

2010 ACTA INVESTMENT MANAGEMENT RFP  
RESPONSES TO QUESTIONS

Question 1: Who is the current custodian? Is ACTA interested in information about another firm serving as custodian?

Answer 1: US Bank is the trustee and custodian of investment securities. This RFP is for active investment advisory services.

Question 2: Please confirm the number of accounts, in total, to be set up. (According to the financials, there are 2 construction funds, 5 revenue funds and 7 debt service accounts.)

Answer 2: A total of fourteen (14) accounts are required at present. More or less accounts may be required throughout the duration of the contract.

Question 3: Can the different pools of funds be comingled or must they all be held separately?

Answer 3: The Master Trust Indenture (MTI) provides for segregation and investment of funds.

Question 4: Is there any guidance as to benchmarks used for each cash 'silo' (debt reserve funds, construction funds, etc)?

Answer 4: The performance objective is to achieve, not less than, a return that equals the return on an unmanaged index of three-month U.S. Treasury bills (a "market average-rate of return"). The performance objective will be subordinated to the safety of principle, MTI requirements and restrictions, and cash flow requirements of the Authority's various funds.

Question 5: We are trying to understand better your requirements for complying with the 1986 Tax Act arbitrage laws. Mention is made of providing reports that permit you to complete the arbitrage rebate calculations. Can you provide us a bit further information? Is there a place where we can see what those reports need to include? Is there a specific format required? Please provide us any relevant guidance so that we can best complete our response.

Answer 5: The information required to perform arbitrage rebate calculations would be the data that comprises a detailed Holdings Report; such as security type, account number, purchase date, maturity date, par amount, coupon, yield, price, accrued interest, etc. There is no specific format required as firms that perform the calculations use proprietary software to prepare the computations. ACTA's main concern is to ensure that the potential Investment Manger can produce necessary investment data in a timely and accurate manner.