitted in writing to the [Point of Contact](#) by **5:00 pm, PT, September 10, 2021**. All questions received and responses thereto will be posted on OCERS’s website before 5:00 pm, PT, September 20, 2021.

Step 3: Submit Response

Those who wish to be considered must submit their completed proposal, via email to the [Point of Contact](#), by **5:00 p.m., PT, October 1, 2021**. Any proposal delivered after the proposal deadline will not be considered.

Respondents are invited to submit proposals for any one, combination, or all of the Investments Consulting Services listed above. Respondents must clearly indicate which consultant service(s) your firm intends to offer using the checklist provided in the [Proposal Cover Page and Checklist \(Appendix “B”\)](#). Specific instructions for proposal submissions are contained in [Section 6: Proposal Requirements](#) of this RFP.

Section 1: Background

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, disability, death, and cost-of-living benefits. There are approximately 42,000 members served by OCERS, of which over 15,000 are retirees. OCERS is governed by a ten-member Board of Retirement (“Board”) which has plenary authority and fiduciary responsibility for investment of monies and administration of the retirement system. The OCERS Investment Committee is comprised of all the members of the Board. OCERS has over ninety employees and the Board appoints a Chief Executive Officer who is responsible for the management of the agency.

The OCERS’ investment portfolio, approximately \$21.5 billion in assets as of June 30, 2021, is diversified globally and across multiple asset classes. Currently OCERS’ contributions from members and employers are largely sufficient to fund the retiree payrolls. OCERS invests in separate accounts, commingled vehicles, funds of one, funds of funds, limited partnerships, and co-investments through external investment managers. The Investment Committee has delegated to the Chief Investment Officer (CIO) the responsibility to manage the investment portfolio subject to Investment Committee approved policies. Further details on OCERS’ Investment Portfolio, asset allocation as well as website links to the Investment Policy Statement, current consultant reports, and actuarial information are attached as [Appendix “C” \(OCERS’ Investment Portfolio\)](#).

For additional information about OCERS, please refer to the OCERS website at ocers.org.

Section 2: Description of Services Sought

The Investment Consultant will serve in a fiduciary capacity and will acknowledge in writing its fiduciary status, without qualification. The Consultant will work with OCERS’ Investment Team on assigned duties and projects as an extension of OCERS’ team and reliable research provider. The CIO coordinates the activities of the Consultant under general direction from the Investment Committee. In all cases, the Consultant and its representatives shall offer advice that is solely in the interest of OCERS and perform its duties in accordance with the OCERS’ investment guidelines.

The firm selected as General Investment Consultant as a result of this RFP will provide Investment Policy advice, conduct asset allocation study, manage total portfolio risk, report and monitor the entire portfolio, conduct due diligence, collaborate with OCERS’ Investment Team and Investment Committee, and attend meetings as needed.

The firm(s) selected as Private Equity, Real Assets, and/or Real Estate Investment Consultant(s) as a result of this RFP will provide strategic advice, source investments, conduct due diligence, report and monitor the alternative assets portfolio, collaborate with OCERS’ Investment Team and Investment Committee, and attend meetings as needed.

For purposes of this RFP, the asset class/ strategy coverages of consultant services are shown below.

Consultant Service		Asset Classes/ Strategies
General Investments and Risk		Global public equity, fixed income, credit (corporate credit, EM debt, opportunistic credit, and performing bond-like private credit), risk mitigation (long-term treasuries, global macro, systematic trend following, and alternative risk premia)
Alternative Investments	Private Equity	Buyouts, venture capital across all stages, and special situations investments as well as non-performing and/or equity-like private credit and private equity co-investments
	Real Assets	Energy, infrastructure, timber, and agriculture as well as co-investments
	Real Estate	Core and non-core real estate investments as well as co-investments

Note to respondents: OCERS has elected to define its credit exposure under two different asset classes - credit and private equity.

The performing bond-like private credit funds in credit asset class, including but not limited to traditional sponsor-focused mezzanine and senior debt funds, seek to deliver predictable returns while protecting against losses. The dominant characteristics of the private credit in credit asset class are interest rate risk and credit risk. The bond-like private credit allocation is expected to be covered by the General Investment Consultant.

The non-performing and/or equity-like private credit funds in private equity asset class, including but not limited to levered direct lending and distressed debt, seek to generate more private equity-like returns. These strategies tend to have an element of equity optionality and the return is often driven by an illiquidity premium and complexity premium. The equity-like private credit allocation is expected to be covered by the Private Equity Consultant.

OCERS has a Unique Strategy category for strategies that are differentiated from those in the portfolio's other main asset classes. Given that these types of ideas can have characteristics of multiple or any asset class and market type, public or private, the investments in the Unique Strategy category can fall under the purview of any OCERS' consultant.

The detailed scope of services for this engagement is outlined in [Scope of Services \(Appendix "D"\)](#).

Respondents are invited to submit proposals for any one, combination, or all of the Investments Consulting Services described above. The proposal must clearly identify the intended service offering(s) in [Proposal Cover Page and Checklist \(Appendix "B"\)](#). The proposal must demonstrate that the Respondent is capable of providing advice and recommendations on the types of assets identified in the Respondent's proposal. Proposals must specifically identify the scope of services offered under appropriate descriptive headings and any investment asset categories, strategies, or vehicles excluded from the services offered. The initial term of the contract awarded pursuant to this RFP will be for a **five (5) year** period, with OCERS retaining the option to renew the contract for up to an additional one (1) year.

Section 3: General Conditions

All terms, conditions, requirements, and procedures included in this RFP must be met for a proposal to be qualified. A proposal that fails to meet any material term, condition, requirement, or procedure of this RFP may be disqualified. OCERS reserves the right to waive or permit cure of non-material errors or omissions. OCERS reserves the right to modify, amend, or cancel the terms of this RFP at any time.

OCERS may modify this RFP prior to the date fixed for submission of a proposal by posting an addendum to the respondents known to be interested in submitting a proposal. Failure of a respondent to receive or acknowledge receipt of any addendum shall not relieve the respondent of the responsibility for complying with the terms thereof.

A respondent’s proposal shall constitute an irrevocable offer for the 180 days following the deadline for submission of proposals. Reference to a certain number of days in this RFP shall mean calendar days unless otherwise specified.

All proposals submitted in response to this RFP will become the exclusive property of OCERS. Proposals will not be returned to respondents.

By submitting a proposal, the respondent acknowledges that it has read this RFP, understands it, and agrees to be bound by its requirements unless clearly and specifically noted in the proposal submitted.

Section 4: Point of Contact

A quiet period will be in effect from the date of issuance of this RFP until the announcement of the selection of a firm or firms under this RFP. During the quiet period, respondents are not permitted to communicate with any OCERS’ team member or Committee Member regarding this RFP except through the Point of Contact named herein. Respondents violating this quiet period may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.

OCERS’ normal business hours of operations are from 08:00 to 17:00 PT Monday through Friday, except for federal and state holidays.

The Point of Contact for all matters relating to this RFP is:

Contact: OCERS’ Investment Team

Address: 2223 E Wellington Ave., Suite 100
Santa Ana, CA 92701

Telephone: (714) 569-4884

Email: Investmentsrfp@ocers.org

OCERS Website: www.OCERS.org

Status: See the OCERS website for the status of the RFP and announcements. These items can also be found here:

<https://www.ocers.org/request-proposal>

Section 5: RFP Schedule

The following timetable constitutes a tentative schedule for this RFP process. OCERS reserves the right to modify this schedule at any time. Proposals must be submitted electronically to the Point of Contact identified in [Section 4](#) and delivered by the due date stated below in the RFP Schedule.

Deliverable	Date
Release of RFP	August 30, 2021
<i>Intent to Respond Deadline</i> RFP Questions Deadline	September 10, 2021
RFP Answers Posted	September 20, 2021
RFP Submission Deadline	October 1, 2021
OCERS Review of RFP Submissions	Through November 12, 2021
Interviews of Semi-finalist	To be determined
Finalist On-site Due Diligence Meetings	To be determined
Recommendation at Investment Committee meeting	To be determined
Service Award	Not later than March 31, 2022

Section 6: Proposal Requirements

To facilitate OCERS's review and evaluation of the responses received. A response to this RFP must include all pages numbered and submitted the following sections in the order listed:

1. Proposal Cover Page and Checklist

- a. A statement affirming that the signatory is empowered and authorized to bind the Respondent contractually to an agreement with OCERS and that signatory represents and warrants that the information stated in the proposal is accurate and may be relied upon by OCERS in considering and potentially accepting the proposal. The [Proposal Cover Page \(Appendix "B"\)](#) must be submitted on the firm's letterhead and include the title or position the signatory holds in the proposing business.
- b. Respondents are invited to submit proposals for any one, combination, or all of the Investments Consulting Services described in [Section 2: Description of Scope of Services](#). However, the proposal must clearly identify the intended service offering(s) using the [Checklist](#) provided on the cover page.

2. Minimum Qualifications Certification

Your firm must certify, by completing and signing the [Minimum Qualifications Certification \(Appendix "E"\)](#), that it meets the minimum qualifications required.

3. Table of Contents

The proposal must contain a table of contents showing the proper order using a numeric format.

4. Executive Summary

Provide an executive summary that includes the respondent's background, experience, and other qualifications. The summary should identify respondent's competitive advantages, specialties, limitations, and the reasons why the firm should be selected.

5. Fee Proposal

Provide total annual retainer [Fee Proposal \(Appendix "F"\)](#) itemized by general consulting services and/or each alternative investment consulting services that you intend to offer.

An explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply. OCERS does not place any limits on the approach to pricing and is open to the presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing approach(es) will be structured to provide the best value to OCERS. All pricing proposals should be "best and final," although OCERS reserves the right to negotiate on pricing.

6. Response to the Questionnaires

Provide your response to the enclosed [Questionnaires \(Appendix "G"\)](#). Responses must be submitted in the order that the items appear in the Questionnaire. If a Respondent is unable to provide any information requested in the Questionnaire for evaluation, an explanation must be provided.

Section 7: Evaluation Criteria

Responses will be evaluated based upon the following:

1. Experience and reputation of the respondent
2. Quality of the team proposed to provide services to OCERS, including staff depth, experience, turnover, and compensation.
3. Quantitative and qualitative research capabilities
4. Access to investment managers or premier general partners
5. Investment philosophy
6. Quality and timing of reports
7. Availability and quality of Client Portal offering and overall technology resources
8. The organization, completeness, and quality of the proposal, including cohesiveness, conciseness, and clarity
9. Pricing and value
10. Information provided by references
11. Other factors OCERS determines to be relevant

The factors will be considered as a whole, without a specific weighting. The balancing of the factors is in OCERS' sole discretion. Factors other than those listed may be considered by OCERS in making its selection. OCERS reserves the right in its discretion to request additional information from any Respondent, although such requests may not be made to all Respondents.

If advanced beyond round one of the evaluation phase, respondents may be asked to complete a subsequent questionnaire. OCERS may require one or more interviews with or personal presentations by finalists to be conducted with OCERS' Investment Team, some of the Committee Members, and/or the entire Investment Committee.

If the information in the proposal is deemed to be insufficient for evaluation, OCERS may request additional information or reject the proposal outright at OCERS' sole discretion. False, incomplete, or unresponsive statements in connection with a proposal may result in rejection of the proposal.

Section 8: Non-Discrimination Requirement

By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, color, national origin, ethnic group identification, mental disability, physical disability, medical condition, genetic information, marital status, ancestry, sex, gender, sexual orientation, gender identity, gender expression, age, or military and veteran status.

Section 9: Notice Regarding the California Public Records Act and the Brown Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 6250, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a respondent believes any portion of its proposal is exempt from public disclosure or discussion under the Act, the respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and OCERS will not deny public disclosure of all or any portion of proposals so marked.

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

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

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

1. Any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including, without limitation, attorneys' fees, expenses, and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to OCERS' non-disclosure of any such designated portions of a proposal; and
2. Any and all Claims arising from or relating to OCERS' public disclosure of any such designated portions of a proposal if OCERS determines disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

Section 10: Contract Negotiations

OCERS will negotiate a contract with the successful respondent, which will contain such terms as OCERS, in its sole discretion, may require. In addition, the selected firm will agree that this RFP and the firm's proposal will be incorporated by reference into any resulting contract. The final Scope of Services to be included in the contract will be determined at the conclusion of the RFP process.

This RFP is not an offer to contract. Acceptance of a proposal neither commits OCERS to award a contract to any respondent, nor does it limit OCERS' right to negotiate the terms of a contract in OCERS' best interest, including the addition of terms not mentioned in this RFP. The final contract must, among other terms and conditions required by OCERS, allow OCERS to terminate the contract a) for OCERS' convenience, b) if funds are not appropriated for the services to be provided, or c) for default.

Section 11: Reservations by OCERS

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

1. Cancel or modify this RFP, in whole or in part, at any time.
2. Make such investigation as it deems necessary to determine the respondent's ability to furnish the required services, and the respondent agrees to furnish all such information for this purpose as OCERS may request.
3. Reject the proposal of any respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in OCERS' sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of OCERS in OCERS' sole discretion, which may not be the proposal offering the lowest fees.
6. Request additional documentation or information from respondents, which may vary by respondent. OCERS may ask questions of any respondent to seek clarification of a proposal or to ensure the respondent understands the scope of the work or other terms of the RFP.
7. Reject any or all proposals submitted in response to this RFP.
8. Choose to not enter into an agreement with any of the respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
9. Determine the extent, without limitation, to which the services of a successful respondent are or are not actually utilized.
10. Defer selection of a bidder to a time of OCERS' choosing.
11. Consider information about a respondent other than, and in addition to, that submitted by the respondent.

Appendix A: Intent to Respond

If you choose to submit a proposal in response to this RFP please submit this Intent to Respond to Investmentsrfp@ocers.org no later than 5:00 p.m., PT, September 10, 2021. Failure to submit your Intent to Respond may disqualify your firm from submitting a proposal.

OCERS' responses to written requests for clarification or additional information will be provided to all firms that have submitted an Intent to Respond.

From

Name:

Title:

Company:

Phone Number:

Email Address:

Date:

To: OCERS' Investment Team

Email: Investmentsrfp@ocers.org

Re: Intent to Respond

Our firm intends to submit a response for OCERS' RFP for (Check all that apply)

General Investment Consulting

Private Equity Investment Consulting

Real Assets Investment Consulting

Real Estate Investment Consulting

Please forward inquiries to the following contact:

Name:

Title:

Company:

Mailing Address:

Phone Number:

Email Address:

Appendix B: Proposal Cover Page and Checklist

Firm

Firm Name: _____

Main Address: _____

Primary Contact at Firm for this RFP

Name: _____

Title: _____

Phone Number: _____

E-Mail Address: _____

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the respondent has reviewed the entire RFP and intends to comply with all requirements.

Respondent specifically acknowledges the following:

1. Respondent possesses the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions regarding the RFP and believes that there are no ambiguities in the scope of services.
3. The fee schedule submitted in response to the RFP is for the entire scope of services and no extra charges or expenses will be paid by OCERS.
4. Respondent has completely disclosed to OCERS all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of OCERS, or other officers, agent, or employee of OCERS presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in the proposal and all correspondence and written questions submitted during the RFP process are subject to disclosure pursuant to the California Public Records Act.
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
8. The signatory below is authorized to bind the respondent contractually.

Authorized Signature

Name and Title (please print)

Date

Checklist

Check the service(s) you are submitting in response to this RFP. (Check all that apply)

General Investment Consulting

Private Equity Investment Consulting

Real Assets Investment Consulting

Real Estate Investment Consulting

List any investment asset categories, strategies, or vehicles excluded from the above services that you intend to offer.

Appendix C: OCERS Investment Portfolio

As of June 30, 2021, OCERS' portfolio had a net asset value of \$21.5 billion. OCERS' asset allocation is as follows:

OCERS' Asset Allocation as of June 30, 2021

Asset Class	Market Value	Current Allocation	Target Allocation
Global Public Equity	10,441,754,569	48.7%	47.0%
Private Equity¹	2,633,049,699	12.3%	13.0%
Fixed Income	2,390,098,735	11.1%	11.0%
Credit²	1,600,751,859	7.5%	7.0%
Real Assets³	872,917,875	4.1%	5.0%
Real Estate	1,011,979,180	4.7%	7.0%
Risk Mitigation	1,805,428,739	8.4%	10.0%
Unique Strategies	54,687,291	0.3%	0.0%
Cash⁴	648,909,972	3.0%	0.0%
Total Assets⁵	21,459,581,437	100%	100%

¹ The private equity asset class includes legacy private equity fund-of-funds (FoFs), direct private equity, and non-performing and/or equity-like private credit. The MV of the private credit funds in private equity asset class is \$455,426,424. Both FoFs and private credit are winding down.

² The credit asset class includes corporate credit, EM debt, opportunistic credit, and performing bond-like private credit. The MV of the private credit funds in credit asset class is \$482,572,038.

³ The real assets asset class includes energy, infrastructure, timber, and agriculture.

⁴ The cash asset class includes unallocated cash and cash overlay program.

⁵ Total Assets include \$3,518 of strategies that are winding down.

Website Links:

[Investment Policy Statement](#)

[Quarterly Performance Report](#)

[Quarterly Risk Report](#)

[Alternative Investments Holdings](#)

[Actuarial Valuation and Review](#)

Asset Class Objective and Goals:

- Global Public Equity

The investment objective of the global equity is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation. OCERS has adopted a style diversified structure that is designed to have aggregate equity portfolio characteristics similar to that of the global equity market as represented by the MSCI ACWI IMI Index. While passive management is utilized in the more efficient parts of the markets, active management is favored for small cap, emerging market equity, etc.

- Private Equity

The objective of the private equity asset class is to provide diversification for the overall portfolio and enhance returns; a diversified global portfolio targeting top-quartile managers within each segment of the market. The asset class is composed of fund of funds, direct private equity, and non-performing and/or equity-like private credit. The asset class is targeting 63% buyout, 25% venture, 7% special situations, and 5% other (non-core interests through legacy FoFs); and 64% North America, 20% Europe, 13% Asia, and 3% Global. Additionally, 10% of the annual private equity commitments are set aside for co-investment opportunities alongside OCERS' current existing GP relationships.

OCERS will continue to seek out direct fund investments in top-quartile managers globally. Private equity has a pacing plan to deploy \$675 million in 2021 and \$700 million in 2022. OCERS will also focus on top-quartile managers that will provide co-investment opportunities, allowing OCERS to top up on "best ideas" while bringing down the total fee load. Co-investments with existing and approved General Partners in sizes of \$5 to \$10 million are approved under the current guidelines.

- Fixed Income

The objective of the fixed income asset class is to diversify equity risk, preserve capital, generate income, and in the case of TIPS, protect against inflation. The asset class is broken down into two main categories: investment grade bonds and TIPS. The former is mostly actively managed through core and core-plus mandates. TIPS are invested in an index fund.

- Credit

The objective of this asset class is to allow the plan to capture the credit risk premium. Credit has a 7% overall target in the portfolio and includes four main sub-asset classes: corporate credit, opportunistic credit, emerging markets debt, and performing bond-like private credit. The asset class is targeting 35% corporate credit and opportunistic credit, 29% emerging markets debt, and 36% private credit. The corporate credit allocation is made up of corporate bonds and banks loans that are mainly below investment grade. Opportunistic credit seeks to deliver returns by taking advantage of periods of credit dislocation in public markets. OCERS' emerging markets debt exposure is predominantly expressed through blended mandates in local and external emerging markets sovereign debt. Finally, the majority of the private credit exposure is in middle market direct lending and asset based lending.

As for the private credit sub-asset class, it has a pacing plan to deploy \$125 to \$200 million per year across 2 to 3 investments.

- Real Assets:

The objective of the real assets asset class is to provide diversification for the overall portfolio while providing income and an inflation hedge. Real assets has a 5% overall target in the portfolio and includes infrastructure, energy, timber, agriculture, and other hard asset strategies.

Real assets has a pacing plan to deploy \$100 to \$150 million per year across 2 to 3 investments.

- Real Estate

Within real estate, OCERS targets 60% to core strategies and 40% to non-core strategies with up to 10% of the real estate allocation permitted to be invested in non-U.S. assets. OCERS will continue to move towards a balance of core and non-core real estate investment allocations.

- Risk Mitigation

The objective of the risk mitigation asset class includes protecting against an equity market decline, diversifying the total portfolio away from growth risk, and having a positive return over a cycle. The asset class is composed of 25% target allocation each to long-term treasuries, global macro, systematic trend following, and alternative risk premia.

- Unique Strategies

The objective of the unique strategies asset class is to enhance return and diversify the risks of the OCERS' portfolio while exhibiting a low correlation to public equity and fixed income markets. This portion of the portfolio is reserved for strategies that are truly unique and while differentiated from those in the portfolio's other main asset classes, can have characteristics of multiple or overlapping asset classes but are not easily categorized by just one in particular. For this reason, Unique Strategies may fall under the purview of any OCERS' Investment Consultant.

Since there is no target for Unique Strategies, the category will continue to be utilized in an opportunistic manner and will continue to evolve over time, likely increasing the OCERS' portfolio exposure to new and niche platforms and strategies in the future.

Appendix D: Scope of Services

Specific services to be provided include, but are not limited to, those listed below. Regardless of the scope of services proposed or the category, class, or type of investments proposed, the proposal must address each of the components listed below. OCERS will consider additional components of work explained in the proposal that a Respondent believes to be necessary or advantageous to OCERS.

General Investments and Total Portfolio Risk

1. Investment Policy and Asset Allocation
 - a. Provide ongoing advice and technical support in the establishment and refinement of portfolio strategic asset allocation, investment goals, objectives, and policies.
 - b. Provide asset class analytics to support asset allocation studies to drive the portfolio construction process.
 - c. Assist OCERS' Investment team and Investment Committee with investment research, strategic investment decisions, and portfolio structure. This would include topics such as new investment strategies, investment styles, active versus passive investments, benchmark risk, rebalancing strategies, industry trends.
2. Risk Management
 - a. Provide risk management services including development of portfolio-level risk mitigation, risk offset, or risk-balancing strategies.
 - b. Provide board-level risk reports and present them at Investment Committee meetings quarterly.
 - c. Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on the OCERS' portfolio.
3. Investment Manager Search and Due Diligence
 - a. Provide manager profiles, identify and evaluate candidate managers including reviewing their qualifications and track records, key investment terms, and identifying any significant issues (including investment risks and concerns).
 - b. Conduct Comprehensive due diligence on prospective managers in the covered area. The due diligence investigation will also include operational due diligence of a prospective fund or manager's governance, organization, back office, accounting, risk, systems, and valuation methodologies.
 - c. Provide ongoing monitoring and oversight of managers with regard to organizational stability, changes in investment focus, key personnel, and ownership structure, and compliance with laws, regulations, investment policies, and mandates, and other relevant matters.
 - d. Request information from managers in order for the Fund to comply with regulatory and/or other requirements.
4. Performance Monitoring and Reporting
 - a. Facilitate the development and selection of appropriate performance benchmarks and policy benchmarks for each asset class and each manager.
 - b. Calculate rate of returns at multiple levels of the portfolio independently from OCERS' Custody Bank. Evaluate manager performance and consistency relative to its mandate, the investment guidelines, and established benchmarks. Conduct ongoing discussions with

managers on investment performance. Advise on manager surveillance, retention/termination, and help evaluate any under- or irregular performance of managers.

- c. Provide timely, comprehensive quarterly reports that include performance analysis, attribution analysis, portfolio risk analysis, and peer analysis of the individual managers, composites, and total fund. Review the performance of the public market managers and portfolios relative to established benchmarks and peer groups. Provide analysis of the current market environment, key events in the financial markets, and a review of the performance of the major market indexes. Consultant shall discuss each quarterly performance evaluation report with OCERS' Investment Team for review prior to presentation to the Investment Committee.
- d. Reconcile all cash flows, net asset values, and investment data with the Custody Bank reports and records for accuracy.

5. Meeting, Training, and Client Service

- a. Attend all Investment Committee meetings. Review performance, market and portfolio risks, assess investment program and make recommendations quarterly at the Investment Committee meetings. In addition, attendance is typically required for Education Forums and OCERS' annual strategic planning (2-3 days annually, combined).
- b. Meet with OCERS' Investment Team monthly, or as may be necessary from time to time, to review the portfolio, pipeline, investment opportunities, upcoming presentation and any other pertinent matters.
- c. Provide educational workshops to the Investment Committee on specific issues designated by OCERS and/or recommended by the Consultant.
- d. Assist OCERS' Investment Team in responding to questions from the internal and external auditors as necessary.
- e. Provide comments and analysis on proposed federal and state legislation affecting the OCERS' Investments portfolio.
- f. Report significant changes in the Consultant's ownership, organizational structure, personnel, and other areas that may be relevant to the Consultant on a timely basis.

Alternative Investments (for Private Equity, Real Assets, and Real Estate)

1. Strategic Alternative Investments Advisory Services
 - a. Provide ongoing recommendations concerning long-term objectives and strategies for the alternative investments portfolio that is consistent with OCERS' Investment Policy.
 - b. Prepare special analyses and/or research, as requested by OCERS' Investment Team, to define goals and objectives, monitor portfolio risk, and model program cash flows/commitment pacing for the alternative Investments portfolios.
 - c. Provide a rolling 36-month forward calendar for high conviction general partners including co-investments by sub-strategy and geography.
 - d. Provide a comprehensive analysis of OCERS' current alternative portfolio, including risk analysis, manager evaluations, and an action plan, if appropriate.
 - e. Conduct and prepare comprehensive written research, analysis, and advice on specific investment issues, special projects, or other activities, as requested.
 - f. Work with OCERS' Investment Team to enhance or establish the co-investment program in the covered alternative asset class.
2. Alternative Investment Sourcing and Due Diligence
 - a. Develop a proactive, structured process to (i) analyze the full universe of available investments including co-investments; and (ii) efficiently identify investments most advantageous to OCERS. This process will include detailed analyses of prospective investments identified by OCERS' Investment Team.
 - b. Conduct due diligence on prospective investments including co-investments that the Consultant or OCERS' Investment Team recommend for consideration. Due diligence will include evaluation of the prospective investment fund's history, team, performance, strategy, and operations. Present written recommendations to OCERS' Investment Team which will include: (i) the results of the Consultant's due diligence; (ii) a discussion of strategic considerations; (iii) an analysis regarding how the recommendation fits within OCERS' alternative Investments portfolio; and, (iv) a detailed business review of the alternative Investments investment fund terms and fund documents. The due diligence investigation will also include operational due diligence of a prospective fund or manager's governance, organization, back office, accounting, risk, systems, and valuation methodologies.
 - c. Attend meetings related to investment manager searches and site visits, as needed.
3. Co - investment
 - a. Conduct full due diligence and investment reviews of potential co-investment opportunities. Each review should be customized to address specific issues related to the co-investment and how it fits within OCERS' targeted and existing portfolio of primary funds and co-investments.
 - b. Consultant due diligence procedures will include the following:
 - i. Gather and review of investment documents, including offering memorandums, company and management team presentation, deal models and other third party valuation and supporting research documentation, financial statements and any other data supporting available.
 - ii. Full review should include but is not necessarily limited to: In-depth analyses, reference checks and due diligence reviews of the prospective general partner, target company management and deal details.

iii. Maintenance of complete, written records and files of all due diligence procedures.

4. Monitoring and Reporting of the Alternative Investments Portfolio

- a. Prepare Performance Evaluations Reports. Consultant shall use the information provided by OCERS, investment managers, and OCERS' custodian bank reflecting the activity and performance of each alternative asset class to prepare the following reports, analyses, and evaluations:
- i. Consultant shall have full responsibility for monitoring and reporting investment performance on the alternative investments and, will assist OCERS' Investment Team in the deployment of internal procedures for supplemental monitoring and performance measurement of alternative investments.
 - ii. Consultant shall provide written alternative investment performance evaluation reports quarterly. The quarterly reports shall be completed and submitted within 45 days following the submission to the Consultant of accurate data by OCERS or, at OCERS' election, by the custody bank.
 - iii. Each quarterly report described in the previous paragraph shall include, at a minimum: allocation breakdown by geography, sector, and industry; updates on each investment fund; listing of each investment fund by sector; date of commitment to each investment fund; commitment amount to each investment fund; draw-down amounts by investment fund; outstanding commitment by investment fund; distribution amounts by investment fund; investment fund NAVs; multiples by investment fund; the internal rate of return of each investment fund; and all items above aggregated for the total alternative Investments portfolio.
 - iv. Each quarterly report described in paragraph (ii) shall also include: statistical and graphic data serving as the basis for the evaluation; narrative comments with respect to the performance and the data; including relevant observations with respect to market conditions, risk levels, management styles; and an executive summary of pension plan fund and investment portfolio performance.
 - v. Each quarterly report described in paragraph (ii) reports will include an analytical review of the alternative investment portfolio, including returns and risk. The Consultant shall calculate various rates of return such as time and dollar-weighted averages, internal rates of return, multiples of invested capital, and will compare OCERS' rates of return to peer groups of similar pension funds and appropriate benchmarks.
 - vi. Consultant shall discuss each quarterly performance evaluation report with OCERS' Investment Team for review prior to presentation to the Investment Committee. The Consultant may, at OCERS' discretion, be asked to present quarterly performance evaluation report to the Investment Committee at meetings specified by OCERS.
 - vii. Consultant shall prepare updates for quarterly Investment Committee meeting packets and other periodic reporting that OCERS may require.
- b. Reconcile all cash flows, net asset values, and investment data for accuracy.
- c. Take responsibility for the timely review and analysis of key events that may affect the alternative asset portfolio. This review and analysis shall cover, without limitation, market changes, changes in senior management, and substantial reductions in portfolio value. Monitoring will be conducted through surveillance of the media, communication with professional networks, and the systematic review of the reporting for the Funds.

- d. Assist in any actions taken to protect the interests of OCERS as an investor and interact, where necessary, with portfolio general partners to ensure individual fund compliance with contract terms.
- e. Review and recommend courses of action for all fund document amendments and MFNs, as needed.
- f. Report to OCERS once per year (or more often as necessary) to verify all capital calls, distributions, fees, and expenses paid to or received by OCERS are accurate and in line with the underlying investment agreements. Assist OCERS to prepare the annual fee disclosure report required by California Government Code §7514.7.

5. Meeting, Training, and Client Service

- a. Attend Investment Committee meetings quarterly or as needed to: (i) present research, analyses, written reports, and recommendations; and (ii) respond to questions relating to the alternative investment or market. In addition, attendance is typically required for Education Forums and OCERS' annual strategic planning (2-3 days annually, combined).
- b. Meet with OCERS' Investment Team monthly, or as may be necessary from time to time, to review the alternative portfolio, pipeline, investment opportunities, upcoming presentation and any other pertinent matters.
- c. Provide educational workshops to the Investment Committee on specific issues designated by OCERS and/or recommended by the Consultant.
- d. Assist OCERS' Investment Team in responding to questions from the internal and external auditors as necessary.
- e. Provide comments and analysis on proposed federal and state legislation affecting the alternative Investments portfolio.
- f. Report significant changes in the Consultant's ownership, organizational structure, personnel, and other areas that may be relevant to the Consultant on a timely basis.

Appendix E: Minimum Qualifications Certification

All respondents submitting a proposal in response to this RFP are required to sign and return this attachment, along with written evidence of how the respondent meets each qualification. The undersigned hereby certifies that it fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

1. Respondent must be a SEC-registered investment advisor or exempt from registration. If exempt, the Respondent must explain the nature of their exemption from registration.
2. Respondent proposing investment consulting services must meet the following minimum client base and experience requirements at the time of submission
 - a. Respondent must have been in continuous operation for at least five (5) years providing services similar to those described in the Scope of Services.
 - b. Respondent must have at least five (5) defined benefit pension plan clients, of which two (2) are public pension plans with total plan assets of at least \$15 billion each.
 - c. Respondent must assign a primary consultant to the OCERS' relationship that has a minimum of seven (7) years of client-facing experience providing investment consulting services as a lead consultant to tax-exempt institutional clients that have diversified portfolios.
3. Respondent must carry, or be able and willing to obtain if selected, errors and omissions and general liability insurance in amounts reasonably competitive with other semi-finalists as it pertains to OCERS.
4. Respondent must agree in its contract to (a) serve as a fiduciary with respect to its services and (b) defend, indemnify and hold harmless OCERS (and its indemnified parties) for claims, expenses, losses, damages, etc. related to acts or omissions by the firm that are not consistent with the fiduciary standard of care, breaches of representations and warranties, and material misrepresentations.
5. Respondent must agree to disclose all conflicts of interest, all sources of revenue, and all affiliations. Disclose annually to OCERS any revenues, income, fee breaks, soft dollars, hotel, and travel expense, or other items of significant monetary value received by the Advisor or any affiliates from investment managers, general partners, brokerage firms, investment banks, or other financial services businesses.
6. Respondent must warrant that all information and statements in this RFP are complete and true. Any statement or claim found to be incomplete, misleading, or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.

Authorized Signature

Date

Name and Title (please print)

Name of Firm

Appendix F: Fee Proposal

Propose your service model and submit a non-discretionary, full retainer fee proposal for the services described in the Scope of Services.

Provide an explanation of the pricing proposal for the scope of work including pricing of fees and costs, billing practices, and payment terms that would apply. OCERS does not place any limits on the approach to pricing and is open to the presentation of more than one pricing alternative for the scope of work, or portions of it. This section of the response should include an explanation as to how the pricing approach(es) will be structured to provide the best value to OCERS. OCERS will be evaluating the fee proposals based on the breakdown pricing for each of the proposed consulting services and the bundle pricing for the entire consolidated engagement that includes all the proposed consulting services. The contract term is expected to be five (5) years with the option of up to one (1) year renewal. The retainer fees quoted in this proposal must be in force for the entire six-year period. All pricing proposals should be “best and final,” although OCERS reserves the right to negotiate on pricing.

Appendix G: Questionnaire

Section 1. Questionnaire for All Consultants

Questionnaire Exhibit Checklist

- Exhibit "A" Form ADV (Part I & II and accompanying schedules)
- Exhibit "B" Audited Financial Statements and Management Letter
- Exhibit "C" Organizational Chart
- Exhibit "D" Key Personnel Information
- Exhibit "E" Employee Turnover Information
- Exhibit "F" Sample Performance Reports
- Exhibit "G" Code of Conduct
- Exhibit "H" Internal Compliance and Control Regime
- Exhibit "I" Policies and Procedures related to Conflicts of Interest

I. Organization

1. Provide the month and year of SEC 1940 Act registration. Provide a copy of the firm's most recent Form ADV (Part I & II and accompanying schedules) and attach it as Exhibit "A" to your response.
2. Will your firm act as a fiduciary (as the term is defined by the Employee Retirement Income Security Act of 1974) to OCERS with respect to the services sought in this RFP? Explain if your firm will not act as a fiduciary.
3. Please provide the locations of all of your firm's offices, the primary functions performed at each of these locations, and the number of full-time investment professionals based in each office. Indicate which office will be primary in servicing OCERS, and any other offices that will be involved in the provision of services to OCERS.
4. Please describe the ownership structure of the firm, including but not limited to, the parent company and any affiliated companies, joint ventures, strategic alliances, and employee ownership. Please also provide a list of firm owners with their ownership percentages. Describe the process for decision-making as it relates to firm governance and strategy.
5. Please provide a brief history, going back to the inception, of your firm and your parent organization. Within the past five (5) years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? If your firm anticipates any near-term changes in its corporate structure, organization structure, leadership, location, or professional staffing, please indicate the nature of such prospective changes.
6. Describe the financial stability of your organization, including debt/equity, debt/total assets, other pertinent ratios, and whether your firm has the ability to meet its expected financial obligations. Is your firm (a) in breach of or in default under any agreement, or (b) aware of the occurrence of any facts which, with the passage of time or the giving of notice, could result in breach of or default under any such agreement. Please provide copies of the firm's most recent audited financial statements and auditor's management letter attached as Exhibit "B" to your response.
7. Provide as Exhibit "C" an organizational chart of your firm, across all offices and groups. Show and describe, if any, the distinct lines of business of your firm and your parent if any, which are in addition

to your investment consulting line of business. Describe the relationship between the investment consulting group and any other business units of the firm. Show the number of employees, professional and support, in each line of business.

8. Please provide the approximate contributions of each business to your firm's total revenue. If your firm is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does the subsidiary or affiliate generate?
9. Does your firm outsource any aspect of your investment advisory/consulting services? If so, please describe in detail the names of the third-party providers, the services they perform, and business arrangements.
10. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
 - a. Additional resources for advising/consulting, support, research, client service, and tools/models to enhance the consulting process.
 - b. The maximum assets under advisement/management, the maximum number of clients, and optimal client-to-consultant ratio.
 - c. Any attention to merge or acquire other firms, spin-off subsidiaries.

II. Personnel

11. Provide as Exhibit "D", the description of the key persons that will be assigned specifically to OCERS. Include the primary consultant, backup consultant, and all individuals who would be involved in due diligence, research assignments, analytical and performance measurement tasks for the OCERS' account. For each person on the dedicated OCERS' team, please provide a resume or biography as well as the following information.
 - a. Full name
 - b. Description of current position and responsibilities
 - c. Description of the expected role this person would have with OCERS
 - d. Office location
 - e. Experience, qualifications, and areas of expertise
 - f. Tenure with the firm
 - g. Total years providing the services described in the RFP
 - h. Total years the consulting professionals have worked together as a team
 - i. Firm ownership percentage (if applicable)

Additional information for primary consultant and backup consultant.

- j. Total current number of assigned accounts for which this person has primary consultant responsibilities
- k. Total current number of assigned accounts for which this person has support or backup responsibilities
- l. Plan type, length of relationship, and size of each assigned client account for which this person currently serves as a primary consultant
- m. Plan type, length of relationship, and size of each assigned client account for which this person currently serves in a support or backup capacity

- n. Percent of time expected to be dedicated to OCERS
 - o. Description of experience(s) giving formal presentations to the Board or Committee
12. Explain how the regularly assigned team would function, including the primary contact, backup personnel, quality control procedures, and support services. For monthly calls and Investment Committee meetings with OCERS, which team members would be expected to attend on a regular basis? For particular fund diligence done solely for OCERS, how many team members will be involved in the diligence?
 13. Describe the firm’s compensation and incentive program for hiring and retaining key personnel. How are they evaluated and rewarded? On what basis are these incentives determined – is compensation tied to success factors such as account growth, performance, client satisfaction, or other factors? Please list and indicate the weight of each in determining total compensation. Please be detailed and specific.
 14. What policies are in effect to control the workload as it relates to the number of clients serviced by each consultant? Is there a limit on the number of accounts that a consultant may handle? What is the average number of clients assigned per professional staff?
 15. Describe the firm’s succession plan in the event the key personnel in this assignment should leave the firm. Describe how you consult with the client for its input when considering replacements.
 16. Provide as Exhibit “E” all key personnel (any position including and above the senior associate level) that have departed the firm’s consulting group in the five-year period ended as of the date of submission of your firm’s proposal. Provide the following information: month and year of departure, name of person, title, years with the firm, and the name of the person that replaced them. Sort the information by the date of departure so that the most recent departure appears first on the list.

III. Clients

17. Complete the following table by providing the number of clients, assets under advisement/management for the firm’s full-service retainer investment consulting relationships and the number of clients that have renewed their contract with your firm over each of the last five (5) years. (Performance evaluation services or project-based work alone are not considered full-service retainer investment consulting relationships.) Please provide the data as of December 31st for all years.

	2020	2019	2018	2017	2016
Number of Clients					
Assets under Advisement / Management					
Number of Clients to Renew Contract					

18. Complete the following table by providing the number of full-service retainer investment consulting clients by account size and type as of December 31, 2020:

	<\$5B	\$5 - \$25 B	\$25 B - \$50 B	Over \$50 B
California 1937 Act Retirement System				
Other Public Pension Plans				
Corporate Pension Plans				
Endowment, Foundation				
Family Office				
Other				
Total Firm Assets by Client Base				

19. Complete the following table by providing the number of full-service retainer investment consulting clients by years of service with your firm as of December 31, 2020.

Years	Number of Clients
0 – 1	
1 – 3	
3 – 5	
5 – 10	
10 +	

20. Please list the number of full-service retainer clients with account sizes over \$5 billion for these specific specialized consulting mandates:

Type of Relationship	Number of Clients
General Investment	
Risk Management	
Private Equity	
Real Assets	
Real Estate	

21. Please provide your five largest public pension clients. For each client, provide the name of the client, the client’s approximate asset size, your firm’s role in performing the work, and the number of years serving the client.
22. Please list any client accounts that have been lost from January 1, 2016 to the date of submission of the RFP. State the name or type of account, the size of the account at termination, and the reasons for the loss. If any clients were lost due to a conflict of interest, please explain.
23. Describe how a new client would transition to your services including cost basis and performance data? Please outline the level of access and interaction OCERS’ investment team would have with your firm’s consultants, research staff, and other professionals, particularly in the formative phase of a new client relationship.

IV. Research and Resources

24. Describe the firm’s research capabilities. Does the firm have a dedicated research group that conducts research on investment topics? Describe the internal structure of the research group. Does the firm provide clients with research papers, white papers, and publications? If yes, how frequently? Is there an additional cost for this? Provide a list of your most recent published research relevant specifically to this engagement. Weblinks or periodical citations, and a one-sentence synopsis are preferred.
25. Describe how the firm conducts research on investment management firms and their products. Please also address the following in your response:
- How many research analysts are dedicated to this function by asset class, market, or geography?
 - What is the process for identifying investment manager candidates, qualifying/vetting them, and providing manager research to your clients?

- c. Please provide a list of strategies that have been assessed by research to show the breadth of the manager review capabilities.
 - d. How often will a representative of the firm’s manager research group typically perform an onsite visit to an investment management firm?
 - e. Describe your coverage of U.S. vs. Non-U.S. investments.
 - f. Is there a manager rating system applied?
 - g. Does the firm maintain a “buy list” of managers for specific product classifications?
26. Does the firm maintain a database for prospective investments and managers? If yes, please describe the firm’s database that will be made available to clients.
27. Please discuss what, if any, risk management tools your firm utilizes to evaluate potential investment recommendations in conjunction with a client’s existing portfolio.
28. Do you outsource or partner for any research function that would regularly be used in an OCERS’ relationship? Describe how external resources and sources of information are used in the research process. How does your firm integrate internal and external research?

V. Performance Analytics and Reporting

29. Describe the system used by the firm to analyze and evaluate the investment performance of managers in the client’s portfolio. In particular, address the following questions.
- a. What is the degree of automation of the system?
 - b. Are there any limitations (e.g., length of time or amounts) on historical performance data maintained for clients? Can data be easily downloaded?
 - c. Please describe the technical resources and computer-based analytical tools that are used by the firm.
 - d. Is your performance evaluation system proprietary or did you obtain it from another supplier?
 - e. How does the firm make technology available to clients to assist them in the evaluation of investment manager performance?
30. Describe how the firm obtains data from the client’s custodian and investment managers. How does your firm verify the accuracy of data received from the custodian and investment managers?
31. What is the firm’s process for return reconciliation? How will discrepancies be investigated and resolved?
32. Describe the types of performance reports that OCERS would receive and provide sample performance report(s) as Exhibit “F”. Please also address the following in your response:
- a. Describe the content and format of your firm’s quarterly performance reports for the total fund, asset classes, and individual investment managers.
 - b. Can you independently calculate and provide fiduciary-useful performance reporting for monitoring managers?
 - c. Can you calculate and provide custom benchmarks?
 - d. Can published reports be tailored to meet individualized client needs? What level of customization is possible? Are there charges for these additional information requests?
 - e. What is your organization's typical turnaround time for the preparation of quarterly performance reports.

- f. Describe the source and database(s) the firm uses for peer universe comparisons. Indicate the size, composition, and data compilation method.
 - g. Describe your firm's performance attribution capabilities. Does your firm's quarterly reporting package contain attribution analysis at the total fund, asset class, and investment manager level?
 - h. Describe the quality control procedures that are in place to assure the accuracy of reports.
 - i. Would the performance reports be available to OCERS online?
33. Describe your firm's philosophy and approach regarding the use of benchmarks. How do you determine the appropriate benchmark?
34. Do you have an interactive platform or system that provides clients with access to information on their portfolio, has the ability to perform ad hoc analysis, and generates customized reports? If yes, please address the following in your response:
- a. Describe components, key features, and analytical tools available on the platform.
 - b. Can clients access fund documents, performance reports, cash flows, valuation, and performance on the platform?
 - c. Would your firm be able to provide OCERS with a remote virtual walk-through of the platform?

VI. Standards of Conduct, Compliance, and Conflicts of Interest

35. Does your firm have a written code of conduct or a set of standards for professional behavior? How is employee conduct and compliance monitored and enforced? Please describe the findings of the most recent compliance review. Please attach a copy of the firm's written code of conduct as Exhibit "G".
36. Has your firm, its principals, or any affiliate ever 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? If yes, please describe the nature of the investigation and outcome.
37. For the past ten (10) years, has your organization or any of its affiliates or parent, or any officer or principal, or any member of your proposed team been involved in any professional discipline, litigation, investigations, or legal proceedings? If so, provide a detailed explanation and indicate the current status. Please include any anticipated litigation, investigations, regulatory or legal proceedings known at this time.
38. Attach a detailed summary of your firm's compliance regime and internal control structure as Exhibit "H". Identify senior or key personnel in the firm's compliance process.
39. How are consultants' recommendations to clients reviewed and monitored by your firm for compliance? How does your firm maintain consistency in consultant recommendations? Conversely, how do you facilitate customization while maintaining quality control?
40. Describe the types of services the firm provides to investment management firms and the fee arrangements that typically apply. Does your firm receive direct or indirect compensation or any other benefit from investment managers to be included in the firm's manager research database? Does the firm receive revenues from money management firms for their attendance at conferences or meetings sponsored by the firm? Does the firm receive any revenues from custodian banks or brokerage firms? If yes, please describe the types of services provided and the fee arrangements that typically apply.
41. Does your firm, its principals, or any affiliate own any part of a money management firm, broker-dealer, or other organization that sells services to institutional investors and/or SEC-registered

investment advisors? If so, identify the firm(s) and describe the service and the relationship to the consulting group.

42. Does your firm, its parent company or any affiliate sell information, software, research, database, or any other services to investment advisers or other investment related firms? If so, please explain.
43. Based on the list of investment managers currently managing assets for OCERS, please disclose any business your firm, affiliates, or the parent company does with any of our investment managers.
44. Does your firm permit its staff members to serve on boards of directors? If so, are any restrictions placed on this activity and how is their director compensation treated?
45. Identify all negative media or online articles mentioning your firm that are readily retrieved and/or viewed from a basic web search, and explanation of each incident or issue.
46. Describe in detail any potential conflicts of interest your firm may have in providing the services sought by OCERS. Include any activities of affiliated or parent organizations, brokerage activities, or any past or current relationships with Committee members and staff. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.
47. Describe your firm's policies and procedures for managing conflicts of interest. Would your organization notify a client of any apparent or potential conflicts of interest, regardless of whether it was required by regulations? Provide as Exhibit "I" the firm's conflicts of interest policy.

VII. Insurance Liability

48. What limitation(s) on liability, if any, do you seek to secure through your proposed form of contract or engagement agreement? Be as specific as possible.
49. Please describe the levels (in USD) of coverage for errors and omissions insurance, general business liability insurance, and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per-client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers by category, and their policy limits both aggregate and per client.
50. Has your firm, its principals, or any affiliate ever submitted a claim to your errors & omissions, fiduciary liability, and/or fidelity bond insurance carrier(s)? If yes, provide details and indicate the current status.

VIII. References

51. Provide at five (5) references for which the respondent has provided services similar to those included in the Scope of Services. At least one (1) of the five (5) references has to be US public pension plan. Please include for each reference the client name, individual point of contact, a summary of the work performed, number of managers being monitored, fund diversification by asset class or strategy, the total number of dollars under management, and the length of time the respondent provided each service.

Section 2. Questionnaire for General Consultants

This section contains specific questions regarding general consulting services. Please complete it if submitting an RFP for General Investment Consultant.

Questionnaire Exhibit Checklist

- Exhibit “J” Capital Market Assumptions
- Exhibit “K” Sample Asset Allocation Study
- Exhibit “L” Sample Operational Due Diligence Report
- Exhibit “M” Sample Risk Report

I. Investment Policy and Portfolio Structure

1. Describe your public pension fund experience and approach in developing investment policy and objectives for a diversified pension fund. How would you interface with the retirement system’s actuary?
2. Outline your process for analyzing a client's investment portfolio structure. Describe your process for recommending modifications to the portfolio structure as warranted by changes in the marketplace or benefit obligations/assumptions.
3. Describe your firm’s methodology for forecasting asset class risk and return assumptions, for all significant and relevant asset classes. How frequently does the firm review and update its capital markets assumptions? What has been the most significant revision in the last three (3) years? Does the firm have any professionals dedicated specifically to this function? Please attach your firm’s most recent capital market assumptions as Exhibit “J”.
4. Describe your firm's experience and capability for performing asset allocation studies for a defined benefit plan. Please also address the following in your response:
 - a. Describe in detail the process for performing an asset allocation study.
 - b. What modeling concepts and related methodology do the firm employ?
 - c. What software, research, raw data, etc. are used?
 - d. Address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.
 - e. How often does your firm recommend a formal review of asset allocation studies?
 - f. What is the range of target allocations, which you are currently recommending to your public fund clients?
 - g. Provide a sample asset allocation study preferably for a public pension plan as an Exhibit “K”.

II. Portfolio Analysis and Manager Selection

5. Describe your experience and capabilities in conducting searches for investment managers and due diligence process. Include any differences in your process when involving non-US strategies or alternative strategies.
6. Describe the methodologies your firm uses when conducting operational due diligence. Please attach as Exhibit “L” to your response one recent sample of the operational due diligence report prepared by your firm.

7. How many years have you been recommending hedge funds to your clients? What is the amount of assets under advisement currently invested across your platform in each hedge fund strategy (e.g market neutral, quantitative, global macro, alternative risk premia, etc.). What are the most important metrics or decision points when evaluating hedge funds in the hiring process? What are the most important metrics or considerations when terminating a hedge fund manager?
8. How does your firm evaluate investment managers that are currently funded by clients? How often are the funded advisers re-evaluated? Describe the process.
9. How is the success of investment managers selected monitored? How does your firm measure the success of existing managers?
10. What criteria are used to recommend termination or asset reduction of an investment manager? What is your firm's watch list policy? Please give specific triggers for each if applicable.

III. Risk Management

11. Describe your view of how a pension fund like OCERS should approach risk management. Specifically, address the following question.
 - a. What are the risks that you believe should be managed?
 - b. How would you assist a client in monitoring and managing investment risks?
 - c. How would you assess risk in client's portfolios and what new methodologies are being considered?
 - d. What are the appropriate metrics to review?
 - e. What analytics and data sources do you have available to support risk management services?
 - f. At what level are these risk measurements used: total portfolio, asset class, asset style, investment manager?
 - g. How does the firm make technology available to clients to assist them in risk management?
12. List all public pension clients for which you provide any kind of specialized or customized risk management services. Please provide a brief explanation of the services being offered for each listed client.
13. Provide examples of the most relevant client risk reports in your Exhibit "M".

IV. Other

14. Do you have experience assisting with the implementation of an in-house trading desk for your clients? Do you have experience establishing new investment policies and guidelines for in-house trading? How have you aided clients with proper reporting and monitoring metrics and practices to ensure effective and efficient trading processes?
15. Provide the number of full-service retainer investment consulting clients who have in-house trading desk. What in-house trading related services does your firm provide to these clients?

Section 3. Questionnaire for Alternative Investments Consultants

This section contains specific questions regarding alternative investment consulting services. Please complete it if submitting an RFP for the private equity, real assets, and/or real estate. Please specify if the proposal is specific to only one or several of these asset types by checking the below boxes. Respondents who submit proposal for private equity must also answer all questions related to private credit.

Response Asset Class: Private Equity Real Assets Real Estate

Questionnaire Exhibit Checklist

- Exhibit “N” Sample Commitment Pacing Plan
- Exhibit “O” Sample Operational Due Diligence Report
- Exhibit “P” Co-investment Due Diligence Questionnaire and Information Request List
- Exhibit “Q” Sample Co-Investment Due Diligence Report

I. Alternatives Investment Consulting Philosophy and Process

1. Please elaborate on your approach in working with the clients’ strategic partners such as funds of funds, General Consultants, or other specialist consultants.
2. Please describe your experience constructing portfolios of direct alternative managers. How do you place managers in the context of the alternative portfolio and the clients’ total portfolio? Please describe the portfolio construction process in detail. Please provide examples of the portfolio construction within each sub-asset class. Provide examples of work, if applicable.
3. How does your firm work with clients to establish commitment pacing for private market investments? Please provide a sample commitment pacing report, attach as Exhibit “N” if available.
4. What are the current risk-return expectations for the following assets, including sub-asset classes? Based on the expectations, what is the near-term investment thesis? Respond to the asset classes that apply to your proposal.
 - a. Private Equity
 - i. Venture Capital
 - ii. Buyout
 - iii. Growth Equity
 - b. Private Credit
 - i. Direct Lending
 - ii. Mezzanine Debt
 - iii. Distressed Debt
 - c. Real Assets
 - i. Core Private Real Estate
 - ii. Value Add Private Real Estate
 - iii. Opportunistic Private Real Estate
 - iv. Timber/Farmland
 - v. Oil and Gas Partnerships

- vi. Renewable Energy
- vii. Infrastructure

5. Describe the process your firm uses to verify that fees and carry paid by your clients are accurate and in line with the underlying investment agreements? How often do you verify? How do you communicate your findings with your clients?
6. Discuss your firm’s experience with public disclosure requirements that may be necessary for a governmental organization like OCERS. Please elaborate on how you help your clients comply with the requirements in California Government Code §7514.7.

II. Alternative Investment Sourcing and Due Diligence

7. Please describe the firm's process for sourcing investment opportunities including co-investments.
8. Please describe your portfolio construction philosophy and the balance between differentiated/diversified lineup of managers and manager proliferation.
9. Please provide a list of alternative asset class strategies and sub-strategies that have been assessed by research and whether there any new areas of focus planned to show the breadth of the manager review capabilities.
10. Please provide the number of funds in your database and number of funds with client capital by strategy. Please also provide the number of funds your firm conducted due diligence on and recommended from 2016 to 2020? (Respond to the strategies that apply to your proposal):

Strategy	# of Funds in Database	# of Funds with Client Capital	# of Funds Performed Due Diligence (2016-2020)	# of Funds Recommended (2016-2020)
Venture Capital				
Buyout				
Growth Equity				
Mezzanine				
Special Situations				
Distressed				
Secondary				
Core Real Estate				
Opportunistic Real Estate				
Value Add Real Estate				
Timber/Farmland				

Energy				
Infrastructure				
Fund of Funds				

11. Please provide a list of the private equity, private credit, real assets, and/or real estate funds in which your firm currently holds an advisory board seat and the name of the Consultant(s) that holds such seat. Only include asset classes/strategies that apply to your proposal.
12. Describe, in detail, the methodologies your firm uses when conducting operational/back office due diligence for each manager.
13. Please categorize and enumerate your operational due diligence process and assigned personnel around the following:
 - a. In-office and/or on-site visits
 - b. Legal reviews
 - c. Financial reviews/audits
 - d. Compliance
 - e. Prime brokers and other service vendors (verification)
 - f. Back office/operations/administration
 - g. Background checks (formal background checks by internal staff or third-party)
 - h. Trading functions and approvals (formal verification)
14. Please note whether operational due diligence is included with the retainer fee. Are third-party operational teams used? What funds undergo an operational review?
15. Give examples where a manager was rejected due to findings of the operational due diligence team.
16. Please describe your ability to avoid funds where there has been fraud or operational failures. For the past five years ending December 31, 2020, please provide a list of funds in which your firm has made an investment or recommended to your clients for investment that, to your knowledge, have either (a) been the subject of any action or regulatory proceeding that claimed or alleged fraud, violation of securities or other applicable laws, (b) ceased operations as a result of accounting, operational issues or fraud, or (c) been the subject of any civil action (or settlement in lieu thereof) brought by investors. What lessons were learned?
17. Describe the methods you employ to determine whether the general partners are reporting reasonable investment carrying values. What do you do when you feel there is an inaccuracy?
18. Please attach as Exhibit "O" to your response one recent sample of the operational due diligence report prepared by your firm.
19. Describe your legal due diligence process. Do you use your own inside or outside counsel for all transactions? If in-house, please identify your legal staff and their alternative investment and co-investment expertise (include biographies). Do you use independent legal counsel? If so, please identify those firms you use most often.

III. Investment Structures and Terms Negotiation

20. In negotiating a partnership agreement, or similar document, describe areas the firm considers most important. Are there any provisions that the firm proactively seeks to include or improve upon? Are

there terms or concerns that have changed recently? Does your firm have bargaining power with fees? Provide examples of situations where the terms you negotiated on behalf of your clients led to better than industry average contract terms.

21. Secondaries have become a tool for institutional investors. How have your firm recommended clients use the secondary markets to manage the sale of their holdings or add to their holdings?

IV. Co-investment

22. Briefly summarize your firm's experience with co-investments. Identify the initial year your firm provided co-investment consulting services to public pension or other institutional investors.
23. Describe how the co-investment group fits within the context of the firm and detail your firm's future business plans regarding co-investments.
24. Describe any co-investment programs managed or advised by the firm, and your process when working with clients to source, diligence and underwrite potential co-investment opportunities.
25. Describe your firm's experience, capabilities, and the number of co-investments reviewed and underwrote in each of the following assets, including sub-asset classes. Respond to the asset classes that apply to your proposal.
 - a. Private Equity
 - i. Venture Capital
 - ii. Buyout
 - iii. Growth Equity
 - b. Private Credit
 - i. Direct Lending
 - ii. Special Situations
 - iii. Distressed Debt
 - c. Real Assets
 - i. Energy
 - ii. Infrastructure
 - iii. Other
 - d. Real Estate
 - i. Core
 - ii. Non-Core
26. Are there certain industry sectors or alternative investment sectors where your firm tends to have a competitive advantage versus your peers?
27. Describe your approach to the co-investments selection/due diligence process. Include the following:
 - a. Describe your business due diligence process. What parts of the sponsor's due diligence do you typically review in depth? How does your due diligence differ from the sponsor's? How is your firm's approach unique?
 - b. How does your firm attempt to validate (or not) the general partners claims and assumptions? When risks of a highly technical nature are involved or key risks in a niche industry or niche

market need to be identified, describe how your firm identifies, engages, and interacts with the appropriate specialists. How do you know when you have the right technical, niche industry, or niche market specialist?

- c. Your firm's internal approval process for co-investment selection or recommendation.
- d. Provide a copy of the firm's co-investment due diligence questionnaire and information request list (Identify as Exhibit "P").
- e. Provide an example of full due diligence reports that have been submitted to a client for direct co-investment (Identify as Exhibit "Q")