

Number	RFP Reference	Question	Response																												
1	SCERS Fee/Expense template	Please clarify if each underlying fund completes and submits the template or is the expectation that the administrator will complete this template per fund based on materials received from the underlying GP's?	All new managers that SCERS committed capital to after January 1, 2017. Most legacy manager have provided the information, but are not required to do so by the terms of our side letters.																												
2	SCERS Fee/Expense template	What is the current process / requested process for funds that do not complete this and/or GP's that do not provide the relevant level of detail?	For legacy funds that are not required to report information(pre-2017), SCERS typically makes two requests for the information. If the information is not provided, SCERS deems this as 'reasonable effort' to obtain the information. For post 2017 investments, GPs are required to provide this information, as stated in SCERS' side letter. The preference is to receive the information via the ILPA template, or the SCERS template.																												
3		Please provide the total number of private market investments (holdings) broken down by type. What is the structure of the private investments, are they commitment-based funds? If not, please provide the legal structure for the private investments funds.	<p>Refer to chart below.</p> <table border="1"> <thead> <tr> <th>Row Labels</th> <th>Number of Fun</th> </tr> </thead> <tbody> <tr> <td><b>Private Credit</b></td> <td><b>8</b></td> </tr> <tr> <td>Private Credit</td> <td>8</td> </tr> <tr> <td><b>Private Equity</b></td> <td><b>52</b></td> </tr> <tr> <td>Buyout</td> <td>34</td> </tr> <tr> <td>Distressed Debt</td> <td>6</td> </tr> <tr> <td>Fund of Funds</td> <td>4</td> </tr> <tr> <td>Venture</td> <td>8</td> </tr> <tr> <td><b>Real Assets</b></td> <td><b>20</b></td> </tr> <tr> <td>Real Assets</td> <td>20</td> </tr> <tr> <td><b>Real Estate</b></td> <td><b>26</b></td> </tr> <tr> <td>Core Real Estate</td> <td>10</td> </tr> <tr> <td>Non-Core Real Estate</td> <td>16</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>106</b></td> </tr> </tbody> </table>	Row Labels	Number of Fun	<b>Private Credit</b>	<b>8</b>	Private Credit	8	<b>Private Equity</b>	<b>52</b>	Buyout	34	Distressed Debt	6	Fund of Funds	4	Venture	8	<b>Real Assets</b>	<b>20</b>	Real Assets	20	<b>Real Estate</b>	<b>26</b>	Core Real Estate	10	Non-Core Real Estate	16	<b>Grand Total</b>	<b>106</b>
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4		Please provide the market value of private market investments broken down by type.	Refer to SCERS' most recent comprehensive annual financial report as of and for the fiscal year ended June 30, 2018 for detail breakdown, which is located at: <a href="https://www.scers.org/post/comprehensive-annual-financial-report">https://www.scers.org/post/comprehensive-annual-financial-report</a>																												
5		What is the commitment level, in USD, of your alternatives/private market investments?	Provide Cliffwater, Townsend, and Verus Reports																												
6		What challenges do you face today that you hope to solve for through this process?	The primary objective of this RFP is outsource the investment accounting function related to alternative/private market investments, which is a manual process based on information from multiple sources in many formats.																												

Private Market Accounting and Reporting Services RFP - Responses to Vendor Questions

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7		Please confirm if there any (i) open-ended vehicles and (ii) monthly values funds, in the portfolio that require servicing	No open ended funds or monthly value funds would be needed at this time but could be added in another stage
8		On performance analysis/attribution/exposures reporting, does SCERS prefer reporting service to be priced as a core service, or an optional service?	Optional service by asset class
9		Does SCERS foresee plan-level performance reporting across all assets?	This could be added overtime
10		Would SCERS like the vendor to price out services for our fee verification services for closed ended investments?	Yes
11		Does SCERS envision a full transition of historical data for funds contemplated in the manual portfolio in order to facilitate performance reporting? If so, would it be possible to provide the number of investment funds by vintage year (VY)?	Yes historical data is important so we can track performance. The investment program began in 2006 and grew in 2011 with the appointment of consultants. For a complete list of investments see <a href="https://www.scers.org/sites/main/files/file-attachments/scers_performance_report_2q2018.pdf">https://www.scers.org/sites/main/files/file-attachments/scers_performance_report_2q2018.pdf</a>
12		If investment funds are tracked using excel currently, is there a distinction made between transactions inside and outside of commitment? Are the composition of distributions that are recallable and non-recallable?	Yes, to the extent the information is provided by the general partners. As part of the quarterly unfunded commitment reconciliation, we will need the detail composition of contributions and distributions. Otherwise, we will reach out to the general partners as part of our quarterly reconciliation to obtain the details in order to properly reconcile the unfunded commitment balances.
13		Is there currently a reconciliation process in place for SCERS accounting data and investment fund confirmations obtained through the AB2833 reporting process? If yes, is there is need for real time processing to adjust values for cash flow, and will a reconciliation back to the custodian be required on a frequent basis (i.e. daily, weekly etc.)	Currently SCERS does not have a reconciliation process but this could be valuable but should be priced independently.

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14		Has SCERS instituted a defined minimum reporting standard for investment funds at the (i) fund level (ILPA or other), and/or (ii) at the portfolio company look through level (data points gathered)?	Nothing has been defined at this point in time. Price out the portfolio company look through services.
15		Will the selected vendor have direct access the investment fund managers (for reconciliation purposes, direct receipt of investment fund correspondence)?	Initially, all communication with the managers will go through SCERS but after a transition period the vendor can contact managers directly.
16		The current SCERS process is mainly quarterly; would real time access to information and transaction processing be considered to provide more comprehensive inter-quarter information such as unfunded balances and cash flow adjusted values?	Real time (or close to it) access to the information is preferred.
17		Can the number of SCERS staff currently responsible for manual process be disclosed?	Currently, the following SCERS accounting staff are involved with the manual process for alternative investments: Accountant, Senior Accountant, Accounting Manager, and Senior Accounting Manager.
18		Does the plan envision that the service provider to the private data to SCERS or potentially directly to the custodian (SSB)? If so, for either case – would that be in real time, or at some set SLA when all Private data is collected and updated? Is there a preferred format or deliverable method?	SCERS envisions that the service provider submits the information to SCERS for review and SCERS will send the data directly to the custodian bank. Note that the financial information provided by the General Partners are on a quarter lag, typically the quarterly financials are available to the limited partners approximately 30 to 90 days after the quarter ended. The service provider should provide SCERS an estimated timeframe as to when the private market investment data will be available for SCERS to review given the timing of the quarterly financial information from the general partners. The service provider should also provide SCERS with options of deliverable format and method given the confidential nature of the information.
19		In order to provide a fee proposal, we typically require a mutual NDA to be signed. Is SCERS willing to do that?	No, given the cost of having NDAs reviewed would be expensive at the first stage of the process. If a vendor is short listed, SCERS would be willing to sign NDAs.

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20		Is there a way to mark confidential / trade secret information that will not be subject to FOIA requests?	Per the Public Records Act (California Gov. Code 6250 et seq.), SCERS will make available to the public the submitted Proposal and all correspondence and documentation submitted during the procurement process. Except as otherwise required by law, SCERS will not disclose trade secrets or proprietary information submitted in a Proposal. Any such trade secrets or proprietary information, which Vendor believes should be exempted from disclosure, shall be specifically identified and marked as such by Vendor. Blanket-type identification by designating whole pages or sections is not be permitted and shall be invalid. The specific information must be clearly identified as such. Upon a request for records regarding a submitted Proposal, SCERS will notify the Vendor involved of a specific time for when the records will be made available for inspection. If Vendor, in a timely manner, identifies any "proprietary, trade secret, or confidential commercial or financial" information which Vendor determines is not subject to public disclosure, Vendor will be required fully to intervene, justify such exemption, and secure appropriate injunctive orders exempting such records from disclosure. SCERS reserves the right to independently determine whether any document is subject to disclosure and to make such information available to the extent required by applicable law, without any restriction.
21		1. Does SCERS have a complete history of Calls and Distributions of each invested fund, inception to date? a. Is a breakdown of calls by type available (fees, expenses, reference investments)? b. Is a breakdown of refunds of calls (return of excess capital) available? c. Is a breakdown of distributions by type (return of capital, gain, income, recallable amounts) available?	Yes, SCERS keep track of the capital calls and distributions on an Excel worksheet by investment fund, which is reconciled to the general partner and the custodian bank's records on a quarterly basis.

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22		Investing Entities: The RFP mentions that the plan can commit to a fund via Plan A or Plan B. How many unique "manual" commitments does SCERS have, and how many positions does this represent? Eg. an investment in XYZ Fund 1 might be tracked as 2 commitments, as Plan A and Plan B both commit, and there will be a requirement to track and validate the respective cashflows specific to each investing entity. (RFP Reference: Page 10, Proposed Services Question 2)	SCERS tracks private market investment by fund, each investment will have a different fund number. The intent of Question 2 on page 10 of the RFP is related to how the service provider will ensure the proper accounting and reporting for their different clients invested in the same partnership.
23		For the commitments that are in a different currency from SCERS reference currency (assumed USD), does SCER have the settlement rates available?	SCERS uses the exchange rates as posted on the following website: <a href="https://www.fiscal.treasury.gov/reports-statements/treasury-reporting-rates-exchange/historical.html">https://www.fiscal.treasury.gov/reports-statements/treasury-reporting-rates-exchange/historical.html</a> The service provider should provide SCERS options of sources for exchange rates.
24		Does SCERS have a complete history of the Net Asset Values of each "manual" manager?	Yes, the net asset values are also maintained by the custodian bank.
25		Are there any realized investments that we will need to migrate?	Yes but it is only one fund that was terminated after a few years and very limited cash flows.
26		If there is missing data, will the provider be required to source the historical missing datapoints?	There should not be any "missing" data and the service provider is not expected to derive any historical data.
27		Is an automated delivery of the portfolio information to State Street required via any specific platform, such as State Street's "DataGX"? (RFP Reference: Page 3)	The service provider is not required to deliver information to the custodian bank. SCERS will review the data provided by the service provider and will submit the information directly to the custodian bank.
28		Does SCERS currently track portfolio company level detail? If yes, is the data extractable in an electronic format?	SCERS does not track the information but one of our consultants does track the portfolio level information at a basic level.
29		As the pricing needs to take into account the portfolio growth of SCERS, are the commitment assumptions for Manual Managers in the SCERS 2019 Annual Investment Plan the basis of how we should price the future years?	I would assume the 2019 Investment Plan is directionally correct.

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30	3	Page 3 refers to 140 funds. Are all 140 funds in scope? If less, how many funds are classified as Private Market?	As noted on page 5 (item c) of the RFP, there are over 100 private market funds that are included in the scope of the RFP. The approximate number of private market funds is 106.
31	3	The Financials refer to separately managed accounts in the Private Credit, Real Assets and Real Estate asset classes. Is accounting and reporting on these portfolios included in the scope of this mandate?	Yes, there are approximately 106 private market funds, which include separate accounts and commingled funds.
32	5	Are hedge funds & co-investments included in public or private markets breakdown?	Private market investments are comprised of real assets, real estate, private credit and private equity. Hedge funds are included in the public market funds and co-investments can be included in both public and private market funds.
33	5	The public market accounting process outlined in the private market RFP is very manual involving State Street files, an Access database & spreadsheets to generate journal entries to post to SCERS's GL COMPASS. Would SCERS consider accounting & reporting services from SS&C covering the public markets?	No, not at this point.
34	5	Financial statements show that SCERS is involved in Securities Lending. Is there a requirement to track cash as encumbered and unencumbered?	No, securities lending is not part of the scope of work as described in the RFP.
35	5	Are treasury services required? SCERS is manually processing wires and have 123 DDA accounts at State Street attached to the private market investments.	No, treasury services are not required.
36	10	The question refers to "collecting and presenting management fee and carried interest". Are the service providers expected to validate the calculations in addition to aggregating the fees paid and accrued?	The service providers should include the option to verify the calculations of management fee and carried interest in accordance with the limited partnership agreement.
37	10	The question refers to accounting and reporting on over 100 alternative investment funds. Does this include all the manual funds and not just Real Assets, Real Estate, Private Credit and Private Equity? How many funds are in scope?	There are approximately 106 private market/manual funds included in the scope of work, which comprised of real assets, real estate, private credit and private equity.
38	10	Is "over 100 alternative funds" accurate? The previous RFI had a smaller data set.	Yes, there are approximately 106 alternative investment/manual funds and they are included in the scope of work.

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39	10	Can you provide more information on past activity history?	Rephrase the question
40	10	How much historical data would need to be applied during conversion?	SCERS envisions that the information will be provided to the service provider as of a point in time (i.e.: net asset values and unfunded commitment balances as of June 30th). However, the service provider should include in their responses if they believe other historical data is needed.
41		How many investments comprise SCERS's private market assets ("Manual")?	Currently, there are approximately 106 investment funds that comprised of SCERS' private market investments.
42		How is the number of investments expected to grow or contract per year, to the best of your ability to provide a tonal estimate?	The 2018/2019 Investment Year in Review provides a good estimate <a href="https://www.scers.org/sites/main/files/file-attachments/2018_scers_investment_year_in_review_0.pdf">https://www.scers.org/sites/main/files/file-attachments/2018_scers_investment_year_in_review_0.pdf</a>
43		What are the vintage years of existing investments?	The investment program began in 2006 and grew in 2011 with the appointment of consultants. For a complete list of investments see <a href="https://www.scers.org/sites/main/files/file-attachments/scers_performance_report_2q2018.pdf">https://www.scers.org/sites/main/files/file-attachments/scers_performance_report_2q2018.pdf</a>
44		What are the reporting requirements and frequency of reporting?	SCERS prefers to have access to its private market investment data on a as-needed basis. On a monthly basis, provide SCERS with monthly net asset values by investment fund (based on the latest quarter net asset values adjusted for cash flow activities). As for the accounting and reporting of private market investments, it is on a quarterly basis.
45		What is the nature and extent of ad hoc requests you expect to request during a specified period? Please provide examples of ad hoc requests you may require assistance with.	SCERS can't think of any ad hoc requests that we may require assistance with.
46		Will we be expected to interact with other third party service providers such as custodians and consultants in addition to SCERS?	The service provider may be expected to interact with the custodian bank and general partners as part of gathering information to perform the scope of work.