



**CalTRUST Investment Management Requests for Proposals
Questions & Answers
November 18, 2022**

- 1. Will you be selecting multiple providers to manage each of the five funds (Liquidity, Short-Term, Medium-Term, money market fund and a government money market fund) or will you select one provider to manage all the funds?**

Our intention is to select one investment manager to manage the CalTRUST proprietary funds (Liquidity, Short-Term, and Medium-Term) and separately select a Money Market Funds provider to offer Prime and Government money market funds on our platform.

- 2. Can a manager bid on one or two funds? (i.e. Short Term and Medium Term Funds, but not the Liquidity Fund).**

Our intention is to have one investment manager for all three CalTRUST proprietary funds.

- 3. If awarded the business, will CalTRUST require portfolio managers complete and file 'Form 700' statement of economic interest?**

No.

- 4. Does CalTRUST use an external accounting analytics provider? If so, which one?**

Ultimus Fund Solutions serves as both the CalTRUST Fund Accountant and Transfer Agent.

- 5. In the Scope of Services, item #3 – What kind of statistics reports are compiled by the fund accountant? Are you able to provide an example?**

The Fund Accountant prepares the monthly portfolio statistics for the CalTRUST proprietary funds. Copies of the reports can be seen on the [Portfolio & Performance page on the CalTRUST website](#).

- 6. What is fee structure (basis points or fixed) of the current investment manager?**

This information can be found beginning on page 35 of the [CalTRUST Information Statement](#).

- 7. How many participants are in each of the three funds?**

Some of our shareholders may have subaccounts. Currently there are 25 shareholder accounts in the Liquidity Fund, 94 in the Short-Term Fund, and 98 in the Medium-Term Fund.

- 8. Under the Scope of Services, it discusses promoting the program and one item is conduct individual meetings. On average, how often do the individual meetings occur?**

This number is quite variable based on market conditions and typically ranges between one and eight per month. Many of these can be accomplished via teleconference/Zoom.

- 9. In the event that different investment managers are chosen for each RFP, could you clarify any difference in resource and time commitment expectations that CalTRUST would have for each of those managers given the difference in assets managed?**

We would expect each successful partner to commit the time and resources necessary to meet the scope of services per each contract.

- 10. Could you confirm that the benchmark for the Short Term Fund is: Barclays Short-Term U.S. Government/Corporate Index? Could you provide the indices codes for the benchmark of the Short & Medium Term Fund Portfolio?**

Information on the Funds' Benchmarks can be found beginning on page 11 of the [CalTRUST Information Statement](#).

- 11. We read the guidelines to say that only one NRSRO must rate the security (A or better for corps, AA or better for structured) and that another rating below that level would not disqualify it. Can you confirm this is accurate? Additionally, can you confirm that A- and AA-, are not allowed.**

Authorized Investments and their criteria are outlined in Section IX of the [CalTRUST Investment Policy](#). Additional detailed conversation regarding the authorized investments will be had with the chosen provider.

- 12. Questions from Investment Policy Section IX Item 13**

- a. **This section states "any mortgage passthrough security" is allowed. However, we also read the guidelines to say the final principal payment would be within 5 years. This would practically exclude the vast majority of mortgage pass through securities which are explicitly allowed in the first sentence. An alternative interpretation would be that the weighted average life (WAL) must be < 5 years (This is much more common for short duration portfolios). Can you please clarify.**

Per the CalTRUST Investment Policy, these securities must have a maximum remaining maturity of five years or less.

- b. **We also read that securities in this section must have a security rating of AA or better AND an issuer rating of AA or better. Aside from government guaranteed securities there are very few issuers with AA or better ratings. Many are banks, Citi, Goldman etc. Others have no distinct issuing parent - they are simply trusts of collateral that issue securities that themselves have ratings. These are most common in CMBS. Can you confirm this is accurate?**

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