



WebbCountytx.gov

# Clearwater Analytics Proposal

Prepared for Webb County, TX on February 4<sup>th</sup>, 2022

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# Clearwater Overview

Clearwater Analytics® is the leading provider of web-based investment portfolio reporting and accounting services for public funds, corporate treasuries, insurance companies, and investment managers. For more than a decade, Clearwater's daily-aggregated and reconciled solutions have delivered the highest level of portfolio transparency available on the market today for clients such as Riverside County – CA, City and County of San Francisco - CA, Palm Beach County - FL, and Arlington County - VA. Clearwater reports on more than \$6.4 trillion in assets across thousands of global accounts daily.

Traditional software is a depreciating asset — decreasing in value over time. Firms are looking for solutions to help enhance relationships with their investment manager(s), have more insight into their investment portfolio, and be able to scale as the portfolio increases over time. At Clearwater, more than half of the company's workforce is made up of software engineers, product owners, and analysts who focus specifically on new product development. Clearwater continually listens to client feedback and monitors evolving regulatory requirements to make regular reporting enhancements. The result is a hosted application that increases in value as functionality enhancements are continuously released at no additional cost.



**ACCOUNTING**



**COMPLIANCE**



**PERFORMANCE**



**RISK**

# Description of Services



## **Investment Aggregation & Reconciliation**

Clearwater's investment accounting and reporting capabilities begin with its ability to aggregate and reconcile investment data for its clients daily. No matter where your assets are held, Clearwater aggregates all your investment data from your investment managers, custody banks, and state depository institutions.

Clearwater supplements custody data by aggregating security master characteristics (i.e., credit ratings, pricing, factors, etc.) from over 40 third-party data vendors and automatically integrates them into a robust, reconciled security master file that is updated daily. This allows Clearwater to virtually recreate its clients' global investment portfolio daily and independently calculate and predict accounting variables and investment metrics.

Upon aggregating investment data, Clearwater automatically checks it for accuracy and reconciles the information back to the custodians and other data sources. While most other solutions stop at basic cash and position reconciliation, Clearwater takes reconciliation to a whole new level by automatically performing numerous, detailed reconciliations and checks every day to ensure the accuracy of its clients' portfolios.



### Investment Accounting

Clearwater provides daily, audit-quality, multi-basis investment accounting reports to support the balance sheet, income statement, and statement of cash flows. Flexible accounting assumptions configured with your chart of accounts and GL codes provide you with customized general ledger entries on day one of period-end. Additionally, comprehensive financial statement disclosures are automated for when you need them.



### Investment Policy Compliance Monitoring

Clearwater loads your investment policy statements and customizes flexible rules to monitor your policies for compliance. Entitled users receive automatic email notifications of policy violations. Customized notes and resolutions document an audit trail of decisions related to investment compliance. Dashboard widgets provide visual summaries of compliance status.



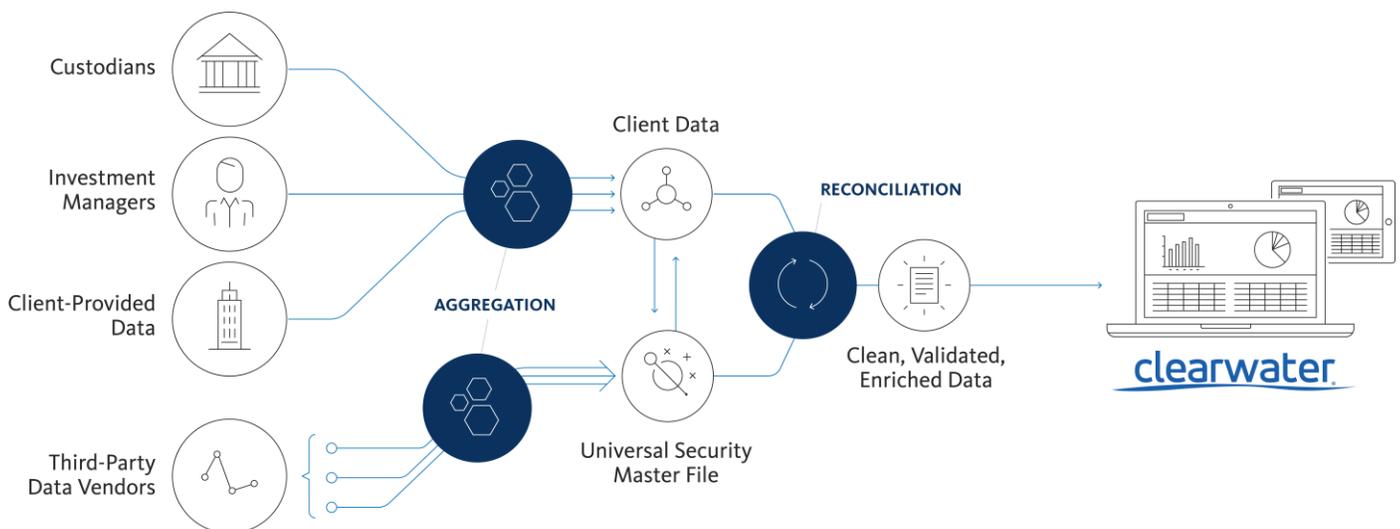
### Performance Measurement

Clearwater independently calculates investment portfolio performance returns daily in accordance with Global Investment Performance Standards (GIPS). Individual, composite, or aggregate accounts can be compared to custom benchmarks or multiple investment managers. Flexible data ranges allow you to compare performance at various stages. Performance summaries, comparison, attribution, and contribution are available in dashboard widgets, graphs, and tables.



### Risk Analytics

Clearwater provides daily risk exposure reporting and analytics. Risk factors, including cash flow forecasting, credit events, shock analysis, VaR, and historical trends and exposures provide you with a complete view of all portfolio risk immediately. Dashboard widgets and flexible reports provide visual summaries according to the data you find meaningful.



# Pricing Model

Clearwater charges as a percentage of assets, subject to an annual minimum. All rates are annual, but billing is broken out into monthly invoices. All fees subject to nominal fee increases annually. Pricing is based upon a total of a \$20M investment portfolio for Webb County, TX.

## Asset Based Fee (ABF): Wouldn't Apply

- › 0.75 Basis Points on portfolio investments
  - Calculated on the daily average market value of total portfolio
- › Your portfolio would need to grow over \$200M AUM before this basis point fee would apply
  - $\$200M * (.000075) = \$15,000/\text{year}$

## Annual Minimum (AMF): \$15,000

- › Would apply based on current portfolio size
- › The ABF is subject to the AMF
- › If the monthly value of the AMF exceeds the monthly value of the ABF, then the AMF will apply
- › Monthly cost would be \$1,250

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## Please note the following about Clearwater's pricing model:

### Implementation

Clearwater does not charge additional fees for implementation. We work with you to establish a timeline for going live with dates of key implementation milestones.

### Client Servicing and Training

Clearwater does not charge additional fees for client servicing. You will receive direct access to an account management team that operates as an extension of your staff. Training, support, and proactive regulatory and accounting guidance are unlimited. Clearwater also offers complimentary webinars, educational trainings, and an annual User Conference.

### Monthly Contract

Clearwater's standard agreement is month-to-month. We have a proven track record of earning our clients' business monthly and allow clients to terminate with a 30-day written notice.

# The Value of Clearwater



## Specifically Built for Institutional Investors

Integrated accounting, compliance, performance, and risk reporting and analytics designed to increase accuracy and efficiency that eliminates manual processes.



## Innovative Web-Based Solution

Our solution can be easily accessed anywhere, at any time; all you need is a web connection. No software installation or maintenance is required, allowing companies operating in different locations to have multiple users working simultaneously on the most accurate and timely investment data.



## Scalable and Easy-to-Use

Flexible reporting that is easily customizable to accommodate a variety of stakeholders' needs.



## Continuous Improvement

Frequent and seamless incorporation of new features and functionalities to meet evolving regulatory and industry needs for institutional investors. Clearwater helps treasury teams stay ahead of the curve through innovation, automation, and industry expertise. Constant innovation ensures that the value of Clearwater continues to grow over time.



## Full Support of Complex Asset Classes

Clearwater offers accurate accounting for all assets in your portfolio, including complex derivatives and alternative investments. This provides agility when responding to unique reporting challenges and innovation in the financial market.



## Automated Investment Accounting

Clearwater's automated suite of investment accounting, general ledger, and financial statement disclosure functions eliminates manual processes, errors, and valuable employee hours.



## Streamlined Investment Reporting

GASB reports and disclosures, and automated general ledger entry files that facilitate a quicker and more accurate close process.



## Accurate and Timely Investment Data

Transparent, up-to-date, and customizable views of your global portfolio, accessible anytime from anywhere.

# Key Milestones to Consider

Dates	Project Owner(s)	Milestones
	Webb County	Continue internal due diligence
	Webb County	Move forward with selection
	Webb County / Clearwater	Review agreement
	<b>Webb County / Clearwater</b>	<b>Contract execution</b>
	Webb County / Clearwater	Implementation kickoff call
	Clearwater	System settings created
	Clearwater	Accounts and Users created; investments loaded
	Clearwater	GL configured
	Clearwater	Compliance policy loaded
	Webb County / Clearwater	Performance benchmarks applied
	<b>Clearwater</b>	<b>User access granted</b>
	Webb County / Clearwater	Accounting, compliance, performance, risk, and dashboards trainings
	<b>Webb County / Clearwater</b>	<b>Go LIVE and begin booking off Clearwater</b>

We are confident that Clearwater Analytics can deliver a scalable solution that will make a significant impact with your investments. **Please feel free to contact us with any questions.**

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