

Questions:

1. Is it possible to apply for management of the LGIP B pool only, and if so, then...
2. Does the second set of minimum requirements noted on page 5 of the ITN still apply.

Response:

1. No, the LGIP A & B will be considered as a complete package.
2. The requirements do apply in order to negotiate for the package.

3. While I do not anticipate any direct communication with a "would-be" decision maker, in an abundance of caution, could you please provide me with a list of the evaluation team members so that I can be certain to avoid all communication with these individuals, regardless of the subject matter, for the open period spelled out in the rfp.

Response: Currently the primary SBA staff involved in the selection process is Kevin SigRist, Rob Smith, Tom Fernald, Ben Latham, and Stephen Tabb. Wilshire Associates is also providing two staff members (Eileen Neill and Jim Rice) for the selection process to support evaluation and negotiations.

4. Our firm does not currently manage 2a-7 money market funds. However, we have managed a short-term fixed income mandate for the Florida State Division of Treasury (the Bridge Program) and currently manage multiple short-term mandates including an enhanced cash portfolio for the Florida Finance Corporation as well as many other clients. We are interested in competing for the additional strategies mentioned in the ITN such as the STIP and CAMP mandates. Do we need to qualify or be selected for the LGIP mandates to be considered for the additional strategies?

Response: Yes, the requirements will need to be met in order to be selected. These requirements provide the assurance of a continued AAAM rating for the portfolio.

5. As part of our response to the ITN, are we permitted to attach an addendum specifically for the purpose of addressing additional value-added services?

Response: We would request they relate to subject of the ITN

6. We are a minority owned firm; will you consider us as a manager of your funds, even though our 2a-7 Money Market Fund does not have \$10 billion under management?

Response: Minority managed funds are encouraged to respond, however they will need to meet the minimum requirements which ensure the continued AAAM rating of the portfolio.

7. Under section C of the Invitation to Negotiate, there is a requirement of five years of experience managing a Standard and Poor's AAAM rated prime institutional money market fund with at least \$10 billion in assets as of September 30, 2007. Would the SBA consider accepting as minimum qualifications for this requirement at least five years of experience managing an institutional fund that has at least \$10 billion in assets as of September 30, 2007 which is NAIC approved and has been privately rated by Moody's in order to maintain its NAIC approval?

Response: No, the requirements as stated in the ITN will need to be met. These requirements provide the assurance of a continued AAAM rating for the portfolio.

8. Regarding the Following Minimum Requirement: "5 years of experience managing an S&P AAA-rated prime institutional money market fund with at least \$10 billion in assets as of September 2007." We meet this requirement except that our funds are rated AAA by Fitch, not S&P. Would you accept the Fitch ratings, as they are so similar to the S&P ratings?
9. Regarding the "Potential Add-on Portfolios, #1-4": We understand that portfolio #4, the CAMP MM, is to be managed as a 2a-7-like commingled pool. Are the other funds to be managed as enhanced cash strategies or 2a-7 strategies?

Response:

8. No, an S&P rating is required.
9. They each have unique investment strategies described in the guidelines attachment. Some would be considered enhanced cash.

10. Will the manager be required to in-kind securities from the existing portfolios (i.e LGIP A)?
11. If so, will the reporting and compliance procedures be any different as this portfolio transitions to becoming consistent with Rule 2a7?

Response:

10. Yes and all securities will be held at the SBA custodian.
11. No, the LGIP A is consistent with Rule 2a7 and is a AAAM rated fund.

12. The minimum requirements state that the respondent must have 5 years of experience managing a S&P AAAM rated prime institutional money market fund with at least \$10 billion in assets as of 9/30/07. Our firm manages LGIP's for numerous states in the US. In aggregate these pools have over 5000 local government participants and in excess of \$15 billion dollars in assets. Some of the pools are S&P rated and others are rated AAA by Fitch. We do not have a prime institutional money market fund. Can we aggregate our pools into a composite and satisfy the minimum requirement?

Response: The requirement is for one fund rated AAAM (minimum by S&P) and with at least \$10 billion in assets as of September 30, 2007.

13. Do you require record keeping and a transfer agent?

Response: No

14. Page 5 of the ITN, Item No. 1. Is the asset requirement for \$10 billion across a fund family or an individual fund requirement?

Response: The requirement relates to an individual fund.

15. Page 24 of the ITN, Item E. Should there be a question number 2?

Response: Please skip question number.

Questions - LGIP A and B:

1. Page 1 of the investment guidelines, last paragraph: You request that returns, net of fee over a market cycle are intended to be competitive with the S&P US AAA & AA Rated GIP All 30 Day Gross Yield. How can the returns be net of fees and be compared to a gross yield benchmark?

Response: It is SBA policy to utilize gross of fee benchmarks compared to net of fee management performance.

2. Can we use a benchmark to which we are more accustomed for institutional level money market funds, e.g. imoney.net or Crane Data as 3rd party providers of like money market fund performance?

Response: The SBA establishes the benchmarks.

3. If awarded this opportunity to manage some or all of the pools, are there requirements to keep the existing securities in each pool?

Response: There are not any requirements regarding specific securities within each pool other than the applicable guidelines. However, the LGIP B is expected to liquidate over time.

4. How does the State of Florida plan to have the Investment Oversight Group interact with the awarded Respondent for their monthly oversight meetings, e.g. in person, by phone, other?

Response: It is not expected for the manager to be present at every monthly meeting but must be available as needed by phone.

5. Page 4, Item B under Diversification and Liquidity: Is the requirement of maximum exposure 10% of the LGIP A's assets or 10% of the money market fund's asset base?

Response: 10% of the LGIP A's assets.

6. It says that LGIP Pool B does not have to adhere to the investment guidelines provided. Are there other guidelines for that pool that are available? Also, how are the workout activities to be agreed upon between the State and the Respondent awarded this pool? Timeframe, communication of workout, reporting, etc. Do you want ideas of how this may be worked out?

Response: The LGIP B guidelines are posted on the SBA website as of 1/7/2008. The workout activities will be agreed upon after the selection of the manager candidate is made and is expected to be a collaborative process. The timeframe, etc. of the workout will be determined by the selected candidate working in conjunction with SBA staff. Specific ideas for the workout are not expected to be part of the ITN response.

7. Is sub accounting required for participants in each pool? (i.e. in the investment guidelines for LGIP pool it indicates that market value and amortized cost must be reported to the participants on a weekly basis.)

Response: No sub accounting will be required from the manager. The SBA will account for and report the information to pool participants.

8. If sub accounting is required in the separately managed account, how many participants are in the pools and are there any other type of reporting requirements at the participant level?

Response: N/A

CAMPMM:

1. What requirements do you have for the Respondent awarded this business to interact with the Investment Oversight Group to ensure all aspects of the investment management activities and corresponding reports meet the needs of this group?

Response: The manger is expected to cooperate with and provide all necessary information to the group in order to meet their responsibilities. It would be expected that the manager selected will have compliance reports which can serve as a base. The manager will also be expected to be available to answer questions either by phone or in person.

2. What is frequency of NAV calculation required?

Response: Daily

STIPFRS:

1. Are 144A securities permitted in the FRS (STIPFRS)?

Response: Yes.