



TREASURER OF THE STATE OF LOUISIANA

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Treasurer

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April 15, 2016

ADDENDUM NO. 1

Your reference is directed to RFP file number 16-001 for the Request for Proposal for Safekeeping and Custody for the Department of Treasury, RFP which opened April 6, 2016 at 10:00 a.m. (CT).

The following questions were asked and the answers provided to the referenced solicitation:

1. Page 46, Section 3.C

You are inquiring about unitized accounting, do you require utilization? If so, how many calculations are needed? And is it daily or monthly?

LA TREASURY ANSWER: We do not require unitized accounting, we simply need to know if you can accommodate it if we choose to establish a unitized fund.

2. Page 48, Section 3.S

You are inquiring about GASB reporting. Which GASB reports do you require?

LA TREASURY ANSWER: We require that all reports be GASB compliant, but specifically we will need a GASB Statement No. 72 report on Fair Value Measurement and Application, and data that will allow us to compile GASB 40 reports.

3. Page 52

Please detail what performance measurement reports are needed. If possible, please provide sample reports.

LA TREASURY ANSWER: Monthly, by Account and grouped and totaled by Fund

Account Name Benchmark Name	Market Value	% of Total	Month	3 Months	Fiscal Year Cumulative 7/1/2015 - 3/31/2016	Annualized				
						YTD	3 Years	5 Years	ITD	
LEQTF Fixed Income Account	860,970,632.09	63.6	1.36	2.64	3.34	2.64	2.73	4.56	4.65	
LEQTF - Fixed Income Benchmark			0.7	2.39	2.64	2.39	1.78	2.93	4.07	
Excess Return			0.66	0.25	0.7	0.25	0.94	1.62	0.58	
LEQTF Mutual Fund Account	359,893,996.11	26.58	7.34	0.74	-1.33	0.74	10.71	9.89	6.58	
LEQTF - Mutual Fund Benchmark			7.6	2.4	-0.64	2.4	10.84	10.73	6.5	
Excess Return			-0.27	-1.66	-0.69	-1.66	-0.13	-0.84	0.08	
LEQTF EQ-DIV Account	132,901,469.34	9.82	5.7	5.65	14.25	5.65	13.3	14.31	13.91	
Dow Jones US Select Dividend Index			7.41	9.63	11.83	9.63	12.83	13.61	15	
Excess Return			-1.71	-3.98	2.42	-3.98	0.47	0.7	-1.09	
Educational Quality Trust Fund	1,353,766,097.54	100	3.3	2.42	3.05	2.42	5.57	6.53	5.41	
LEQTF - Policy Index			2.06	2.2	2.54	2.2	4.07	4.95	4.81	
Excess Return			1.24	0.21	0.51	0.21	1.5	1.58	0.6	
Additional Benchmarks										
Barclays U.S. Gov/Credit Intermediate Index			0.72	2.45	2.7	2.45	1.83	3.01	7.22	
Citigroup 30 Day Treasury Bill			0.02	0.05	0.06	0.05	0.04	0.04	4.55	
S&P 500 - Total Return Index			6.78	1.35	1.5	1.35	11.82	11.58		

4. Please provide the details of the risk analysis reporting needed. Provide sample reports if possible.

LA TREASURY ANSWER: Duration, Convexity, Value at Risk, by position, by account, by fund.

5. Are you currently using securities lending? If so, what is the size of the securities lending portfolio and who is providing these services?

LA TREASURY ANSWER: Yes, currently securities lending is being provided by Morgan Stanley.

6. Section III, Page 47 Can the Louisiana Department of Treasury provide an account schematic for all the accounts in scope?

LA TREASURY ANSWER:

Trust Name	Account Name
ARTIFICIAL REEF DEVELOPMENT FUND	ARTIFICIAL REEF FI
ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND	ROCKEFELLER FI
ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND	ROCKEFELLER VANGUARD
RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE FI
RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE VANGUARD
LIFETIME LICENSE ENDOWMENT TRUST FUND	WILDLIFE LICENSE FI
MILLENNIUM TRUST FUND	MILLENNIUM FI
MILLENNIUM TRUST FUND	MILLENNIUM MF
MILLENNIUM TRUST FUND	MILLENNIUM EQUITY
MILLENNIUM TRUST FUND	MILLENNIUM TAX EXMPT
MILLENNIUM TRUST FUND	MILLENNIUM EQ DIV
MEDICAID TRUST FUND FOR THE ELDERLY	MEDICAID FIXED INC
LOUISIANA EDUCATION QUALITY TRUST FUND	LEQTF FIXED INCOME
LOUISIANA EDUCATION QUALITY TRUST FUND	LEQTF MUTUAL FUND
LOUISIANA EDUCATION QUALITY TRUST FUND	LEQTF EQ DIV

7. Section IV, Page 48 Could Louisiana Department of Treasury provide USD and Foreign Currency (USD equivalent) average daily balances of at least 6 months data?

LA TREASURY ANSWER: No. All funds are in U.S. Dollars. There is no foreign currency held in any of the accounts.

8. Section IV, Page 48 What is the average daily balance of cash available for sweeps of at least 6 months data (by currency)?

LA TREASURY ANSWER: All funds are in U.S. Dollars.

ARTIFICIAL REEF DEVELOPMENT FUND on average, at least \$1 Million

ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND on average, at least \$1 Million

RUSSELL SAGE OR MARSH ISLAND REFUGE FUND on average, at least \$1 Million

LIFETIME LICENSE ENDOWMENT TRUST FUND on average, at least \$1 Million

MILLENNIUM TRUST FUND on average, at least \$25 Million

MEDICAID TRUST FUND FOR THE ELDERLY on average, at least \$1 Million

LOUISIANA EDUCATION QUALITY TRUST FUND on average, at least \$25 Million

8. Section IV, Page 48 What sweeps/STIFS is the Louisiana Department of Treasury invested in currently and what is the average Return?

LA TREASURY ANSWER: LA Treasury currently utilizes government agency funds provided by Morgan Stanley, Goldman Sachs, JP Morgan Chase, BONY Mellon/Dreyfus, currently approximately 20 to 25 basis points.

9. Section IV, Page 48 Do you require basic performance (total fund rates of return) or a more detailed level (sector, country, security, etc.)?

LA TREASURY ANSWER: More Basic, account and fund levels.

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10. Section IV, Page 48 Please provide the number of composites as well as the number of separate accounts and comingled accounts broken down by equity, fixed income and other.

LA TREASURY ANSWER:

Trust Name

ARTIFICIAL REEF DEVELOPMENT FUND
 ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
 ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
 RUSSELL SAGE OR MARSH ISLAND REFUGE FUND
 RUSSELL SAGE OR MARSH ISLAND REFUGE FUND
 LIFETIME LICENSE ENDOWMENT TRUST FUND
 MILLENNIUM TRUST FUND
 MEDICAID TRUST FUND FOR THE ELDERLY
 LOUISIANA EDUCATION QUALITY TRUST FUND
 LOUISIANA EDUCATION QUALITY TRUST FUND
 LOUISIANA EDUCATION QUALITY TRUST FUND

Account Name

ARTIFICIAL REEF FI
 ROCKEFELLER FI
 ROCKEFELLER VANGUARD
 RUSSELL SAGE FI
 RUSSELL SAGE VANGUARD
 WILDLIFE LICENSE FI
 MILLENNIUM FI
 MILLENNIUM MF
 MILLENNIUM EQUITY
 MILLENNIUM TAX EXMPT
 MILLENNIUM EQ DIV
 MEDICAID FIXED INC
 LEQTF FIXED INCOME
 LEQTF MUTUAL FUND
 LEQTF EQ DIV

11. Section III, Page 47 One of the questions in the ACCOUNTING REPORTING AND SETTLEMENT PROCESSING section relates to unitization. Is there a unitization requirement? If so please provide the scope of that requirement.

LA TREASURY ANSWER: We do not require unitized accounting, we simply need to know if you can accommodate it if we choose to establish a unitized fund.

12. Section IV, Page 48 Do you maintain separate accounts for cash/liquidity or are those assets part of the account itself with end of day sweep requirements?

LA TREASURY ANSWER: We do not require separate accounts for cash/liquidity. Those assets are part of the account itself with end of day sweeps.

13. Part II: Scope of Service, 2.3.J, Page 48 "Price all securities in the Funds on at least a weekly basis and Price the Funds weekly and provide a copy in print and electronic format (preferable Microsoft Excel spreadsheets) to the State Treasurer's Office." Does this relate to a unitization requirement or is it just as simple as needing to have assets priced daily/weekly, etc. from a custodians pricing vendors?

LA TREASURY ANSWER: Unitization not required, just stating the minimum pricing requirements.

14. Part II: Scope of Service, 2.3.G Page 27 "Perform a manual calculation of the daily cash balance to be invested in a repurchase agreement. The plating of these repurchase agreements will be handled by the State Treasurer's Office. The custodian will be responsible for monitoring and providing the collateral on a daily basis at a margin determined by the State Treasurer's Office." For the sake of clarity, can you explain the mechanics of this requirement/function? How is it done today?

LA TREASURY ANSWER: We currently have the ability to download into Excel on a daily basis the current market value of all security positions. That is really all we need.

15. Part II: Scope of Service, 2.6, Page 30 There are references throughout the RFP document to "Funds" and to "Accounts", is there a discernable difference that would have an impact on a service requirement such as unitized accounting or can these terms be used interchangeably?

LA TREASURY ANSWER: At every custodian we have ever used, there have been accounts opened according to the type of assets in the account. So for instance, the Millennium Fund may have five (5) accounts under the Fund name.

MILLENNIUM TRUST FUND
MILLENNIUM TRUST FUND
MILLENNIUM TRUST FUND
MILLENNIUM TRUST FUND
MILLENNIUM TRUST FUND

MILLENNIUM FI
MILLENNIUM MF
MILLENNIUM EQUITY
MILLENNIUM TAX EXMPT
MILLENNIUM EQ DIV

16. Attachment B, Page 36 Would the contract terms outlined in the RFP be subject to negotiation?

LA TREASURY ANSWER: Yes. However, there are some requirements of Louisiana law that we may not be able to waive or negotiate.

17. Attachment B, Page 36 Could a proposer use their own custody contract?

LA TREASURY ANSWER: As a starting point, yes. However there are some requirements of Louisiana law that we may not be able to waive or negotiate, and those would be required language even in a proposer's own custody contract.

THE ADDENDUM IS HEREBY OFFICIALLY MADE A PART OF THE REFERENCED PROPOSAL.