

**MARYLAND STATE TREASURER'S OFFICE  
Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401**

**QUESTIONS AND ANSWERS  
FOR  
REQUEST FOR PROPOSALS FOR  
MARYLAND LOCAL GOVERNMENT INVESTMENT POOL  
RFP #MLGIP-11072013**

November 21, 2013

- Q-1. On page 8 section 3.01, can bond proceeds be invested in the MLGIP? If so, are there currently bond proceeds invested in MLGIP? Are swaps allowed?
- A-1. Any Maryland Governmental entity can deposit their funds in the MLGIP. The MLGIP is agnostic as to the origination of those funds. It is possible that some of the funds on deposit are bond proceeds. Swaps are not allowed.
- Q-2. On page 8 section 3.02 under the heading minimum qualifications, would a retail investor center be sufficient to fulfill the full service branch requirement?
- A-2. The Offeror must demonstrate in its proposal the ability for governmental entities throughout Maryland to deposit cash and checks, get change, and withdraw cash up to their entire balance on a daily basis without advance notice.
- Q-3. On page 9 section 3.03 under the heading investments, is the maximum maturity limit for government securities 13 months or is it in accordance with rule 2a-7? Would you consider investing in a product outside the current 13 month maturity window?
- A-3. The maximum maturity limit is in accordance with rule 2a-7. Currently the MLGIP complies with rule 2a-7.
- Q-4. On page 9 section 3.03 under banking, are you willing to look at automated alternatives to eliminate the need of local bank depositories?
- A-4. As stated in Section 3.02, item 3, the Offeror must have a full services branch presence in the State of Maryland. This requirement will not be eliminated. As indicated in our response to Question 2 above, Governmental entities must be able to deposit cash and checks, require change, and withdraw cash.

- Q-5. On page 10 section 3.03 the heading under reports, do you expect reports to be sent monthly to all subaccounts even if there is no activity and no account balance? Do you require detailed daily holdings?
- A-5. Yes, statements are expected to be sent monthly on all accounts. Detailed daily holdings reports with detailed daily NAV calculations are mandatory.
- Q-6. On page 56 exhibit 2, can you please advise if the actual yield provided is gross or net?
- A-6. The actual yield provided is net.
- Q-7. On page 57 Section 6-201(b), does an SEC registered investment advisor or a state chartered trust company, outside MD, meet the requirements of the definition of a “financial institution” eligible to participate in the RFP process?
- A-7. See Sections 6-201(b) and (e)(3), State Finance and Procurement Article, for the definition of “Banking institution” and “Financial institution.”
- Q-8. On page 58 exhibit 4, are you open to changing the investment guidelines?
- A-8. The investment guidelines are based upon Maryland statute. There is no plan at this time to change the statute.
- Q-9. Can you provide who your custodian is?
- A-9. PNC Bank, N.A.
- Q-10. What is the current fee schedule?
- A-10. Currently,       0.030% on the first \$1 billion  
                          0.027% between \$1 billion - \$2 billion  
                          0.024% over \$2 billion.
- Q-11. What is your expected fee schedule?
- A-11. Offerors are required to submit their fees as both a percentage and basis points on the Price Proposal form as Appendix A, which will be evaluated and ranked.
- Q-12. Is the MLGIP a Qualified Institutional Buyer in accordance with Rule 144a?
- A-13. Yes.