

PORTFOLIO ANALYTICS SOFTWARE
Answers to Potential Offeror Questions

March 26, 2020

- 1. Can you please confirm if the due date of this RFI is 4/3 or 4/10? Both dates are listed in the document.**

The due date for this RFI is April 10, 2020. Please ignore the reference to April 3rd.

- 2. With the current situation with Coronavirus, will a physical submission still be necessary?**

In light of the COVID19 Pandemic with offices closed, the deadline for a physical copy can be extended if this requirement creates business complications and puts anyone at health risk. In such case, Maryland will announce a revised date when there is more visibility with the COVID Pandemic. With your electronic submission, please communicate if you will be delaying mailing in your physical copy until further notice from Maryland.

- 3. How should the fee schedule be submitted if hard copies submission requirement is delayed?**

Please email your fee schedule in a separate, dedicated email to lkatsafanas@sra.state.md.us. The fee schedule should be within a password protected document. Please email the password also under separate cover.

- 4. Question 12, Section D: Could you please elaborate on this question? Does the question refer to holdings data for mutual funds, hedge funds, and private equity funds?**

There are firms that provide databases of managers, manager investment products and funds. Can your system incorporate such databases? Such third party databases may offer holdings based data, returns based data, and qualitative data.

- 5. Question 13, Section D: Similar to question 12, does this refer to analyzing funds data?**

Yes, this question relates to Section D of Question 12. Can your system utilize the data from any third party manager data providers and perform analysis through your system?

- 6. Bidder's standard contract is for a two-year period with renewal every 2 years. Is MSRA amenable to this rather than a 5 year initial term with options for renewal for 2 additional years?**

If a firm is selected, the initial term of the contract would likely extend for a 5-year period, with options for additional renewal terms of up to two (2) additional years. Exercise of the renewal options will be at the sole discretion of the Agency.

- 7. Can you please provide a list and number of benchmarks required? Also, can you please specify if these benchmarks are at the index level, or index and constituent level. (A Fee Schedule cannot be submitted without the volume and type of data you require.)**

The portfolio utilizes approximately 30 different benchmarks across providers including FTSE Russell, S&P, MSCI, Bloomberg, and HFRI. The benchmarks will need to be at the constituent level (for holdings based analysis) as well as the headline return level (for return based analysis).

- 8. For questions regarding revenue and financial statements, a mutual NDA will need to be in place. Until executed, those questions will remain pending.**

This RFI, all responses, and resulting agreements are subject to Maryland's Public Information Act, Md. Code Ann., General Provisions Article ("GP") §4-101 et. seq. In the response, Offerors must specifically identify those portions of their proposals, if any, which they deem to include confidential commercial or financial information or trade secrets under GP § 4-335, and must provide justification why such material should not, upon request, be disclosed by the State. A blanket statement declaring that the entire response is confidential is not sufficient and will not be honored. Upon request for this information from a third party, the Agency will make an independent determination whether the information is disclosable.

- 9. Can you please indicate the target dates for vendor selection, project start date and implementation timeline?**

The target date for vendor selection is estimated to be in May 2020. The project start date is estimated to be in July 1, 2020. The implementation timeline will be worked out with the selected vendor as appropriate.

- 10. Do you have an estimate of the total number of users, and what team they are part of? (i.e. 3 users for the equities team, 4 for the fixed income team, etc.)**

To be determined. Investment staff is currently at eighteen professionals. Depending on the software capabilities, professionals from public equity, fixed income, alternatives, private equity and total plan may utilize the software.

- 11. Please give a breakdown of the number of managers that falls into each portfolio asset class (Total growth equity, credit, real assets, etc.), as well as the expected transparency for each manager (position detail vs report/exposure level detail). This is important for estimation of integration timeline as well as calculation of total fees.**

As of 12/31/2019, the System comprised approximately 150 accounts not including individual private markets fund investments, but this is not a static number. Approximately 75% of accounts are in public markets. Expected transparency is at the underlying holdings level.

- 12. Please provide more detail around what kinds of “economic, market, and security data” you would be looking for through the system.**

Maryland is looking for the capability to access macro-economic data for global markets as well as security level data. Security level data may include balance sheet, income statement, and cash flow data in addition to pricing level data.

- 13. Could you provide examples of specific metrics that will be most useful? This is related to Potential Scope of Services, Section A, Software Program (“analyze various portfolio metrics” based on holdings and return analysis).**

Examples of analysis and metrics for holdings based analysis are performance attribution, portfolio exposure (for example by GICS sectors and countries), and factor exposure. Examples of analysis and metrics for returns based analysis are portfolio statistics (i.e. tracking error, up/down capture, and beta), and return analysis.

- 14. Could you provide more detail around what kinds of Portfolio Optimization analysis you would like to do?**

Maryland is interested in performing portfolio construction optimization, which includes optimizing the weighting of various portfolios in one asset class (i.e. optimizing 10 public equity portfolios to construct one overall equity portfolio).