

Index Provider RFP
Questions & Answers
(January 14, 2022)

A compilation of the questions and answers are provided below.

Question: In the RFP, the Scope of Services, #3 states “Outperform the benchmark as determined by the General Consultant, Staff and the Board.” As a Passive submission we wanted to ensure that outperforming was not an actual requirement.

Answer: *Correct - any mandates hired through this search will be for passive management. "Outperformance" as in generating alpha/active management, is not expected.*

Question: The RFP requests an electronic version of the completed Questionnaire on a CD. Can we submit a USB drive instead?

Answer: *Yes – a USB drive will be accepted*

Question: The RFP states “The firm must be willing to accept the indices specified in Exhibit A - Scope of Services as the mandate benchmarks”. And also states “LAFPP will only consider passive portfolios where tracking error and transaction cost minimization are the primary goals; enhanced index strategies will not be considered.” Acknowledging TE and transaction costs minimization

- is there a defined tracking error constraint vs. the listed benchmark indices?

Answer: *None defined as of yet, but we expect the portfolio(s) will need to closely match the benchmark.*

- is it allowable to propose a proprietary index which is weighted in line with the benchmark index however employs a different implementation methodology?

Answer: *At this point, we are evaluating RFP respondent packages primarily based on the MQs. Provide details in the response if a product(s) has proprietary/special characteristics.*

Question: Can you confirm the indices that LAFPP is currently invested in such as the S&P Global Timber index is shown for information only and we do not need to cover these indices to meet the minimum criterion?

Answer: *We expect that responding firms would be able to manage any of the strategies in the exhibit. But if you are specifically referring to the Global Timber strategy, I would say don't let that stop you from submitting a response if you don't have a product for Timber. We have pulled back our Commodities exposure so it's not likely we would need a Timber portfolio in the foreseeable future.*

Question: Regarding the MQs for Commodities, we can offer the Commodities benchmarks listed in the RFP in a separate account. Will this suffice?

Answer: *We are evaluating RFP respondent packages primarily based on the MQs. Provide details in the response if a product(s) has proprietary/special characteristics.*

Question: Can you confirm that a 5-year track record is applicable to at least one index in each of the four asset classes but not to each of the indices listed in the scope of services? (For example, a 5-year track record in "any" commodity index is required but it is not specific to the "Bloomberg Roll Select Commodity index").

Answer: *Yes – correct.*

Question: *Related to minimum requirements "b", does the 5-year track record in each asset class apply only to separately managed accounts or any vehicle with exposure to the noted asset classes?*

Answer: *It can be either/or.*

Question: *Regarding minimum requirement "c", does this \$1bn in a separate account apply to each strategy referenced on page 1 of the RFP or just one existing separate account of any passive strategy with at least \$1 bn in AUM?*

Answer: *Just one.*

Question: *May we may provide commingled fund availability and corresponding fees as a reference point to our SMA bid?*

Answer: *Please provide fee info for both commingled fund and SMA accounts.*