



Request for Proposals

*Global Custody Services
and
Securities Lending*

Proposals must be submitted to:

SamCERA
100 Marine Parkway, Suite 125
Redwood City, California 94065

Attention: Michael Coultrip, Chief Investment Officer
Investments@samcera.org
By 5:00 p.m. Pacific Time
February 12, 2024

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I. INTRODUCTION

San Mateo County Employees' Retirement Association (SamCERA), a public pension system, administers a defined benefit pension plan with assets of approximately \$6 billion. SamCERA is embarking on a custodian bank search to determine which custodian bank can best fit SamCERA's current needs.

The requested services include, but are not limited to, asset safekeeping, accounting, securities settlement, cash management, corporate actions, class actions and proxy processing, securities lending, performance and risk analytics, and miscellaneous system queries and reporting requirements.

SamCERA is seeking proposals from organizations that can meet or exceed the following qualifications:

- At least \$1 billion in total market capitalization as of June 30, 2023;
- At least \$500 billion in total tax-exempt assets under trust/custody as of June 30, 2023;
- Provided custody services for a minimum of ten (10) years; and
- Provided securities lending services for a minimum of ten (10) years.

SamCERA welcomes proposals from all qualified organizations that have demonstrated excellent global custody and securities lending services. The anticipated initial term of the contract will be for five (5) years.

II. SAMCERA PLAN INFORMATION

SamCERA is a retirement system established under the County Employees' Retirement Law of 1937. SamCERA provides retirement, disability, and death benefits to the employees and retirees of the County of San Mateo, the San Mateo County Superior Court, and the San Mateo County Mosquito and Vector Control District. As of June 30, 2023, there were a total of 13,690 members in the system. The Board of Retirement (the Board) is responsible for the management of SamCERA. The Board establishes policies and objectives for SamCERA. SamCERA's staff is responsible for daily operations involving administration, benefits, accounting, information technology and investments. SamCERA's investment and finance staff will routinely interact with the custodian. Consultants who will interact with the custodian include: (1) SamCERA's investment managers listed below, (2) SamCERA's investment consultant, Verus Advisory, (3) SamCERA's auditor, Brown Armstrong (current RFP search – subject to change), and (4) SamCERA's actuary, Milliman (current RFP search – subject to change).

As of September 30, 2023, SamCERA administers a pension fund with assets of approximately \$6 billion in total market value. Below you will find SamCERA's investment manager lineup by asset class and portfolio type as of December 31, 2023.

Investment Manager	Asset Class	Portfolio Type
BlackRock	Russell 1000 Index Fund	Commingled Pool
D.E. Shaw Investment Management	Domestic Large Cap Core	Commingled Pool
PanAgora Asset Management	Domestic Large Cap Low Volatility	Separately Managed Account
PGIM Quantitative Associates	Domestic Small Cap Core	Separately Managed Account

Baillie Gifford Overseas	International All Cap Growth	Separately Managed Account
BlackRock	MSCI ACWI ex US IMI Index Fund	Commingled Pool
Mondrian Investment Partners	International Large Cap Value	Separately Managed Account
Record Currency Management Limited	Dynamic Currency Hedge	Separately Managed Account
Angelo Gordon Credit Solutions Fund	Opportunistic Credit	Commingled Pool
Angelo Gordon Credit Solutions Fund II	Opportunistic Credit	Commingled Pool
Angelo Gordon Credit Solutions Annex Dislocation Fund II	Opportunistic Credit	Commingled Pool
Angelo Gordon Opportunistic Whole Loan Fund	Opportunistic Credit	Commingled Pool
Beach Point Select Fund	Opportunistic Credit	Commingled Pool
Brigade Capital Management	Opportunistic Credit	Commingled Pool
Franklin Templeton	Opportunistic Credit	Commingled Pool
One William Street Capital Partners	Opportunistic Credit	Commingled Pool
PIMCO Diversified Income Fund	Opportunistic Credit	Commingled Pool
PIMCO Private Income Fund	Private Credit	Commingled Pool
White Oak Yield Spectrum Fund IV	Private Credit	Commingled Pool
White Oak Yield Spectrum Fund V	Private Credit	Commingled Pool
TCP Direct Lending Fund VIII	Private Credit	Commingled Pool
BlackRock Direct Lending Fund IX	Private Credit	Commingled Pool
NISA Investment Advisors	Core Bond	Separately Managed Account
FIAM LLC	Core Bond	Separately Managed Account
DoubleLine LP	Core Bond	Separately Managed Account
NISA Investment Advisors	Long Treasury	Separately Managed Account
ABRY Advanced Security Fund II. L.P.	Private Equity	Commingled Pool
ABRY Advanced Security Fund III. L.P.	Private Equity	Commingled Pool
ABRY Advanced Security Fund IV. L.P.	Private Equity	Commingled Pool
ABRY Partners VII. L.P.	Private Equity	Commingled Pool
ABRY Partners VIII. L.P.	Private Equity	Commingled Pool
Altas Partners Holdings II L.P.	Private Equity	Commingled Pool
Altas Partners Holdings III L.P.	Private Equity	Commingled Pool
Bernhard Capital Partners II L.P.	Private Equity	Commingled Pool
Canvas Ventures 3, L.P.	Private Equity	Commingled Pool

CapVest Equity Partners IV, L.P.	Private Equity	Commingled Pool
Catalyst Fund Limited Partnership V	Private Equity	Commingled Pool
CD&R Fund XI, L.P.	Private Equity	Commingled Pool
CD&R Fund XII, L.P.	Private Equity	Commingled Pool
Cevian Capital II L.P.	Private Equity	Commingled Pool
Charlesbank Technology Opportunities Fund II	Private Equity	Commingled Pool
Davidson Kempner Opportunities Fund VI, L.P.	Private Equity	Commingled Pool
DCVC Bio Fund III, L.P.	Private Equity	Commingled Pool
Eclipse Fund IV, L.P.	Private Equity	Commingled Pool
Eclipse Fund V, L.P.	Private Equity	Commingled Pool
Emergence Capital Partners III L.P.	Private Equity	Commingled Pool
Emergence Capital Partners IV L.P.	Private Equity	Commingled Pool
Endeavour Capital Fund VIII, L.P.	Private Equity	Commingled Pool
General Catalyst Partners L.P.	Private Equity	Commingled Pool
Genstar Capital Partners X, L.P.	Private Equity	Commingled Pool
Genstar Capital Partners XI, L.P.	Private Equity	Commingled Pool
Great Hill Partners V, L.P.	Private Equity	Commingled Pool
Great Hill Partners VI, L.P.	Private Equity	Commingled Pool
Great Hill Partners VII, L.P.	Private Equity	Commingled Pool
Great Hill Partners VIII, L.P.	Private Equity	Commingled Pool
Gridiron Capital V, L.P.	Private Equity	Commingled Pool
MGG Structured Solutions Fund II, L.P	Private Equity	Commingled Pool
Oak Hill Advisors Strategic Credit Fund II, L.P.	Private Equity	Commingled Pool
Regiment Capital Special Situations Fund V, L.P.	Private Equity	Commingled Pool
Sixth Street Tao Partners, L.P.	Private Equity	Commingled Pool
Strategic Value Partners V, L.P.	Private Equity	Commingled Pool
Summit Partners Growth Equity Fund XI, L.P.	Private Equity	Commingled Pool
Sycamore Partners L.P.	Private Equity	Commingled Pool
Sycamore Partners L.P. – Side Car	Private Equity	Commingled Pool
Sycamore Partners II, L.P.	Private Equity	Commingled Pool
Sycamore Partners III, L.P.	Private Equity	Commingled Pool
Third Rock Ventures III L.P.	Private Equity	Commingled Pool
Warburg Pincus XI L.P.	Private Equity	Commingled Pool
Warburg Pincus XI L.P. – Side Car	Private Equity	Commingled Pool
Acadian Multi-Asset Absolute Return 6v Fund, LLC	Absolute Return	Commingled Pool
PIMCO Multi-Asset Alternative Risk Premia Strategy Fund L.P.	Absolute Return	Commingled Pool
Graham Quantitative Macro	Absolute Return	Commingled Pool
CFM Systematic Global Macro	Absolute Return	Commingled Pool

Fund, L.P.		
Blue Road Capital, L.P.	Private Real Assets	Commingled Pool
Blue Road Vanguard AIV, L.P.	Private Real Assets	Commingled Pool
Brookfield Supercore Infrastructure Partners, L.P.	Private Real Assets	Commingled Pool
Cerberus Institutional Real Estate Partners VI, L.P.	Private Real Assets	Commingled Pool
CIM Infrastructure Fund II, L.P.	Private Real Assets	Commingled Pool
EnCap Energy Capital IX L.P.	Private Real Assets	Commingled Pool
EQT Infrastructure IV	Private Real Assets	Commingled Pool
EQT Infrastructure V	Private Real Assets	Commingled Pool
EverStream Solar Infrastructure Fund I L.P.	Private Real Assets	Commingled Pool
KKR Diversified Core Infrastructure Fund	Private Real Assets	Commingled Pool
KSL Capital Partners VI, L.P.	Private Real Assets	Commingled Pool
LS Power Fund IV, L.P.	Private Real Assets	Commingled Pool
LS Power Fund V, L.P.	Private Real Assets	Commingled Pool
Quantum Energy Partners VII	Private Real Assets	Commingled Pool
Taurus Mining Finance Fund, L.P.	Private Real Assets	Commingled Pool
Taurus Mining Finance Fund No. 2, L.P.	Private Real Assets	Commingled Pool
Taurus Mining Finance Annex Fund	Private Real Assets	Commingled Pool
Tiger Infrastructure Partners III	Private Real Assets	Commingled Pool
Vision Ridge Sustainable Asset Fund III	Private Real Assets	Commingled Pool
SSgA Custom Real Assets	Public Real Assets	Commingled Pool
Invesco U.S. Core Real Estate	Real Estate	Commingled Pool
Invesco U.S. Value Add IV	Real Estate	Commingled Pool
Invesco U.S. Value Add V	Real Estate	Commingled Pool
Invesco U.S. Fund VI	Real Estate	Commingled Pool
Harrison Street Core Property	Real Estate	Commingled Pool
Stockbridge Value Fund IV	Real Estate	Commingled Pool
Stockbridge Value Fund V	Real Estate	Commingled Pool
Insight Investments	Cash-Flow Matching	Cash-Flow Matching
Parametric Portfolio Associates	Cash Overlay	Cash Overlay

Portfolio Type	Asset Under Management as of 9/30/2023 (\$ in Millions)	# of portfolios
Separately Managed Domestic Equity	\$332.3	2
Separately Managed International Equity	\$507.1	2
Separately Managed Fixed Income	\$692.3	4
Separately Managed Public Real Asset	\$172.6	1
Separately Managed Dynamic Currency Hedge	\$15	1

Commingled Pools, LPs, CITs, etc.	\$3,775.5	91
General Cash Account	\$124.7	1
Transition Account	\$0	1
Cash-Flow Matching Account	\$297.2	1
County Treasury Account	\$16	1
Cash Overlay	\$7.9	1
Total:	\$5,940.6	104

SamCERA plans to continue expanding its private equity and real asset portfolios (target allocation is 13% combined) and expects to add between 6-7 new commingled Limited Partnership funds per year for the next few years. For performance reporting purposes, SamCERA utilizes 24 performance composites and 12 customized benchmarks.

SamCERA currently utilizes the Northern Trust NILAP (Northern Institutional Funds Liquid Assets Portfolio) Cash Collateral Fund (which is a registered money market fund that operates in compliance with the requirements of Rule 2a-7 under the Investment Company Act of 1940) for reinvestment of cash collateral from the securities lending program. Acceptable collateral can be in the form of cash, US government securities, and irrevocable letters of credit. As of June 30, 2023, the securities lending utilization rate was 1.05%, and the dollar amount of securities on loan was \$10 million.

SamCERA utilizes two primary cash accounts. One is managed by the County of San Mateo and is primarily used for making benefit payments, while the other is managed by the custodian for funding daily liquidity needs. The monthly average cash balance of the custodial cash account was \$120 million during fiscal year ended June 30, 2023.

SamCERA’s 2023 Annual Comprehensive Financial Report (ACFR), as of June 30, 2023, can be found at <https://www.samcera.org/annual-comprehensive-financial-reports>

III. REQUESTED SERVICES

The selected proposer should be able to provide the following services:

A. ACCOUNTING

1. Use full accrual accounting basis to record all securities and assets (in foreign and US dollars whenever applicable) based on the trade date and generally accepted accounting principles in the United States of America.
2. Accounting for the following:
 - a. Dividends and interest, corporate actions (including but not limited to, mergers, acquisitions, tenders, stock splits and dividends, warrants and spin-offs), as well as expenses
 - b. Domestic and international fixed income and equity portfolios
 - c. Equity and debt real estate and mortgage loan portfolios
 - d. Futures and multi-currency derivatives
 - e. Private placements, including domestic and non-US limited partnerships for Leverage

buyouts (LBO's), venture capital, etc.

3. Use payable date posting for dividends, bond interest and principal, and interest and paydown on mortgage pass-through certificates.
4. Accounting must be on a fiscal year basis (July 1 – June 30).
5. Provide a secondary pricing source for comparison to the primary pricing source for securities.
6. 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. Provide daily positions with ability to post both accrued trades and settled trades and cash equivalents.
8. All information concerning holdings and transactions must be available for inquiry, download or print capabilities.
9. Reporting on Assets Held by the County Treasurer.

B. SECURITIES SETTLEMENT

1. Participating member and access to securities settlement through Depository Trust Company (DTC), Federal Reserve wire system, PTC Inc., 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. Provision of buy-fail float and contractual settlement date posting of sales.
5. Trade data must be electronically accessible by SamCERA, its investment managers and consultants.

C. CASH MANAGEMENT

1. Provide a Short-Term Investment Fund (STIF) for daily cash sweeps.
2. Provide for same day settlement of cash trades, such as physical, DTC, and Fed wireable repo and term purchases.
3. Transfer cash between accounts, make and accept wire transfers of funds (including provision of Fed reference numbers upon request), and accept fund contributions via Automatic Clearing House (ACH) or wire.

D. SECURITIES LENDING

1. Provide securities lending services.
2. Provide an investment vehicle eligible for reinvestment of securities lending cash collateral.

E. TAX RECLAIM, CORPORATE ACTIONS, CLASS ACTIONS, AND PROXY PROCESSING

1. In a timely manner, provide annual reports, proxy voting cards, and proxy statements to SamCERA.
2. Timely notification of class action and other litigation involving SamCERA securities, provision of the necessary securities information and timely filing of all necessary claims.
3. Timely filing, monitoring, and following-up on all eligible tax reclaims and tax exemptions. Provide ability to query data on accrual, aging and collection of tax reclaims/refunds.

F. PERFORMANCE MEASUREMENT

1. Provide monthly performance data on a gross and net of fees basis. Calculate total, monthly return for the total plan, aggregate composites and each manager account on a gross and net of fees basis.
2. Provide a monthly customized Board performance report.
3. Provide access to benchmark returns and build customized benchmarks.
4. Provide the ability to perform portfolio analytics including sector, country and security fundamental characteristics at the total fund, composite and manager account levels.

G. TECHNOLOGY

1. Provide a secure online, or workstation-based system, with access to management information and accounting systems with the capability of providing the following information:
 - a. Current and historical prices, market values, and exchange rates in effect at times of pricing international securities
 - b. Composite portfolios
 - c. Current and historical transactions by security, by account and by asset class
 - d. On-line access to current and historical holdings in any aggregate
 - e. Customized reports as required
 - f. Ad hoc query and reporting
2. Provide state-of-the-art back-up systems to minimize loss of data, data protection, and continuity of operations.

3. Daily download of portfolio holdings which include the receipt of periodic cash payments from SamCERA's portfolio investments (as applicable) and cash flows from SamCERA.
4. Provide staff with the ability to review all externally managed portfolios and perform an automated reconciliation to asset positions and income accruals on a monthly basis.
5. Provide daily trade dated asset allocation reports of individual portfolio market values by asset class.

H. REPORTING

1. Provide accurate monthly reports on all security transactions, income, expenses and other pertinent investment and accounting data, in a format acceptable to SamCERA, no later than six (6) business days after the end of each month.
2. Provide audited monthly holding and performance reports to be received no later than eight (8) business days after month-end for on-line reports.
5. Provide monthly, quarterly and year-to-date (fiscal and calendar year) reports in a format acceptable to SamCERA.
6. Provide fiscal year-end financial reports in accordance with Governmental Accounting Standards Board (GASB) standards to be included in SamCERA's Annual Comprehensive Financial Report.
7. Provide other reports as may be requested by SamCERA.
8. Provide annually the Statement of Standards for Attestation Engagement (SSAE) No. 16 report on processing of transactions by service organizations.

I. PERSONNEL

1. Provide prompt and ongoing custodial operation assistance for SamCERA staff through telephone, on-line meeting and email.
2. Provide audit access to SamCERA staff or its designated agents for the purpose of verifying the integrity of custodial operations for SamCERA's account and all data input and output in case such an audit is deemed necessary.
3. Work closely with investment managers to provide answers to questions/inquiries from SamCERA's staff
4. Ensure that transactions are booked properly in SamCERA's account. Any items that do not have sufficient documentation should be researched and resolved (e.g., cash received by Custodian for SamCERA's account without supporting documents).

IV. GENERAL CONDITIONS OF SUBMISSION

- A. All proposals submitted become the property of SamCERA. Should a Proposer wish to withdraw its proposal, a written letter stating so must be received by SamCERA by February 19, 2024.
- B. There is no expressed or implied obligation for SamCERA to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Costs for developing proposals are entirely the responsibility of the Proposer and will not be reimbursable by SamCERA.
- C. All proposals submitted in response to this Request for Proposals (RFP) shall be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 7920.000 *et seq.*).

There are specific exceptions to the Public Records Act. In the event SamCERA 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. SamCERA 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.

- D. Submission of a proposal constitutes a complete waiver of any claims whatsoever against SamCERA and its agents, officers, or employees that SamCERA has violated a Proposer's right to privacy, disclosed trade secrets, or caused any damage by allowing the proposal to be inspected.
- E. All proposals must remain valid for a period of not less than 120 days from the submission. This includes pricing as well as nominated engagement staff.
- F. SamCERA reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.
- G. SamCERA, in its sole discretion, may enter into contracts with multiple providers.
- H. SamCERA reserves the right to contact current and former clients of the Proposer for information at any time during the proposal process.
- I. SamCERA reserves the right to accept or reject any or all proposals and may waive any requirements of this Request for Proposals if it deems such waiver to be in the best interests of SamCERA.
- J. SamCERA reserves the right to contact individual Proposers for clarifying information at any time during the proposal process.
- K. SamCERA may modify the RFP prior to the fixed date for submission of proposals by issuance of an addendum.

V. PROPOSAL CONTENTS

- A. Proposers should adhere to the format set forth below. Each of the required sections identified must be addressed and must be specifically labeled. The content and sequence of the proposal will be as follows:

Section	Title
1	Cover Letter
2	Completed Proposer Questionnaire (Appendix A)
3	Completed Fee Schedule (Appendix B)
4	Contract Comments (Appendix C)
5	Completed Certification (Appendix D)
6	Other Relevant Items

Items 1 through 6 below contain brief descriptions of material that should be included in this proposal.

1. **Cover Letter.** Proposer shall identify:

- Its name and/or the name of the organization that will be providing the services offered in the proposal.
- The name, address, telephone number, facsimile number and e-mail address of a principal contact for information regarding the proposal shall be supplied.
- The name, title or position and telephone number of the person or persons authorized to bind the organization to all commitments made in the proposal.
- The letter must also include the following statement:

“We have read the Request for Proposals (RFP) for custodial and securities lending services and fully understand its intent. We warrant that all information and statements in this RFP are complete and true. We certify that we have adequate personnel, equipment, and facilities to provide SamCERA’s requested services. We understand that our ability to meet the criteria and provide the required services shall be judged solely by SamCERA. We have thoroughly examined the RFP requirements, and our proposed fees cover all the services that we have indicated we can provide. We acknowledge and accept all terms and conditions included in the RFP. We acknowledge the receipt of any and all amendments made to this RFP.”

- The letter must be signed by the person or persons authorized to bind the Proposer contractually.
2. **Proposer Questionnaire.** Responses to these questions will provide SamCERA with information about your firm, your firm’s experience, and ability to provide and the manner that your firm will provide the requested services as set forth in Section III “Requested Services.” The Proposer Questionnaire is located in Appendix A.

3. **Fee Schedule.** All services will be paid quarterly in arrears. Fees may be the subject of additional negotiation in connection with finalizing the contract, but in no case will the negotiations result in a fee which is higher than the fee contained in this proposal. In preparing the fee schedule, proposers should consider the requirements described in this RFP and should review the investment manager line-up by asset class and portfolio type chart in Section II “SamCERA Plan Information”. The Proposer Fee Schedule table is located in Appendix B.
4. **Contract Requirements.** Sample contract requirements are attached to indicate the type of agreement contemplated and to set forth some of the general provisions that SamCERA anticipates including in the final agreement(s). In submitting a proposal, the Proposer will be deemed to have agreed to each clause unless the proposal identifies an objection, sets forth the basis for the objection, and provides substitute language to make the clause acceptable to the Proposer. Such objections and substitute language must be submitted no later than the deadline for the proposal. The sample contract provisions are contained in Appendix C.
5. **Certification regarding all services and systems.** This certification confirms that services and systems described in proposal can be performed and also that audits performed by independent parties in regards to your services will be diligently accomplished and documented. The certification is located in Appendix D.
6. **Other Relevant Items.** Proposers must include their firm’s annual report and/or statement of financial condition, as well as Certificate(s) of Insurance proving coverage as described by the firm in its proposal response. Proposers must complete and return all other attachments as specified in these Appendices.

B. Proposal Format

1. Submit one (1) original and six (6) copies of the complete proposal in paper format and e-mail an electronic copy to Investments@SamCERA.org.
2. Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate, and reliable presentation.
3. Follow the format used in the Appendices.
4. The Proposer understands and agrees that SamCERA shall not have financial responsibility for any costs incurred by the Proposer in responding to this RFP.
5. The Proposer understands that their responses become the property of SamCERA and are subject to public inspection.

C. Proposal Submission

Proposals must be received by **February 12, 2024, by 5:00 p.m. Pacific Time**

Address or deliver proposals to:
Michael Coultrip
Chief Investment Officer
100 Marine Parkway, Suite 125
Redwood City, CA 94065
Investments@SamCERA.org

VI. PROPOSAL SUBMISSION PROCESS

A. Schedule of Events

EVENT	DATE
Release of RFP	January 8, 2024
Deadline for Written Questions	January 22, 2024
Release Responses to Written Questions	January 29, 2024
Proposal Due Date and Time	February 12, 2024, 5:00 p.m. Pacific Time
Presentations if Requested	February 2024
Announcement of Recommendation	March 2024
Last date to submit protest	March 2024
Contract Negotiations	March-April 2024
Board Approval of Contract	April 23, 2024
Anticipated Contract Start Date	July 1, 2024

B. Submittal of Questions

Proposers requiring clarification of the intent or content of this RFP, or of the competitive proposal process, may request clarification by submitting written questions no later than January 22, 2024.

All questions must be in writing and sent via e-mail to Investments@SamCERA.org. Verbal questions will not be answered. SamCERA will post a list of all Proposer questions and SamCERA responses on January 29, 2024, at: <https://www.samcera.org/rfps>

Other than what is set forth in this RFP, Proposers are specifically precluded from contacting SamCERA Board members or staff regarding this RFP, until a contract has been entered into with the successful Proposer.

VII. PROPOSAL SELECTION PROCESS AND EVALUATION

A. Submission Date

February 12, 2024, at 5:00 p.m. Pacific Time

B. Presentations and Revisions To Proposals

At SamCERA's sole discretion, Proposers may be requested to make a presentation to the Evaluation Committee. Details as to the presentation and the date and time of the presentation will be sent at a later date.

At SamCERA's sole discretion, all participating Proposers may be invited to submit revisions to proposals to present specific changes to cost, scope, staffing, and/or approach. If the Proposers have been invited to submit revised proposals, SamCERA will specify the deadline for submission.

C. Evaluation of Proposals

1. Proposal Evaluation Committee

- a. Each proposal will be reviewed to determine if the Proposer can meet the requirements as set forth in this RFP. The Proposer must demonstrate that each requirement is met. Where documentation relative to a specific requirement is incomplete or silent, it may be assumed that the proposal is deficient.
- b. Evaluation of proposals will be made by an Evaluation Committee selected by the Chief Executive Officer. The Committee will review the proposals and make a recommendation to the Chief Executive Officer, who reserves the right to accept or reject the Committee's recommendation. This committee shall be comprised of three to six individuals. Additionally, SamCERA may use technical experts that may include County staff to assist the Committee.

2. Evaluation Criteria

- a. The Evaluation Committee will evaluate proposals and the qualifications of Proposers. The evaluation criteria will include, but not be limited to:
 - i. Experience (both quality and quantity) of the proposing organization and its staff in providing pension fund services with assets under management for other public pension funds with similar scale and types of investments.
 - ii. Qualifications of professional staff to be assigned to the account, with particular attention paid to relevant experience with public

pension funds.

- iii. Ability to provide the required scope of services.
- iv. The quality, conciseness, and completeness of the proposal.
- v. Positive references and background check.
- vi. Fees.

- b. The RFP shall not be construed to be a low bid process. The contract, if awarded, will be negotiated with the Proposer(s) who, in SamCERA's sole discretion, can best meet SamCERA's needs as identified in this RFP.

D. Announcement and Written Protests

The Chief Executive Officer will announce his recommended Proposer. SamCERA will make the proposal publicly available. If a Proposer believes that a portion of its proposal is confidential and exempt from the California Public Records Act, the Proposer will be given an opportunity to notify SamCERA. In the notification, the Proposer should assert any applicable privileges or reasons why the documents should not be released and its intent to obtain a court order prohibiting disclosure.

A Proposer may submit a written protest addressed to the Chief Executive Officer. Such written protest must be submitted by the date listed on the announcement of the recommended Proposer. The protest shall state the reason(s) for the protest. A protest that merely addresses a single aspect of the selected proposal will not be sufficient. A successful protest will include sufficient evidence and analysis to support a conclusion that the selected proposal taken as a whole is an inferior proposal. The decision of the Chief Executive Officer on the protest shall be final.

E. Inability to Negotiate a Contract

If a satisfactory contract cannot be negotiated, SamCERA may, in its sole discretion, begin contract negotiations with one or more than one of the remaining Proposers. SamCERA may contract with more than one Proposer if SamCERA determines, in its sole judgment, that more than one contractor is preferred to provide the specified services. SamCERA may also determine, in its sole discretion, to contract with none of the Proposers.

APPENDIX A

PROPOSER QUESTIONNAIRE

Please provide all responses using the format of the questions set forth below. This includes question numbers, section titles, labels, etc. Do not reorder questions, change titles, or in any way change the formatting of this questionnaire.

I. FIRM

A. BACKGROUND AND ORGANIZATION

1. Legal Name of Entity:
 - a. Name of firm:
 - b. Address:
 - c. Contact:
 - d. Phone:
 - e. Fax:
 - f. E-mail:
 - g. Website:
2. Who should be contacted regarding any questions about the information contained in your response to this RFP? Please provide his or her contact information.
3. State your firm's lines of business. Where does custody of retirement plan assets fit within the organization as a service or product offering?
4. If your organization is a subsidiary of another firm, is affiliated with another firm, or there is outside ownership of your organization, please address the nature of the relationship, method of communication, hierarchy of decision-making, and degree of influence.
5. Has your firm provided custody services for at least ten (10) years?
6. Are there any anticipated ownership changes and/or influences of parent organization(s)? If yes, please describe.
7. List commitments or potential commitments which may impact the ability to perform this contract.

8. Please respond to the following questions (as of 12/31/23). If 'yes' (Y) to question c or d, please provide a brief explanation.
- a. Registered Investment Advisor? (Y/N)
 - b. Exempt from the Securities and Exchange Commission (SEC) registration? (Y/N)
 - c. Has your firm been a party to any material litigation in the past five (5) years? (Y/N)
 - d. Has your firm been censured by the SEC or subject to regulatory action with the last five (5) years? (Y/N)
 - e. Global Investment Performance Standards (GIPS) compliant? (Y/N)
 - f. The name of your firm's auditor?
9. Provide a brief history of your firm and your institutional trust/custody, securities lending operations, and foreign exchange (FX) services. Additionally, how does your performance of the services, as well as any other services you provide, distinguish you from your competitors?
10. Summarize your business plans for trust/custody, securities lending services, and/or Foreign Exchange (FX) for the next three years, including plans for mergers/acquisitions. What support does senior management provide in the search for improvement in your trust/custody services?
11. Describe your plans for managing the future growth of your firm in terms of:
- a. Total number of accounts that will be accepted.
 - b. Total assets that will be accepted.
 - c. Plans for additions to professional staff and approximate timing in relation to anticipated growth in the number of accounts or assets.
12. Provide details of the financial condition of your firm. Describe any material changes, positive or negative, in the last five years.
13. List your firm's lines of business and approximate contributions of each business to your organization's total revenue. If your firm is an affiliate or subsidiary of an organization, list the lines of business of the parent firm and identify the percentage of the parent firm's total revenue that your subsidiary or affiliate generates. What is the approximate percent of revenue of your Institutional Trust & Custody business to overall company revenue?

Lines of Business	Revenue	% of Total Company Revenue
Total		

14. Briefly describe the organizational structure of your firm and specifically the Trust/Custody Department, Securities Lending Department, and FX Department.
- Provide organizational charts which clearly show the operating interrelationships and authority within the trust/custody, securities lending service unit, and FX unit, and within the organization. Be sure to show the reporting relationships between the administrative/relationship manager group, the accounting/reporting group, and the trade settlement groups and control structures. Describe the procedures used to ensure continuity of service during vacations or other absences within each group.
 - Are account teams formed by function or by client? Explain.
 - Do you have a separate administrative group for public funds? If yes, explain the difference.
15. What are the Trust/Custody, securities lending, and FX departments' gross revenues? Are these departments profitable? What percentage of your company's profit was contributed by each department?

	Gross Revenue	Profitable (Y/N)	Contribution to Total Profit (%)
Trust/Custody Department			
Securities Lending Department			
FX Department			

16. Provide a brief explanation and indicate the current status of any business litigation or other proceedings related to the trust/custody, securities lending, and/or FX business involving your firm or any officer or principal over the past five years.
17. Are you willing to be subject to the laws of the State of California in the administration of this contract?
18. Provide a copy of your most recent audited financial statements, the Auditor's Report on the Internal Control Structure, and the Audit Report of Policies and Procedures Placed in Operation, in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 16 relating to your custodial accounts.
19. Briefly describe your bonding, insurance coverage, and indemnification provided to protect clients of service(s) proposed, including but not limited to Errors and Omissions and for Fidelity bonding. Indicate the type, carrier, carrier rating, levels, limits, deductibles, and expiration, as applicable.

Type	Carrier	Carrier Rating	Levels and Limits	Deductibles	Expiration
Errors and Omissions					
Crime/Fidelity Bonding					
Professional Liability					
Cybersecurity					
Other					

20. How does the firm ensure that it has the proper insurance coverage (e.g., errors and omissions, fiduciary liability insurance, bonded etc.) and that such policies are renewed in a timely fashion? Please provide coverage levels.
21. Can SamCERA be added as an additional insured to any of the coverages identified in question 19? If yes, please list which coverage. If no, please explain why not.

B. PERSONNEL

22. In addition to completing the table below, please provide biographical sketches and an organizational chart of key individuals in charge of trust/custody services and securities lending, the person who would be responsible for our overall relationship and day to day services and back-up, the investment management liaison contact, and accounting/reporting contacts. If domestic, foreign, commingled, or other accounts are handled by different groups, provide an organizational chart for each group and a brief description of key people’s responsibilities.

Key Individuals	Title/Role	Tenure (in Years)		
		Current Position	Firm Experience	Industry Experience

23. Does the team handle other public fund clients, with a similar configuration as that of SamCERA? List other clients handled by the team. (Please note that SamCERA reserves the right to accept or decline the team and individuals assigned to the relationship.)

24. Please provide three current and three former client references handled by the team to be assigned to the potential relationship.
25. How do you determine the number of accounts assigned to each client service manager? How many accounts are assigned to the account client service manager who would be assigned to SamCERA’s account and what are the total assets under administration for this individual? How do you measure the performance of your professional staff? Do you promote from within? When would you hire an outsider?
26. For the specific team to be assigned to SamCERA, what was the personnel turnover for the last five years? Please specify who joined and left the team over the last five years and the specific reasons for leaving.
27. Describe in detail your client relations process including:
- a. Formal and informal oral and written communications
 - b. Inquiry and problem resolution processes
 - c. Communication on available services
 - d. Training in the use of the services and access systems
 - e. Quality Assurance process
28. How do client service managers ensure that trust/custody services are provided to a client in accordance with proper standards of care, regulatory requirements, and the executed agreement for service?
29. Describe training you provide to the client after conversion is completed where applicable. Also, describe ongoing educational sessions, user conferences, publications, or any other services you provide for keeping clients fully educated on changes and enhancements within your custody environment. Do you provide a forum for brainstorming new ideas and needs? Are you able to provide different levels of training and education to SamCERA staff?

C. CLIENTS

30. Provide the number of your organization’s clients as categorized in the following matrix. Report aggregate values of their total assets under custody in US\$ millions for periods specified.

Total Tax-Exempt Trust and Custody Clients Only		
	Total Number of Clients	Asset Value (US\$ millions)
December 31, 2019		
December 31, 2020		

December 31, 2021		
December 31, 2022		
September 30, 2023		

Public Fund Custody Clients Only

	Total Number of Clients	Asset Value (US\$ millions)
December 31, 2019		
December 31, 2020		
December 31, 2021		
December 31, 2022		
September 30, 2023		

31. Provide your organization’s client distribution as specified in the following table. Report aggregate market values of total assets under custody in US\$ millions as of September 30, 2023.

Tax-Exempt Client Asset Size Distribution

Distribution	Number of Clients	Number of Plans	Aggregate Market Value (US\$ millions)
<i>Public Fund</i>			
Below \$500 million			
\$500+ million to \$1 billion			
\$1+ billion to \$5 billion			
\$5+ billion and Up			
<i>Taft Hartley-Union</i>			
Below \$500 million			
\$500+ million to \$1 billion			
\$1+ billion to \$5 billion			
\$5+ billion and Up			
<i>Corporate</i>			
Below \$500 million			
\$500+ million to \$1 billion			
\$1+ billion to \$5 billion			
\$5+ billion and Up			
<i>Endowments & Foundations, etc.</i>			
Below \$500 million			
\$500+ million to \$1 billion			
\$1+ billion to \$5 billion			
\$5+ billion and Up			
TOTAL			

32. Please provide the following information on the 10 largest client relationships:

Client Name	Client Type	Year Retained as Custodian	Total Asset Value in US (\$million)

33. Provide the number of trust/custody accounts (domestic and international) gained or lost by year in the past three calendar years ending 12/31. Report the corresponding aggregate values for the total assets in US\$ millions. Provide a brief explanation for the account(s) lost.

	2021		2022		2023	
	Gain	Loss	Gain	Loss	Gain	Loss
Total # of Accounts						
Total Assets						
# of Public Fund Accounts						
Public Fund Assets						

D. INVESTMENT MANAGER LIAISON

34. Describe your process for interfacing with your clients and their investment managers for trade settlement. Separately (if different processes) describe the differences in processing trade settlements between domestic and international custody, including a discussion of the following:

- a. Dedicated staff positions and responsibilities
- b. Modes and means of trade instruction communication and validation
- c. Cash management support
- d. Mode, timing, and content of reports provided
- e. Inquiry and problem resolution processes
- f. Reconciliation and audit procedures
- g. Support for managers located outside the US

35. Describe other functions or support provided by your investment management liaison group.

E. TECHNOLOGY

36. Does the firm utilize third-party or in-house resources for IT?

37. Describe the controls surrounding the firm's information technology systems.

38. Describe any investments in technology that are attributed to recent acquisitions of other trust/custodial firms.

39. How do you receive and provide information electronically to the client or third-party vendors?

40. Describe the firm's data center security.

41. Describe how your firm monitors and manages cyber security risks as they relate to the investment process and overall organization. Has your firm experienced any problems with cyber security in the past 5 years? What types of challenges do you anticipate in the next 18 months and how do you plan to address them?

42. What is your cyber security breach policy? What procedures do you have in place for a cyber security breach?

43. Provide a brief description of the information delivery system or workstation for client interface. Include a description of client interface technical requirements (i.e., PC operating system, web browser software and version). Describe the levels of service, if any.

44. What are the hours of operation (availability in Pacific Time) for your on-line systems?

45. What is your vision over the next five years in terms of your technology and processing capabilities that will ensure your competitiveness and existence?

46. Describe your disaster recovery plan. How often are the disaster recovery systems tested? When was the last test completed? Were there any deficiencies noted in the last test? If so, how have they been addressed? Please provide a copy of your disaster recovery plan.

47. Does the firm have a detailed business continuity plan in place? Please describe.

48. Please describe how the firm maintained business continuity during the COVID pandemic and any lessons learned.

F. INTERNAL CONTROLS AND RISK MANAGEMENT

49. Describe the risk controls that ensure accuracy of the processing and reporting of the trust/custody department, securities lending department, and/or FX department. Identify the internal and external entities that audit, regulate and/or review your custody services. Briefly discuss the frequency and scope of audits performed during the last three years. Include a copy of any formal policies and provide a relational organizational chart for this function.
50. Discuss your policy for minimizing credit risk, market risk, and counterparty risk associated with deposits and investments, including repurchase agreements, derivatives in Short Term Investment Fund (STIF), and reinvestment of securities lending cash collateral, and FX.

G. COMPLIANCE

51. Who is your compliance provider? In-house? External? How long have you been working with them?
52. Who is responsible for compliance within your firm?
53. What regulatory bodies is the firm registered with?
54. What internal resources are dedicated to overseeing operational or business risk within the firm (e.g., compliance, risk committee, governance committee, internal audit, etc.)?
55. Do the management oversight and governance functions include independent representatives (e.g., outside Board members or audit committee members)? Please describe.
56. Describe how your internal control procedures effectively prevent conflicts of interest in employee, proprietary, and client discretionary trading.
57. Describe your firm's soft dollar policy and how soft dollar activity is monitored/controlled.
58. Do you have a Code of Ethics? Do you require all employees to follow it? How is it enforced?
59. List and describe any relationships the firm has had with any of SamCERA's Board members within the last twelve (12) months.
60. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities, or investment banking activities. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.

61. Describe the firm's record retention policy. Please provide a copy of the policy. In what format are records retained (electronically and/or hard copy)?
62. Describe the firm's policies and procedures surrounding privacy of information. Discuss current controls surrounding how the facility and access to critical/sensitive information is secured.

H. AUDIT

63. Who is your independent auditor or accounting firm? Explain the nature of the services they provide to your firm.
64. Has your firm used any other auditor prior to the current auditor? If so, why was a change made? When was it made?
65. Provide the copy of the latest Form ADV Part I and Part II, and Statement on Standards for Attestation Engagements (SSAE) No. 16, if available, for the most recent year-end.
66. Does your firm have an internal audit department?
67. How often is the firm audited?
68. Has the firm received any letters of control deficiencies (e.g., SAS 112 letters) from its auditors within the last five years?
69. What procedures do you have that ensure adequate internal controls are in place?

II. ACCOUNTING

A. ACCOUNTING AND REPORTING

1. Describe your organization's trust and plan accounting capability (include system name and year developed).
2. Describe your accounting services for the following domestic and international securities and transactions (indicate whether the accounting/reporting of such investment activities are in accordance with generally accepted accounting principles in the United States of America, whenever applicable):
 - a. Dividends and interest and corporate actions (mergers, acquisitions, tenders, stock splits, stock distributions, warrants, and spin-offs)
 - b. Fixed income and equity portfolios
 - c. Real estate portfolios

- d. Private placements and 144A securities
 - e. Alternative investments- Leverage buyouts (LBOs), venture capital, etc.
 - f. Foreign currency investments
 - g. Financial futures, forward contracts, options, interest only (IO), and principal only (IO) mortgage securities
3. Does your system report or accommodate trade date, contractual settlement date, actual settlement, or a combination? Are there any other methodologies available? Please explain.
 4. Describe your procedures and basis (e.g., average cost) for computing and reporting realized and unrealized gains and losses, for both currency and market, for US and non-US denominated securities.
 5. Provide information on your domestic and international primary and supplementary pricing sources, including a description of your methods for pricing:
 - a. Publicly traded, liquid securities, and securities which are normally not available from pricing services, such as domestic and international stock warrants, 144A securities, limited partnerships, etc.
 - b. Domestic and international derivative products, including forward currency contracts.
 6. Do you have the ability to price each portfolio including accrual items on demand, at least monthly (capacity to price publicly traded securities daily, others monthly)? Do asset valuations include accrued income and pending transactions?
 7. Are holdings and transactions reported at both cost and market value?
 8. Does your reporting system accommodate ad-hoc search requests for such things as security/issuer/country exposure (i.e., Credit Suisse, Russia, Signature Bank, etc.)
 9. Do the available reports include a reconciliation of the portfolio at the report beginning date and report ending date?
 10. Describe the reports or raw data you provide to the clients for Governmental Accounting Standards Board (GASB) Statement No. 40, GASB Statement No. 53, GASB Statement 72, and GASB Statement No. 99 disclosures.
 11. How does your organization keep abreast of new GASB standards and provide support to your clients with implementation? Please describe your plan to track and address GASB Statements No. 67 and No. 68, and future GASB requirements.

12. How does your organization handle GASB Statement No. 53 and GASB Statement No. 99 requirements specific to commingled funds, real estate, commodities, private equity, absolute return, and over-the-counter (OTC) derivatives?
13. Are the general classifications for GASB 53 within GAAP guidelines as determined by an independent third-party vendor (i.e., E&Y, Deloitte, PwC, etc.)?
14. What procedures do you have in place to flag and investigate unusual or significant pricing changes from the previous day? How are valuation differences resolved between the external investment managers and the custodian?
15. How are accounting differences in income, unrealized gain/loss, realized gain/loss, and expenses resolved between the external investment managers and the custodian?
16. What standard reports are provided by your system – monthly, quarterly, annually, and by exception? Do your standard reports include a report of domestic and international pending trade settlement and pending tax reclaims? Provide a sample of each from actual accounts.
17. Do you provide multi-currency reporting? If yes, please describe. Does the report identify: country, sector, industry, sub-industry, and security levels? Are reports available for the entire account as well as individual manager portfolios? Do you have the capacity to report in the local currency and translate to the reporting currency?
18. Describe special procedures for the processing, valuing, and reporting of Securities Held Elsewhere, such as real estate, commodities, alternative investments, private equity, and absolute return strategies (hedge funds).
19. Specific to commingled funds, do you have the ability to capture SamCERA's pro-rata share of holdings for use in terms of monitoring and analytics?
20. Describe your process in assisting clients in opening accounts in emerging countries. Describe the process in completing the necessary paperwork, including what resources SamCERA would need to dedicate. Are there additional fees associated with this service? If so, please describe.
21. What steps are taken to bring the reports from unaudited to fully audited? What and how often are reconciliations are performed? Is this proactive, reactive, or is the onus with the investment manager to reconcile your information? How is the process different for custodied and non in-bank assets?
22. How frequently do you reconcile your domestic and international records with depositories and your sub-custodians – cash, securities, and corporate actions? Is this reconciliation manual or automated?

23. Will you provide domestic and international monthly audited portfolio statements as required by SamCERA, on-line after the close of business each month? (at a minimum, reports must be available within 6 business days for Accounting Reports and 8 business days for performance reports after the close of the period.) How do you provide monthly and cumulative year to date reports? On-line? CD-ROM? Please provide a sample of your portfolio statements.
24. Describe your on-line systems for clients and their external investment managers with regard to the type of data available [i.e., pending trades, accounting information, asset lists by account (cost and market value in local currency and US dollars), transaction history, summary of account market values for the portfolio, portfolio performance, and securities on loan]. When is this data available by electronic delivery, for view, download of standard or customized reports, download of raw data, and report writer access?

B. SECURITIES PROCESSING AND CUSTODY

25. Discuss your procedures for tracking failed trades, reporting failed trades to clients and investment managers, and resolving failed trades, including aging statistics. Is there a standard report of failed transactions outstanding? How long will failed trades continue to show up on your 'fails' report?
26. What are your policies regarding actual versus contractual settlement for domestic and international securities? What do you recommend?
27. What methods are available to send trade instructions to you? What type of time restrictions do you require for domestic and global accounts?
28. Describe the breadth of your network of global sub-custodian relationships.

C. TAX RECLAIM, CORPORATE ACTIONS, AND PROXY VOTING

29. Describe the processing of tax claims on foreign income, including:
- a. Sources of information
 - b. Procedures for maintaining information on current treaty provisions
 - c. Processing steps for:
 - i. Filing to establish status for exemptions and reclamations
 - ii. Filing reclamations for tax refunds
 - iii. Collecting refunds
 - d. Identification of party responsible for each processing step
 - e. Procedures for accruing, reporting, aging, and posting of reclaimable tax
 - f. Detail reported to clients

30. Describe your procedures for ascertaining domestic and international entitlements and accruals for corporate actions (stock splits, stock dividends, spin-offs, mergers/acquisitions, tenders, calls, warrants, maturities, etc.).
31. Describe in detail your process for providing notice to clients of corporate actions requiring their decisions and notification from them prior to processing, including:
 - a. Methods of notifying clients
 - b. Methods of receipt of instructions from clients
 - c. Procedures for implementing client elections
 - d. Method and mode of relaying instructions to sub-custodians
 - e. Procedures for controlling sub-custodians' timely and appropriate actions
32. How do you measure accuracy and timeliness of receipts of US and non-US income and capital changes reported by your depositories, agents, and subcustodians?
33. Describe your systems and procedures for securing and providing clients with proxy information for domestic and international corporations. How do you monitor proxy processing, including the addition of new and terminated money managers? How do you manage the power of attorney process in non-US markets? Who do you work with in proxy management?
34. 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 very specific.
35. Are you willing to file all claims with class periods that predate the conversion using data supplied by a third-party service provider?

D. DISBURSEMENT SERVICES

36. Do you provide disbursement services for vendor payments as well as benefit payments? Are there fees/costs for these services?

E. FOREIGN EXCHANGE

37. Describe your foreign exchange operations and capabilities. Please include in your discussion whether you are able to process third party exchange and any charges associated with executing foreign exchange transaction; the location of the primary foreign exchange desk and foreign exchange operations and their relationship to custody; the hours of operation for the order takers and execution facilities; the number of people involved, timing requirements and response time, and currencies exchanged.
38. Do you perform FX transactions on a principal/agency basis?

39. How does your organization demonstrate the competitiveness of your foreign exchange?
40. How does your firm ensure the custodial clients achieve best execution?
41. Will your firm use a competitive bidding structure to execute FX Transactions?
42. Will your organization be able to provide performance reporting or best execution reports for FX transactions?
43. Is there on-line access to foreign exchange information?
44. Is your organization able to provide a “time-stamped” FX trade and disclose at what price your firm valued the FX Trade?
45. What percentage of your custody and trust clients utilize your firm for FX transactions versus a third party?
46. What, if any, business risk does your firm assume as part of its exchange services?
47. Describe the level of transparency provided to clients on all transactions.
48. Describe your compensation resulting from an exchange.
49. Is there a standard fixed spread?
50. Does the spread vary by currency type?
51. Can a client or investment manager negotiate the spread based on volume?
52. Please explain the process for batching, netting, pricing, and execution according to each different set of instructions currently in place across separate accounts/types of transactions.

III. CASH MANAGEMENT

1. Is there an automatic cash sweep into Short-Term Investment Fund (STIF)? If so, how does it work?
2. Provide a description of domestic STIFs that are available, including their guidelines and fees appropriate for SamCERA’s overnight investments. Describe any defaults, asset writedowns,

and/or cash infusions to preserve principal value or other problems that have occurred in the funds since their inception.

3. For each of these STIF vehicles, provide the market value as of December 31, 2023, and corresponding expense ratio in basis points or management fees. Also provide annual performance numbers net of fees going back five years from June 30, 2023, using a bond equivalent yield. Provide a fee schedule for STIF in basis points. Is there daily liquidity?
4. If SamCERA were to overdraw its account for an overnight investment, would SamCERA be charged the STIF rate for the overdraft?
5. How often is STIF interest accrued and when is it credited?
6. Specific to money movement, expense payment, wires, and/or capital calls initiated by SamCERA, what are your policies and procedures (i.e., authorization, approval, tracking/monitoring, access codes, authentication process, on-line systems used, etc.)? Describe a progressive cash flow movement and control process for SamCERA.

IV. SECURITIES LENDING

1. Has your firm provided securities lending custody services for at least ten (10) years as of September 30, 2023?
2. Describe your current client base. How many clients participate in your securities lending program? Without disclosing client names, list as follows as of September 30, 2023.

Plan Sponsor Type	No. of Clients (Agent Relationship)	Lendable Base (Agent Relationship)
Public		
Corporates		
Endowment and Foundations		
Taft-Hartley, Union		
Mutual Funds, Investment Manager's Commingled Funds		
Insurance Companies		
Others		
TOTAL		

3. Provide the number of clients (all market segments) gained and/or lost for the periods listed in the following matrix. Report corresponding market values in US\$ millions as of initiation date for clients gained and termination date for clients lost.

Securities Lending Clients Only

	Clients Gained (Number)	Clients Gained (US\$ millions)	Clients Lost (Number)	Clients Lost (US\$ millions)
2019				
2020				
2021				
2022				
9/30/2023				

4. List and describe all pending or threatened litigation against your organization in reference to securities lending services. List and describe all agency supervision associated with the pending or threatened litigation. What has been your experience with regard to litigation or agency supervision over the past five years?
5. List and describe all pending negotiations or discussions regarding losses by clients in reference to securities lending services.
6. Describe anything that differentiates your style of lending that would complement the returns expected from lending our portfolio. Describe anything that would limit or restrict those returns. Why should SamCERA select you as its securities lending agent?
7. Has your organization experienced any losses due to operational negligence, collateral reinvestment and/or security specific reinvestments, and/or broker default since the inception of your securities lending program? Describe. What was the recourse provided to clients and the level of dialogue to explain (resolve) the issues?
8. SamCERA requires that the securities lending agent act as a fiduciary for the securities lending function. Please verify that your firm is able to do this.
9. What is the dollar size of your securities lending operation? Do you have any capacity limitations on your program? If so, please explain.
10. What is the primary form of lending your firm offers - agent, principal, or both? Describe. What is the percentage breakdown between agent and principal lending from a total client basis?
11. Is your firm a Financial Industry Regulatory Authority (FINRA) member, a primary reporting dealer, or a bank? Is your securities lending operation registered as an investment adviser (i.e., SEC, FSA, etc.)?
12. How is enterprise risk management deployed to assess borrower credit and cash collateral reinvestment credit analysis?
13. State whether you will act as principal or agent. If you act as principal, how do you control for conflict of interest?

14. Provide names, brief profiles, and biographies of individuals who are responsible for the securities lending function and the cash collateral reinvestment function.
15. What has your earnings track record been with your existing clients?
16. What is the securities lending split between your clients and you?
17. List the asset classes or types of securities you do NOT lend. Why do you not lend them? Do you use equities as collateral? If so, what are the collateral requirements?
18. How does your firm manage the following risks?
 - a. Borrower/Counterparty Risk and Default
 - b. Collateral Investment Risk
 - c. Interest Rate Risk
 - d. Credit Spread Risk
 - e. Liquidity Risk
 - f. Trade Settlement Risk
 - g. Operational Negligence
 - h. Sovereign Risk
 - i. Currency Fluctuation Risk
19. How are recalls and income collection handled for securities out on loan? Will you guarantee that loaned securities will be available for delivery if notification of sale is made to you on trade date plus 1? If the borrower fails to return the loaned security(ies) by settlement date, do you reimburse your clients for lost STIF income or for any additional costs which might result from a buy-in?
20. Describe your reporting for securities lending. Is securities lending data available on-line? How much report format flexibility is available? Provide copies of your securities lending reports.
21. Who are your securities lending borrowers and how are they selected and monitored? Do the borrowers have a minimum credit rating, if so what? How often are they reviewed?
22. Can a client select, eliminate, or limit loans to a given borrower? On any given security?
23. What are your collateral requirements and how are they determined and monitored? How do they compare to regulatory, industry, and other standards (i.e., are they stricter, looser, etc.)? Describe your procedure and frequency of marking to market your securities on loan. Attach a copy of your policies.
24. What indemnification do you provide clients with respect to risk of counter-party default and collateral default?
25. Have your clients ever sustained a loss as the result of your securities lending activities? If yes, please explain and include the magnitude of the loss. Did you cover the loss(es)?

26. What are your collateral re-investment portfolio objectives and how are they determined?
27. What investment vehicles are eligible for reinvestment of securities lending cash collateral? Provide the returns and guidelines for these funds. Also provide summaries of the options, including risk/return parameters.
28. What are the duration/maturity limitations pertaining to individual investments and the overall cash collateral reinvestment portfolio for these vehicles?
29. Please specify if the cash collateral reinvestment vehicle are daily valued at market or based on amortized cost.
30. What credit standards are applied to the cash collateral reinvestment portfolio and how are they monitored?
31. Clearly state the gating and redemption procedures your firm instituted, enhanced, or codified regarding client's rights, securities lending exit, or withdrawal from the program.
32. What protection do you provide clients with respect to collateral reinvestment dealer default or market loss?

V. PERFORMANCE MEASUREMENT, INVESTMENT GUIDELINE COMPLIANCE, AND RISK ANALYTICS

1. Are there different levels of performance measurement and analytics services? If there are different service levels, describe whether they reside in one performance measurement module/system or multiple modules/systems.
2. Are you able to calculate both gross and net of fees performance? How about lag and non-lag performance measurement calculations? Please describe the methodology employed.
3. Do you restate prior period valuations to reflect final statements and reports that are received from investment managers post the monthly reporting cutoff (assuming preliminary estimates are used initially)? If so, please describe process.
4. Describe the process for ensuring statements and reports are captured timely and accurately prior to monthly reporting cutoff. Your response should include (but is not limited to) the teams/individuals responsible for tasks, turnaround time from receipt to processing of statements, and whether the process is automated/manual or a combination thereof. If statements and reports are not received from investment manager by monthly reporting cutoff,

do you follow-up with the investment manager and additionally, do you contact SamCERA if not successful in acquiring investment manager's statements and reports?

5. What method do you use to calculate performance for public markets portfolios when there are cash flows in/out of the portfolio during a month? Are you able to provide multi-holding period calculations when there are intra-month cash flows? Please specify whether this option would be available only with daily portfolio pricing.
6. Do you have a dedicated performance and analytics group? Please describe. What is the typical client-to-staff ratio? What is the average number of years of professional performance management and analytics experience and average tenure at the firm? Describe the resources available to support the staff analyzing the data.
7. Can you calculate performance using both dollar weighted and time weighted rates of return depending on different reporting requirements? Are the market values used in performance calculations adjusted for accruals?
8. How frequently are performance measurement analytics done, and how soon are reports based on fully audited numbers available following period-end? Are private investment performance data (real estate, private equity, and private real assets) reconciled with managers and/or consultant?
9. Please describe what methodologies/standards are used in calculating and reporting performance measurement results for clients. What are the quality assurance processes in place and who is responsible for monitoring? Is the same methodology used for individual accounts and composites?
10. List indices available and their earliest dates of data availability. Which index providers are included as part of this proposal? What are the incremental costs for index providers not included in this proposal? Which index providers require a separate agreement with SamCERA? Do you provide access to outside databases such as Barra's risk factors?
11. Are fundamental and risk characteristics available for all indexes?
12. Are index returns available on-line? How soon after month-end are audited index returns (final) available? Do you have the ability to load prior months' and/or years' returns?
13. Can performance be calculated by economic sector, country capitalization size, etc.?
14. Do you offer customized benchmarks? Is there a limit on how many custom benchmarks a client may have? Is there a limit of how many policy benchmarks a client may have for the overall plan?

15. How many months of holdings and transactions data do you maintain for performance calculation purposes? Do you maintain archived data for ad hoc reporting requests and how far back is the archived data?
16. Do you have drill down capabilities for commingled funds?
17. Describe in detail your attribution analysis capabilities.
18. Describe the types of performance attribution analysis reports you provide.
19. Provide a sample performance report including risk/return analysis, universe comparison charts, rankings, and fund attributions.
20. Do you have different levels of investment guideline compliance monitoring -? Please describe all types of compliance monitoring you currently provide. Are there additional costs or fees for each level for your compliance monitoring services?
21. How does your system integrate investment guideline compliance into the automated trading process that can actively monitor transactions and portfolio composition?

VI. TRANSITION/CONVERSION

1. Provide a detailed task listing and schedule on how you would approach the conversion process, including actions required on the part of SamCERA versus your team, and the time frame to complete each task. Clearly describe the conversion process: who is responsible for coordinating activities, who must participate, and what activities must occur. Detail the type and amount of resources required from SamCERA.
2. On what date would you commence parallel processing in order to develop history, test procedures, and establish entitlements/accruals given a full conversion by July 1, 2024?
3. Would you convert the historical performance and transaction data from the former custodian?
4. How will you handle class action filings and income due related to settlement periods under prior custodians and settlements that cross over from the prior custodian to the new custodial contract?
5. Has the transition team leader and his/her assistant who will be assigned to SamCERA worked together on at least one prior major conversion of an account with a market value in excess of \$6 billion, consisting of multiple asset classes?

6. Please provide references of three (3) clients with similar requirements as that of SamCERA who recently went through a transition process with the transition team that will be assigned to SamCERA.
7. What dedicated resources (personnel, equipment, training, consultants, etc.), procedures, and controls will you provide or recommend in the transition/conversion and post-conversion period to ensure that the conversion process is completed successfully in a timely and accurate manner?
8. Give a detailed description of your last comparable conversion, including the details of specific problems that occurred and the solutions instituted.
9. Provide a summary of the problems which you might reasonably expect to occur during this conversion and your approaches to those anticipated problems. Are there any blackout periods associated with the conversion?
10. What should SamCERA look out for and what are areas of concern and any heightened level of sensitivity during the conversion period? Please discuss how tax reclaims, reregistration, accruals, etc. are handled during the conversion period.
11. Describe the process for transfer of physical securities. How do you handle historical data during the conversion process?
12. What costs would be associated with a conversion?
13. Describe your organization's formal transition planning process as it would apply to a securities lending program. How should we handle securities out on loan during the conversion process? What should we consider in terms of unwinding without a loss, novation, substitution, recall, etc.?
14. Describe how you will support an external audit process to confirm and test asset balances during the transition.
15. Will there be accounting personnel who will be assigned to SamCERA's accounting team during the conversion process to ensure that their concerns are researched and to assist with questions regarding reconciliation of accounts after the conversion? Do these personnel have experienced with helping other firms similar to SamCERA reconcile the investment accounts after the conversion? Were there any accounting issues/concerns that came up with those other firms? How were these issues resolved?

VII. OTHER

1. Does your firm utilize/compensate one or more external placement agents in any of your institutional investment offerings? If so, please provide details on (i) how much assets and under what mandates the placement agent(s) was/were utilized,(ii) the compensation structure

agreed upon between your firm and each placement agent, and (iii) in what capacity they are used in relation to this search.

2. Has your firm paid any unregistered third-parties such as placement agents to solicit government business?
3. Provide any other information about your organization or the services that you can provide SamCERA which have not been previously addressed and which may be helpful for SamCERA to know in this selection process.

END OF QUESTIONNAIRE

APPENDIX B FEE SCHEDULE

Custody & Related Services	1st Year	2nd Year	3rd Year	4th Year	5th Year
A. Flat Retainer Fee Quote					
Flat Annual Custody Fee					
Monthly Performance Measurement					
B. Fees for Short-Term Investment Fund (bps)					
C. Securities Lending Proposed Split (%)					
Plan					
Custodian					
D. Additional Fees (domestic transaction charges, 3rd party foreign exchange, class action administration, overdrafts, custom benchmarks, or other indices not covered above, account reconciliation, etc.)					
a.					
b.					
c.					

APPENDIX C

CONTRACT REQUIREMENTS

PROPOSERS NOTE: The purpose of the attached sample agreement is to indicate the type of agreement contemplated and to set forth some of the general provisions SamCERA anticipates including in the final agreement(s). The details of the scope of work will be set forth in Exhibit A of the agreement and will be finalized during contract negotiations. In submitting a proposal, the Proposer will be deemed to have agreed to each clause unless the Proposer indicates that it objects to the provision, sets forth the basis for the objection, and provides proposed substitute language to make the clause acceptable to the Proposer. Such objections and substitute language must be submitted no later than the deadline for the proposal and will be considered by SamCERA if the Proposer is selected by the Chief Executive Officer as the recommended Proposer.

SAMPLE

AGREEMENT FOR CUSTODIAL SERVICES BETWEEN
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
& _____ COMPANY

This Agreement is entered into as of _____, 2024 by and between the San Mateo County Employees' Retirement Association ("SamCERA"), and _____ trust company, having its principal place of business at _____, United States of America ("Custodian"), for custodial and other services referenced herein with reference to the following facts:

WHEREAS, Article XVI, Section 17 of the California Constitution vests with SamCERA's Board of Retirement the sole and exclusive fiduciary responsibility over the assets of SamCERA;

WHEREAS, in accordance with the provisions of Article XVI, Section 17 of the California Constitution and California Government Code Section 31596(b), SamCERA, with the approval of its Board of Retirement, may employ a depository institution or a trust company, licensed under state or federal law to conduct the business of a trust company or any Federal Reserve Bank, to act as custodian of any securities or other properties beneficially owned by SamCERA and to that end the Board issued a request for proposals ("RFP") for custodial services;

WHEREAS, Custodian is a trust company duly constituted in accordance with all applicable laws of the _____ to render banking and trust custodial services and is authorized to conduct the business of a trust company;

WHEREAS, Custodian submitted a written proposal in response to SamCERA's Request for Proposals (the "RFP"), and in that process has represented to SamCERA that it possesses and will employ the highest degree of competence and expertise essential to provide the desired custodian services;

WHEREAS, Custodian hereby reaffirms the reliability and accuracy of the written proposal and oral representations made to SamCERA in the RFP process;

WHEREAS, SamCERA has determined, in reliance upon Custodian's written proposal, dated _____ 2024, submitted in response to the RFP and Custodian's oral representations made to SamCERA in the RFP process (collectively, the "Custodian's Proposal"), and SamCERA's due diligence, that (i) Custodian is qualified and capable of performing the required services, (ii) Custodian's fee for services is competitive, fair and reasonable, and (iii) engaging Custodian to perform the custodian services is prudent and in the best interest of the participants and beneficiaries of SamCERA; and

WHEREAS, SamCERA and Custodian desire to establish a custody account to provide for the safekeeping and record keeping of the securities and certain property beneficially owned by SamCERA.

The parties therefore agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following terms will have the following meanings:

- A. "Account" means the custody account established and maintained by Custodian for the safekeeping of SamCERA's Property and collectively comprises individual sub-accounts created for SamCERA and for each of SamCERA's Investment Managers to hold such Property.
- B. "Affiliate" means a person that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.
- C. "Agents" is defined in Section ____.
- D. "Agreement" means this Agreement for Custodial Services entered into by and between SamCERA and custodian.
- E. "Associate" means any corporation or organization (other than the person specified or a majority-owned subsidiary of the person specified) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities.
- F. "Authorized Instructions" is defined in Section ____.
- G. "Authorized Persons" is defined in Section ____.
- H. "Board" means the Board of Retirement of the San Mateo County Employees' Retirement Association.
- I. "Business day" is any day the New York Stock Exchange is open for business.
- J. "Claim" means all claims (whether based on contract, tort, or any other legal or equitable theory), costs, losses, damages, liabilities and expenses (including, without limitation, settlement costs and any legal, accounting or other expenses for investigating or defending any action or threatened actions reasonably incurred by any Indemnitee), incurred or suffered by an Indemnitee.
- K. "Custodian" means _____ Company, a _____ trust company, having its principal place of business at _____, USA.
- L. "Custodian's Proposal" is defined in the recitals hereto.
- M. "Custody" means the holding of securities and other property for safekeeping in electronic or physical form.
- N. "Due Care" is defined in Section II.C.
- O. "Indemnitee" and "Indemnitor" have the meanings set forth in Section ____.

- P. "SamCERA" means the San Mateo County Employees' Retirement Association.
- Q. "SamCERA Covered Person" means SamCERA, and their respective officers, trustees, employees and agents (but excluding Custodian and its Affiliates, Associates and agents).
- R. "Property" is defined in Section ____.
- S. "Records" means the books, ledgers, internal and external correspondence, pertinent transaction, activity, billing, accounting and financial records, SamCERA data, and other written or electronic records received or produced by Custodian pertaining to Custodian's services, duties and obligations under this Agreement. The Records include, but are not limited to all acquisition, disposition, loan, investment, accounting, tax and property records pertaining to the assets acquired, encumbered, managed or disposed of under this Agreement, including Custodian's fees.
- T. "Safekeeping" means the holding of stock certificates, securities and other physical assets under SamCERA's name in a vault, receipt of such assets to the vault and delivery of the assets to a broker upon the receipt of Authorized Instructions to do.
- U. "Subcustodian" means an entity appointed by the Custodian to hold certain assets of SamCERA in foreign territories; any foreign subcustodians so appointed must satisfy the factors specified in Rule 17f-5 under the Investment Company Act of 1940, as amended from time to time ("Rule 17f-5").
- V. "Work" is defined in Section ____.

SECTION II. APPOINTMENT OF CUSTODIAN.

A. Appointment. SamCERA hereby appoints Custodian to act as custodian, and Custodian agrees to serve as custodian of any and all cash in any currency, any securities and any other property (hereafter collectively referred to as "Property") which Custodian, and its agents, representatives or subcustodians selected with Due Care and acting on behalf of Custodian under this Agreement ("Agents") may receive from time to time for deposit to SamCERA's Account (as that term is defined in the Definitions Section below). In fulfilling its responsibilities under this Agreement, Custodian is hereby authorized, in its discretion, to employ suitable individuals and entities selected with Due Care as subcustodians of Property held in foreign jurisdictions for the Account under this Agreement, and to execute some of the duties which Custodian is authorized to perform hereunder; provided, however, Custodian shall remain responsible for the proper performance of such duties and such delegation shall not relieve the Custodian of its responsibilities or liabilities under this Agreement.

B. Receipt of Property. Custodian shall have no responsibility for any Property owned by SamCERA until it is received by Custodian or its Agents. Custodian shall take all reasonable steps to ensure receipt of all Property which SamCERA or SamCERA's Investment Managers (as that term is defined in Section

___ below) deliver to Custodian or its Agents. Custodian and its Agents shall hold all Property free and clear of any rights, charges, security interests, liens or claims of any kind not authorized by SamCERA (including but not limited to those arising through Custodian or its Agents), or otherwise existing at the time such Property is delivered to Custodian or its Agents. If SamCERA has notified Custodian in writing of the expected delivery of property, Custodian shall notify SamCERA in writing if such property is not received within a reasonable period of time.

C. Fiduciary Status of Custodian and Due Care.

Custodian agrees to perform the Services under this Agreement and any amendment thereto as a fiduciary to SamCERA. The Custodian's fiduciary obligations shall include, but are not limited to, a duty of loyalty, to take action and otherwise perform solely in the interest, and for the benefit, of SamCERA. Custodian shall not delegate its fiduciary responsibilities assumed pursuant to this Agreement. For purposes of this Agreement, "Due Care" shall mean the degree of care, prudence and skill expected of a prudent, professional custodian for hire.

Accordingly, the Custodian, its Agents and affiliates shall not: a) deal with SamCERA's assets in the Custodian's own interests or for its own account, or the account of its principals or affiliates; b) act in any transaction involving SamCERA's assets, or any fund from which or in which those assets are being invested; on behalf of a party, or represent a party, whose interests are adverse to the interests of SamCERA, the interest of any such fund, or the interest of its participants or beneficiaries; or c), receive any consideration for its own personal account, or for the account of any of its principals or affiliates, from any party dealing with SamCERA or such funds in connection with a transaction involving the assets of SamCERA.

Custodian shall at all times discharge its obligations under this Agreement strictly in accordance with the standards of conduct applicable to a plan fiduciary as set forth in California Constitution Article XVI, Section 17 and California Government Code Section 31595. Custodian shall promptly notify SamCERA in writing of any proposed investment or other activity that involves, directly or indirectly, any conflict of interest as contemplated by the standards applicable to a plan fiduciary and set forth the conflict and the reasons for the proposed activity.

D. Appointment of Agents and Subcustodians. The Custodian may at its 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 obligations, responsibilities or liabilities under this Agreement, including, without limitation, Custodian's fiduciary duties, and provided further that Custodian shall not appoint domestic Subcustodians ("Domestic Subcustodians") to carry out any provision of this Agreement unless directed to do so by SamCERA or one of its Investment Managers. The Custodian shall have no responsibility for the acts of any Domestic Subcustodian appointed pursuant to the instruction of SamCERA or its Investment Manager, and any such Domestic Subcustodian shall not be deemed an agent of the Custodian for any purposes hereunder. As between SamCERA and the Custodian, Custodian shall have the same liability for the actions and omissions of foreign subcustodians, determined in accordance with

the customary established securities trading or processing practices, procedures and local regulations in the relevant country or marketplace, as if they were the Custodian's agents, notwithstanding anything to the contrary contained in this Agreement or in any agreements or other documents the Custodian or SamCERA may be required to complete or execute in connection with opening an account, placing assets with, or withdrawing assets from any subcustodian.

Regardless of whether assets are maintained in the custody or banking department of a foreign subcustodian or a Securities System (as defined in Section ___ below), the Custodian shall not be liable for (i) any loss, damage, cost, expense, liability, or claim resulting from nationalization, expropriation, currency restrictions, acts of war or terrorism, or any other loss where the foreign subcustodian has otherwise acted with Due Care; or (ii) any loss, damage, cost, expense, liability or claim resulting from the insolvency of any foreign subcustodian. Custodian shall notify SamCERA of all agents and subcustodians appointed or removed during the term of the Contract. Such notice shall be in writing, through Custodian's Global Market Bulletin e-mail service, and delivered promptly, but in no event more than seven (7) days after such appointment or removal.

(1) Selection of Foreign Subcustodians. Subject to the provisions of this Section, the Custodian may place and maintain foreign assets of SamCERA in the care of a foreign subcustodian selected by the Custodian, provided that the foreign assets will be subject to Due Care, based on the standards applicable to custodians in the country in which the foreign assets will be held by that subcustodian, after considering all factors relevant to the safekeeping of such assets, including, without limitation the factors specified in Rule 17f-5 under the Investment Company Act of 1940, as amended from time to time ("Rule 17f-5").

(2) Contracts with Foreign Subcustodians. The Custodian shall be responsible for ensuring that the contract governing the foreign custody arrangements with each foreign subcustodian selected by the Custodian will satisfy the requirements of Rule 17f-5(c)(2). Each agreement pursuant to which the Custodian employs a foreign subcustodian shall require the foreign subcustodian to exercise, at a minimum, Due Care in the performance of its duties, and to indemnify, and, to the extent possible, hold harmless the Custodian from and against any loss, damage, cost, expense, liability, or claim arising out of or in connection with the foreign subcustodian's performance of its obligations.

(3) Monitoring Foreign Subcustodians. The Custodian shall establish a system to monitor (i) the appropriateness of maintaining SamCERA foreign assets with each foreign subcustodian and (ii) the compliance of the foreign subcustodian with the contract governing the custody arrangements established between the Custodian and the foreign subcustodian.

(4) Market Conditions for Foreign Assets. Notwithstanding any provision of this Agreement to the contrary, settlement and payment for foreign assets received for the account of SamCERA and delivery of foreign assets maintained for the account of SamCERA may be effected in accordance with the customary established securities trading or processing practices and procedures in the country or market in which the transaction occurs, including, without

limitation, delivering foreign assets to the purchaser thereof or to a dealer therefor (or an agent for such purchaser or dealer) with the expectation of receiving later payment for such foreign assets from such purchaser or dealer. For purposes of this Section ____, when SamCERA assets are placed in custody in a foreign jurisdiction at SamCERA's request or direction, SamCERA shall be deemed to have considered and determined to accept such risks of holding foreign assets in a particular country including, but not limited to, such country's political environment, economic and financial infrastructure (including any securities depository operating in the country), prevailing or developing custody and settlement practices, and laws and regulations applicable to the safekeeping and recovery of foreign assets held in custody in that country. Custodian will maintain and make available to SamCERA a list of foreign jurisdictions in which it maintains subcustodians. The listing will include an analysis and report of risk concerns and factors associated with those jurisdictions and subcustodians.

E. Consultants. Custodian agrees to reasonably cooperate with such consultants as SamCERA may retain from time to time to assist SamCERA in the administration of this Agreement, including, without limitation, attorneys, accountants, appraisers and consultants.

SECTION III. DESCRIPTION OF SERVICES

A. Services to be Performed. Custodian will provide the services set forth in this Agreement and any Exhibits hereto, which are incorporated herein by this reference, as the same may be amended from time to time as provided below (the "Work"). Custodian agrees that any services performed in conjunction with its undertakings under this Agreement outside the Work will constitute a gratuitous effort and Custodian will not be entitled to any additional fees or reimbursement for out-of-pocket costs for such services unless so agreed in writing by both parties. Any specific required services for the "Work" are set forth herein and in "Exhibit A - Scope of Services". Exhibit A shall list the required services for accounting, securities settlement, Foreign Exchange (FX), cash management, securities lending, corporate actions, class actions, and proxy processing via on-line and workstation technology for SamCERA's use, reporting, and Custodian's on going assistance and support for SamCERA staff.

SECTION IV REPRESENTATIVES AND AUTHORIZED PERSONS

A. SamCERA Representative Contact Information: The identity of SamCERA's representatives and the address at which they are to receive notices are set forth below and may be changed from time to time by written notice to Custodian given pursuant to this Agreement. SamCERA's representatives may, from time to time, delegate portions of their responsibility for the administration of this Agreement to other persons employed by SamCERA, and Custodian agrees to cooperate with such persons in the performance of their duties. SamCERA's representatives will be:

Michael Coultrip
Chief Investment Officer

mcoultrip@samcera.org

(650) 599-7231

Tat-Ling Chow

Retirement Finance Officer

tchow@samcera.org

(650) 363-4856

B. Interfacing and ongoing reporting. Custodian's representatives with respect to the administration of this Agreement and Custodian will, on a regular basis and otherwise upon SamCERA's representatives' reasonable request, interface with and report to SamCERA's representatives so as to keep SamCERA fully apprised and up to date on the services.

C. SamCERA Authorized Persons. As used in this Agreement, the term "Authorized Persons" shall mean the employees or agents of SamCERA, including any investment managers who SamCERA may designate in writing to manage Property held in or for the Account ("Investment Managers") who are authorized to issue Authorized Instructions (as that term is defined in Section ___ below), as well as any "Authorized Persons of Investment Managers" to the extent that the Investment Manager has complied with Section IV.D. below. Upon execution of this Agreement, SamCERA shall provide Custodian with a list of all Authorized Persons of SamCERA who will be permitted to direct Custodian on SamCERA's behalf, together with signature specimens of the Authorized Persons who may execute specific tasks pursuant to the terms of this Agreement. The list of Authorized Persons of SamCERA and any changes to such list shall be made in writing to Custodian and signed by SamCERA's Chief Executive Officer or his designee.

D. Authorized Persons of Investment Managers. Investment Managers shall provide Custodian with the names and signature specimens of Authorized Persons of Investment Managers who may represent such Investment Manager in its dealings with Custodian. SamCERA, in its sole discretion, may appoint or remove any Investment Manager at any time and shall advise Custodian accordingly.

E. Contact with Authorized Persons. Custodian shall deal with any Authorized Person until SamCERA or such Investment Manager notifies Custodian in writing to the contrary. Custodian agrees not to furnish any information, written or oral, to any person not specifically named on the then current list of Authorized Persons; provided, however, that Custodian may furnish such information to:(i) the personnel of Authorized Persons who customarily have responsibility for communicating or otherwise transferring such information to Authorized Persons in the ordinary course of business, and (ii) government officials when such information must be provided to comply with the requirements of the applicable governing authority's laws, regulations, or ordinances, provided that Custodian informs SamCERA in writing of such provision of information.

F. Transmissions by Authorized Persons. If the Custodian has issued to SamCERA, or to any Investment Manager, security codes or passwords in order that the Custodian may verify that certain transmissions of information, including Authorized Instructions (as defined in Section ___ below), have been originated by SamCERA or the Investment Manager, as the case may be, the Custodian shall be

without liability to SamCERA for any action taken or omitted by it in reliance upon receipt by the Custodian of transmissions of information with the proper security code or password, including instructions purporting to be Authorized Instructions, which the Custodian reasonably believes to be from an Authorized Person.

G. Reliance on Documents Received From Authorized Persons. The Custodian shall not be liable to SamCERA or any third party in acting upon any Authorized Instructions or any notice, request, consent, certificate, instrument, or paper reasonably believed by the Custodian to be genuine and to have been properly executed or otherwise given by an Authorized Person. The Custodian may receive and accept a certificate from an Authorized Person as conclusive evidence (i) of the authority of any person to act in accordance with such certificate or (ii) of any determination or of any action by SamCERA 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. 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 or delivered by the Custodian pursuant to this Agreement.

H. No Personal Liability. In no event will a SamCERA Representative, SamCERA Authorized Person, or any person delegated with responsibility for the administration of this Agreement by the SamCERA Representatives have any personal liability to Custodian for any action taken or not taken by such individual while acting or purporting to act as a SamCERA Representative or delegate of such SamCERA Representative.

SECTION V. CUSTODIAN'S PROJECT MANAGER

A. Project Manager. Custodian's Project Manager is _____, (name) _____ (title) who will be responsible for the Custodian's day-to-day activities related to this Agreement. Custodian's Alternate Project Manager is _____ (name), _____ (title), who may act in the Project Manager's place during periods of temporary absence, disability, or unavailability. The Custodian shall promptly notify SamCERA of any changes of the individuals designated as Project Managers or Alternate Project Managers.

B. Authority of Project Manager. The Project Manager and Alternate Project Manager are fully authorized to act on behalf of and to receive communications on behalf of Custodian.

C. Custodian Personnel. Custodian will at all times have complete responsibility and authority with respect to the supervision and direction of its personnel. Custodian shall promptly notify SamCERA in writing of any changes in executive management or key personnel within their organization. At the request of SamCERA, the Custodian will meet and confer with SamCERA staff to consider replacement of Custodian personnel with respect to services provided to SamCERA.

D. Authorized Instructions. All directions and instructions to Custodian from any Authorized Person ("Authorized Instructions") shall be in writing and transmitted by first class mail, facsimile, or

other authenticated electronic transmission. However, Custodian may, in its discretion, accept verbal authorized instructions subject to written confirmation of same from such Authorized Person. If Custodian receives instructions from a source other than an Authorized Person, Custodian shall not comply with such instructions and shall immediately notify SamCERA of such unauthorized instructions.

SECTION VI. PAYMENT FOR SERVICES

A. Fees. As compensation for the Work, Custodian will receive fees pursuant to the schedule set forth on “Exhibit B- Fee Schedule,” upon submission of invoices in accordance with Section ____, except that SamCERA will withhold payment for services rendered by Custodian if SamCERA terminates this Agreement for default in accordance with Section ____.

B. Invoices. Custodian shall submit to SamCERA a quarterly invoice within thirty (30) calendar days after the close of the quarter for which services were provided. Each invoice shall include the quarterly share of Custodian’s annual fee (prorated for any partial quarter) as set forth in the then current “Exhibit B - Fee Schedule.” Invoices shall only cover work already performed in the previous quarter; no compensation shall be paid to Custodian in advance of services rendered. Invoices shall be payable within thirty (30) calendar days after approval by SamCERA. Invoices shall be e-mailed to: Investments@samcera.org.

C. Proration upon Termination. Upon termination, the fees for any period which does not constitute a full calendar month shall be prorated, based upon the number of days in the calendar month that Custodian performed services prior to the effective termination date.

SECTION VII. TERM, TERMINATION, TRANSITION AND TERMINATION REMEDIES

A. Term. This Agreement shall commence on the date first set forth above and shall continue in effect until _____ 2029, unless earlier terminated as set forth below.

B. Termination By SamCERA. SamCERA reserves the right to terminate the Agreement with or without cause at any time by giving Custodian written notice, as detailed below in Section __ Notices, sent at least thirty (30) calendar days prior to the date on which termination is to become effective.

C Termination By Custodian. Custodian reserves the right to terminate the Agreement with or without cause at any time by giving SamCERA’s Board of Retirement (“Board”) written notice as detailed below in Section _____. Notices shall be sent at least one hundred twenty (120) days prior to the date on which termination is to become effective.

D. Consummation of Transactions. Any termination notice given by either party shall not affect or preclude the consummation of any transaction initiated prior to the receipt by one party of the other’s termination notice. Custodian will continue to act in accordance with its fiduciary obligations under this

Agreement in regards to the completion of any transactions initiated during the period prior to the termination of the custodial relationship.

E. Transition Period.

(1) Continuation of Terms and Conditions. In the event of any termination of this Agreement, all of the terms and conditions herein shall continue to apply through the effective termination date and through any period following such date, during which Custodian shall continue to perform the services required under this Agreement in order to complete any transactions pending on the effective termination date and to facilitate an orderly transition to a successor custodian (“Transition Period”).

(2) Duty to Cooperate. Upon any termination of this Agreement by either party and to the extent directed by SamCERA, Custodian shall continue to serve as a custodian and as a fiduciary to SamCERA hereunder at the then existing compensation level for the duration of the Transition Period. Custodian shall cooperate with SamCERA in good faith to effect a smooth and orderly transfer of the Account and such services and all applicable Records. Upon termination of this Agreement, Custodian shall retain all SamCERA Records (as defined in Section ___ below) according to the record retention provisions set forth in Section ___ below, or if required or requested by SamCERA, promptly deliver the SamCERA Records to SamCERA or to such other party designated by SamCERA; provided, however, that the Custodian may retain any copies of Records pursuant to any applicable law or regulation. Custodian shall (i) submit a full accounting of all transactions within forty-five days of the effective date of termination and (ii) make all employees of affiliates of Custodian whose services were utilized under this Agreement available for interviews by SamCERA as reasonably requested.

(3) Transition Assistance. Custodian shall provide reasonable conversion assistance in the transition of the account to SamCERA staff and the successor custodian or service provider appointed by SamCERA.

F. Remedies.

(1) If SamCERA terminates this Agreement pursuant to Section ___ above, SamCERA will be entitled to seek any rights and remedies available to it at law or in equity resulting from Custodian’s default, which may include recovering damages.

(2) If SamCERA terminates this Agreement, the sole and exclusive remedy of Custodian for such termination will be its right to receive the fees and reasonable expenses described in Exhibit B hereto through the effective date of termination. In no event will SamCERA’s termination of this Agreement pursuant to Section ___ above be deemed a waiver of its rights to make a claim against Custodian for damages resulting from a default by Custodian prior to the effective date of such termination.

(3) In the event that Custodian terminates this Agreement pursuant to Section ___ above, SamCERA will reimburse Custodian for all reasonable and necessary costs incurred or committed by Custodian in conformity with this Agreement for the benefit of SamCERA to the extent Custodian must pay such costs, and for all fees earned by Custodian through the date of termination and, except as otherwise provided in this Agreement to the contrary, neither party will thereafter have any further obligation to the other under this Agreement. In no event will Custodian's termination of this Agreement pursuant to Section ___ above, be deemed a waiver of its rights to make a Claim against SamCERA for damages resulting from default by SamCERA prior to the effective date of such termination.

(4) The rights and remedies of the parties provided in this Section ___ are not exclusive and are in addition to any other rights and remedies provided by law, in equity or under this Agreement.

SECTION VIII INDEMNIFICATION, INSURANCE, AND ERRORS

A. Indemnification. Custodian shall indemnify, hold harmless, and defend SamCERA and its present and former officers, agents, and employees from all liabilities, losses, costs, damages, claims, and actions arising directly out of negligent acts or omissions, bad faith, or willful misconduct by Custodian in connection with the performance of or failure to perform its duties under this Contract. For the preceding indemnification to apply, SamCERA shall, within two weeks after receipt of notice of commencement of any action, suit, proceeding or claim against Custodian or SamCERA in respect of which a claim for indemnification may be made, notify Custodian in writing of the commencement of such action, suit, proceeding or claim, enclosing a copy of all papers served. The foregoing notice requirement shall be deemed to have been satisfied if Custodian shall have received actual notice of the commencement of such action, suit, proceeding, or claim from any source whatsoever within such two-week period. In any such action, suit, proceeding, or claim, Custodian shall participate in and assume the defense thereof, with counsel reasonably satisfactory to the Board. SamCERA shall have the right, in its sole discretion, to participate in any defense or claim against SamCERA without waiving its right to indemnification.

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

B. Insurance.

(1) General Insurance Requirements: Without limiting Custodian's indemnification obligations under Section VIII.A. above, Custodian warrants that it will, to the extent available at commercially viable terms, maintain professional liability, worker's compensation, financial institution bond, cybersecurity, auto, and other commercially reasonable insurance coverage that shall be in amounts that are in conformity with generally prevailing standards in Custodian's industry, but no less than the amounts listed below. Such insurance will, in each case, be primary to, and not contributing with, any other insurance maintained by SamCERA and/or the County of San Mateo. Such insurance will be provided by insurer(s) rated A or better by an

industry recognized rating agency or otherwise approved in writing by SamCERA, and evidence of such insurance, in a form satisfactory to SamCERA, will be delivered to SamCERA on or before the effective date of this Agreement. Thereafter, Custodian agrees to furnish satisfactory evidence of its insurance coverage to SamCERA annually, upon request by SamCERA. Custodian shall promptly inform SamCERA in case any of the insurance coverage required by this Agreement is materially changed or cancelled.

- (a) Comprehensive Professional Liability. Commercial Professional Insurance will have a per occurrence limit and per location limit of at least ____ million dollars (\$X,000,000) per occurrence and ____ million dollars (\$X,000,000) aggregate.
- (b) 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.
- (c) Financial Institution Bond. A financial institution bond in the amount of no less than \$_____.
- (d) General Liability Custodian shall maintain a policy of commercial general liability for bodily injury and property damage arising out of Custodian's services under this Agreement .It will have a per occurrence limit and per location limit of at least ____ million dollars (\$X,000,000) per occurrence and ____ million dollars (\$X,000,000) aggregate.
- (d) Cybersecurity. Cybersecurity coverage with an annual aggregate coverage of at least \$_____.

C. Error Correction and Measure of Damages. If any act or omission by Custodian or its Agents caused by the Custodian's or its Agent's negligence, bad faith, fraud, or willful misconduct, default, or breach of this Agreement (including, but not limited to, failure to exercise the appropriate standard of care required), results in any loss of or diminution in value of any Property held in the Account, the Custodian shall be responsible for taking all actions necessary to correct such loss or error in the Account, including, without limitation, making financial contributions to the Account. The Custodian shall in any such instance consult with SamCERA to determine the appropriate correction methodology and valuations to be utilized in order to correct any loss or error for which the Custodian is responsible such that the Account is restored to the position it would have been if the loss or error had not occurred. If damages arising from any default, act, or omission under this Agreement are otherwise not measurable under the foregoing paragraph, such damages shall be determined under the laws of the State of California.

D. Limitation of Liability. Custodian shall not be liable for any damages under this Agreement which arise solely from any act or omission by Custodian or its Agents when such act or omission

complies with (i) the terms of this Agreement (including the applicable standard of care hereunder), (ii) Authorized Instructions that are not patently erroneous and could be reasonably relied upon by a prudent Custodian, or (iii) to the extent resulting from causes beyond the control and without the fault or negligence of Custodian or its Agents, including but not limited to, causes of Force Majeure.

SECTION IX RECORDS, RECORD RETENTION, INSPECTION OF RECORDS AND AUDIT RIGHTS

A. Book of Record. Custodian shall act as the “book of record” for SamCERA assets and transactions. The Custodian shall render to SamCERA a monthly report of all monies received or paid on behalf of SamCERA and an itemized statement of the securities for which it is accountable under this Agreement as of the end of each month, as well as a list of all securities transactions that remain unsettled at that time. 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, except where such reports contain patent defects that are manifestly evident.

B. Access. Upon reasonable notice, Custodian shall furnish to SamCERA and its authorized representatives during ordinary business hours (except as provided below) full access to readily available Records.

C. Examination and Copies. SamCERA will have the right to make copies and extracts of Records examined at any time during the term of this Agreement, or at any time for up to seven years after the termination of this Agreement. Such examination and copies will be made at SamCERA’s expense and in a manner that will not unreasonably interfere with the conduct of the business of Custodian and will not affect any of the representations and warranties hereunder. At SamCERA’s request, Custodian may, at SamCERA’s expense, make Records available in San Mateo County.

D. Record Retention. Custodian will retain all Records in its possession for a period of seven calendar years from the date the Records were created and will thereafter dispose of such Records in accordance with its document retention policy, unless directed in advance by SamCERA not to dispose of the Records. Custodian will provide all Records in its possession in an electronic format (*e.g.*, flash drive or disc) to SamCERA. Custodian will give SamCERA prompt written notice each time its retention policy is changed. Such notice shall be accompanied with clean and redlined copies of the revised retention policy. SamCERA will have the right to take possession of any and all of such Records following notification of the Custodian of its intent to do so prior to the expiration of the seven-year retention period applicable to such Records. Custodian will reasonably cooperate with SamCERA in the implementation of such change in possession. Custodian acknowledges the Records to be SamCERA’s property.

E. Form of Retention. Custodian will maintain all Records in the possession or under the control of Custodian and its subsidiaries in either paper or electronic form. Upon termination of this Agreement, and whenever SamCERA requests physical possession of the Records as permitted by this Agreement, Custodian will promptly deliver the Records to SamCERA, or its designee(s), in such form as may be reasonably acceptable to SamCERA. Records in paper form shall be organized in such manner that

SamCERA and its designee(s) can locate and access the required document(s). Records in electronic form shall be organized and formatted in such manner that SamCERA and its designee(s) can access and print the Records from its computers. In addition, upon termination of this Agreement, and whenever SamCERA requests physical possession of the Records as permitted by this Agreement, Custodian will arrange for the prompt delivery of the Records in its possession or control to SamCERA, or its designee(s) at Custodian's cost and expense.

F. Access to Custodian's Facilities. Custodian will provide reasonable access to SamCERA or its agents to all operating areas and premises of Custodian related to the Work to explain and demonstrate Custodian's internal control systems and its compliance with this Agreement. Such access will include all information systems controls and disaster recovery operations, including tours of such facilities.

G. Personnel. Upon request by SamCERA, Custodian will make personnel reasonably available to address any concerns or to explain operations, provide tours of operations, discuss current and best practices and provide on-site accommodations for a reasonable period of time for SamCERA or its agents to perform audits and testing of Custodian's compliance with this Agreement and internal controls consistent with this Agreement. Custodian shall furnish to SamCERA and its authorized representatives during ordinary business hours reasonable access to Custodian's employees, accountants, consultants, and Subcustodians, and those of its subsidiaries for purposes of conducting interviews and seeking explanations as to questions which SamCERA or its authorized representatives might have incident to their review of such Records. SamCERA's access to Custodian's Records and/or interviews with Custodian's (or its subsidiaries') employees, accountants, consultants, and Subcustodians shall occur within a reasonable time period which will not, in any event, exceed five (5) business days.

H. SSAE-16 Reports. Custodian will provide SamCERA with SSAE- 16 (Soc 1, 2, 3) reports of the system of internal controls.

I. Confidentiality of Custodian Information. Custodian hereby acknowledges that SamCERA is a public agency subject to state laws, including, without limitation, (i) the California Public Records Act (California Government Code §7920.000, et seq.) (the "Public Records Act"), which provides generally that all records relating to a public agency's business are open to public inspection and copying unless otherwise exempted under the Public Records Act, and (ii) the Ralph M. Brown Act (California Government Code §54950, et seq.), which provides generally for open meetings for local legislative bodies, and further acknowledges that SamCERA may be required to disclose certain information publicly. SamCERA will use reasonable means to protect and maintain the confidentiality of Custodian Information that is exempt from the Public Records Act, or similar laws, so long as Custodian makes a reasonable effort to clearly and prominently mark all such material "confidential" or "proprietary." However, if a request is made to SamCERA for such records it is the responsibility of Custodian to assert any right of confidentiality that may exist. SamCERA will not make that assertion on behalf of the Custodian. If SamCERA reasonably determines that a requestor is entitled under law to the requested information, once SamCERA has notified Custodian of that determination, absent receipt of a timely and binding court restraining order, SamCERA is under no obligation to withhold the information nor to

defend litigation either threatened or instituted to obtain the information. Absent a judicial determination that the documents are exempt from disclosure, they will be subject to inspection.

J. Use of Confidential Information. All confidential information provided by a party hereto shall be used by any other party hereto solely for the purpose of rendering or receiving services pursuant to this Agreement and, except as may be required in carrying out this Agreement, shall not be disclosed to any third party. The foregoing shall not be applicable to any information (i) that is publicly available when provided or thereafter becomes publicly available, other than through a breach of this Agreement, or that is independently derived by any party hereto without the use of any information provided by the other party hereto in connection with this Agreement, (ii) that is required in any legal or regulatory proceeding, investigation, audit, examination, subpoena, civil investigative demand or other similar process, or by operation of law or regulation, or (iii) where the party seeking to disclose has received the prior written consent of the party providing the information, which consent shall not be unreasonably withheld. Notwithstanding anything herein to the contrary, Custodian, its subsidiaries and affiliates may report and use nonpublic portfolio holdings information of its clients on an aggregated basis with all or substantially all other client information and without specific reference to SamCERA.

K. Survival. The provisions of this Section ___ will survive termination of this Agreement for a period of seven years.

SECTION X. CUSTODIAN’S REPRESENTATIONS, WARRANTIES, AND COVENANTS

A. Custodian’s Representations, Warranties, and Covenants. Custodian makes the following representations, warranties, covenants and agreements set forth in this Section ___ with the understanding that SamCERA has relied upon them in determining to enter into this Agreement, and that they constitute a material inducement to SamCERA to enter into this Agreement. The representations, warranties, covenants, and agreements contained in this Section ___ shall survive the expiration or termination of this Agreement.

(1) **Authorization.**

(a) Custodian is duly organized, validly existing, and in good standing under the laws of the state of its organization is qualified to do business in California, and has full corporate power and authority to carry on its business as it has been and is conducted.

(b) The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement are within the power of the Custodian and have been duly authorized by all necessary corporate and other actions. Custodian has duly authorized, executed, and delivered this Agreement, and this Agreement constitutes the legal, valid, and binding agreements and obligations of Custodian, enforceable against Custodian in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar limitations on creditors’ rights generally and general principles of equity.

(c) Custodian is not subject to or obligated under any law, rule, or regulation of any governmental authority, or any order, injunction or decree, or any agreement, that would be breached or violated by Custodian's execution, delivery, or performance of this Agreement.

(d) Custodian has completed, obtained, and performed all registrations, filings, approvals, licenses, authorizations, consents, or examinations required by any government or governmental authority for entry into this Agreement and performance of its acts contemplated by this Agreement, and Custodian shall maintain such proper authorizations while this Agreement is in force.

(e) The person executing this Agreement is an authorized agent who has actual authority to bind Custodian to each and every one of the terms, conditions, and obligations set forth herein.

(2) **Quality of Services.** All services which Custodian provides hereunder, shall meet the requirements and standards set forth in the body of this Agreement and any Exhibits, Schedules, and Appendices attached hereto. At SamCERA's request, Custodian shall promptly correct any errors or omissions in the provision of such services.

(3) **Placement Agent Policy and Fees.** Custodian represents that neither Custodian nor any of its affiliates has paid or agreed to pay any fee or commission, including broker's fees, finder's fees, third party marketing fees, consulting fees, placement fees, or similar fees, to any entity or person in connection with the procurement, negotiation or execution of the Agreement by SamCERA, except for bona fide employees of Custodian, and as to such bona fide employees so long as Custodian complies with California's restrictions on payments to in-house "placement agents." Custodian represents, warrants, and covenants that the information contained in the Placement Agent Disclosure Form it submitted to SamCERA dated [MONTH], 2024, is true and accurate as of the date of this Agreement, and the information contained in the Disclosure Form is not false or misleading and does not omit any material information.

(4) **Gratuities.** Custodian acknowledges that all SamCERA trustees, and pertinent SamCERA staff are bound by the conflict of interest prohibitions and reporting requirements set forth in California Government Code Section 87100 and 87200 concerning gifts and by the provisions of California Government Code Sections 1090 et. seq. prohibiting any financial interest in a SamCERA contract. In order that all SamCERA trustees and pertinent SamCERA staff are able to participate in matters coming before the Board concerning service providers and to avoid conflicts of interest, Custodian acknowledges that neither the Custodian nor persons assigned by Custodian to service SamCERA's account, nor any of its employees who communicate with SamCERA in connection with the marketing of its services or products, have offered or provided, or will offer or provide gifts, reimbursement of expenses or any other personal benefits exceeding the aggregate set by the California Fair Political Practices Commission, in any twelve

(12) month period to any SamCERA trustee, SamCERA employee, or SamCERA investment consultant.

(5) **Conflict of Interest with Persons Related to SamCERA.** Custodian does not and shall not knowingly employ in any capacity, (i) any SamCERA employee or fiduciary, or any spouse or economic dependent of such person, who could either influence the award of this Agreement, or who does or will have any direct or indirect financial interest in this Agreement.

(6) **Intellectual Property.** In connection with its performance under this Agreement, Custodian shall not knowingly develop, provide, or use any software, program, process, composition, writing, equipment, appliance, or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature, or any other tangible or intangible assets, that infringes or will infringe on any patent, copyright, or trademark of any other person or entity, or that is a trade secret of any other person or entity.

B. Investigations and Complaints. To the extent permitted by applicable law, and upon request by SamCERA, Custodian shall promptly advise SamCERA in writing of any civil or criminal investigation, examination, complaint, disciplinary action, or other proceeding relating to or affecting Custodian's ability to perform its duties under this Agreement or involving any investment professional employed by Custodian who has performed any service with respect to SamCERA's account in the 24 preceding months, which is commenced by any of the following: (i) the Securities and Exchange Commission of the United States ("SEC"), (ii) any stock exchange, (iii) the Financial Industry Regulatory Authority, (iv) any Attorney General or any regulatory agency of any state of the United States, (v) any U.S. Government department or agency, or (vi) any governmental agency regulating securities of any country in which Custodian is doing business. Notwithstanding the foregoing, information reported in the Custodian's publicly filed documents referencing its material litigation and regulatory investigations will be deemed to satisfy the requirements of this Section.

(1) **Custodian's Agents.** The Agents of Custodian who will be responsible for performing under this Agreement are individuals experienced in the performance of the various functions contemplated by this Agreement. Upon request by SamCERA, Custodian will notify SamCERA if any of its Agents, to its knowledge, have been convicted of any felony, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, securities law violation or bankruptcy law violations within a year of Custodian becoming aware of any such matter.

(2) **Trust Powers; Federal Deposit Insurance Program (FDIC).** Custodian agrees to notify SamCERA immediately in the event that (i) Custodian is no longer authorized to exercise trust powers, or (ii) Custodian's deposits are not insured by the FDIC.

C. Annual Certification and Notice of Changes. Custodian shall certify in writing no later than January 31 of each year that each of the representations, warranties and covenants made in this Section are true as of December 31 of the prior year, or shall state in writing the facts that render such representations, warranties, and covenants no longer true. Custodian shall notify SamCERA in writing

within three (3) business days of any of the following changes: (1) Custodian becomes aware that any of its representations, warranties, and covenants set forth in this Agreement cease to be materially true at any time during the term of this Agreement; (2) there is any change in Custodian's senior personnel assigned to perform services under this Agreement, or in Custodian's key personnel within its organization; or (3) Custodian becomes aware of any other material change in its business organization, including, without limitation, the filing for bankruptcy relief.

D. Representations in RFP and in the Course of Due Diligence. Custodian hereby reaffirms the reliability and accuracy of the written proposal and oral representations made to SamCERA in the RFP and due diligence process.

E. System Security. Custodian will ensure that its networks and systems are adequately secured against unauthorized intrusion and its data and the data it stores for SamCERA is regularly backed up in accordance with industry cybersecurity practices.

F. Annual Audited Financial Statement. Custodian shall provide SamCERA with copies of its annual audited financial statements annually.

SECTION XI LEGAL REQUIREMENTS

A. Compliance with Legal Requirements. Custodian shall comply with all applicable federal, state, laws and regulations and applicable foreign laws. ("Legal Requirements").

B. Nondiscrimination in Employment. Custodian shall take all necessary action to ensure that job applicants during the job application process, and its employees during employment, are treated without regard to their race, color, religion, sex, age, marital status, sexual orientation, disability, medical condition, ancestry or national origin.

C. Tax law. The Custodian shall have no responsibility or liability for any tax obligations now or hereafter imposed on SamCERA, except to the extent SamCERA incurs penalties or interest due to the negligence or willful misconduct of Custodian or its Agents.

D. Independent Contractor Status. Custodian will at all times be acting in the capacity of an independent contractor. Custodian will be considered to be representing SamCERA to the extent it is acting within the scope of this Agreement, but this Agreement is not intended, and will not be construed, to create the relationship of agent, servant, employee, partner, joint venturer, or association between SamCERA and Custodian. Custodian understands and agrees that all persons furnishing services to SamCERA pursuant to this Agreement are employees solely of Custodian and not of SamCERA or the County of San Mateo. Custodian will bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person performing services to Custodian for injuries arising from or connected with services provided to SamCERA pursuant to this Agreement.

E. Agents and Subcustodians. Custodian will be solely liable and responsible for any and all payments and other compensation to any agent or subcustodian appointed by it, and SamCERA will have no direct liability to any agent or subcustodian.

SECTION XII MISCELLANEOUS

A. Seminars and Training Programs. In the event Custodian or any of its Affiliates conducts seminars, training sessions, or similar events which are generally made available to Custodian's customers; SamCERA will be invited to attend upon the same terms and conditions as such other customers.

B. Surviving Provisions. The parties agree that the provisions and obligations with respect to Section ____ (Term and Termination), Section ____ (Indemnification and Insurance), Section ____ (Record Retention and Inspection of Custodian's Records), Section 10 (Custodian's Representations, Warranties and Covenants), and Section ____ (Cooperation and Assistance) will survive the expiration or termination of this Agreement.

C. Notices. All notices, requests, demands or other communications required or desired to be given hereunder or under any law now or hereafter in effect shall be in writing. Such notices shall be deemed to have been given one business day after delivery by email with telephone confirmation of receipt, or by reputable overnight courier, or three business days after being mailed by first class registered or certified mail, postage prepaid, and addressed as follows (or to such other address as either party from time to time may specify in writing to the other party in accordance with this notice provision):

To SamCERA:

Chief Executive Officer
100 Marine Parkway, Suite 125
Redwood City, CA 94065
Investments@samcera.org

To Custodian:

With a copy to:

Michael Coultrip
Chief Investment Officer
100 Marine Parkway, Suite 125
Redwood City, CA 94065
mcoultrip@samcera.org

D. Attorneys' Fees, Costs and Expenses. In any legal proceeding which arises out of or relates to this Agreement (whether in contract, tort, or both), then the party not prevailing shall pay to the prevailing party all reasonable costs and expenses incurred therein by the prevailing party including, without limitation, reasonable attorneys' fees (but excluding internal counsel rates). These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

E. Section Headings. Caption and section headings used in this Agreement are for convenience and reference only and shall not affect in any way the meaning, construction, or interpretation of this

Agreement. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Agreement. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

F. Entire Agreement. This Agreement and all Exhibits, Schedules, and Appendices attached hereto, contains the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and superseding all other previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings and communications between the parties relating to the subject matter of this Agreement. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

G. Severability. If any provision of this Agreement is held by any court to be illegal, invalid, or unenforceable, in whole or in part, the other provisions shall remain unaffected and shall continue in full force and effect unless an essential purpose of this Agreement would be defeated by the loss of the illegal, invalid, or unenforceable provision.

H. Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

I. Amendments in Writing. This Agreement may be amended or modified only by a written instrument executed by both parties hereto and making specific reference to this Agreement and the intent of the parties that it be modified or amended by such writing. The parties shall meet and confer in good faith on, any modification of this Agreement that may become necessary to make its provisions consistent with any investment policy of SamCERA, or any foreign, international, federal, state, county, or local statute, rule, regulation or ordinance which governs any aspect of this Agreement.

J. Governing Law and Venue. This Agreement shall be governed by, construed, and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court sitting in the Northern District of California or in any court of the State of California sitting in the County of San Mateo, California.

(1) **Consent to Jurisdiction.** Custodian consents to the exclusive jurisdiction of any United States District Court sitting in the Northern District of California and the superior court of the State of California sitting in the County of San Mateo, California, and their appellate courts for

the purpose of all legal actions and proceeding arising out of or relating to this Agreement or the transactions it contemplates.

(2) **Waiver.** SamCERA, in its sole and absolute discretion, may waive the requirements of Section XII.J(1) above.

K. Joint and Several Liability. If Custodian (or any permitted assignee) consists of more than one person or entity, the liability of each such person or entity signing this Agreement as Custodian shall be joint and several.

L. Assignment. Unless otherwise set forth in this Agreement, Custodian may not assign any of its rights under this Agreement without the prior written consent of SamCERA that may be granted or withheld in SamCERA's sole discretion. Despite SamCERA's consent, no assignment shall release Custodian of any of its obligations or alter any of its primary obligations to be performed under the Agreement, unless such consent expressly provides for such release of Custodian. Any attempted assignment in violation of this provision shall be void and shall entitle SamCERA to terminate this Agreement for default.

M. Execution in Counterparts; Facsimile Signatures. The parties may execute this Agreement in any number of duplicate originals, each of which constitutes an original, and all of which, collectively, constitute only one agreement. Any party delivering an executed counterpart of this Agreement may do so electronically via email.

N. Recitals Incorporated. The recitals set forth at the beginning of this document are incorporated in and made a part of this Agreement.

Signatures follow on the next page:

IN WITNESS WHEREOF, SamCERA has caused this Agreement to be signed by its duly authorized officer and the Custodian has caused this Agreement to be signed by its duly authorized officer, as of the date first set forth above.

San Mateo County Employees' Retirement Association

Custodian

By:

By:

Title:

Title:

Date:

Date:

SAMPLE

APPENDIX D CERTIFICATION

The undersigned certifies that all services and systems described in its proposal are available, deliverable, and performed by professionals abiding to the highest fiduciary standards. In addition, audits performed by independent parties are diligently accomplished and documented. The undersigned hereby certifies that he or she is authorized to execute this Request For Proposals (RFP) on behalf of _____ and that the information, commitments, representations, and other provisions of the foregoing RFP are true and correct.

Name _____

Signature _____