



REQUEST FOR PROPOSALS

FOR

**MASTER CUSTODIAN AND
RELATED SERVICES**

April 2018

Contra Costa County Employees' Retirement Association
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REQUEST FOR PROPOSALS FOR MASTER CUSTODIAN AND RELATED SERVICES

KEY DATES AND OTHER INFORMATION

Request for Proposals (RFP) issued:	April 13, 2018
Written questions from Proposers due:	April 24, 2018
Response to written questions expected by:	May 8, 2018
Due date for submission of proposals:	May 25, 2018
Evaluation of proposals / Interview of Finalists and/or on-site visits:	End of May through End of July, 2018
Anticipated recommendation for Board approval:	August 22, 2018

WRITTEN QUESTIONS

Questions and or any clarifications regarding this RFP should be submitted to RFP@cccera.org by 5PM PT Tuesday, April 24, 2018. Email is the preferred method of communication. All written questions must include the name of the custodian bank and person submitting the question(s), the RFP section and page number to which the question refers. A compilation of all questions and responses, along with any RFP addenda will be posted on CCCERA's website, www.cccera.org by 5PM PT Tuesday, May 8, 2018.

OBTAINING COPIES OF RFP

This RFP can be found on CCCERA's website at www.cccera.org. If you are unable to download this document from the website, you can also obtain an electronic copy of the RFP through email. Send your request to RFP@cccera.org. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP.

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I. INTRODUCTION

The Contra Costa County Employees' Retirement Association (CCCERA), issues this Request for Proposals (RFP) to solicit proposals from qualified vendors (Proposers) to provide comprehensive domestic and international master custodial services including, but not limited to, securities safekeeping, settlement, delivery, securities valuation, performance measurement, foreign exchange, collection of income, securities lending, providing a management/accounting and information retrieval system, and other related services in connection with the investments of CCCERA. Bids for portions of these services and/or the use of subcontractors to provide any of these services will not be accepted, notwithstanding CCCERA's reservation of the right to make a split award as provided in Section III. The contract for these services will be completed immediately upon the final selection of the winning Proposer in conformity with the terms hereof. However, CCCERA also reserves the right to make no selection based on the responses provided.

Any Proposer responding to this RFP must submit their responses in the same order as requested in this RFP, including identification of each section and question number. By submitting a proposal, it is agreed by the Proposer that any misleading or false information given may be grounds for dismissal from consideration, or termination of any resulting contract, whenever and however discovered.

II. BACKGROUND

CCCERA is a public employee retirement system established by the County of Contra Costa on July 1, 1945, and is administered by the Board of Retirement (Board) to provide service retirement, disability, death and survivor benefits for Contra Costa County employees and 16 other participating agencies under the California State Government Code, Section 31450 *et seq.* County Employees Retirement Law of 1937 (CERL) and Section 7522 *et seq.* California Public Employees' Pension Reform Act of 2013 (PEPRA).

CCCERA is governed by the California Constitution, CERL, PEPRA, and the regulations, procedures, and policies adopted by CCCERA's Board of Retirement. The Contra Costa County Board of Supervisors may also adopt resolutions, as permitted by CERL, which may affect benefits of CCCERA members.

The twelve member Board of Retirement is responsible for the general management of CCCERA. Of the twelve members, three are alternates, one for the appointed members, one for safety, and one for retirees. Five board members are appointed by the Contra Costa County Board of Supervisors, one as an alternate. Four board members, including the safety alternate, are elected by CCCERA's active membership. Two board members are elected by the retirees, one as an alternate. The county treasurer serves as an ex-officio member. Board members, with the

exception of the county treasurer, serve three year terms in office, with no term limits.

The Board maintains exclusive control of all retirement system investments and is responsible for establishing investment objectives, strategies, and policies. The California Constitution and Government Code Sections 31594 and 31595 authorize the Board to invest in any investment deemed prudent in the Board's opinion.

The Board adopted an Investment Policy Statement which provides the framework for the management of CCCERA's \$8.5 billion in investments in both traditional and alternative assets. This policy establishes CCCERA's investment objectives and defines the principal duties of the Board, custodian bank, and investment managers. The asset allocation is an integral part of the Investment Policy and is designed to provide an optimum mix of asset classes with return expectations that reflect expected liabilities.

The Board adopted an internally-developed portfolio construction methodology, known as the Functionally Focused Portfolio (FFP), to assign portfolio allocations according to strategic priorities as defined by the Board. Key to the FFP approach is the adoption of a dedicated portfolio to provide monthly cash flows to fund benefit payments. The Board selected a version of FFP that will target 48 months of projected benefits in this dedicated allocation. The remainder of the CCCERA funds have been deployed in a long-term growth allocation and a smaller diversifying allocation.

During 2017, the portion of the portfolio dedicated to making benefit payments, known as the Liquidity sub-portfolio, was fully funded. This portion of the portfolio is invested with three managers who utilize short-duration fixed income securities. The portfolios are designed to produce monthly cash flows that fund the benefit payments. During the remainder of 2017, CCCERA focused on repositioning the Growth and Diversifying sub-portfolios.

A summary of the Investment policy and asset allocation and any other related financial information can be found in the Financial/investment section of CCCERA's website.

III. SERVICES TO BE PROVIDED

For master custodial services, the Proposer is expected to be able to provide all of the services listed below unless otherwise indicated. CCCERA reserves the right to award less than all of the services to the winning Proposer, in its discretion and subject to the agreement of the awardee(s):

A. Accounting

1. Trade date multi-currency (local and U.S. dollars) accounting for all securities and full accrual accounting for all assets.

2. Accounting services for the following:
 - a. Dividends and interest, corporate actions, including mergers, acquisitions, tenders, stock splits and dividends, warrants, and spin-offs
 - b. Securities lending
 - c. Domestic and international fixed income and equity portfolios
 - d. Dividend reinvestment programs
 - e. Options and futures
 - f. Futures and multi-currency derivatives
 - g. Private Placements
 - h. Alternative investments, including domestic and non-U.S. limited partnerships for LBO's, etc.
 - i. Commingled Funds
 - j. Hedge Funds
 - k. Equity real estate and REIT portfolios
3. Payable date posting for dividends, bond interest and principal, and interest and pay down on mortgage pass-through certificates.
4. Accounting must be on a fiscal year basis, January 1 to December 31.
5. A secondary pricing source for comparison to the primary source for pricing securities.
6. All investments must be reported at cost and market value. Gains and losses on securities sold must be recognized on the basis of the average cost of the securities.
7. Notification of corporate actions regarding subscriptions, conversion privileges, issuance of rights, mergers, reorganizations, and other actions requiring a decision by CCCERA.
8. Daily or monthly reconciliations between custodian and investment manager.
9. Notification of material variances between custodian and investment

managers, along with steps taken to reconcile, adjust, or justification for unresolved variances.

B. Securities Settlement

1. Participating member and access to securities settlement through Depository Trust Company, Federal Reserve wire system, and at other depositories (both domestic and international).
2. The ability to settle physically held securities.
3. The ability to execute foreign exchange transactions.
4. Electronic access to trade and holding data by any CCCERA approved vendors.
5. Settlement on a delivery versus payment basis.

C. Cash Management

1. Provide a Short Term Investment Fund (STIF) for daily cash sweeps. Maintain daily sweep activity for the purpose of transferring uncommitted funds from the individual external manager custody accounts.
2. Income earned by STIF or other cash accounts must be compounded daily.
3. Income earned, redemptions and maturities must be credited to the proper account.
4. Cash flow from purchases and sales must be credited on contractual settlement date.
5. At the direction of CCCERA, provide overnight investment management services for the funds received too late to be invested.
6. Provide same day settlement of cash trades.
7. Transfer cash between accounts, and make and accept wire transfers of funds and ACH transfers of funds.
8. Provide a Cash Flow Model allowing the custodian to process all capital calls and distributions electronically including electronic fund transfers between client accounts.

D. Securities Lending

1. Provide securities lending services for eligible domestic and international securities.
2. Establish a list of eligible borrowers and a maximum amount that may be borrowed by each borrower, and conduct ongoing reviews of borrowers' qualifications.
3. Require that all loans of securities be collateralized by cash, securities, or letters of credit of mutually acceptable counterparts.
 - a. U.S. securities must be collateralized at 102% of market value, including accrued income.
 - b. Non-U.S. securities must be collateralized at 105% of market value, including accrued income.
4. Require competitive market levels of collateralization for domestic and international securities, including accrued income.
5. Monitor collateral levels daily and obtain additional collateral if and when mark to market values fall below acceptable levels.
6. Collect all interest or other distributions with respect to any loaned securities.
7. Provide a daily report on collateral, identifying daily collateral required and pledged, and a monthly report on securities lending activity and outstanding loans, including amounts by borrower.
8. CCCERA reserves the right to not loan any of its securities to any borrower on the proposed security-lending list of borrowers.
9. Provide indemnification against borrower default.

E. Directed Brokerage Services

1. Provide directed brokerage services for specific CCCERA investment managers.
2. Establish contractual relationships with various domestic and international brokerage firms.
3. Notify CCCERA investment managers of the brokerage firms available for directed brokerage (commission recapture) services.

4. Coordinate and monitor directed brokerage activities on behalf of CCCERA.
5. Collect rebated brokerage fees and make distribution quarterly.
6. Provide monthly report on individual investment manager activities.

F. Corporate Actions, Class Actions and Proxy Processing

1. Provide company annual reports, proxy voting cards and proxy statements to CCCERA or designated investment managers prior to annual and special meetings for U.S. and foreign corporations.
2. Provide proxy-voting capabilities for U.S. and foreign holdings, including proxy-voting services, notification of proxy information and translation of foreign proxies.
3. Provide reports detailing all proxy voting activities.
4. Provide notification of pending corporate actions, including conversion privileges, issuance of rights, mergers, tender offers, reorganizations, other actions requiring decisions and applicable legislative actions.
5. Provide notifications of class action litigation and provision of the necessary securities information.
6. File claims for securities class action awards and monitor collection of the amounts to which the Plan is entitled.

G. Technology

1. Provide a web enabled or internet-based system with access management information and accounting systems with the capability of providing the following information:
 - a. Current and historical performance
 - b. Current and historical prices, market values and exchange rates in effect at times of pricing international securities
 - c. Composite portfolios
 - d. Current and historical transactions (as defined and agreed to by both parties) by security, by account and by asset class
 - e. Current and historical holdings (as defined and agreed to by both parties) in any aggregate

- f. Performance aggregate data
 - g. Tracking and reporting of pending class actions, exposures, filings and other deadlines
 - h. Performance and analytic databases
 - i. Customized reports as required
 - j. Ad hoc query and reporting
2. Ability to monitor portfolios for compliance with investment limitations imposed by California State Law or by policy of the Board.
 3. Ability to provide disaster recovery and business continuity services in the event of a disaster or other extraordinary event.

H. Report Requirements

1. Provide accounting reports, including a balance sheet, and income statement, to be received on a monthly basis no later than ten (10) business days following the end of each month.
2. Provide an accurate report of all holdings, transactions and other pertinent investment data, in a format agreed to by both parties, no later than thirty (30) calendar days after the end of each fiscal year (December 31).
3. Provide monthly performance reports detailing market performance, portfolio performance, and any aggregate deemed necessary by CCCERA. These reports are to include current as well as historical data.
4. Must be able to provide electronic data feeds of all necessary reports.
5. Provide tracking of brokerage commissions paid by individual and groups of managers to specific brokers including tracking specific service classes by manager and groups, and the commission per dollar of cost and per share by broker.
6. Provide report for listing of largest assets held, for both stock and bond holdings.

7. Provide fiscal year end (December 31) reports to comply with Government Accounting Standards Board (GASB) reporting requirements, including, but not limited to, GASB Statement Nos. 40, 53, 67 and 72.
8. Provide annually the audited internal control report for both information technology and fund accounting systems, including any bridge letters requested by CCCERA's auditor.
9. Access to reports for daily transactions including domestic trades, affirmed, un-affirmed, failing, pending, etc.
10. Provide such other reports as may be requested by CCCERA.
11. Perform and provide monthly reconciliations to Investment Consultant accounting reports and provide copies of reconciliations to CCCERA within ten (10) days after the end of each month.
12. Provide communication to CCCERA in the event of material variances when reconciling to Investment Managers along with documentation to explain reason for variance.

I. Personnel

1. Proposer shall assign appropriate accounting and investment performance personnel to the CCCERA account and make assigned personnel available as needed. Additionally, assigned personnel should be available to meet with CCCERA staff at dates and times determined by CCCERA at least semi-annually, or more frequently if required by CCCERA, to discuss services related to CCCERA's needs.
2. Proposer must make presentations to the Board as required to discuss services related to CCCERA.
3. Proposer shall provide competent personnel to facilitate access to records and information that may be required for audit purposes.
4. Proposer shall provide the personnel to assist CCCERA's auditor with any and all investment inquiries.

IV. MINIMUM QUALIFICATIONS

The Proposer responding to this RFP must meet the following minimum qualifications to be given further consideration:

- A. Proposer shall be authorized to conduct a trust/custodian/institutional asset management business, including the required services listed in this RFP, and be authorized to conduct business with CCCERA in California.
- B. The Proposer must have a total number of at least 30 custodial defined benefit clients, including at least 10 public funds, with \$1 billion each in tax-exempt assets or greater.
- C. The Proposer must have been providing custody services for a minimum of ten (10) years.
- D. The account administrator (the individual primarily assigned to CCCERA's account and in charge of the day-to-day contact) proposed for this engagement must have a minimum of five (5) years of experience (three [3] years at the proposing company) in custody.
- E. The Proposer must issue a Service Organizational Control (SOC) Report at least once a year.
- F. The Proposer must complete the RFP questionnaire in its entirety.
- G. The following insurance policies providing a minimum of the following must be in effect at the time the proposal is submitted and throughout the term of the agreement:
 - a. Comprehensive Commercial General Liability Insurance
 - b. Workers' Compensation
 - c. Banker's Professional Liability
 - d. Directors and Officers Liability Insurance
- H. The Proposer must provide its own work facilities, equipment, supplies, and support staff to perform the required services.

V. PROPOSAL COMPLETION AND SUBMISSION PROCEDURES

Interested vendors are invited to submit their completed proposal. Only fully completed proposals will be considered. Please note that the final negotiated contract with the selected Proposer will incorporate the terms of this RFP, the terms of the attached draft contract (see section XI), and the winning Proposal, without substantial deviation. Any request for any deviation from the terms of this RFP must be made in the form of Exceptions submitted at the time of the Proposal's submission. Exceptions may be granted or rejected in CCCERA's sole discretion. Proposers should be aware that Exceptions that would substantially alter the terms of this RFP will not be granted, and may render a Proposal non-responsive and subject to rejection. In such a case, CCCERA may, but will not be obligated to, permit a Proposer to withdraw its Exceptions in order to cure any non-responsiveness.

A. Deadline for Proposals

Proposals must be delivered to CCCERA by no later than **5:00 p.m. PT, on Friday, May 25, 2018**. Proposals submitted to the incorrect address or location, or received after this date and time may, at CCCERA's sole discretion, be rejected and eliminated from consideration.

B. Evaluation of Proposals

All proposals received shall be subject to examination by an evaluation committee, which will review, rank and recommend the proposals that most closely meet the purposes of the RFP. The finalists may be asked to make oral presentations to the Board (or an ad-hoc committee) and the evaluation committee may request a site visit. The final evaluation and selection will be made by the Board.

C. Rights Reserved

CCCERA reserves the right to amend any segment of this RFP prior to the announcement of a successful Proposer. In such an event, all proposers will be afforded the opportunity to revise their proposal to accommodate the RFP amendment.

CCCERA reserves the right to request additional information from any Proposer and to accept or reject any proposal without specifying the reason for its actions. The Board reserves the right to request additional proposals. Further, the Board specifically reserves the right to renegotiate for lower fees at any time with any Proposer. The Board also reserves the right to award all, part, or none of this contract, or to split the award.

CCCERA reserves the right to inspect the Proposer's physical facilities prior to award to satisfy questions regarding the Proposer's capabilities. CCCERA further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Proposer show that the Proposer is not properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

In order to encourage maximum participation, CCCERA may communicate with vendors it believes to be in the business of providing the services sought herein, to inform them of this RFP. Vendors receiving such communication will receive no preference in scoring or other consideration, should they submit Proposals, nor will any vendor not receiving such communication be in any way disadvantaged.

D. Notice to Proposers Regarding Responsibility for Costs

All costs of preparation and presentation associated with responding to this RFP will be the responsibility of the Proposer. Proposers may be asked to make a presentation before the Board if selected as a finalist or may be asked to host an on-site visit for the evaluation committee. None of the costs associated with submittal of the response to the RFP or associated with the presentation or hosting an on-site visit will be reimbursed by CCCERA.

E. Notice to Proposers Regarding the Public Records Act

All proposals submitted in response to this RFP shall become the exclusive property of CCCERA and shall be subject to public disclosure pursuant to the California Public Records Act (Cal. Govt. Code Section 6250 et. Seq.). The Act provides that access to information concerning the conduct of the people's business is a fundamental and necessary right to every person in the state. Public records are defined as any writing related to the conduct of the public's business. Public records are open to inspection during normal business hours. CCCERA reserves the right to use any ideas in a proposal regardless of whether that proposal is selected. (Submissions will remain confidential until the selection process is completed and a contract is awarded.) Should a Proposer wish to cancel, a written letter so stating must be received by CCCERA. There are specific exceptions to the Public Records Act. In the event CCCERA receives a request for inspection of any proposal submitted pursuant to this RFP, it is the responsibility of the organization whose proposal has been requested to assert any right of confidentiality that may exist. CCCERA will not make that assertion on behalf of the Proposer. Absent a judicial determination that the documents are exempt from disclosure, they will be subject to inspection.

F. Binding Offer

The Proposer shall be bound by the information and representations contained in any proposal submitted. Said proposal is deemed to be a binding offer on the part of the Proposer. Proposer understands and agrees that California law will govern.

G. Acceptance of Terms and Conditions

Submission of a proposal in response to this RFP evidences the Proposer's acceptance of the terms and conditions contained within this RFP, subject to any exceptions that the Proposer may properly and timely submit and which CCCERA, in its sole discretion, may grant consistent with the terms of the RFP.

H. Disclosure of Placement Agent

CCCERA requires the disclosure of any payment of a finder's fee in any form. The Proposer must disclose any finder's fee or finder's commission that has been paid or shall be paid to any individual, other than an employee of the Proposer's organization, from the establishment of this investment relationship with CCCERA.

I. Proposer's Acknowledgement and Agreement

All Proposers must:

1. Acknowledge and agree to be a fiduciary to CCCERA with the same prudence pursuant to Section 31595 of the 1937 Act to the extent Proposer exercises any discretionary authority or control over the assets or renders investment advice.
2. Agree that any resulting contract and services will be subject to and interpreted by California law.
3. Agree that this RFP and the Proposer's response, and additional questions, will be incorporated by reference to any resulting services agreement.
4. Acknowledge and agree to be CCCERA's book of record for accounting purposes and exercise the same care and diligence to ensure proper and timely reporting including exercising "reasonableness tests" for third-party data. Agree to communicate timely to CCCERA any concerns, issues, or material variances.
5. Have substantial experience in providing custodial, securities lending, and other ancillary services.

6. Answer, to the best of its abilities, all questions requested in RFP.

J. Security Procedures/Disaster Recovery

Finalists in the proposal evaluation process shall demonstrate to CCCERA that sufficient security procedures and data recovery capabilities exist to protect customer information and resume normal business functions in the event of a disaster or other emergency. Proposer shall provide appropriate personnel and documentation to discuss with CCCERA technical staff the security measures, access software, back-up/recovery procedures and business resumption plans currently in use by Proposer. The Proposer agrees to present to CCCERA a business continuation plan for this program in the event of a natural or other disaster and any updates within three (3) business day of such update.

K. Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of California, and any litigation with respect thereto shall be brought in either the United States District Court for the Northern District of California or in the Superior Court of the State of California located in the County of Contra Costa. The Proposer shall comply with all applicable federal, state and local laws, rules and regulations.

L. Standard of Care / Fiduciary Standard

CCCERA expects the proposer to acknowledge and agree to being a fiduciary with respect to the safekeeping of assets and all related duties, and CCCERA requests that the RFP response include the language that the custodian uses in other similar engagements.

M. Ethics in Public Contracting

By submitting their bids or proposals, Proposers certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Proposer, supplier, manufacturer or subcontractor in connection with their bid/proposal, that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract, and that they have not in any material way interacted regarding this procurement with any official having responsibility for it except in the manner and at the times prescribed herein.

N. Qualifications of Proposers

CCCERA may make such reasonable investigations as deemed proper and necessary to determine the ability of the Proposer to perform the services/furnish the goods, and the Proposer shall furnish to CCCERA all such information and data for this purpose as may be requested.

O. Business Continuity

The Proposer must indicate any recent or anticipated changes in its corporate structure such as mergers, acquisitions, new venture capital, stock issue, etc.

P. Assignment of Contract

A contract shall not be assignable by the Proposer in whole or in part without the written consent of CCCERA.

Q. Contract Term

It is anticipated that the engagement period of a contract may be at least five years or more. The Board reserves the right to terminate the contract upon 90 days notice, with or without cause.

All Proposers who have submitted a proposal will be notified of the Board's decision in writing after the final selection has been made. This notice of final selection may be the only communication between the Plan and the Proposers. Telephone or other inquiries concerning this proposal after the proposal deadline are discouraged.

R. Ownership of Data and Work Product

There is a presumption that all work product generated for CCCERA under this contract, as well as all data compiled by the Proposer while performing this contract, shall become the sole property of CCCERA. CCCERA must be given reasonable access to all such work product or data compiled by the Proposer in the performance of this contract.

VI. PROPOSAL SUBMISSIONS

A. Proposal Acceptance

Proposals shall be enclosed in a sealed package or box, plainly marked in the upper left hand corner with the name, address, and telephone number of the Proposer submitting the proposal and bear the words "CCCERA RFP-MASTER CUSTODIAL SERVICES." The deadline for receipt of the proposal is **5:00 p.m. PT on Friday, May 25, 2018**. Any proposal delivered after the deadline will not be considered. The Proposer shall submit one (1) original proposal, four (4) hard copies of the proposal, and one (1) copy in electronic form.

Proposals are to be emailed to RFP@cccera.org and submitted to:

**Contra Costa County Employees' Retirement Association
Attn: Response to CCCERA RFP - Master Custodian and
Related Services
1355 Willow Way, Suite 221
Concord, CA 94520**

Proposals may be either mailed or hand-delivered to CCCERA. If the proposal is sent by mail or commercial express delivery service, the responding Proposer shall be responsible for actual delivery of the proposal to the proper address before the deadline. All timely proposals become the property of CCCERA.

The Proposer may withdraw the proposal at any time prior to the deadline for submission upon presentation of a written request to CCCERA. All proposals shall be firm offers and may not be withdrawn for a period of one-year following the last day to accept proposals. Proposals should include the following and preceding information to illustrate the Proposer's capabilities.

Proposers requiring clarification of the intent and content of the RFP may submit written questions to RFP@cccera.org. The deadline for submission of questions is 5:00 p.m. PT on April 24, 2018. Responses to the questions are expected to be posted to the CCCERA website by close of business on May 8, 2018. As of the issuance date of this RFP, respondents are specifically directed not to contact CCCERA personnel for meetings, conferences or discussions related to this RFP.

In submitting this proposal, the Proposer must agree to an audit, at CCCERA's discretion, which provides that books, records, documents, accounting procedures, practices, or any other items of the service provider relevant to the proposal are subject to examination by CCCERA, and/or its auditors.

B. Proposal Preparation

In order to simplify the evaluation process, proposals must be submitted in the format described in the Proposal Content and Sequence section below.

Other than clarifications or additional information as may be requested by CCCERA, no corrections or resubmissions from Proposer's will be accepted after the proposal submission deadline.

Proposals are to be made based on the contents of this RFP. CCCERA will assume no responsibility for any understandings or representations concerning information provided, or conditions given, by any of its employees prior to the execution of the contract unless it is included in the RFP or related documents.

If any ambiguity, conflict, discrepancy, omission or other error is discovered in this RFP, the Proposer should immediately notify CCCERA at RFP@cccera.org, Attention CCCERA RFP – Master Custodian and Related Services, in writing, requesting modification or clarification of the document. Modifications of material consequence will be made by addenda issued to all participating respondents.

C. Proposal Content and Sequence

1. Cover Letter

A cover letter on the Proposer's official business letterhead, which shall be considered an integral part of the proposal package, shall be signed by the individual(s) who is (are) authorized to bind the Proposer contractually. This cover letter must indicate the signer is so authorized

and must indicate the title or position the signatory holds in the proposing business. An unsigned proposal may be rejected. The letter must identify all materials and enclosures being forwarded collectively as a response to this RFP. The letter shall also contain the following:

- a. The attached proposal is complete as submitted and must warrant that the Proposer has met all of the minimum qualifications specified in section IV.
- b. The Proposer's name, address and telephone number.
- c. A statement to the effect that the proposal is a firm and irrevocable offer good for one year from the proposal due date.
- d. A statement describing the services proposed and expressing the Proposer's willingness and ability to perform the services as described in this RFP.
- e. Name, title, and telephone number of the account administrator and primary contact person.
- f. The Proposer's Federal Employer Identification Number.
- g. The Proposer is required to provide information on the circumstances and status of any investigation, examination, complaint, disciplinary action or other proceeding commenced by any state or federal regulatory body or professional organization during the past three (3) years against the bidding firm. The Proposer is required to provide information on the circumstances and status of any pending litigation or litigation that has taken place against the proposing firm during the past three (3) years.
- h. Certification of non-discriminatory practices in the Proposer's services.
- i. The cover letter must identify any sections of the proposal that the Proposer is identifying as confidential. Proposers should note that CCCERA is a public agency, and that submitted proposals will become public documents when an award is scheduled for final approval by the Board. Legitimate designations of proprietary or otherwise non-public information will be honored, and material will be redacted as appropriate from any public release of information if, in the reasonable opinion of CCCERA, such designations are in compliance with applicable law. Attempts to designate an entire proposal as proprietary or confidential are not valid and will NOT be honored.
- j. A statement certifying that the quoted prices are genuine and not

the result of collusion or any other activity which would tend to directly or indirectly influence the process, and the proposal is being made without fraud or collusion; that the Proposer has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity related to the RFP.

- k. A statement certifying that the Proposer has no real or potential conflicts of interest that would prevent the Proposer from acting in the best interests of CCCERA.
- l. A statement that discloses the nature of any personal or business relationships (including any negotiations for prospective business) you now have, or have had in the past five years with the any CCCERA Board member, CCCERA staff.

2. Table of Contents

The proposal must contain a table of contents showing the proper order using a numeric format.

3. Executive Summary

The primary objective of the executive summary is to provide an overview of the key points in the proposal. It should be brief and concise, not to exceed six pages.

4. Questionnaire

Proposer shall complete the questionnaire, Attachment A, pertinent to the services proposed. All responses to the questionnaire shall be subject to verification for accuracy. Proposals containing false or misleading information deemed to be material shall be rejected.

Completeness, clarity and brevity are stressed in the RFP proposal binder. The Proposer should address the items in the RFP in the order in which they appear in the RFP. **Further, each question number and question in the RFP shall be repeated in its entirety before stating the answer.**

5. Fee Schedule

Fees must be submitted in U.S. dollars in the format(s) prescribed in Attachment B. Any deviation from the prescribed format(s) which, in the opinion of CCCERA is material, may result in the rejection of the proposal.

The proposed fee shall include all costs for providing services to CCCERA as described in this RFP and shall be guaranteed for five years. Once the service provider(s) is/are selected, the fees may be further refined depending on factors which may affect the proposed fee(s). In no case will the final fee(s) be higher than the fee(s) contained in the proposal.

6. List of Exceptions

This section should contain any exceptions to or deviations from the requirements of the RFP. Proposer must clearly state and explain any exceptions. If there are no exceptions, a statement to that effect must be made.

7. Experience and References

Provide list of client relationships where only custodial services similar to this RFP have been or are being provided. Provide the name, address and telephone number for at least three client references that CCCERA may contact.

List any pension plan clients that have terminated their custodial service contracts with Proposer in the last five years. Include the client's name, size, and date of contract termination, and reason for contract termination.

8. Other Information

This section is optional. In the event the Proposer would like to submit additional information such as promotional material including brochures, include it in this section. Do not include in this section any information that is in direct response to the requested service requirements.

Note: CCCERA has made every effort to include enough information in this proposal for the Proposer to prepare a responsive proposal. Proposer contact with CCCERA Board members regarding this RFP is prohibited while the selection process is pending except at a public CCCERA Board meeting where a discussion of this selection process is on agenda. Proposer contact with CCCERA staff responsible for this procurement process shall occur only as provided herein or when initiated by CCCERA staff. Proposals will be evaluated by an evaluation committee. Necessary inquiries or requests for clarification shall be directed to CCCERA at RFP@cccera.org. Responses or clarifications provided by CCCERA in response to such inquiries will be provided, along with the initial inquiry, to all Proposers or potential Proposers, as appropriate.

VII. PROPOSAL EVALUATION PROCESS

During the evaluation process, CCCERA may identify areas in submitted Proposals where additional information or clarification may be needed. If required, CCCERA, will provide each Proposer that it deems reasonably qualified with a description of issues to be explored. These areas may include fees, personnel availability, or any other matter the evaluation committee may need further information about for assessment. These issues may be exclusive to each Proposer that CCCERA deems reasonably qualified; under no circumstances will the issues be disclosed between prospective Proposers, unless required by law. When this process is completed, final scores will be tallied. A successful Proposer will be selected. A tentative award will be made to the responding Proposer whose proposal is deemed to be the most advantageous to CCCERA, taking into consideration all stated criteria and evaluation factors. CCCERA reserves the right to reduce the group of Proposers to a small number, and to perform interviews and due diligence trips with such limited groups as deemed necessary.

Proposals will be screened initially to determine if they have met the conditions set forth under Minimum Qualifications. Proposals that are non-compliant will be eliminated. After Minimum Qualifications have been satisfied, the evaluation criteria will be the following:

A. Ability. The Proposer's ability to provide the requested services including, but not limited to:

1. **Risk Management** – internal control structure.
2. **Cash Management** – capabilities and experience.
3. **Accounting and Reconciliation** – capabilities.
4. **Performance Measurement and Analytics** – capabilities and experience.
5. **Reporting** – timeliness and accuracy.
6. **Securities lending** – experience.
7. **Year End Reporting** – capabilities.
8. **GASB** – assistance with issues and reporting.
9. **Transition and Conversion** – capabilities and experience.

B. Related Experience. The Proposer's demonstrated, related experience in providing services comparable to CCCERA's needs.

Expertise in all aspects of custodial services, preferably as it relates to public entities, the 1937 Act, and U.S. and non U.S. capabilities.

- C. Qualified Personnel** assigned to provide necessary services.
- D. Business Stability.** The Proposer's stability, professionalism and reputation as compared to other vendors providing custodial services, and demonstrated ability to effect smooth succession in the event of the departure of key persons.
- E. Assigned Individuals.** The credentials and experience of the person(s) who would be assigned to CCCERA.
- F. Fee Proposal.** Reasonableness and competitiveness of the fee structure/costs proposed by the Proposer.
- G. General quality and adequacy of Proposal,** including completeness of response, conformity to terms and conditions, and written plan to effectively and timely deliver on scope of services.
- H. Quality of references.** Level of satisfaction of present and/or former clients.
- I. Other Factors.** Any other factors that would be in the best interest of CCCERA to consider which were not previously described.

VIII. QUESTIONNAIRE – ATTACHMENT A

A. ORGANIZATION, ADMINISTRATION AND GENERAL INFORMATION

1. Provide an executive summary of your organization's Institutional Master Trust/Custody business unit.
2. Describe what differentiates your organization from other custodian banks. What is the value your organization provides to clients?
3. Please describe specific strengths and services/products your organization has for meeting the needs of Public Funds.
4. Include an organizational chart of the Institutional Master Trust/Custody business unit, as well as an organization chart showing the position of the unit within the Proposer's overall management structure. Describe the Proposer's overall management structure, and how the Institutional Master Trust/Custody business unit fits within it.
5. Complete the table on the next page, for total Institutional Master Trust/Custody assets and clients by type and asset size. Answer the question, as asked, and do not change the table. Describe what client types are included in the category labeled "Other".

Note: In the section labeled "Total Investment Manager Clients", we are attempting to determine how many investment managers employ the bank's services for custody of their commingled fund/mutual fund/limited partnership investment vehicles.

QUESTIONNAIRE – ATTACHMENT A (Continued)

	# of Clients	Assets under Custody	Median Client Size	Largest Client Size
Total Corporate Clients				
Total Taft-Hartley Clients				
Total Public Fund Clients				
Total Endowment/Foundation Clients				
Total Hospital Clients				
Total Investment Manager Clients				
Total Other Clients				
Total Clients				

QUESTIONNAIRE – ATTACHMENT A (Continued)

6. What percentage of client portfolios are:
 - a. Hedge Funds
 - b. Private Equity Investments
 - c. Private Real Estate
 - d. Global Asset Allocation
 - e. Other non-traditional investments

7. How many new Institutional Master Trust/Custody clients and assets have been added/lost in each of the past 5 years? Complete the matrix below. Also, for clients lost, provide reasons for termination.

Calendar Year	Added		Lost	
Year	Number	Dollar Amount	Number	Dollar Amount
2013				
2014				
2015				
2016				
2017				

8. Complete the following matrix for your organization's Institutional Master Trust/Custody business unit.

	# of People
Client Service	
Operations/Accounting	
IT/Systems Support	
Administrative Support	
Securities Lending	
Other	
Total	

QUESTIONNAIRE – ATTACHMENT A (Continued)

9. What turnover have you experienced in total client service, accounting, and operations staff during each of the past three years? Of this turnover, what percentage were client relationship officers? (Provide number and percent turnover)
10. On average, how many accounts are assigned to each of the primary client relationship officers?
11. Do the primary client relationship officers have direct operational staff reporting relations? If not, list and describe the functional groups which support the client relationship officers in providing the service to the client. How long has the current form of organization been in place?
12. Explain, based on your organization's structure, how the client relationship officer either answers client questions immediately, or how they refer to other relevant experts and how long that process takes. Who ensures follow up with the client relationship officer internally? How does your organization ensure that other experts respond to the client relationship officer in a timely manner?
13. What is the Institutional Master Trust/Custody unit's plan for growth in staff and clients?
14. How much money was spent on product development for Institutional Master Trust/Custody during each of the past three years? What is the targeted amount for this year?
15. How many people are assigned to product research and development? What percentage of the Systems Support/IT staff referenced in Attachment A, Question 8 do they represent? To whom do they report?
16. What is the Institutional Master Trust/Custody unit's plan for product development?
17. Describe your organization's commitment to service quality and customer service. Does your organization have a total quality management program? If yes, please describe. Do you survey your clients? If yes, how often? Please provide the most recent results.
18. What are the major business units of your organization? What percent of total annual revenues and profits does each represent? If the Institutional Master Trust/Custody unit is part of another unit, specify what percent of total annual revenues and profits the Institutional Master Trust/Custody division represents? Show this information for the past five years. Use the format on the next page.

QUESTIONNAIRE – ATTACHMENT A (Continued)

Total Operating Revenue Breakout	For year ended 12/31/2013	For year ended 12/31/2014	For year ended 12/31/2015	For year ended 12/31/2016	For year ended 12/31/2017
Major Business Unit 1					
Major Business Unit 2					
Major Business Unit 3					

19. Discuss the financial stability of your company, including the organization's total assets and capital base. Provide your most recent S&P and Moody's ratings reports, as well as a copy of your latest annual financial report.
20. Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last three years that relates to Institutional Master Trust/Custody services. Provide details even if the litigation does not affect the company's ability to service the account. Please describe the outcome of any investigation or litigation.
21. List all insurance coverage relevant to Institutional Master Trust/Custody functions. Indicate the type and the amount of coverage, including, but not limited to:
- a. Comprehensive Commercial General Liability Insurance
 - b. Workers' Compensation
 - c. Banker's Professional Liability
 - d. Directors and Officers Liability Insurance
22. What responsibility does your organization accept for providing solutions to unusual situations? Provide a specific example of a situation in which your organization has provided a unique solution to a client (multiple if you can provide solutions for different client types). If a solution would require additional portfolio accounts and changes to reporting, would you request an increase in fees?
23. Describe any ongoing educational sessions, user conferences, publications or other means you have for keeping clients fully educated and for providing a forum for new ideas and needs. Do investment managers provide funding for any of these services? If yes, please specify.
24. How do you monitor legislative and/or regulatory changes affecting Master Trust/Custody administration? How are these changes communicated to clients?

QUESTIONNAIRE – ATTACHMENT A (Continued)

- 25. Define your organization’s fiduciary responsibility. Specifically, what is the scope, depth and limitation of such fiduciary conduct relative to all services required by this RFP?
- 26. What other auxiliary services are offered through your organization? (i.e. transition management, securities lending, commission recapture, etc.)
- 27. Provide contacts, addresses and telephone numbers of three references for Institutional Master Trust/Custody relationships of U.S. Defined Benefit plans of assets greater than \$1 Billion.

B. PERFORMANCE MEASUREMENT, ANALYTICS AND COMPLIANCE

- 1. Of the clients summarized in Attachment A, Question 5, how many utilize your organization for performance measurement services? What is the breakdown between client types referenced in Attachment A, Question 5?

Distribution of Clients by Type:	
Corporate	
Taft-Hartley	
Public Funds	
Endowments/Foundations	
Investment Managers	
Hospital	
Other	
Total # of Clients:	

- 2. How many portfolios (individual and aggregates) are represented in the above totals and what is the approximate value of these assets?
- 3. How many people work in the performance measurement group?
- 4. Describe your domestic and international performance measurement system. Is global performance evaluation provided before and after currency adjustments (realized and unrealized)?
- 5. Describe the methodology used to calculate performance.
- 6. Can you provide daily, monthly, quarterly and annual performance calculations, gross and net of fees? How soon after month-end is performance data available on-line? Does the client have the ability to create custom reports?
- 7. Can you produce custom benchmarks?

QUESTIONNAIRE – ATTACHMENT A (Continued)

8. Describe and provide an overview of your risk analytics capabilities. Are risk analytics part of the general performance measurement services, or would this be considered an additional service, with an additional fee? If so, describe the available risk services and state the associated fees.
9. Describe the systems and procedures for the processing, valuing and reporting of alternative investments including, real estate, private equity, venture capital and other non-traditional assets.
10. Do you provide guideline compliance monitoring services? On-line? What percentage of your clients utilize these services? What systems are in place to ensure accuracy and timely communication of any violations?
 - a. Does the custodian help to set up compliance rules? Does the custodian provide any training on the compliance system?
 - b. What type of investment guidelines can be monitored (i.e., prohibited securities, maximum security weighting, maximum cash)?
 - c. Do you provide guideline monitoring for commingled funds?
 - d. Can you provide guideline monitoring for portfolio characteristics (i.e., average duration and average quality for fixed income portfolios)?
 - e. How flexible is the product for customization? Are there limitations on the level of customization?
11. Describe any elements of your performance measurement and analytic services that you believe to be unique.
12. How would your services complement the current performance measurement services provided through the consultant? Are you aware of any areas of redundancy that could be eliminated?
13. List all indexes and universes available for comparison, their source, and the manner and timing in which you receive them.

C. INVESTMENT MANAGER RELATIONS (Investment Reconciliation Process)

1. What information delivery system do you offer investment managers? How is this system different from the information delivery system used by clients? If this is a different system, why is it different?
2. Are managers offered the capability to view their accounts on a real-time basis?
3. How do investment managers communicate trade instructions to your organization for settlement? What are the instruction deadlines?
4. Describe your organization's competitive advantage as it relates to

QUESTIONNAIRE – ATTACHMENT A (Continued)

- servicing manager terminations and hires.
5. Does your organization have a separate investment manager liaison group that handles the reconciliation process? If so, please describe the structure of the group and how it communicates with the accounting group. If not, please describe how investment manager relationships are handled?
 6. Describe the role your organization plays in the investment manager reconciliation process. What specific procedures are performed on the reconciliations prepared by managers? Are the reconciliations completed pre- or post-report mailing? Do you formally reconcile your records with those of the investment managers? Describe the process and frequency of reconciliation. Do you reconcile and research pricing and market value differences with the investment managers? Do you actively work with investment managers to ensure accuracy, or is it the sole responsibility of the investment manager to contact you in the event differences are discovered? How are reconciling items communicated to the client?
 7. CCCERA is considering a daily reconciliation process. Do you acknowledge and represent you can conduct a daily reconciliation?
 8. Does your organization monitor tolerance levels for pricing discrepancies with investment managers? How are pricing challenges resolved?
 9. Describe your cost allocation method used when corporate actions occur (i.e. spin-off, reorganization). How do you handle discrepancies with investment managers for cost allocation rate?
 10. What is your reconciliation policy and procedure of handling the commission recapture program with investment managers? How do you handle the commission recapture delay with the brokerage firms?
 11. Do you have specific client service accounting staff with the responsibility of reconciling exception items between you and the alternative investment General Partners and/or investment managers? Is the process different when dealing with non-traditional investment managers?

D. ACCOUNTING & REPORTING

1. Discuss the level of automation of your Institutional Master Trust/Custody accounting system.
2. Describe procedures for ensuring that all interest and dividends for clients are paid.
3. Describe your accounting procedures with regard to mortgage pass-through (i.e., GNMA, FNMA) and mortgage derivative (i.e., inverse floater) securities. How do you price these securities? What is your source and how do you account for pay down information? When do you credit principal and interest payments for each type of security?
4. Can your accounting system track hurdle rates and assist in validating investment manager fees by having breakpoints and the associated basis

QUESTIONNAIRE – ATTACHMENT A (Continued)

point fees?

5. Are clients with multiple funds given different corporate IDs for their various investments, or do you alternatively identify their fund simply by the name of the investment?
6. Describe your experience with Alternative Investments. Can your accounting system track total commitment levels to Alternative Investments, as well as capital calls against commitments and market values? Can your accounting system accommodate partnership accounting for limited partnership accounts fund to fund? Describe any special procedures for the processing, valuing and reporting of alternative investments including, real estate, private equity, venture capital and other non-traditional assets. Do you have any proprietary software for alternative investment accounting? If so, please provide a brief description including:
 - a. Do you have a direct real estate fund administration platform? If so, what services does your direct real estate fund administration platform offer?
 - b. What areas of strength and expertise - (people or technology) can you provide?
 - c. What value-add services can you provide?
 - d. Where are your servicing teams located?
 - e. What types and strategies of direct real estate funds do you currently service?
 - f. How do you structure a servicing team for a client mandate?
 - g. Describe your firm's competitive advantage for accounting and reporting for private equity and real estate investments.
 - h. Provide a description/overview of Private Equity Systems and Databases.
 - i. Do you have different levels of service to support client's private equity needs? Can you provide a fully outsourced service that includes the management of capital calls?
 - j. Describe the valuation methodology and performance reporting available for private equity, real estate, structured credit and other draw down structures, including compliance with GASB 72.
 - k. Specifically comment on your ability to process all transactions related to alternative investment accounts including the process for contributions and distribution support.
 - l. Describe the unit and personnel who would provide asset servicing related to alternative investment managers. Discuss how these individuals would interface with our client service personnel

QUESTIONNAIRE – ATTACHMENT A (Continued)

7. Provide a schedule of all accounting reports and electronic feeds and include samples. How often are such reports produced and delivered?
8. Is reporting provided on a trade-date, accrual basis? Do asset valuation and transaction statements reflect pending transactions? Is accrued interest included in asset valuations? What, if any, transactions are not accrued?
9. How soon after accounting periods are fully audited reports available? How many days are the statements left open to record late receipt of trades completed and not settled? Do you offer a fee rebates in the event of late reports? How soon after fiscal year end are annual reports available? Can you provide interim valuations and reports to meet a one-time or ongoing special client need? Is there an additional charge? Do you currently do this for existing clients?
10. To what degree are the deadlines described previously met by stale pricing the investments, and what percentage of investment managers do not provide current market values to meet these deadlines? (Note: A breakdown by investment type would be helpful, i.e. traditional asset classes, hedge funds, private equity, real estate, global asset allocation, etc.)
11. When reporting stale values, do you identify the date of the reported value on your reports so clients can determine how stale the value is?
12. What steps are taken to ensure the accuracy of client reports? Who is responsible for ensuring accuracy? Does an account officer sign and certify the reports? What controls are built into the process? What is the turnaround time for correcting errors?
13. Do you have the ability to provide all accounting data and reports via file transfer? Do you currently have relationships with third party data providers that transmits data from your accounting systems to a client's investment consultant performance measurement software? If not, are you willing to establish such a relationship?
14. Can you carry the book value of securities at original cost, amortized cost or average cost? How do you compute realized gains and losses?
15. Do you have an accounting system for the commission recapture program? Can you provide payment detail at the security level?
16. Is fund accounting handled by your business or is it subcontracted out to another company?
17. How long is your data retention period? How long data is available online vs. archived?
18. Please discuss your ability to provide information on portfolio holdings for proxy voting to outside investment managers or outside vendors. If you can provide proxy voting services internally, please discuss your capabilities and the associated costs.

QUESTIONNAIRE – ATTACHMENT A (Continued)

19. What reporting is provided to assist in satisfying GASB Statement No. 40, Deposits and Investment Risk Disclosures, requirements? Please provide examples.
20. What reporting is provided to assist in satisfying GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions, requirements? Please provide examples.
21. What reporting is provided to assist in satisfying GASB Statement No. 53, Derivative Instruments, and requirements? Please provide examples.
22. What reporting is provided in satisfying GASB Statement No. 72 Fair Value measurement and Application? Please provide examples.
23. What provisions are in place for future GASB requirements? How do you prepare for new GASB requirements?
24. Are clients able to view accounting and reporting information on-line? When your on-line access was fully implemented? What types of reports or electronic feeds can be generated?
25. Does the client have the ability to create custom reports? Is access available 24 hours a day?
26. Is data available real-time (access trade information as it changes throughout the day) or batch processed (data is updated each night)?
27. How long is data available on the system?
28. Do you offer a help desk for on-line services? Is there any special hardware or software required to use your on-line service?
29. Provide us with a description of your company's daily valuation service process. Include your NAV calculation methodology.
30. Can you provide daily reconciliation of investment activity, corporate actions and valuations?
31. Does your system have a general ledger interface managed by the bank? How much input is required from the client?
 - a. Please describe your general ledger feed capabilities? How long does it typically take to implement a general ledger feed? Is there a cost?
32. Can you value and report options and futures instruments? If yes, how do you value these instruments? What capabilities and limitations in this area do you have?
33. Discuss your procedures for tracking and reporting failed trades.
34. How do you determine exchange rates for your reports?

QUESTIONNAIRE – ATTACHMENT A (Continued)

35. Will you act as fiduciary as defined under California law on foreign exchange transactions?
36. Describe your process with respect to class actions, U.S. and international, including how you inform clients, how you charge for reporting these items, and how you coordinate with overlapping periods with prior custodians.
- a. Are you willing to file all claims and required documentation thereof, including those with class periods that predate the conversion from the predecessor custodian, using data supplied by a third party service provider and/or the predecessor custodian? Are you able to receive data in order to facilitate this activity?
 - b. How will you handle class action filing and income due to settlement periods under prior custodians and settlements that cross over from prior custodian to the new custodial contract?
 - c. Is class action monitoring and filing of claims performed in-house or subcontracted? What is the extent of limitation of your service for domestic and international cases? Be specific.
 - d. What controls are in place to prevent missed filings on class actions? How often are such filings reviewed? What kinds of reports are generated for the client to allow review of class action activity and settled claims?
 - e. Are your securities monitoring systems capable of interfacing with a third party or law firm?
 - f. How many people are dedicated to monitoring securities, filing proofs of claim, and recovery? Who are they and what are their titles? Please provide resumes.
 - g. Are securities litigation related services as described above included in the overall fees for custody services, or would separate fees be charged? If separate fees, please state those fees.
37. Describe your systems, controls, and procedures for providing best execution on foreign exchange transactions. What reports or audit trails are available for monitoring each trade's execution time, method, and other information necessary for the purpose of monitoring exchange rates used for best execution?
38. Describe your capabilities for filing all foreign tax reclaim forms, monitoring foreign tax liability and tax reclaim collection, including monthly reconciliations of tax reclaims from a prior custodian. Are there any additional fees associated with these services?
39. What are the fees associated with foreign exchange transactions?

QUESTIONNAIRE – ATTACHMENT A (Continued)

E. SECURITY MOVEMENT AND CONTROL

1. Describe your depository memberships (i.e., DTC, FRB) and the services you use at these depositories. Describe your system for registration and custody of assets.
2. Discuss the level of automation of your security transaction processing system.
3. How and where are physical settlements transacted?
4. What, if any, securities have been misplaced or lost in the last three years? If any, please describe the circumstances.
5. Are the custody and settlement groups solely dedicated to the Master Trust/Custody Department? What is the reporting relationship?
6. How and when are corporate actions processed?
7. How is purchase fail float credited to the Trust?
8. What percentage of fails did you experience in the last three years for sales and purchases?
9. Fail Float:
 - a. How are accounts compensated?
 - b. How do failed transactions affect cash balances?
 - c. How frequently are managers advised of fails?
 - d. Provide fail experience as a percent of trades.
10. Explain your procedures or policy for:
 - a. Income collection
 - b. Timely settlement of purchases and sales
 - c. When dividend and interest become available for reinvestment
11. Are you able to transmit proxy information to third party agents for clients?
12. Describe your procedures and control points for identifying “abnormal” prices. What tolerance levels are used for the various security types?
13. Are clients allowed to specify alternative pricing sources? Explain.

QUESTIONNAIRE – ATTACHMENT A (Continued)

14. Please answer the following questions regarding pricing:
- a. What are your sources for pricing securities? Please provide a full schedule of all primary and supplemental pricing sources by asset class.
 - b. What procedures are in place to investigate unusual or significant pricing changes from the previous pricing period?
 - c. How do you price securities that are not listed on pricing services, such as private placements? Bank Loans?
 - d. What is the frequency of your pricing updates?
 - e. Do you utilize “matrix pricing” for fixed income instruments?
15. Describe how difficult securities (i.e. infrequently traded bonds, derivatives) are priced.
16. Do you have a brokerage division? If so, please describe in detail any expertise in transition trades and crossing capabilities.
17. Do you offer alternative prime brokerage products? If so, provide a description.
18. Do you offer fund administrative services? If so, provide a description.

F. SYSTEM CAPABILITIES & DISASTER RECOVERY

1. What is the configuration and age of the existing hardware used for Master Trust/Custody processing?
2. Does the Master Trust/Custody unit have limitations on access to this equipment? How is access controlled?
3. Please answer each of the following questions about your disaster recovery plan:
 - a. Are there back-up and restore capabilities for your systems in case of malfunction or disaster?
 - b. How many hours before data can be retrieved?
 - c. Is there a business continuity plan? Describe in detail.
 - d. How often do you test the plan?
 - e. When was the last test?
 - f. Have they been used during the past three years?

QUESTIONNAIRE – ATTACHMENT A (Continued)

- g. What was the longest duration of any such outage and what was the cause?
- h. What has been put in place to prevent this occurrence again?
- 4. Do you have hot-site back up for systems? Do you have a back-up location for personnel as well? Where are back-up sites located?
- 5. Does an outside auditor or consultant review the disaster recovery plan? Who?
- 6. Was the existing Master Trust/Custody software developed internally or externally? How is it supported? If developed and supported externally, who is the vendor?
- 7. Describe recent modifications of significance to the core accounting system, and to the security movement and control system. When were they implemented?
- 8. What enhancements of significance are you currently planning to make, and when do you expect to implement them?
- 9. Describe the system's security procedures.
- 10. What down-time have you experienced in the last year? What are the normal hours of availability?
- 11. Do you have one multi-currency system for domestic and global accounting?

G. CASH MANAGEMENT

- 1. What short-term investment vehicles are available for tax-exempt client use? Who manages these funds? Provide the guidelines, objectives, and management fees for each fund option.
- 2. Provide fact sheets that include performance history and expense ratios for each fund listed in Question 1, above.
- 3. Do you charge a sweep fee? Describe all fees that are associated with cash management.
- 4. Describe the daily procedure for investing client cash. To what degree is the process automated?
- 5. When is STIF interest credited to the customer? Do you credit interest on due date without exception? If not, explain.
- 6. When are funds withdrawn for purchases? Credited for sales?
- 7. When do you invest funds received for interest, dividends and sales? When do you debit purchases?

QUESTIONNAIRE – ATTACHMENT A (Continued)

8. Do you "make good" on any missed dividends?
9. How are instructions for wires and book transfer transactions communicated to you? Are there time restrictions?
10. How many of your clients currently utilize separate short-term cash managers to manage their cash balances?
11. Describe your cash forecasting ability to assist a separate short-term/cash manager in monitoring cash balances.
12. At what rate will the bank reimburse the client for the overnight use of client funds if the bank erroneously debits an account overnight?
13. Do you notify your clients of bank overdrafts? Does your organization charge fees for bank overdrafts? Do you determine the cause of the problem before charging the account?
14. In what currencies are short-term investments available?
15. Will investment managers be required to maintain cash balances at each sub-custodian location?
16. Which currencies pay interest on account balances? Is there a charge that is netted against these earnings?
17. List any countries where your standard cash management policies are currently not enforced and explain.

H. CONVERSION

1. Describe your approach to the implementation and conversion process. Include an estimated conversion calendar, including actions required on the part of the Client and the Master Custodian and the timeframe to complete each task.
2. Do you have a conversion manual? If so, provide a copy.
3. What dedicated resources (personnel, equipment, training of personnel, consultants, etc.), procedures and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?
4. How long will the conversion process take? What is your plan if the process takes longer than you expect? What remedy will you offer if your plan takes longer than you expect?
5. What is the relationship between the transition team and the permanent account administration staff?
6. How do you handle transactions and claims that are in process during the transition/conversion period?

QUESTIONNAIRE – ATTACHMENT A (Continued)

7. How do you handle the performance measurement files during the transition/conversion period?
8. Are you able and willing to backload historical data? Is there an additional fee?
9. Give a detailed description of any specific problems that occurred during transitions over the past year and solutions that were instituted.
10. Provide a summary of the problems that you reasonably expect to occur during a custody service conversion and your approach to resolving these anticipated problems.
11. What fees or costs might a client face transitioning to or away from your company?

I. SECURITIES LENDING

1. Do you offer a securities lending program? When was it established? Is it offered directly or indirectly? If indirectly, who provides the program?
2. Describe your securities lending program philosophy and how you are able to negotiate the most favorable rates on loans for clients. Provide details on differentiating factors of your program.
 - a. Attach to this questionnaire the most recent benchmark report from a third party service that demonstrates your firm's market share in lending.
3. What is the total size of securities lending program? What is the dollar size of your securities lending cash collateral reinvestment commingled investment pools? Separate accounts? List the markets in which you currently participate.
4. Does your organization have Internet based/electronic lending capability? If so, describe – including inception, extent of applications, competitive bidding process, volume and percent of loans executed through this process.
5. Is securities lending available to all Master Trust/Custody clients? If not, explain.
6. How many Master Trust/Custody clients participate in your securities lending program? What percentage of your U.S. client base is that?
7. Describe your collateralization policy. What forms of collateral do you accept? If you use cash collateral, how is it invested? Describe your cash collateralization policy on both a domestic and global basis.
8. How is loan income apportioned to clients owning the same security? How are securities prorated from the various client accounts?
9. How do you provide equal opportunity to all participating clients to lend their securities? Do you use a rotation (queuing) system; have you ever

QUESTIONNAIRE – ATTACHMENT A (Continued)

- overridden the allocation process to accommodate a client? Are there clients outside the rotation system?
10. How is borrower creditworthiness determined? Who is responsible for determining borrower creditworthiness and establishing and monitoring lending limits? What are your credit and lending limits? Can the client select or eliminate a given borrower for their account? Can the client establish a limit for loans to a given borrower?
 11. Does your firm stress test your securities lending program (collateral and borrowers)? Describe the methodology and procedures utilized for stress testing, including the frequency of testing.
 12. Have you ever experienced a default/impairment in your collateral reinvestment commingled pools? Separate Accounts? If so, explain.
 13. How does your firm manage the following risks?
 - a. Collateral Investment Risk
 - b. Interest Rate Risk
 - c. Credit Spread Risk
 - d. Liquidity Risk
 - e. Trade Settlement Risk
 - f. Operational Negligence
 14. Has your program ever experienced a borrower default? If so, explain.
 15. What has been the incidence of sell fails impacting your securities lending program?
 16. Describe your policy when a sale fail occurs because a security was out on loan.
 17. Do you provide any indemnification, insurance or bank guarantee, other than collateralization, to protect a client against loss on either borrower default or collateral reinvestment? If so, describe.
 18. What is the compensation to the bank for administering the program? Please provide security lending revenue splits on a fully indemnified and non-indemnified basis.
 19. Does administration include all recordkeeping and reporting? Does your securities lending system interface with your security movement and control system? Include a copy of sample reports.
 20. How are holdings information and transactions communicated between parties (SWIFT, ISITC, E-mail, fax, etc.)?

QUESTIONNAIRE – ATTACHMENT A (Continued)

21. On average, what percentage of eligible assets is on loan, and what is the average loan spread by asset type:
- a. Domestic large cap equities
 - b. Domestic small cap equities
 - c. International equities
 - d. Corporate bonds – Investment grade
 - e. Corporate bonds – High yield
 - f. U.S. government treasures and agencies
 - g. Mortgage pass-through securities
 - h. Non-U.S. bonds
 - i. Other
22. What is the current rate of earnings for each asset class identified in the previous question? How does this rate compare with past anticipated levels?
23. What is the current yield on the short-term assets in the securities lending program? Are assets invested in a commingled fund or as a separate portfolio? Are there any choices for investment vehicles? If yes, please describe.
24. What are your specific investment guidelines for the short-term investment of the assets? Provide the investment management guidelines. Include sectors for investment (i.e., governments and agencies, commercial paper, bank obligations), sector weighting constraints, maturity constraints and average maturity of the assets, and minimum quality guidelines (i.e. A1/P1). If there are multiple options for pooled investments, please provide all choices. Also, provide sample guidelines for separately managed accounts.
25. Is there a fee for managing the cash collateral? Are any other fees or charges deducted from the earnings remitted to the client before or after the earnings split? Is so, specify the amount(s).
26. Do you have any clients using a third party for securities lending or collateral reinvestment? If so, identify the lending firms / investment managers. Briefly describe your organization's third party support services, specifically outlining advantages of your services. Are these services provided as part of the core custody services, with no additional fee? What system(s) do you use to support your clients' third party lending programs? Is it the same system that is used for your proprietary securities lending business?
27. Include a sample securities lending contract. Describe all risks to which clients are exposed through the lending of securities, domestically and internationally, with your bank. Include a discussion of a potential bankruptcy of a borrower or a sub-custodian and the impact of foreign law upon the account.
28. How do you coordinate your securities lending activities with the client's investment managers?

QUESTIONNAIRE – ATTACHMENT A (Continued)

29. Describe the procedures and frequency of marking to market for all types of securities on loan. Is it based on each individual client's positions or on the entire pool of securities with a particular borrower?
30. Describe your policy if your cash management area buys an instrument that drops below the credit parameters set forth in the investment guidelines?
31. Are there any countries in which you lend securities where securities lending is not regulated?
32. How often do you audit the securities lending program internally and externally? Who is your outside auditor?
33. What training do your securities lending professionals receive?
34. What internal controls, systems and procedures do you have regarding securities lending?
35. Do you keep your securities lending traders separate from the operational aspect of securities lending such as:
 - a. delivery of loan securities
 - b. receipt of collateral
 - c. maintenance of borrower and/or client credit limits on the system
 - d. mark to market process
 - e. billing of borrowers and cash transfers
 - f. oversight of daily cash collateral investment decisions
 - g. transfer of cash to collateral investment accounts
 - h. measurement of duration or other risk associated with the management of cash portfolios
 - i. performance measurement and reporting
36. What is your timeframe for the recall of securities from a borrower? (Examples would be one day for U.S. government securities, three days for U.S. equities and corporate bonds and three to five days for foreign securities depending upon the country.)
37. What changes to the loan recall procedure will be made to accommodate T + 1?
38. Does your Securities Lending program permit the lending of securities to the custodian or a sub-custodian?
39. When is securities lending income credited to clients?
40. What reports on securities lending activity do clients receive and at what frequency? Do you provide collateral reinvestment transparency reporting, i.e. maturity schedules, credit quality, sector breakdown, guideline compliance, etc.? Please provide samples.
41. How are credit limits (for borrowers and issuers) awarded and who is responsible for monitoring credit limits both across the various business

QUESTIONNAIRE – ATTACHMENT A (Continued)

units as well as within the securities lending group. How often do these change?

42. How do you benchmark the performance of your small to mid-cap lending program and do you provide that information to your clients?
43. Did any of your organization's collateral reinvestment or sweep vehicles suffer losses where the NAV fell below \$1.00 in the past ten years? If so, were any capital support programs offered by your organization? Please provide the NAVs for your short term cash and sweep vehicles for any month that was below \$1.00, since January 2005.
44. Please describe your on-line capabilities for securities lending.
 - a. What type of reports can be generated?
 - b. Can the client download the data to create custom reports?
 - c. What is your practice in creating custom reports for clients?
 - d. What level of detail is available in reporting (attribution, trade, sector, credit, and country, aggregate)?
45. What changes do you anticipate in the Securities Finance industry in the near future and what is your firm doing to prepare for these changes?

J. GLOBAL CUSTODY

1. Does your organization have the ability to custody separately managed, non-U.S. assets? If not, what relationships has your company established to meet the needs of clients who wish to utilize separately managed non-U.S. accounts? Is there an additional layer of fees associated with such solutions?
2. When did the company begin providing Global Custody? Provide a brief history of your global custody operations including the dates of implementation of key elements and enhancements.
3. What are the total global assets under custody and/or administration? Total non-US assets under custody and/or administration?
4. How many clients do you currently have using global custodial services?
5. Briefly describe your Global Custody capabilities including those items which currently set you apart from the competition.
6. How long have you used your current global accounting software? What major enhancements have you made in the last three years? Is it fully integrated with the domestic custody system?
7. What are the divisions of responsibility among headquarters, the overseas office(s), if any, and the sub-custodians?
8. For each country in which you provide custody services, list your custodial agent bank and the year that the current relationship was initiated. How many assets are held with each sub-custodian?

QUESTIONNAIRE – ATTACHMENT A (Continued)

9. What criteria do you use to select your global sub-custodians? How frequently do you review your sub-custodian relationships? How often does your organization assess political and market risk in a foreign country? In the past three years, what sub-custodians have been terminated? Please list and give the reason for termination.
10. Outside of the U.S., do you use any central depository facilities? Describe your settlement and clearing facilities for depository eligible and physical securities.
11. How are settlements communicated?
12. When are funds withdrawn for purchases and credited for sales?
13. Describe, in detail, your ability to handle foreign exchange transactions including all the alternatives available.
14. What are your dividend and income collection and crediting policies, by country? How much of the foreign tax receivable is collectable? On a quarterly basis, please provide an aging of the tax receivable and estimates of the collectability.
15. Describe your tax reclaim policy and procedures. How do you notify clients of any changes in local tax laws? How frequently are reclaims performed?
16. How does your multi-currency accounting system handle forward foreign exchange contracts? Please describe in detail and include definitions of terms used.
17. How does your multi-currency accounting system handle options? When a put or call is sold short, please describe the processing method? What is different in the handling of short options carried over a month end as compared to closing out in the same month?
18. How frequently do you reconcile your records with depositories and your sub-custodians – cash, securities, and corporate actions?
19. Describe the controls you have in place to ensure the integrity of the sub-custodian settlement and custody reporting.
20. Does your insurance coverage apply to securities held in your sub-custody network?
21. Do you publish a country and market practices manual which includes a summary of trading, settlement, income collection, etc. practices for each country in your network?
22. Is your business able to provide a segregated account to clients in all markets you serve?
23. Are accounting and reporting capabilities available in both local currency and in U.S. Dollars? Please describe. What foreign exchange rate is used to convert to U.S. dollars? Are the investment managers notified to use

QUESTIONNAIRE – ATTACHMENT A (Continued)

- the same foreign exchange rate? How do you determine exchange rates for your reports?
24. What percentage of the Master Trust/Custody business unit's revenue comes from foreign exchange trading? Please provide dollar amounts, as well as the percentage of revenue for each of the last five years.
 25. Describe how you handle "failed" transactions and how these are reported to the client. Provide statistics by market on the percent of trades settled on time.
 26. Describe your systems, controls and capabilities, to identify, track and manage class action, both U.S. and international, litigation or settlement proposals for securities either currently held or previously owned and eligibility requirements for participation in such actions. How quickly is security class action information updated in your system? Are these reconciled with the investment management firm? Describe any differences from your domestic (U.S.) systems, controls and capabilities. Is there an additional fee associated with this service?
 27. Please describe your class action capabilities upon your appointment and termination. Do you acknowledge and accept CCCERA requires you file all proofs of claim and other required filings in security class action litigation?
 28. Describe your domestic and international safekeeping network. How many markets are currently covered in your sub-custodian network? Provide the name of each sub-custodian agent and the amount of assets held with that sub-custodian.

K. AUDIT CONTROLS

1. Who is responsible for monitoring audit recommendations made to management? Describe the process and provide a recent example.
2. Provide copies of your most recent 10-k and 8-k filings, SSAE 16 (SAS 70), SOC 1 (Service Organization Controls Report) and SOC 2 (if available).
3. Provide copies of any Internal Control opinions issued by your independent auditors specifically related to your custody services within the last three years.
4. Are you willing to afford CCCERA staff and their contracted auditing firms continued access to the corporate audit reports and the working papers of the custodian's internal audit division?
5. List your current credit rating from all credit agencies that rate your organization for the past four fiscal years along with the specific part of your company that was rated.
6. Are trust department records and procedures included in audits by your external auditor? To what degree? What level of certification is provided with annual reports? May client auditors examine bank records pertaining

QUESTIONNAIRE – ATTACHMENT A (Continued)

to client accounts?

L. Technology

1. Describe the systems enhancement team at your company, outlining the number of employees, team structure and service model.
2. Describe the system enhancement process that your company goes through when evaluating technological enhancements and implementation.
3. Describe in detail the quality control and testing team and how your company ensures systems enhancements meet quality control standards. Please provide detail using specific examples of a new product launch or enhancement that was pursued within the last year that targeted a business solution using technology.
4. Describe the system enhancements your company implemented in the past year in core-accounting, corporate actions, trade processing, benefit payments and performance and analytics. How many are planned in the next 1-to-3 years in these areas and outline the business processes that these systems are enhancing. Please outline the projects and enhancements in sufficient detail so that we may assess the technologies expected to benefit the client experience in the coming years.
5. Does your company outsource any unit of its technology department?
6. Does your company engage in the use of joint ventures or outside contractors in its technology solutions strategy? If so, please describe these arrangements and the extent to which outside businesses are engaged in the technology strategy and where they enter the processes described in the systems enhancement and production environment structure (asked in Question #1, above.)?

QUESTIONNAIRE – ATTACHMENT A (Continued)

M. Core Custody and Accounting and Performance/Analytics

1. Fully outline and describe the custody, accounting and performance analytics business model that your company employs. Please outline all groups and functions and how those groups/ functions interact in producing client ready reporting. Include business model differentiators including how your service model is integrated into this strategy where you deem appropriate. We encourage the use of diagrams and summary descriptions in outlining the various functions of your team and business strategy.
2. In the next one to three years, is your firm planning on any organizational changes in the custody accounting and or performance analytics teams? If yes, please describe the changes and intended impact on the firm, group client relationship and client support teams.
3. In the past five years, describe the level of organizational change experienced in the team specific to this client's proposal. Describe the following:
 - a. Has the custody and accounting and performance analytics teams been restructured, relocated or re-engineered in the last five years? If so, describe the changes that have been implemented and which goals were intended to be attained in this restructuring?
 - b. How does your company measure client satisfaction and have client survey satisfaction scores been trending up or down in the last five years.
 - c. Has the team responsible for the proposed client been together for the past five years?
 - d. Describe the level of experience each level of the client service value chain has in the proposed client service team.
 - e. Has the quality control function of the proposed team been with your company for the last five years?
 - f. Have there been any job eliminations, job cuts and or client service organizational changes in the custody, accounting and performance analytics teams? Fully describe these changes and the goals attained from these organizational changes.

QUESTIONNAIRE – ATTACHMENT A (Continued)

4. List and describe five new products brought to market in the past 5 years that your company considers to be best in class solutions in the custody accounting space.
5. List and describe five upcoming solutions that your company will release in the next five years that exhibit your company's commitment to innovation and advancement in the custody, accounting and performance analytics space.
6. Does your company offer different levels of service when choosing custody, accounting and performance analytics services? If yes,
 - a. Describe the levels of service clients can choose from in choosing a custody, accounting and performance analytics solution. For each level of service outline the expected benefits and value added in each level of service. Outline the incremental cost associated with each level of service. Under each level of service outline when accounting reporting is final and client ready following a month-end and when performance analytics reporting is considered final and client ready after month-end. Include service levels in daily and monthly models as well as service quality agreements and incentives available under each model.
 - b. How do you monitor and measure quality of service? How do you monitor and measure client satisfaction? Describe your standard Service Level Agreement?
 - c. Describe the process the team uses in tracking quality and accuracy of data reported to clients. Include the interval of quality control tracking.
 - d. Do you share quality control metrics with clients? Which metrics are shared and how often do you review quality with clients? To what extent are clients involved in the quality assessment metrics that are reviewed? Are you willing to work with the proposed client in setting standards on quality control and service level accuracy?
 - e. Describe how your performance team is involved in communicating valuation and transactional errors to your accounting team and what is the process in making retroactive updates to valuation and transactional data?

QUESTIONNAIRE – ATTACHMENT A (Continued)

7. How many client assignments do client relationship personnel have? How are those relationships chosen? If client tiers are established, please provide the number of clients, on average, that each client relationship person has at each client tier level.
8. Does your company have the ability to report on stale valued portfolios or assets?
9. Does your company provide access to security characteristics in equity and fixed income markets? If yes,
 - a. Are there different levels of service when receiving reporting on security characteristics? If so, please describe the types of outputs clients can choose to receive including costs involved with meeting each requirement.
10. Describe the underlying databases that are used in providing client solutions. Include how many databases feed the core custody, accounting and performance analytics functions and how many feed the core custody, accounting and performance analytics reporting function describing how these underlying databases are integrated into the reporting user-interface that clients interact with.
 - a. Include a description of the quality control functions and processes that exist within the structure of any multi-database structures.
11. Does your company's custody, accounting and performance analytics department use joint ventures or outsourced contracted solutions? If yes,
 - a. Describe the arrangement of the joint venture or contracted firm as it relates to the custody and accounting business.
 - b. Describe the parameters on which the joint venture or contracted solution is evaluated.
 - c. Describe how quality control is approached and assessed when gauging the success of the joint venture or contracted solution.
 - d. Where is the joint venture or contracted firm located and where are the processing locations for this specific client proposal?
 - e. Provide a detailed schematic outlining the processing of custody,

QUESTIONNAIRE – ATTACHMENT A (Continued)

accounting and performance analytics data for the proposed client's data outlining the processing team's structure, processing locations and timelines for each function. Ensure each function/ process step includes how and when the quality control function is established, completed and the geographic location of the quality control function.

- f. What is the turnover within the joint venture or contracted firm?

N. Strategy Relating to CCCERA

1. Given the configuration and complexity of our portfolio, please identify what you consider to be the 3-5 most complex and challenging aspects of our portfolio as it affects your ability to service CCCERA. Explain how you will specifically address these challenges; and the performance reporting and performance monitoring systems you will establish to assure smooth operations.
2. Please identify the ten most frequently used performance indicators that you presently provide to clients with portfolios in our size range (\$5-\$10 billion U.S. dollars).
3. Please offer 5-10 proposed penalties and 5-10 performance incentives that you believe would be most effective and motivating for your organization, the CCCERA service team, and the financial terms you would recommend we consider. Indicate the number of clients you presently serve that employ each of these penalties/incentives, by item.
4. Describe your experience and attitude regarding performance incentives and penalties for public pension plans.
5. Given what you know about CCCERA, our operations and portfolio, identify the three aspects of your service where you believe you will clearly outshine your competition, and who at CCCERA would be the primary beneficiary. Please be specific, include proof of statement where possible; avoid glossy generalizations, boilerplate answers and "spin."
6. What is the one aspect of your operations and service capabilities/track record that you must improve the most in order to re-establish competitiveness with the other firms bidding for CCCERA business?
7. What is your business plan for improved transparency of underlying holdings in alternative asset funds including hedge funds, private equity? What do you offer presently, and where are you planning to offer increased visibility

QUESTIONNAIRE – ATTACHMENT A (Continued)

of underlying holdings in the future? How will this be priced?

8. Do you have a strategy for risk reporting as an adjunct service that would be beneficial to CCCERA? If so, explain.
9. What are the primary benefits to investment personnel as end-users of your system's client-facing information, interactive software, dashboards, etc.? Be specific about features that would be most beneficial to CCCERA.
10. What other services do you provide a public pension fund of CCCERA's size that we have not asked for?
11. From questions you have previously answered in response to other public pension RFPs, please provide us five (5) questions that CCCERA has not asked in our RFP that you consider relevant to our consideration here, and your responses. (This is your opportunity to show us possible value you can bring to CCCERA that we may have otherwise overlooked, or an issue that we have overlooked.)

IX. ATTACHMENT B MASTER CUSTODIAN AND RELATED SERVICES FEE SCHEDULE

Mandatory flat-fee (with CPI escalator in years 3-5) and optional a la carte pricing: all Proposers MUST provide a fee quote on a flat-fee basis. The flat-fee for Year 1 of the engagement may be higher than following years, to account for transitional expenses associated with setting up a new relationship. CCCERA will expect to compensate the custodian with a CPI-based fee increase in years 3-5 using Year 2 flat-fees as the basis for inflation escalation. All Proposers will be compared first on this basis. Proposers may electively quote a la carte (unbundled) pricing, preferably following the list in **Section III. Services to be Provided**; subject to a Not to Exceed (NTE) price ceiling for each year that you must provide for Year 1 and years 2-5 without CPI escalation (i.e., your ceiling for this pricing can be higher in Year 1 if you provide an unbundled pricing option).

If the function of securities lending is allowed (Bundled): **(Please note that CCCERA is asking “if your organization is given the mandate” to lend securities and not to net the revenue stream generated from securities lending to the flat dollar fee.)**

CCCERA	Flat Dollar Custody Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

If the function of securities lending is not allowed (Unbundled): **(Please note that CCCERA is asking “if your organization is not given the mandate” to lend securities.)**

CCCERA	Flat Dollar Custody Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

1. Securities lending split with broker default indemnification:

CCCERA_____% Bank_____%

If you are proposing additional indemnification beyond broker default, kindly

specify.

2. What are the short term investment vehicles you propose as applicable to CCCERA? What is the total expense ratio, including management fees?
3. What are the overdraft charges?
4. Identify the services included in the flat fee stated above for Custody Services:

- a. Full Custody Services for Asset Types (i.e., domestic and international?)

yes _____ **no** _____

If **no**, what are the charges?

Safekeeping \$ _____ charge or fee

Asset Servicing \$ _____ charge or fee

Transaction Processing \$ _____ charge or fee

- b. Multicurrency Full Accrual Trade Date Accounting and Reporting?

yes _____ **no** _____

If **no**, what are the charges?

Standard Accounting \$ _____ charge or fee

Fund Accounting \$ _____ charge or fee

Customized reporting \$ _____ charge or fee

- c. Daily Online/Internet services?

yes _____ **no** _____

If **no**, what are the charges?

User Interface, including Read Only \$ _____ charge or fee

Asset Values \$ _____ charge or fee

Transactions \$ _____ charge or fee

Cash \$ _____ charge or fee

Standard reports \$ _____ charge or fee

Customized reporting \$ _____ charge or fee

Executive and Board Reporting \$ _____ charge or fee

Securities lending reporting \$ _____ charge or fee

Income Inquiry Reports \$ _____ charge or fee

Corporate Actions Reporting \$ _____ charge or fee

Rate of Return Calculations \$ _____ charge or fee

Performance Analytics \$ _____ charge or fee

Trading cost analysis \$ _____ charge or fee

Terminal charge \$ _____ charge or fee

Communication software \$ _____ charge or fee

CPU connect time \$ _____ charge or fee

Others: (specify) \$ _____ charge or fee

d. Performance measurement and analytics? **yes**_____ **no**_____

If **no**, what is the flat fee for each service level?

Daily return calculation	\$ _____
Monthly return calculation	\$ _____
Historical data download	\$ _____
Executive Board Reports	\$ _____
Monthly Flash Reports	\$ _____
Drill Down Commingled funds	\$ _____
Customized benchmarks/universes	\$ _____
Bond Analytics	\$ _____
Attribution	\$ _____
Trading cost analysis	\$ _____
Universe Comparisons	\$ _____
Others: (specify)	\$ _____

e. Specific to advance analytical tools, are any of the following included? **yes**_____ **no**_____

BARRA Analytics	\$ _____
Vestek	\$ _____
Style Analyzer	\$ _____
BondEdge	\$ _____
BlackRock Solutions	\$ _____
Venture Economics	\$ _____
Burgiss Group Private I Informant	\$ _____
Others: (Please specify)	\$ _____

f. Contractual Settlement and Auto credit program for income collection? **yes**_____ **no**_____

If **no**, what are the charges?

Domestic	\$ _____	charge or fee
International	\$ _____	charge or fee
ADR's	\$ _____	charge or fee

g. Transition, conversion, and re-registration costs? **yes**_____ **no**_____

If **no**, what are the charges?

Transition	\$ _____	charge or fee
Conversion	\$ _____	charge or fee
Re-registration	\$ _____	charge or fee

h. Penalty costs? **yes** _____ **no** _____

If **no**, what are the costs?

Overdraft Charges \$ _____ per trade
Third-party FX trades \$ _____ per trade
Third-party securities lending support:
Administration \$ _____
Per Transaction \$ _____

i. Out-of-pocket expenses? **yes** _____ **no** _____

If **no**, what are the charges?

Wire transfer \$ _____ charge or fee
Courier service \$ _____ charge or fee
Telex charges \$ _____ charge or fee
Computer processing \$ _____ charge or fee
Staff training \$ _____ charge or fee
Stamp duty \$ _____ charge or fee
Registration \$ _____ charge or fee
Others: (specify) \$ _____ charge or fee

j. Investment compliance checking? **yes** _____ **no** _____

If **no**, list the service and associated charge.

Basic \$ _____ charge or fee
Intermediate \$ _____ charge or fee
Others: (specify) \$ _____ charge or fee

k. Risk Management and Analytics? **yes** _____ **no** _____

If **no**, list the service and associated charge.

Basic \$ _____ charge or fee
Intermediate \$ _____ charge or fee
Others: (specify) \$ _____ charge or fee

l. Proxy Notification and Voting? **yes** _____ **no** _____

If **no**, what are the charges?

Ballot Preparation \$ _____ charge or fee
Notification \$ _____ charge or fee
Discretionary Voting \$ _____ charge or fee
Support of 3rd party vendor \$ _____ charge or fee
Reporting \$ _____ charge or fee
Online Access \$ _____ charge or fee
Others: \$ _____ charge or fee

m. Class Actions? **yes** _____ **no** _____

If **no**, what are the charges?

Reporting \$ _____ charge or fee
Online Access \$ _____ charge or fee
Legal Filings \$ _____ charge or fee

n. Alternative Investments – Private Equity, Private Debt, Real Estate, etc.? **yes** _____ **no** _____

If **no**, list the associated charge.

Basic Line Item Reporting \$ _____ charge or fee
Reporting and Monitoring \$ _____ charge or fee
Full Drill Down \$ _____ charge or fee
Full Alternative Inv. Support \$ _____ charge or fee
Shadow Accounting \$ _____ charge or fee
Distributions \$ _____ charge or fee
Capital Calls \$ _____ charge or fee
Income Collection \$ _____ charge or fee
Others: (specify) \$ _____ charge or fee

o. Independent Derivatives Valuation and Processing? **yes** _____ **no** _____

If **no**, list the service and associated charge.

_____ \$ _____ charge or fee
_____ \$ _____ charge or fee
_____ \$ _____ charge or fee

p. Ad-hoc reports for third-parties to fulfill California Public Records Act / Freedom of Information Act requests.

_____ \$ _____ charge or fee
_____ \$ _____ charge or fee
_____ \$ _____ charge or fee

q. Specify other charges and fees not included in the proposed FLAT FEE. If a charge or fee is in direct response to a particular RFP question, identify both section and question.

_____ \$ _____ charge or fee
_____ \$ _____ charge or fee

X. DRAFT CONTRACT

Attached is a draft contract with the terms required for this RFP. Please note any exceptions or additions that your firm will ask to make to this contract.

(DRAFT)

FORM OF CUSTODIAN CONTRACT

By and Between

Contra Costa County Employees' Retirement Association

And

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CUSTODIAN CONTRACT

This Agreement is by and among the CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, governed by the laws of California (hereinafter called "CCCERA"), and _____, ("Custodian") which is authorized to conduct the business of a trust company in the State of California (the "Custodian").

WITNESSETH:

WHEREAS, CCCERA was created pursuant to the County Employees Retirement Law of 1937 (hereinafter referred to as the "CERL") and is administered by the Board of Trustees (hereinafter referred to as the "BOARD"); and

WHEREAS, the BOARD is vested with "sole and exclusive fiduciary responsibility" for CCCERA assets, pursuant to Article XVI of the Constitution of the State of California and the CERL; and

WHEREAS, in accordance with the provision of Article XVI, Section 17 of the California Constitution and the California Government Code section 31596(b), CCCERA may employ a trust company or trust department of any state or national bank authorized to conduct the business of a trust company in the State of California to act as custodian of any securities or other owned by CCCERA whether beneficially or otherwise cash or financial instruments and other property ("Assets"); and

WHEREAS, CCCERA desires to establish one or more custody Funds with the Custodian to provide for the safekeeping and recordkeeping of Assets property beneficially or otherwise owned by CCCERA.

NOW THEREFORE, in consideration of their actual promises, the parties agree as follows:

1. ENGAGEMENT OF CUSTODIAN AND ASSETS TO BE HELD BY IT.

CCCERA hereby engages the Custodian as the custodian of the assets of CCCERA hereinafter called the "Fund". All Assets delivered, whether prior to or contemporaneously or subsequent to, with the executing of this Agreement by CCCERA or its agents to the Custodian, its agents or its subcustodians shall be held and dealt with as hereinafter provided. The Custodian shall not be responsible for any Assets of CCCERA not delivered to the Custodian, its agents or its subcustodians. Custodian shall notify CCCERA in writing if any Assets expected to be delivered are not received no later than three business days from the anticipated date of receipt.

2. STANDARD OF CARE AND DUTIES OF THE CUSTODIAN.

2.1 Standard of Care. Custodian shall perform all services that it has agreed to hereunder (including but not limited to the safe keeping and custody of all Assets received by it pursuant to this Agreement) with the care, skill, diligence, and responsibility of a professional custodian familiar with such matters and acting in a like capacity in the conduct of an enterprise

of like character and with like aims (herein, Custodian's "Standard of Care"). Custodian is a fiduciary with respect to the safekeeping of assets held by Custodian hereunder and all related duties. Custodian's Standard of Care shall apply to all services that it performs (or does not perform) provided hereunder and shall be adhered to by Custodian at all times. Notwithstanding any other provision in this Agreement, Custodian's Standard of Care is incorporated in and applies to each and every provision of this Agreement setting forth the services to be performed by Custodian and each and every such provision is subject to the Standard of Care unless such other provision (if any) specifically and unequivocally states that Custodian's Standard of Care does not apply to a specifically identified service. The provisions of this Section 2.1 shall survive termination of this Agreement for a period of six (6) years.

2.2 No Self-Dealing. Custodian shall not engage in any self-dealing with any Assets received by it pursuant to this Agreement, including but not limited to dealing with such assets in its own interest or for its own account, acting in any transaction involving such assets on behalf of a party (including but not limited to the Custodian) whose interests are adverse to the interests of CCCERA or its participants or beneficiaries, or receiving any consideration from any party in connection with a transaction involving such assets. Notwithstanding the foregoing, CCCERA acknowledges and agrees that self-dealing shall not include transactions involving assets of CCCERA for which Custodian has received Proper Instructions. In the event that the officers and employees who have day-to-day responsibility for this custody relationship have actual knowledge of any income derived from self-dealing activities, the same shall be reported to CCCERA within ten (10) days of such discovery of the self-dealing occurrence.

2.3 Holding Securities. The Custodian shall hold, or direct its agents or its subcustodians to hold, for the account of the Fund, all securities and other noncash property, other than securities which are held for the Fund by the Custodian, its agents or subcustodians in a nationally registered securities depository (clearing agency or corporation), which acts as a securities depository or in another book entry system for the central handling of securities (collectively referred to herein as "Securities System").

2.4 Delivery of Securities. The Custodian shall release and deliver, or direct its agents or its subcustodians to release and deliver, securities of the Fund held by the Custodian, its agents or its subcustodians or in a Securities System account of the Custodian, its agents or its subcustodians only upon receipt of Proper Instructions (as defined in Section 2.13 herein), which may be standing instructions in the following cases:

- (a) Upon sale of such securities for the Fund, unless otherwise directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivery to the purchaser thereof or to a dealer therefor (or an agent of such purchaser or dealer) against expectation of receiving later payment, or (ii) in the case of a sale effected through a Securities System, in accordance with the rules governing the operations of the Securities System;
- (b) Upon the receipt of payment in connection with any repurchase agreement related to such securities;

- (c) To the depository agent in connection with tender or other similar offers for securities of the Fund;
- (d) To the issuer thereof or its agent when such securities are called, redeemed, retired or otherwise become payable; provided that, unless otherwise directed by Proper Instructions, the cash or other consideration is to be delivered to the Custodian, its agents or its subcustodians;
- (e) To the issuer thereof, or its agent, for transfer into the name of the Custodian or of any nominee of the Custodian or into the name or nominee name of any of its agents or subcustodians or their nominees or for exchange for a different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units;
- (f) To brokers, clearing banks or other clearing agents for examination in accordance with “street delivery” custom;
- (g) For exchange or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such securities, or pursuant to provisions for conversion contained in such securities, or pursuant to any deposit agreement; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its subcustodians;
- (h) In the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its subcustodians;
- (i) In connection with trading in options and futures contracts, including delivery as original margin and variation margin;
- (j) In connection with the loan of securities; and
- (k) For any other purpose, but only upon receipt of Proper Instructions specifying the securities to be delivered and naming the person or persons to whom delivery of such securities shall be made.

2.5 Registration of Securities. Securities held by the Custodian, its agents or its subcustodians (other than bearer securities or securities held in a Securities System) shall be registered in the name of the Custodian or in the name of any nominee of the Custodian or in the name of any of its agents or its subcustodians or of their nominees. The Custodian, its agents and its subcustodians shall not be obligated to accept securities on behalf of the Fund under the terms of this Agreement unless such securities are in “street name” or other good delivery form.

2.6 Bank Accounts. The Custodian, its agents or its subcustodians may open and maintain a bank account or accounts in the name of CCCERA, Custodian, subcustodian, their

respective nominees or otherwise, in such banks or trust companies as they may in their discretion deem advisable (including a bank of the Custodian), subject only to draft or order by the Custodian, its agents or its subcustodians acting pursuant to the terms of this Agreement, and shall hold in such account or accounts, subject to the provisions hereof, cash received by or from or for the account of CCCERA. Such accounts shall be subject to the direction and instructions given from time to time by CCCERA's Investment Managers (as defined in Section 9 herein) may give. Custodian shall act only upon written directions or instructions, which shall not include electronic mail messages. Such funds shall be deposited by the Custodian, its agents or its subcustodians in their capacity as Custodian, agent or subcustodian and, except as otherwise provided under this Agreement, shall be withdrawable by the Custodian, its agents or its subcustodians only in their capacity as Custodian and not on behalf as the owner of the funds. The Custodian, its agents or subcustodians shall, subject to the receipt of Proper Instructions, take any and all action necessary or appropriate to ensure that all cash held in any and all bank accounts or accounts under this Agreement is fully and immediately invested for the account of CCCERA as soon as reasonably possible. In the event that Proper Instructions or repatriation letters do not exist for any account(s), such action shall include Custodian's provision of notice to CCCERA immediately of such fact, and CCCERA shall provide Custodian with Proper Instructions and/or repatriation letters to allow for the immediate investment of any such cash. If any such cash is not invested, the Custodian shall report this fact to CCCERA in its regular monthly report with an explanation of why it was not invested and how long it was not invested.

2.7 Income Crediting. With respect to the securities or other assets held hereunder the Custodian shall credit all dividends, interest, return of capital, other income, distributions and other proceeds to the Fund as such amounts are received or in accordance with Custodian's then current payable date income schedule which only encompasses dividends and interest payments. Any credit to the Fund in advance of receipt may be reversed if Custodian reasonably determines that payment will not occur and the Fund may be charged at Custodian's applicable interest rate for time credited. No interest shall be charged to the extent that the applicable assets were not invested and remained in cash. Custodian shall notify CCCERA in writing when it determines that payment will not occur in due course and notify CCCERA of the amount of interest charged with regard thereto. Custodian's applicable interest rate for this Section 2.7 shall be the lowest interest rate that it charges to any other client for the same purpose a comparable time period. Custodian shall notify CCCERA in writing of the applicable interest rate, and any increase in such rate will apply only for transactions that occur after the date that CCCERA is notified of any such change. Income on securities loaned other than from Custodian's securities lending program shall be credited as received. The existing securities lending agreement between the parties is attached hereto as Appendix A and remains in force and in effect unless modified by a subsequent written agreement between the parties.

2.8 Contractual Settlement Services (Purchase/Sales).

(a) The Custodian shall, in accordance with the terms set out in this Section 2.8, debit or credit the appropriate cash account of the Fund in connection with (i) the purchase of securities for the Fund, and (ii) proceeds of the sale of securities and other assets held on behalf of the Fund, on a contractual settlement basis. For purposes of this Section 2.8, "Contractual Settlement Basis" means that debits or

credits will be made on the day set out in the first sentences in subsection (c) and (d) below; as applicable

(b) The services described above (the “Contractual Settlement Services”) shall be provided for such instruments and in such markets as the Custodian may advise CCCERA, in writing (including electronic mail), from time to time. The Custodian may terminate or suspend any part of the provision of the Contractual Settlement Services under this Agreement at its sole discretion immediately upon notice to CCCERA or the Investment Manager, as applicable, including, without limitation, in the event of force majeure events affecting settlement, any disorder in markets, or other changed external business circumstances affecting the markets or the Fund. CCCERA may terminate or suspend the Contractual Settlement Services for any reason and Custodian shall implement such termination or suspension within a five (5) business days after having received written notice from CCCERA.

(c) The consideration payable in connection with a purchase transaction shall be debited by Custodian from the appropriate cash account of the Fund as of the time and date that monies would ordinarily be required to settle such transaction in the applicable market. The Custodian shall promptly recredit such amount at the time that CCCERA or the Investment Manager, as applicable, notifies the Custodian by Proper Instruction that such transaction has been canceled.

(d) With respect to the settlement of a sale of securities, a provisional credit of an amount equal to the net sale price for the transaction (the “Settlement Amount”) shall be made to the account of the Fund as if the Settlement Amount had been received as of the close of business on the date that monies would ordinarily be available in good funds in the applicable market. Such provisional credit will be made conditional upon the Custodian having received Proper Instructions with respect to, or reasonable notice of, the transaction, as applicable; and the Custodian or its agents having possession of the asset(s) (which shall exclude assets subject to any third party lending arrangement entered into by CCCERA) associated with the transaction in good deliverable form and not being aware of any facts which would lead them to reasonably believe that the transaction will not settle in the time period ordinarily applicable to such transactions in the applicable market.

(e) The Custodian shall have the right to reverse all or part of any provisional credit or debit given in connection with the Contractual Settlement Services at any time when the Custodian believes, in its reasonable judgment, that such transaction will not settle in accordance with its terms or amounts due pursuant thereto will not be collectable or where the Custodian has not been provided Proper Instructions with respect thereto, as applicable. Upon such reversal and provided such amount’s total days credited has exceeded thirty (30) days, a sum equal to the credited or debited amount shall become immediately payable by CCCERA to the Custodian and may be debited from any cash account held for benefit of the Fund. The Fund may also be charged by Custodian at Custodian’s

applicable interest rate (determined under Section 2.7 hereof) for the time that the reversed amount was credited for the Fund. No interest shall be charged to the extent that the applicable assets were not invested and remained in cash.

(f) In the event that the Custodian is unable to debit an account of the Fund in accordance with this Agreement, the Custodian may take whatever action is otherwise available to it for breach of this Agreement by CCCERA.

2.9 Payment of Fund Moneys. Only upon receipt of Proper Instructions and written agreement as to security procedures for payment orders, which may be standing instructions, or as may be otherwise authorized within this Agreement, the Custodian shall pay out, or direct its agents or its subcustodians to pay out, moneys of the Fund in the following cases:

(a) Upon the purchase of securities for the Fund, unless otherwise directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivering money to the seller thereof or to a dealer therefor (or an agent for such seller or dealer) against expectation of receiving later delivery of such securities; or (ii) in the case of a purchase effected through a Securities System, in accordance with the rules governing the operation of such Securities System;

(b) In connection with conversion, exchange or surrender of securities of the Fund as set forth in Section 2.4 hereof;

(c) For the payment of any expense or liability including but not limited to the following payments: interest, taxes, management, accounting, transfer agent fees, legal fees and operating expenses;

(d) With the specific prior written agreement of CCCERA (which may be standing instructions), to the trustee, including the Custodian, of any collective investment fund maintained for the investment of the assets of employee benefit plans qualified under Section 401(a) and exempt from tax under Section 501(a) of the Internal Revenue Code;

(e) For the purchase or sale of foreign exchange or foreign exchange contracts for the account of the Fund, including transactions executed with or through the Custodian, its agents or its subcustodians;

(f) In connection with trading in options and futures contracts, including delivery as original margin and variation margin;

(g) In connection with the borrowing of securities by the Fund; and

(h) For any other purpose, but only upon receipt of Proper Instructions specifying the amount of such payment and naming the person or persons to whom such payment is to be made.

2.10 Appointment of Agents and Subcustodians. The Custodian may at its reasonable discretion appoint and remove agents or subcustodians to carry out such of the provisions of this Agreement as the Custodian may from time to time direct; provided, however, that such appointment shall not relieve the Custodian of its responsibilities or liabilities under this Agreement. Custodian shall promptly notify CCCERA in writing of all agents and subcustodian appointed or removed during the term of this Agreement.

2.11 Proxies. The Custodian shall send all notices of proxies it receives to CCCERA or a proxy voting agent of CCCERA if so notified in writing electronically. The Custodian will, with respect to the securities held hereunder, cause to be promptly executed by the registered holder of such securities proxies received by the Custodian from its agents or its subcustodians or from issuers of the securities being held for the Fund, without indication of the manner in which such proxies are to be voted, and, upon receipt of Proper Instructions, shall promptly deliver such proxies, proxy soliciting materials and other notices relating to such securities to the issuer. All proxies shall be voted in accordance with instructions of CCCERA given to Custodian. Custodian shall not have responsibility for determining how to vote the proxies.

2.12 Communications Relating to Fund Securities. The Custodian shall transmit promptly to CCCERA or Investment Manager unless otherwise directed by CCCERA, written information (including, without limitation, pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Custodian from its agents or its subcustodians or from issuers of the securities being held for the Fund. With respect to tender or exchange offers, the Custodian shall transmit promptly to CCCERA and Investment Manager written information received by the Custodian from its agents or its subcustodians or from issuers of the securities whose tender or exchange is sought and from the party (or his agents) making the tender or exchange offer. The Custodian shall not be liable for any untimely exercise of any tender, exchange or other right or power in connection with securities or other property, of the Fund at any time held by it unless (i) it or its agents or subcustodians are in actual or effective possession of such securities or property and (ii) it receives Proper Instructions with regard to the exercise of any such right or power and both (i) and (ii) occur at least three (3) business days prior to Custodian's deadline date to exercise such right or power, unless Custodian failed to comply with the Standard of Care in connection with this Section 2.12, including but not limited to, a failure to transmit the information set forth above.

2.13 Proper Instructions. The term "Proper Instructions" shall mean instructions received by the Custodian from CCCERA, the appropriate Investment Manager, or any person duly authorized by either of them. Such instructions may be in writing signed by the authorized person or may be in a tested communication or in a communication utilizing access codes effected between electro mechanical or electronic devices or may be by such other means as may be agreed to from time to time by the Custodian and the party giving such instructions (including, without limitation, oral instructions). Proper Instructions may include electronic mail. Custodian acknowledges that Proper Instructions includes standing instructions issued prospectively by CCCERA. CCCERA shall cause its duly authorized officer, or the duly authorized officer of any Investment Manager, to certify to the Custodian in writing the names and specimen signatures of persons authorized to give Proper Instructions. The Custodian shall be entitled to rely upon the identity and authority of such persons until it receives notice from CCCERA or the Investment Manager to the contrary.

2.14 Actions Permitted without Express Authority. The Custodian may, in the reasonable exercise of its discretion, without express authority from CCCERA or the Investment Manager:

- (a) make payments to itself or others for ordinary and routine minor expenses of handling securities or other similar items relating to its duties under this Agreement but not to exceed \$3,000 in the aggregate without written approval by CCCERA or Investment Manager, and shall be accounted for to CCCERA in writing not more than thirty (30) days after such expenses are paid;
- (b) surrender securities in temporary form for securities in definitive form;
- (c) endorse for collection checks, drafts, and other negotiable instruments;
and
- (d) in general attend to all nondiscretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of the Fund,

2.15 Evidence of Authority. The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate, instrument or paper reasonably believed by it to be genuine and to have been properly executed or otherwise given by or on behalf of CCCERA or an Investment Manager. The Custodian may receive and accept a certificate from CCCERA or an Investment Manager as conclusive evidence (i) of the authority of any person (other than the person signing the certificate) to act in accordance with such certificate or (ii) of any determination or of any action by CCCERA or the Investment Manager as described in such certificate, and such certificate may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary.

2.16 Non-Assignment. This Agreement shall not be assigned by either party without prior written consent of the other party.

3. DISASTER RECOVERY AND OPERATIONAL RECOVERY PLANS.

Custodian acknowledges that it has and maintains a reasonable contingency and disaster recovery plan to safeguard CCCERA data. Records will be safeguarded against potential loss or destruction by fire, theft, vandalism, storm, earthquake, or any other hazard, by retaining backup data in a secure location so that records (current at least to the prior month-end and the end of the preceding day) can be recreated within two business days. The Custodian has an established and proven business continuity plan for emergency situations is in place which provides for record recreation and operations resumption within a commercially reasonable period of any occurrence of any major disaster or other cause which destroys records and/or disrupts normal operation of Custodian's systems and such plan is available to be received by CCCERA and any updates shall be automatically sent to CCCERA within three (3) business days of such update.

4. REPORTING.

Custodian shall keep accurate and detailed accounts of all investment, receipts, disbursements, and other action hereunder. Its books and records relating thereto shall be open to inspection and audit with reasonable notice by CCCERA or its duly authorized representatives. Within ten (10) business days of the beginning of each month, Custodian shall send to CCCERA an itemized statement of all monies received or paid on behalf of the Fund and an itemized statement of the securities for which it is accountable under this Agreement as of the end of the prior month, as well as a list of all securities transactions during the preceding month and all transactions that remain unsettled at that time. If the Custodian does not receive all of the necessary information from an applicable Investment Manager in a timely manner in order to send CCCERA a timely report as described above, the Custodian will notify CCCERA that it is unable to produce timely reports due to non-receipt of necessary information from the applicable Investment Manager, and shall send said incomplete report unless instructed otherwise, by Proper Instructions, by CCCERA.

Custodian shall cause such reports and statements to be audited. In addition, the Investment Manager shall reconcile its records to the books and records of Custodian and the Investment Manager shall identify to the Custodian any discrepancies. The Custodian shall, within five (5) business days of receipt of the Investment Manager's reconciliation report review same and to the extent necessary will work with the Investment Manager to resolve identified items.

Within thirty days (30) after the close of each fiscal year of CCCERA and at more frequent intervals if agreed to by the parties hereto, and within thirty (30) days after the removal or resignation of Custodian as provided hereunder, Custodian shall send to CCCERA a written statement and account showing in reasonable summary the investments, receipts, disbursements, and other transactions engaged in during the preceding fiscal year or period. Custodian will provide such additional reports reasonably requested by CCCERA or reasonably required by government or legal entities and agreed to by Custodian.

Custodian agrees to provide CCCERA's investment consultant, who shall be identified separately in writing to Custodian and may be changed from time to time at the sole discretion of CCCERA, monthly data for each Investment Managers' account within ten (10) days after the end of each month, sufficient to allow such consultant to calculate rate of returns that are Global Investment Performance Standards (GIPS) compliant. The data will be provided via electronic media, if possible.

Custodian agrees to provide CCCERA, on an annual basis, its SSAE 16 report and its annual ADV report and any amendments thereto at the time of filing with the SEC.

Custodian has no duty to verify reports it incorporates regarding securities or cash held outside its custody submitted by third parties, including but not limited to brokers, other banks or trust companies. Notwithstanding the prior sentence, Custodian shall verify submission of such reports and information to CCCERA.

5. COMPENSATION OF CUSTODIAN.

5.1 Fees. The Custodian shall be entitled to the compensation for its services and expenses as Custodian set forth in the written fee schedule attached hereto as Exhibit B (“Fee Schedule”) unless and until a different compensation shall be agreed upon in writing between CCCERA and the Custodian. The parties agree with respect to Securities lending there is a separate fee schedule contained in Exhibit A and is not set forth in Exhibit B. The Custodian shall not be entitled to compensation not identified on Exhibit B unless CCCERA has been notified in advance and has agreed to same in writing.

5.2 Invoice. Custodian shall submit to CCCERA a quarterly invoice and a copy of that invoice within thirty (30) days of the close of the quarter for which services were provided. The invoices shall bill the payments owed pursuant to the Fee Schedule in equal quarterly installments in arrears, and CCCERA shall pay such bills within thirty (30) days from receipt. The invoices shall only cover services already provided; no compensation shall be paid to Custodian in advance of services rendered.

5.3 Proration of Fees. In the event this Agreement commences or terminates on a date other than the first or last business day of a calendar quarter, Custodian’s fees shall be prorated on a daily basis for the portion of the calendar quarter in which Custodian provided services.

6. EVIDENCE OF TITLE.

The Custodian shall not be responsible for the title, validity or genuineness, including good deliverable form, of any property or evidence of title thereto received by it or delivered by it pursuant to this Agreement. Custodian shall not be held liable to CCCERA in acting upon any notice, request, consent, certificate or instrument reasonably believed by it to be genuine and to be signed or otherwise given by the proper party or parties.

7. SECURITY CODES.

If the Custodian has issued to CCCERA, or to any Investment Manager, security codes or passwords on the Custodian’s website and such usage is governed by a website agreement then any conflict between the website agreement and this Agreement, this Agreement shall prevail, in order that the Custodian may verify that certain transmissions of information, including Proper Instructions, have been originated by CCCERA or the Investment Manager, as the case may be, the Custodian shall be without liability to CCCERA for any action taken or omitted by the Custodian in reliance upon receipt by it of transmissions of information with the proper security code or password, including instructions purporting to be Proper Instructions, which the Custodian reasonably and in good faith believes to be from CCCERA or Investment Manager, unless and until Custodian has been notified of the compromise of such code or password.

8. TAX OBLIGATIONS.

CCCERA shall be liable for all taxes, assessments, duties and other governmental charges, including any interest and penalties, with respect to any cash and securities held on behalf of CCCERA and any transactions related thereto (“Tax Obligations”). Except as provided

by law or herein, the Custodian shall have no responsibility or liability for any obligations now or hereafter imposed on CCCERA, or the Custodian by the tax law of the United States of America or any state or political subdivision thereof in respect to CCCERA provided herein; the Custodian is solely responsible for any tax imposed on it for the performance of its duties as a Custodian. It shall be the responsibility of CCCERA or the Investment Managers or the Investments in the alternative investments to notify the Custodian of the obligations imposed on CCCERA, the Fund or the Custodian for CCCERA by the tax law of jurisdictions other than those mentioned in the above sentence, including any responsibility for withholding and other taxes, assessments or other governmental charges, certifications and governmental reporting. To the extent that the Custodian has received relevant and necessary information with respect to the Account, the Custodian shall perform the following services with respect to Tax Obligations:

- (a) The Custodian shall, upon receipt of sufficient information, file claims for exemptions or refunds with respect to withheld foreign (non-United States) taxes in instances in which such claims are appropriate;
- (b) The Custodian shall withhold appropriate amounts, as required by United States tax laws, with respect to amounts received on behalf of nonresident aliens upon receipt of Written Instructions; and
- (c) The Custodian shall provide to CCCERA such information received by the Custodian that could, in the Custodian's reasonable belief, assist CCCERA or its designee in the submission of any reports or returns with respect to Tax Obligations. An Authorized Person shall inform the Custodian in writing as to which party or parties shall receive information from the Custodian.

9. INVESTMENT MANAGER.

9.1 Appointment and Termination of Appointment. CCCERA at any time may appoint one or more Investment Managers to manage the investment of all or any portion of the Fund. In such event, CCCERA shall notify the Custodian in writing of the appointment of such Investment Manager, and of the portion of the fund over which the Investment Manager may exercise its authority. CCCERA similarly shall notify the Custodian of the termination of the appointment of any Investment Manager.

9.2 Authority. The Custodian, in performing its duties under this Agreement, shall be entitled to rely upon Proper Instructions from an Investment Manager, with such limitations as CCCERA and the Custodian by written agreement provide. In the absence of such limitations, the Custodian shall accept Proper Instructions from the Investment Manager to the same extent as the Custodian would be entitled to accept such Proper Instructions from CCCERA if no Investment Manager had been appointed.

10. EFFECTIVE PERIOD, TERMINATION AND AMENDMENT.

This Agreement shall become effective as of the date hereinafter set forth, shall continue in full force and effect until terminated as hereinafter provided, may be amended at any time by mutual written agreement of the parties hereto and may be terminated by either party, with or without cause, on ninety (90) days advance written notice, delivered or mailed, postage

prepaid to the other party, such termination to take effect not sooner than ninety (90) days after the date of such delivery or mailing unless a different period is agreed to in writing by the parties. The provisions of Sections 6, 7, and 8 of this Agreement shall survive termination of this Agreement.

Upon termination of the Agreement, CCCERA shall pay to the Custodian upon demand such compensation as may be due as of the date of such termination pursuant to Exhibit B.

11. ACTION ON TERMINATION.

If a successor custodian shall be appointed by CCCERA, the Custodian shall, within ten (10) days after termination (except as otherwise agreed by CCCERA and Custodian, in writing), deliver to such successor custodian at the office of the Custodian, its agents or its subcustodians or as otherwise agreed, duly endorsed and in the form for transfer, all securities, funds and other property then held by it hereunder, shall transfer to any account designated by the successor custodian all of the Fund's securities held in a Securities System, and shall provide CCCERA and the successor Custodian with a detailed accounting of all assets transferred and all other necessary or appropriate information as reasonably determined by CCCERA.

In the event that no written order designating a successor custodian shall have been delivered to the Custodian on or before the date when assets must be transferred in accordance with the prior paragraph, the Custodian shall have the right to deliver to a bank or trust company of its own selection, having a market capitalization equal to or greater than all of the Custodian's securities, funds, and other property held by the Custodian together with a detailed accounting of all assets transferred. Thereafter, such bank or trust company shall be the successor of the Custodian under this Agreement.

In the event that securities, funds and other property remain in the possession of the Custodian, its agents or its subcustodians after the date of termination and transfer hereof owing to failure of CCCERA to appoint a successor custodian or because CCCERA and Custodian have agreed to a later transfer date for some assets, the Custodian shall be entitled to compensation for its services during such period as the Custodian retains possession of such securities, funds and other property and the provisions of this Agreement relating to the duties and obligations of the Custodian shall remain in full force and effect for such assets. For purposes of the preceding sentence, Custodian shall be entitled to compensation pursuant to Exhibit B attached hereto for three (3) months after the date of termination. Thereafter, the parties shall mutually agree to a compensation schedule approximating Custodian's then current standard payment scale applicable to clients of Custodian similar to CCCERA.

12. REPRESENTATIONS AND WARRANTIES.

CCCERA represents and warrants to the Custodian that:

- (a) CCCERA has the power to enter into and perform its obligations under this Agreement; and has duly executed this Agreement so as to constitute valid and binding obligations of CCCERA.

(b) CCCERA has the power pursuant to the documents establishing the Fund and any related plans and trusts to enter into this Agreement and carry out its obligations hereunder.

(c) In giving instructions which purport to be “Proper Instructions” under this Agreement, CCCERA will act in accordance with the provisions of the documents establishing the Fund and any related plans and trusts.

(d) The documents establishing the Fund and any related plans and trusts permit investment in the collective investment funds referred to in Section 2.8(d) of this Agreement and incorporate the terms of such collective funds by reference.

Custodian represents and warrants to CCCERA that:

- (1) Custodian is duly organized, validly existing and in good standing under the laws of the state or country of its organization specifically, _____ and is authorized to conduct business in California.
- (2) Custodian has the power and authority to enter into and perform its obligations under this Agreement, and has duly executed this Agreement so that its terms constitute valid and binding obligations of Custodian.
- (3) Neither the execution of this Agreement nor the acts contemplated hereunder will violate any legislative, regulatory or judicial act or order applicable to Custodian.
- (4) Custodian has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.
- (5) The personnel of Custodian responsible for managing Custodian’s duties and obligations hereunder are individuals experienced in the performance of the various functions contemplated by this Agreement.
- (6) Custodian warrants that no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by Custodian, or any agent or representative of Custodian, to any officer, fiduciary, advisor, or employee of CCCERA or the County of Contra Costa with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. Custodian covenants that no such gratuities will be given to any such person with a view towards securing favorable treatment with respect to the making of any determination with respect to the performance,

termination and/or continuation of this Agreement. Custodian shall review and become familiar with the conflict of interest and reporting provisions applicable to CCCERA, contained in Government Code section 1090 to 1097 inclusive, 31528, 82030, 87100 to 87103.

- (7) Custodian represents and warrants that to the best of its knowledge no employee of CCCERA or fiduciary whose position in CCCERA enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by the Custodian herein, or does or will have any direct or indirect financial interest in this Agreement.

13. NOTICES.

All notices and other communications made pursuant to or with regard to this Agreement, including without limitation a statutory notice, shall be in writing and shall be deemed properly delivered, given or served when (1) personally delivered against receipted copy; or (2) mailed by certified or registered U.S. mail, postage prepaid; or (3) mailed by express delivery, with tracking number; or (4) serviced via facsimile, to the parties at the following addresses and numbers:

To CCCERA:

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520
Attention: Chief Executive Officer
Telephone: (925) 521-3960
Facsimile: (925) 646-5747

To the Custodian:

Attention: _____
Telephone: _____
Facsimile: _____

or to such other address as CCCERA or the Custodian may hereafter specify in writing.

14. GOVERNING LAW.

This Agreement shall be governed in accordance with laws of the State of California to the extent not pre-empted by federal law. Custodian hereby acknowledges that by entering into this Agreement it is purposefully availing itself of the opportunity to do business in California,

and therefore, agrees to submit to the jurisdiction of the State and Federal courts located in California in any action or proceeding arising out of this Agreement and more particularly that any action brought to enforce the terms of this Agreement shall be brought in either the United States District Court for the Northern District of California or in the Superior Court of the State of California located in the County of Contra Costa.

15. INSURANCE.

During the term of this Agreement, Custodian shall pay for and maintain insurance as provided herein at commercially reasonable rates.

15.1 Comprehensive Commercial General Liability Insurance. Such Commercial General Liability Insurance will be primary to and not contributing with any other insurance maintained by CCCERA and/or the County of Contra Costa for claims arising from Custodian's provision of service hereunder. Such insurance provides coverage liability to members of the public arising out of premises and operations including Personal Injury with a per occurrence limit and per location limit of at least Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000 aggregate).

15.2 Workers' Compensation. A program, of Workers' Compensation Insurance with statutory limits and Employers Liability with limits of at least Two Million Dollars (\$2,000,000) per accident will be secured protecting all Custodian employees.

15.3 Banker's Professional Liability. A program of Banker's Professional Liability Insurance with limits of \$75,000,000.

15.4 Directors and Officers Liability Insurance. A program of Directors and Officers Liability Insurance with limits of at least \$20,000,000.

In addition, Custodian agrees, to maintain additional policies listed in the Custodian's Memorandum of Insurance attached as Exhibit C, which may be amended from time to time by the Custodian. CCCERA shall receive an updated memorandum and copies of insurance certificates upon request. Custodian shall, on a quarterly basis, provide CCCERA with its Memorandum of Insurance.

16. AFFIRMATIVE ACTION.

Custodian hereby agrees and represents that it is an equal opportunity employer. All employment decisions and personnel actions of the Custodian are administered without regard to race, color, religion, creed, national origin, ancestry, sex, age (40 and above), qualified mental or physical disability, sexual orientation, genetic carrier status, any veteran status, any military service, any application for any, military service, or any other category or class protected by federal, state or local laws. All employment decisions and personnel actions, such as hiring, promotion, compensation, benefits, and termination, are and will continue to be administered in accordance with, and to further the principle of, equal employment opportunity.

17. VALIDITY.

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

18. WAIVER.

No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitutes a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

19. RECORDS RETENTION AND AUDITS.

Custodian will furnish to CCCERA and its authorized representatives, on reasonable notice (which in no event need ever be more than five (5) business days) and during ordinary business hours, full access to these records maintained by Custodian with respect to this Agreement. Custodian will retain any and all records in its possession with respect to this Agreement for a minimum period of seven (7) calendar years, or any longer period required by law, from the date the records were created. Custodian will retain any and all documents and records in its possession, which demonstrate performance under this Agreement for a minimum period of seven (7) calendar years, or any longer period required by law, from the date of termination or completion of this Agreement.

20. CONFIDENTIALITY.

The parties agree that all information, whether oral or written or via computer disk or electronic media, to which the other is given access or which is made available to the other is referred to hereinafter as "Confidential Information." Confidential Information shall include, without limitation, all technology, know-how, processes, software, databases, trade secrets, contracts, proprietary information, all historical and financial information, business strategies, operating data and organizational and cost structures, product descriptions, pricing information, Plan participant and beneficiary information, customer information, which includes, but is not limited to, names, addresses, telephone numbers, account numbers, demographic, financial and transactional information or customer lists, whether received before or after the date hereof. Confidential Information also includes information of any affiliate of the Trustees or Custodian, as applicable.

Except as expressly provided below or with the other party's prior written consent, the parties agree to hold all Confidential Information of the other in confidence, that it will not disclose any Confidential Information of the other to any third party, other than to its own directors, officers, employees, affiliates, agents, regulators, or representatives (collectively, the "Representatives") who have a need to know such information in connection with this Agreement and that it will not use any such Confidential Information for purposes other than in connection with this Agreement. Each party agrees to inform its Representatives of the

confidential and valuable nature of the Confidential Information and of its respective obligations under this Agreement. It is understood and agreed that the obligation to protect Confidential Information shall be satisfied if the party receiving such information utilizes the same control (but no less than reasonable) as it employs to avoid disclosure of its own confidential and valuable information and the parties shall have appropriate policies and procedures to (a) ensure the security and confidentiality of the Confidential Information, (b) protect against any anticipated threats or hazards to the security or integrity of such Confidential Information, and (c) protect against unauthorized access to or use of such Confidential Information that could result in harm or inconvenience to any party or the customers of any party.

As a condition of this Agreement it is agreed that neither party nor their respective Representatives without the prior consent of the other will issue any media releases or public announcements or disclosures relating to this Agreement, without the prior written approval of the other party. Either party may, however, make such disclosures to, or as may be required, by its applicable regulatory authorities.

Either party may disclose Confidential Information pursuant to a requirement or request of a governmental agency or pursuant to a court or administrative subpoena, order or other such legal process or requirement of law, or in defense of any claims or causes of action asserted against it; provided, however, that it shall (a) first notify the other of such request or requirement, or use in defense of a claim, unless such notice is prohibited by statute, rule or court order, (b) attempt to obtain the other's consent to such disclosure, and (c) in the event consent is not given, to agree to permit a motion to quash, or other similar procedural step, to frustrate the production or publication of information. Nothing herein shall require either party to fail to honor a subpoena, court or administrative order, or any similar binding requirement on a timely basis. Notwithstanding anything to the contrary above, the foregoing notice requirements shall not apply to the extent the Custodian receives a request for information from its regulators.

With the exception of the parties' customer information and plan participant and beneficiary information, which shall be protected in all circumstances, it is understood and agreed that no information shall be within the protection of this Agreement where such information: (a) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed; (b) is released by the originating party to anyone without restriction; (c) is rightly obtained from third parties, who, to the best of a party's knowledge, are not under an obligation of confidentiality; (d) was known prior to its disclosure to the receiving party without any obligation to keep it confidential as evidenced by tangible records kept by the receiving party in the ordinary course of business; or (e) is independently developed by the receiving party without reference to the originating party's Confidential Information.

21. MODIFICATION.

No alteration, or variation of the terms of this Agreement shall be valid unless made in writing and signed the parties hereto.

22. PRIOR CONTRACTS.

This Agreement supersedes and terminates, as of the date hereof, all prior contracts between CCCERA and the Custodian relating to the custody of the assets in the Fund.

23. INDEMNIFICATION.

23.1 Obligations of Custodian. Custodian shall indemnify, hold harmless and defend CCCERA, all present, future and former members of the board of retirement of CCCERA for actions during their term which coincides with the term of this Agreement; and all of its officers, employees, agents, members and beneficiaries from and against any and all liability, loss, costs and expenses (including but not limited to attorneys' fees), damages, demands, suits, proceedings, claims, and actions arising out of or in any way whatsoever related to or connected with the performance of services by Custodian under this Agreement (including but not limited to Custodian's acts or omissions that are negligent, constitute bad faith or willful misconduct, involve a breach by Custodian of this Agreement, or a breach of Custodian's Standard of Care). If it is subsequently determined by a court of competent jurisdiction that CCCERA was not entitled to indemnification from Custodian, CCCERA will reimburse Custodian for all reasonable damages, costs and expenses incurred in providing a defense and indemnification for CCCERA. For this indemnification to apply, CCCERA shall, no later than 30 days after receipt of notice of commencement of any action, suit, proceeding, or receipt of a written demand or claim against CCCERA in respect of which indemnification may be owed, notify Custodian in writing of the commencement of such action, suit, proceeding, demand or claim, enclosing a copy of all papers served or provided. The foregoing notice requirement shall be deemed to have been satisfied if Custodian shall have received notice of the commencement of such action, suit, or proceeding or claim from any source whatsoever within such 30-day period. Notwithstanding the foregoing, the failure to give such notification shall not affect the indemnification to be provided hereunder except to the extent the Custodian shall have been actually prejudiced as a result of such failure. In any such action, suit, proceeding, demand or claim, Custodian shall participate in and assume the defense thereof at its sole expense, with counsel reasonably satisfactory to CCCERA. More than one counsel shall be required to represent CCCERA or Custodian if the parties reasonably believe there is a conflict of interest. CCCERA shall have the right, in its sole discretion, to participate in or lead any defense of a claim against CCCERA without waiving its right to indemnification including but not limited to attorney's fees.

The provisions of this Section shall survive the termination of this Agreement.

24. SECURITIES LITIGATION.

24.1 Proof of Claim Processing. CCCERA hereby delegates the monitoring, reporting, and filing of proofs of claims for class action securities litigation to Custodian. Custodian shall maintain records of all such litigation documentation received by Custodian on behalf of CCCERA and all documents generated by Custodian relating to such litigation. Custodian shall review all class action securities litigation notices received by Custodian and shall not opt out of any class action securities litigation, but rather take whatever action is necessary to include CCCERA in the class, unless otherwise instructed by CCCERA. Custodian shall timely submit claims on behalf of CCCERA in all class action securities

litigation in which CCCERA is a member of the class. Custodian will send any monies recovered in class action securities litigation on behalf of CCCERA to CCCERA. Custodian shall provide CCCERA with monthly reports that provide for each class action.

- (a) the name of the action;
- (b) the date a claim was submitted on CCCERA's behalf;
- (c) the amount received; and
- (d) the date monies were sent to CCCERA.

Monthly reports shall also include class actions in which CCCERA has not opted out of the class for which funds under a judgment or settlement have not been received.

24.2 Monitoring Support. CCCERA uses the services of various securities litigation monitoring firms ("Monitor"). In order for this service to function properly, the Monitor must be provided certain custody data. The Monitor is charged with cooperating with Custodian to make this process operate smoothly. Custodian will provide or make available to the Monitor the following (not all items may be required at any particular time):

- (a) A single event (may be repeated if required) feed of all market purchases and sales of U.S. traded securities for the preceding five years.
- (b) A single event (may be repeated if required) feed of all positions/holdings of all U.S. traded securities for the preceding five years.
- (c) Regular updates to such feeds -- at least weekly, and in no case less than monthly.
- (d) Files must be provided in a delimited editable format.
- (e) For transaction files, the primary identifier is to be the CUSIP, and the minimum trading information must include transaction type and related codes, trade and settlement dates, price per security, and quantity.
- (f) Position/holding files must include date and quantity by CUSIP.
- (g) Full access by the Monitor to my.statestreet.com or Insight or similar access applications as may be offered by Custodian.
- (h) Provide information relating to the processing of proofs of claim for CCCERA prior to the filing deadline for proofs of claim, including at a minimum the action taken and date taken, and if a claim is not filed the reason therefore. This information is available on the quarterly class action filing report.

25. FOREIGN EXCHANGE.

- (a) Upon receipt of Proper Instructions, the Custodian shall facilitate the processing and settlement of foreign exchange transactions. Such foreign

exchange transactions do not constitute part of the services provided by the Custodian under this Agreement.

(b) CCCERA (or its Investment Manager acting on its behalf) may elect to enter into and execute foreign exchange transactions with third parties that are not affiliated with the Custodian, which is the foreign exchange division of Custodian and its affiliated companies, or with a subcustodian. Where CCCERA or its Investment Manager gives Proper Instructions for the execution of a foreign exchange transaction using an indirect foreign exchange service available from time to time available to clients of Custodian and their investment managers), CCCERA (or its Investment Manager) instructs the Custodian, on behalf of CCCERA, to direct the execution of such foreign exchange transaction to Custodian or one of its Affiliates or, when the relevant currently is not traded by Custodian or its Affiliate, to the applicable subcustodian. The Custodian shall not have any agency (except as contemplated in the preceding sentence), trust or fiduciary obligation to CCCERA, its Investment Manager or any other person in connection with the execution of any foreign exchange transaction. The Custodian shall have no responsibility under this Agreement for the selection of the counterparty to, or the method of execution of, any foreign exchange transaction entered into by CCCERA (or its Investment Manager acting on its behalf) or the reasonableness of the execution rate on any such transaction. In the event that Custodian or its Affiliate is selected, Custodian or its Affiliate shall have the Standard of Care requirement either under its separate contract or as an Affiliate of the Custodian.

(c) CCCERA acknowledges that in connection with all foreign exchange transactions entered into by CCCERA (or its Investment Manager acting on its behalf) with an Affiliate of Custodian or any subcustodian and each such entity

- (1) shall be acting in a principal capacity and not as broker, agent or fiduciary to CCCERA or its Investment Manager except as provided herein. In the event that an Affiliate is selected, as an Affiliate of Custodian shall have the Standard of Care requirement either under its separate contract or as an Affiliate of the Custodian;
- (2) shall seek to profit from such foreign exchange transactions, and are entitled to retain and not disclose any such profit to CCCERA or its Investment Manager so long as it is charging fair market rates; and
- (3) shall enter into such foreign exchange transactions pursuant to the terms and conditions, including pricing or pricing methodology, (a) agreed with CCCERA or its Investment Manager from time to time or (b) in the case of an indirect foreign exchange service (i) as established by Custodian or an Affiliate or the Investment Manager or (ii) as established by the subcustodian from time to time except

as provided herein. In the event that an Affiliate of Custodian is selected, it shall have the Standard of Care requirement either under its separate contract or an Affiliate of the Custodian.

(d) The Custodian or its Affiliates, may trade based upon information that is not available to, and may enter into transactions for its own account or the account of other clients in the same or opposite direction to the transactions entered into with CCCERA (or its Investment Manager acting on its behalf), and shall have no obligation under this Agreement to share such information with or consider the interests of their respective counterparties, including where applicable, CCCERA or the Investment Manager.

(e) Where the Custodian is acting directly with CCCERA and not through an Investment Manager, it shall act in accordance with using the trading price of the Foreign Exchange.

26. SEVERABILITY.

If any provision of this Agreement is held by any court to be invalid, void or unenforceable, in whole or in part, the other provisions shall remain unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative as of the ___ day of _____, 2018.

ATTEST:

CONTRA COSTA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

BY: _____
TITLE: _____

ATTEST:

_____ Custodian

BY: _____

EXHIBIT A

[TO BE SUPPLIED]

EXHIBIT B

**CUSTODY FEE SCHEDULE
OF THE CUSTODIAN AGREEMENT
BETWEEN THE
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
AND**

[TO BE SUPPLIED]

EXHIBIT C

MEMORANDUM OF INSURANCE

INSURED: _____

[TO BE SUPPLIED BY CUSTODIAN]