MassHousing

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REQUEST FOR PROPOSAL
Investment Management and Advisory Services
Answers to Respondent Questions

September 9, 2026

Question 1: **Scope and size. The RFP identifies the Multi-Family and Single-Family bond resolution funds, the Mortgage Insurance Fund, and the Working Capital Accounts as within scope. Could you share the approximate dollar amount of assets expected to be managed under this engagement, broken out by fund where possible?**

Response: *Multi-Family bond resolution: $800M - $1.2B*
Single-Family revenue fund: $100M - $150M
Single-Family loan and debt reserve funds: $50M - $100M
Working Capital Fund: $150M - $250M
Mortgage Insurance Fund: $100M - $150M

Question 2: **Award structure. Do you anticipate awarding a single mandate covering all funds, or multiple awards divided by fund or resolution? Approximately how many managers does MassHousing intend to appoint?**

Response: *MassHousing may consider awarding more than one manager. Any allocation among multiple managers would be determined by MassHousing following evaluation.*

Question 3: **Role. Is MassHousing seeking full discretionary investment management, or an advisory/co-management role in which the selected firm assists internal Finance staff and coordinates with the cash-flow and reporting consultants referenced in the Scope of Work?**

Response: *MassHousing is seeking discretionary investment management. The selected firm will exercise day-to-day investment discretion and execute transactions on MassHousing's behalf, subject at all times to (a) the permitted investments applicable to each fund under the governing bond resolutions (Exhibit A) and the*

Investment Policy (Exhibit B), and (b) the cash availability and timing requirements established by MassHousing and its cashflow consultants. MassHousing retains authority over investment strategy, objectives, and policy, and the firm coordinates with MassHousing staff and its cashflow and reporting consultants as described in the Scope of Work. Trades do not require pre-approval provided minimum cash balances are maintained and securities are permitted investments, with quarterly portfolio reviews.

Question 4: Current management. Are these funds currently managed internally by MassHousing staff, or is there an existing external investment manager or advisor? If external, is the incumbent eligible to re-compete?

Response: *Funds are currently managed externally. The incumbent is eligible to re-compete on the same terms as all other respondents.*

Question 5: Benchmark(s). The RFP asks respondents to propose and justify a benchmark. Does MassHousing currently measure these portfolios against a specific benchmark or performance standard we should be aware of?

Response: *ICE BofA 0-3 Year U.S. Treasury Index and ICE BofA 0-5 Year U.S. Treasury Index. These are MassHousing's current benchmarks. Respondents may propose alternative or additional benchmarks with supporting justification.*

Question 6: Account Structure: Would you be amenable of using multiple separate accounts managed to different benchmarks such as an enhanced cash tier and a low duration tier?

Response: *Yes, MassHousing is open to multiple separate accounts managed to different benchmarks, such as an enhanced cash tier and a low duration tier, provided each account is managed within the 0-3 year maturity limit or 0-5 year maturity limit and remains consistent with the permitted investments applicable to that fund under Exhibits A and B.*

Question 7: Investment guidelines. Beyond the permitted-investment lists in Exhibit A and the Investment Policy in Exhibit B, are there current written sector, issuer, or maturity limits (by fund) that respondents should design their approach around?

Response: *The maturity limit is 0–3 years or 0-5 years. There is no sector limitation beyond the permitted investments in Exhibit A and the Investment Policy in Exhibit B, which together govern eligible sectors, issuers, and credit quality for each fund.*

Question 8: Operations. Could you identify the current custodian/trustee(s) and the cash-flow and reporting consultants, and indicate how the selected

manager would coordinate settlement and deliver the Exhibit C trade files with them?

Response: *The current trustees and custodians are Computershare and U.S. Bank. cFX serves as MassHousing's cash flow consultant. The current investment advisors coordinate settlement directly with the trustees. The selected manager will deliver the electronic trade files described in Exhibit C to MassHousing. This reflects current practice, which may change over time.*

Question 9: **Cash flow and liquidity: To help us structure the portfolio's liquidity appropriately, could you describe the anticipated cash flow profile of these funds — the expected frequency of contributions and withdrawals (e.g., daily, monthly, quarterly), typical and peak transaction sizes, and any seasonal or debt-service-driven patterns (such as semi-annual bondholder payments) we should design around? Any guidance on the minimum liquidity balance MassHousing expects to keep available at short notice would also be helpful.**

Response: ***Multi-family bond resolution ($800M - $1.2B):*** *Advisors monitor cash balances directly and work directly with MassHousing consultant to understand changes in cashflow forecast and work with MassHousing staff to understand liquidity requirements. Minimum liquidity balance based on loan draw schedule. Expected cash inflows are generally semi-annual and withdrawals can be monthly and quarterly. Typical capital market transactions can range from $100M - $400M and loan closings can range from $5M - $100M.*

Single-Family revenue fund ($100M - $150M): *Advisors monitor cash balances directly and communicate changes in cashflow with MassHousing consultant. Expected frequency of contributions and withdrawals are daily, monthly, quarterly, and annually. Expected duration is 0-3 years. Minimum cash balance requirement of $70M -$120M one month prior to debt service.*

Single-Family loan and debt reserve funds ($50M - $100M): *Advisors monitor cash balances directly and communicate changes in cashflow with MassHousing staff. Expected frequency of contributions and withdrawals are annually. Expected duration is 0-1 year.*

Working Capital Fund ($150M - $250M): *Advisors monitor cash balances directly and communicate changes in cashflow with MassHousing staff. Expected frequency of contributions and withdrawals are monthly, quarterly, and annually. Expected duration is 0-3 years. Minimum cash balance requirement of $0 - $1M.*

Mortgage Insurance Fund ($100M - $150M): *Advisors monitor cash balances directly and communicate changes in cashflow with MassHousing staff. Expected* *frequency of contributions and withdrawals range from quarterly to annually. Maintain minimum cash balance requirement of $10M.*

Question 10: What are the sector, issuer, and maturity allocation limits?

Response: *See response to Question 7.*

Question 11: Do you have a target portfolio duration, or are duration guidelines specified on a per-asset basis?

Response: *MassHousing does not assign a single target duration. Portfolios are currently managed within a 0–3 year or 0-5 year maturity limit and are expected to be structured so that maturities align with each fund's cash-availability requirements, including scheduled debt service. Respondents may propose duration targets or ranges by fund for MassHousing's consideration, consistent with the benchmarks identified in the responses to Question 5 and Question 9.*

Question 12: The RFP indicates that you may award mandates to multiple firms – how would you propose to allocate the funds?

Response: *See response to Question 2.*

Question 13: Section III of the Investment Policy adopted April 13, 2021 provides that, except for cash in restricted and special funds, MassHousing will consolidate cash and reserve balances for investment, with income allocated by participation. Would the selected manager be expected to manage a consolidated pool on that basis, separate portfolios by resolution and fund, or a combination of the two?

Response: *MassHousing will consolidate pool but due to variable cashflow and liquidity requirements, the investments will be managed by fund and resolution.*

Question 14: Has MassHousing adopted a target duration, maturity limit, or performance benchmark for any of the four fund groups? If so, would the Agency share them, or does it expect respondents to propose benchmarks for the Agency's consideration?

Response: *See responses to Question 5 and Question 11.*

Question 15: What are the current market value, benchmark, and duration for each portfolio included in the mandate (Multi-Family Bond Resolutions, Single-Family Bond Resolutions, Mortgage Insurance Fund, and Working Capital Accounts)?

Response: *Multi-Family bond resolution: $800M - $1.2B*
Single-Family revenue fund: $100M - $150M
Single-Family loan and debt reserve funds: $50M - $100M
Working Capital Fund: $150M - $250M
Mortgage Insurance Fund: $100M - $150M

Performance is measured against the ICE BofA 0-3 Year U.S. Treasury Index and the ICE BofA 0–5 Year U.S. Treasury Index. Portfolios are managed within a 0-3 year or 0-5 year maturity limit. MassHousing does not assign a target duration by portfolio.

Question 16: Are there any portfolio-specific investment guidelines or constraints beyond those outlined in Exhibit A and the Investment Policy in Exhibit B, including sector or issuer limits, duration targets or ranges, or maximum maturity constraints?

Response: *See response to Question 7.*

Question 17: Are there known or reasonably predictable cash flow requirements for each portfolio beyond the general liquidity requirements outlined in the RFP? If so, how far in advance are these cash flows typically known or projected?

Response: *See response to Question 9.*

Question 18: Does MassHousing anticipate funding the selected manager(s) through an in-kind transfer of securities?

Response: *Yes*

Question 19: What has historical portfolio turnover been for each portfolio, and are there any realized gain/loss constraints or other accounting considerations that would affect the manager's ability to sell existing holdings?

Response: *Historical turnover data will be provided to the selected manager(s) during transition. As described in the Investment Policy (Exhibit B), portfolios are generally structured so that securities mature to meet cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity. Any realized gain/loss or accounting considerations affecting the sale of existing holdings will be discussed with the selected manager(s).*

Question 20: Can you provide the current portfolio holdings?

Response: *Portfolio holdings will be provided to the selected manager(s) during transition.*

Question 21: Is MassHousing seeking a discretionary manager to provide active management of certain of its investments?

Response: *See response to Question 3.*

Question 22: Can you please provide the MassHousing's Standard Agreement?

Response: *Standard Services Agreement provided upon request from the Single Point of Contact.*

Question 23: What are the total assets under management expected to be placed with the selected investment manager(s)?

Response: *See response to Question 1.*

Question 24: Will you consider hiring more than one manager?

Response: *See response to Question 2.*

Question 25: Do you have defined maturity limits?

Response: *See response to Question 7.*

Question 26: What is the portfolio's current benchmark?

Response: *See response to Question 5.*

Question 27: Does MassHousing have a third-party custodian for its current holdings?

Response: *Yes, securities are held by MassHousing's trustees and custodians. The selected manager will not take custody of MassHousing's assets.*