



RFP - Investment Management Services

Addendum No. 1

Project Name: Investment Management Services	Project No.: RFP#22-23-43
Prepared By: Wanda House	Date: May 12, 2023

In accordance with the published timeline for the RFP, please find below responses to vendor inquiries.

General Questions, Clarifications & Requirements:

- 1) **Question:** Does the City currently work with an investment advisor/manager?
Answer: The City uses a firm that makes investment recommendations to match our portfolio returns to an index, but is not an advisory relationship.
- 2) **Question:** If a manager is currently used who is the firm and what is the existing fee structure?
Answer: C2 Investments, \$24,000 a year.
- 3) **Question:** What would the size of the portfolio under management be?
Answer: Approximately \$25 million.
- 4) **Question:** Who is the City's custodian?
Answer: Wells Fargo Securities.
- 5) **Question:** Will the manager have discretionary authority of the portfolio, or would this be a non-discretionary relationship?
Answer: Non-Discretionary Relationship.
- 6) **Question:** Why is the search being conducted at this point of time?
Answer: The City periodically issues RFPs for services to make sure that we obtain the best value.
- 7) **Question:** Which firm currently provides the services and are they invited to rebid?
Answer: C2 investments currently does not provide advisory services. They are invited to rebid.
- 8) **Question:** What is the market value of funds to be managed by the selected firm?
Answer: Approximately \$25 million.
- 9) **Question:** Would you be willing to consider extending the due date for proposal responses?
Answer: The City does not anticipate extending the due date submission for RFP #22-23-43.
- 10) **Question:** Who currently serves as the City's investment manager?
Answer: The City currently works with C2 investments for recommendations on monthly portfolio rebalancing.

11) **Question:** How long has the City been with your current investment manager?

Answer: 18 plus years.

12) **Question:** Who currently serves as the City's custodian bank?

Answer: Wells Fargo.

13) **Question:** Can you provide a recent monthly or quarterly investment report of investable assets with details of par amounts and CUSIPs?

Answer:

Portfolio Holdings

As of 4/30/2023

Description	CUSIP/Ticker	Face Amount/Shares	Market Value	Maturity Date
OOptimizer 1-3 Agency				
FHLB 2.5 2/13/2024	3130AFW94	275,000.00	269,771.98	2/13/2024
FHLMC 0.375 7/21/2025	3137EAEU9	625,000.00	575,840.00	7/21/2025
FHLMC 0.375 9/23/2025	3137EAEX3	970,000.00	888,375.47	9/23/2025
FHLMC 0.375 9/23/2025	3137EAEX3	795,000.00	728,101.54	9/23/2025
FHLMC 1.5 2/12/2025	3137EAEP0	850,000.00	810,016.85	2/12/2025
FNMA 0.25 11/27/2023	3135G06H1	685,000.00	666,826.95	11/27/2023
FNMA 0.25 11/27/2023	3135G06H1	635,000.00	618,153.45	11/27/2023
FNMA 0.25 11/27/2023	3135G06H1	850,000.00	827,449.50	11/27/2023
FNMA 0.375 8/25/2025	3135G05X7	610,000.00	560,415.54	8/25/2025
FNMA 0.5 11/7/2025	3135G06G3	955,000.00	876,417.82	11/7/2025
FNMA 0.5 11/7/2025	3135G06G3	435,000.00	399,206.02	11/7/2025
FNMA 0.5 11/7/2025	3135G06G3	660,000.00	605,691.90	11/7/2025
FNMA 0.5 6/17/2025	3135G04Z3	300,000.00	278,044.20	6/17/2025
FNMA 0.5 6/17/2025	3135G04Z3	1,090,000.00	1,010,227.26	6/17/2025
FNMA 0.625 4/22/2025	3135G03U5	895,000.00	834,396.86	4/22/2025
FNMA 1.625 10/15/2024	3135G0W66	355,000.00	340,157.45	10/15/2024
FNMA 1.625 10/15/2024	3135G0W66	530,000.00	507,840.70	10/15/2024
FNMA 1.625 3/31/2025	3135G0X24	645,000.00	616,161.40	3/31/2025
FNMA 1.75 7/2/2024	3135G0V75	435,000.00	420,893.38	7/2/2024
FNMA 1.75 7/2/2024	3135G0V75	360,000.00	348,325.56	7/2/2024
FNMA 1.875 9/24/2026	3135G0Q22	275,000.00	258,363.32	9/24/2026
FNMA 2.5 2/5/2024	3135G0V34	260,000.00	255,122.66	2/5/2024
FNMA 2.5 2/5/2024	3135G0V34	780,000.00	765,367.98	2/5/2024
Sub Total / Average OOptimizer 1-3 Agency		14,270,000.00	13,461,167.79	
OOptimizer 3-5 Agency				
FHLB 2.5 2/13/2024	3130AFW94	60,000.00	58,859.34	2/13/2024
FNMA 0.5 11/7/2025	3135G06G3	385,000.00	353,320.28	11/7/2025
FNMA 0.5 11/7/2025	3135G06G3	465,000.00	426,737.48	11/7/2025
FNMA 0.5 6/17/2025	3135G04Z3	200,000.00	185,362.80	6/17/2025
FNMA 0.75 10/8/2027	3135G05Y5	325,000.00	286,891.15	10/8/2027
FNMA 0.75 10/8/2027	3135G05Y5	480,000.00	423,716.16	10/8/2027
FNMA 0.75 10/8/2027	3135G05Y5	405,000.00	357,510.51	10/8/2027
FNMA 1.625 10/15/2024	3135G0W66	510,000.00	488,676.90	10/15/2024
FNMA 1.875 9/24/2026	3135G0Q22	685,000.00	643,559.56	9/24/2026
FNMA 1.875 9/24/2026	3135G0Q22	475,000.00	446,263.92	9/24/2026
FNMA 1.875 9/24/2026	3135G0Q22	240,000.00	225,480.72	9/24/2026
FNMA 1.875 9/24/2026	3135G0Q22	385,000.00	361,708.66	9/24/2026
FNMA 2.125 4/24/2026	3135G0K36	245,000.00	233,286.30	4/24/2026
FNMA 2.125 4/24/2026	3135G0K36	275,000.00	261,851.98	4/24/2026
T-Bond 6.5 11/15/2026	912810EY0	295,000.00	322,160.65	11/15/2026
Sub Total / Average Agency		5,430,000.00	5,075,386.41	
O Optimizer 3-5 Treasury				
T-Bond 0.75 3/31/2026	91282CBT7	280,000.00	257,435.92	3/31/2026
T-Bond 2.5 3/31/2027	91282CEF4	285,000.00	273,065.62	3/31/2027

T-Bond 2.5 3/31/2027	91282CEF4	200,000.00	191,625.00	3/31/2027
T-Bond 3.25 6/30/2027	91282CEW7	570,000.00	561,538.92	6/30/2027
T-Bond 3.875 11/30/2027	91282CFZ9	250,000.00	253,164.00	11/30/2027
T-Bond 3.875 11/30/2027	91282CFZ9	410,000.00	415,188.96	11/30/2027
T-Bond 3.875 11/30/2027	91282CFZ9	350,000.00	354,429.60	11/30/2027
T-Bond 3.875 11/30/2027	91282CFZ9	320,000.00	324,049.92	11/30/2027
T-Bond 3.875 12/31/2027	91282CGC9	705,000.00	715,244.36	12/31/2027
T-Bond 3.875 12/31/2027	91282CGC9	215,000.00	218,124.16	12/31/2027
T-Bond 6.375 8/15/2027	912810FA1	290,000.00	321,390.18	8/15/2027
T-Bond 6.5 11/15/2026	912810EY0	470,000.00	513,272.90	11/15/2026
T-Bond 6.5 11/15/2026	912810EY0	330,000.00	360,383.10	11/15/2026
T-Bond 6.625 2/15/2027	912810EZ7	490,000.00	540,799.28	2/15/2027
Sub Total / Average O Optimizer 3-5 Treasury		5,165,000.00	5,299,711.92	
Total / Average		24,865,000.00	23,836,266.12	

14) **Question:** Is the portfolio currently managed against the ICE BofA Merrill Lynch 1-5 year U.S. Treasury Index?

Answer: Yes.

15) **Question:** Does the City track performance on a total return basis? If yes, can you share historical returns?

Answer:



16) **Question:** What investment management fee schedule applies today?

Answer: We currently pay \$24,000 annually and \$1,800 for tracking software.

17) **Question:** In Section 5 of the RFP on page 11, it indicates the MWBE Professional Service Forms must be included to be deemed responsive and the forms are to be found in Appendix B. In the version of the PDF received, such forms could not be found.

Answer: See "Revised" RFP.

End of Addendum No. 1