



## Real Estate Consulting Services Search LACERA Responses to Submitted Questions

**Question:**

Please confirm the total number of line items in LACERA's real estate portfolio.

**LACERA Response:**

As of 12/31/2025, LACERA's real estate portfolio consisted of 87 active line items.

**Question:**

If possible, could you provide a breakdown by vehicle type (e.g., commingled funds, co-investments, separately managed accounts, fund of ones, directs)?

**LACERA Response:**

As of 12/31/2025, the breakdown by vehicle type was:

- Commingled funds = 35 active line items
- Separate account assets = 52 active line items

**Question:**

Looking ahead, how many new real estate investments does LACERA expect to make each year?

**LACERA Response:**

Core real estate annual budget is 3% of the total Fund

Non-core real estate annual budget is 1% of the total Fund

**Question:**

Could you specify the expected split between commingled funds and co investments?

**LACERA Response:**

There is no expected split – it is dependent upon investment opportunities.

**Question:**

What are the reporting requirements associated with this mandate?

**LACERA Response:**

At a minimum, quarterly reporting at both the asset- and fund-level with roll ups to the portfolio level.

**Question:**

Does the LACERA real estate team currently use an independent back-office provider? If so, please confirm which provider is used. If not, should the selected consultant assume responsibility for providing these services?

**LACERA Response:**

No, LACERA does not currently use an independent back-office provider and the selected consultant will not assume responsibility for providing these services.

**Question:**

Please advise how we should access the required forms through DiligenceVault.

**LACERA Response:**

At a later time in the process, respondents will receive an invitation to DiligenceVault to submit requested responses. Individuals may also create a DiligenceVault profile for LACERA to access.

**Question:**

Approximately how many in-person meetings would the selected consultant be expected to attend each year?

**LACERA Response:**

LACERA's Board of Investments meets monthly and consultants are expected to attend.

**Question:**

Will LACERA require AB 2833 aligned reporting as part of this mandate? If so, please confirm the number of line items that must be included. If not, would you prefer that fee reconciliation / fee transparency services be included as optional items in the fee proposal?

**LACERA Response:**

We welcome the inclusion of optional fee reconciliation/fee transparency services in the fee proposal. Please see response above for line item counts.

**Question:**

Could you please outline LACERA's approach to sourcing, evaluating, and approving co-investments? Do you typically receive opportunities directly from managers?

**LACERA Response:**

Our approval approach is the same for both primary investments and co-investments. We have typically received opportunities directly from managers.

**Question:**

Is there flexibility to price co investment research separately from the core mandate?  
Our co investment review fees typically vary depending on scope?

**LACERA Response:**

Yes, services can be classified and priced separately depending upon scope.

**Question:**

Will the consultant be expected to attend manager AGMs, site visits, operational due diligence engagements, or property level visits?

**LACERA Response:**

Generally, the consultant is not expected to attend manager AGMs, site visits and property level visits. The exception is operational due diligence (ODD). The consultant is expected to perform their own independent ODD.

**Question:**

In lieu of submitting annual audited financial statements, to address this requirement, would LACERA accept CPA reviewed financial statements and summaries along with a certification letter, rather than full audited or unaudited statements?

**LACERA Response:**

We would consider but require further evaluation before committing to accepting.

**Question:**

Is LACERA open to and willing to accept reduced levels of the stated coverage amounts if confirmation of all required insurance types can be proven/shown?

**LACERA Response:**

We would consider but require further evaluation before committing to accepting.

**Question:**

Could you please provide LACERA's target real estate allocation as a % of total plan assets?

**LACERA Response:**

7% target allocation.

**Question:**

Could you please provide LACERA's current real estate allocation as a % of total plan assets?

**LACERA Response:**

As of 12/31/2025, approximately 5%.

**Question:**

Could you please provide LACERA's current real estate total exposure (current NAV plus unfunded commitments) as a % of total plan assets?

**LACERA Response:**

As of 12/31/2025, approximately 6%.

**Question:**

Does LACERA have target sub-strategy allocations in real estate (e.g. core real estate, value-add real estate, opportunistic real estate, real estate debt, REITs, other)? If so, could you please provide the target allocations?

**LACERA Response:**

5% target for Core/Core Plus (+/-3%)

2% target for Non-Core (Value-Add/Opportunistic) (+/-2%)

**Question:**

Does LACERA have target geographic and/or property type allocations in real estate? If so, could you please provide the target allocations?

**LACERA Response:**

Core/Core-Plus – NCREIF geographic/property type allocation +/-20% of NFI-ODCE weighting; at least 85% U.S., up to 10% Europe, up to 10% Asia, up to 5% Emerging Markets

Non-Core – Up to 50% NAV for property sector; Maximum of 75% U.S., 15% to 45% Europe and 5% to 35% Asia and 0% to 15% Emerging Markets

**Question:**

Could you please provide LACERA's current benchmark for its real estate allocation?

**LACERA Response:**

NFI-ODCE net + 100 bps

**Question:**

Could you please provide the target return LACERA expects from its real estate allocation?

**LACERA Response:**

In excess of NFI-ODCE net + 100bps

**Question:**

Could you please provide a summary of LACERA's current real estate investments/ commitments to include, as applicable:

- a. Manager name
- b. Fund name
- c. Fund vintage year
- d. Commitment amount (\$)
- e. Capital called to date (\$)
- f. Most recent NAV (\$)
- g. Distributions to date (\$)

**LACERA Response:**

Please refer to the most recent LACERA quarterly board book. It can be found here: <https://www.lacera.gov/accountability/fund-reports>

**Question:**

Does LACERA consider separate account mandates, co-investments, direct investments or other non-fund investment structures for its real estate investments?

**LACERA Response:**

Yes

**Question:**

What is the expected annual commitment volume going forward (both in dollar amount and in number of individual investments)? What is the expected breakout between commingled funds and non-fund investments? If this information is not available, then what has been the historical commitment volumes in an average year?

**LACERA Response:**

Annual commitment fluctuates as it is a percentage (up to 4% annually) of the total Fund, up to 3% Core and up to 1% Non-Core.

**Question:**

Can you provide any background information on what prompted LACERA to conduct a real estate consultant search at this time?

**LACERA Response:**

LACERA conducts a real estate consulting services search every five years.

**Question:**

What are the annual fees for the existing contract that the Board is paying to its current real estate consultant? Are there project-related fees associated with the current arrangement that are not part of the base fee?

**LACERA Response:**

Service and Investment Management agreements are subject to confidentiality agreements.

**Question:**

How many in person Board meetings per year are anticipated for real estate? Do you have a preliminary schedule of the Board meetings?

**LACERA Response:**

Please expect approximately 12 meetings per year. The Board of Investments schedule can be found at <https://www.lacera.gov/leadership/board-meeting>

**Question:**

What are the most important characteristic of a real estate investment consulting firm to LACERA?

**LACERA Response:**

There is not one most important characteristic.

**Question:**

Does LACERA expect an Executive Summary to be submitted?

**LACERA Response:**

Yes, per the instructions outline in the RFP materials.

**Question:**

In the request for breakdown of assets, it asks for "Real Estate Advisory Assets of Clients (AUA) > \$5 billion". Can you confirm if this is asking for the real estate AUA of clients whose total assets are greater than \$5B?

**LACERA Response:**

Confirmed.

**Question:**

"Describe how you provide traceability from research → underwriting → recommendation → monitoring." Can you clarify what traceability refers to here?

**LACERA Response:**

Traceability refers to a process that can be audited or otherwise documented

**Question:**

“How do you track and report exceptions, remediation steps, and closure status?” Can you clarify what you’re referring to here?

**LACERA Response:**

This is referring to portfolio compliance oversight and reporting.

**Question:**

“How do you track open questions, data issues, and action items to closure (ticketing/workflow tools, client visibility)?” Can you clarify what you’re referring to here?

**LACERA Response:**

This is referring to the tracking of client requests.

**Question:**

Can you clarify/expand on what type of services you’re referring to for “Back-office services/portfolio fund administration”?

**LACERA Response:**

This is referring to portfolio fund administration independent of LACERA’s custodian.