



Investment Trust of California (CalTRUST)

Request for Proposal for Money Market Funds Provider

Contents of Request for Proposal (RFP)

- I. Introduction
- II. Timeline
- III. Contact Person
- IV. Scope of Services
- V. Proposal Questionnaire

I. Introduction

The Investment Trust of California (CalTRUST) is seeking proposals for a Money Market Funds Provider to offer prime and government money market funds to be included on the CalTRUST platform. The initial term of the agreement for services will be for between three and five years with optional one-year extensions. It is CalTRUST policy to issue an RFP for a service at least once every seven years. The last time an RFP for this service was issued was in 2017, as an inclusion in the RFP for investment management services.

CalTRUST is a joint powers authority (JPA as defined in California Government Code 6500) and was created to provide a convenient method for California public agencies to pool their assets for investment. Public agencies can invest with CalTRUST directly, without the need for a council or board resolution to join the JPA. Any California local agency may participate in CalTRUST. There are currently 25 JPA members out of over 140 distinct actively participating public agencies with assets currently in the program.

CalTRUST is governed by a Board of Trustees comprised of local treasurers and investment officers. The Board sets overall policy for CalTRUST, and selects and supervises the activities of the Chief Executive Officer, Fund Accountant, Custody Provider, Investment Manager and other agents. Current service providers include BlackRock as the Investment Manager, U.S. Bank as the Custodian, and Ultimus Fund Solutions as the Fund Accountant and Transfer Agent.

CalTRUST has three proprietary funds – Liquidity (stable NAV), Short-Term (floating NAV), and Medium-Term (floating NAV) funds. In addition, CalTRUST offers a prime money market fund and a government money market fund to our participants. Currently, the prime and government fund options are the BlackRock Liquid Environmentally Aware Fund (LEAF) and the BlackRock FedFund.

Asset size of each CalTRUST fund as of October 31, 2022:

- Liquidity: \$369,243,276
- Short-Term: \$1,049,968,170
- Medium-Term: \$918,099,769
- BlackRock LEAF: \$40,982,899
- BlackRock FedFund: \$100,526,990

CalTRUST governing documents, including the Joint Exercise of Powers Agreement, the Information Statement, and the Investment Policy, can be found at <https://caltrust.org/resources/>.

II. Timeline

RFP Release Date:	November 2, 2022
Questions Due:	November 10, 2022
Responses to Questions Posted:	November 18, 2022 (https://caltrust.org/rfps/)
Proposals Due:	December 16, 2022
Interview Notification:	January 18, 2023
Finalist Interviews:	February 10, 2023
Due Diligence Visits:	Late Feb/Early March 2023
Selection by Board:	March 2023
Anticipated Start Date:	TBD by May 15, 2023
Attend CalTRUST Board Meeting:	Week of May 15, 2023 (exact day(s) TBD)

III. Contact Information

Proposals and questions shall be submitted *electronically* by the aforementioned deadlines to:

Laura Labanieh
Chief Executive Officer
CalTRUST
Email: laura@caltrust.org

Electronic proposals MUST be received by 5pm on December 16, 2022.

IV. Scope of Services

The Money Market Funds Provider shall make both a prime and government money market fund option available via the CalTRUST platform, allowing CalTRUST shareholders to access the funds via a CalTRUST master account.

The Money Market Funds Provider shall also produce and deliver, and/or assist in the production and delivery of, presentations, newsletter information, seminars, webinars, economic and market updates, and other applicable information as they are beneficial to the growth and marketing of the CalTRUST program.

Specific tasks and obligations required of the Money Market Fund Provider include:

1. Assist in the review of, and make recommendations for, the CalTRUST Investment Policy as needed.
2. Prepare an annual report of legislative changes that could directly impact the structure of prime or government money market funds.
3. Actively participate in growth of the CalTRUST program including participating in CalTRUST strategy meetings, events, and individual meetings to promote the program.
4. Attend meetings of the CalTRUST Board of Trustees (typically up to three in-person annually) as well as CalTRUST Investment Committee (remote meetings quarterly at minimum) and provide written and verbal reports on the investment, market, and portfolio strategy of the money market funds.
5. Coordinate with CalTRUST staff and assist in providing customer support for all participants.
6. Provide all necessary requested information in support of the CalTRUST annual audit.

V. Proposal Questionnaire

General Overview

1. Provide a complete overview of your firm's structure, history, services offered, and current assets under management.
2. Provide the names, titles, and biographies of key individuals who would be directly responsible for providing services. Include the year each individual joined the firm and their current responsibilities, experience, education, and professional designations. Detail their roles and the scope of their involvement.
3. How many investment staff have joined or left the firm in the past five years? Describe the firm's compensation and incentive program for professionals.
4. Describe your firm's approach to client services. Discuss how issues and problems are escalated within your organization. Discuss your firm's commitment to quality control and customer service policies.

5. Please list the hours (Pacific Time zone) the Relationship Manager will be available. What is the typical response time (in hours) to both general questions and urgent problems presented by your clients?
6. Briefly describe your firm's business recovery plans for ensuring that management of the investments continue in the event of a disaster.
7. Describe any significant developments that have affected your firm in the past five years, such as changes in ownership, restructuring, personnel changes, reorganization, or philosophy. If anticipated, describe any future, significant changes in your firm.
8. Within the past five years has your organization or an officer or principal been involved with any business litigation or legal proceedings relating to your activities? Please provide details with respect to the current status.
9. Within the last five years has any regulatory or governmental entity conducted an audit or review of or taken any action against your firm? If so, state the matter and briefly describe the actions taken by your firm to resolve or correct any deficiencies or problem. Also if yes, provide a statement of assurance as to why the violation does not have any material adverse effect on your firm's ability to perform the required services.
10. Please provide a copy of your Service Organization Controls (SOC) 1 report as an appendix. Were there any previous findings in your SOC that were not corrected? Describe your company's system backup, security, and disaster recovery procedures. Are files archived and stored at an off-site location? If so, where is the location? Have procedures been tested? When did you last perform a full-scaled disaster recovery test?

Money Market Provider Services

11. Describe your experience with managing funds for California public agencies. What are your total assets under management for California public agencies?
12. Provide your firm's investment philosophy. Generally describe the process used by your firm to evaluate investments.
13. How will the firm position a portfolio in a rising interest rate environment?
14. What is your process for assessing risk in any portfolio?
15. Provide a general description of your research department. If no separate department exist, describe how this function is performed.
16. Has your firm ever experienced serious or significant liquidity problems in any money market funds? If so, please discuss and describe what efforts were undertaken to resolve the liquidity problems.

17. Have you ever had to contribute capital to any of your money market funds to prevent shareholders from sustaining a loss in principal value? If so, please describe in detail.
18. Did any of your money market funds hold securities that did not repay at par or are in default?
19. Describe the firm's internal system of quality assurance. Describe how the firm would facilitate CalTRUST's responsibility to conduct a due-diligence inquiry that proves your capacity and fitness to undertake any service responsibilities.
20. Provide a detailed description of which funds you would recommend for inclusion on the CalTRUST platform including how their performance compares with comparable funds and any ESG, DEI, or other "value-added" component of each fund. Provide a history of the NAV fluctuation on the proposed funds.
21. What is your process for notification/management of securities when there is a notable credit risk event?

Program Growth

22. How will your firm leverage existing relationships and other internal business channels to support growth of the CalTRUST program?

Fees and References

23. List your firm's ten largest government clients and the amounts managed. Identify the types of relationships. If you do not have ten government clients please list all government clients and additional non-governmental clients for a list of ten.
24. Provide a detailed fee schedule for each fund.