



Chicago Teachers' Pension Fund

FINAL

Chicago Teachers' Pension Fund

**Request for Proposal for
Global Custody and Securities Lending Services**

Prepared by

Callan

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DEADLINE: September 18, 2013

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OVERVIEW

I. PURPOSE OF THE REQUEST FOR PROPOSAL

This Request for Proposal (RFP) is being issued by the Chicago Teachers' Pension Fund (CTPF) to secure proposals from qualified companies to provide a comprehensive set of core custody and ancillary services from a custodian bank and securities lending (on an agent basis) services either through custody or third party agent provider. Bidders must satisfy the minimum qualifications and requirements stipulated in Section V of this RFP.

This RFP is for a 5-year contract beginning July 1, 2014.

CTPF seeks to identify and select a qualified company to provide a comprehensive set of services from a custodian bank, including, but not limited to, safekeeping and asset servicing, plan and investment accounting, GASB reporting support, performance measurement and analytics, short-term sweep cash management, trade processing and settlements, compliance monitoring, commingled fund look through, proxy voting notification support, class action processing support and corporate actions, derivatives processing, proactive investment manager reconciliation, and alternative investment support for CTPF's investment accounts.

CTPF is also evaluating the merits of a securities lending (bundled or unbundled from custody) to ascertain best practice and also understand the risk reward trade-off of such transactions. Securities lending will be utilized primarily to generate incremental return in a very risk-controlled environment.

This document provides information on the scope of the effort that will assist bidders to develop a proposal in the format desired by CTPF.

BACKGROUND

Established by the Illinois state legislature in 1895 as The Public School Teachers' Pension and Retirement Fund of Chicago, CTPF administers a single/multi-employer defined benefit public employee retirement system. The fund offers retirement, survivor, and disability benefits for certain certified teachers and employees of the Chicago Public and charter schools, and certain other employees. CTPF is administered in accordance with Illinois Compiled Statutes (ILCS) Chapter 40, Articles 1, 17, 20.

CTPF's role is to prudently manage the assets supporting the pension plan and administer the entitlements and benefits provided by the plan. CTPF is governed by a Board of Trustees made up of 12 members, who include 6 contributing teachers, 3 pensioners, 1 contributing administrator, and 2 appointees of the Chicago Board of Education. The Board of Trustees oversees the fund's benefit programs, approves all benefits, makes investment decisions for the fund's assets, and provides general oversight to CTPF operations.

CTPF has more than 59,000 total active, inactive, and retired members with more than 22,000 of these members being retired and/or survivors receiving monthly pension benefits. As of June 30, 2013, CTPF's investment program totaled \$9.7 billion.

II. POINT-OF-CONTACT

Any questions concerning specifications or requirements must be directed to:

Name	Carmen A. Heredia-Lopez, CFA Chief Investment Officer
Address	203 North LaSalle Street, Suite 2600, Chicago IL 60601-1231
E-mail	rfp.invest@ctpf.org

Questions are to be submitted to Carmen Heredia-Lopez via e-mail no later than September 3, 2013 using the Point-of-Contact information. All questions must include the name of the company, representative or individual submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be posted to www.ctpf.org. CTPF is not responsible for questions received after the deadline.

III. SCOPE OF SERVICES

CTPF – Investment Structure (June 30, 2013)

As of June 30, 2013, total market value of assets was \$9.7 billion and invested in diversified portfolios across multiple asset classes. Refer to Attachment A for Investment Manager List and Attachment B for Asset Holdings.

Investment Structure	Market Value (\$ millions)
US Equities	\$3,111.2
Non US Equities	\$2,887.9
US Fixed-Income	\$1,176.9
Non US Fixed-Income	\$533.2
Real Estate	\$765.5
Public REITs	\$275.2
Infrastructure	\$330.8
Private Equity	\$268.1
Hedge Funds	\$28.1
Cash	\$325.6
Transition Account	\$0.3
Total Fund	\$9,702.8

Custody Services

CTPF requires a comprehensive set of services from a custodian bank, including, but not limited to, safekeeping and asset servicing, plan and investment accounting, GASB reporting support, performance measurement and analytics, short-term sweep cash management, trade processing and settlements, compliance monitoring, commingled fund look through, proxy voting notification support, class action processing support and corporate actions, derivatives processing, proactive investment manager reconciliation, and alternative investment support.

Given the multiple asset classes that CTPF is invested in, the preferred custodian should have robust global capabilities in safe keeping, asset servicing, trade processing, and financial reporting. The ability to aggregate and compile data and composites is important. Derivatives processing is required and experience in fund look through is preferred. Income collection and corporate actions are essential in the day to day administration of the Plans. Cash sweep vehicle (short term cash management) is also required. Although investment managers are responsible and have investment discretion for FX (foreign exchange), CTPF requires full transparency to FX

transactions executed by the custodian bank on behalf of the Plan. Please note that CTPF is conducting a search for a firm to assist in proxy voting matters. CTPF also requires class action processing and filing in close coordination with staff and external legal counsel.

The account structure of the Plan is predominantly in separate accounts, commingled funds, and Limited Partnerships. In light of this structure and the multi-manager configuration, CTPF is particularly interested in custodian capabilities to support collecting information and providing financial reports, which can be used to satisfy GASB Standards and included in CTPF's Comprehensive Annual Financial Report (CAFR). The custodian is expected to assist CTPF in year-end preparation of annual reports. The custodian is expected to assist CTPF and its external auditors in the completion of the annual financial statement audit which includes allowing external auditors to have read only access to online account information and reports.

Various reports from the incumbent custodian bank are used to prepare the required schedules for financial reporting. CTPF applies the accounting standards listed below, when preparing investments-related sections of the financial statements. Additional accounting standards identified or issued in the future, not included here, may apply to CTPF. CTPF follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are prepared using the accrual basis of accounting to reflect the overall operations of CTPF.

GAAFR (Blue Book)	<i>Governmental Accounting, Auditing, and Financial Reporting, GFOA - Using the GASB 34 Model (Publication)</i>
GASB-Statement No. 3	<i>Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements</i>
GASB-Statement No. 10	<i>Accounting and Financial Reporting for Risk Financing and Related Insurance Issues</i>
GASB-Statement No. 25	<i>Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans</i>
GASB-Statement No. 28	<i>Accounting and Financial Reporting for Securities Lending Transactions</i>
GASB-Statement No. 31	<i>Accounting and Financial Reporting for Certain Investments and for External Investment Pools</i>
GASB-Statement No. 40	<i>Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3</i>
GASB-Statement No. 53	<i>Accounting and Financial Reporting for Derivative Instruments</i>
GASB-Statement No. 67	<i>Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25</i>
GASB-Statement No. 68	<i>Financial Reporting for Pension Plans—an amendment of GASB Statement No. 27</i>

Please refer to Attachment C – CTPF Reports for additional detail and specific reports required from the custodian bank.

CTPF requires a flexible data management and reporting system that can quickly provide detailed accounting, holdings, and performance and other analytics at the portfolio, asset class, manager, or security level using the latest dashboard technology. The ability to drill down or “see through” commingled funds for shadow accounting and performance and risk oversight would be ideal. Key considerations surrounding risk management are being evaluated such as compliance monitoring, corporate governance support, advanced performance measurement and risk analytics, including VaR/scenario/stress testing. CTPF requires performance measurement services such as return calculations, portfolio characteristics, universe comparison, attribution and custom benchmark support. The ability to monitor liquidity is critical to better manage cash flow and monitor cash drag.

CTPF is also contemplating on expanding the use of banking and treasury services available from the custodian bank. Areas of particular interest are electronic lockbox arrangement, image capture, ACH processing, checking account services, deposit and disbursement support.

CTPF would like to evaluate the custodian’s web-based treasury platform to perform but not limited to the following activities: (1) Balance Report for Concentration Account for daily transactions and balances; (2) Positive Pay for the payment or return check, no match on file and stale dated checks; (3) Check History and Images for check status tracking; (4) Transmit check issues/voids or stale dated checks; (5) Stop Payments of Checks; (6) ACH Adjustments for direct deposit and payroll adjustments such as deletion, reversal, reclaim or recall; (6) Tax Deposits at federal and state payments; (7) Fund Transfers or Wire Transfers; and (8) Monthly Reporting including Bank Statements and reconciliations

CTPF also would like to learn more about the custodian’s ability to support the ACH Debit requirements of CTPF such as: (1) Fees and Service Charges; (2) Check Image via CDs; (3) Notification of Changes Reports; (4) Daily Confirmation Report for daily checks issued and voided; (5) Call Back Confirm of month end payroll amount and total number of records, (6) Call to Inform NSF Checks; and, (7) Remote Check Capture for over the counter checks received.

Last but not least, CTPF would like to explore the possibility of outsourcing benefit payment services to the custodian bank. This entails actual check writing for benefit disbursements and not for total plan retiree administration.

CTPF understands that your organization as a global banking entity is required to meet and exceed the disaster recovery and business continuity requirements of the Federal Reserve and other regulators. Given that the custodian is a critical partner to CTPF, we would like to better understand your firm’s disaster recovery and business continuity plan. CTPF would like to review your SSAE-16 (SAS 70) for regular penetration audit, data transfer and delivery mechanism, data retention and destruction process, PKI support, encryption, and vendor relationship and management processes. Please note that CTPF would conduct this extra due diligence taking into consideration national security and confidentiality concerns.

Securities Lending Services

CTPF participates in the custodian bank’s securities lending program through a risk-controlled program. Northern Trust is the current securities lending provider and also oversees collateral management for the lending program.

Securities lending will be utilized primarily to generate incremental return. CTPF believes in a risk-controlled program. CTPF requires a fully indemnified program specific to operational risk and borrower default. Additional levels of indemnification beyond operational risk and borrower default are also welcome, including collateral reinvestment risk if reinvestment is included. Daily reporting should include internet access to information about its securities lending program, including security level loans outstanding, shares on loan, days out on loan, term

and open trades, borrowers for each block of securities lent, collateralization levels, earnings (top 25 securities sorted by earnings), cash collateral reinvestment and other daily, weekly and monthly reporting requirements at the security and aggregate levels.

On a daily basis, CTPF requires full transparency to loans, counterparties, rebates/fees, collateral posted, and collateral investments, including information specific to NAV (fair market value), credit, risk and liquidity risks. THIS REQUIREMENT IS NON-NEGOTIABLE.

Summary

CTPF is going through a best practice review to incorporate your 'organization's best thinking, enhance risk oversight, deploy meaningful technology solutions, and achieve cost efficiencies.

We are inviting your organization to submit a proposal to provide the aforementioned services. Of particular concern to CTPF are cost-effective solutions that embrace technology and expert systems, and a disciplined approach in the delivery of custody services. Finally, it is very important that a knowledgeable, seasoned and responsive client servicing team is assigned to CTPF’s account.

IV. SCHEDULE OF EVENTS

Event	Date
1. RFP Distribution to Bidders	August 28, 2013
2. Written questions from Bidders about scope or approach due	September 3, 2013
3. Compilation of questions and answers, and any RFP addenda posted to www.ctpf.org	September 10, 2013
4. Proposal Due Date	September 18, 2013
5. Review of Proposals	September 20, 2013 - October 18, 2013
6. Presentation by selected Bidders	October 29, 2013 – November 1, 2013
7. Anticipated date of approval by full Board	December 12, 2013
8. Anticipated commencement date of contract	July 1, 2014

- Any proposal received at the designated location after the required time and date specified for receipt shall be considered late and non-responsive. Any late proposals will not be evaluated for award.
- The Quiet Period is the period of time beginning when the Global Custody and Security Lending Services RFP is announced and ends when the vendor is selected by the Board or the process is declared to be complete. The purpose of the Quiet Period is to ensure that all prospective vendors have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent, and fair.
- Bidders shall not contact CTPF Trustees during the Quiet Period and should direct all questions and communications by email to rfp.invest@ctpf.org.

- The Quiet Period will be posted to the CTPF website to prevent inadvertent violations by firms responding to this RFP.
- Except for communications expressly permitted by this RFP, communications by Bidders with CTPF or the Board regarding the RFP are strictly prohibited during the quiet period, as publicly disclosed by CTPF. Bidders violating the communications prohibition will be disqualified, at CTPF's option.
- The quiet period does not prevent due diligence, or communications with an existing service provider that happens to be a candidate in the ordinary course of services provided by such service provider; however, discussions related to the pending selection shall be avoided during those activities.

V. GUIDELINES FOR PROPOSAL PREPARATION

Award of the contract resulting from this RFP will be based upon the most responsive Bidder whose offer will be the most advantageous to CTPF in terms of cost, functionality, and other factors as specified elsewhere in this RFP.

CTPF reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any potential vendor
- Accept other than the lowest priced offer
- Award a contract on the basis of initial offers received, without discussions or requests for best and final offers

Bidder Minimum Qualifications

Custody Services

- At least \$1 billion in total market capitalization as of June 30, 2013.
- At least \$500 billion in total tax-exempt assets under trust/custody as of June 30, 2013.
- Minimum of 10 years' experience in providing global trust/custody services for institutional tax-exempt investors as of June 30, 2013.
- Working experience with actual clients in the delivery of performance measurement (portfolio characteristics, universe comparison, and attribution) and advanced risk analytics (Value at Risk, Scenario and Stress Testing) over the last 5 years ending June 30, 2013.
- The account manager assigned must have had a minimum of five (5) years experience in the master trust/custody field with at least three (3) years experience at the responding firm. The transition team leader and his/her assistant must have worked together on at least three (3) prior major conversions of an account with market value in excess of \$5 billion consisting of multiple asset classes.
- The candidate must be authorized to conduct a trust business in the State of Illinois.

Securities Lending Services

- At least \$100 billion in securities lending lendable base for each of the last five years ending June 30, 2013.
- Experience in lending and collateral management of all asset types (domestic equities, fixed-income, international and global mandates) on an intrinsic value basis in addition to general collateral lending over the last 5 years ending June 30, 2013
- Will accept responsibility for securities lending program as a fully indemnified agent program specific to borrower default and operational negligence.
- The account manager assigned must have had a minimum of five (5) years experience in the securities lending field with at least three (3) years experience at the responding firm.

Proposal Submission Guidelines

Proposals from interested parties can bundle or unbundle Global Custody Services and Securities Lending Services. CTPF will consider standalone bid proposals for agent securities lending only. In order to be considered for selection, proposals must be received via e-mail in PDF format, and seven (7) hardcopies and one (1) electronic copy on CD-RW mailed to Carmen Heredia-Lopez. An e-mail communication will confirm receipt of the proposal. In addition, the bidder shall send the proposal via e-mail in PDF format, and one (1) hardcopy and one (1) electronic copy on CD-RW mailed to Bo Abesamis at abesamis@callan.com and the address is Bo Abesamis, Callan Associates Inc., 101 California Street, Suite 3500, SF CA 94111.

Withdrawal

The Bidder may withdraw its proposal at any time prior to the deadline for submission upon presentation of a written request to CTPF.

Costs

CTPF will not pay for any information herein requested, nor is it liable for any costs incurred by the Bidder.

Oral Presentations

All bidders may be required to make one oral, in-person, presentation to the RFP Evaluation Committee. CTPF may, at its discretion, elect to have Bidder(s) provide additional oral presentations of their proposal. CTPF will contact those Bidders to schedule such a presentation. Some bidders may not be asked to present to the committee. Bidders may be asked to present directly to the Board of Trustees. CTPF will not be responsible for any costs associated with any presentations related to this RFP process.

Waiver of Claims

By submitting a proposal, the Bidder agrees to waive any claim it has or may have against CTPF, CTPF Board and/or CTPF officers, employees and agents, arising out of or in connection with the administration, evaluation, or recommendation of any proposal, the waiver of any requirements under the RFP, the acceptance or rejection of any proposal, and/or the award of the Contract.

Notice to Bidders Regarding the State of Illinois Freedom of Information Act

The information submitted in response to this RFP will be subject to public disclosure pursuant to the State of Illinois Freedom of Information Act. The Act provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act. In addition, if CTPF staff chooses to recommend any Bidder(s) to the Board or any of the Boards' Committees for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for public meetings of the Board and any Board Committee.

If a Bidder believes that any portion of its proposal is exempt from public disclosure under the Act, such portion must be marked "CONFIDENTIAL," "TRADE SECRET," or "PROPRIETARY," and made easily separable from the balance of the response. Proposals marked "CONFIDENTIAL," "TRADE SECRET," or "PROPRIETARY" in their entirety will not be honored, and CTPF will not deny public disclosure of all or any portion of proposals so marked. By submitting a proposal with portions marked "CONFIDENTIAL," "TRADE SECRET," or "PROPRIETARY," Bidder represents it has a good faith belief that such material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and the Bidder may be required to justify in writing why such material should not, upon request, be disclosed by CTPF under the Act. CTPF will use reasonable means to ensure that material marked "CONFIDENTIAL," "TRADE SECRET," or "PROPRIETARY" is safeguarded and held in confidence. CTPF will not be liable, however, for inadvertent disclosure of such material.

If CTPF denies public disclosure of any materials designated as “CONFIDENTIAL,” “TRADE SECRET,” or “PROPRIETARY”, Bidder agrees to reimburse CTPF for, and to indemnify, defend and hold harmless CTPF, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CTPF's non-disclosure of any such designated portions of a proposal; and (b) any and all Claims arising from or relating to CTPF's public disclosure of any such designated portions of a proposal if disclosure is deemed required by law or if disclosure is ordered by a court of competent jurisdiction.

In addition, if CTPF staff recommends any Bidder(s) to the Board for hiring, such recommendation and the relevant proposal(s) will appear on a publicly posted agenda for public meetings of the CTPF and Board.

Notice to Bidders Regarding the Legislated Investment Restrictions Relating to the Republic of the Sudan

In 2007 the Illinois General Assembly passed Public Act 095-0521, restricting investment in companies domiciled in, managed or controlled by, or doing business with the Republic of the Sudan. Even though the Act does not apply to CTPF, CTPF investment managers/vendors are required by CTPF's Board resolution to abide by the restrictions. This Public Act can be found at <http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=095-0521&GA=95>.

Notice to Bidders Regarding the State Ethics Laws

On April 3, 2009, Public Act 96-0006 became law. Public Act 96-0006 amends the Illinois Governmental Ethics Act and provides guidelines for ethical practices concerning state and local pension plans. Proxy voting service providers should be familiar with the provisions of this Act. Public Act 96-0006 also encourages the Board to increase the racial, ethnic, and gender diversity of its fiduciaries, to the greatest extent feasible within the bounds of financial and fiduciary prudence. In furtherance of this Act, CTPF will use its best efforts to increase the racial, ethnic, and gender diversity of its vendors/investment managers. CTPF encourages minority-, female- and persons with a disability-owned proxy voting service providers to submit proposals to this RFP.

A section of the Illinois Procurement Code concerning prohibitions of political contributions for certain vendors, 30 ILCS 500/50-37, may or may not apply to CTPF investment managers or other service providers. CTPF is not subject to the Illinois Procurement Code generally (30 ILCS 500/1-15.100). However, each investment manager or service provider should be familiar with the provisions of this section and comply with this section if the investment manager or service provider deems it appropriate.

VI. DETAILED RESPONSE REQUIREMENTS

Transmittal Letter

The Bidder shall provide a transmittal letter identifying the responding company, including its address, signed by an individual authorized to bind the company contractually. The letter shall state the name, title, address, phone number, fax number, and e-mail address of a contact authorized to provide clarifying information regarding the proposal. The transmittal letter should specify if the submission is for global custody services only, securities lending only, or bundled custody and securities lending services.

Questionnaire and Written Responses

Bidder shall provide written responses to the Technical Proposal Section of this RFP, reproducing the questions with each answer.

Fee Proposal

Bidder shall provide a complete written response using the format and content as specified in the Fees and Costs Sections (Technical Proposal Section III and IV) of this RFP.

Exceptions

Any exceptions to the specifications, terms and conditions of the RFP shall be explicitly set forth in this section of the proposal. If there are no exceptions, the Bidder shall explicitly state that it takes no exception to the RFP's specifications, terms and conditions. Any exception may result in this solicitation not being awarded to the Bidder.

Contract Negotiations

Once the Bidder has been selected to perform the services, negotiations will be initiated. CTPF expects engagement negotiations to be brief. If the agreement cannot be negotiated quickly with the selected Bidder, CTPF may, in its sole discretion, terminate negotiations with the previously selected Bidder and commence engagement with another party, whether or not that party was a Bidder.

Incomplete Proposals

If the information provided in a Bidder's proposal is deemed to be insufficient for evaluation, CTPF reserves the right to request additional information or to reject the proposal outright. False, incomplete, or unresponsive statements in connection with a proposal may be sufficient cause for its rejection. The evaluation and determination of the fulfillment of the requirements will be determined by CTPF and such judgment shall be final.

Reimbursement for Proposal Preparation

There is not expressed or implied obligation for CTPF to reimburse responding company for any expenses incurred in preparing proposals in response to this request. CTPF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

VII. EVALUATION CRITERIA

The following guidelines will be used to analyze and evaluate all proposals received. CTPF reserves the right to evaluate all factors deemed appropriate, whether or not such factors have been stated in this section.

A. Review of Proposals

An Evaluation Committee (Committee) consisting of CTPF staff will evaluate all proposals received.

1. The Committee will determine if Bidders meet the Mandatory Requirements listed below.
 - a. The Bidder has no conflict of interest with regard to any other work performed by the Bidder.
 - b. The Bidder is qualified to complete the services required.
 - c. The Bidder adheres to the instructions in this RFP.
2. The Committee members will individually evaluate and score each proposal based on:
 - a. Qualifications to perform the services requested.
 - b. Proposed approach to meet the requirements of the Statement of Work.
 - c. Cost.
 - d. Presentation to the committee.
 - e. Diversity and MWDBE initiatives.

3. The Committee will evaluate bids as a whole, including presentation impressions, price, and reference input.

B. Selection of Winning Bid

1. Finalist Bidders will be recommended to the Board of Trustees for interviews.
2. Selected Bidder will be notified and contract negotiations commence.

After evaluation of the proposals and approval by CTPF, all bidders will be notified of the result.

General Proposal Conditions

Written approval from CTPF will be required for any news releases regarding the award of contract.

Changes in quantity, specifications, scope of work, delivery schedules, performance time, starting dates, and corrections to this RFP will be made by amendment. Amendments will be sent before the due date to all Bidders. All information provided to a Bidder will be given in written or e-mail communication.

CTPF will determine whether the closing date should be changed when amending the RFP. If the time available before closing is determined to be insufficient, prospective Bidders will be notified by telephone or electronically, followed by a written amendment. CTPF will not award a contract unless amendments made to the RFP have been issued in sufficient time to be considered by all prospective Bidders. Receipt of amendments shall be acknowledged in writing by all prospective Bidders.

This RFP is not an offer of a contract. Acceptance of a proposal does not commit CTPF to award a contract to any Bidder, even if the Bidder satisfied all requirements stated in this RFP. Publication of this RFP does not limit CTPF's right to negotiate for the services described in this RFP. CTPF reserves the right to choose to not enter into an agreement with any of the respondents to this request for proposal.

The information Bidder submits in response to this RFP becomes the exclusive property of CTPF.

VIII. RESERVATIONS BY CTPF

CTPF reserves the right to cancel or modify this RFP at any time and to reject any or all proposals submitted.

CTPF will not be liable for any costs Bidder incurs in connection with the preparation or submission of any proposal.

If Bidder submits a proposal, CTPF reserves the right to make such investigations as it deems necessary to determine Bidder's satisfaction of the minimum qualifications and ability to furnish the required services, and Bidder agrees to furnish all such information for this purpose as CTPF may request.

CTPF also reserves the right to reject the proposal of anyone who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner.

CTPF reserves the right to reject, in whole or in part, any and all proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.

CTPF reserves the right to award a contract, if at all, to the company which will provide the best match to the requirements of the RFP and the consulting services needs of CTPF, which may not be the proposal offering the

lowest fees. CTPF may take into consideration any factor it considers relevant, such as past experience, the ability to perform the requirements stated in the RFP, and other relevant criteria. CTPF is not required to accept for consideration any proposals that fail to address or do not comply with each of the requirements or the criteria set forth in this RFP.

CTPF reserves the right to enter into discussions and negotiations with one or more organizations selected at its discretion to determine the best and final terms. CTPF is not under obligation to hold these discussions or negotiations with each organization that submits a proposal.

CTPF reserves the right to request additional documentation or information from respondents. Requested information may vary by respondent. CTPF may ask questions of any respondent to seek clarification of a proposal or to ensure the respondent understands the scope of the work or other terms of the RFP.

TECHNICAL PROPOSAL

Read this document thoroughly before formulating a proposal. You are encouraged to be succinct and answer the questions as asked. Please be specific. Please note that the response to the RFP will be made part of the final legal custody agreement between CTPF and the provider. *Kindly restate each question and provide the answers accordingly.*

Please note:

- Custody Services written response to the questions shall not exceed 200 pages excluding Fees and Costs Section.
- Securities Lending Services written response to the questions shall not exceed 100 pages excluding Fees and Costs Section.

A bidder can submit a response to this RFP for custody services only, securities lending services only, or for both service mandates.

Please indicate which proposal you are participating in (check all that apply):

- Custody with Securities Lending**
- Custody with No Securities Lending**
- Stand Alone Securities Lending**

MINIMUM QUALIFICATIONS

Kindly state if your organization is able to satisfy all of the qualifications and statutory requirements listed below and furnish appropriate documentation, accordingly.

Custody Services

- At least \$1 billion in total market capitalization as of June 30, 2013.
- At least \$500 billion in total tax-exempt assets under trust/custody as of June 30, 2013.
- Minimum of 10 years' experience in providing global trust/custody services for institutional tax-exempt investors as of June 30, 2013.
- Working experience with actual clients in the delivery of performance measurement (portfolio characteristics, universe comparison, and attribution) and advanced risk analytics (Value at Risk, Scenario and Stress Testing) over the last 5 years ending June 30, 2013.
- The account manager assigned must have had a minimum of five (5) years experience in the master trust/custody field with at least three (3) years experience at the responding firm. The transition team leader and his/her assistant must have worked together on at least three (3) prior major conversions of an account with market value in excess of \$5 billion consisting of multiple asset classes.
- The candidate must be authorized to conduct a trust business in the State of Illinois.

Securities Lending Services

- At least \$100 billion in securities lending lendable base for each of the last five years ending June 30, 2013.
- Experience in lending and collateral management of all asset types (domestic equities, fixed-income, international and global mandates) on an intrinsic value basis in addition to general collateral lending over the last 5 years ending June 30, 2013

- Will accept responsibility for securities lending program as a fully indemnified agent program specific to borrower default and operational negligence.
- The account manager assigned must have had a minimum of five (5) years experience in the securities lending field with at least three (3) years experience at the responding firm.

I. CUSTODY AND SAFEKEEPING SERVICES

A. Organization and Experience

- 1) State your firm's lines of business. Where does custody of retirement plans fit within the organization as a service or product offering?
- 2) What is the approximate revenue contribution of your Institutional Trust and Custody Business to overall company revenue in percentage terms?
- 3) Are there any current organizational issues (i.e., mergers, acquisitions, personnel changes, business concerns, etc.) at your institution that we should know about? Have there been any organizational issues over the last three years?
- 4) 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)
2008		
2009		
2010		
2011		
2012		
As of June 30, 2013		

Public Fund Custody Clients Only

	Total Number of Clients	Asset Value (US\$ millions)
2008		
2009		
2010		
2011		
2012		
As of June 30, 2013		

- 5) Provide the number of **tax-exempt trust and custody accounts**, including global custody clients, 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.

Total Trust and Custody Clients Only

	Clients Gained (Number)	Clients Gained (US\$ millions)	Clients Lost (Number)	Clients Lost (US\$ millions)
2008				
2009				
2010				
2011				
2012				
As of June 30, 2013				

- 6) List and provide a summary description of all pending or threatened litigation, regarding Custody Services, against your organization. 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?
- 7) 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 June 30, 2013.

Tax-Exempt Client Asset Size Distribution

Distribution	Number of Clients	Number of Plans	Aggregate Market Value (US\$ millions)
<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>Public Fund</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			

- 8) Describe in detail any potential conflicts of interest your firm may have in the custody of the CTPF account, or

in the alternative, state that no potential conflicts exist, including any known relationships the organization or any staff has with any member of CTPF’s Board, management or staff. Respondent must list all gifts given to members of CTPF’s Board of Investments and staff within the twelve months immediately prior to the date of this RFP. Include (1) the name of the person receiving the gift, (2) the earlier of the date the gift was promised or given, (3) a brief description of the gift, and (4) the fair market value of the gift when promised or given, whichever is greater.

- 9) Describe your diversity, EEO, and support of MWDBEs as part of your firm’s strategic plan and on-going business initiatives, and corporate citizenship. Please complete the diversity table found in Attachment E.
- 10) Do you acknowledge that your firm is Fiduciary in the delivery of products and services contemplated in this RFP? Please describe.

B. Client Servicing

- 1) What is your approach to client servicing and what would be the most distinct element of your client servicing approach that CTPF would benefit from and consider exceptional as per the Overview Section of this RFP?
- 2) How do you propose to staff for CTPF both from a client servicing perspective and actual daily service deliverables point of view?
- 3) Please provide the names and bios including experience of the proposed client servicing team members as follows and as specified in the table below:
 - Management Sponsor
 - Client Servicing Team
 - Custody and Accounting
 - Trade Processing and Securities Settlement, including Cash and Expense Reconciliation
 - Technology and Systems Support
 - Performance Measurement and Analytics
 - Alternative Investment Support
 - Banking

Name	Responsibility	Location	Number of Client Relationships	Years with Bank	Years of Experience and Credentials

- 4) Does the team handle other public fund clients, with a similar configuration as that of CTPF? Kindly list other clients handled by the team. (Please note that CTPF reserves the right to accept the team and individuals assigned to the relationship.)
- 5) Please discuss opportunities, which your financial institution offers to clients for training and continuing education, and whether those educational opportunities would be available to CTPF and the cost to be incurred for such training and education.
- 6) Please provide a list of three (3) current and three (3) former/departed public fund client references of similar size and configuration as CTPF over the last three years and furnish corresponding contact information.

C. Risk and Insurance

- 1) Please address any substantive issues raised by independent auditors in your SSAE 16 and/or SAS 70 and issues published in your Form 10-Q. Provide a copy of the most recent annual report, Form 10-Q and SSAE 16 or SAS 70. Please label appropriately.
- 2) Provide the following data and explain how it meets the Federal Reserve stipulated requirements.

**Capital Base
June 30, 2013**

Capital Requirements	Actual	Current Requirements
Tier 1 Capital Ratio		
Total Capital Ratio		
Leverage Ratio		
Tangible Common Equity		

- 3) Provide your organization’s current short term and long term credit rating.
- 4) Please provide guidance on how you intend to meet Basel III in terms of capital adequacy and liquidity.
- 5) What is the nature and size of any “off balance sheet items” in your annual report and what are the three critical areas that pose the most at risk exposure to the bank?
- 6) Please furnish a copy of a Standard Trust/Custody Agreement for a Public Fund for CTPF’s review. Kindly label accordingly as a separate attachment.
- 7) Describe the various types of insurance coverage and indemnification provided by your firm to protect clients of service(s) proposed. Each description should include:
 - Risk Coverage
 - Carriers
 - Levels
 - Limits
 - Deductibles
 - Expiration
- 8) Does your organization subcontract any of the services required by CTPF? Kindly state contract vendor name and for which service a subcontractor would be used (e.g., sub-custody network, pricing, accounting & reporting, internet delivery, securities lending, performance measurement, proxy, disaster recovery, data storage and retention, etc.).
- 9) Describe your business continuity and disaster recovery plans, including pandemic planning. When was the most recent test done? Indicate the date, scope, and results of the last testing of such emergency plan(s) and promptly report to CTPF the results of any test conducted subsequent to your response to this RFP.
- 10) What will be the recovery time(s) and service level for critical custodial services in the case of a major disaster?
- 11) As noted in the Overview Section, CTPF would like to understand your data retention, data transfer, and vendor relationship processes specific to custody and related services requested in this RFP. Please describe.

D. Systems, R&D and Technology

- 1) Please provide the Technology, R&D and Systems budgets (in actual US\$ terms) specific to trust and custody services over both the past three and next three years.
- 2) 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.
- 3) Is the above information delivery system subcontracted or in-house? If subcontracted, please specify the vendor name and release number, including the description of the relationship and how access to the source code is defined.
- 4) What is your vision over the next five years in terms of your technology and processing capabilities that will ensure your competitiveness and existence?
- 5) Is your custody and accounting platform able to interface with various investment accounting systems? How does your organization handle client specified G/L feeds to an in-house application?

E. Trade Processing, Settlement and Custody

- 1) Are you able to meet the following functions?

- Accept daily instructions from investment managers and CTPF.
 - Advise investment managers of daily changes in cash equivalent balances.
 - Immediately advise investment managers of additions or withdrawals from account.
 - Notify investment managers of tenders, rights, fractional shares or other dispositions of holdings.
 - Resolve any problems that investment managers may have relating to custodial account, including security pricing differences.
 - Safekeeping of securities.
 - Interest and dividend collection.
 - Process all investment manager transactions.
 - Collect proceeds from maturing securities.
 - Disburse all income or principal cash balances as directed.
 - Daily feed of beginning of day holdings and cash balances, including end of day information.
 - Provide monthly statements by investment manager account and consolidated statement of all assets on a plan and total trust levels.
- 2) State the value of assets held (as of June 30, 2013) at Depository Trust Company and Federal Reserve and the length of the direct participant relationship with these custodians.
 - 3) State the value of assets for basic international depositories, such as Euroclear, EuroNext and Clearstream, as of June 30, 2013.
 - 4) Is your system capable of producing a report which shows all failed trades across all of a client's investment manager accounts at any given point in time?
 - 5) Does your organization employ actual or contractual settlement date? It is the requirement of CTPF to have a contractual settlement. Is this requirement acceptable?
 - 6) Do you employ SEC 17f-5 and 17f-7 in the review and contracting arrangements with your sub-custody network? Please explain your role as Custody Manager and tracking of sub-custodians and the inherent risks associated with such arrangements. Please specify any limitations you make regarding your contracts with your sub-custodians.
 - 7) What is normal protocol in handling not-in bank assets? What is different about your custody platform or product/service deliverable that distinguishes your capabilities compared with the competition?

F. Income Collection

- 1) Describe your procedures for ensuring that interest and dividends (domestic and international) are paid.
- 2) When and in what instances do you rescind contractual income collections? What is/are your policy(s) for both domestic and international markets?
- 3) Do you track late collections of income? Can you produce a tracking report detailing outstanding claims? Do you notify clients of failures to collect or late collections of income?
- 4) Please describe your tax reclaim procedures for ADRs and international securities. Are you able to guarantee 100% relief?
- 5) What percentage and US\$ value of tax reclaims for the last three years ending December 31, 2012, was your organization able to reclaim?

Period	Total Tax Reclaims (US\$)	Actual Reclaims Collected (US\$)	Actual Reclaims Collected as a percent of Total Tax Reclaims (%)	Outstanding Reclaims (US\$)	Outstanding Reclaims as a percent of Total Tax Reclaims (%)
2010					
2011					
2012					
2013 (YTD)					

- 6) There is growing concern regarding the requirement for an Independent Tax Agent in certain countries in which CTPF is invested. Please describe how you support the Registration Process, designation of an Independent Tax Agent and preparation of the Global Power of Attorney for CTPF. How do you ensure that this is not a burden to CTPF?

G. Corporate Actions, Proxy Voting Support and Class Action Claims Filing

- 1) Describe the structure of your dedicated unit for corporate actions, proxy voting support, securities litigation and class action claims filing.
- 2) Specific to proxy actions, can you support proxy voting by the investment managers, third party vendor, or client? Please answer the following:
 - a. Briefly describe the custodian's corporate action procedures for domestic and foreign securities, including providing proxy notification, monitoring, etc. Include a list of the various sources the custodian uses for corporate action announcements.
 - b. How would CTPF access all proxy notification or voting matters?
 - c. Do you have the capabilities to transfer holding information on a daily, weekly or monthly basis to a third party?
 - d. Do you have the capability to monitor upcoming international votes?
 - e. How do you address the share blocking issues with global securities?
 - f. How do you address potential premiums paid for voting securities in certain markets?
 - g. How do you account for all possible shares being voted?
 - h. Are you able to recall shares on loan prior to record date to participate in the proxy process?
- 3) Please describe your experience with 3rd party proxy voting entities such as ISS, Glass-Lewis and/or Marco.
- 4) What is distinct about your proxy notification and proxy voting support service, whether in-house or subcontracted to a third-party?
- 5) How does the custodian handle class action suits both domestic and international? How quickly is security class action information updated in your system?
- 6) Is class action monitoring and filing of claims performed in-house or subcontracted? What is the extent of limitation of your service? Be very specific.
- 7) Are you willing to file all claims with class periods that predate the conversion to your firm using data supplied by a third party service provider and/or the terminated custodian?

H. Accounting and Reporting

- 1) What are your investment manager reconciliation policies and procedures prior to issuing audited statements to clients? Is this proactive, reactive, or is the onus with the investment manager to reconcile to your information?
- 2) Specific to the above investment manager reconciliation process, how is it different for custodied and non-in-bank assets?
- 3) Describe your organization's trust and plan accounting capability (include system name and year developed).
- 4) Does your organization have a general ledger accounting system in a full accrual trade date multi-currency basis?
- 5) CTPF considers the custodian as the "book of record" of the sub-ledgers for assets and transactions. Do you accept this responsibility? Please describe.
- 6) Describe your organization's ability to provide a direct "data feed" of all investment account information to CTPF's G/L on a monthly basis. Include a description for the accounts held in at the custodian and those held by entities outside of the custodian (e.g., how would you gather the information and provide it to CTPF).
- 7) Are you able to generate the reports specified in Attachment C – CTPF Reports? If yes, are there any additional costs or fees that we should be aware of in order to generate the listed reports? Please specify.
- 8) Are you able to generate accounting and reporting information for GASB 3, 10, 25, 28, 31, 40 and 53 purposes? Please describe and provide sample reports.

- 9) 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 future GASB requirements.
- 10) Do you have the capability to generate trade cost analysis reports? Is there a cost for this service?
- 11) What is distinct about your derivatives processing and valuation capabilities that CTPF should be aware of beyond line item tracking? Provide detail of capabilities and support.
- 12) How does your organization handle GASB 53 requirements specific to commingled funds, real estate, commodities, private equity, absolute return, and 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) 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).
- 15) Specific to commingled funds, do you have the ability to capture the plan's pro-rata share of holdings for use in terms of monitoring and analytics?
- 16) Are outside vendors or software employed to handle real estate and alternative investments? If not, how did your organization achieve the in-house expertise?
- 17) Specific to alternative investments, do you have capabilities to drill down to company (security) or partnership level in terms of monitoring? Kindly enumerate and delineate by types of alternative investments such as hedge funds, distressed, private equity, venture capital, real estate, absolute strategies, convertibles, senior secured debt, etc.
- 18) CTPF has a requirement to "right to audit" or examine the books and records at the custodian's place of business and/or the custodian making such books and records available for CTPF's inspection. Does your firm accept and agree to this requirement?

I. Cash Management (Short Term Investment Management)

- 1) To the extent that CTPF would use STIFs managed and offered by the custodian, please list acceptable vehicles for the sweep of frictional cash.
- 2) Have any of your short term investment vehicles ever "broken the buck" or experienced losses?
- 3) For each of these available vehicles, provide the market value as of June 30, 2013 and corresponding expense ratios or management fees.
- 4) What is your daily compensation and overdraft policy?
- 5) Does your organization have the capability to provide a cash availability projection report? How many days is the cash projection (i.e., 5 days, 10 days, 30 days, 60 days or 90 days)?
- 6) Specific to money movement, expense payment, wires and/or capital calls initiated by CTPF, what are your policies and procedures (i.e. authorization, approval, tracking/monitoring, access codes, authentication process, etc.)? Describe a progressive cash flow movement and control process for CTPF.

J. Foreign Exchange Capabilities

- 1) Describe your Foreign Currency (FX) management capabilities. Be sure to discuss the following:
 - a. How does your organization demonstrate the competitiveness of your foreign exchange and how does your firm ensure that custodial clients achieve best execution or the most competitive price?
 - b. What documentation or analysis would your organization provide to CTPF that demonstrates such?
 - c. How does your organization handle the repatriation of foreign income (e.g., interest and dividends) into U.S. Dollars?
 - d. Is your organization willing to disclose both explicit and implicit costs of FX Trades?
 - e. Is your organization willing and able to provide a "time-stamped" FX trade and disclose at what price your firm valued the FX trade?
 - f. Does your organization flag off-market transactions (considered to be 10% or greater variance) automatically?
 - g. How are off market transactions reviewed independently?
- 2) Describe your trade settlement capabilities for FX trades executed with counterparties other than the

custodian. How does your organization support the tracking of non-custody bank executed FX trades of investment managers and/or CTPF?

- 3) Has your firm been investigated for any issues related to FX trading? If so, please explain.
- 4) CTPF reserves the right to allow managers to execute any and all FX trades with third party brokers. What different FX execution options can you provide to both CTPF and its investment managers beyond custody FX execution venues (i.e., Street FX, Pre-Negotiated FX, Electronic FX Execution Platforms, etc.)?
- 5) Does your organization charge a penalty or administrative cost for currencies executed by a third-party other than the custodian bank?
- 6) Will your firm use a competitive bidding structure to execute FX transactions? Will your organization be able to provide performance reporting or best execution or trade cost analysis reports for FX transactions?
- 7) List and describe all pending or threatened litigation against your organization in reference to foreign exchange execution 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?
- 8) List and describe all pending negotiations or discussions regarding losses by clients in reference to foreign exchange execution services.
- 9) CTPF believes that the foreign exchange execution agent act as a fiduciary for the foreign exchange execution services function. Please verify why your firm is able or unable to comply.

K. Performance, 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) 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 or regardless.
- 4) Are you able to assist CTPF with the monitoring and reporting of risk in the portfolio? Do you offer multiple levels of risk management reporting/analytics? If so, please state what services are included in your fee proposal and what services are available for an additional fee. Is your software or application able to produce reports for scenario testing, full bore risk analysis, and Value at Risk (VAR)? Please provide a sample report.
- 5) List all indices, benchmarks and universe returns available to CTPF. Are returns available on-line? How soon after month-end are audited returns (final) available? How far back do you carry historical returns and name the frequency (daily, monthly)? Do you have the ability to load prior months and/or years returns? Do you have the ability to accommodate custom benchmarks? Is there a limit on how many custom benchmarks a client can have?
- 6) Describe in detail your attribution analysis and peer group comparison capabilities.
- 7) Please provide a complete description of your capabilities for monitoring required compliance with the Patriot Act, Anti-Money Laundering, and OFAC SDN List. Are you able to identify companies held in CTPF accounts which have been fined by OFAC?
- 8) Please describe your organization's offering with respect to corporate governance tools and support to clients. What services are available?
- 9) If you are subscribing to private equity tracking software, will you provide administrative and technical support for the use of the software? Will you be responsible for loading historic cash flows and performance data into the software product? Describe the plan for accomplishing this conversion.
- 10) How do you handle hedge funds within your accounting, reporting and performance platform? Do you have Hedge Fund Transparency tools and tracking capabilities? Please explain.
- 11) Do you offer a compliance tool/module to monitor portfolios for investment guideline compliance? If so, are

users able to add rules and guidelines or does it require coding by you. What support, initial and on-going, do you provide for the compliance tool /module?

- 12) Provide a description of the different levels of compliance monitoring (i.e., basic, intermediate or advanced) you provide and advise which services are included in your fee proposal and which are available for an additional fee.
- 13) Is compliance monitoring performed for all asset classes? Is it performed daily? Is it on a Post-Trade, Pre-Settlement basis? Is it available on-line?

L. Conversion Process

- 1) Describe your organization's formal transition planning process as it would apply to this contract. In addition, describe the role of the client servicing team and/or conversion team assigned to the relationship.
- 2) For example, given a notification of engagement by December 15, 2013 and a targeted conversion of July 1, 2014, please provide a transition calendar.
- 3) 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, 2014?
- 4) What should the CTPF 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.
- 5) 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?
- 6) How will you handle open tax reclaims related to reclaims filed by prior custodian?
- 7) How should CTPF handle securities out on loan during the conversion process? What should CTPF consider in terms of unwinding without a loss, novation, substitution, recall, etc.?
- 8) Describe how you will support an external audit process to confirm and test assets balances during the transition.

M. Banking Services (For Informational and Review Purposes Only)

CTPF would like to evaluate the custodian's web-based treasury platform to perform but not limited to the following activities: (1) Balance Report for Concentration Account for daily transactions and balances; (2) Positive Pay for the payment or return check, no match on file and stale dated checks; (3) Check History and Images for check status tracking; (4) Transmit check issues/voids or stale dated checks; (5) Stop Payments of Checks; (6) ACH Adjustments for direct deposit and payroll adjustments such as deletion, reversal, reclaim or recall; (6) Tax Deposits at federal and state payments; and, (7) Fund Transfers or Wire Transfers.

CTPF also would like to learn more about the custodian's ability to support the ACH Debit requirements of CTPF such as: (1) Fees and Service Charges; (2) Check Image via CDs; (3) Notification of Changes Reports; (4) Daily Confirmation Report for daily checks issued and voided; (5) Call Back Confirm of month end payroll amount and total number of records, (6) Call to Inform NSF Checks; and, (7) Remote Check Capture for over the counter checks received.

Please provide an overview of the banking services that are available from your firm specific to the above Banking and Treasury Services requirements. Please describe all requisite capabilities and product or service offerings.

Please furnish discussion of what differentiates your banking and treasury services for the following areas:

- 1) ACH processing
- 2) Lock Box or Electronic Processing (Image Capture)
- 3) Checking Account Services
- 5) Technology and Web Enabled Platform
- 6) Client Service and Support Delivery Structure

7) Bank Statements and Reconciliation Reporting

N. Benefit Payment Services (For Informational and Review Purposes Only)

CTPF currently utilizes the services of a third party to provide benefit payment services. However, CTPF is considering the transfer of those duties to the custodian bank.

- 1) Please describe your benefit payment processing capabilities.
- 2) Please include your ability to withhold and remit payroll taxes to federal and state agencies for month-end and mid-month transactions.
- 3) **Systems:**
 - What hardware is used to process plan data? What type of interface is required from CTPF to access your system for inquiry?
 - Where is your computer hardware located?
 - Do you own the computer equipment?
Yes ___ No ___
If not, describe the relationship.
 - Is your hardware system shared or dedicated? If shared, describe the established priorities.
 - Describe your documented disaster recovery plan.
 - Do you have a secondary-processing site? If yes, where is the secondary site located?
Yes ___ No ___
 - Describe any recent experience in recovering from primary system failure.
 - Describe your maintenance and back-up procedures.
Number of daily backups
Retention Schedule
Do you store tapes off-site?
 - Who developed your software and when was it installed?
 - Who maintains your software?
 - If you are using an outside vendor, does the licensing agreement permit your company to modify the system?
 - Do you have access to the system source code?
 - How do you ensure participant data confidentiality and privacy? Please describe your data security procedures.
 - Have any breaches of security and participant data occurred over the last three years? Please describe such occurrences and the remedies provided. Have you had a security penetration test performed within the last 2-3 years? If so, please share the results of this test.
 - How many programmers and systems staff do you employ to maintain the system?
 - How often is the software updated? Provide information about any pending system modifications and include release dates.
 - Are you going through any system conversions or major changes now or in the next three years? If so, please describe and give dates.
 - Do you have on-line or web enabled applications that CTPF can utilize to access benefit payment information? Please describe.
 - Do retirees have the capability to call up his or her own account to see the status of his or her payment(s) via the Internet or on-line access is limited to CTPF as gatekeeper of all participant records?
 - Can CTPF or designated plan administrator track checks (cleared or outstanding) via the Internet or other on-line applications?
 - Can CTPF or designated plan administrator run ad-hoc reports via the Internet or other on-line applications?

4) **Payment Processing:**

- How many benefit payment checks (hard checks and electronic fund transfers/direct deposits) do you process on a monthly basis? Please delineate by recurring and non-recurring payments.
- What is the error rate (i.e. wrong amounts, wrong checks, delivery to the wrong address, wrong deductions, etc.) for benefit checks and electronic fund transfers over the last three years?
- How many earnings and deduction codes can the system handle?
- Can the system handle multiple payment types on one check to the retiree?
- Can you accommodate multiple payment cycles: i.e., some checks issued at the beginning of the month and some checks issued the end of the month?
- Can you do off-cycle payments? Please provide a discussion of your process and how such occurrences fit in your reconciliation process.
- How do you handle check forgeries and other fraudulent encashment of hardcopy checks?
- Is a direct deposit service routinely provided to payees?
- When are advices mailed?
- Are you able to print messages with retiree checks? Any limitations on the text? Are there additional costs associated with such messages?
- Can CTPF (the designated plan administrator) include additional mailings and flyers? Are there extra costs associated with such additional mailings?
- Can you wire lump sum payments to rollover institutions?
- How does your organization handle current retirees under existing EFT agreements?
- Are, insurance premiums etc. routinely withheld?
- Regarding benefit payment services, detail a typical processing cycle including timing requirements for additions, deletions and other changes to a file.
- Describe the funding process for the pension payment-checking amount, including checks and balances.
- Describe the policies and procedures for Timely Notification of Returned Payments.
- Can you handle customer service queries via email for the re-issue or stop payment of checks and other services that do not require an authorized signature for completion?
- How are refunds due to overpayments collected?
- What is your float management policy?
- Please provide a complete description of how outstanding check issues are handled, namely soliciting retirees, aging process, and death searches.
- Please provide complete process for handling and processing stale dated checks that are outstanding for a period of 12 months or longer.
 - What is the procedure for investment of the funds being disbursed, that is, funds for which checks have been written but have not cleared? Are interest bearing accounts operated to hold unpaid funds and who receives the interest on the float?
 - Is follow up on old outstanding checks provided and what type of interface with the plan sponsor and/or recordkeeper is required?

5) **Reporting:**

- What types of benefit payment reports/reconciliations are available to clients? Provide report samples.
- Since CTPF will require detailed reporting, does the benefit payment system allow tracking of pension payments, by type of payment (monthly pension, death, lump sum, \$5,000 or less, mandatory cash-outs, etc.), by subsidiary, by type of employee (i.e., executive, represented, non-represented)? Further, would the reporting separately track restorations, tax refunds, taxes withheld and actual benefits?
- In order to maintain the accuracy and timely funding of the monthly benefit payments, can you provide CTPF (the designated plan administrator) a summary of the funding required and the timing of the report? Will it be fully reconciled?
- Please describe in full your tax reporting capabilities, including disability payments.
- Please indicate how you report stop payments and re-issues with regard to reconciliation of tax reporting, especially when a tax year has passed.

- Are benefit payment fees adjusted on who gets the float? If so, is this consistent with DoL pronouncements?
 - Is the acceptability of the float policy contingent on how the payment account is structured either as a demand deposit account (DDA) or controlled disbursement account (CDA)?
 - Can mailing labels be provided upon request?
 - How do you partner with customers to provide Plan Participants in pay status with communications?
- 6) CTPF meets annually with the Benefit Payment Service provider to review relationship needs. Is this acceptable and describe a typical process for such review?

II. SECURITIES LENDING SERVICES

Securities lending will be utilized primarily to generate incremental return. CTPF believes in a risk-controlled program. CTPF requires a fully indemnified program specific to operational risk and borrower default. Additional levels of indemnification beyond operational risk and borrower default are also welcome, including collateral reinvestment risk if reinvestment is included. Daily reporting should include internet access to information about its securities lending program, including security level loans outstanding, shares on loan, days out on loan, term and open trades, borrowers for each block of securities lent, collateralization levels, earnings (top 25 securities sorted by earnings), cash collateral reinvestment and other daily, weekly and monthly reporting requirements at the security and aggregate levels.

On a daily basis, CTPF requires full transparency to loans, counterparties, rebates/fees, collateral posted, and collateral investments, including information specific to NAV (fair market value), credit, risk and liquidity risks. THIS REQUIREMENT IS NON-NEGOTIABLE.

The following questions should be answered in full. Please tailor your response for each item, specifically in the areas of risk and return, relative to your proposed approach.

A. General Information

- 1) Are there any current organizational issues (i.e., mergers, acquisitions, personnel changes, business concerns, etc.) about your institution regarding securities lending that we should know about? Describe.
- 2) Describe the various types of insurance coverage and indemnification provided to protect your securities lending clients. Each description should include:
 - Risk Coverage
 - Carriers
 - A.M. Best Rating
 - Levels
 - Limits
 - Deductibles
 - Expiration
 - Dishonesty Coverage
- 3) 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?
- 4) List and describe all pending negotiations or discussions regarding losses by clients in reference to securities lending services.
- 5) CTPF 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.

B. Capabilities

- 1) 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?

- 2) Is your firm a NASD/FINRA member, a primary reporting dealer or a bank? Is your securities lending operation registered as an investment adviser (i.e., SEC, FSA, etc.)?
- 3) How is enterprise risk management deployed to assess borrower credit and cash collateral reinvestment credit analysis?

C. Organization

- 1) Provide names, brief profiles and biographies of individuals who are responsible for the lending function and the cash collateral reinvestment function. If your program can be truncated by asset class, (e.g. equity, fixed-income, international, etc.), delineate the professional staff as such.

- 2) Submit a breakdown of persons dedicated to providing securities lending services for each of the following categories: (Do not double-count)

Operations/Administration	_____
Credit and Liquidity Analysis	_____
Risk Mgmt/Compliance/Legal	_____
Asset/Liability	_____
Lending/Trading	_____
Non-Cash Collateral Management	_____
Cash Reinvestment	_____
Tax Specialist	_____
Currency Management	_____
Marketing/Client Servicing	_____
Others	_____
TOTAL	_____

- 3) Please complete the diversity table found in Attachment E.

D. Risk

- 1) How does your firm manage the following risks?

- Borrower/Counterparty Risk and Default
- Collateral Investment Risk
- Interest Rate Risk
- Credit Spread Risk
- Liquidity Risk
- Trade Settlement Risk
- Operational Negligence
- Sovereign Risk
- Currency Fluctuation Risk

- 2) 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?

- 3) How does your organization conduct asset/liability (gap) analysis, specifically the duration of the loan and cash investments?

- 4) Does your firm stress test your securities lending program? Describe the methodology and procedures utilized for stress testing, including the frequency of testing.

- 5) Specify the weighted average duration mismatch between lending and reinvesting for the following quarters. (Provide separate answers for each lending pool or separate accounts offered in your program.)

Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2008				
2009				
2010				
2011				
2012				
2013 (Thru 6/30)				

- 6) How quickly (# of days) can your firm shorten the duration or gap between investments and liabilities (loans) as requested by the client for whatever reason?
- 7) If a client wished to withdraw from your firm's securities lending program, what notice period is required to ensure 100% on the dollar payoff?
- 8) What are the specific redemption or gating policies for direct lending (custody clients) that your firm has enforced and the underlying rationale behind the policies and guidelines?

E. Borrower Consideration

- 1) Describe how credit analysis is performed and with what frequency the individual borrowers are reviewed.
- 2) Provide a list of your current borrowers. Identify the top ten borrowers and the percentage these borrowers represent of the total program. Can a client restrict specific borrowers?
- 3) Does your Borrower's Agreement specify that "borrowing to manipulate a proxy" is restricted?
- 4) Kindly state when was the last time your organization visited the top ten borrowers within your program and enumerate accordingly.
- 5) Does your organization have compensation arrangements with borrowers beyond the normal form of negotiating rebates/fees that CTPF should know about?

F. Collateralization

- 1) What collateralization percentage is required for each of the security types (domestic and international equities and fixed income)? What value (market value only, including accrued interest, etc.) is the basis for this percentage?
- 2) What is the "de minimus" policy?
- 3) How frequently does your firm mark to market the collateral? When is additional collateral requested (same day, next day)?
- 4) How far below the required collateralization percentage must the collateral dip before a margin call is made?
- 5) Is the mark to market process done by loan or security or in aggregate? Please describe both mark-up and mark-down process.

G. Indemnification

- 1) CTPF requires full operational and borrower default indemnification within the securities lending program. Is your organization able to comply with this requirement? Describe your full operational and borrower default indemnification policy. Be sure to address the following:
 - Borrower files for bankruptcy for whatever reason.
 - Failure to recall securities before settlement date.
 - Failure to secure additional collateral and margin requirements.
 - Failure to receive dividends, distributions, and all economic benefits of ownership.
 - Immediate use of Non-Cash Collateral in lieu of Borrower Bankruptcy.
- 2) Does your firm provide additional types of indemnification beyond broker default (i.e., collateral, negligence, trade settlement, etc.)? If so, can your firm provide CTPF with these additional levels of indemnification? Describe.
- 3) Is your organization able to provide for total or partial collateral investment risk indemnification? Does your

organization have clients with such arrangements? If so, please describe?

- 4) What are the specific limitations of your indemnification?

H. Lending Clients

- 1) Describe your current client base. How many clients participate in your lending program? Without disclosing client names, list as follows as of **June 30, 2013**.

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

- 2) 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)
2008				
2009				
2010				
2011				
2012				
2013 (thru 6/30)				

I. Lending Volume

- 1) What was the daily average dollar volume of securities loans outstanding for the last 12 months? Specify in US\$ millions.

For the 12 months ending June 30, 2013

Asset Classes	Daily Avg. Lendable Base (US\$ millions)	Daily Avg. Out on Loan (US\$ millions)	Utilization Rate (%)	Avg. Rebate Rate/Fees (bp)	Average Demand Spread (bp)	Average Reinvest Spread (bp)	Avg. Daily Spreads Net of Rebate (bp)
US Large Cap Equities							
US Mid & Small Cap Equities							
US Corp Bonds							
High Yield							
REITS							
US Govt Bonds							
TIPS							
Non-US Equity							
Non-US Fixed Income							
Other Assets (describe)							

J. Lending Process and Limits

- 1) Does your organization have an internal limit on how much of a client's portfolio of lendable assets can be lent on any given day? If so, please describe your policy.
- 2) Related to the question above, does your firm have an internal limit on how much of a client's lendable assets can be lent to a single borrower on any given day? What is the exposure limit? Is it possible during the allocation queue that CTPF can have full counterparty exposure to a single borrower at any given point in time?
- 3) Can a client limit lending on any specific security such as: 33 1/3 rule, maintain at least 100 shares, maximum of 25%, tradable lots per position, and/or client specific parameters per security? Please explain.
- 4) Can a client limit lending at a specific security level based on Intrinsic Value such as at least 50 bps of pure demand spread without reinvest, only on negative rebate levels, and/or earnings based on overnight reinvest only? Please explain.
- 5) Describe your allocation or queuing process and relevant entitlement methodology.
- 6) What system is utilized for lending securities? What version? Who updates the program? What is distinct with your current system? Is the system only for lending?
- 7) What system is utilized for reinvestment of collateral? What is distinct advantage of the current system for compliance and risk management purposes?
- 8) What is your "call back process"? What are the costs associated with this process, if any? Please explain.

K. Reporting

- 1) Is your firm able to provide internet access to information about your securities lending program, including loans outstanding, shares on loan, days out on loan, term or open trades, borrowers for each block of securities lent, collateral portfolio details, collateralization levels, earnings, and other weekly and monthly reporting requirements? If yes, provide samples.
- 2) On a daily basis, CTPF requires full transparency to loans, counterparties, rebates/fees, collateral posted, and collateral investments, including information specific to NAV (fair market value), credit, risk and liquidity risks. Are you able to comply with this requirement and how?
- 3) Does your firm provide audit (GASB 28) reports? If so, how frequent?

L. Collateral Reinvest Management

- 1) Provide a brief description of cash collateral reinvestment vehicles (REPO, overnight CTPF, STIF, commingled, customized, separate, 2a-7, etc.) utilized in the reinvestment of cash collateral applicable to CTPF.
- 2) Are you able to handle separate cash collateral reinvestment accounts managed by CTPF or a third party? Explain how cash flow and communication would work.
- 3) Please specify if the cash collateral reinvest vehicle are daily valued at market or based on amortized cost.
- 4) Does your organization have cash collateral pools dedicated to securities lending or separate accounts that conform to a registered 2a-7 fund structure? Does your organization have a 100% full overnight option? Please describe.
- 5) Clearly state the gating and redemption procedures your firm instituted, enhanced, or codified regarding client's rights regarding securities lending exit or withdrawal from the program.

M. Conversion Process

Describe your organization's formal transition planning process as it would apply to securities lending program.

- 1) For example, given a notification of engagement by the end of December 2013 and a targeted conversion of July 1, 2014, please provide a transition calendar.
- 2) 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.?
- 3) What is your process for handling the conversion of securities lending that has legacy losses specific to cash collateral reinvestments? Please explain and describe options that CTPF should consider.

III. CUSTODY, BANKING AND RELATED SERVICES COSTS AND FEES

Based upon the information provided in this request for proposal, state your annual fee for the next five years for the proposed relationship with CTPF. Please provide three separate fee quotes for custody with securities lending, custody without securities lending (unbundled) whatsoever, and fees for banking services. Please note that this Fee Section is divided into two (2) sections – Flat Fee Basis and Unit Cost Basis. The Securities Lending Revenue Sharing Arrangement is in Section IV.

FLAT FEE BASIS

- A. Please provide an annual flat fee for custody services required by CTPF. The flat fee should be quoted in a flat dollar (in US dollars) basis. Please note that the below fees are for Custody and Related Services, and for Banking Services Only. (Benefit Payment Services is not included, but specified as a separate fee schedule under the Unit Cost Section.)

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

CTPF Custody and Related Services	Flat Dollar Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

CTPF Banking Services Only (excluding Benefit Payments)	Flat Dollar Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

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

CTPF Custody and Related Services	Flat Dollar Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

CTPF Banking Services Only (excluding Benefit Payments)	Flat Dollar Fee
1 st Year	
2 nd Year	
3 rd Year	
4 th Year	
5 th Year	

B. What are the short term investment vehicles you propose as applicable to CTPF? What is the total expense ratio, including management fees? (Specify: Sweep Options, Late Day Cash, Overnight, FDIC approved, 2a-7 funds, and US Government Only.)

C. What are the overdraft charges for domestic and international transactions?

D. What is the proposed Securities Lending Revenue Sharing Arrangement or Split, including the level of indemnification provided?

E. For foreign currency executed by the custodian bank for CTPF and investment managers, what is the minimum and maximum spread earned by your organization? Is your organization able to agree to pre-negotiate such spreads either direct or indirect FX execution relative to a benchmark or range?

F. Identify the services included in the flat fee stated in Item A and based on the current investment structure of CTPF:

a) Custody Services for all Asset Types (i.e., domestic and international)? **yes ___ no ___**

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

Safekeeping \$ _____ charge or fee

Asset Servicing \$ _____ charge or fee

Transaction Processing \$ _____ charge or fee

Do the custody services include? (please check)

___ Power of Attorney Support

___ Global Tax Agent Support

___ Country Regulatory Registration

___ Tax-Exempt Filing Assistance

___ Market Guide

b) Multicurrency Full Accrual Trade Date Accounting and Reporting? **yes ___ no ___**

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

Standard reports \$ _____ charge or fee

Customized reporting \$ _____ charge or fee

c) Accounting - Monthly Valuation, but Daily Price? **yes ___ no ___**

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

Per portfolio \$ _____ charge or fee

Per Asset Level, Fund or Composite \$ _____ charge or fee

d) Daily On-line/Internet services? **yes ___ no ___**

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

_____ \$ _____ charge or fee

_____ \$ _____ charge or fee

e) Contractual Settlement and Auto credit program? **yes** ___ **no** ___

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

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

f) Transition, conversion, and reregistration costs? **yes** ___ **no** ___

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

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

g) Penalty costs? **yes** ___ **no** ___

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

Third-party FX trades _____ per trade
Third-party Sec lending _____ based administration fee
Others: (specify) _____ transactions (see below)

Specific to support for Third Party Securities Lending Programs (If fees are different than those delineated below list additional fees)

Third party	\$ _____ charge or fee
Annual third party collateral custody fee (based on Cash Collateral NAV)	\$ _____ charge or fee
Third party purchases/sales transactions – DTC Manual	\$ _____ charge or fee
Third party purchases/sales transactions – DTC Electronic	\$ _____ charge or fee
Third party purchases/sales transactions – Euroclear Manual	\$ _____ charge or fee
Third party loans/loan returns – DTC and FED book entry manual processing	\$ _____ charge or fee
Third party loans/loan returns – DTC and FED book electronic delivery	\$ _____ charge or fee
Third party marks – DTC SPO – Flat monthly fee – manual	\$ _____ charge or fee
Third party marks – DTC SPO – Flat monthly fee – electronic	\$ _____ charge or fee
Third party marks – DTC SPO – FED book entry – manual processing (each way)	\$ _____ charge or fee
Third party marks – DTC SPO – FED book entry – electronic processing (each way)	\$ _____ charge or fee
Third party outgoing wires	\$ _____ charge or fee
Third party incoming wires	\$ _____ charge or fee
Third party Cash Monitoring system fees	\$ _____ charge or fee
Third party DDA fees (monthly per DDA)	\$ _____ charge or fee
Third party Cash Monitoring installation fees	\$ _____ charge or fee
Third party technology/programming development time (hours) INCLUDED in core/transition	\$ _____ charge or fee
Third party technology/programming development time hourly rate after included quantity	\$ _____ charge or fee
Third party monthly file maintenance fee (24/7/365 monitoring, support and maintenance)	\$ _____ charge or fee
Any additional clarification of third party support (bundled	\$ _____ charge or fee

program support with all applicable limits (# lenders, etc.) and clarifications)

Any/All other charges (explain). \$ _____ charge or fee

h) Out-of-pocket expenses? **yes** ___ **no** ___

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

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

i) Corporate Actions – both Domestic and International?

Voluntary/Mandatory \$ _____ charge or fee
Involuntary \$ _____ charge or fee
Others: \$ _____ charge or fee

j) Proxy notification? **yes** ___ **no** ___

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

Reporting: \$ _____ charge or fee
On-line Access: \$ _____ charge or fee
Others: _____ \$ _____ charge or fee

k) Class Action – both Domestic and International? **yes** ___ **no** ___

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

Reporting \$ _____ charge or fee
On-line Access \$ _____ charge or fee
Legal Filings \$ _____ charge or fee
Others: _____ \$ _____ charge or fee

l) CTPF requires a minimum of 8 hours for training and continuing education specific to industry best practice, regulatory updates, enhancement to services, on-line training, custody related courses, etc. Are there charges for these services?

yes ___ **no** ___

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

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

m) Investment compliance checking **yes** ___ **no** ___

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

Basic (Software Solution Only) \$ _____ charge or fee
Intermediate (Monthly Outsource) \$ _____ charge or fee
Advance (Daily Full Outsource) \$ _____ charge or fee
Others: (specify) \$ _____ charge or fee

n) Independent Derivatives Processing and Valuation **yes ___ no ___**

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

Valuation and Reporting:	\$ _____	charge or fee
Processing:	\$ _____	charge or fee
Collateral Management	\$ _____	charge or fee
Others: _____	\$ _____	charge or fee

o) Performance Calcs **yes ___ no ___**

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

Monthly return calculation	\$ _____
Daily return calculation	\$ _____
Historical data download	\$ _____
Gross and Net of Fees	\$ _____
Lagged and Non-Lagged	\$ _____
IRR and Time Weighted	\$ _____
Others: _____	\$ _____

p) Performance Measurement and Analytics **yes ___ no ___**

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

Benchmark/Index	\$ _____
Peer Group/Universe Comp	\$ _____
Portfolio Characteristics	\$ _____
Risk-Adjusted Return Calcs	\$ _____
Historical data download	\$ _____
Executive Board Reports	\$ _____
Drill Down Commingled funds	\$ _____
Customized benchmarks/universes	\$ _____
Bond Analytics	\$ _____
Attribution	\$ _____
Trading cost analysis	\$ _____
Others: (specify)	\$ _____

Specific to Performance Tools, are any of the following included? **yes ___ no ___**

BARRA Analytics	\$ _____
Vestek	\$ _____
Style Analyzer	\$ _____
TUCS	\$ _____
BondEdge	\$ _____
BlackRock Solutions	\$ _____
Wilshire Analytics	\$ _____
Yield Book	\$ _____
Others: (specify)	\$ _____

q) Advanced Risk Analytics **yes ___ no ___**

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

Value at Risk (VaR)	\$ _____
Stress Testing	\$ _____
Scenario Analysis	\$ _____
Others: (specify)	\$ _____

r) Data Interface with 3rd Party Providers **yes** ___ **no** ___

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

Fund Consultants	\$ _____
Actuary	\$ _____
External Auditors	\$ _____
Eagle Systems	\$ _____
Nottingham	\$ _____
3 rd Party Class Action Agent	\$ _____
3 rd Party Tax Reclaim Agent	\$ _____
3 rd Party Proxy Voting Service	\$ _____
Others: (specify)	\$ _____

s) Banking Services **yes** ___ **no** ___

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

ACH Processing	\$ _____ charge or fee
Lock Box Processing	\$ _____ charge or fee
Checking Account Services	\$ _____ charge or fee
Remittance of Fed and State Withholding Taxes	\$ _____ charge or fee
Wires Transfers	\$ _____ charge or fee
Others (specify)	

t) Corporate Governance Tools? **yes** ___ **no** ___

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

Regulatory Reporting	\$ _____ charge or fee
ESG Metrics	\$ _____ charge or fee
Others:	\$ _____ charge or fee

u) Alternative Investment Support

– Private Equity, Hedge Funds, Real Estate, Commodities, etc.? **yes** ___ **no** ___

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

Basic Line Item Reporting	\$ _____ charge or fee
Reporting and Monitoring	\$ _____ charge or fee
Full Drill Down (Holdings)	\$ _____ charge or fee
Full Outsource Support	\$ _____ charge or fee
Shadow Accounting	\$ _____ charge or fee
Distributions	\$ _____ charge or fee
Capital Calls	\$ _____ charge or fee
Document Management	\$ _____ charge or fee
Others: (specify)	\$ _____ charge or fee

Specific to alternative inv. support, are any of the following included? **yes** ___ **no** ___

Burgiss Group	
Informant	\$ _____
Archivist	\$ _____
Others: (specify)	\$ _____
SunGard Investran	\$ _____
Private Edge	\$ _____
Venture Economics	\$ _____
Hedge Fund Transparency Tools	\$ _____

Others: (specify) \$ _____

v) Document Management and Library Maintenance ? **yes** ___ **no** ___

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

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

w) Specify other charges and fees not included in the proposed FLAT FEE. If a charge or fee is in direct response to a particular RFP question, identify both section and question. **Failure to specify other charges, whether explicit or implicit costs, would be considered a non-responsive proposal.**

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

UNIT COST BASIS

G. You are required to provide the following information. Provide an estimate of fees/costs that CTPF will incur annually based on the assumptions specified and the services specified in this RFP. Utilize your organization’s schedule or methodology, namely: traditional asset based, account based and transaction charges. State assumptions. Enumerate all charges for Custody and Related Services, Banking Services and Benefit Payment Services.

**CTPF
Custody Services**

Account Fees	# of Accounts	Fees	Pro-Forma Cost
CTPF			
Number of Plans	1 DB Plan		
Domestic Equities			
Separate Accounts	30		
Commingled/Line Items	0		
International Equities			
Separate Accounts	16		
Commingled/Line Items	1		
Domestic Fixed Income			
Separate Accounts	4		
Commingled/Line Items	0		
International Fixed-Income			
Separate Accounts	2		
Commingled/Line Items	0		
Real Estate			
Direct/Separate Accounts	0		
Commingled/Line Items	31		
Public REITs			
Direct/Separate Accounts	2		
Commingled/Line Items	1		
Infrastructure			
Direct/Separate Accounts			
Commingled/Line Items	3		

Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	24		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	1		
Cash Accounts			
Direct/Separate Accounts	6		
Commingled/Line Items	0		
Transition Accounts			
Direct/Separate Accounts	3		
Commingled/Line Items	0		
Custody Fees	Market Values As of 6/30/2013	Fees	Pro-Forma Cost
CTPF	9,702,822,115		
Domestic Equities			
Separate Accounts	3,111,156,184		
Commingled/Line Items	0		
International Equities			
Separate Accounts	2,735,728,113		
Commingled/Line Items	152,195,902		
Domestic Fixed Income			
Separate Accounts	1,176,866,373		
Commingled/Line Items	0		
International Fixed-Income			
Separate Accounts	533,150,685		
Commingled/Line Items	0		
Real Estate			
Direct/Separate Accounts	177,206,966		
Commingled/Line Items	588,272,404		
Public REITs			
Direct/Separate Accounts	70,207,493		
Commingled/Line Items	205,016,655		
Infrastructure			
Direct/Separate Accounts			
Commingled/Line Items	330,849,870		
Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	268,080,392		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	28,150,455		
Cash Accounts			
Direct/Separate Accounts	325,645,789		

Commingled/Line Items	0		
Transition Accounts			
Direct/Separate Accounts	294,835		
Commingled/Line Items	0		
For International Securities	Corresponding Market Values in US\$ as of June 30, 2013		
Argentina	2,894,955		
Australia	79,653,471		
Austria	23,988,841		
Belgium	21,483,762		
Bahamas			
Bermuda			
Brazil	49,872,966		
British Virgin Islands			
Canada	56,746,012		
Cayman Islands			
Chile	7,706,496		
China	131,214,488		
Colombia	14,001,306		
Costa Rica	2,385,500		
Cote d'Ivoire			
Cyprus			
Czech Republic	9,219,187		
Denmark	23,871,251		
Egypt	58,251		
European Union	57,126		
Finland	18,243,441		
France	148,700,314		
Germany	127,472,946		
Greece	152,578		
Hong Kong	56,409,706		
Hungary			
Iceland	1,250		
India	40,864,026		
Indonesia	16,015,497		
Ireland	28,358,287		
Israel	2,406,548		
Italy	44,354,998		
Japan	452,187,632		
Kenya	556,631		
Liberia			
Luxembourg	109,387,080		
Malaysia	5,051,772		
Malta			

Proxy Notification (International)	2,862		
Corporate Actions (Splits, Voluntary/Involuntary)	2,620		
Class Action Filings	937		
Other International Transactions -			
Argentina	35		
Australia	1,472		
Austria	139		
Belgium	192		
Bahamas			
Bermuda			
Brazil	752		
British Virgin Islands			
Canada	924		
Cayman Islands			
Chile	145		
China	1,545		
Colombia	54		
Costa Rica	2		
Cote d'Ivoire			
Cyprus			
Czech Republic	14		
Denmark	240		
Egypt	38		
European Union	36		
Finland	196		
France	1,642		
Germany	993		
Greece	5		
Hong Kong	1,104		
Hungary			
Iceland	11		
India	343		
Indonesia	328		
Ireland	149		
Israel	135		
Italy	588		
Japan	4,156		
Kenya	19		
Liberia			
Luxembourg	30		
Malaysia	124		
Malta			
Marshall Islands			
Mexico	190		

Netherlands	661		
Netherlands Antilles	4		
New Zealand	80		
Nigeria	11		
Norway	426		
Panama			
Peru	40		
Philippines	95		
Poland	70		
Portugal	29		
Puerto Rico			
Qatar	6		
Russian Federation	146		
Singapore	760		
South Africa	401		
South Korea	348		
Spain	663		
Sri Lanka	9		
Sweden	453		
Switzerland	693		
Taiwan	252		
Thailand	126		
Turkey	154		
United Arab Emirates			
United Kingdom	4,253		
Others: (Enumerate)			
Global Custody – Support Power of Attorney Global Tax Agent Country Registration Tax-Exempt Filing Market Guide			
On-line or Internet Access User Interface Subscription Assets/Holding Cash Transactions Standard reports Customized reporting Executive/Board reporting Income Inquiry Reports Corporate Actions Reporting Terminal charge Communication software CPU connect time Others: (specify)			

Contractual Settlement and Auto Credit Domestic International ADRs			
Transition & Conversion Reregistration Scrip Fees Etc.			
Penalty Costs Third Party FX Third Party Seclending Etc.			
Out of Pocket Wire Transfer Courier Service Telex Charges Computer processing Staff Training Stamp Duty Reregistration Others:			
Corporate Actions Voluntary/Mandatory Involuntary			
Proxy Notification Reporting On-line Access Others			
Class Action Reporting On-line Access Legal Filings Others:			
Investment Guideline Compliance Basic Intermediate Advance (See below accounts)			
Domestic Equities			
Separate Accounts		30	
Commingled/Line Items		0	

International Equities			
Separate Accounts	16		
Commingled/Line Items	1		
Domestic Fixed Income			
Separate Accounts	4		
Commingled/Line Items	0		
International Fixed-Income			
Separate Accounts	2		
Commingled/Line Items	0		
Real Estate			
Direct/Separate Accounts	0		
Commingled/Line Items	31		
Public REITs			
Direct/Separate Accounts	2		
Commingled/Line Items	1		
Infrastructure			
Direct/Separate Accounts	0		
Commingled/Line Items	3		
Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	24		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	1		
Cash Accounts			
Direct/Separate Accounts	6		
Commingled/Line Items	0		
Independent Derivatives Processing and Valuation Reporting Pricing Processing Collateral Management			
Performance Measurement			
Monthly Return Calcs Historical Data Download Gross/Net of Fees Lagged and Non-Lagged IRR Time Weighted Portfolio Characteristics Peer Comparison Portfolio Attribution (see below accounts)			
Domestic Equities			

Separate Accounts	30		
Commingled/Line Items	0		
International Equities			
Separate Accounts	16		
Commingled/Line Items	1		
Domestic Fixed Income			
Separate Accounts	4		
Commingled/Line Items	0		
International Fixed-Income			
Separate Accounts	2		
Commingled/Line Items	0		
Real Estate			
Direct/Separate Accounts	0		
Commingled/Line Items	31		
Public REITs			
Direct/Separate Accounts	2		
Commingled/Line Items	1		
Infrastructure			
Direct/Separate Accounts	0		
Commingled/Line Items	3		
Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	24		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	1		
Cash Accounts			
Direct/Separate Accounts	6		
Commingled/Line Items	0		
Advanced Risk Analytics VaR Testing Stress Testing Scenario Testing Etc. (see accounts below)			
Domestic Equities			
Separate Accounts	30		
Commingled/Line Items	0		
International Equities			
Separate Accounts	16		
Commingled/Line Items	1		
Domestic Fixed Income			
Separate Accounts	4		
Commingled/Line Items	0		
International Fixed-Income			

Separate Accounts	2		
Commingled/Line Items	0		
Real Estate			
Direct/Separate Accounts	0		
Commingled/Line Items	31		
Public REITs			
Direct/Separate Accounts	2		
Commingled/Line Items	1		
Infrastructure			
Direct/Separate Accounts	0		
Commingled/Line Items	3		
Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	24		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	1		
Cash Accounts			
Direct/Separate Accounts	6		
Commingled/Line Items	0		
Data Interface with 3rd Party Providers Fund Consultants Actuary External Auditors Eagle Systems Nottingham Class Action Agent Tax Reclaim Agent Proxy Voting Agent Others:			
Vaulting Services Specify –			
Corporate Governance Tools Specify –			
Look Thru Analysis (see accounts below)			
Domestic Equities			
Commingled/Line Items	0		
International Equities			
Commingled/Line Items	1		
Domestic Fixed Income			
Commingled/Line Items	0		
International Fixed-Income			

Commingled/Line Items	0		
Cash Accounts			
Commingled/Line Items	0		
Alternative Investment Support			
Basic Line Item			
Reporting/Monitoring			
Full Drill Down			
Full Outsource			
Shadow Accounting			
Distributions Mgmt.			
Capital Call Mgmt.			
Document Mgmt.			
Hedge Fund Transparency			
Others:			
(see accounts below)			
Private Equity			
Direct/Separate Accounts	0		
Commingled/Line Items	24		
Hedge Funds			
Direct/Separate Accounts	0		
Commingled/Line Items	1		
Real Estate			
Direct/Separate Accounts	0		
Commingled/Line Items	31		
Public REITs			
Direct/Separate Accounts	2		
Commingled/Line Items	1		
Infrastructure			
Direct/Separate Accounts	0		
Commingled/Line Items	3		
Document Management and Library Maintenance			
Specify-			
Other Costs			
(enumerate)			
TOTAL ESTIMATED COSTS			

CTPF
General Banking Services
(For Informational and Review Purposes Only)

Banking Services	Monthly Volume	Annual Volume	Unit Cost	Pro-forma Cost
Account Maintenance	1	12		
Statement Cycles	1	12		
Credits & Other Deposits	17	204		
Debits				
FDIC				
Return Item Chargeback	1	12		
Non-Encoded Checks				
Redeposit Returns				
Lockbox Data Transmission Maint.				
Data Transmission File	1	12		
Data Transmission Record	1	12		
Keystroke				
Lockbox Processing - Paperless				
Lockbox Deposits				
Lockbox Items Deposited				
Lockbox Monthly Maintenance				
Micr Capture				
No Check Enclosed or Correspondence Only				
Special Processing/Open Envelopes (2-3 Sides)				
Unbankables - Mail				
Unbankables - Automated				
Walk In Deposits	30	360		
CD Rom	1	12		
CD Rom Checks	1	12		
CD Rom Document				
CD Rom Maintenance	1	12		
Check Image Capture	1,693	20,316		
Document Image Capture				
Incoming Transfer				
Internal Transfer Debit				
Internal Transfer Credit				
Outgoing Wire Transfer - Web				
Funds Transfer - Fed Credit S/T	17	204		
Funds Transfer - Mail Credit Advice	17	204		
ACH Addendas Originated	20	240		

ACH Addendas Received	21	252		
ACH Credit Originated	28,281	339,372		
ACH Credit Received	3	36		
ACH Debit Originated	7	84		
ACH Debits Received	57	684		
Reclamations				
ACH Deletion Item	20	240		
ACH Maintenance	1	12		
ACH Notification of Change	27	324		
ACH Notification of Change - Online				
ACH Premium Cycle				
ACH Reject and/or Repair				
ACH Return Item - Transmission				
ACH Return Item - Fax				
ACH Return Item - Online	25	300		
ACH Return Notification - Online	13	156		
ACH Reversals	19	228		
ACH Settlement Credit				
ACH Settlement Debit				
File Processing	5	60		
Debit Block Maintenance	1	12		
ACH ADA Authorized ID	22	264		
EDI In-Network Transl-Receipt				
Non Disbursement Account				
Check Retrieval Image (Web)				
Complete Reconciliation Account	1	12		
Complete Reconciliation Item	1,693	20,316		
Paper Bank Statements	1	12		
Controlled Disbursement Account	1	12		
Controlled Disbursement Check Posted	1,692	20,304		
Disbursement - Micr Rejects		0		
ImageSource Per Cd-Rom				
ImageSource Per Item				
Positive Pay Exception	2	24		
Positive Pay Item				
Positive Pay Maintenance	1	12		
Auto Purge Monthly Maintenance				
Register Delete - Bank Auto Purge				
ZBA Account Maintenance				
ZBA Summary Credit				

ZBA Summary Debit				
Stop Payment - Electronic	31	372		
Stop Payment - Automatic Renewal	155	1,860		
Stop Payment - Manual				
Check Copy Via Client Services Priority				
Check Copy Via Client Services (Non Priority)				
Check Info Via Client Services				
Check Exception Return	1	12		
Issue Input File With Recon	25	300		
Reconciliation Data Entry - Manual	1	12		
Reconciliation - Output File	22	264		
Information Reporting Same & Prior Reporting Module	8	96		
Information Reporting Same & Prior Reporting Per Acct	8	96		
Transaction Reported	3,492	41,904		
Special Reporting Fee	1	12		
Account Maintenance - 45 Day History	3	36		
System Access Fee	1	12		
Disbursement Module Access Fee				
Lockbox Module Access Fee				
Wire Module Access Fee				
ACH Module Access Fee				
Info Alerts Maint Fee				
Info Alerts Message Fee				
Federal Tax Payment				
Trust Link	Required	Required		
Total				

CTPF
Benefit Payment Services
(For Informational and Review Purposes Only)

Benefit Payment Services	Annual Volume	Fees	Pro-Forma Cost
Benefit Payment Services - Summary Data			
Number of Retirees	27,803		
New Payment Set-up	120		
ACH with Advice ex Postage	321,780		
Check periodic ex Postage	11,856		

Lump Sum Transfer			
Lump Sum Payments	40		
Postage			
Inserts			
Messages			
1099	34,581		
1099-R postage			
TEFRAs			
State tax filings	N/A		
Federal tax filings	945		
Express Deliv/Overnight			
Wires			
Reports (Standard)	Required		
Reports - Check Registers	Required		
Reports - Death Searches	Required		
Others: (specify)			
TOTAL ESTIMATED COSTS			

IV. SECURITIES LENDING COSTS AND FEES

- A. Explain your methodology for calculating a client's income and splitting methodology.
- B. What is your organization's proposal for the revenue sharing arrangement and/or the split of security lending income? CTPF ___% Bank ___%
- C. Is the split also applicable to negative income if it occurs? What are the limitations of your proposal specific to losses?
- D. Are you able to accept a "clawback" feature wherein if losses materialize, both CTPF and lending agent's revenues would be utilized to extinguish such losses or shortfall?
- E. Are you able to accept a "agent zero split" feature wherein if losses materialize the whole revenue split would be 100% to the client's favor for cash buffering purposes until losses are extinguished?
- F. Does your firm charge a management fee (bp) plus expense ratios for each type of collateral reinvestment fund, separate accounts or collateral reinvestment fund? If so, specify the fee and if fees are deducted before or after the split.
- G. If you are proposing additional indemnification beyond operational and broker default for agency-basis lending, kindly specify.
- ___ Borrower/Counterparty Risk and Default (Inability to Recall, Failure to deliver Income, Failure to post adequate margins, etc.)
 - ___ Collateral Investment Risk
 - ___ Credit Spread Risk
 - ___ Interest Rate Risk
 - ___ Trade Settlement Risk
 - ___ Operational Negligence
 - ___ Currency and Sovereign Risk
- H. If your entity is willing to provide full or partial indemnification for collateral reinvestment risk, what would be the parameters of your bid proposal for securities lending splits and assets to lend?
- I. Specify administration, recordkeeping, and cash collateral reinvestment asset management fees for all types of cash collateral reinvestment vehicles, including separate accounts or CTPF guidelines.
- J. Furnish a revenue estimate of the securities lending income for CTPF for one (1) year ending June 30, 2013 utilizing the holdings listed in Attachment B. (Please note that the estimate is backward looking and not forward looking into the future. Thus for the one-year estimate ending June 30, 2013, utilize the holdings provided and assume that the holdings are in a buy and hold strategy from July 1, 2012 to June 30, 2013.) Assume that collateral is reinvested in a commingled fund or separate account that utilizes the following guidelines, namely: (a) strictly intrinsic value lending with overnight cash collateral indemnified REPO reinvestment guideline; (b) Current Guidelines as specified in Attachment D, and, (c) Straight SEC 2a-7 money market guideline. Provide calculations in the matrix provided on the next 3 pages.

CALCULATION WORKSHEET #1

**Securities Lending Revenue Estimate Worksheet – #1
(Assume Intrinsic Value Lending of at least 50 bps and invested Indemnified REPO Overnight Basis Only)**

Asset Class	Lendable Assets (US\$)	Percent on Loan (using a 12 month rolling average)	Assets on Loan (US\$)	Intrinsic Spread (bps)	Rebate Rate in bps (using a 12 month rolling average)	Re-invest Rate (bps)	Avg. Daily Spreads Net Rebate and Fees (bps)	Gross Income (US\$)	CTPF Share of Revenue w/ Borrower Default Indemnification (Percent)	Net CTPF Securities Lending Income (US\$ millions)
US Large Cap Eq										
US Mid & Small Cap Eq										
U.S. CorpBonds										
High Yield										
Mortgages										
U.S. Govt Bonds										
TIPS										
Non-US Equities										
TOTAL										

For example: \$100 million loan outstanding for one year with a 0.20% net spread and a split of 80/20 is equal to \$160,000 ($\$100,000,000 \times 0.002 \times 0.80$).

CALCULATION WORKSHEET #2

**Securities Lending Revenue Estimate Worksheet – #2
(Assume Cash Reinvestment Guidelines as specified in Attachment D – Current Cash Reinvest)**

Asset Class	Lendable Assets (US\$)	Percent on Loan (using a 12 month rolling average)	Assets on Loan (US\$)	Intrinsic Spread (bps)	Rebate Rate in bps (using a 12 month rolling average)	Re-invest Rate (bps)	Avg. Daily Spreads Net Rebate and Fees (bps)	Gross Income (US\$)	CTPF Share of Revenue w/ Borrower Default Indemnification (Percent)	Net CTPF Securities Lending Income (US\$ millions)
US Large Cap Eq										
US Mid & Small Cap Eq										
U.S. Corp Bonds										
High Yield										
Mortgages										
U.S. Govt Bonds										
TIPS										
Non-US Equities										
TOTAL										

For example: \$100 million loan outstanding for one year with a 0.20% net spread and a split of 80/20 is equal to \$160,000 (\$100,000,000 x 0.002 x 0.80).

CALCULATION WORKSHEET #3

**Securities Lending Revenue Estimate Worksheet - #3
(Assume SEC Rule 2a-7 Reinvestment Guideline)**

Asset Class	Lendable Assets (US\$)	Percent on Loan (using a 12 month rolling average)	Assets on Loan (US\$)	Intrinsic Spread (bps)	Rebate Rate in bps (using a 12 month rolling average)	Re-invest Rate (bps)	Avg. Daily Spreads Net Rebate and Fees (bps)	Gross Income (US\$)	CTPF Share of Revenue w/ Borrower Default Indemnification (Percent)	Net CTPF Securities Lending Income (US\$ millions)
US Large Cap Eq										
US Mid & Small Cap Eq										
U.S. CorpBonds										
High Yield										
Mortgages										
U.S. Govt Bonds										
TIPS										
Non-US Equities										
TOTAL										

For example: \$100 million loan outstanding for one year with a 0.20% net spread and a split of 80/20 is equal to \$160,000 ($\$100,000,000 \times 0.002 \times 0.80$).

CONTACT INFORMATION

Provide the following information:

Name of Organization _____
Business Address _____
Primary Contact _____
Address _____
Phone, Fax, Email _____

CERTIFICATION

The following certifies that all services and systems described 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 proposal upon behalf of _____ and that the information, commitments, representations, and other provisions of the foregoing proposal are true and correct to the best of his or her knowledge or belief."

Name _____

Title _____

Date _____

END OF RFP

ATTACHMENT A
MANAGER AND INVESTMENT STRUCTURE

INVESTMENT STRUCTURE	Account Type (Separate, Commingled, LP, etc.)
Domestic Equity	
Ariel Capital Management, LLC	Separate
BMO Global Asset Management	Separate
Channing Capital Management, LLC	Separate
Holland Capital Management, LP	Separate
Lombardia Capital Partners, LLC	Separate
The Northern Trust Company	Multiple Separate
RhumbLine Advisers, LP	Multiple Separate
Waddell & Reed Asset Management Group	Separate
Zevenbergen Capital Investments, LLC	Separate
Attucks Asset Management, LLC	Manager of Managers/Multiple Separate
Progress Investment Management, LLC	Manager of Managers/Multiple Separate
International Equity	
Dimensional Fund Advisors, LTD	Commingled
DuPont Capital Management	Separate
Earnest Partners, LLC	Separate/Commingled
Lazard Asset Management, LLC	Commingled
Leading Edge Investment Advisors, LLC	Manager of Managers/Multiple Separate
Morgan Stanley Investment Management, Inc.	Separate
The Northern Trust Company	Multiple Separate
William Blair & Company, LLC	Multiple Separate
Domestic Fixed-Income	
Garcia, Hamilton & Associates, LP	Separate
The Northern Trust Company	Separate
Pugh Capital Management, Inc.	Separate
Taplin, Canida and Habacht, Inc.	Separate
International Fixed-Income	
LM Capital Group, LLC	Separate
Western Asset Management Co.	Multiple Commingled
Real Estate	
Capri Capital Partners, LLC	Line Item
CB Richard Ellis Investors, LLC	Line Item
Southwest Multifamily Partners, LP (Cityview)	Line Item
Europa Capital Partners LLP	Line Item
Fortress Investment Group, LLC	Multiple Line Items
Franklin Templeton Real Estate Advisors, LLC	Line Item
Fremont Realty Capital, LP	Line Item
Greystar Equity Partners VII, LP	Line Item
Hudson Realty Capital, LLC	Line Item

Intercontinental Real Estate Corp.	Line Item
LaSalle Investment Management, Inc.	Commingled
Blackstone Group	Line Item
Olympus Real Estate Partners, LLC	Line Item
Prudential Investment Management, Inc.	Multiple Commingled
RREEF America, LLC	Line Item
TCB DV Realty Advisors, LLC	Multiple Line Items
UBS Realty Investors, LLC	Commingled
Urban America Advisors, LP	Commingled
Walton Street Capital, LLC	Multiple Line Items
Public REITs	
Adelante Capital Management, LLC	Separate
Morgan Stanley Investment Management, Inc.	Line Item
Urdang Investment Management, Inc.	Commingled
Infrastructure	
J.P. Morgan Fleming Asset Management, Inc.	Multiple Commingled
Macquarie Group	Multiple Line Items
Private Equity	
Adams Street Partners, LLC	Multiple Line Items
HarbourVest Partners, LLC	Multiple Line Items
Hispania Capital Partners, LLC	Multiple Line Items
ICV Capital Partners, LLC	Line Item
Mesirow Financial, Inc.	Multiple Line Items
Muller and Monroe Asset Management, LLC	Multiple Line Items
Palladium Equity Partners, LLC	Line Item
Pantheon Ventures, LLP	Multiple Line Items
Pharos Capital Group, LLC	Multiple Line Items
Syncom Partners, LLC	Line Item
Hedge Funds	
Pluscios Management HFOF	HF - Fund of Funds
Cash Management	
Cash Appropriation Account	Separate
Cash Equivalent CTPF	Separate
STEP Holding-Don't Close	Separate
Transition	
Global Transition 1	Separate
Residual	Separate
Domestic Transition 1	Separate

ATTACHMENT B
ASSET HOLDINGS AS OF JUNE 30, 2013

Please refer to Excel Spreadsheet (CTPF-Asset Holdings June-30-2013.xlsx)

ATTACHMENT C
 CTPF Reports
 (Accounting, Securities Lending and Performance Measurement)

Account Balances
Account Summary by Type
Accounting Currency Balances
Accounting Positions
Accounting Status
Accounting Transactions
Asset and Accrual Detail
Asset Detail
Asset Detail as of Posting Date
Asset Summary
Audited Statements
Book and Market Summary
Cash Balances
Cash Balances Summary
Cash Ledger Statement Real-Time
Cash Statement
Cash Statement Inquiry
Cash Transaction Inquiry
Cash Worksheet
Class Actions Terms & Conditions of Service
Commentary Report
Concentration of Credit Risk By Issuer
Contractual Settlement Date Fails Charge
Counterparty Forwards Exposure
Counterparty Swap Exposure
Credit Risk by Quality Analysis
Currency and Country Exposure
Currency Exposure
Currency Settlement Statement
Custody Holdings
Custody Security Transactions
Custody Transaction History
Dividends and Interest Received
Effective Exposure Summary by Asset Class
Effective Exposure Summary by Currency
Exchange Rate per Base Currency
Foreign Currency Risk Exposure
Foreign Exchange Contracts
Foreign Exchange Contracts - Pending
General Ledger Detail
General Ledger Detail - Base
General Ledger Transactions
Holdings
Income Balances
Income Earned

Income Earned by Security
Income Receivable
Interest Rate Risk
Investment Detail
Issuer Exposure
Manager at a Glance Report
Market Value of Securities On Loan - Base
Modified Statement of Change in Net Assets
Open Futures Contracts Exposure
Open Options Contract Exposure
Pending Foreign Exchange Contracts
Pending Foreign Exchange Contracts by Currency
Pending Foreign Exchange Contracts by Currency Pair
Performance Account Structure - By Time Range
Performance History Quarterly Returns Currency Conversion
Portfolio Characteristics - Mean
Portfolio Detail Analytics
Posted History by Security
Security History Transactions
Settled Class Actions Paid Claims Summary
Settled Class Actions Pending Claims Summary
Statement of Change in Net Assets
Statement of Net Assets
Summary Client Earnings by Manager
Summary Collateral by Borrower
Sweep Statement
Top Holdings
Top Purchases and Sales
Total Performance Summary
Total Portfolio Summary
Total Portfolio Summary by Time Range
Transaction Detail
Transaction Report
Transaction Trading Statement
Transactions - Pending
Transactions by Posted Date
YTD Monthly History Earnings
YTD Monthly History Earnings by Manager
YTD Monthly History Spreads
YTD Monthly History Volumes

ATTACHMENT D
INVESTMENT GUIDELINES
(Pooled Cash Collateral)

- 1. The Fund:** The Fund is composed of high-grade money market instruments with short maturities.
- 2. Investment Objective:** The investment objective of the Fund is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity.
- 3. Authorized Investments:** In order to achieve the foregoing objective, the Trustee may invest and reinvest the assets of the Fund in the following investments:
 - a.) Obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities and custodial receipts with respect thereto.
 - b.) Shares of approved money market portfolios of regulated investment companies that determine net asset values based on Rule 2a-7 under the Investment Company Act of 1940.
 - c.) Obligations of domestic or foreign commercial banks and bank holding companies, including, but not limited to, commercial paper, bankers' acceptances, certificates of deposit, time deposits, notes and bonds.
 - d.) Obligations of domestic or foreign corporations, including, but not limited to, commercial paper, notes, bonds and debentures.
 - e.) Obligations issued or guaranteed by foreign governments or political subdivisions thereof, and their agencies or instrumentalities.
 - f.) Mortgage and other asset backed securities, including, but not limited to, collateralized mortgage and debt obligations.
 - g.) Repurchase agreements collateralized fully by investments described in paragraph (a) – (f) above, which have a market value, including accrued interest, of at least 102% of the amount invested in the repurchase agreement.
 - h.) Guaranteed investment contracts issued by insurance companies rated **A** by A.M. Best & Company.
 - i.) In the case of any investment under **a.** through **h.** above:
 - (1) All investments shall be denominated or synthetically denominated in U.S. dollars;
 - (2) Investments may include variable and floating rate instruments
- 4. Maturity:** The Fund shall maintain a dollar weighted average portfolio maturity of 90 days or less (as defined below). Maximum final maturity for all investments shall be limited to 18 months. Each asset of the Fund shall be held until maturity under normal circumstances.
 - a.) For purposes of determining the maturity of each eligible investment, (a) instruments which have an adjustable rate of interest shall be deemed to have a maturity equal to the period remaining until (i) the next readjustment of the interest rate or (ii) the principal amount can be recovered through demand or optional put (if applicable), and (b) a repurchase agreement shall be deemed to have a maturity equal to the period of time remaining until

the date on which the repurchase is scheduled to occur, or, if no date is specified but the agreement is subject to demand, the notice period applicable to a demand for the repurchase of the securities.

- b.) Fixed rate mortgage and other asset backed securities will be deemed to have a final maturity equal to such security's weighted average life at the time of purchase which thereafter may be affected by prepayments on the underlying instruments.

5. Credit Quality:

- a.) With respect to commercial paper and other short-term obligations, investments and reinvestments shall be limited to obligations rated (or issued by an issuer that has been rated) at the time of purchase in the two highest rating categories (within which there may be sub-categories or gradations indicating relative standing) by the nationally recognized statistical rating organizations ("NRSROs") provided however, that a maximum of 15% of the value of the total assets of the Fund may be invested in commercial paper and other short-term obligations which are rated (or issued by an issuer that has been rated) at the time of purchase only in the second highest rating category by two or more NRSROs which rate the security (or issuer).
- b.) With respect to bonds and other long-term obligations, investment and reinvestment shall be limited to obligations rated at the time of purchase in one of the three highest rating categories (within which there may be sub-categories or gradations indicating relative standing) by the NRSROs which rate the security (or issuer).
- c.) Any unrated investments will be, in the judgment of the Trustee, of equal or superior credit quality to eligible rated investments.

6. Diversification:

- a.) Except for obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities and repurchase agreements, a maximum of 5% of the value of the total assets of the Fund may be invested in securities of any one issuer.
- b.) A maximum of 25% of the value of the total assets of the Fund may be invested in repurchase agreements with one counterparty.
- c.) Except for the banking industry, a maximum of 25% of the value of the total assets of the Fund may be invested in obligations of issuers having their principal business in the same industry. For such purposes, personal and business finance companies are considered to be in separate industries. Finance companies which are wholly-owned will be considered to be in the industries of their parents if their activities are primarily related to financing the operations of their parents. Asset backed securities may be considered to be in different industries.
- d.) Compliance with the diversification requirements of these guidelines shall be determined on the basis of values immediately after the acquisition of any security.

Amended and Restated: December 31, 2012

ATTACHMENT E
DIVERSITY PROFILE
 Included as Excel Workbook (Custody RFP Diversity Table.xlsx)

Chicago Teacher's Pension Fund
 DIVERSITY PROFILE
 Name of Firm
 as of December 31, 2012

Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals		
	Male	Female	MALE						FEMALE								
			White	Black or African American	Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races			
Exec / Sr Officials & Managers																	0
Investment Professionals (Excluding Traders)																	0
Investment Professionals (Traders)																	0
Professionals - Operations, Compliance, etc.																	0
Professional - Sales / Marketing & Client Services																	0
Administrative Support, Office/Clerical																	0
Other Non-Professionals																	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percent of Total	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Veterans Have you hired veterans during 2010 and/or 2011? If so, please complete the chart below.

Veterans - 2010		Veterans - 2011		Veterans - 2012	
Male	Female	Male	Female	Male	Female

Chicago Teachers' Pension Fund
 DIVERSITY PROFILE
 Name of Firm
 Historical Data

Total	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals	Total Minority	Total Female	
	Male	Female	MALE						FEMALE									
			White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races				
12/31/2010																		
Percentage of Total 12/31/2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
12/31/2011																		
Percentage of Total 12/31/2011	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
12/31/2012																		
Percentage of Total 12/31/2012	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#####	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Notes: Table format and categories for race/ethnicity derived from the US Department of Labor Equal Employment Opportunity Employer Information Report (EEO-1).

Complete Historical Diversity Profile for your total firm or US workforce only or by Business Unit. (On line 10, 12 and 14 complete the total number of employees in each category, the percentages of these employees in relation to the total amount of employees should populate).

Report Full-Time employees only and report employees in only one category. Please do not change table format.