

**Q&A Addendum
Investment Advisory Services
RFP 111615-1**

This document provides question and answer information pertaining to the above captioned RFP and will be updated as necessary.

REMINDER: It is the Respondent's responsibility to thoroughly examine and read the entire RFP document and any appendices and addenda to this RFP.

Posted November 20, 2015

Question: Can you provide the most recent account statements for the accounts for both RFP's 111615-1 and 111615-1?

Answer: The majority of the university operating funds are currently held in collateralized bank accounts and pooled investment funds. Therefore statements will not be provided.

Question: I am curious what the amount of the account is expected to be so I can make sure I price it appropriately. I recognize the document says 250-350 MM but I wanted to make sure it is for the full amount.

Answer: The range provided in the RFP includes *all* university operating funds. A portion of those funds will always remain in liquid collateralized bank accounts. That amount will vary based on university cash flow.

Posted November 23, 2015

Question: The RFP states that the Operating Pool asset level is typically \$250-350 million:

- How much has that varied in recent years?

Answer: The University's operating funds balance has seen a steady year-over-year increase for the past several years.

- Is there a pattern to the buildup and drawdown?

Answer: The University's cash flow cycle is typical of other higher education institutions. Cash balances increase at the beginning of semesters, and is utilized throughout the semester, with balances at a low point in late December.

- What are expected inflows and outflows in the coming year?

Answer: The University expects minor changes in cash inflows and outflows for the coming year. **Please reference the University's financial statements for additional information. The financial statements can be found at <http://finance.uark.edu/>.

Question: The RFP states that the \$250-350 million includes amounts invested in the University of Arkansas Foundation. The IPS states that Tier 3 Portfolio assets may be invested in external investment pools sponsored by the Board of Trustees of the University of Arkansas or the University of Arkansas Foundation, Inc:

- How much of the Operating Pool is invested in investment pools sponsored by the Board or the Foundation (eg as of a recent reference date such as a recent quarter end)?

Answer: Approximately 25% of operating funds are invested in pools sponsored by the Board of Trustees.

- What Foundation investment pools are available for allocation?

Answer: Pools sponsored by the Board of Trustees and University of Arkansas Foundation are available.

- How much of the Operating Pool has historically been allocated to Foundation investment pools?

Answer: Approximately 25% of operating funds have historically been allocated to Foundation investment pools, with some variation based on market fluctuation.

- How has that varied over time?

Answer: The amount of operating funds (in dollars) invested in the pools has remained stable over time, outside of normal market fluctuations.

- Is there a pattern to use of those pools?

Answer: There amount of operating funds (in dollars) invested in the pools has remained stable over time, outside of normal market fluctuations. There is no pattern of use.

Posted November 24, 2015

Question: Will the \$250,000,000 to \$350,000,000 operating fund balance that is held be divided between more than one advisor or will one advisor be responsible for the entire balance?

Answer: The dollar range provided in the RFP includes *all* University operating funds. Therefore, a portion of these funds will always remain in collateralized bank accounts. This amount will vary over time, depending on the University's cash flow. At this time, the University anticipates awarding the RFP to a single advisor.