

Connecticut Retirement Plans & Trust Funds RFP Questions and Answers:

Question 1: Please provide an excel based asset list including security name, industry standard asset identifier, shares/par value, price, market value.

Answer: Please refer to Investment Policy Statement, which governs the investments of the State of Connecticut Retirement Plans and Trust Funds (CRPTF) by visiting (<https://portal.ct.gov/OTT/Pension-Funds/Investment-Policy>). Please refer to Annual Report of the Treasurer containing detailed description of assets by visiting (<https://portal.ct.gov/OTT/Newsroom/Reports/Annual-Reports-of-the-Treasurer>).

Question 2: Please confirm whether CRPTF is expecting respondents to be trustee, or only custodian? Throughout the requirements section of the RFP, "Custodian" is referenced, but throughout the remainder of the RFP and in the agreement (Attachment N), "Global Trust/Custody Services" are referenced.

Answer: The Office of the Connecticut State Treasurer considers a respondent to the RFP as a "Master Custodian."

Question 3: Are there specific service/capability issues you are looking to solve or is the RFP mandated by statute?

Answer: The Office of the Connecticut State Treasurer will review all responses relevant to this RFP. The RFP is not mandated by statute.

Question 4: Please provide market value and holdings by asset type and country.

Answer: Please refer to the Annual Report of the Treasurer containing a detailed description of assets by visiting (<https://portal.ct.gov/OTT/Newsroom/Reports/Annual-Reports-of-the-Treasurer>).

Question 5: Please confirm if there are any derivative positions. If so, please provide market value, holdings and transactions by type (ETD and/or OTC).

Answer: Derivatives are permissible as described in the Article VI. "Use of Derivatives" of the Investment Policy Statement. Please refer to the Annual Report of the Treasurer containing a detailed description of assets by visiting (<https://portal.ct.gov/OTT/Newsroom/Reports/Annual-Reports-of-the-Treasurer>).

Question 6: Please provide a listing of the accounts open with your current custodian and indicate whether they are actively managed or "line item" accounts.

Answer: The Connecticut Retirement Plans and Trust Funds has 11 active Combined Investment Funds. Please refer to the Annual Report of the Treasurer containing a detailed description of assets by visiting (<https://portal.ct.gov/OTT/Newsroom/Reports/Annual-Reports-of-the-Treasurer>).

Question 7: Please provide the average balance held in the domestic STIF account maintained by your current custodian.

Answer: Please refer to the Comprehensive Annual Financial Report on the website:
(<https://portal.ct.gov/OTT/Pension-Funds/STIF/STIF-Financial-Reports>).

Question 8: Please provide the annualized number of incoming and outgoing Fed Wires.

Answer: We estimate approximately 6,000 Fed Wires take place annually.

Question 9: Please confirm TA requirements are limited to the STIF.

Answer: Yes, Transfer Agency requirements only pertain to the Short-Term Investment Fund.

Question 10: Please provide the number of individual participants in the STIF.

Answer: Please refer to the Comprehensive Annual Financial Report on website
(<https://portal.ct.gov/OTT/Pension-Funds/STIF/STIF-Financial-Reports>).

Question 11: There are references to “clients”, “participants”, “shareholders” and “investors” within the documents. It would be helpful to understand the definitions of these parties and whether “participant” services is the equivalent of “shareholder”.

Answer: The Office of the Connecticut State Treasurer is responsible for managing the invested assets for state and municipal employees, teachers, retirees and survivorships who are pension plan participants and beneficiaries as well as for trust funds that support academic programs, grants, and initiatives throughout the State.

Question 12: Please provide an account schematic of the STIF to enable us to determine if we will be required to support a master account and sub account relationship for the municipalities and participants within the various underlying accounts.

Answer: All STIF participants have accounts that fall under the master account.

Question 13: Please expand on your requirement for a Process Flow Analysis of Operations.

Answer: The Office of the Connecticut State Treasurer will engage with the master custodian during the transition/onboarding phase to optimize CRPTF operations and realign with industry best practices.

Question 14: Please expand on your requirement for Historical Data Recordkeeping.

Answer: Master Custodian will demonstrate capability to retain accounting, performance and investment related historical records for a period of 7 years after contract expiration.

Question 15: Please provide the vendor and file layout for your general ledger system

Answer: The Office of Connecticut State Treasurer will consider the master custodian's platform for Accounting Book of Record.

Question 16: Please identify your Proxy Advisor

Answer: CRPTF's proxy advisor is Institutional Shareholder Services (ISS).

Question 17: Please provide information on how deposits to the STIF, MTIF and EIP are currently processed.

Answer: Deposits into STIF are processed via transfer agent into the investor (shareholder) accounts. EIP/MTIF are deposited into the master accounts.

Question 18: Would the OTT consider a proposal for fund accounting and transfer agency for the STIF funds only. If yes, which items (A through Q) within the RFP should we respond to?

Answer: This is a possibility. The Office of Connecticut State Treasurer would like to know more about how firms would connect to the custodian and what the process of TA actions (deposits, withdrawals, etc.) looks like.

Question 19: If not providing the custody service, is there expectation of meeting the minimum qualifications outlined in the RFP which are qualifications that typically only a large publicly traded custodian bank?

Answer: The Office of Connecticut State Treasurer may entertain discussions and considerations with qualified firms proposing unbundled services on a case-by-case basis.

Question 20: Are risk management services requirements covered in item Q?

Answer: The enterprise risk management requirements are outlined in this section and are expanded upon in Appendix III of this RFP.

Question 21: Would OTT be willing to contract separately for Global Trust and Custody Services (inclusive of Global Trust and Custody, FX, Risk Management, Securities Lending,) excluding Transfer Agency Services. If yes, then would a joint proposal with a Transfer Agent contracted separately with the State be entertained.

Answer: The Office of the Connecticut State Treasurer will consider bundled and unbundled services on a case-by-case basis, including a joint proposal with a qualified provider.

Question 22: Page 27, Section IV states Completed and Separately bound Legal and Policy Attachments A-L. However, on page 32, it states the attachments are A-M. The website has attachments A-N. Can you please confirm which is correct?

Answer: Respondents are required to complete attachments A-M for this RFP.

Question 23: We noticed that some of the Forms require notarizing. Given work restrictions due to COVID-19, do these forms need to be notarized at this time?

Answer: Unfortunately, we are unable to waive notarization. If in-person notarization is not an option, your state/jurisdiction may be permitting "remote notarization" during the pandemic. Whatever your local jurisdiction currently deems as a properly/ legally notarized document is what we'll accept (the notary law of the jurisdiction where the document is being notarized rules). Your counsel will be able to give guidance on the remote process.

Question 24: Are Section K and Section Q duplicative? It seems Q may be for a third party provider and not a custodial service?

Answer: Section K describes requirements for performance measurement, analysis and reporting capabilities within integrated Master Custodian operating platform. Section Q contemplates expanded third party reporting suite for risk, performance, attribution and analytics.

Question 25: Is there a fee worksheet as noted in Section IV E?

Answer: Firms responding to the RFP may prepare a fee schedule in a format that best illustrates proposed fees as described in the Trust/Custody Fee Questionnaire section of the Appendix I.

Question 26: Is securities lending in scope?

Answer: The Securities Lending program is outside of scope for this RFP.

Question 27: Can you elaborate on the hedge fund strategies? Long / Short, convert arb etc.

Answer: Description of CRPTF's hedge fund asset class can be found in the Article XII - Alternative Investment Fund of the Investment Policy Statement.

Question 28: All the investments seem to be separately managed. Is that correct?

Answer: While a significant portion of CRPTF assets are held in separately managed accounts, investment is permitted in individual securities, and through other investment vehicles such as, but not limited to, commingled trusts, separate accounts, mutual funds and other pooled asset portfolios, provided they conform to the applicable guidelines and restrictions set forth in the individual investment advisor contracts.

Question 29: If separately managed, is there a prime broker used? Is there a Hedge Fund Administrator?

Answer: CRPTF anticipates use of brokerage services through its affiliation with Investment Managers and a Master Custodian. Please visit (<https://portal.ct.gov/OTT/Pension-Funds/Doing-Business/Domestic-Equity-Brokerage-Program>) to learn more about CRPTF Brokerage Program.

Question 30: Who manages the prime broker relationship?

Answer: CRPTF anticipates use of brokerage services through its affiliation with Investment Managers and a Master Custodian. Please visit (<https://portal.ct.gov/OTT/Pension-Funds/Doing-Business/Domestic-Equity-Brokerage-Program>) to learn more about CRPTF Brokerage Program.

Question 31: Are you amenable to providing us a cost / benefit analysis for these mandates?

Answer: Firms responding to the RFP may prepare fee schedule in a format that best illustrates proposed fees as described in the Trust/Custody Fee Questionnaire section of the Appendix I.

Question 32: Can you please share estimates for the European Union, Argentina, Australia, Brazil, Canada, China, Germany, France, India, Indonesia, Italy, Japan, Mexico, the Russian Federation, Saudi Arabia, South Africa, South Korea, Turkey, the UK and the US and Emerging Markets?

Answer: CRPTF invests directly or indirectly in well over one hundred countries as part of its Developed and Emerging markets mandates valued at approximately \$10 billion.

Question 33: Can you provide volumes with the custodian vs. third party?

Answer: Article V - Asset Class Definitions of the Investment Policy Statement outlines CRPTF structure between Liquid, Hybrid Liquid and Illiquid Portfolios. Liquid portfolios or approximately 75 percent of assets are primarily held with Master Custodian while Hybrid Liquid and Illiquid Portfolios may be held by the third party.

Question 34: Please provide clarification for the holdings in scope for custody services, by either:
a. Providing the ISIN and market value of position by fund; b. Providing the market value, trades and number of positions / lines of securities by market of settlement.

Answer: Please refer to Investment Policy Statement which governs the investments of the State of Connecticut Retirement Plans and Trust Funds (CRPTF) by visiting (<https://portal.ct.gov/OTT/Pension-Funds/Investment-Policy>). Please refer to Annual Report of the Treasurer containing detailed description of assets by visiting (<https://portal.ct.gov/OTT/Newsroom/Reports/Annual-Reports-of-the-Treasurer>)