



July 14, 2020

ADDENDUM III

Purchase of Investment Advisory Services CSP No. 20A-016

I. The following is being provided in response to questions received:

a. What is the size of the portfolio for this mandate?

Response: Average size of operating portfolio \$160 million-portfolio ranges from \$105 to \$210 million. (CSP pages 13 Evaluation Criteria and Purchase Price 15). Should Alamo Colleges have a separate portfolio for bond proceeds, we estimate \$250 million on a declining basis.

b. Can the District please provide the current benchmark(s) for the portfolio(s)?

Response: Alamo Colleges utilizes TexPool for benchmarking at;
www.texpool.com/texpool/home.do

c. The “additional-investment-information-2019” document on the District’s Financial Information site notes the follow: *“Alamo Colleges District uses Hilltop Securities Asset Management, LLC (“HSAM”) as an investment advisor for its institutional portfolio...HSAM provides advice and makes investments on behalf of Alamo Colleges District on a non-discretionary basis. They do not have authority to make investment transactions without obtaining prior approval.”* Is HSAM the investment advisor (incumbent) on the portfolio that is the subject of this Request for CSP NO. 20A-016? Will this mandate also be managed on “a non-discretionary basis” with transactions requiring “prior approval”?

Response: Yes, HSAM is the incumbent, and the portfolio is managed on a non-discretionary basis requiring prior approval, as per (CSP page 11 Statement of Work).

d. If “prior approval” is required for all investment transactions, can the District please describe the current approval process? Is this process via phone, email, etc.? How many quotes are required? What data, reporting, etc. is required for approval?

Response: Prior approval is required. The process is described on CSP page 11, Statement of Work. The comparable offers/bids will be needed for each trade. The process is generally by phone (preferred), but can also be by email. The data required for approval is the information on the trade (type of security, issuer, maturity, credit ratings, size, settlement date), and comparable securities in the same credit and maturity range, and is added to the CSP.

The deadline to submit a proposal for this project is by no later than 2:00 p.m. C.S.T., July 30, 2020.



- e. Is the District seeking discretionary or non-discretionary investment advisory services? Does the investment policy allow for discretionary investment advisory services?

Response: This CSP request is for a non-discretionary service. No, Reference page 2, of the Investment Policy for response to second part of this question.

- f. What are the yearly fees (in dollars) and fee schedule(s) (tiered or flat fee) charged by the current manager for the portfolio(s)? Are the fees/fee schedule for discretionary or non-discretionary investment advisory services?

Response: The incumbent charges a flat retainer of \$40,000 annually for non-discretionary advisory services.

The deadline to submit a proposal for this project is by no later than 2:00 p.m. C.S.T., July 30, 2020.