

RFP Questions & Responses

- 1) **The RFP states “the investment manager’s firm must be a registered investment advisor under the investment company act of 1940”. As a bank/trust organization, [REDACTED] is exempt from the investment advisors act of 1940. Instead [REDACTED] is regulated by the [REDACTED]. As such, we are not required to register with the SEC or FINRA as a Broker/Dealer. Would this preclude [REDACTED] from participating in the RFP process?**
 - a. We understand some of our current financial institutions are banks and thus Institutional Wealth Management departments are encouraged to apply.
- 2) **The RFP states the Cities assets being valued at around \$490,600,611.00 with 44% of the assets invested in MOSIP and approximately 21% allocated to Bond Portfolio which consists of 29 Accounts. Is this RFP for Investment Management Services for all \$490,600,611? If so, of the MOSIP accounts approximately how much is invested in the MOSIP Liquid Series and how much is invested in the MOSIP Term series?**
 - a. The City’s assets consist of current portfolio, listed on our website, in addition to the additional \$250 million expected in the next round of ARPA funds in June or July 2022. Any current liquid and term series cash at MOSIP will be incorporated into the investable assets of the City.
- 3) **In regards to the 29 bond accounts, are these strictly investment accounts or are some accounts more operational in nature? i.e. there are regular cash in-flows and out-flows?**
 - a. The 29 bond accounts are currently managed as a separate pool of funds. These are amortizing accounts to meet debt obligations.
 - b. Any new bond issues will be managed as a sub account.
- 4) **If awarded the opportunity to work with the City in this capacity, would the new investment manager also act as custodian for the assets?**
 - a. No. The current custodian is Wells Fargo who just migrated to Principal.
- 5) **The RFP requests five (5) current and (2) former public sector clients. Would a client who is a public utility meet the definition of public sector client?**
 - a. Yes. This will not disqualify anyone from applying.
- 6) **In Section D: Performance and Evaluation of the RFP question 1 states: “Specify the investment data audits your organization normally requires.” Is the question asking about internal audits performed by [REDACTED] or external audits performed by [REDACTED] regulators?**
 - a. What external audits are performed for either Wealth Management divisions if SEC or FINRA are not applicable.

- 7. Under minimum requirements, it states we need to be a registered investment adviser under the 40 act. We are not, but a bank trust department under the banking regulators. Will this eliminate us from being considered?**
- No. See answer to question 1.
- 8. The total assets are \$490 million with 44% invested with the Missouri Securities Investment Program, and 21% allocated to the bond portfolio. Is the 21% what is out for bid? Where are the remaining funds allocated, banking institutions? Also there is a reference to the bond portfolio consisting of 29 accounts, we are assuming that there will need to be 29 different accounts rolled up into a master account for the investment funds. Is that correct?**
- The entire portfolio of the city's accounts are being put up for bid. The city's portfolio consists of approximately,
 - \$161,627,451 in Airport and City accounts
 - \$105,211,501 in Bond Portfolio (managed with 29 sub accounts)
 - \$296,144,488 in MOSIP comingled city cash
 - \$562,938,440 Total current assets as of 3/31/22
 - \$250,000,000 2nd Round of ARPA funds
 - \$812,938,440 anticipated total investable assets
 - In addition, we have additional assets with local financial institutions that will be considered in the RFP.
- 9. Under the references section, I don't believe that we can provide 2 former public sector clients and may only have 5 current. Will this be an issue?**
- No, see answer to question 5.
- 10. Is it intended for plan assets to include all of the City's excess cash? Does the City intend to exclude any future excess cash from the plan?**
- Yes, Water Department has the right to decide if they will invest their excess cash with other investable assets.
- 11. What was the average balance of plan assets in 2021?**
- See answer to question 8.
- 12. With the STLTO selecting two firms, please describe the relationship the City envisions. Will the investment manager's co-manage all plan assets, divide plan assets 50/50, etc.?**
- STLTO has the right to select one or two firms for the RFP and will work with firms to design an agreement that works for the excess funds, ARPA funds and bond funds.
 - What are the expected assets under management? See answer to question 8.

13. What is the time horizon?

- a. City and Airport cash is managed per Investment Guidelines published on STLTO's website, Bond portfolio is managed per debt payment schedule, ARAPA funds will be managed per U.S. Treasury guidelines & Investment Guidelines.

14. Is the expectation to match cash flows using income and maturing principal?

- a. Bond proceeds are managed to debt payments. ARPA assets will be managed to the Mayor's budget and time horizon.

15. Can you provide budgeted expenses?

- a. Answer depends on which pool of funds this applies to. Bond portfolio details can be provided but seeking general responses.

16. Outside of investments, are there any other services needed (billing, cash movement, etc...)

- a. Billing is currently provided in one invoice and each 'segment' identified for their pro rata share of total invoice. Manager/s will need to work with MOSIP on movement of funds if utilized.

17. Do you have an investment policy?

- a. See STLTO's website.

18. What key points will you use to evaluate the RFP respondents?

- a. All questions provided in the RFP will be evaluated and a rubric will be utilized on history, performance, clients, expertise, management team, fees and diversity and inclusion efforts.

19. Does STLTO have a current manager for this opportunity? If so, can you provide the name of the current Manager?

- a. PFM and Comer Capital are our current managers.
- b. Investment quarterly reports are listed on STLTO's website.

- 20. Can you provide the current fees being charged for this opportunity.**
- a. We would prefer to have each respondent provide their current fee schedule.
- 21. Will you please provide a cash disbursement/withdrawal schedule?**
- a. Not at the moment as the bond portfolio is invested in cash debt payments and with 29 sub accounts it is not feasible to provide.
- 22. In the 2021 Annual Report for the STLTO, the investments under management include 29 “Bond Proceeds Portfolios” along with the STL Airport Portfolio, STL Airport PFC Portfolio, and STL City General Pool Portfolio. The quarterly reports show only the STL Airport Portfolio, STL Airport PFC Portfolio, and STL City General Pool Portfolio. Can you please confirm which portfolios are covered by this request for proposal?**
- a. The STLTO website only includes details on the actively managed portfolio which is managed to a benchmark. See answer to question 8 which explains portfolio balances.
- 23. The RFP references awarding two firms, how will the pools of capital be divided between the two firms?**
- a. See response to question 12.
- 24. Will commingled vehicles be considered for this search?**
- a. Yes, if they comply with existing guidelines.
- 25. Would a commingled vehicle be considered if it invests in securities not included in the existing guidelines, such as corporate bonds or securitized securities?**
- a. No. The Treasury department must adhere to state guidelines and current guidelines for municipal funds.