

**QUESTIONS AND ANSWERS
ADDENDUM #1**

RFSA 2021-3042

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1. **Title** Treasury and Investment Advisory Services, Addendum #1
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2. **Requests for Clarification** The following questions and answers are added as an addendum to CDIC RFSA 2021-3042.
- Q1. Are you able to share copies of the following documents in reference to the activities under Service Stream #2 for the Treasury and Investment Advisory Services RFP?**
- a) **Current investment policy (including current asset allocation and policy constraints)**
 - b) **Liquidity management policy; and**
 - c) **The Risk Tolerance Statement**
- A1. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.
- Q2. With regards to the 3 required references per stream, can the CDIC confirm that any relevant internal experience implementing/building investment strategies in-house for large pension funds qualifies as a reference.**
- A2. Yes.
- Q3. You are seeking some global leading practices for both Ex Ante fund management and investment management. Which countries do CDIC want to focus on in priority? (i.e., US, UK, Australia?)**
- A3. For the purpose of evaluating this RFSA, CDIC has no preference.
- Q4. Are there any specific requirements for the resumes for key personnel (i.e. 2-page limit, no credentials older than 5 years, etc.?)**
- A4. Please see RR#3 in the RFSA.
- Q5. With respect to the reference engagement form, there is a field for engagement value (\$) – for privacy reasons, we will only provide ranges – is that is CDIC comfortable with suppliers providing a range instead?**
- A5. Please see Appendix “C-2” (Reference Engagement Form Requirements).

Q6. CDIC has stated the following: “The information provided in the Reference Engagement Form must reflect Engagements the Supplier has completed after January 1, 2018, and prior to the Proposal Submission Deadline.” - given the long term nature of these engagements, would CDIC consider expanding this range from January 1, 2015 onwards?

A6. Yes.

Q7. How does CDIC currently evaluate its Ex Ante fund target and loss absorbency ability? Is the premium pricing charged to members potentially part of the scope?

A7. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q8. In the background section, it mentions that CDIC uses monte carlo simulation to analyze its Ex Ante fund. Can you please provide a brief description on the analysis and the factors that were used?

A8. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q9. Can you share CDIC’s existing (high level) stress testing framework to stress test the Ex Ante fund level against member’s failure?

A9. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q10. CDIC wants to determine a reasonable timeframe for the fund to reach its target level. Do you have an expectation on the timing for this?

A10. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q11. CDIC requires support in the implementation of the new strategy and framework of the Ex Ante fund and other ad-hoc items. How long do you expect the support will be required?

A11. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q12. What are your assumptions regarding default spiral due to the interrelatedness of Canadian financial institutions?

A12. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q13. What analyses have you done and/or are you currently performing on your investment portfolio construction and returns (e.g. efficient frontier)?

A13. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q14. Can you elaborate on CDIC’s stress testing framework / methodology on investments, methodology on VaR and other quantitative risk management methods on investment risk (i.e. Monte Carlo simulations, scenario analysis, etc.)?

A14. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

Q15. What stress scenarios have you tested for your investment portfolio and how has it performed against sample stress periods such as in 2008 and the beginning of this pandemic?

A15. Canada Deposit Insurance Corporation (“CDIC”) is seeking to establish a qualified pool of Suppliers to provide Treasury and Investment Advisory Services as identified in Schedule “A” (Statement of Work). The details of each engagement and any supporting documentation will be provided during the service request process.

All other terms and conditions of the RFP remain unchanged.