

Addendum #2

- 1) Will you be needing custody services as well? If not, who is your current custodian? **It is possible, depending on the investment purchased. We currently do not have a current custodian.**
- 2) If no custodian, would you like us to include a custodial bid alongside our investment management proposal? **Absolutely. That would be helpful.**
- 3) Will SENMC consider evaluating how each proposer navigated the great financial crisis and their investment response to prior periods of market volatility? **That would be excellent information for consideration.**
- 4) Is SENMC currently working with an Investment Advisor? **No**
- 5) When was your last RFP for an Investment Firm? What are the primary reasons for issuing a search at this time? **This is our first one.**
- 6) The RFP notes an initial investment of \$100 million – can you clarify the funding source of that capital? **Cash (it is not from bond proceeds).**
- 7) Is the investment corpus meant to serve as an enhanced cash operating pool or more long-term endowment pool? **Enhanced cash operating pool**
- 8) Can you share the current portfolio allocations and targets? **Targets are 4% or greater while maintaining safety and liquidity. Current portfolio resides in an Intrafi account where it is earning $\frac{3}{4}$ of a percent (.75%) coupled with an operating checking account earning $\frac{1}{5}$ th of a percent (.20%).**
- 9) The current IPS focuses on Commercial Paper, CD's and Treasury Bonds. Would the College consider other asset classes like equities? **We must comply with the investment policy, and as for commercial paper, it must be high-grade.**
- 10) Has an annual spend rate for the \$100 million corpus been established? **No.**
- 11) The college requires that respondents comply with its terms and conditions. We've reviewed all terms and conditions contained with the provided RFP materials. Are there other terms and conditions that would apply to this engagement? **None other than that which was provided. The most critical part is complying with the investment policy and creating a stair-stepped approach for the investments to maintain liquidity as needed.**

- 12) I first wanted to ask if there's a reason why the college is issuing the RFP (i.e. contract expiring, fiduciary duty with former firms) — but also if what the college is looking for can be likened to an outsourced CIO, which tend to do both management and advisory. **Because it is a large investment amount, we wanted to cast a wide net to garner interest from companies who may be able to meet our needs.**
- 13) I also wanted to ask what firm(s) is/are currently providing the services detailed in the RFP, and if they're allowed to rebid. **Yes, anyone can bid or rebid.**
- 14) I also wanted to get a sense of how big the portfolio is that the firms will be managing money for — given they'll be handling approximately \$100 million. I wasn't sure if that's exactly how big the portfolio is, or if the portfolio is more than that. **It is possible to be more than that, but we want to make sure we have the necessary cash flow for monthly expenses.**
- 15) The Investment Policy states, "Portfolio liquidity is defined as the maturity or ability to sell a security on a short notice near the purchase price of the security." Will you please define short notice? **Short notice is defined as 20 days or less. We are looking to staircase our investments based on cash flow and expectations are highly unlikely to sell using a short notice. However, in the event of a natural disaster and the campus needs access to funds immediately, we would expect a short sale.**
- 16) As with any small community. There are many circles our management team is a part of. In an effort not to disqualify ourselves, we would like to know who the members of the Selection Committee are. **As per the RFP, the details of the RFP or questions related to the RFP may not be discussed with any Board of Trustees members, SENMC Student Government members, any SENMC Faculty, Staff, Consultants, or others working on behalf of SENMC. The Selection Committee consists of Kevin Beardmore, Carolyn Kasdorf, Rebecca Silva, Mark Cage, and Ned Elkins.**