

# Investment Custody Services

## CONTRACT NUMBER: TRE1602-INVESTCUST

### Pre-bid Questions and Answers

Please note that original questions are in **BLACK**, initial answers are in **RED**. Treasury personnel have attempted to provide the best information possible to assist investment advisors/consultants in the preparation of their proposals.

1. In the RFP, it states that the eligible vendor must have \$750 BILLION in tax-exempt assets under trust/custody. Is that an accurate base number? **Yes**
2. The RFP folks have asked me to ask if we get a copy of the RFP in Word (or at least a copy of Appendix B: Professional Services Agreement), please? It makes it easier and more efficient to prepare and include comments and exceptions into the Attachment 5 (Exception Form) and to Complete the other Required Attachments **Yes - The Office of the State Treasurer ("OST") will provide Appendix B in Word (Appendix B.docx).**
3. Are you currently participating in a Securities Lending program? **No**
4. In order for us to calculate an accurate securities lending fee split as requested in question 6 of the Securities Lending section, please provide an excel based asset list including security identifiers, market value and units held. – **See Excel file (Asset and Accrual Detail (303116).xls) for securities held as of 03/31/16.**
5. Please provide the collateral guidelines and any restrictions which should be followed in calculating securities lending estimate and fee split. **OST does not currently participate in a securities lending program and does not have custom collateral guidelines or restrictions. Please calculate your estimate and fee split using your standard/recommended guidelines.**
6. Please provide a sample of the Customized Report referenced in the pricing section on page 31 of the RFP. If it is not the same as this one referenced in the RFP, please provide a sample of this report as well - "A"Custom" Report – contains month-end tax cost of portfolio accounts, Cash Income (both gross and net of manager fees), average monthly market value balances, annualized current month market and book value net returns and average maturities" **OST has provided a pdf. file (Monthly Custom 03-2016.pdf).**
7. Please provide a description of the Vendor Fees referenced in the pricing section on page 31 of the RFP. **Assume it's a flat fee for performance reporting.**
8. Please confirm that Custody Book Value is what you are referring to and not an alternate book value. **Custody BV = Market Value +/- any unrealized market value gain/losses.**
9. Please confirm that "Cash" will be reflected in the individual portfolios for purposes of performance calculations. **Yes**
10. From your performance reporting provider, do you require a more detailed level (sector, country, security, etc.) of reporting? **Not required.**

11. Do you require attribution and if so do you require at the Total Plan or Manager/Security level? **Not required.**
12. Do you require equity or fixed income characteristics? **Not required.**
13. Do you require Ex Ante Risk reporting? **Not required.**
14. Do you require manager universe reporting? **Not required.**
15. Can you provide the total fees paid to the existing provider for 2015? If yes, please describe the type of fee (transactional, on-going, etc.). **OST will not provide.**
  
16. Page 4, Section III. Scope of Services, bullet point 6: are you using Compliance Monitoring today? If yes, who is providing this service? **Yes – provided by current custodian.**  
Page 29, regarding Securities Lending: are you currently using Securities Lending today? If so, is Bank of New York providing these services and what is the size of your securities lending portfolio? Also, we will need a list of all assets in the portfolio to prepare a securities lending proposal. **No – see question #4 above.**
17. Page 64, regarding Exhibit 5: Cloud Computing & Offsite Hosting Standards. We are able to provide a comfort letter which provides general information regarding our cloud technology. If the State would like additional information regarding our cloud technology beyond what is provided in our comfort letter, please sign and return the attached Non-disclosure Agreement. Also, the RFP indicates that the Cloud Technology document will be incorporated into the contract. Our information technology documents are considered confidential so we cannot accept this term of your contract. Can you please confirm that this approach will be acceptable or if we decline this term of your contract, will that eliminate us from consideration? **OST would be willing to negotiate.**
18. Regarding the Unit or Dollar Trust/Plan Accounting for proper allocation of income earned to participants, does the OST require daily or monthly unit valuations?  
Can the OST provide us with a copy of their current statement with BONY? **OST uses monthly valuations – vendor should provide an example of their respective statement(s).**
19. Note: OST uses monthly audited statements for each individual account as source documentation to record income on a cash basis and reconcile account balances of an original purchase cost basis.  
Would the OST be willing to provide us with its current sample audited statements for review?  
**No - vendor should provide an example of their respective statement(s).**