

1. The submission instructions state that we will need to submit our proposal via the <http://treasury.ri.gov> website. The link provided in the RFP directs to the open requests for proposal page, but we do not see an option to create an account to submit a response. Could you please provide further instruction for submitting our response to the proposal via the portal?

Responses should be submitted to rfps@treasury.ri.gov.

2. We're aiming to keep our response concise yet thorough and organized. We wanted to confirm if the table of contents and a cover page would count towards the 10-page limit.

No, the 10-page limit will not be inclusive of the cover page and table of contents.

3. Are DocuSign electronic signatures allowable for proposal deliverables requiring signatures?

Yes.

4. Can you confirm the estimated size of the mandate?

The anticipated capital allocation will be in the range of \$300 million to \$1 billion.

5. Will you hire more than one manager?

No, a single manager will be hired.

6. Can you please confirm if there are any investment restrictions or mandates the State of RI may have?

This mandate will be limited to debt instruments that are direct obligations of the U.S. Government with remaining maturities of 397 days or less. Repo based on these instruments will also be eligible.

7. Are you able to provide further clarification as to the investment types permitted? For example, is top-rate corporate paper, agency MBS and/or AAA municipals allowed?

Please see the response to question #6.

8. Is this RFP to contract with a short-term investment management team/individual?

This RFP is to contract with an investment manager that is SEC registered. No decision has been made regarding the structure by which the firm has been organized (team or individual).

9. Is the State looking for the entity to act as a fiduciary?

Yes, the entity selected must be willing to accept fiduciary responsibility to undertake this mandate.

10. Is the term stated in the RFP a mandate?

The term stated in the RFP is the period acceptable to the Office of the General Treasurer.

11. How much of the funds are you looking to keep liquid?

This mandate is not expected to be the primary source of liquidity for the expenditures of the State departments whose assets will make up the investable capital. A requirement of the mandate is for

the investment manager to receive the capital allocation and duration budget from the Cash Manager for the Office of the Rhode Island General Treasurer. Upon receipt of this budget from the Cash Manager, the investment manager will identify the optimal investment instrument(s) and duration consistent with that budget and then execute the purchase and settlement of the identified instrument(s). Once purchased, it is not anticipated that these instruments will typically be sold prior to maturity. Upon maturity, any re-investment of proceeds will require approval from the Cash Manager.

12. Is the State open to multiple fee structures?

The State will consider any fee structures that may be proposed.

13. Can you please advise if the request for simplified participant accounting requires underlying, individual participant accounting or if sub-custody accounts that roll up into a single performance track record would suffice?

The State is open to sub-custody accounts linked to the State departments where the capital is being sourced from. The anticipated maximum number of departments with adequate capital and expenditure visibility to underlie these types of investments is five.

14. Can you confirm the benchmark for the proposed strategy?

The benchmark for this strategy will be the Bank of America Merrill Lynch 0-1 Year US Treasury Index.

15. Can you please provide a copy of your current Short-Term Investment Policy?

This mandate will be subject to a subset of the eligible investments contained in the current Short-Term Investment Policy which is available at the below link:

[Short-Term Investment Policy](#)

16. What is the process for periodic review/revision of the Short-Term Investment Policy?

As needed, the policy is reviewed periodically by the State Investment Commission. It is anticipated that the policy will be reviewed following the completion of a currently ongoing asset/liability review.

17. To the extent you are able, can you please share a summary or asset allocation of how the State's \$3+ billion cash is currently invested?

The current allocation of cash is approximately:

OSIP: 48%

Collateralized/insured deposits: 52%

18. Approximately how many different State programs or entities will comprise this mandate?

The anticipated maximum number of departments with adequate capital and expenditure visibility to underlie these types of investments is five, while the initial startup of this vehicle is likely to be limited to two or three.

19. What is the current cash level and typical cash range for each of these different State entities?

The State entities that are currently anticipated to utilize this investment vehicle are the State General Fund, the Capital Expenditure Fund (RICAP) and the Temporary Disability Fund (TDI). The current cash level associated with these entities and the range over the past year is:

	<u>Current Cash</u>	<u>One Year Range</u>
General Fund	\$1.3B	\$1.3B – \$2.3B
RICAP	\$987M	\$125M - \$1B
TDI	\$144M	\$80M - \$145M

20. To what extent do these entities currently invest in the OSIP?

All State entities may utilize OSIP. The Short-Term Investment Policy limits the overall allocation to OSIP to 60% of investable cash. OSIP currently represents about 45% to 50% of available cash, and the various State entities that underlie the cash have approximately this degree of exposure to OSIP.

21. Would each State program require individual reporting needs?

If the ultimate implementation of this mandate involves separate custody accounts for the participating entities, individual reporting would be required. If a combined structure is ultimately used, then single entity reporting would be sufficient.

22. Do you anticipate any of the funds managed under the scope of this mandate to be directed to the OSIP?

The mandate underlying the RFP is viewed as complementary to OSIP. The assets directed to this mandate will be those with the capacity to be invested for a longer term. The degree by which funds may move between this mandate and OSIP will be determined by both the size of the funds and the budgetary clarity provided.

23. Will you consider a firm that has no direct track record in the cash management strategy but has over 30 years managing traditional fixed income in short duration and intermediate mandates?

All responses will be assessed in accordance with the criteria articulated in the RFP.

24. What priority do you place on DEI and hiring a smaller manager with that profile?

All responses will be assessed in accordance with the criteria articulated in the RFP.

25. Is there an incumbent external investment manager that is providing these services today that the selected manager would replace? If so, can you share what the fee schedule is today for the incumbent investment manager?

No.

26. Does the State policy allow for repurchase agreements and Treasury floaters out to 2-year maturities such as the rules for a 2a-7 government money market fund?

The Short-Term Investment Policy does allow for 2a-7 eligible securities although the intended investment guidelines for this specific mandate limits maturities to 397 days.

27. It is our understanding that the scope of this mandate is for investment management services. Are custodial-type capabilities also being considered in the evaluation of responses?

The current expectation is that this mandate will utilize the existing custodial relationship. However, the State is open to other suggested custodial options.

28. Can you share how the cash management program is currently invested (i.e., CUSIPs, par amounts, maturity dates)?

The most detailed information available regarding the investment of cash is contained within the monthly State Investment Commission reporting. An example is shown on pages 54 to 58 of the link below:

[SIC Book 07.31.23](#)

29. Can you confirm that the State Investment Commission (SIC) Short-Term Investment Policy is more restrictive than state statute (i.e., 397 maximum maturity)?

Yes.

30. How is the simplified participant accounting currently done? What are the challenges of continuing this same process in the future?

The current process of participant accounting varies from separate custody accounts for collateralized/insured deposits to full, daily participant accounting for OSIP. It is not anticipated that there would be significant challenges to utilizing separate accounts for participating entities. It is also not anticipated that daily participant accounting would be required for this mandate. The State is open to any other suggestions regarding mechanisms to achieve the needed ability to track the funds associated with each participating entity.

31. Question #9 on page 4 of the RFP specifies "...the ability to maintain simplified participant accounting." Can you please provide additional context and background surrounding the concept of simplified participant accounting? What level of service/functionality tied to simplified participant accounting would the State expect from the investment manager selected for this RFP?

Please see the response to question #30.

32. Can you elaborate on the simplified participant accounting requested in question 9 (page 4)?

- a. How many accounts are needed?

The number of accounts will be dependent on the number of State entities where participation appears warranted. The current expectation is that no more than five, with two or three entities at inception, may be included in the participation.

- b. How frequent are transactions?

The current plan is to limit movement into or out of the strategy to once per month.

- c. Will a statement need to be provided for each State program?

To the degree that separate custody accounts are utilized for each participating entity, a statement for each custody account would be required.

- d. Will the investment manager have to communicate directly with any of the State programs or will all communication be handled through the Cash Manager of the General Treasurer?

Communication with the State entities participating in the mandate will be coordinated by the Cash Manager of the Office of the Rhode Island General Treasurer.