



**INVESTMENT ADVISORY
OR
INVESTMENT ADVISORY AND MANAGEMENT SERVICES**

Escambia County Clerk of the Circuit Court and Comptroller

Pursuant to RFP 2010-001, the final day for inquiry regarding the RFP specification was February 26, 2010. Below you will find a list of questions and the answers that were provided:

1. QUESTION: Is the portfolio you are outsourcing in the amount of approximately \$100 million exclusively a long-term “core” portfolio to be benchmarked against the Merrill 1 – 3 Year Treasury Index?

ANSWER: Yes, at the moment, the Clerk of the Circuit Court and Comptroller (Clerk) is looking to either outsource the “core fund” as outlined in the Investment Policy on page 19, or hire an advisor.

2. QUESTION: We are not completely clear on the use of the terms “Investment Advisory” and “Investment Advisory and Management Services”. Could you clarify the difference for us?

ANSWER: The Clerk is looking at options to have someone either provide advisory services for the Clerk’s in-house staff to make the investment decisions/purchases, or to actually have the investment management services (which would include access to the Clerk’s in-house staff for advice) where a firm would do the actual investment on the Clerk’s behalf. Your firm’s pricing needs to be broken down into both scenarios.

3. QUESTION: Are you contemplating awarding the \$100 million mandate to one manager or more than one?

ANSWER: We are looking for one manager.

4. QUESTION: Is it possible to submit a proposal based on investment management services where all of the related services requested would be provided but without advisory proposal? Our firm, unfortunately, does not provide investment advisory services.

ANSWER: The first paragraph of the Request for Proposal (RFP) describes this RFP as “providing investment advisory services **or a combination** of investment advisory **and** management services . . . “ If your proposal does not meet those specifications, then it might be eliminated when reviewed. Therefore, it would be your decision whether to proceed with submitting the proposal or not.

5. QUESTION: Would you be so kind as to clarify what you mean by “immediate-term” in Question #7, page 8 of your RFP as quoted—“Provide your firm’s immediate-term investment (0-3 years) performance for the most recent five (5) years . . .”

ANSWER: For your public clients’ (local / state governments) managed funds (as opposed to private sector clients)—what investment do you put those public clients’ money in (treasuries, agencies, corporate commercial paper, banker’s acceptances, etc.) that mature within 0-3 years and what is the performance of those type of investments over the last five (5) years.

6. QUESTION: Based on the investment policy, it appears that 50% of the portfolio can be invested in a 2a-7 money market fund with no more than 25% invested in any one fund. I would like to submit a response to the RFP for the liquid cash portion of your investment portfolio. I just want to make sure we did not waste your time if in fact you would **not** consider using a money fund for the liquid portion of Escambia’s investment portfolio?

ANSWER: It does not appear that the RFP process for the long-term core portion of the portfolio would be the correct venue for your offering. The type of offering you are describing would fall under section XI of the County’s Investment Policy that describes the Competitive Selection of Investment instruments. If you are a qualified institution (defined in Section IX), including the designation as a primary dealer, then you are eligible to be put on our dealer list, which is a separate process from the current RFP. If you have a prospectus and a product offering you want to submit for the liquid, short-term portion, you can send that in for review.

7. QUESTION: Are the Public Entity Crimes, Truth in Negotiation, and Drug-Free Workplace forms to be submitted with the RFP?

ANSWER: Yes, that is correct. Those should be submitted as part of the proposal packet.

8. QUESTION: Please confirm the maximum maturity for the \$100 million portfolio?

ANSWER: Page 19 of the Investment Policy describes the core funds having a term appropriate to the need for funds, but in no event shall it exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

9. QUESTION: Question D.7. asks for annualized quarterly returns—please confirm if the annualized time period is five (5) years and if additional annualized time periods should be presented in the RFP?

ANSWER: For your public clients' (local / state governments) managed funds (as opposed to private sector clients)—what investments do you put those public clients' money in (treasuries, agencies, corporate commercial paper, banker's acceptances, etc.) that mature within 0 – 3 years and what is the performance of those type of investments over each of the last five (5) years.

10. QUESTION: Question D.9. asks “Detail the audit processes your firm employees.” Should that read “employs”?

ANSWER: Yes, it should read “employs”.

11. QUESTION: Question E.4. refers to short-term and long-term benchmark. Will the \$100 million be split into short and long-term portfolios?

ANSWER: No, the \$100 million is to be considered the long-term, or “core”, portion of the portfolio.

12. QUESTION: The January 2010 Investment Report posted to the County's website shows a portfolio of \$236 million. Is the \$100 million portfolio part of or additional to these assets and how is it currently invested?

ANSWER: The \$100 million is currently part of the total portfolio. The report you are looking at will show how the total portfolio is invested as of January 31, 2010.

13. QUESTION: Are the requested Investment Advisory Services specifically for the \$100 million portfolio or for the larger portfolio?

ANSWER: The RFP is for the approximately \$100 million portion of the portfolio that may be segregated into the “core” portion. Right now, nothing is segregated into short-term vs. long-term. Everything right now is short term.

14. QUESTION: Currently our firm stands at just under \$2 billion in public funds managed. Our firm asks that you take into account the fact that our firm manages a total of almost \$10 billion in total fixed income, not to mention an equal amount of fixed income assets. Please let our firm know if missing this minimum qualification will preclude our response to your RFP?

ANSWER: It is difficult for me to predict how your ranking will be affected if you do not meet the \$3 billion mark for public funds. With that being said, it is up to you to decide if you wish to proceed with the RFP.

15. QUESTION: Our version of APT US & C's Code of Professional Ethical Standards is dated August 2005. Is the most current? If not, would you mind providing the most current version?

ANSWER: Yes, the August 2005 Code of Ethics is the most current version of the APT US & C.

16. QUESTION: Also, would you provide APT US & C's investment account, reporting, and performance presentation requirements, as referenced in the RFP (Section IV. E., Section V. D. 7., and Section V. E. 1.)?

ANSWER: In lieu of the APT US & C, another acceptable industry standard that you can utilize is the CFA Institute. You can find their information at www.cfainstitute.org.

GENERAL CLARIFICATION: In lieu of APT US & C, the Clerk will accept the CFA Institute Standards as well.