Missouri Consolidated Health Care Plan
Responses to Vendor Questions
2019 Banking and Investment Services RFP
May 4, 2018

These responses are provided by MCHCP to additional questions received from a potential bidder for the 2019 Banking and Investment Services RFP.

	General	Response
1	With what frequency is the yield/return calculation calculated to determine the MCHCP applied return on the Capital Markets portfolio? Daily?	Due to the detailed nature of these questions, MCHCP is unable to provide a response in time for all potential bidders to consider these questions in preparing their proposals. Please clearly denote your assumptions related to investment portfolio yield when calculating your response.
2	When you refer to the "investment portfolio yield" how is that calculated? For example, if there were four bonds in that portfolio, and they were all purchased on the same day in equal amounts with maturities of 1,2,3, and 4 years and yields to maturity of 1%, 2%, 3% and 4%, one might assume that the initial yield to maturity of the portfolio on day 1 would be 2.5% (what an insurance company or bank would call the "book" yield) with a 2.5 year average maturity. Would that be the "investment portfolio yield" used in the calculation on a going forward basis (at least until a bond matured or a new investment was made that would alter the portfolios book yield)?	Due to the detailed nature of these questions, MCHCP is unable to provide a response in time for all potential bidders to consider these questions in preparing their proposals. Please clearly denote your assumptions related to investment portfolio yield when calculating your response.
3	If the return calculation is done less frequently than on a daily basis, is the return calculation the "book yield" of the Capital Markets investment portfolio or the portfolio's actual total return? For example if the calculation was applied on a quarterly basis, the yield for the quarter of the Capital Markets investment portfolio would have been 2.5%/4 = .625bps. But the total return of the portfolio (including the mark to market of the four bonds) would likely be materially different.	Due to the detailed nature of these questions, MCHCP is unable to provide a response in time for all potential bidders to consider these questions in preparing their proposals. Please clearly denote your assumptions related to investment portfolio yield when calculating your response.