

Trust Services RFQ Questions and Answers

The following is the list of questions (Q) that the City received from interested parties. The City's answers (A) are provided below the question. All documents requested are provide with the RFQ.

Q. Can you share a copy of the current Trust Agreement?

A. Yes, Attached. Executed Trust Agreement.pdf and TRUST – 1ST Amendment.pdf

Q. Can you share a copy of the current Fund Lineup? We are looking for the investment report that Wells would provide to you, typically on a monthly basis listing the assets of the trusts and activity.

A. Provided – AGG453079 Statement 11.30.21.pdf

Q. Who is the current Investment Advisor for the Permanent Fund?

A. Wells Fargo Private Bank

Q. Does each sub account trust have its own separate Investment Policy Statement (IPS)?

A. No.

Q. Do the sub account trusts have different targeted returns and different time horizons?

A. No. It is treated as one Trust. The subaccounts are used to separate the funds for the different beneficiaries of the Trust.

Q. Is there a spending policy?

A. The income generated from the Trust is annually distributed to the Beneficiaries. The Beneficiaries are restricted as to what the distributions can be used for. See Trust – 1ST Amendment for definition of income.

Q. How frequent are the income payments to the fund?

A. Funds are added to the trust accounts on a monthly basis.

Q. Do you have a formal list of questions associated with the RFQ? - i.e. Specific Qualifications of the vendor, that the City is requiring & looking for?

A. No list of Questions. The City is soliciting proposals from qualified corporate investment firms and banks to provide Trust and Investment Services to the City of Fort Worth for the management of The Fort Worth Permanent Fund. Trust Services include, but are not limited to, prudent financial management of trust property, quarterly performance reviews, investment policy evaluation and presentations.

Q. Is the City looking for "Investment Management Services" for the trust, in addition to safekeeping services? – Or does the City have "in house" staff that will be making the investment decisions for the Trust?

A. The City is looking for Investment Management Services and safekeeping services.

Q. Why are you going out to bid for this business? Any service problems or issues with the current provider?

A. Required to go out for RFQ. No problems or issues with current provider.

Q. Are there any individual securities (i.e. bonds) in the portfolio today or is it primarily mutual funds?

A. The portfolio contains Equities, Real Assets, Alternative Investments and Fixed Income Assets.

Q. What is the current asset allocation make-up of the portfolio (i.e. % in equity, % in fixed etc.)?

A. Equity 50.42%, Real Assets 2.86%, Alternative Investments 3.41%, Fixed Income 34.75% and Cash & Equivalents 8.57%

Q. Is the portfolio currently invested in any alternative investments?

A. Yes.

Q. Just to clarify question number two: Are you using mutual funds or individual stocks and bonds for the equity and fixed income allocations?

A. Mutual Funds

Q. Would the City be open to negotiating in good faith the terms/verbiage of a couple sections in the Trust Agreement?

A. Yes, but there are certain terms that have to be in the agreement that are not negotiable.

Q. Would the City be open to Investment Policy recommendations?

A. Yes, the City confers with Trust Manager annually on policy recommendations.

Q. What is the size of the investment portfolio?

A. See Exhibit A – Description of Trust Property.pdf

Q. Do you have a target rate of return? If so, what is it, and is it the same rate of return for each of the sub-fund? If there is no target rate of return, what is the average historic cash outflows?

A. The City does not have a target rate of return. The annual cash distribution ranges between \$2M and \$3.5M.