



OFFICE OF THE  
ARIZONA STATE TREASURER

**KIMBERLY YEE**  
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**RFI for Investment Accounting, Performance Reporting, and Transfer Agency Services  
Questions and Answers**

**Questions are in no particular order. State's responses are in RED.**

1. Please provide all current service providers or denote what is being completed internally for the program, including systems vendors utilized and provider contract end dates. Please provide this detail by pool/portfolio:
  - a. Custodian(s): **State Street**
  - b. Investment Accounting Agent(s): **State Street**
  - c. Performance Reporting Agent(s): **State Street**
  - d. Transfer Agent Processing(s): **State Street**
  
2. Can you please provide additional detail or an infographic around the software and technologies currently used to support the pools and interactions between service providers and technologies? **All current services under this RFI are part of a global custodian contract with State Street. The ASTO uses the Bloomberg AIM system which processes trades internally into State Street.**
  
3. Please provide additional detail regarding service provider(s), vendors, and technology related to the participant contact center(s) and confirm if the participant contact center is in the scope of Transfer Agency Services for this RFI. If the participant contact center is not part of Transfer Agency Services for this RFI, please denote the services the current contact center team performs (e.g., new account opening and maintenance). **All with State Street.**
  
4. Do you or your current service providers calculate portfolio performance based on unitized NAV methodology, cash flow, or both? Is there a preference? **Both. It depends on the fund.**
  
5. Do all pools and funds require a daily NAV, or only the LGIPs? **The non-endowment Pools have a daily NAV.**
  
6. In question *8.2.F. Investment Accounting* - of the RFI, 'How are you linked to custodial banks for settlement purposes?' Please describe your intent behind *settlement purpose*. Are you referring to the reconciliation of settlements and/or settlement support? **Both. If you are not associated with a custodial bank, how do you reconcile settlements and provide settlement support for clients and the client's custody bank?**



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7. Please provide an inventory or samples of any client reporting expected of the service provider to your stakeholders, including participants. **This RFI is for respondents to show us your sample client reporting. We expect to see how you would provide a monthly participant statement on their account activity with our investment pools.**
8. Regarding performance / attribution reporting requirements both internally and externally; can you please provide samples or additional description of the required reporting (e.g. security level, contribution to return, class level, other)? **You may see a sample of our current reporting by looking at a past Board of Investment Report here: <https://www.aztreasury.gov/board-of-investment-reports>**
9. What format are your statements in? Please provide how they are indexed and the estimated volume of historical statements you would need to transition electronically to the new transfer agent. **In this RFI we are looking for what a firm's capabilities are in terms of volume of historical statements that can be stored and transferred.**
10. Please provide the key participant statement elements or enhancements that are the most impactful to your participants that you would want included for future servicing. **This is an RFI, you need to inform us of what your firm provides.**
11. Can you please provide additional details on how accounts are grouped and expectations of the service provider for any unique servicing requirements (statements, confirms, reporting, web access etc.)? **Please refer to our monthly BOI reports here <https://www.aztreasury.gov/board-of-investment-reports> to see structure of investment pools. This is an RFI, so we are seeking information on your firms' capabilities.**
12. How are redemption proceeds paid out (Ex. Wire, ACH)? **Currently by same day wire.**
13. Please provide any additional detail around challenges and constraints of current operations, vendor deliverables, and reporting that you would like to see improved through this review process. **The purpose of the RFI is to gather information on what is available by vendors currently to assist in our formal RFP process in early 2024.**



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14. Can you provide a list of any system, operational, or service enhancements requested by your participants? **No**
15. Can you please confirm only electronic submission is required for the final RFI response? **Yes**
16. Please confirm that global custody services will be in scope for Arizona's RFP and that integration into an existing custodial bank will not be required. **We cannot make such confirmation at this time.**
17. Please confirm that transfer agency is not required to be bundled with custody, accounting, and performance. **Correct, when we issue the RFP we will be flexible in allowing vendors to respond to offer services a la carte or as a bundle depending on the vendor's capabilities. If no one offers transfer agency, then obviously that is a problem.**
18. In addition to publicly available information, please provide high level information regarding your portfolio such as the amount of custody accounts that exist today, the number of commingled and separately managed accounts required for accounting and performance and the accounting audit frequency. **Please see one of our BOI reports.**  
<https://www.aztreasury.gov/board-of-investment-reports>
19. Please describe any unique accounting delivery or reporting requirements. **N/A for an RFI.**
20. Please confirm that accounting statements prepared on a trade date basis are acceptable. **Yes**
21. Will Arizona Treasury require a directed trustee for the Permanent Land Endowment Trust Fund and the Arizona Endowment Trust Fund? **No.**
22. Please confirm whether securities lending will be in scope for Arizona's RFP. **We have not decided.**
23. 6. Submission of Information: Please confirm how many hard copies need to be submitted on November 9th, 2023. **None.**
24. Performance Reporting:
  - a. What fixed income instruments are currently being invested in? **Investment grade U.S. denominated corporate bonds, Treasuries, Agencies, MBS, ABS, CP, ABCP. See holdings report for more details** <https://www.aztreasury.gov/market-value-reports>.



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- b. What does Arizona State Treasurer require for manager analytic information? **Most funds are managed in-house.** Is this pertaining to manager searches or managers/funds not currently being held? **No.**
- c. Is there a need for audited or unaudited daily performance? **Yes, as some funds offer daily liquidity with numerous transactions throughout the month.**
- d. Is attribution required on policy, account, and/or stock level? **Fund level.** Is it required on fixed income, equity, or both? **Yes.**
- e. Please provide list of benchmarks required. **See BOI reports for benchmarks.**
- f. Will performance reporting from any other source be provided in addition to performance received from the bidder? **This is an RFI, not an RFP, but we reserve the right to get reporting elsewhere if we choose.**

25. General Questions:

- a. Please describe the organization's overall approach to portfolio management, including the following information:
  - i. Does the organization use consultants or OCIOs to make investment decisions or does the organization retain investment & manager selection in-house? **No to consultants, we have an internal investment team.**
    - 1. If the latter, is the organization directly trading securities with in-house portfolio managers, or largely using external managers? **In house.**
  - ii. Are there any other unique constructs to the portfolio construction, such as master/feeder structures, comingled pools, portable alpha strategies, or overlay programs? **No**
- b. If the organization allocates to alternative investments, please note whether these investments are through funds of funds, direct limited partnerships, co-investments, and/or direct investments into private companies? **N/A**
- c. Please list any software used by the organization today in the following areas:
  - i. Portfolio Accounting **State Street**
  - ii. Alternative Investments / Private Assets **N/A**
  - iii. Portfolio Management / Investment Book of Record **State Street**
  - iv. Performance Measurement **State Street**
  - v. Risk Measurement **Bloomberg AIM**
  - vi. Liquidity and/or Exposure Management **Aim/ State Street**
  - vii. Document Management / CRM **Internal, State Street**
  - viii. ESG **N/A**
- d. Please list any other service providers in the below categories: **N/A**
  - i. Investment Consultants



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- ii. Fund Administrators
  - iii. Prime Brokers or other custodians
  - iv. Recordkeepers
  - v. Market Data & Analytics Providers
  - vi. Other
- e. Please describe any processes the organization uses today to shadow and/or reconcile current custodial data, including systems & methods utilized as well as frequency. **N/A**
- f. Please describe any upcoming material changes in the way the organization might invest going forward – changes in consultants, portfolio construction, and/or asset allocation. **N/A**
26. Do you require a hard copy of our response and an electronic copy? If a hard copy, how many copies are needed? **None.**
27. Is the Arizona State Treasurer’s Office willing to receive the RFP via an online delivery portal that allows us to provide a centralized and secured delivery of our responses and corresponding information? We would set you up with access leveraging your email address and logging on and retrieving documents should be seamless. **Yes, but please note this is an RFI, not an RFP.**
28. Do any of the portfolios require a daily value or the calculation of a daily valuation (NAV)? If yes, please provide the details for each NAV including a schematic of the accounts included in the calculation and the timing to receive the NAV each day. **Yes, this level of detail is not needed for an RFI.**
29. Who will maintain the “allocation or participant” accounts under each portfolio? **Accounting and/or Transfer Agency.**
30. What are the daily reporting requirements for each portfolio and the timing to receive the reports? **We are seeking information on your systems; this is not an RFP** Do the portfolios require full accrual reporting? **Yes**
31. Can you provide the specifics of the performance reports that are being used today (sample reports or a list of the reports with the required data). Are there any performance reports that are needed that are not being provided today? If yes, please provide the details. **See BOI reports online.**