

State of Rhode Island and Providence
Plantations Office of the General Treasurer

Request for Proposal for Master Custody Services
and Related Services

April 10, 2012



BNY MELLON
ASSET SERVICING





BNY MELLON

April 9, 2012

TRANSMITTAL LETTER

Mr. Vincent T. Izzo
Cash Manager
Office of the Rhode Island General Treasurer
50 Service Avenue, 2nd Floor
Warwick, RI, 02886

Dear Mr. Izzo:

On behalf of BNY Mellon, it is my pleasure to provide you with our response to your Request for Proposals for Master Custody Services. I trust that the response will provide an insight into our capabilities and will demonstrate that BNY Mellon is uniquely qualified to provide all of your service requirements.

I will serve as your primary contact through your review process. As you review the enclosed materials, please feel free to contact me with any questions you may have.

Bob Carroll
First Vice President
BNY Mellon Asset Servicing
One Boston Place, 201 Washington St, 11th Floor
Boston, MA 02108
Telephone: (617) 722-3538
Email: robert.carroll@bnymellon.com

We truly believe that BNY Mellon is the best provider to support all of Rhode Island's service requirements today and in the future. We are committed to helping you succeed through a combination of high-quality personalized service, applied expertise, partnership, and performance. We will take the time to understand your goals and are passionate about finding the best solutions. You can trust us to deliver, every day, the superior value you expect from one of the world's leading financial institutions.

All of us at BNY Mellon are enthusiastic about this opportunity and look forward to working with you as you go through this important review process. Please feel free to contact me with any questions you may have.

Sincerely,

Bob Carroll, First Vice President, BNY Mellon Asset Servicing
One Boston Place, 201 Washington Street, 11th Floor, Boston, MA 02108
Telephone: (617) 722-3538 | Fax : (617) 722-3549
Email: robert.carroll@bnymellon.com

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SUBMISSIONS BY PROPOSER

I. TRANSMITTAL LETTER

Proposer must submit a transmittal letter, including the main contact and his or her information for the purposes of this RFP, location and contact information of the Firm and all subcontractors.

Please refer to the Transmittal Letter located in the front cover of the proposal binder.

II. BUSINESS REFERENCES

Please see section IX 3. for reference requirements.

Please refer to our response to *Questions #3, #4, #5, and #6 in Section IX. Custody Relationships* in our RFP Response.

III. REQUIRED FINANCIAL INFORMATION

Proposers must submit one copy of their annual report and financial statements for the last three years. If the Proposer is a bank, a copy of the last four (4) call reports must also be submitted with the proposal. When filed, one copy of the most recent SEC 10K report must also be submitted. Please describe any recent material changes subsequent to the annual report.

Please refer to the enclosed CD ROM for copies of our annual reports from the last three years. Also included on the CD ROM are copies of our last four call reports and a copy of our most recent Form 10-K.

IV. CONFLICT OF INTEREST

The Proposer must certify in writing to the procuring agency that no relationship exists between the vendor and the procuring or contracting agency that interferes with fair competition or is a conflict of interest. No official or employee of the State who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this project shall, prior to the completion, voluntarily acquire any personal interest in this proposed contract.

To the best of our knowledge, no such conflict of interest exists.

V. CLIENT SATISFACTION STUDY

Proposers shall submit a copy of the results from most recent Client Satisfaction Study for master custody clients.

Please refer to the attached copy of the Asset Servicing Client Assessment Survey performed in September 2011. The information contained in the survey is proprietary and is only to be used by the State of Rhode Island and Providence Plantations Office of the General Treasurer for the purposes of evaluating BNY Mellon as a prospective Master Custody Services provider.

VI. LEGAL REQUIREMENTS

- 1. The Proposer must submit certification that the Firm has not been in bankruptcy and/or receivership within the last five (5) calendar years, nor that said event(s) are reasonably foreseeable at this time.**

The Bank of New York Mellon has not been in bankruptcy or receivership and to the best of our knowledge said events are not reasonably foreseeable at this time.

- 2. If incorporated, identification of the Proposer's state of incorporation and a statement that the Proposer is in good standing in that state, and, if the incorporation is not in Rhode Island, a statement that the Proposer has complied with all filing requirements of the Rhode Island Secretary of State.**

The Bank of New York Mellon is a New York state bank and is in good standing in that state. Pursuant to the information provided in the Questions and Responses document provided by the State, it is our understanding that no special filing with the Rhode Island Secretary of State is necessary to perform the services contemplated under this RFP. However, if that understanding is incorrect, upon being selected as the winning bidder, the Bank of New York Mellon would be willing to discuss any filings that the State believes are necessary for the Bank of New York Mellon to perform the contract.

- 3. The Proposer must submit a statement certifying that the proposer meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract.**

To the best of our knowledge, the Bank of New York Mellon meets all applicable state and federal requirements and has all the licenses and registrations necessary to perform the contract.

VII. INDEMNIFICATION

The Proposer must submit written certification that they accept the provisions of the State's indemnification clause: The State follows a policy of reciprocal indemnification by the parties for negligence or willful misconduct and our contract language with the winning Proposer will reflect this policy. Additional information on indemnification state laws may be found at <http://www.rilin.state.ri.us/Statutes/TITLE9/9-31/INDEX.HTM>.

The Bank of New York Mellon is willing to accept a reciprocal indemnity by the parties for negligence and willful misconduct. Our understanding is that such reciprocal indemnity will be on the following terms:

- 1) The State will indemnify the Bank of New York Mellon only for losses that result from the State's negligence or willful misconduct; and
- 2) The Bank of New York Mellon will indemnify the State only for losses that result from The Bank of New York Mellon's negligence or willful misconduct.

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MINIMUM QUALIFICATIONS OF PROPOSER

Size of Business: The Proposer must currently custody at least \$1 trillion in investor assets and have been in business for at least five (5) years as of February 29, 2012.

BNY Mellon has \$25.8 trillion in assets under custody and administration. BNY Mellon was formed in July 2007, when The Bank of New York Company, Inc. and Mellon Financial Corporation merged into a new company. The Bank of New York was founded in 1784 and Mellon Financial began in 1869.

Authorized to Conduct Business in Rhode Island: The Proposer must be authorized to conduct custodial services in Rhode Island. Brokers, dealers and service providers must be registered and must be properly licensed to conduct business in Rhode Island.

Per information provided in the Questions and Responses document, no separate business license is required to provide the services requested in the RFP.

Equal Opportunity Employer: The Proposer must be an equal opportunity employer.

The Bank of New York Mellon is an equal opportunity employer.

VIII. ORGANIZATIONAL STRUCTURE

1. The Proposer shall give a brief history of its organization including the following:

a. Year of organization

BNY Mellon was formed in July 2007, when The Bank of New York Company, Inc. and Mellon Financial Corporation merged into a new company. The combination of two enterprises rich in history, vision and performance has created a global financial services growth company unmatched in its commitment to asset management and servicing

b. Year of initiation of the master custody business

BNY Mellon first began offering trust/custody services in 1869. Global custody was initiated in 1968 and master trust/master custody services were added in 1974. Investment accounting services were first offered in the mid-1970s.

We initiated our U.S. securities lending program in 1977, added non-U.S. lending in 1986 and today fully support a client-lending program in an agent capacity in any developed market in the world. Foreign exchange and cash management services were introduced in 1965 and performance measurement and risk analytics were first offered in the mid 1970s.

c. Nature of Firm's ownership

The Bank of New York Mellon Corporation ("Company") is a publicly held financial holding company organized under the laws of the State of Delaware and supervised by the Board of Governors of the Federal Reserve System ("Federal Reserve").

d. Nature of relationships with affiliated companies or joint ventures

Affiliates and Subsidiaries

Investment Services

CIBC Mellon

One of Canada's largest and most sophisticated providers of domestic and global custody, subcustody services for foreign financial institutions, securities lending, multicurrency accounting, Internet reporting and information delivery, and foreign exchange services. CIBC Mellon is also one of Canada's largest corporate trust and transfer agents and debt trustees, providing stock transfer, registrar, debt trusteeship, investor services and related services.

Pershing LLC

Provides technology, operational, trading, investment and practice management solutions to help financial services firms successfully serve their investors.

Pershing Advisor Solutions LLC

Offers strategic resources to independent registered investment advisors to help them succeed amid growing industry complexity.

iNautix (USA) LLC

Combines global technology expertise and deep financial industry knowledge to help maximize advisor productivity, increase operational efficiency and improve profitability.

BNY ConvergEx Group

BNY ConvergEx Group delivers a comprehensive, integrated approach to the entire investment cycle, from idea generation and trade execution to clearance and settlement.

Eagle Investment Systems LLC

Provides Web-based investment management software solutions to money managers, plan sponsors, banks, corporate trusts, insurance companies, hedge funds and mutual funds.

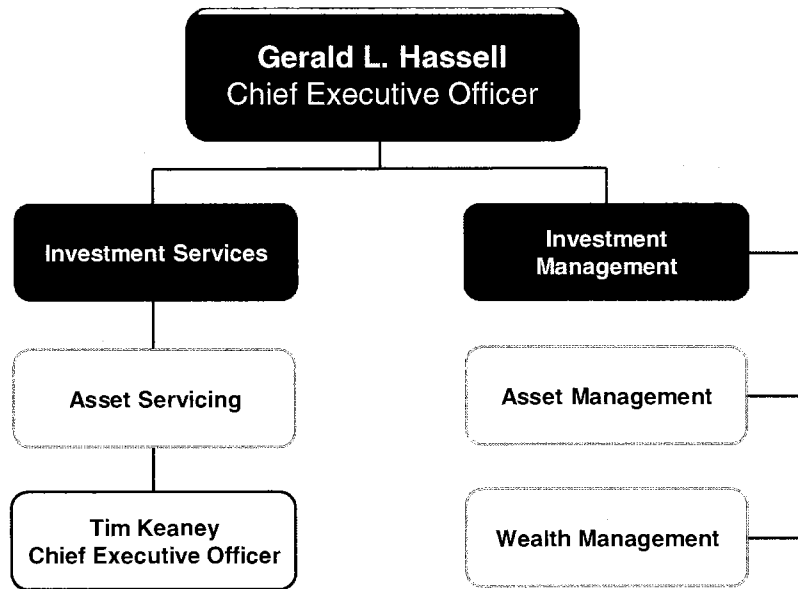
Investment Management Subsidiaries

BNY Mellon has numerous investment management subsidiaries.

- 2. **Describe the organizational structure of the bank and the master custody department. Provide an organization chart showing the operating relationships and authority within the master custody service unit and within the organization.**

Corporate

BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, offering superior investment management and investment services through a worldwide client-focused team. It has \$25.8 trillion in assets under custody and administration and \$1.26 trillion in assets under management, services \$11.8 trillion in outstanding debt and processes global payments averaging \$1.5 trillion per day. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. Additional information is available at www.bnymellon.com and through Twitter @bnymellon.



BNY Mellon Asset Servicing

BNY Mellon Asset Servicing offers clients world-class products, technology and service to help enhance the management, administration and oversight of their investment process. As one of the world's leading securities servicers, we combine unrivalled client service with innovative technology that delivers rich client data in user-friendly systems.

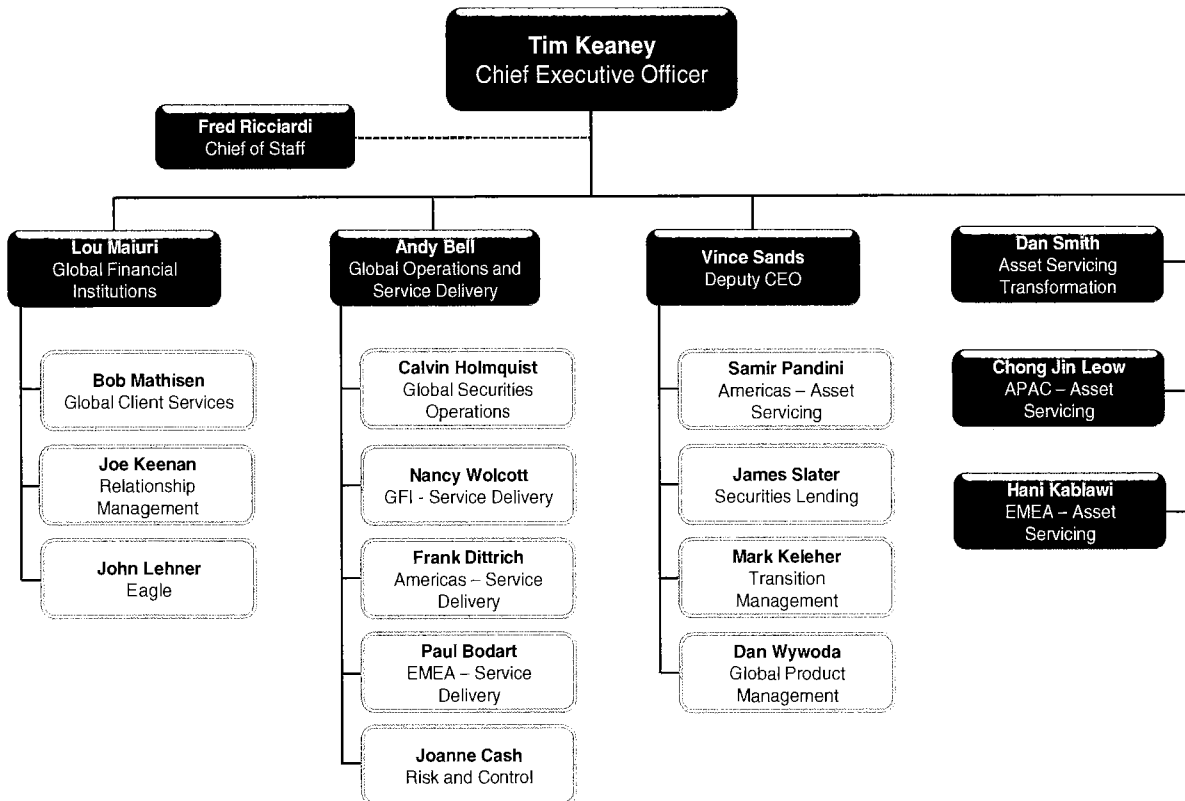
With our fully integrated, industry focused suite of securities services, our mission is to serve you by:

- Designing and delivering innovative solutions in managing and servicing assets
- Blending a wide variety of financial services into comprehensive solutions
- Providing market access and opportunities that is second to none

We are dedicated to supporting the entire investment process which is reflected in the breadth and depth of our product offerings and our commitment to ensuring client satisfaction every day. Our core services include: trust and safekeeping, portfolio and fund accounting, global custody, middle office outsourcing, transfer agency, subaccounting, cash management and security movement, participant services, securities lending, foreign exchange, hedge fund administration, performance measurement and analytics, clearing services, online information delivery, and support services for internal investment management.

Led by Chief Executive Officer, Tim Keaney, BNY Mellon's Asset Servicing team is comprised of over 17,000 professionals across the globe. Asset Servicing spans the globe with major service centers in the U.S., Canada, London, Dublin, Germany, Amsterdam, Luxembourg, Singapore, and Australia.

BNY Mellon Asset Servicing



3. Describe your strategy, commitment and competitive advantages in providing master custody services. Discuss briefly your overall business objectives with respect to future growth and product research and development related to master custody.

Commitment to Trust and Custody / Strategy

The product of two great financial institutions, BNY Mellon is built upon more than 350 years of experience and expertise in financial services. Our shared heritage provides the stability, continuous innovation and high-quality client service that clients expect. Our combined expertise provides a unique advantage, allowing us to deliver intelligent solutions that are global in scale and provide superior value.

BNY Mellon Asset Servicing has made a significant commitment to trust and custody services. Trust, custody and other related services contribute 75% of the Corporation's total revenue. This gives us the size and scale to continue enhancing our leading-edge trust and custody systems and technologies, ensuring that our clients receive the best services in the industry, today, and into the future.

Strategy/Business Objectives

We strive to be the acknowledged global leader in asset servicing by delivering the best in quality, products and people. Our strategy involves an excellent mix of businesses that are well balanced. Over the next few years, a continued high level of investment will be sustained in order to:

- Aggressively reinvest in state-of-the-art technology to maintain and enhance our leading-edge custody services and information delivery systems.
- Continue to place primary importance on client service and satisfaction.
- Expand our client base, both domestically and globally, by continuing to provide premier custody services.
- Provide high quality, value-added products and services (i.e., cash management and foreign exchange services).
- Increase efficiencies through enhanced electronic information delivery capabilities.
- Focus our product development on creating highly tailored and specialized applications to strategic markets.

As a result of our continued reinvestment in our trust and custody services, we have the ability to provide innovative products to address the future needs of our clients. The following development strategies are in place:

- An advanced information delivery and reporting system to enable our clients to significantly enhance the efficiency and scope of their internal administrative and reporting process
- Aggressive systems development expenditures on mainframes and online support tools
- Continued automation of trust and custody functional processes to increase our own internal efficiencies

Our in-house staff gives us the flexibility to handle client specific needs while performing all systems development and maintenance.

Our Promise

The client comes first and foremost. We are committed to helping clients succeed through a combination of high-quality service, applied expertise, partnership and performance. We take the time to understand your goals and are passionate about finding the best solutions. You can trust us to deliver, every day, the superior value you expect from one of the world's leading financial institutions.

Competitive Advantages

BNY Mellon offers clients world-class products, technology and service to help enhance the management, administration and oversight of their investment process. As one of the world's leading securities service providers, we combine unrivalled client service with innovative technology that delivers rich client data in user-friendly systems.

We are dedicated to supporting the entire investment process and this is reflected in the breadth and depth of our product offerings and our commitment to ensuring client satisfaction every day.

The following provides a summary of BNY Mellon Asset Servicing's key attributes as a custodian that we believe set us apart from our competitors.

Combining Our Best Assets to Benefit You

Our People

Our people are clearly our greatest strength. Over 17,000 highly trained, dedicated individuals located worldwide devote their time to asset servicing. We are the "partner" you can rely upon for superior service. Our Relationship Managers possess industry-specific expertise, honed from many years of experience in the securities services business. Our team structure includes a designated member from each specialty collaborating to produce the services encompassed in the entire client relationship.

To ensure that our clients continually receive the very best service, we are committed to attracting and retaining experienced and knowledgeable people. We provide our staff with top quality training and continuing professional development programs. As a result, the professionalism of our staff consistently receives a superior ranking in our annual Client Service Survey.

Premier Technology

Workbench is our browser-based information delivery platform that provides a wide variety of useful intellectual properties and reporting capabilities in accordance with the highest industry standards and requirements. *Workbench* delivers immediate access to your investment data via a comprehensive reporting engine, an advanced graphics module, a compliance monitoring tool, a real-time inquiry tool, and a transaction notification module - all in an easy to use internet delivery product.

Leading Provider of Global Performance Measurement and Risk Analytics

Our Performance & Risk Analytics group is one of the world's largest providers of sophisticated investment analysis tools, responsible for US \$9.6 trillion in assets under measurement and provides services to over 1,300 institutional investors, globally. From the moment we receive your data to the time you access it, you can depend on an integrated and seamless experience.

By providing performance measurement, peer group comparisons, attribution, portfolio and risk analysis tools and services for investment strategies, we help our clients understand investment results, maximize returns, minimize risk, and streamline reporting in changing and complex global markets.

Client Implementation Group

The Client Implementation Group is a dedicated project management team whose mission is to analyze and understand each client's investment support needs, propose ideas and solutions for meeting those needs, and successfully implement the mutually agreed upon solutions. This group works with clients to identify and analyze opportunities to improve processing efficiencies and information delivery.

Investing for the Future

Over the next few years, a continued high level of investment will be sustained in order to serve the needs of our clients, and their stakeholders. We recognize that asset owners and asset managers are now facing numerous changes in terms of regulatory and accounting policy treatment with respect to their investments, and we invest significant capital to ensure that our clients are able to meet those evolving requirements. Given the current crisis of trust and uncertainty in the financial markets, that trend will only intensify, and institutional investors will continue to seek safe ports in the storm.

Our key initiatives are in direct relation to the current environmental and financial outlook for the industry, and anticipated regulatory changes. They include:

- Expand presence in key geographic markets
- Grow relationships with clients, including focus on funds servicing, data management, and delivering firm-wide capabilities to facilitate the investment process
- Reinvest in technology to create operational efficiencies, and to respond to regulatory requirements

Product Research and Enhancements

BNY Mellon Asset Servicing is a solution-driven organization with the focus of our development on identifying client needs and implementing changes to offer clients the best in features, functionality and service. Given the influx of regulatory changes that our clients have been facing for several years, we have been innovating solutions to help answer new requirements while "fine-tuning" our existing systems to more effectively meet our clients' unique investment and operational requirements.

There will be continued enhancements to the functionality of our custody, accounting, information delivery and performance solutions to support client needs, industry trends, regulatory changes and operational efficiency. Functional enhancements include continued support of new and complex security types, regulatory and industry changes, enhanced controls, and supporting our clients' needs as they are valued partners. Infrastructure enhancements include continued product upgrades and enhancements and strategic investment in our systems and services to support the continued growth and needs of our clients.

Regulatory Support

We recognize that BNY Mellon's clients are faced with an ever-changing regulatory landscape and assist in understanding new requirements to partner with clients to provide solutions that enable compliance in a timely manner. BNY Mellon is continuously analyzing the regulatory environment, globally and regionally, to identify regulatory changes impacting our clients to deliver solutions and support for our clients.

Recent regulatory-driven development includes fair value measurement capabilities for ASU Topic 820, Topic 715 and IFRS 7, derivative reporting GASB 53 and ASU Topic 810 and IFRS 9, and enhanced reporting functionality for cost basis reporting requirements as examples. Current development initiatives are in progress to address upcoming requirements for the Dodd-Frank Act, UCITS IV, Solvency II, FATCA, Money Market Reform, IFRS Convergence, amongst others. BNY Mellon monitors the regulatory landscape and makes strategic investments to assist our clients with their regulatory needs globally and regionally.

Support Alternative Investments

BNY Mellon offers many solutions that support our clients' needs related to alternative investments. We are currently expanding our existing capabilities to support various pooling vehicles with new partnership accounting and advanced earnings allocation capabilities. We are continuously enhancing our current offering to improve investment accounting and reporting (private equity, real estate, bank loans, etc.) to support transparency and integration with marketable investments.

Derivatives Enhancements

With the recent launch of Derivatives 360 and BNY Mellon Clearing Services, LLC, BNY Mellon now offers complete end-to-end support of derivatives, including accounting and reporting, clearing, collateral management, OTC valuation, trade confirmation, reconciliation, and full lifecycle processing. We are currently expanding our derivatives lifecycle and middle office functions as clients look to BNY Mellon to further support additional functions and more complex instruments and strategies.

Private Equity Enhancements

BNY Mellon recently launched new capabilities to provide additional transparency and normalization of private equity investments, where we now offer one platform to view, control and report on all marketable investments, including private equity, for clients to analyze their entire portfolio.

Securities Lending

We continue to make strategic investments in fine tuning our worldwide securities lending services take advantage of BNY Mellon's global custody resources, subcustodian network, technology infrastructure and broker/dealer service's clearance capabilities to deliver a turn-key, comprehensive end-to-end product. In addition to lending in over 30 markets globally, we also lend in other developing and emerging markets through Eurobonds, ADRs and GDRs, enabling us to satisfy virtually all borrowing requests for any security.

Workbench Enhancements

We will continue to enhance the *Workbench* internet-based portal to deliver new capabilities that support our clients' needs for monitoring for in response to both client/market demands and newly available information delivery technologies. Our current strategy is one of incremental, continuous improvements and client customization of the current platform, which is rated #1 in the global custody industry.

Mobile Accessibility: BNY Mellon has recently launched a mobile application of its multi-faceted web portal, *Workbench*. Available to institutional clients around the globe, the mobile application of *Workbench* supports clients in their need to quickly get the information they need. The new mobile application is accessible from the iPad and iPhone with plans to extend to various mobile devices that have internet service. Key features include drill down capabilities, auto alerts for wires pending approval plus much more.

Interactive Reporting: BNY Mellon continues to dramatically extend clients ability to fully customize their reporting with a new generation of on-line Interactive customization features, including sorting; filtering; flexible subtotaling; expand/collapse; creating complex calculations and custom classifications; arranging and formatting columns, and creating drill-down dashboard charts.

Enhanced Homepage: BNY Mellon continues to streamline and enhance its clients' web experience with a new homepage that allows clients to customize favorite services, favorite reports, regulatory news, recent reports shared across a client's organization, and up to 10 reports and dashboards pinned to the homepage for immediate analysis upon logging in.

Performance & Risk Analytics

BNY Mellon is committed to continually improving products and services within our Performance & Risk Analytics suite. Currently, we are developing tools for enhanced risk measurement, with a focus on the transparency of alternative assets, providing investment level detail and risk analytics. We will collect and dynamically report on various data elements such as allocation, liquidity and liabilities through a centralized risk tool for a comprehensive risk analysis. Our support model will aggregate and normalize data while enabling our clients to more effectively manage fund risk.

We have built our reporting and information delivery service on a very flexible platform that allows us to customize and enhance reporting as client and industry needs change. We will continue to enhance and develop our information delivery service based on input from our strategic client partnerships.

Ongoing Maintenance Upgrades and Support

As part of BNY Mellon's ongoing maintenance program, we release upgrades to *Workbench* on a quarterly basis, which includes enhancements to the information delivery platform to better support the latest regulatory changes and improve the client experience. As part of our annual maintenance, we implement the latest SWIFT standards, and work with industry groups to ensure best practices are maintained and supported.

4. **What were the bank's long term and short term credit ratings at the previous three (3) calendar years' end? Please provide the rating from all bank services that review the bank's financial standing at each of the requested dates (Duff & Phelps, Moody's, S&P and others). What is the Proposer's exposure to derivative instruments both in notional and net exposure and as a percent of total capital?**

Credit Ratings¹ (as of December 31, 2011)	Moody's	S&P	Fitch	DBRS
The Bank of New York Mellon Corporation				
Long-term Senior Debt	Aa2	A+	AA-	AA (low)
Subordinated Debt	Aa3	A	A+	A (high)
Trust Preferred Securities	A1	BBB	A	A (high)
Short-term Deposits	P1	A-1	F1+	R-1 (middle)

Credit Ratings (as of December 31, 2010)				
	S&P	Moody's	Fitch	DBRS
The Bank of New York Mellon Corporation				
Long-term Senior Debt	AA-	Aa2	AA-	AA
Subordinated Debt	A+	Aa3	A+	A
Trust Preferred Securities	A	Aa3	A+	A
Short-term Deposits	A-1+	P1	F1+	R-1

Credit Ratings (as of December 31, 2009)				
	S&P	Moody's	Fitch	DBRS
The Bank of New York Mellon Corporation				
Long-term Senior Debt	AA-	Aa2	AA-	AA
Subordinated Debt	A+	Aa3	A+	A
Trust Preferred Securities	A	Aa3	A+	A
Short-term Deposits	A-1+	P1	F1+	R-1

Exposure to Derivative Instruments

Notional Value

(in millions)	Notional Value (December 31, 2011)*
Derivatives designated as hedging instruments (a):	
Interest rate contracts	\$18,281
Foreign Exchange contracts	\$14,160
Derivatives not designated as hedging instruments (b)	
Interest rate contracts	\$975,308
Equity contracts	\$8,205
Credit contracts	\$333
Foreign exchange contracts	\$379,235

(a) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively on the balance sheet.

(b) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the balance sheet.

Net Exposure

- Total derivatives assets (part of other assets in balance sheet): \$5,658 million*
- Total derivative liabilities (part of other liabilities in balance sheet): \$7,116 million*
- Net derivative liabilities over assets: \$1,458 million

* Information is available on page 156 of the 2011 BNY Mellon Annual Report.

Total Capital

As of December 31, 2011, total permanent equity was \$34,087 million**. Our exposure to derivatives as a percent of total capital is as follows:

- Derivative assets: $\$5,658 / \$34,087 = 17\%$
- Derivative liabilities: $\$7,116 / \$34,087 = 21\%$
- Net liabilities over assets as a % of capital: $\$1,458 / \$34,087 = 4\%$

** Equity is available on page 90 of the 2011 BNY Mellon Annual Report.

5. **During the past three years, has the Firm been subject to any governmental regulatory or law enforcement agency's investigation, examination, or other proceeding directly involving the Firm, its owners, or employees other than such examination or other proceedings as are routinely conducted in the ordinary course of the Firm's business? If so, please explain.**

The Bank of New York Mellon Corporation ("Company") is a publicly held financial holding company organized under the laws of the State of Delaware and supervised by the Board of Governors of the Federal Reserve System ("Federal Reserve"). Like all major institutions, the Company and its subsidiaries are subject to various litigations, proceedings and investigations. As a public company, the Company files certain publicly available reports with the United States Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934. These reports describe, in general, any material pending legal or regulatory proceedings to which any of the Company or its subsidiaries is a party. The Company's filings are available on its website at www.bnymellon.com or are available from us upon request. There have been no litigations, proceedings or investigations during the last ten years that have materially impaired the ability of BNY Mellon Asset Servicing to perform services of the type being requested by this RFP.

We have disclosed certain inquiries and lawsuits in BNY Mellon's public securities filings. For a discussion of these matters, please see page 151 of our 2011 Annual Report which can be found on our website:

<http://www.bnymellon.com/investorrelations/annualreport/index.html>

IX. CUSTODY RELATIONSHIPS

1. **What is the total market value of all assets held in custody? Describe the number and types of master custody clients.**

BNY Mellon has \$25.8 trillion in assets under custody and administration. BNY Mellon Asset Servicing provides custody services to over 4,000 clients with approximately \$15 trillion in assets under custody and administration.

Please refer to the following chart for a breakdown of our global clients.

BNY Mellon Asset Servicing The Clients We Serve	# clients	Total AUC/AUA [US\$B]
U.S. Public Funds	180	\$1,375
Government, Corporate & Taft Hartley Client	2,096	\$2,134
Endowment/Foundations and Not-for-Profits	253	\$360
Mutual Funds/Investment Managers	522	\$6,518
Banks & Trust Companies	486	\$1,604
Central Banks	26	\$435
Sovereign Wealth Funds	57	\$419
Insurance Companies	385	\$2,100
Total*	4,005	\$14,945

**Totals represent assets serviced by BNY Mellon Asset Servicing (does not include assets under custody for other BNY Mellon divisions including; Private Wealth, Issuer Services, Clearing Services and Treasury Services).*

2. **Please provide, in descending order by asset size, the name of the Bank's ten largest custody relationships as of December 31, 2010. Include the name, total assets and the tenure for each relationship. Please report in the following format:**

Please refer to the chart below for our 10 largest tax-exempt custody client relationships.

Client Name	Custodied Assets (\$Millions)	Client Since
Florida State Board of Administration	\$145,460	2005
New York City Retirement Systems	\$124,960	2004
Confidential Public Fund	\$91,300	1998
State of Wisconsin Investment Board (SWIB)	\$78,640	1991
State of North Carolina	\$73,020	2007
Virginia Retirement System (VRS)	\$50,925	1988
PRIM- Pension Reserves Investment Management Board	\$47,440	1999
Confidential Corporate Client	\$46,725	2002
Confidential Corporate Client	\$42,270	1997
Alaska Permanent Fund Corporation	\$38,980	1992

3. **Provide the client name, contact and phone number of master custody accounts gained or lost in the last three years. Provide a brief explanation for each of the account(s) lost.**

Please refer to the chart below for clients gained and lost over the past 3 years.

Year	Clients Gained (Number)	Assets Gained (US\$ millions)	Clients Lost (Number)	Assets Lost (US\$ millions)
2009	14	\$63,155	3	\$21,075
2010	14	\$96,086	4	\$42,840
2011	22	\$74,251	10	\$48,952

Due to the confidential nature of our client base, we are not at liberty to release contact information without prior approval from current and/or past clients. As such, we have provided contact information for two clients who have approved the release of their information for the purpose of acting as lost client references as follows:

Arizona State Retirement System

Paul Matson, Executive Director

Phone: (602) 240-2031

E-mail: paulm@azasrs.gov

Ohio State Teachers Retirement System

Todd Hohenstein, Director of Operations

Phone: (614) 227-2863

E-mail: Thohenst@strsoh.org

4. **Provide a contact name and telephone number for three references that have an organizational structure similar to the Employees' Retirement System of Rhode Island ("ERSRI"), and whose organizations are currently using your custodian services. Include the same information as requested in question 2 above for each reference. Please also indicate whether these references use your bank's benefit payment, administrative and tax reporting services and/or additional services for which they contract with you.**

Missouri State Employees Retirement System

Shannon Davidson, CPA, Manager of Investment Risk and Performance

907 Wildwood Dr
Jefferson City, MO 65109

Phone: (573) 632-6166

E-mail: shannond@mosers.org

Teachers' Retirement System of Louisiana

Philip Griffith

8401 United Plaza Blvd., 3rd Floor
Baton Rouge, LA 70804

Phone: (225) 925-6470

E-mail: philip.griffith@trsl.org

Indiana Public Retirement System (INPRS)

Custody Contact:

Anne Coughlan, Manager of Investments and Cash Management

One North Capitol, Suite 001

Indianapolis, IN 46204

Phone: (317) 234-8125

E-mail: acoughlan@inprs.in.gov

Benefit Disbursements:

Julie Moffitt, Director of Finance

Phone: (317) 234-8159

E-mail: jmoffitt@inprs.in.gov

5. **Provide two former client references, with plans similar to ERSRI, who no longer use your custodian services and who left due to unfavorable circumstances. Include names, addresses, and telephone numbers.**

BNY Mellon invites you to contact the following former clients:

Arizona State Retirement System

Paul Matson, Executive Director

Phone: (602) 240-2031

E-mail: paulm@azasrs.gov

Ohio State Teachers Retirement System

Todd Hohenstein, Director of Operations

Phone: (614) 227-2863

E-mail: Tohenst@strsoh.org

6. **If necessary, Proposers may be asked to submit additional client, former client and/or prospective client references.**

We will be happy to provide additional client references upon request.

7. **What methods do you use to assess your client's evaluation of your services and how are comments provided by clients acted upon by senior management?**

As a formal benchmark against which to measure our efforts, we annually conduct a comprehensive Client Satisfaction Survey. This serves as an excellent means of client feedback for all aspects of our services to ensure that we are continually meeting our clients' needs.

We use the survey as an evaluation of client service, team performance, and product capabilities. The information derived from this survey has a direct impact on our training, procedures and strategic vision, which is no doubt why our clients consistently describe their relationships with us as highly successful. Our survey contains 155 questions, covering 10 service categories.

The following are highlights from our 2011 Asset Servicing Client Satisfaction survey:

- 90% of clients are satisfied overall
- 91% are satisfied with their client service
- 81% of clients would recommend us to other

- 83% are satisfied with our products/services
- 84% of clients would choose us over others

Client commentary from the survey includes:

"BNY Mellon has always maintained excellent customer service with us. We use them as the benchmark to compare other custodians."

"The relationship contacts that we have are very knowledgeable and are always willing to take on tasks to ensure we are getting the best service possible."

"Our entire team is continually impressed and pleased with the high-quality of services we receive from BNY Mellon. The people and processes in place make my job easier, and our investment product better, just about every day."

Senior Management Involvement

Reports are produced which enable senior management to view all client comments and suggestions. They work closely with Relationship Managers to act upon all client feedback.

The steps taken to address indications of poor or less than expected performance can vary given the nature and severity of the situation. In most instances, the Asset Servicing Relationship Manager will complete a detailed action plan to address the issues and return client satisfaction to acceptable levels.

The action plan is developed based on feedback from the client and members of the BNY Mellon Asset Servicing team, and will outline the necessary action steps, responsibility and due dates to ensure the clients concerns are addressed as quickly as possible. The Relationship Manager will facilitate and oversee the completion of the action steps, providing continual updates to the clients on a routine basis. The action plans are updated and distributed internally to Senior Management in Asset Servicing on a monthly basis. Plans will continue to be monitored until all action steps have been completed, and the Relationship Manager has confirmed with the client that they are satisfied with the outcome and that their needs have been met or exceeded.

8. Describe any ongoing educational seminars, publications or other services you provide for keeping clients abreast of new developments in your organization and the master trust/custody industry.

We recognize the importance of, and benefits derived from, training and maintaining an informed client staff. We sponsor a variety of user groups, client conferences and educational programs for our clients, which are described below:

Extensive Educational Opportunities for Our Clients

Customized On-Site Client Training

BNY Mellon Asset Servicing offers customized on-site training for clients. We are dedicated to assuring that every client has the necessary skills and knowledge to most effectively use the tools and reports we provide. The program involves hands-on training, round-table discussions, and system demonstrations. The Client Service and Client Accounting & Reporting Services Teams will work with you to further understand your needs and requirements, exemplifying our partnership solutions approach to client service. One client commented on the program as follows:

“On-site Asset Servicing Training is an example of exceptional client service. Your staff’s customized classes exhibited your ability to service unique needs. Please extend our thanks to all your personnel associated with the training presentation.”

Ongoing Training and Needs Assessment

Individuals from BNY Mellon Asset Servicing will meet with the client’s staff to review our services and technology and to ensure that the client is fully equipped to make optimal use of the vast array of data that we provide. Your Client Service Officer and other team professionals involved in servicing your account will assist and train your employees on an as-needed basis throughout the relationship.

Workbench Training and Meeting Centre

All clients using *Workbench* receive formal, on-site training at your office by a Client Service representative. In addition, our *Workbench* Meeting Centre is a virtual meeting space where, no matter where you are located, you can meet with the *Workbench* team and get live voice and on-screen demonstrations, training, and support.

Product Specific Publications for Our Clients

Resources for Plan Sponsors

The Plan Advisory Services Group provides insight and analysis on regulatory developments affecting defined benefit and defined contribution plans. We provide this analysis through regular electronic updates sent directly to our clients.

Analytical Insights

Analytical Insights is a quarterly publication produced by the Performance & Risk Analytics Group for clients who subscribed to Performance Measurement Services, which provides industry-leading performance measurement and analytical services, backed up by deep knowledge of the markets. It provides readers with timely investment analysis, while highlighting our sophisticated capabilities. Analytical Insights is available via *Workbench*.

Securities Lending Market Update

The Market Update newsletters give you the inside track on conditions in the securities lending market, trends, analysis, and more, created by the industry-leading professionals of our Securities Lending group.

Research from Foreign Exchange

Our Foreign Exchange group is well known for its depth of knowledge and research capabilities. Research available online at <http://gm.bankofny.com/> includes daily global FX reports, investment trends, and strategic issues.

Global Market Updates

Our suite of global market updates includes valuable proprietary information on worldwide market conditions and news, depository risk analysis, and other critical operating information through our *Workbench* online service. This information provides access to valuable information created by our team of experienced professionals to help you compete and succeed in today’s highly competitive and globally focused business environment. Examples of our global market updates include:

Market Reports

Market Reports provide valuable information about local infrastructure and practices in markets around the world in order to facilitate the movement of securities and currencies throughout our global custody network.

Depository Risk Analysis

Depository Risk Analyses outline the legal, settlement, financial, depository linkage, and operational risks associated with the use of each depository in each of the markets included in our global network. The analyses are consistent with BNY Mellon Asset Servicing's role as Foreign Custody Manager under Rule 17f-5 and is fully compliant with Rule 17f-7.

Trading Around the World

A Guide to Trading Around the World is designed to provide you with our operational policies and global custody standards for trading around the world. The maintenance of this guide is a continual process, particularly as we expand our global network and operations.

Global Market News Flashes

Our Network Management Department monitors events in every market where we provide custodial services and distributes updates via NetInfo® immediately. NetInfo® provides news flashes and pertinent service updates regarding regulatory, operational and market practice changes. Global news updates are available on the home page of *Workbench*.

Educational Events

BNY Mellon Asset Servicing Client Conference

The Client Conference is a gathering of BNY Mellon Asset Servicing's institutional trust and custody clients, BNY Mellon Asset Servicing executives, guests, and several well-known speakers who discuss industry related issues. The conference is held on an 18 month cycle that lasts three days and includes formal sessions, breakout group meetings, and technology demonstrations. The Client Conference has proven to be an effective forum for ideas, issues, and trends in the industry.

Webinar Training

We currently offer customized training via the internet. We can structure a series of educational topics delivered to you and your staff by way of on-line, instructor-led Webinars throughout the year.

Performance & Risk Analytics Group Client Conference

The Performance & Risk Group hosts its client conference on a 12-18 month cycle, with over 200 clients attending the event. This three day conference provides a unique opportunity for education and networking. The agenda typically consists of three general sessions, and attendees have a choice of 12 different breakout sessions, covering a wide variety of investment topics, as well as product-focused discussions.

BNY Mellon Asset Servicing Client Advisory Board

BNY Mellon Asset Servicing's Client Advisory Board is currently comprised of 85 clients across all industry types. This group meets twice a year to discuss contemporary and topical issues within the industry. The BNY Mellon Asset Servicing Client Advisory Board follows an agenda that is also designed to accomplish the following three objectives:

- Outline and discuss in roundtable forum suggested enhancements and future needs

- Review all proposed legislative changes and the potential impact on clients
- Review all scheduled service enhancements and schedules for implementation

Performance & Risk Analytics Group Client Advisory Board

The Performance & Risk Analytics Group Client Advisory Board meets several times per year, and has a membership of approximately 20 key client organizations. These members are typically strong Performance & Risk Analytics product users, and are willing to provide important feedback and direction. The Performance & Risk Analytics Group finds this client input to be invaluable towards our efforts to ensure superior products and service. Client Advisory Board members have a direct line to BNY Mellon Asset Servicing Senior management, as well as the opportunity to learn from their peers in the industry who represent other organizations.

Workbench Client Advisory Board

The *Workbench* Client Advisory Board is comprised of approximately 25 clients representing Corporate and Public Employee Benefit Funds, Endowments, Insurance Companies, and Financial Services Companies. Our *Workbench* Product and Service Managers also participate on the Board. The purpose of the Board is to exchange ideas regarding client needs and to solicit client feedback on upcoming *Workbench* product releases and strategic product development. Our Board meets via Web meeting (WebEx) approximately four times a year and in person at the annual Asset Servicing Training Client Seminar.

X. PROFESSIONAL STAFF AND CLIENT RELATIONS

1. Identify the key individuals and specific responsibilities of those who would be assigned to the ERSRI account. Describe their responsibilities and provide biographies on each person.

BNY Mellon Asset Servicing provides support through a Team Structure. We assign specific functional specialists based on the specific needs of your organization. The team is directed by your Relationship Manager, who is the focal point of all activity on your behalf. He has one overarching responsibility: to know your needs and strive to assure your complete satisfaction.

While your Relationship Manager will serve as your primary liaison, the entire relationship will be supported on a daily basis by an integrated service team dedicated to the State. This group will act as your primary contact for all service issues. Senior level team members serve as knowledgeable resources to support your Relationship Manager.

Relationship Manager's Role

Serving as your advocate, your Relationship Manager, *Mark Sullivan*, will have the responsibility of building an outstanding partnership between your staff and your assigned BNY Mellon Asset Servicing Relationship Team. Mark will represent your needs and requirements to his colleagues, team members, and senior management. Mark will be responsible for providing superior client satisfaction by ensuring your Team is delivering premier service based upon a set of benchmarks and standards established jointly at the outset of the relationship and monitored on an ongoing basis.

Because client needs are constantly evolving, one of Mark's key responsibilities will be understanding your strategic business requirements and objectives so that we can help you achieve your goals over time.

Client Service Officer's Role

Your Client Service Officer, *Chris Mattia*, will serve as your primary day-to-day contact and will be responsible for team coordination and for execution of routine service requirements. Chris will also be your designated contact on all operational issues.

Your Client Service Officer will work closely with your organization to establish your initial account structure and to successfully coordinate all ongoing portfolio administration, such as monitoring your specific benchmarks and service standards for all BNY Mellon Asset Servicing products.

Functional Professionals Provide Day-to-Day Service

In addition to *Mark Sullivan* and *Chris Mattia*, the entire Relationship Team is involved in servicing your needs on a day-to-day basis. Your Team members include:

Client Accounting & Reporting Services

Michael Simpson, Division Manager

Lou DiRupo, Senior Unit Manager

William Daley, Unit Manager

Gary Forgione, Supervisor

The Client Accounting & Reporting Services Team provides all accounting and client cash services including: All report preparation (daily, monthly, quarterly and annual), private transaction accounting, valuations and pricing, account reconciliation with investment managers, daily cash sweep into your short-term vehicle, wire and inter-fund transfers, and the day-to-day operational elements of asset safekeeping, as well as acting as a liaison with your internal and external auditors.

Investment Support Services Group

Renee Gilmer, Section Manager, Investment Support Services Group

The Investment Support Services Group provides your investment managers with a dedicated team to apprise the managers of their portfolio's trading status, daily short-term investment balances, cash forecasting, and up-coming account activity. These professionals also handle manager queries following receipt of their monthly accounting reports.

Performance & Risk Analytics Group

Scott Berard, Regional Manager, Performance & Risk Analytics Consulting

Mike Burke, Manager, Performance & Risk Analytics Consulting

Ed Fruscella, Sr., Performance & Risk Analytics Senior Consultant

The Performance & Risk Analytics team members provide all investment information services including: monthly and daily performance measurement, analytics, universe products, and attribution.

Client Implementation Group

Joanne Lebruto, Project Manager

The Client Implementation Group is a team of project managers organized around our core business lines. They are responsible for the overall project management and delivery of the Conversion by using the following components of the project life cycle process: (1) Project Plan - Develop an implementation project plan highlighting the project milestones; (2) Resource Plan - Identify our resources and assign responsibility throughout the project phases; (3) Action Log Maintenance - Track both our internal action items as well as those between BNY Mellon Asset Servicing and the client; and (4) Communication Plan - Establish formal scheduled project status update meetings with the team and with the client.

Asset Conversion

David Belsterling, Director, Conversion Services

Bruce Hrivnak, Unit Manager

The Conversion Unit coordinates the entire asset conversion process. Working alongside your Client Service Team, this group will oversee the conversion of your assets from your prior custodians as well as reconcile any issues that may occur during the transfer of your assets. The Asset Conversion Group will also handle any future asset transfers for portfolio restructurings.

Please refer to *Exhibit 1* for professional biographies of your proposed client service team.

- 2. Identify the client names and account sizes that each of these staff members currently service. If you were to be chosen as custodian, would any of these relationships change? Explain.**

Please refer to the overview below of the clients currently supported by your proposed client service team. Due to confidentiality, we are unable to provide client names. Additionally, these relationships will not change with the addition of the State of Rhode Island.

Your Relationship Manager, Mark Sullivan, currently supports the following client relationships:

- Client A (Public Fund) – \$120 million
- Client B (Public Fund) – \$905 million
- Client C (Public Fund) – \$2.6 billion
- Client D (Public Fund) – \$669 million
- Client E (Public Fund) – \$12.6 billion
- Client F (Public Fund) – \$1.7 billion
- Client G (Public Fund) – \$7.4 billion
- Client H (Public Fund) – \$3.2 billion
- Client I (Corporate Pension) – \$4.5 billion

Your Client Service Officer, Chris Mattia, currently supports the following client relationships:

- Client A (DB/DC): \$1 billion
- Client B (Endowment): \$7 billion
- Client C (Corporate Pension): \$4 billion
- Client D (Public Fund): \$75 billion
- Client E (Endowment): \$2 billion
- Client F (DB): \$120 million
- Client G (Endowment): \$1.1 billion

Your Client Accounting & Reporting Services Supervisor, Gary Forgione, currently supports the following client relationships:

- Client A (Investment Manager) – \$6 billion
- Client B (Public) – \$1.7 billion
- Client C (Corporate) – \$9.5 billion
- Client D (Public) – \$1.6 billion
- Client E (Corporate) – \$3.2 billion

Your Performance & Risk Analytics Senior Consultant, Ed Fruscella, currently supports the following client relationships:

- Client A (Public Fund) – \$130 billion
- Client B (Public Fund) – \$49 billion
- Client C (Corporate Fund) – \$24 billion
- Client D (Endowment Fund) – \$16 billion

3. Record-below the level of full time personnel turnover experienced by your organization in the past three years as follows:

Please refer to the following chart for BNY Mellon Asset Servicing professionals gained and lost over the past three years.

BNY Mellon Asset Servicing				
	Total Employees	Reductions	Additions	Turnover Rate
2009	12,842	1,020	1,667	7.9%
2010	17,105*	1,334	2,450	7.8%
2011	17,400	1,525	1,820	8.7%

**Total employees include associates gained from the GIS and BHF acquisition.*

4. Provide the names and titles of vice presidents or higher officers who have joined or left your master custody division during the past three years.

The following management changes have occurred:

- In January 2012, Vince Sands was named Deputy CEO of Asset Servicing. Samir Pandiri, who was most recently CEO of Shareowner Services, was appointed as Head of Americas Asset Servicing and will report to Vince.
- On August 31, 2011, Robert Kelly stepped down as Chairman and Chief Executive Officer. Gerald Hassell, BNY Mellon's President and a board member since 1998, has been appointed Chairman and Chief Executive Officer of the company.
- In July 2011, Kathy Rulong retired as Executive Director of Securities Lending. Replacing Kathy is James Slater who is the Global Head of Securities Lending.
- As of the end of 2010, Nancy Wolcott assumed the role of Head of U.S. Fund Services when Steve Wynne, CEO of U.S. Fund Services, entered retirement.
- In September 2010, Timothy F. Keaney was named a Vice Chairman and became sole CEO of Asset Servicing globally. Tim will also continue as Chairman of EMEA.
- In September 2010, James P. Palermo moved into the role of CEO of Global Client Management, also overseeing Global Markets, Liquidity Services, and Corporate Marketing. Jim will also serve as Executive Sponsor for Asia Pacific, Latin America, and Canada.

Other key management changes involve individuals no longer employed by BNY Mellon.

5. Describe your strategies to retain personnel in key staff positions. Please discuss the following:

a. Recruitment/Replacement

Our recruitment process creates a tremendous pool of talent from which to draw. We seek out this talent using a variety of approaches:

Open House / "After Hours" Programs

Open House/"After Hours" programs are held on an as-needed basis to either (1) fill generic, company-wide positions with specific job titles and job descriptions, or (2) focus on the need of an individual group to fill a variety of positions. Open House programs allow us to interview and hire applicants on the spot for specific positions.

Job Fairs

Human Resources attends job fairs to meet and pre-screen potential candidates for open positions. When appropriate, applicants are scheduled to meet with hiring managers.

College Recruiting

Human Resources recruits at local area colleges and universities throughout the year. Part of the college recruiting program includes minority campus recruiting in Florida, Georgia, and Virginia.

Employee Referrals

Employee referrals constitute a sizable number of applicants on a regular basis.

Non-Fee Agencies

A non-fee agency is a non-profit organization offering employment services that assists clients in finding appropriate positions and help employers in finding well-qualified individuals. Non-fee agencies provide candidates with various qualifications and experience, without the costs associated with conventional employment agencies.

Fee-Based Recruiting

Fee-based recruiting sources include employment agencies and executive search firms. Employment agencies screen candidates at the agency site and, if appropriate, present the candidate to Human Resources. If a candidate is selected, a predetermined fee is paid to the agency.

b. Training

Employee Training

Our training department, **Asset Servicing Learning and Development**, is dedicated full time to training in state-of-the-art classroom facilities designed to facilitate hands-on systems training, lecture training, and web-based self-study programs.

Internal training courses focus on several primary areas:

- Technical and/or job function skills
- Product knowledge
- “Big picture” knowledge -- the industry, current events, legislation, etc.
- Professional development and career paths, including supervisory curricula

Training is conducted at multiple sites including, Pennsylvania, Massachusetts, New York and California as well as India, the UK and other locations in Europe. Many courses are offered via WebEx so that learners across the globe can participate together. The Asset Servicing Learning and Development course catalog contains nearly 200 job-related, compliance-related, or developmental courses. These range from Basic Transactions, Foreign Exchange, Securities (Equities, Bonds, Futures, Options, etc.), ERISA Basics, Risk Control and Procedures to Monthly Processing, Account Reconciliation, Customer Service Skills, and Process Documentation.

Through our annual Client Educational Seminar and other customized client training sessions, Asset Servicing Learning and Development provides clients with approximately 2,500 hours of training.

Classes range from Global Securities Lending and Performance & Risk Management to basic and advanced training on information delivery tools (e.g. Workbench). Client feedback is overwhelmingly positive, both with respect to the instruction and social events.

Asset Servicing Learning and Development has increased the number of advanced-level courses available, expanded the utilization of web-based training and promoted more extensive cross training among the various areas of Asset Servicing.

Extensive Entry-Level Training

At BNY Mellon Asset Servicing, US entry-level positions are primarily in our Client Accounting & Reporting Services (CARS) Group as Accounting & Reporting Specialists. The majority of these individuals have earned a four-year college degree, preferably in accounting, finance, or a related discipline. In addition to an extended orientation program designed to educate new hires about our products and services, all new hires attend an intensive training course designed specifically for their area of service. Specifically, CARS team members attend a six-week course that trains them for all aspects of their job responsibilities, including daily cash management, wire and interfund transfers, operational client service, and accounting & reporting procedures.

Similarly, in Europe entry-level positions are primarily in Custody, Accounting and Transfer Agency operations positions. Where applicable new hires will attend industry and product training before attending intensive systems training as appropriate to their area. New hires will then return to the line of business where again they will often receive additional on the job training delivered from embedded trainers in the line of business. Other more advanced courses, which are also open to experienced staff, will then be offered to new hires as their experience grows.

Ongoing Professional Development

BNY Mellon recognizes the key role of learning and development in attracting, engaging and retaining top-notch employees, which enables us to grow our business and anticipate, meet and exceed the needs of our clients. To support this belief, the company offers a wide variety of learning programs and activities to provide employees across the organization with the opportunity to learn skills to enhance their current performance and achieve their professional career goals.

BNY Mellon Asset Servicing employees are encouraged to take advantage of the many available training opportunities. In addition to industry training and business specific programs, a comprehensive array of professional development courses is provided to employees globally that focus on the key competencies needed to succeed in today's dynamic environment. Programs address core areas of Communication Skills, Decision Making and Adapting to Change, in addition to building job-specific skills such as Influence and Negotiations, Client Service, Problem Solving and Managing Time, just to name a few.

Policy and Compliance Training

In an effort to ensure that our employees maintain the integrity of our business, the following Compliance Training is required:

For US Employees:

- Suspicious Activity- Incident Reporting training
- Anti-Money Laundering- Basic or Advanced based on the risk rating assigned by their AML Sector Coordinator

- **Ethics Training**

For non-US Employees:

- **Anti-Money Laundering training**

Management Development

Asset Servicing encourages managers to take corporate-sponsored courses to help them develop skills in key managerial competencies. Basic programs in management and supervision are available, such as Delegation, Improving Work Teams and Coaching and Counseling. More advanced management programs provide skill building in a number of areas, such as Performance Management, Managing People, Selection and Interviewing Skills and Valuing Diversity. For more senior managers, programs are offered that develop the next generation of leaders and prepare them with the skills, knowledge and abilities needed to succeed today and take the organization forward into the future. The content of these programs is linked directly to the company's unique leadership competencies to develop leaders with a broad, global perspective.

Course Delivery

Programs are delivered using a variety of methods to meet the needs of employees in all locations, including instructor-led classes, on-line programs, web-based learning and self-study formats. The company also maintains a Learning Management System to provide employees with information on both corporate and Line of Business programs and learning activities, and facilitate enrollment and tracking results. By increasing the use of learning technologies, the company is expanding the reach of development opportunities to our employees around the world. This ensures they have the knowledge and skills needed to exceed performance expectations and uphold the company's values.

Course Availability

In addition to instructor led knowledge-based and hands-on classes, Asset Servicing Learning and Development provides access to over 300 tutorials via Intuition Web and to BNY Mellon customized training via a Learning Management System (LMS). As previously mentioned, many knowledge-based instructor led classes are offered via WebEx to ensure that employees across the globe receive the same quality training.

Asset Servicing Learning and Development also supports KnowledgeSource (KS), a suite of applications that captures and maintains procedural documentation. By providing an online knowledgebase enabling the sharing of operating procedures across the Asset Servicing sector, KS facilitates process control, decision support, training, and risk management across multiple lines of business and geographies.

c. Compensation

d. Incentive programs

Compensation Philosophy

BNY Mellon's compensation philosophy is to offer a total compensation program that is competitive in our markets and aligns with the values of our organization: client focus, trust, teamwork and outperformance. Our compensation philosophy is strongly oriented to reward for performance - linking base pay, annual incentive awards and promotions directly to performance expectations outlined in the Performance Management Program.

As part of our commitment, we provide employees with numerous opportunities to attain their individual goals. These include:

Internal Career Opportunities

Employees are eligible for internal career opportunities upon completion of one year of service. Positions are posted through Career Opportunities, a weekly publication. Interested employees contact Human Resources to arrange interviews with the appropriate hiring manager. In-house job posting has been a key to our success in retaining high quality institutional trust professionals.

Tuition Reimbursement

With ever-changing technology in business, continued education is often necessary for an employee's career development. In order to aid employees in obtaining further education, we offer a tuition assistance plan that is used toward specific career goals.

Corporate Wellness Program

To promote a healthy lifestyle, we encourage employees to participate in its corporate wellness program. The program includes a facility that offers aerobics and nautilus equipment as well as a variety of seminars on maintaining a healthy lifestyle.

Enhanced Benefits Package

We have enhanced our benefits package to include increased short-term disability salary continuation and two additional leaves of absence for family and personal issues.

Diversity

Our Director of Corporate Diversity is responsible for all communications, information services, and community outreach efforts concerning workforce diversity. This includes the implementation of our Corporate Affirmative Action program. As part of this program, we offer employees an opportunity to participate in its diversity seminars. These seminars focus on valuing cultural diversity, as well as managing the challenges a diverse workforce presents.

Flextime

We offer flexible work arrangements for employees. There are a variety of options available, including a compressed work week and telecommuting.

Incentive Program

For all professional positions, we offer management incentive programs based on performance, as well as the attainment of business unit objectives, client satisfaction, individual objectives, and corporate/parent objectives. In particular, Relationship Managers' incentive criteria are measured using the results of assigned clients' responses to the annual Client Service Audit.

Sales Commissions and Stock Options

BNY Mellon has in place sales commission and incentive plans designed to reward a combination of individual, business unit, and corporate performance goals as well as stock-based compensation.

Our Long-Term Incentive Plans provide for the issuance of stock options, restricted stock, restricted stock units and other stock-based awards to employees of BNY Mellon and its subsidiaries.

Our stock option plans provide for the issuance of stock options at fair market value at the date of grant to officers and employees of BNY Mellon and its subsidiaries.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan (ESPP) that gives employees an opportunity to purchase BNY Mellon common stock at a discount.

Corporate Values

BNY Mellon's success in being the very best provider, exceeding investor expectations and supporting an environment where everyone can thrive and excel requires us to adopt a set of core values - and a shared commitment to living those values each and every day.

The values behaviors demonstrate "how" we do what we do and are woven into the ways we do business. Therefore, the values constitute an integral component of the Performance Management Program. The Performance Management Program enables managers and employees to discuss and agree upon the behaviors that are needed to demonstrate the values and achieve personal and professional objectives.

All employees should strive to demonstrate the qualities of client focus, trust, teamwork and outperformance by **exhibiting the actions that align with our scope of responsibilities** that are described in the below definitions and behavioral indicators.

Each of the following four values is fundamental to our sustained ability to win, grow and achieve our objectives.

- **Client Focus** - Demonstrate an understanding of our businesses and align these with client requirements.
- **Trust** - Be accountable for all personal and professional actions, including commitments, decisions and outcomes. Conduct business according to the highest ethical standards, in accordance with the Code of Conduct and in compliance with all applicable laws and regulations.
- **Teamwork** - Regularly collaborate with colleagues, direct reports and managers to determine areas of opportunity. Work beyond own line of business and functional area; meets with colleagues, Shared Services providers and managers to identify and/or encourage collaboration to leverage and cross-sell on a continual basis.
- **Outperformance** - Develop a clear vision; maintain an attitude of continuous improvement; and identify and eliminate activities that do not add value to clients and/or BNY Mellon.

XI. AUDIT CONTROL

1. **Provide copies of audit opinions issued by your independent auditors specifically related to your custody services for the last three years.**

Please refer to *Exhibit 2* for a copy of our KPMG Letters for the last three years.

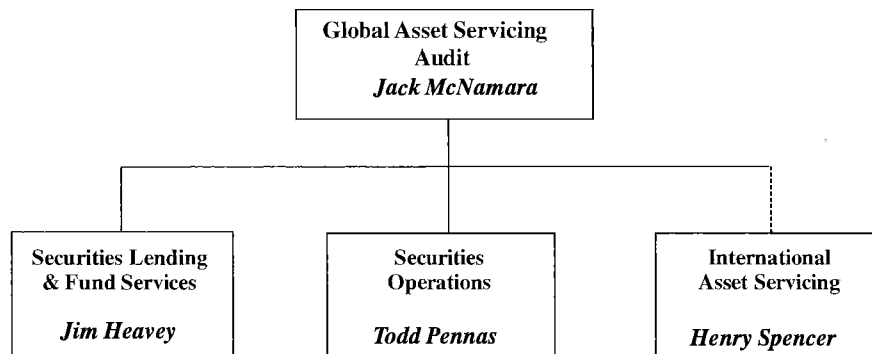
2. **Do you utilize an internal audit staff to review master custody operations? Describe the internal audit organization. Include size of staff and the nature of internal audit staff reports.**

The Internal Audit Department performs independent risk based audits of Asset Servicing in accordance with generally accepted auditing standards to determine the adequacy, effectiveness, and efficiency of internal controls, and compliance with corporate policies and procedures, laws, and regulatory requirements, as well as the reliability of financial information systems.

Internal Audit has approximately 250 audit professionals. The Audit Director responsible for coverage of BNY Mellon Asset Servicing reports to the Chief Auditor of BNY Mellon. Internal Audit has full and unrestricted access to conduct audits of all activities within the Company. Internal Audit operates on a continual audit plan to conduct engagements throughout the year. It follows a risk based approach. Each of the businesses and key processes are risk assessed each year to construct the annual audit plan, which is approved by the Audit Committee of the Board of Directors. In addition, the department's ongoing monitoring program enables the modification of the annual audit plan to address current issues and the company's evolving risk profile.

Each employee of the Internal Audit Department receives a minimum of 40 hours of internal or external technical and development training annually. Training provided to staff includes courses in trust and custody. All audits are staffed and managed by individuals with the required expertise.

Global Asset Servicing Audit



¹ Also reports to K. Hunnink for International Asset Servicing

3. How do you assure that master custody services are provided in accordance with proper standards of care, regulatory requirements and the executed agreement for service?

To ensure that our Relationship Managers are kept abreast of industry policies, practices, and changes, the Legal Affairs Department supports the Client Services Division by communicating such changes and by conducting specific legal and compliance training sessions exclusively for the division. These changes are then communicated to you via your Relationship Manager.

Periodically, a Client Administrative Review is performed in which client specific procedures manuals and legal files are reviewed for accuracy, completeness and adherence to legal and regulatory requirements.

4. Describe the process your organization uses to evaluate the effectiveness of internal controls and the on-going monitoring of the internal controls.

An effective Global Compliance Program is integrated with business operations, culture and values of the organization. Our Internal Audit Division verifies the controls within our company are functioning as designed. In addition, our Internal Audit Division ensures the business units are adhering to the policies and procedures that are intended to prevent any regulatory violations, business practice violations and compliance with the applicable laws. The official audit program for securities services is divided into sub-programs for Securities Operations, Systems (data operations), Administration and Financial Operations. We also retain Independent Public Auditors to test and examine our controls. We communicate compliance related information to our clients through Client Education Series; client calls with the service teams and Client Executives. We also summarize our compliance policies and procedures in our Chief Compliance Officer Guide and the SSAE 16 reports.

We closely monitor and manage the risks inherent in servicing securities on several levels as well as monitor and comply with all major regulatory developments that may have an impact on our business so you are assured of your assets' security and proper handling.

We use both forward looking and ongoing risk assessment and risk management tools to assess the areas of the processing business where there is high inherent risk and subsequently seek to have the tightest controls around those areas.

Additionally, throughout the processing day, we monitor positions and transactions and have the ability to control flows on a number of levels.

Risk Management Group

We are committed to doing business with integrity. We have the legacy of a strong culture in the areas of corporate governance, ethics, and compliance with laws and regulations, and our record demonstrates this. Our customers and shareholders expect BNY Mellon and all of its employees to conduct business activities in accordance with the highest possible standards of ethical conduct. Brian Rogan, our Chief Risk and Compliance Officer, reports directly to our CEO, Gerald Hassell. Kevin Smith oversees the Asset Servicing Risk Management department and Pat Giangrande manages Asset Servicing Compliance.

Both Kevin and Pat will work with your Relationship Manager to ensure relevant risk and compliance related information is communicated to you in a timely manner. As with all business, risk is inherent in our products and services. We are diligent about managing and mitigating its business risks and have implemented a comprehensive Risk Management Framework, including risk identification, monitoring, and control.

Managing risk is every employee's responsibility. As a core competency of our Performance Management Process, employees are required to understand risks in the business processes, products, and services they touch. Employees are encouraged to elevate potential situations of risk to their managers, and by doing so, strive to protect BNY Mellon Asset Servicing against loss and damage to our reputation.

Embedded Risk Managers

There is a Global Operations Control function which reports directly to BNY Mellon Asset Servicing's Chief Operations Officer. The goal of the function is to ensure we have well controlled operations and are meeting client needs. Embedded Control Managers (ECMs) are a critical part of the function and are professionals embedded within operations who have a dual reporting line to the local senior Operations Manager and the Global Operations Control function.

The ECM supports the operations team in several key aspects, including:

- Ensuring design of controls is appropriate and testing for controls adherence.
- Ensuring effective root cause analysis on operational errors occurs and corrective actions are tracked to implementation.
- Assessing new operational procedures to support clients' service requests.
- Serving as a focal point within the business teams to communicate changes to corporate policies and ensuring adherence to corporate policies.

Additionally we have enhanced the analysis and senior management focus on key issues related to losses and errors. This has served to identify opportunities for investment and re-engineering on a macro level.

5. What internal control procedures exist to ensure that the following reported data is valid: Asset detail and transactions, commission rate and payees, interest and dividend received, accrued income, and amortization?

We strive for accuracy in all of our processing and reporting and maintain many procedures in place to help us achieve this goal.

Daily Reconciliation

For BNY Mellon Asset Servicing, accuracy begins with a rigorous system of computerized checks and controls that continually and automatically monitor your account. Every day, this internal system generates more than 20 exception and control reports, and every day those reports are reviewed and appropriately resolved by the members of your Account Team. These reports include:

- Daily Transaction Report
- Pending Trade Report
- Select Transactions (back-posted transactions, as of trades, etc.)
- Pricing Exceptions by Accounts
- Subsidiary/General Ledger Report
- Cash Reconciliation Report
- Foreign Exchange Reconciliation Report

Monthly Reconciliation

Ongoing daily reconciliations are combined with information generated monthly to produce our month-end report package. To ensure that the information you receive is accurate, your account supervisor conducts a final review before authorizing production and delivery to you.

This step by step, day by day process of checking and rechecking has one objective: to make sure that every report you obtain from us is as accurate as it can possibly be.

Commission Rate and Payees

We provide a Broker Commission Report, which captures commission activity from four levels:

- By individual broker within a portfolio
- By individual broker within the entire client account
- Summarized by account
- By individual transaction

Our flexible reporting system allows clients to choose any combination of these sort options. The Broker Commission Report can be produced as part of your standard month-end report package.

Interest and Dividend Received

We accrue all interest and dividend income for each individual security via our multicurrency accounting system. Therefore, the amount of income due in local currency is known prior to payable date. If there are delays in the crediting of income, we address the collection on an individual security basis. For foreign securities, we submit a direction to the subcustodian to seek the proper payment. The subcustodian is required to submit the claim and to follow up on all collection progress. The Custody Management System automatically tracks all claims via an Aged Receivable Report that is generated and distributed to the Client Team daily.

The Accounting and Reporting representative from the Client Service Team reviews and reconciles interest and dividend discrepancy reports that identify securities that have received no payment or have received a payment that does not equal the amount accrued. The Team immediately confers with the Income Collection Unit to confirm that action has taken place (tracking payments, filing claims, etc.). In addition, the Income Collection Unit uses the internal Tax Reclaim System to monitor claims that are due, filed, and past due.

The U.S. Custody Group reconciles ex-dividend and record date holdings to the depository and paying agent positions to ensure timely and accurate resolution of any proof problems on or prior to payable date. Procedures and controls are in place with both the U.S. Custody Group and the Client Service Team to facilitate timely receipt of income and timely initiation of claims.

Accrued Income

Interest is accrued daily. An interest file is maintained which contains the interest purchased, interest earned, interest received, and the interest receivable on all interest-bearing securities for an account.

An interest accrual formula is applied against each holding to determine the daily earnings per issue. The total of daily earnings for an account is posted on each processing cycle to the general ledger accounts, "interest receivable" and "interest earned".

Interest accruals are calculated on contractual settlement date of the purchase through the date preceding maturity, contractual settlement date of a sale, or interest paydate.

Amortization

Amortization accounting is an integral piece of our full accrual accounting system. Our system calculates amortized cost values without manual intervention. Amortization of premium and accretion of discount is done on an automated basis on our Institutional Accounting System. Amortizations are recorded using straight line or constant yield * methods.

Our accounting system automatically calculates the book value adjustments of discount bonds and premium bonds by increasing or decreasing their value based on the amortization option code. The amortization is computed over the expected life of the security, from the purchase discount/premium to a relevant date. Using the straight-line method, the system amortizes the average cost of each lot for average cost accounts. Using the constant yield method, the system amortizes the weighted average yield per lot.

The assets are priced daily at their current market value and an unrealized gain/loss (between the amortized cost and the market value) is generated.

**Other terms used for constant yield are effective interest and scientific method.*

Transaction Controls

Our custody system can receive numerous transmissions simultaneously during a given day from depositories, other custody banks, brokers, and investment managers. These transmissions are processed throughout the day, and individual trade or cash movement instructions are edited, verified, and processed in real-time. Custody records are updated immediately as transaction instructions are posted to our systems. Therefore, our clients can see this data real-time via our online reporting products.

Asset Reconciliations

Global Reconciliations

We make full use of SWIFT's capabilities in both security and cash messages. Message type 900s are used for daily, automated cash reconciliation and confirmation processing. One of the selection criteria for new subcustodians is their ability to provide us with timely and accurate cash and security positions.

We reconcile with all of our foreign subcustodian banks as well as the Euroclear and Clearstream central depositories on a daily basis using the SmartStream reconciliation product. Our Fiduciary Control department sources all exceptions to internal operations groups for prompt resolution. Subcustodians are contacted via SWIFT, e-mail, and/or telephone in researching variances. Aged open items are reported bi-monthly to management, and a monthly meeting is held with senior managers to review open issues. The monthly report is finalized after the meeting and distributed to senior managers, audit, and risk. All open items more than 30 days old are listed in the reports with status and target close date information.

U.S. Depository Reconciliation

We perform daily reconciliations with the Depository Trust & Clearing Corporation (DTCC) and the Federal Reserve Bank (FED). These depositories send us a position and activity file nightly. Once these files are received, they are combined with position and activity files contained in our custody system (CMS). A variance file is created at the mainframe level by comparing the two position files.

Our Fiduciary Control department runs all activity through an automatch process, which analyzes the data. All matched transactions are moved to a completed file. The remaining unmatched transactions are then reviewed by fiduciary control analysts. All activity that is left open is assigned a department code based on which department is responsible for the transaction. The open activity remains on the department reports until resolved.

If any original face variance ages over 30 days, it is added to a weekly management report. These variances are also reported on a month-end Controller's report. The weekly management reports are sent to unit managers, section managers, and division managers. The Controller's reports are sent mainly to Senior Management, Division manager level and above.

6. Describe your audit process associated with the client's monthly portfolio statements. Also describe your reconciliation with clients and the client's outside managers.

Investment Manager Reconciliation

We recognize the importance of providing accurate accounting reports in a timely fashion. In order to accomplish this for you, we would propose to implement a pre-reconciliation process with your investment managers. Our reconciliation process will be tailored to address your specific concerns and needs to ensure your complete satisfaction.

Each account undergoes a rigorous reconciliation process before a finalized accounting statement is produced. Reconciliation procedures used vary depending on several factors including account size, asset type, the required reporting schedule, and transaction volume. There are three types of reconciliations that can be done on a client's account. We have described each of these below.

Pre-Reconciliation with Investment Managers

As a standard practice, we work pro-actively with our clients' investment managers in a pre-reconciliation process to verify the accuracy of reports. At BNY Mellon Asset Servicing, we view the pre-reconciliation process as integral to delivering timely and accurate reports to our clients within pre-established standards. The following is an example of the process, but each client has a specific report delivery timeframe established during the conversion process.

- Investment managers access preliminary data from *Workbench* after month-end. On the second and third business days, your Client Team works proactively with the investment managers to identify all items needing review.
- Any items out of tolerance will be reviewed and corrected, if needed, by the morning of the fifth business day.
- After the reconciliations are completed, the final accounting statement is produced and delivered by the fifth business day.

"Auto-Reconciliation" with Investment Managers

- Your Client Accounting and Reporting team will manage your entire pre-reconciliation process for your investment managers and report back to them on a daily basis. This process and the reporting will be completely customized to meet your needs. The basis point tolerances for each portfolio or each asset type will be determined based on your requirements and the frequency and amount of detailed reporting will be designed based on your specifications.
- *Workbench* provides investment managers (as well as clients and consultants) who have executed our standard online agreement with online access to all activity on a daily basis. Each manager has the ability to formally review its portfolio online as part of the month-end process. This "auto-reconciliation" is completed before the final accounting statement is generated so that the reports delivered to the client are consistently accurate.

- Several of our U.S.-based and London clients use the SmartStream reconciliation system to reconcile cash and securities. Any reconciling items are automatically extracted and deployed through our Web online product.
- *Workbench* also provides greater flexibility with the pre-reconciliation process due to its ability to copy files into Excel. We have created the pre-reconciliation format and report from *Workbench* for the investment managers. This has generated a quicker response and turn-around time and has shortened the entire month-end process.

Reconciliation Letter

As a further guarantee of accuracy, our month-end report package for investment managers includes a final reconciliation letter. Differences between the manager's records and ours must be detailed by an authorized member of the investment firm and returned to us. Your Client Accounting & Reporting Services Manager endeavors to ensure that these differences are resolved immediately.

7. Describe the various types of insurance coverage and indemnification provided to protect clients of services proposed. Attach a copy of a valid certificate of insurance indicating liability insurance.

To protect BNY Mellon and its clients, we maintain the following insurance coverage policies. Please note that these policies are stand-alone policies and loss limits are not combined.

Financial Institutions Bond/Computer Crime Includes Safe Deposit Box Coverage	
Per Loss Limit:	\$150,000,000
Carrier:	Lloyd's of London
Coverage Type:	a)Dishonesty of Employees b)Forgery of securities, checks, drafts or other written instruments c)Loss or destruction of cash or securities
Expiration:	12/1/12
Excess J-Form and Transit All Risk Money and Securities Coverage (On premises and in transit) Excess of the F. I. Bond	
Per Loss Limit:	\$850,000,000
Carrier:	Lloyd's of London
Coverage Type:	Loss or destruction of cash or securities on or off premises (including securities of others held in custody).
Expiration:	12/1/12
Mail Insurance (per envelope limit)	
Per Envelope Limit:	\$100,000,000 non-negotiable \$10,000,000 negotiable
Carrier:	Chubb Group of Insurance Companies
Coverage Type:	All risk of physical loss of property sent by registered mail or overnight courier.
Expiration:	Continuous

Bankers Professional Liability (E & O)	
Per Loss Limit:	\$75,000,000
Carrier:	Houston Casualty, XL, Ace, Axis & BNY Trade Ins Ltd
Coverage Type:	Losses due to errors or omissions
Expiration:	12/1/12
Directors and Officers Liability	
Per Loss Limit:	Corporate: \$30,000,000 Individual: \$30,000,000
Carrier:	XL and HOUSTON CASUALTY
Coverage Type:	Coverage for wrongful acts in respective capacities of Directors or Officers of the Company
Expiration:	12/1/12
Primary General Liability / Automobile Liability	
Per Loss Limit:	\$2,000,000 (separate limit for each)
Carrier:	Federal Insurance
Coverage Type:	3rd party bodily injury / property damage
Expiration:	4/1/12
Excess / Umbrella Liability	
Per Loss Limit:	\$25,000,000
Carrier:	Chartis
Coverage Type:	Liability coverage in excess of primary coverage
Expiration:	4/1/12
Property	
Per Loss Limit:	\$800,000,000
California Earthquake	\$50,000,000
Carrier:	Lexington ,Chubb, Ace, & Various Other Carriers
Coverage Type:	Coverage includes Data Processing, Business Interruption, Boiler and Machinery Service Interruption / Extra Expense, Earthquake / Flood, Fine Arts
Expiration:	6/1/12
Workers Compensation/ Employers Liability	
Carrier:	Chartis
Coverage Type:	Job related injuries. Statutory
Expiration:	\$1,000,000 Limit for Employers Liability 4/1/12
Enterprise Privacy Liability	
Carrier:	Lloyd's of London, & AIG
Limit:	\$30,000,000 Limit
Coverage:	Privacy Breach and Internet Liability
Expiration:	12/1/12

The insurance coverage listed provides protection for The Bank of New York Mellon Corporation and all other corporations, companies, firms, enterprises, or entities which are subsidiaries of, or affiliated with it, and in which the named insured has more than 50% ownership. All carriers are rated A- or better by A.M. Best.

Please note that we are unable to issue certificates of insurance to prospective clients. We would be happy to issue a certificate of insurance once awarded the business.

Indemnification

We are willing to indemnify our clients when the circumstances/losses arise from our negligence or willful misconduct.

- 8. Do you prepare a Statement of Auditing Standards 70 report (SAS70)? Briefly list and describe the nature of all errors and/or weaknesses that were discovered as a result of an outside review of the SAS70. What steps have been taken to correct the errors or otherwise improve the controls? Please provide a copy of the SAS70.**

Yes. The accounting firm of KPMG currently provides external audit services. KPMG has been engaged to conduct an examination of the internal control structure of our custody operations. The examination is conducted in accordance with Statement on Standards for Attestation Engagements no. 16 (SSAE 16) which is a new standard issued by the Auditing Standards Board (ASB) of the American Institutes of Certified Public Accountants (AICPA). This has replaced the Statement of Auditing Standard no. 70 (SAS 70).

The audit reports issued by our external auditors contains management's description of control structure policies and procedures that may be relevant to a client organization's internal control structure and the evaluation by our external auditors on whether the policies and procedures tested were operating effectively. This report is intended to provide our clients with information sufficient to obtain an understanding of certain aspects of the domestic and international custody functions (which are comprised of securities settlement, safekeeping and reconciliation, income collection, corporate actions, and securities lending) for the custody operation within BNY Mellon Asset Servicing. This report, when coupled with an understanding of the internal control structure policies and procedures in place at client organizations, is intended to assist our clients and their auditors in the assessment of the total internal control structure surrounding transactions processed through our custody functions.

BNY Mellon issues several Service Organization Control (SOC 1) reports for our clients to assist with their financial statement audits on an ongoing basis. Our Custody and Securities Lending Services SOC 1 is issued on a rolling twelve month basis every quarter. From time to time we may have issues identified by our external auditors, which are immediately addressed by Management and appropriate management responses and action plans are included in our reports. These issues tend to be minor in nature and have not risen to a level of significance to lead to qualification of the auditor's opinion.

Please refer to the enclosed CD ROM for a copy of our most recent SSAE 16 Report (formerly known as SAS 70 Report).

XII. CUSTODY OF ASSETS

1. **Explain how the custody and safekeeping units are structured. Are the domestic and global custody operations integrated or separate units? If integrated, describe in detail.**

Our **Global Client Service Delivery group** is responsible for the clearing, settlement, safekeeping and servicing of all USD and non-USD securities. Regional teams are located in the U.S., Belgium, U.K. and Singapore and Pune India and all report to a single executive vice president for unified servicing support.

Back-office operations (securities settlement, corporate actions, tax reclaims) are separated with North American processing located in New York and Pittsburgh, while global processing is handled primarily in Boston, the U.K, Brussels and Pune. The income group in New York processes both USD and non-USD securities.

Processing centers are geographically localized by region and electronically linked by a common technology architecture for centralized processing to facilitate automation and straight-through transaction processing.

2. **Describe your global custody capabilities in detail.**

We have been providing global custody services since 1968. We offer complete domestic and global custody services built upon the industry's first single multicurrency systems platform.

Our fully integrated, multicurrency environment includes the following core systems:

- Fully integrated multicurrency online, real-time Custody Management System instructs on and settles all transactions worldwide, thus eliminating error prone "merging" of data.
- Fully integrated global asset Institutional Accounting System provides integrated reporting on all of your portfolios simultaneously.
- Fully integrated Performance Measurement System reporting facilitates direct comparison of asset performance across segments, classes, country of origin, etc.
- Fully integrated state-of-the-art information delivery management system, *Workbench* delivers reliable and timely information and reports in a daily world. *Workbench* architecture enables the user online access to our mainframe via the Internet.

As investment strategies continue to migrate to a global view, our fully integrated, multicurrency architecture is in place today to service these complexities. Its richness allows us to provide you with quality, timely, and easy-to-access information to meet tomorrow's needs in this very complex business.

Leading Global Custody Services

We have continually enhanced our global custody capabilities, and today we are recognized as a leader in this area. Our capabilities include:

Our Subcustodian Network. Our network, which we manage internally, is currently comprised of local institutions in over 100 markets. We maintain leverage in hiring, firing and enforcing our standards of performance by selecting subcustodians who demonstrate the highest degree of efficiency in the areas of trade settlement, income collection, tax reclaims, and cash management.

Daily Cash and Security Reconciliations. We perform daily, automated foreign transaction-based reconciliations for all cash and security transactions with each of our subcustodians. This automated reconciliation is based on our Custody Management System (CMS) and statements from each agent through the use of our reconciliation tool, SmartStream.

Global News Communications. Information on subcustodians, local market practices, developments, regulations, delivery instructions, and problems is distributed to all interested parties by BNY Mellon Asset Servicing's Global Custody's Network Management Department. These publications are now made available on the Internet.

Tax Reclaim System. Our fully automated internal tax reclaim system assures receipt, processing, and payment of all reclaimable withholdings. Our process includes confirmation reports, which are forwarded to the subcustodians for follow-up with the local tax offices.

Foreign Exchange Trading Desk. We offer 24 hour market making from Asia's Monday open to New York's Friday close. This involves BNY Mellon's trading and sales offices in New York., Pittsburgh, Boston, London, Brussels, Tokyo, Hong Kong, Taipei and Seoul.

3. Briefly discuss your policy and procedures for assuring that each client's assets are properly held in safekeeping and positions are accurately maintained in your accounting records. Include information on segregation of assets and distinctions between physical and book entry positions.

As custodian of your assets, we have the contractual responsibility to hold your assets properly in safekeeping and to report those assets accurately on our systems. We are in regular contact with our physical vaults, our international subcustodians, and the various North American and international depositories.

All client assets are clearly identified and segregated from our assets. For depository held assets, the governing registration guidelines of each depository are followed. Physical and book entry positions are clearly identified on our Custody Management System (CMS) by the registration, location, and encumbrance codes assigned to each asset position.

4. How do you provide for the timely delivery of domestic and international proxies and proxy statements? Describe the process and reporting capabilities as it relates to securities on loan.

BNY Mellon Asset Servicing recognizes how important corporate governance issues are to our clients. As an industry innovator, we recognize our responsibility to provide you with industry-leading access to information to support your efforts. BNY Mellon Asset Servicing employs Broadridge Financial Solutions to distribute and tally proxies. In addition, ProxyEdge® is a service provided by Broadridge that offers complete recordkeeping software, which is fully integrated with a sophisticated electronic voting system.

U.S. Proxy Capabilities

- Broadridge liaises directly with market agents and solicitors to obtain meeting information in both the U.S. and international markets. Each night, Broadridge electronically transmits a file that details upcoming meeting dates and their associated record dates, which determine eligibility for particular proxy votes. Upon receipt, a systemic compare from our mainframe is completed against Broadridge's file, and a list of all eligible holders (with the appropriate mailing information found on the remittance file) is compiled into another electronic file that is sent back to Broadridge for processing.

- Upon receipt of our holder information, Broadridge prepares the proxy ballot packages and forwards all information as promptly as possible to our eligible clients for their consideration.
- On or prior to the deadline for the meeting date, clients vote their positions directly with Broadridge through the use of a control number, which is supplied by Broadridge on their ballot. We do not assume responsibility for voting positions, as this discretion lies with the party the client or investment manager has chosen.
- In the event we are contacted by either the issuer or the solicitor regarding unvoted positions, we contact the Relationship Manager for the affected relationships for follow up with the client (or its designated contact).

International Proxy Capabilities

In the international markets, proxy notifications are provided directly to the client or the party with voting discretion for its consideration, and Broadridge provides the ProxyEdge® system for online voting.

The basic procedure for international proxy service is as follows:

- We provide a comprehensive listing of record holders to Broadridge for notification to our clients of any meeting including date of meeting, agenda items, resolutions, and deadlines for investor votes.
- The notification of a shareholder meeting is received by Broadridge from the subcustodian network. On record date +1, Broadridge sends a position file to us requesting the record date position and proxy contact information. We return the position file to Broadridge/ICS with the relevant information. Broadridge uses this information to notify holders via ProxyEdge® of the shareholder meeting. If the Investment Manager/Client is a member of ProxyEdge®, they can go online using their secure ID and password and retrieve their proxy meeting information.
- In order to vote at the global shareholder meetings, the Investment Manager/Client can log on to ProxyEdge® using their secure ID and Password, retrieve their shareholder meeting information and ballot, and lodge their vote online.
- Once the vote is received by Broadridge through ProxyEdge®, voting instructions from the investor are forwarded to the subcustodians, with copies of such instructions being provided to us for informational purposes only.
- The subcustodians lodge the votes via postal proxy or through local representatives at the meeting.
- In some countries, shares may need to be restricted from trading until the end of the meeting.

If the Investment Manager/Client wishes to vote only on a portion of their holdings or wishes to split their voting elections for any global shareholder meetings, ProxyEdge® does have the capability of doing this for global securities.

Securities on Loan

Securities on loan as of the relevant eligibility date are not eligible to be voted by the lender. These shares will be reported on electronic ballots for informational purposes only but cannot be voted. In some markets, and for some shareholder meetings, the ballots may be generated and distributed prior to the final eligibility date. In those cases, if shares on loan are returned prior to the final eligibility date, the ballot will be updated to allow these shares to be voted.

5. How do you record and report (within your system and to clients) corporate actions?

BNY Mellon Asset Servicing maintains a dedicated group of corporate action specialists who are responsible for all aspects of corporate action notification and processing. Our corporate action notification procedures focus on control and optimum turnaround of information through automation to ensure that our clients, or their investment managers (when this responsibility is delegated), have sufficient time to study the action and to submit an informed response.

Corporate Action Notification

We send notification on both voluntary and mandatory corporate actions to clients and their managers through our Corporate Action System, which automatically generates notices to the appropriate decision-making party, as identified by the client. For voluntary corporate actions when a response is received, the instructions go through a series of controls so that the client's decision is processed through U.S. agents/DTCC or other appropriate agents around the world.

Verified corporate action information is released through our Corporate Action System, which electronically catalogues and monitors all corporate actions for both international and U.S. actions. This system maintains detailed profiles of each client relationship, including the parties responsible for receiving and responding to corporate actions. Details include telephone numbers for the authorized signers and for the back-up contacts.

We have designed this system to auto-generate corporate action notice forms and send such notices to the appropriate decision-making party. Notices are sent via faxboard batch transmission to decision-makers on a day batch, night batch, or fax screen basis, depending upon the time constraints of the specific action and are also uploaded to *Workbench* minutes after being approved on the system. Authorized decision-makers fax back completed response forms within our required timeframes.

We have detailed below our procedures for ensuring quick and accurate reporting of corporate actions. The example we use refers to a voluntary corporate action, a tender offer.

- The Corporate Actions Group (electronically) receives information about the tender offer from our various vendors and reviews it for consistency and accuracy.
- Once verified, the appropriate information and details on the conditions of the tender offer are entered into our Corporate Actions System by a corporate actions specialist.
- After the supervisor approves the announcement, the notices are automatically faxed to the designated decision-maker, the client and/or the investment manager. Additionally, this information is provided on the *Workbench* product within minutes of release by the supervisor for review by the affected account holders.
- Once the response on the tender offer is received from the client/investment manager by our Corporate Actions Group, a corporate actions specialist enters their response to "tender" or "not tender" into the system. As an additional check, a confirmation notice is automatically faxed to the client/investment manager, stating what decision they made on the tender offer.
- The response is collated and balanced to the position held on the books of the depository/subcustodian. The instructions go through a series of supervisory controls so that the client's decision is processed accurately through the DTCC or other appropriate agents around the world, using either the DTCC online response tool or a SWIFT message directly to the subcustodian.

Once the proceeds from the tender offer are received (settlement date), they are posted to our Custody Management System (CMS).

We focus on quality control, vendor monitoring, timely announcement, risk management in processing responses, and timely booking of entitlements. Subcustodians' performance in meeting the needs of our clients as it relates to corporate actions is monitored through processes in place through the Global Custody network group.

Five days prior to expiration, the assigned corporate action specialist begins checking positions and does so through expiration date. If there is a new buy into the company offering the tender, the specialist will send notice immediately to the designated contact for this position so that the designated contact is able to make a timely decision on the offer. In addition, if a current shareholder's position changes, we will send another notice to the client/investment manager stating the new position.

On deadline date, the assigned specialist calls the account contact to solicit a response. If no response is received, this is reflected in the Corporate Actions System as a 'no response' for the account in question. All responses entered into this system will generate a confirmation out to account contact that acts as an audit mechanism for the account contact to confirm the appropriate action was recorded. All voluntary folders are reviewed by a dedicated quality assurance person before issue expires to confirm completeness.

We have a 24-hour turnaround timeframe for processing U.S. eligible corporate action responses. Physically held assets require more time to process and have an earlier response deadline, which varies from issue to issue. We require a 48-hour timeframe (from the subcustodian deadline date) for processing international corporate action responses to allow for the controlled completion of our final operational steps. We attempt to be as flexible as possible in determining deadlines for "short notice" actions, without sacrificing controls over the process.

Internet Notification & Response

Corporate Actions Inquiry, which is currently available to clients and their investment managers via *Workbench*, allows clients to search by account, security, deadline date, eligibility date, update date, or action type. Announcement types include mandatory and voluntary corporate actions, as well as FYI notices. Information is generated real-time from current transactions, positions, and corporate actions on your accounts. Once reviewed, clients can use online folders to manage new vs. active vs. old announcements to sort data and download information into other programs outside of the *Workbench* product. Clients can respond to all voluntary actions online. Also, in order to provide the highest degree of security, we use the latest technology for the Internet including the use of security tokens and 128-bit encryption.

Please refer to the screen shot of our Corporate Actions Inquiry feature on *Workbench* on the following page.

Selection Criteria go

Sort By:
 Last Updated
 Deadline Date
 Eligibility Date

Action Class:
 Voluntary
 Voluntary - Action Required
 Mandatory
 FYI

Account: Edit Account Groups Refresh Account List
 <Internally Managed Accounts>

Security ID Type: Cusip Security ID:

Select Folder:
 New
 Active
 History
 All

Sort Date Range:
 From: To:

Reference:

Account List Refreshed Last on: (10/20/2008--4:20:00 PM)

The reported positions come from a real time custody management system and therefore there may be transactions that have yet to be processed. Reported positions should only be used in conjunction with your firm's records to determine eligibility for a corporate action. We do not guarantee election for instructions received after the indicated response deadline. Instructions received after the deadline will be handled on a Best Efforts basis and may result in receiving the default election. Please do not use this form to respond. You have more than 30 new, un-filed announcements. This may be your first time into the system or you may not have been filing your announcements regularly. To expedite your review, all announcements that are past pay date, eligibility date, and/or expiration date are defaulted for filing in your on-line History folder. To process the filing, please press the <Update Folders> button when ready.

<Page 1 of 1> (Record Count: 796; Sorted by: 'Updated' DESC) Export all to MS Excel® Export Selected to PDF *You may select up to 50 announcements to export to PDF.

Update Folders

Selected	Move To Active	Move To History	View	Security Name	Cusip	Action Type	Action Class	Eligibility Date	Payable Date	Response Deadline (US EST)	R
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	FORTH PORTS ORD 50P	G3639M107	Dividend Reinvestment (Drip) C	Voluntary	10/9/2008	11/13/2008	10/15/2008 10:00 AM	X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	NEW CITY RESIDENCE NEW CITY RESIDENCE INV REIT(u)	J4903S108	Trading Status Delisted (Dist) M	FYI	n/a	n/a	n/a	X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	SIMS GROUP LIMITED NPV(u)	Q8505L116	Dividend Reinvestment (Drip) C	Voluntary	10/3/2008	10/27/2008	10/7/2008 2:00 PM	X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	BALFOUR BEATTY ORD GBP0.50(u)	G3224V108	Dividend Reinvestment (Drip) C	Voluntary	10/22/2008	12/10/2008	11/11/2008 10:00 AM	X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	BURE FORVALTNING AB SEK.75(u)	W72479103	Spin Off (Soff) M	Mandatory	11/12/2008	11/18/2008	n/a	X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Detail	HONG KONG AND SHANGHAI HOTELS ORD HK\$0.50(u)	Y35518110	Optional Dividend (Dvop) C	Voluntary	9/29/2008	11/14/2008	10/31/2008 2:00 PM	X

Authorized users can also respond to voluntary corporate action announcements. Clients can elect to appoint one user to provide a response and another user, if so required, to authorize the response.

6. List all depositories, agents, and sub-custodian banks used in each country on behalf of the clients. Identify those that are affiliated with your company. For each country, please indicate whether you use a central depository or physical delivery.

Our network of subcustodians extends to over *100 markets* worldwide. We continually review the subcustodians in our network to ensure that they reflect the changing global investment decisions of our clients. Our dedicated, regional Global Network Management Group monitors local economic, political, regulatory, and industry-related events. They keep clients apprised of changes in the investment climate of each market through Workbench, our online information delivery platform.

Subcustodians are selected for the network based on a variety of criteria, such as compliance with worldwide regulatory requirements, competitive pricing, general market reputation, SWIFT message capabilities, securities lending support, credit ratings, and ability to consistently meet our clients' needs.

Each subcustodian must meet a set of stringent performance standards prior to selection, which are reexamined during quarterly reviews and frequent on-site visits, ensuring that our clients are uniformly provided with the best subcustodian in each market.

Our list of subcustodians is as follows:

Country	Subcustodian (Year relationship was established)	Start Date	Depository
Argentina	Branch of Citibank, N.A., Buenos Aires (2007)	1990	Caja de Valores Sociedad Anonima (CVSA) Central de Registracion y Liquidacion (CRYL)
Australia	National Australia Bank, Ltd. (2007)	1986	Austraclear ASX Settlement & Transfer Corporation (ASTC)
Austria	UniCredit Bank Austria AG (1990)	1987	Oesterreichische Kontrollbank (OeKB)
Bahrain	HSBC, Manama (2001)	1998	Bahrain Stock Exchange
Bangladesh	Standard Chartered Bank, Dhaka (1993)	1993	Central Depository Bangladesh Limited
Belgium	Citibank International Plc (2011)	1986	Caisse Interprofessionnelle de Depots et de Virement de Titres S.A. (CIK) National Bank of Belgium (NBB)
Benin	Société Générale de Banques en Côte d'Ivoire	2000	Dépositaire Central/Banque de Règlement (DCBR)
Bermuda	HSBC Bank Bermuda Limited (2005)	1996	Bermuda Securities Depository (BSD)
Botswana	Stanbic Bank Botswana Limited (2011)	1995	Bank of Botswana
Brazil	Citibank N.A., Sao Paulo (1991)	1991	Companhia Brasileira de Liquidacao e Custodia (CBLC) Central of Custody and Financial Settlement of Securities (CETIP) Sistema Especial de Liquidacao e de Custodia (SELIC)
Bulgaria	ING Bank NV, Sofia (2011)	1997	Bulgarian National Bank (BNB) Bulgaria Central Security Depository (CDAD)
Burkina Faso	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Canada	Canadian Imperial Bank of Commerce Mellon, Toronto (1993)	1986	The Canadian Depository for Securities Ltd. (CDS)
Channel Islands	BNY Mellon (2003)	2003	---

Country	Subcustodian (Year relationship was established)	Start Date	Depository
Cayman Islands	BNY Mellon (2003)	2003	---
Chile	Banco Itau, Santiago (2007)	1993	Deposito Central de Valores (DCV)
China	HSBC, Shenzhen Branch (1992)	1992	The China Securities Depository and Clearing Corporation LTD (CSDCC)
China	HSBC, Shanghai Branch (1992)	1992	The China Securities Depository and Clearing Corporation LTD (CSDCC)
Colombia	Cititrust Columbia S.A. (1993)	1993	Deposito Central de Valores (DCV) Deposito Centralizado de Valores (DECEVAL)
Costa Rica	Banco Nacional de Costa Rica (2011)	1997	Central de Valores S.A.
Clearstream		1986	Clearstream Banking S.A., Luxembourg
Croatia	Privredna banka Zagreb (2009)	2001	Securities Depository Agency (SDA)
Cyprus	BNP Paribas Securities Services, Athens (2010)	2007	Central Depository and Central Registry (CDCR)
The Czech Republic	ING Bank N.V. (2009)	1993	The Centrali depozitar cennych papiru, a.s. Czech National Bank (CNB)
Denmark	Danske Bank A/S (2009)	1986	The Danish Securities Centre (Vaerdipapircentralen, VP)
Ecuador	Banco de la Produccion S.A. (Produbanco) (2004)	2004	Deposito Centralizado de Compensacion Y Liquidacion de Valores (DECEVAL) S.A. (currently not active)
Egypt	HSBC Bank Egypt SAE (2008)	1996	Misr Company for Clearing, Settlement and Central Depository (MCSD)
Estonia	Skandinaviska Enskilda Banken AB (SEB), Tallinn (2005)	1997	The Estonian Central Depository for Securities (ECDS)
Euroclear		1980	Euroclear Bank S.A., Belgium
Finland	SEB, Helsinki (2008)	1986	The Finnish Central Securities Depository, Arvopaperikeskus (APK)
France	BNP Paribas Securities Services, Paris (1987)	1986	Euroclear France SA
Germany	The Bank of New York Mellon SA/NV (2011)	1986	Clearstream Banking AG, Frankfurt (CFB)
Ghana	Stanbic Bank Ghana Ltd (2011)	1995	Central Securities Depository (Ghana) Limited

Country	Subcustodian (Year relationship was established)	Start Date	Depository
Greece	BNP Paribas Securities Services, Athens (2010)	1989	Central Securities Depository S.A. (CSD) Bank of Greece (BoG)
Guinea Bissau	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Hong Kong	HSBC, Hong Kong (1986)	1986	The Hong Kong Securities Clearing Company Limited (HKSCC) Central Money Market Unit (CMU)
Hungary	ING Bank N.V. (2009)	1993	Central Depository and Clearing House Limited (KELER)
Iceland	Islandsbanki HF, Reykjavik (2002)	2002	Icelandic Securities Depository Ltd.
India	Deutsche Bank (DB) Mumbai (2009)	1992	National Securities Depository Limited (NSDL) Central Depository Services Limited (CSDL) Reserve Bank of India (RBI)
Indonesia	HSBC, Jakarta (1990)	1990	PT Kustodian Sentral Efek Indonesia (PTKSEI) Bank Indonesia (BI)
Ireland	The Bank of New York Mellon (2004)	1988	Euroclear UK and Ireland Limited Euroclear Operations Center (EOC)
Israel	Bank Hapoalim B.M. (2009)	1991	Tel Aviv Stock Exchange Clearing House, Ltd. (TASECH)
Italy	Intesa Sanpaolo S.p.A (2008)	1994	Monte Titoli S.p.A.
Ivory Coast	Société Générale de Banques en Côte d'Ivoire (1997)	1997	Dépositaire Central/Banque de Règlement (DCBR)
Japan	Mizuho Corporate Bank/The Bank of Tokyo – Mitsubishi UFJ Ltd. (2009)	1986	Japan Securities Depository Center (JASDEC) Bank of Japan (BoJ)
Jordan	HSBC, Amman (2004)	1991	Jordan Securities Depository Center
Kazakhstan	HSBC, Kazakhstan (2002)	2002	Central Depository of Securities (CDS)
Kenya	CFC Stanbic Bank Limited (2011)	1996	The Central Bank of Kenya
Kuwait	HSBC (2007)	2007	Kuwait Clearing Company Central Bank of Kuwait
Latvia	Skandinaviska Enskilda Banken AB (2005)	2004	The Latvian Central Depository (LCD)

Country	Subcustodian (Year relationship was established)	Start Date	Depository
Lebanon	HSBC, Beirut (2001)	2001	Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (Midclear) Banque du Liban, BDL (Central Bank of Lebanon)
Lithuania	Skandinaviska Enskilda Banken AB (2005)	2004	The Central Securities Depository of Lithuania (CSDL)
Luxembourg	Euroclear. (2007)	1987	Clearstream Banking S.A., Luxembourg
Malaysia	HSBC Bank Malaysia Berhad (2009)	1989	Bursa Malaysian Central Depository Sdn. Berhad (MCD) Bank Negara Malaysia (Central Bank of Malaysia)
Mali	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Malta	HSBC Bank Malta p.l.c. (1998)	1998	Central Securities Depository
Mauritius	HSBC, Port Louis (1994)	1994	The Central Depository and Settlement Company Limited (CDS) The Bank of Mauritius (BoM)
Mexico	Banco Nacional de México S.A. (Banamex S.A.) (2009)	1988	SD Ineval S.A. de C.V.
Morocco	Citibank Maghreb (2008)	1998	Maroclear
Namibia	Standard Bank Namibia Ltd. (1995)	1995	---
The Netherlands	The Bank of New York Mellon SA/NV. (2005)	1986	Euroclear Nederland
New Zealand	National Australia Bank, Ltd. (2007)	1987	New Zealand Central Securities Depository Ltd. (NZCSD)
Niger	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Nigeria	Stanbic IBTC Plc Nigeria (1995)	1995	Central Securities Clearing System Ltd. (CSCS)
Norway	DNB BANK ASA, Oslo (2003)	1986	Norwegian Central Securities Depository, Verdipapirsentralen (VPS)
Oman	HSBC, Ruwi (2001)	2001	Muscat Clearing and Depository (MCD)

Country	Subcustodian (Year relationship was established)	Start Date	Depository
Pakistan	Deutsche Bank AG, Karachi (1991)	1991	Central Depository Company of Pakistan Limited (CDC) State Bank of Pakistan (SBP)
Palestinian Autonomous Area	HSBC Bank Middle East Limited (2000)	2000	The Clearing, Depository and Settlement Department (CDS), a department of the Palestine Securities Exchange, Ltd.
Peru	Citibank del Peru, Lima (2005)	1992	Caja de Valores y Liquidaciones (CAVALI)
The Philippines	HSBC, Manila (1990)	1990	Philippines Central Depository (PCD) Registry of Scripless Securities (RoSS)
Poland	ING Bank Slaski S.A. (2009)	1992	National Depository of Securities (NDS) Register of Securities (RPW)
Portugal	Citibank International Plc, Sucursal em Portugal (2011)	1988	Sociedade Gestora de Liquidação e de Sistemas Centralizados de Valores Mobiliários (INTERBOLSA)
Qatar	HSBC (2000)	2000	Central Registry Department
Romania	ING Bank N.V.	1999	National Bank of Romania (NBR) Central Depository S.A.
Russia	ZAO Citibank Moscow (2005)	1997	Depository Clearing Company (DCC) National Depository Center (NDC) The Bank for Foreign Trade (VTB)
Saudi Arabia	HSBC Saudi Arabia Ltd (2007)	2007	Tadawul Securities Depository Centre Saudi Arabian Monetary Agency
Senegal	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Serbia	UniCredit Bank Austria AG (2007)	2007	Central Securities Depository (CSD)
Singapore	DBS Bank Ltd, Singapore (1987)	1987	Central Depository (Pte) Ltd. (CDP) Monetary Authority of Singapore (MAS)
Slovakia Republic	ING Bank N.V. (2009)	1996	Slovak Center for Securities (SCP) National Bank of Slovakia (NBS)
Slovenia	UniCredit Banka Slovenija d.d. (2011)	1998	The Central Securities Clearing Corporation (KDD)

Country	Subcustodian (Year relationship was established)	Start Date	Depository
South Africa	Standard Bank of South Africa LTD (2008)	1994	The Central Depository Limited (CD) Share Transactions Totally Electronic (STRATE)
South Korea	HSBC, Seoul (2003)	1991	Korea Securities Depository (KSD)
Spain	Santander Investment, S.A. (1997)	1986	Servicio de Compensacion Y Liquidacion de Valores (SCLV) Central Bank (Banco de Espana)
Sri Lanka	HSBC, Colombo (1991)	1991	Central Depository Systems Private Limited (CDS)
Swaziland	Standard Bank Swaziland Ltd. (1995)	1995	---
Sweden	Skandinaviska Enskilda Banken AB, Stockholm (2003)	1986	Finnish-Swedish Central Securities Depository (NCSD)
Switzerland	UBS AG (2003)	1986	Swiss Securities Services Corporation SegaInterSettle AG (SIS)
Taiwan	Standard Chartered Bank (SCB), Taipei (2006)	1993	Taiwan Depository & Clearing Corporation (TDCC)
Thailand	HSBC, Bangkok Branch (1988)	1988	The Thailand Securities Depository Company Limited (TSD)
Togo	Société Générale de Banques en Côte d'Ivoire (2000)	2000	Dépositaire Central/Banque de Règlement (DCBR)
Trinidad & Tobago	The Republic Bank Ltd. (1999)	1999	Trinidad & Tobago Central Depository
Tunisia	Banque Internationale Arabe de Tunisie (2007)	2007	Societe Interprofessionel le pour la Compensation et le Depot des Valeurs Mobilieres (STICODEVAM)
Turkey	Deutsche Bank A.S. (2008)	1990	Istanbul Stock Exchange Settlement and Custody Bank (Takasbank) Central Bank of the Republic of Turkey (CBRT)
Uganda	Stanbic Bank Uganda Ltd (2002)	2002	---
Ukraine	ING Bank Ukraine (2009)	2002	The National Bank of the Ukraine Depository (NBU) The Interregional Securities Union (IRSU)

Country	Subcustodian (Year relationship was established)	Start Date	Depository
United Arab Emirates	HSBC (2001)	2001	Dubai Financial Market – CDS Department (DFM) Abu Dhabi Securities Market – CSD Department (ADSM) DIFX Central Securities Depository (CSD)
United Kingdom	BNY Mellon/Deutsche Bank AG London (The Depository & Clearing Centre (DCC)) (2003)	1986	-CREST
United States	The Bank of New York Mellon (1983)	1983	Depository Trust & Clearing Corporation (DTCC) National Securities Clearing Corporation (NSCC)
Uruguay	Bank Itau Uruguay S.A. (1997)	1997	Banco Central del Uruguay (BCU) ABN AMRO - Agency Bolsa de Valores
Venezuela	Citibank, N.A., Caracas (1990)	1990	Caja Venezolana de Valores (CVV) The Central Bank of Venezuela (BCV)
Vietnam	HSBC -. (2008)	2007	Vietnam Securities Depository (VSD)
Zambia	Stanbic Bank Zambia Limited (2011)	1996	The Lusaka Stock Exchange Central Shares Depository Limited (LuSE CSD) The Bank of Zambia
Zimbabwe	Stanbic Bank of Zimbabwe Limited, Harare (2001)	1995	---

7. Describe your process for monitoring the financial stability and performance of custodial agent banks in foreign markets.

Global Network Management consistently reviews the subcustodians' performance throughout the year to ensure that they maintain the highest level of service and comply with various regulatory requirements. The subcustodians' operations, local market activity, financial strength, regulatory compliance and overall service performance are monitored throughout the year. These comprehensive analyses occur as follows:

Market Developments, Information & Problem Resolution: The Network Managers are in constant communication with the subcustodians in order to obtain pertinent market news that impact the processing or safety of securities or the client assets. This information is analyzed, verified and dispatched automatically to clients internet address via the NetInfo® service which provides newsworthy bulletins and pertinent service updates via the Internet. Network Management also produces and maintains comprehensive information on international markets, which includes: Securities Market Reports, Country Fact Sheets, Subcustodian Profiles and Central Securities Depository Risk Reviews. All market information is available to clients via Workbench. The Network Managers maintain close relationships with the Operations and Client Service Teams to resolve market issues that arise, consult on creating operating procedures when market conditions change and consult with clients in respect to operating in markets or new products.

Financial strength: BNY Mellon's Risk Management area reviews and presents ratings of subcustodians in the subcustodian network, annually. This review includes a review of changes in the sovereign as well as credit ratings, and is presented at the Portfolio Management Risk Committee, which is attended by senior credit risk officers. Specific issues are brought forward during this scheduled meeting and, if warranted, on an ad-hoc basis throughout the year.

Quarterly, BNY Mellon's Risk Management area monitors the subcustodians' credit agency ratings, and the network group publishes a matrix that details all of the subcustodians' ratings as reported by internationally recognized rating agencies.

In addition, to monitor changes in credit agency ratings daily, Bloomberg alerts are set up for subcustodians tied to that system. These alerts are broadcast to Global Network Management and Risk Management.

Operational Capabilities: Formal procedures assess subcustodians against agreed-upon standards established in the Service Level Agreement. The assessment or report card is completed annually through reviews by the global operations staff and the Network Manager. Performance is measured for settlements, cash reconciliation, asset reconciliation, income collection, corporate action processing, tax services, account opening, foreign exchange services, provision of market information and ability to meet our requirements. Each assessment is shared with the subcustodians and in the case of unsatisfactory deviations from the norms, corrective actions are defined and implemented. Service Level Agreements are reviewed regularly and updated as needed.

Legal: In the framework of rule 17f-5 of the Investment Company Act of 1940, external local legal counsel provides an annual legal opinion for each country that addresses whether local law would restrict the protection of client assets. These opinions assess how changes in local law, if any, affect the following issues:

- Access afforded by independent public accountants to books and records kept by the subcustodian,
- Ability to recover assets (cash and securities) held in each country in the event of the bankruptcy or insolvency of the subcustodian,
- Restriction on the subcustodian's ability to indemnify BNY Mellon in the event of loss of any assets under the control of the subcustodian,
- Restriction of BNY Mellon's ability to recover assets that are (physically) lost while under the control of the subcustodian,

- Confirmation if assets held through the subcustodian pursuant to the Subcustodian Agreement will, as a matter of local law, be subject to a lien or claim in favor of the subcustodian or its creditors,
- Potential for difficulty when converting cash and cash equivalents in the country into clients' currency or in withdrawing such cash from the country under the applicable currency exchange regulations of the country.

Compliance: Each year, documentation provided for compliance is reviewed and updated with internal procedures and Rule 17f-5 of the Investment Company Act of 1940. This documentation includes: a local legal opinion (as above), an audit letter or equivalent document, a confirmation of insurance or appropriate self-insurance, a certificate of compliance with the contract and updated detailed information on the subcustodians (i.e., Subcustodian Profile).

On an annual basis or more frequently if required, Global Network Management presents the results of its assessment and submits recommendation to maintain the current network of subcustodians or change providers to a Senior Management committee. Paul Bodart, as CEO of BNY Mellon SA/NV, is a voting member of this committee. BNY Mellon SA/NV representatives from Compliance and Risk Management are also invited.

On site visits - The Network Management Group has an established plan to regularly visit each subcustodian and potential new markets for inclusion in our network. Frequency of visits depends on a series of factors, such as expected changes in the market or at the subcustodian level, service level of the subcustodian, size of assets under custody and activity, client interest, industry lobbying, risk level. All markets have to be visited at least within three years, when it is practically possible, for instance due to safety concerns. The comprehensive visits include meetings with local regulators, local market participants, registrars, Central Securities Depositories and other subcustodians. Meetings with our subcustodian include; reviews of the previous report cards, system demos, completion of our operational risk audit questionnaire, review and update of the Service Level agreement, regulatory and market updates, meeting with the operational staff, and vaults inspection. Detailed reviews of the visit are circulated to our senior management and operation groups.

Annual due diligence - For those markets that are not visited on a given year, a detailed questionnaire is filled in by the subcustodians and reviewed by the Network Managers and the subcustodians through interactive discussion. The questionnaire (which comprises very similar questions to those asked during an onsite visit) includes BCP, Risk Management, subcustodian organizational changes, product development, audit, change of procedures and offshoring/outsourcing.

8. Describe special procedures you employ for processing, valuing, and reporting derivative products, including futures, forwards, options, short sells, etc. and to what degree are you prepared for any pending regulatory changes?

As an Asset Servicer, BNY Mellon offers end-to-end support throughout the derivatives life cycle. We provide our clients with the flexibility to choose a turnkey or customized solution. The Derivatives360 solution is a continuum of functionality that we can bring together in virtually any combination to address the needs of our clients as they contemplate a financial world that is getting increasingly complex due to regulatory reform. The service offering encompasses front -, middle-, and back-office support for the entire derivatives cycle. . As our clients require different solutions for their derivative investments we are able to bring together the internal expertise for trade processing, custody, accounting, middle office, collateral management, execution and clearing to ensure we have the correct solution.

Our Derivative Services Group is a derivative center of excellence of approximately 160 individuals globally used to maximize specific derivative knowledge for a variety of exchange traded and OTC products and services. These include custody processing of futures, futures mark to markets, options, currency forwards, swaps, swaptions, collateral, and a variety of other middle office derivative services.

The group is comprised of:

- Client Servicing Teams organized around clients and investment managers
- Implementation and Subject Matter Experts
- Control and Risk Team
- Processing teams specific to exchange traded and over the counter products

Futures Processing

We enter futures transactions into our accounting and reporting system the day the transactions are received from the client's investment managers.

For U.S. futures contracts, the daily mark-to-market is calculated and reported every morning on our daily Futures Margin Report. For each individual contract position (e.g., S&P 500 futures, U.S. Treasury Bond futures, Eurodollar futures), we verify with the investment manager that the daily mark-to-market amount calculated is the correct amount of funds to receive in from the broker or to wire out to the broker. This daily verification process helps to ensure that all trades previously input to our system are correct. Additionally, this report provides an extra check to see that the money amounts we are directed to receive in or wire out are correct.

For non-U.S. dollar denominated futures contract positions, the daily mark-to-market is calculated in local currency by country and futures contract by our daily Futures Margin Report. These local currency values by country and futures contract are then compared to the values the investment manager has calculated.

After we have verified the daily mark-to-market transactions for each contract position, cash movements are executed via the Federal Reserve wire system.

Processing Margin Payments

Our Derivatives Services Group processes both domestic and foreign futures margin payments in the following manner:

- Receives trade instructions from investment advisor
- Calculates margin payments
- Verifies margin payments with investment advisor/broker
- Domestic - wires out/receives in payment from clearing brokers
- Foreign - wires out/receives in currency movement/USD payments as instructed

The Derivatives Services Group has several variations to the standard described above, depending on the situation. The group is well equipped to handle unique situations on an "as needed" basis.

Options Valuing and Reporting

Domestic, international, and foreign written call and written put options are reflected as liabilities on the Statement of Net Assets. These positions are valued daily to determine unrealized appreciation or depreciation. Written options are reflected as individual securities on our asset listings. Each transaction is listed separately on our Transaction Report under the options section, identified as either "written call options" or "written put options". Purchased call and put options are treated as assets on our financial statements. Again, the positions are shown as individual securities on our asset listings and are listed separately on our transaction reports under either the "purchased call" or "purchased put" category. Unique buy and sell exercise transactions are used to properly post the exercise of purchased or written options. All expirations of purchased or written options are separately detailed on our transaction reports.

Short Sale Processing

We have extensive knowledge on accounting for and reporting of equity, fixed income, and international short sale portfolios due to our system's flexibility to account for all types of liability transactions.

In most short sale portfolios, the investment manager establishes a prime broker relationship with one particular broker who specializes in short sale management. The prime broker is responsible for the actual processing of short sale transactions and loans to cover the short positions. We receive all transaction information from the prime broker daily and automatically generate all the appropriate transactions to our accounting and reporting system. We have developed a complete set of unique transaction codes and posting rules for the actual entry of short sell transactions into our system.

Short Sale Valuing and Reporting

Most short sale portfolios are actually a mixture of regular long positions and short positions. The securities, domestic or international equities or bonds, are valued in the same manner as any securities except that the short positions are reflected as liabilities. We have tailored a complete set of general ledger accounts that are used exclusively for the posting of short sell transactions.

In addition to recording short sell transactions separately on our financial statements, we reflect short sell positions individually on our asset listings with negative units, cost, and market value. We detail all short dividends payable and short interest amounts payable and record all short sales individually on our transaction statements under the "short sale" category. Our dividend earned and interest earned reports both reflect each short dividend or interest payment made during the period.

Controls and Reconciliation

We perform automated reconciliations every day to the prime broker's statement.

While this is a review of a standard short sell program, we are able to service all types of short sell programs as a result of the unique capabilities of our fully integrated, multicurrency custody accounting and reporting systems.

Accounting for Swaps

Swaps are set up at the leg level and linked to create a contract within our Institutional Accounting System (IAS) and can be viewed online via *Workbench* Client Reporting. The investment manager identifier for the swap contract is displayed as the contract identifier and the system performs calculations at the leg level and displays at both the leg level and contract level for reporting.

Swaps, options, futures, bonds, equities, and any variation or other instrument held are accounted for within the Institutional Accounting System (IAS). *Workbench* reports, performance reports and the ledger and sub-ledger reports are all generated from IAS, a truly integrated solution for complex instruments. Swap reference data is also stored in the platform allowing for performance calculations, independent valuation from vendors as well as reporting. For example, **the counterparty exposure report** displays all swaps across a portfolio or group of portfolios with the exposure in both local and base notional and market value by counterparty.

Because we provide full liability accounting, we are able to offer complete accounting for all types of swaps. Initially, a receivable and payable are set up in our multicurrency accounting system reflecting the specific income streams to be exchanged. Provided that full International Swaps and Derivatives Association (ISDA) details are provided, the receivables and payables can be set up to accrue daily. We also have the ability to link the receivable and payable sides of a swap or many swaps to an underlying security or securities via our online system. Our system can also link swaps to an underlying country. Our performance and analytics reports incorporate the impact of swaps, both in terms of incremental return and exposure to the markets from which they originate.

Currency Hedging

The market values of forward foreign exchanges contracted to settle up to one week after the valuation date are calculated by using the spot rate on valuation date. Forward currency transactions that are contracted to settle more than one week after valuation date are valued by a formula that extrapolates an exchange rate out to settlement date. The formula incorporates the spot rate and the one-week, one-month, three-month, six-month, nine-month, and one-year rates (depending upon the time period from valuation to settlement) to bring the contracts to a current market value.

Foreign exchanges used to hedge a client's local currency exposure appear on a report of pending contracts, which includes unrealized currency gain/loss figures. We have the reporting capability to distinguish foreign exchanges that are executed to hedge currency exposure from those associated with funding securities purchased or converting the proceeds of securities sales.

Pricing Futures

For futures, we reflect a zero market price, and we show the daily mark-to-market as a realized gain or loss each day. At month-end, we accrue, as a gain or a loss, the mark-to-market that moves on the first business day as it represents the actual gain or loss realized on the last business day. For daily valued accounts, we accrue the gain or loss each night for that day, we realize the gain or loss the next day, and reverse the accrual. This process is done to ensure the correct pricing each night for daily valued accounts. We also perform this daily accrual process for a number of monthly valued accounts, as some of our clients are using our online products to review their updated pricing information each morning. The previously described process is fairly common in our business; however, some other custodians may reflect the daily mark-to-market as an unrealized gain or loss until the futures contract position is closed. Once the futures contract position is closed the accumulated unrealized gain or loss is realized.

Pricing Forwards

For forward foreign exchange contracts, we price them each day and reflect the gain or loss as an unrealized currency gain or loss. The pricing of forward foreign exchange contracts is calculated by determining the appropriate forward pricing rate, which is a combination of the spot rate, the one-week rate, the one-month rate, the three-month rate, the six-month rate, the nine-month rate, and the one-year rate.

We report the receivable and payable side of each forward foreign exchange contract; we do not net these numbers except from an exposure standpoint. Once the contract is closed out, the unrealized currency gain or loss becomes a realized currency gain or loss. This type of reporting and pricing is standard in the industry.

Pricing Swaps

Due to the many different types of swaps and the many different requirements of our clients regarding the pricing and reporting of swaps, we support the pricing and reporting of swaps in a number of different fashions. In most cases, swaps are reflected with a receivable side and a payable side with the units of each equaling the notional value of the swap. The unrealized gain or loss on the swap is generally reflected on one leg of the swap, and the swap may or may not have a receivable and or payable income stream. All of the unrealized gains or losses and income receivables and payables are moved to realized amounts only upon a monthly/quarterly, etc. settlement based on the term sheet of the swap. There are many variations of the pricing and reporting for swaps that we customize based on our client's needs.

Pending Regulatory Changes

BNY Mellon is deeply engaged with the regulatory transformation taking place across the globe. We belong to many key industry groups such as ISDA, SIFMA, ISITC, DTCC, etc. We are shaping the direction of our industry through many initiatives and leveraging our status as the world's largest custodian to ensure our client's voice is being considered.

There are a number of regulatory changes associated with Dodd Frank Title VII such as Swap Data Repositories (SDR), Swap Execution Facilities (SEF) and Central Clearing (CCP). As OTC derivatives migrate from a bi-lateral environment to a centrally cleared and exchange traded environment several changes have been made to our servicing model. BNY Mellon is already engaged with clients executing (or planning to execute) centrally cleared swaps and providing solutions to accommodate change and assist with this transition. These changes include enhancing trade capture, expanding accounting platforms and processes, developing new interfaces with CCPs, SDRs, SEFs and other market utilities, expanding our reconciliation, collateral and custodian functions to allow us to better service our clients in a fluid regulatory environment. In general, our existing structure will stay intact with an emphasis placed on leveraging core competencies within our organization under the Derivative360 business to meet our clients' unique requirements

As we continue to monitor the regulatory changes and communicate with our clients we are continuously improving our products and services to ensure that we are well positioned to offer support as regulatory rules are being finalized.

9. Describe special procedures you employ for processing, valuing and reporting alternative investment limited partnerships.

BNY Mellon Asset Servicing is a leader in supporting the complex assets of our institutional clients. By providing complete administrative support for a variety of private investments structured as limited partnerships, including venture capital, private equity, real estate, and natural resources, we offer a total solution to process, account for and analyze private investments. Today, we support 300 clients with over 13,000 partnerships and administer over \$300 billion in private equity partnerships.

Our dedicated team of professionals is focused on delivering private investments services while leveraging our collective experience in the set-up, administration, accounting and analysis of these assets. As a key component of our overall offering, we have an alliance with The Burgiss Group, LLC, an industry leading provider of private investment technology and information, providing you with comprehensive capabilities that are seamlessly integrated within our platform.

As a full service provider, we have designed a comprehensive solution for private investments held in your portfolio.

Process Management

As allocations to private investments have risen over the past several years, the scrutiny and regulation around these assets have also increased. We understand the administrative burden that private investments can bring to the investment process. We offer hosted solutions that ease this burden. By outsourcing these functions to BNY Mellon Asset Servicing, we will assist you with the many challenges you face related to managing private investments.

Data Management

If you are looking for a private investments solution that manages the flow of the underlying data, we will take on the responsibility of interfacing directly with the general partners and/or gatekeepers and will load your valuation and transaction information for you. We will also provide you with access to run reports against this information, including extensive analyses on internal rates of return, commitments, contributions and distributions.

Cash Flow Processing

We provide a proactive solution for capital call management. First, you direct the general partners to send capital call notices directly to BNY Mellon Asset Servicing for processing. We will then match the information provided by the general partner to your set of standing instructions before releasing payment. Next, we provide you complete access to your information through Workbench™, our information delivery platform, for real-time reporting on upcoming capital calls as well as calls previously made.

Document Management

To outsource the document management process around the pre-commitment due diligence process, we will work with you to set up a document storage framework. This enables secure and collaborative due diligence and deal flow management for investment teams, particularly useful in the pre-commitment stage of investing.

Accounting Services

Our flexible accounting practices are driven by your requirements and support a single set of reconciled data for analysis and decision making. We provide transaction-based valuations and identify the various components of transactions. Leveraging our centralized processing, we cross-check between common holders of a partnership and reconcile valuations.

Accounting

Our specialized accounting team works with the general partner to identify all components of a transaction such as return of capital, (distinguishing between recallable and permanent), and fees which are processed in our core system using unique transaction codes and general ledger accounts. Adjusted valuations are automatically refreshed as transactions are processed. Having a centralized team allows review between common holders within the partnership, to ensure that cash flows and valuations are processed at the same time, and in a consistent manner.

Audit & Reconciliation

Valuations of partnerships are adjusted and reconciled as transactions occur, and as valuation statements are received. Cash flows are reconciled to those reported by the general partner upon receipt of capital account statements. The team reconciles the unfunded commitment amount on a periodic basis so clients know what has yet to be drawn down.

Analysis

With the growing demand for increased oversight of this unique asset class, we have responded by providing transparency into your private and public investments. We offer multiple performance returns including time weighted, non-lagged time weighted, and internal rates of return. In addition, we offer direct vintage year comparisons of your private equity investments. With full transactional history, over multiple decades, you can compare the performance or other characteristics of your investment.

Returns: Non-Lagged Performance Reporting

With most private investments, general partners do not provide daily or monthly valuations and the quarterly valuations are lagged usually two to three months after their valuation date. While many investors use lagged valuations for reporting consolidated performance across asset classes, there is value in understanding what the performance would have been for the affected time periods. Our Non-Lagged Performance reporting provides a second set of performance returns based on the actual valuation date. You have the ability to compare lagged and non-lagged return streams. These multiple return bases are derived systematically from the same accounting data.

Returns: Internal Rates of Return (IRRs)

Measuring the performance of your private investments requires additional thought and consideration. While time weighted rates of return are used for consistent, consolidated reporting, assessing the performance on an individual private investment or manager is usually done with IRRs. We support IRRs with key features including full reconciliation with accounting and valuations and support for vintage year comparisons.

Investment Level Transparency

Using our private equity limited partnership look through capabilities you can access holdings-level analysis of private equity partnerships. We are able to provide investment level transparency identifying underlying exposures and investments within the limited partnership. We integrate investment level information on your private equity portfolios with public market positions through Workbench. This enables you to access consolidated, detailed information on both public and private investments through a single report on a single platform in order to report on sector and geographical exposures.

Benchmarks/Universes: Vintage Year Comparisons with Customized Comparisons

We provide direct vintage year comparisons for your private equity investments. With transactional history, over multiple decades, you can compare the performance or characteristics of your fund using multiple criteria including: Vintage Year, Asset Class, Geographic and Industry Focus. With a robust database covering over 3,000 funds with a capitalization of \$2.5 trillion, we provide insight into the most widely held vintages and asset types.

Information Delivery

You can leverage our industry leading expertise by accessing comprehensive information for your organization. We provide asset class specific as well as total level reporting through our core service offering and through specialized toolkits. By understanding your requirements, we will provide you with the insight you need to make informed decisions.

Core Reporting and Specialized Toolkits

Our award winning information delivery portal, Workbench, provides access to the information you need to understand and manage your investments. Through a range of standard reports as well as Report Writer, (our ad hoc query tool), you can access and retrieve the specific information you desire. Consolidated reporting can be produced across traditional and private assets, helping you understand country and sector exposures in combination or drill into asset class specific information for the insight you need to manage the asset class.

As a key component of our overall core service offering, we have an alliance with The Burgiss Group, LLC, a global provider of technology and information to private equity investors and asset managers. Our decade long relationship enables us to provide you with industry leading software and content, for comprehensive capabilities that are seamlessly integrated within our platform.

Private i® helps in the management and analysis of private investments and is designed with rich analytics and standard reporting capabilities. Private i calculates cumulative internal rates of return since inception, full tracking of partnership fees and expenses, vintage year and investment type composites and disclosure of the type of investment and investment strategy of the general partner.

Private Informant® is a financial data service coupled with an online reporting and analysis application that tracks the investment activities and performance of underlying portfolio companies for limited partners.

Private iQ is a decision support and benchmarking tool that provides extensive information about how private equity behaves as an asset class. This service has been built on the Private i platform to create a representative, maintainable, and durable database that can be used to analyze and summarize the behavior of fund investments in private markets.

10. Describe your procedures for processing and settling FX contracts, options, futures, etc.

Processing for Options and Futures

Options Processing

We process all purchased calls & puts and written calls & puts on IAS. Closing trades, exercise, and expiration transactions are also detailed on our transaction reports. We have the ability to pledge collateral (cash or securities) and issue escrow receipts to the broker through the OCC. Written options are reflected as liabilities on the Statement of Net Assets. Purchased call and put options are treated as assets. These positions are valued daily to determine unrealized appreciation or depreciation. All options are listed separately on our transaction reports under the purchased put, purchased call, written put, and written call categories.

Futures Processing and Margin Processing

Futures Trades are typically received on Trade Date via FTP, SWIFT, or FAX and loaded to our accounting platform on T. Our accounting platform then calculates the total unrealized P&L, and cash balances at the Futures Commission Merchant (FCM) based on all trade and account activity at the futures clearing merchant.

We currently receive automated data files for 8 major FCM's and have access to secure websites for paper statements for 12 in total.

On T+1 BNY Mellon will reconcile total equity (sum of unrealized P&L of futures positions and cash balances at broker) for each local currency. The reconciliation is currently automated and all breaks greater than 5 USD are reviewed by a specialist and approved by a supervisor daily.

BNY Mellon is currently more than 55% fully automated without user intervention for over 1,900 accounts with futures activity in our Futures Management Application. All breaks are fully researched and BNY Mellon works with the appropriate parties to resolve in a timely manner to verify the integrity NAV of the total portfolio as it relates to all futures activity.

Daily futures variation margins are paid/received as instructed by the fund manager and received via Fax, FTP, or SWIFT.

FX Contracts

There are a number of ways in which clients can transact FX contracts with BNY Mellon.

If a client chooses to use **our** standing instructions **product**, an FX will be created, and a request will be made to our Global Markets area for pricing and settlement.

The client or fund manager may instruct BNY Mellon by including their FX instructions on their trade tickets in the proper SWIFT format or via fax. The FX will be created, and a request will be made to our Global Markets area for pricing and settlement.

With a third-party FX, the terms of the transactions would be provided by the client or fund manager. BNY Mellon would create a transaction on our system and send relevant trade details to our subcustodian or to CLS (if the client chooses to settle CLS for CLS eligible transactions) for settlement.

Clients or fund managers may also choose to directly negotiate with our Global Markets desk or use one of the e-commerce means of execution.

The transaction will be available real-time via our online reporting tool, *Workbench*, where clients can see the details of the FX.

XIII. CASH MANAGEMENT

1. **What investment vehicles are available for overnight investment? What alternatives are available in countries where short-term investment funds are not available? Which can be assessed automatically by a “sweep”?**

Provide a description of each Short Term Investment Funds (STIF) product, including:

- a. **Investment Philosophy**
- b. **Objectives and Guidelines**
- c. **Investment Performance and Average Maturities – Current and Historic**
- d. **Investment Management Fees**
- e. **Sweep Fees (if separate from investment management fees)**
- f. **Minimum Quality Ratings**

All short-term investment portfolios used by our institutional clients are managed by a subsidiary of The Bank of New York Mellon.

The list below identifies our internally managed short-term investment vehicles that are specifically designed for the cash management needs of our corporate, public fund, and Taft-Hartley clients. This list also contains the fees associated with each vehicle.

Options	Charge
<u>ERISA Qualified STIF Funds:</u>	
The Bank of New York Mellon EB Temporary Investment Fund	15 basis points
The Collective Trust of the Bank of New York Government Short Term Investment Funds	15 basis points
BNY Mellon Cash Reserve	No Fees
Dreyfus Cash Management Funds	Varies

There are no additional fees, such as transaction or withdrawal charges, associated with our short-term investment products. All of our cash management vehicles are managed internally.

In addition, we will work with each client, if desired, to create a customized short-term investment solution.

We can also provide our clients with the following Dreyfus Funds:

- Dreyfus Cash Management
- Dreyfus Treasury Prime Cash Management
- Dreyfus Tax Exempt Cash Management
- Dreyfus Government Cash Management
- Dreyfus Treasury & Agency Cash Management

Please refer to *Exhibit 3* for more detailed information regarding our short-term investment vehicles. Also included in *Exhibit 3* is a prospectus for the Dreyfus Funds.

Investment of Foreign Currency

Our international cash management service offers highly competitive rates, enhancing the return on our clients’ idle currency balances. We provide the opportunity for clients to earn interest on overnight foreign currency balances as market condition permit, unless prohibited by the laws of a particular country. There is no fee for this service.

Our London deposit accounts earn interest at rates posted for each currency from time to time by us via Workbench. These accounts are offered in all currencies for which custody services are provided (with minor exceptions), permitting customers to hold all cash on deposit with a single, major global custodian bank. Cash balances on deposit with BNY Mellon Asset Servicing London Branch will be fully backed by us as a London Branch deposit of a U.S. bank, and will not be subject to the risk of subcustodial insolvency. In addition, advance publication of interest rates and/or calculation methodologies will allow for greater predictability of interest earned on cash balances and more accurate cash management. Currently, our London deposit accounts are not offered for Canadian Dollars in markets where segregated customer cash accounts are required by local law or regulation, or for currencies held at International Central Securities Depositories (ICSDs) such as Euroclear or Clearstream. Interest is based on positive available balances, calculated daily and credited monthly. Debit interest is currently charged only for overdrafts or transactions that result in a charge greater than the current U.S. Dollar equivalent of \$300.

In addition to these services, we can accommodate standing instructions to convert and transfer specified currencies upon receipt. With such instructions in place, clients can avoid spending time and effort monitoring currency balances and issuing specific routine instructions.

Our London Treasury can also place deposits for most countries/currencies as you or your investment manager may direct. This investment option enables you to earn higher rates of interest on funds that you may wish to place for specific periods of time.

2. Describe your process of maintaining full investment (“daily sweep”) of US cash and foreign currency balances for plans invested globally, including:

a. Investment vehicles available to the sweep (discussed in the section as STIFs)

Please refer to our response to *Question #1* directly above.

b. How sweep ties into trust accounting and cash forecast

For the investment of cash balances, each portfolio is automatically swept into a short-term investment instrument daily. Therefore, a zero balance is achieved. This cash investment auto sweep is part of our normal daily cash management procedure. All sweep transactions are reflected in your accounting records.

Our forecasting tools allow you, your investment managers, and BNY Mellon Asset Servicing to see your near-future exposure, pending transaction settlements, and anticipated income collections. This information permits all parties to detect and avoid potential cash shortfalls, as well as maximize your investment strategy by anticipating your daily sweep balances.

c. Process and timing of notification of investment managers of available cash

Our online system, *Workbench*, provides our clients and/or investment managers with investable cash balances each morning. One of the most important functions performed by your dedicated Client Service Team is the monitoring and validating of cash projections. Our real-time system automatically adds to future cash projection worksheets upon entry of each transaction. Your Client Service Team is scrutinizing these future balances constantly so that the morning projections for each day are as accurate as possible.

We can provide detailed cash projection information electronically each morning by 2:00 a.m. ET. This information is reported in USD for each of your portfolios. Cash projection data can be provided for current day cash availability, including investable balance, current day settlements, anticipated closing balance, and cash forecasts detailing balance information and pending settlements in the future.

We provide daily cash statements, daily cash availability, and daily cash forecasting online reports, which enable managers to see projected cash balances for their portfolios and the actual cash balance received from the prior day.

The following detail is available to our clients:

Daily Cash Availability

Cash availability capabilities help us monitor daily cash flow and determine your daily investable balance. You will have access to this information through our online reports, which will show your consolidated cash positions across currencies, accounts, and locations.

Daily Cash Statements

Cash statements reflect the prior days settled activity in all currencies. You will have access to this information through our online reports that will show your consolidated cash positions across currencies and locations.

Daily Cash Forecasting

Our forecasting tools allow you, your investment managers, and your Client Service Team to see your near-future exposure, pending transaction settlements, and anticipated income collections. This information permits both you and your investment manager to detect and avoid potential cash shortfalls, as well as maximize your investment strategy.

The Cash Forecast 90 Day Detail Report, available via *Workbench*, allows clients to forecast cash balances for up to 90 business days. The report shows an opening balance, cash investment vehicle amounts, transaction detail, and all forecasted cash balances, by currency, projected over the selected number of days, up to 90 business days.

Detail Available in Cash Reports

- Purchases and sales
- Options and futures activity
- Dividends and interest
- Capital Stock
- Maturities
- Past-due trades
- Foreign exchange
- Payup and paydown projections
- Other Cash transactions (cash transfers)
- Short-term investment fund balances

The systems are updated with all account and forecasting information and can be accessed online via *Workbench* Client Reporting at approximately 2:00 a.m. ET. The Cash/Currency forecasting reports are also produced during the early morning hours to ensure that all parties receive the information as needed. Clients and investment managers through *Workbench* Client Reporting can also produce reports on an ad hoc basis. The Cash Forecast Report can be produced for each future day based on that day's anticipated settlements. Our forecasting capability extends into the future at the user's selection.

d. Timing requirements for notification of cash needs

We provide investment opportunities for our clients throughout the business day. Our investment instruments are available as follows:

Funds Invested In:	Notification By:
Primary Investment Vehicle	Until 1:00 p.m. ET
BNY Mellon Cash Reserve	Until 6:50 p.m. ET
Non-interest-bearing DDA	After 6:50 p.m. ET

“Notification” refers to the time of day by which clients and investment managers must inform us of daily cash activity and ensure maximum investment.

BNY Mellon provides clients with an option to sweep any unexpected receipt of cash or cash received after their primary short term cash vehicle into and on balance sheet deposit product. This provides clients the opportunity to earn interest on these balances. The sweep occurs at 6:50 PM nightly.

e. Treatment of unexpected receipts after investment cut-off

As mentioned above, BNY Mellon provides clients with an option to sweep any unexpected receipt of cash or cash received after their primary short term cash vehicle into and on balance sheet deposit product. This provides clients the opportunity to earn interest on these balances. The sweep occurs at 6:50 p.m. nightly.

f. Identification of automated procedures and manual procedures

For the investment of cash balances, each portfolio is automatically swept into a short-term investment instrument daily. This cash investment auto sweep is part of our normal daily cash management procedure.

g. Client and investment manager electronic access to information:

h. Cash sweep (investment) transactions

i. Details of the day’s cash remittances and disbursements

j. Detail supporting calculation of day’s deposit to or withdrawal from STIF

Please refer to our response in *Question #2c* above for information regarding our cash availability and forecasting.

3. Describe your program for providing fail float interest on sales proceeds from settlement date and on purchase cost during fail period.

Fail Float – Contractual Settlement

Contractually settled accounts do not benefit from idle cash balances when a purchase fails and the account generates float. Since transactions automatically settle on the contractual settlement date (except clearinghouse securities), no fail float would apply.

Fail Float – Actual Settlement

In many foreign markets, our clients’ assets are fully invested at all times. We do not benefit from any fail float income. All purchases are posted on actual settlement date, and cash remains fully invested until actually needed to complete the transaction.

Overdraft costs caused by circumstances other than those directly attributed to BNY Mellon or one of BNY Mellon's agents, are passed to the investment manager/client portfolio.

4. Describe your capabilities in providing foreign exchange support to clients of master custody with global investment.

BNY Mellon offers – separate and apart from its basic custodial services -- an extensive array of options for executing foreign exchange transactions that are designed to support our clients' currency management needs. These options include standing instruction services, e-commerce trading products, and direct dealing facilities with our foreign exchange professionals.

With respect to all FX transactions with its custody clients, The Bank of New York Mellon (BNY Mellon's lead bank) does not act as a fiduciary, but rather trades as a counter-party, on a principal basis. Whether a transaction is executed through direct negotiations with BNY Mellon's foreign exchange sales desk, through e-commerce platforms, or through standing instructions, all FX transactions between The Bank of New York Mellon and a custody customer will be arms-length, bilateral, transactions entered into between the client and the bank, with both parties acting as principal.

Because The Bank of New York Mellon acts as a principal when it executes foreign exchange transactions with a custody customer, it does not receive any fee or commission for these transactions. However, as principal, The Bank of New York Mellon seeks to price such transactions at rates that will enable it to earn a favorable spread - to Bank of New York Mellon.

Direct Dealing

Clients can trade directly with BNY Mellon's FX desks located in North America, Europe, and Asia. Regardless of which desk executes a foreign exchange transaction, the trade will be processed consistently through to BNY Mellon's custody and settlement systems. There are certain currency pairs (e.g. less liquid and regulated currencies) for which BNY Mellon may not offer direct dealing pricing.

Electronic Trading

BNY Mellon provides its custody customers with an integrated suite of on-line FX service solutions, including iDeal Forex for cross border FX payments; iFX Manager for FX order management and trade execution; iHedge for currency hedge administration, and iConfirm for FX post-trade services. More information on BNY Mellon's online FX solutions is available at www.bnymellon.com/globalmarkets/ecommerce.html.

BNY Mellon is also an active participant on several multi-bank trading sites, such as FXall and FX Connect.

Standing Instructions

Our Standing Instructions program permits our custody customers and their investment managers to automate the processing of certain custody-related foreign exchange transactions, including those related to securities trade settlement, income conversions, corporate actions, tax reclaims, and interest postings.

The procedure for requesting that BNY Mellon enter into FX transactions with a custody customer pursuant to Standing Instructions with one of our U.S based trading desks is described at our FX website: <https://gm.bankofny.com/FX/Default.aspx>. (click link for "FX via BNY Mellon Custody" on left panel).

Pursuant to the terms of BNY Mellon's standing instruction program as offered through its US trading desks, BNY Mellon publishes exchange rates each morning and guarantees that trades executed through the program that day will receive rates no worse than the published rates. If clients are unwilling to accept pricing within these published ranges, they have the opportunity to opt out of the program and may choose instead to directly negotiate FX transactions with a BNY Mellon trading desk (subject to some limitations), or with another foreign exchange provider.

Although it is not obligated to do so, BNY Mellon typically determines the prices it will assign to standing instruction transactions (whether processed in the U.S. or elsewhere) based on the respective currency's daily pricing range for directly executed, marketable size FX transactions between financial institutions; we tend to price our purchases of currencies towards the low end of this range and our sales of currencies towards the high end, regardless of trade size. Standing instructions pricing is often less favorable to the client than FX rates on directly negotiated trades. BNY Mellon typically determines prices for standing instruction transactions in this way regardless of trade size or the location of the BNY Mellon trading desk executing the transactions.

Defined Spread

BNY Mellon recently introduced enhanced capabilities within the standing instruction service to offer multiple execution times each day. For trades in developed markets, rates will be determined by the market price at the time of client pricing plus a pre-defined spread. The pre-defined spread will be 10 basis points for trades in developed market currencies, including the following: AUD, CAD, CHF, CZK, DKK, EUR, GBP, HKD, HUF, ILS, JPY, MXN, NOK, NZD, PLN, RON, SEK, SGD, TRY, USD, ZAR. The base rate for trades in developed market currencies will be the Reuters or Electronic Broking Service interbank price at the time of client pricing. The pre-defined spread for emerging and other market currencies will be 15 basis points, and client pricing will occur once per day. The base rate in emerging and other market trades will be the BNY Mellon Reference Rate, which will approximate BNY Mellon's funding cost in the local markets. This Defined Spread service will be supported by robust post-trade reporting breaking out all components of FX pricing, including the base market rate, the spread and any forward points, if applicable.

Fixing Based

Upon request, BNY Mellon can enter into certain FX transactions with its customers through a WM fixing based agreement. Our fixing based product is generally available for most liquid and freely traded currencies for which third party daily fixings are available. Prices are typically determined based on a spread over the currency fixings received from a third party provider (e.g. WM Company) at an agreed upon time. As part of the fixing based agreement, BNY Mellon and the client, or its manager, would agree that actual prices assigned by BNY Mellon to foreign exchange transactions subject to the arrangement will be determined by applying a pre-negotiated spread to the identified fixing rate. All trades entered into per such an agreement would, by definition, be entered into at the time of the agreed upon fixing (e.g. 4 pm London). Other terms and restrictions may apply. Post trade reports for fixing based trades are available from BNY Mellon.

There are certain currency pairs (e.g., less liquid and regulated currencies) for which BNY Mellon may not offer fixing based pricing.

3rd Party FX

With some exceptions for certain currencies that are not freely tradable, custody customers are always able to execute foreign currency transactions through third-parties. Additionally, clients that maintain relationships with multiple FX providers can opt to trade with BNY Mellon via such multi-bank trading platforms as FXall or FX Connect.

XIV. TRANSACTION SERVICES

1. Discuss procedures for posting trades and foreign exchange transactions to client accounts upon receipt of initial advice, including for each security class:

a. Posting date

The posting date would be the date the trade is actually input to our custody module (which would be the date the investment manager sends the trade to us, provided it meets our trade notification deadline). We process trades on Trade Date +1.

To ensure timely settlement of trades, trade notification must be received as follows:

U.S Securities Settlement Instruction Deadlines				
DTCC Same Day Funds	Buys		Sells	
Three day settlement - Manager Affirmed	TD+1	Midnight	TD+1	Midnight
Next Day Settlement	TD	16:00	TD	16:00
Same Day Settlement	TD	12:00	TD	12:00
Repurchase Agreements	SD	12:00	SD	12:00
Short Settlement	SD-1	15:00	SD-1	15:00
Fed Book Entry	Buys		Sells	
Non-Mortgage Backed	SD	12:30	SD	12:30
Mortgage Backed	SD-1	15:00	SD-1	15:00
Repurchase Agreements	SD	12:30	SD	12:30
Turnaround Trades	SD	11:00	SD	11:00
Pair-Off Trades	SD	12:00	SD	12:00
Physical Settlements - NY	Buys		Sells	
Clearinghouse Funds	SD	10:30	SD	11:30
Fed Funds	SD	12:30	SD	12:30
Euro Time Deposits	SD	12:30	SD	12:30

**Please Note: all times are ET.*

These are our basic operating standards; however, there are certain circumstances or situations that warrant more flexibility. In these situations, we will do our best to meet client needs. If investment managers do not communicate trade instructions to your Client Service Team by the appropriate investment deadlines, we are very flexible in accommodating your requests for late notification of same day settlements.

Please refer to *Exhibit 4* for our global trade notification deadlines.

b. Effective date

c. Effect on positions

The effective date is the trade date, and positions are reflected on a trade date basis.

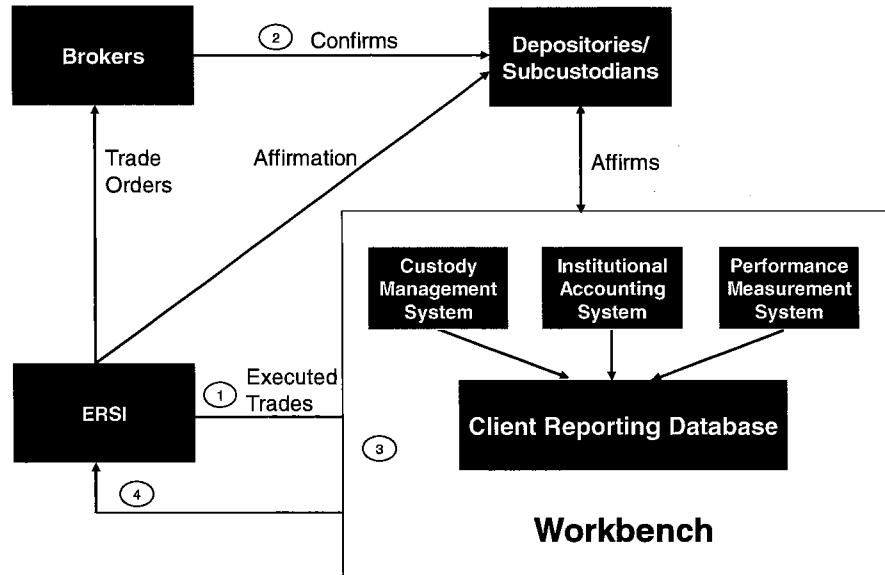
We perform daily reconciliations with the Depository Trust & Clearing Corporation (DTCC) and the Federal Reserve Bank (FED). These depositories send us a position and activity file nightly. Once these files are received, they are combined with position and activity files contained in our custody system (CMS). A variance file is created at the mainframe level by comparing the two position files.

Please refer to our response to *Question #2* below for an overview of our trade settlement procedures.

2. Discuss your operational procedures for settling purchases and sales – both physical and book entry, non-US and US. Include both:

- a. Actual settlement date (ASD) processing**
- b. Contractual settlement date (CSD) processing**

Trade Processing



Step One: Trade Instructions

Your managers initiate the trading process as soon as a trade order is placed with a broker. Trades are then communicated to BNY Mellon Asset Servicing through a variety of means:

Electronic trade transmissions: we are equipped to accept ISITC, SWIFT, and proprietary formatted files directly into the custody system. In addition, we also receive, on a daily basis, transmissions from numerous trading systems such as CAMRA, PORTIA, Merrin, Predator, etc.

These electronic trade transmissions are constantly monitored by our Transmission Support Unit (TSU). This group is a dedicated team that works with investment managers, clients, and our Technology group in order to achieve straight through processing through electronic trade communication. The TSU uses our flexible array of communication tools & protocols (MINT, SWIFT/ISITC, *Workbench* Instruction Processing, DTCC HUB and others) in order to automate transmissions and messages.

In addition to the methods stated above, we also accept trades via fax. Each fax received is scanned and processed via a dedicated team which follows a series of audited procedures in order to capture the instructions into our core processing engine. We will also accept your confirmation letter as notification for physical trades.

Step Two: Confirmation/Affirmation

Regardless of the means of trade communications, all trades are immediately processed in a real-time mode upon receipt. The custody system performs a variety of front-end edits to confirm the validity and accurate arithmetic of the instructions.

For international trades, settlement instructions are delivered to subcustodians via SWIFT upon receipt and verification. Discrepancies are typically identified during the pre-matching process. The pre-matching and settlement cycles vary according to the market.

Step Three: Trade Flow

We process all trade-related instructions immediately upon receipt. Trade and settlement details are initially recorded in our safekeeping system, being our first point of contact. As trades are verified, we simultaneously provide various depositories and subcustodians with settlement instructions, and the trade is posted to the accounting system in a real-time mode. The accounting system conducts another series of functional edits prior to updating the accrued inventory file. All these functions are performed in real-time mode, within seconds, with no human intervention. Updated information is then loaded to the performance system in order to calculate rates of returns.

Step Four: Data Transmissions to Clients and Managers

All processed data (transactions, holdings, cash balances and activity, etc.) is available to clients and their manager via our *Workbench* Real-Time Custody module, as well as via our real-time Cash and Safekeeping types of reports. We also provide updated information via SWIFT and customized data transmissions intra-day and on a nightly cycle based on the recipient's requirements.

Electronically Tracking the Status of all Trades

Our custody system can receive numerous transmissions simultaneously during a given day from depositories, other custody banks, brokers, and investment managers. These transmissions are processed throughout the day, and individual trade or cash movement instructions are edited, verified, and processed in real-time. Custody records are updated immediately as transaction instructions are posted to our systems. Therefore, our clients can see this data real-time via our online reporting products.

Trade Settlement Procedures for Physical Securities

Physical securities are held in our vault in New York City. From the time of receipt, the securities are coded on our custody system by specific location. The custody system tracks physical certificates through every step of the process (transfer, floor, vault, etc.).

Our Custody Management System (CMS) tracks physically held securities from their arrival at the "window" in the vault through the various steps involved in re-registering the security and placing it into the vault itself. Once in the vault, the securities are in "good form" for sale processing. The Custody Management System is updated as the sale trade is processed and reflects the settlement on a real-time basis. The account's security position is immediately updated at the time of settlement.

Physical trade instructions are received and settled via online, real-time computer access to our security movement and control system, CMS.

These transactions include purchases, sales, and redemptions of physical securities such as bonds, stocks, and commercial paper. Trades can be executed for same day settlement, next day settlement, or multi-day settlement (five business days). Once processed, they are settled via CMS, which generates payments through our Money Transfer Division. Client accounts are also updated accordingly on CMS. Transactions between our vault and CMS are balanced daily.

Contractual Settlement Date Policy

We currently offer contractual settlement of foreign exchange transactions, maturities, and publicly traded debt and equity issues on recognized exchanges in 48 countries worldwide.

The 48 contractual settlement markets are:

Australia	Cyprus	Ireland	Mexico	South Africa
Austria	Czech Republic	Israel	Netherlands	Spain
Bahrain	Denmark	Italy	New Zealand	Sweden
Belgium	Euroclear*	Japan	Norway	Switzerland
Bermuda	Finland	Jersey	Peru	Turkey
Bulgaria	France	Lebanon	Poland	United Kingdom
Canada	Germany	Luxembourg	Portugal	United States
China (Shanghai)	Greece	Malaysia	Singapore	Uruguay
China (Shenzhen)	Hong Kong	Malta	Slovak Republic	
Clearstream	Hungary	Mauritius	Slovenia	

* - only in existing CSD-eligible markets

Our Contractual Settlement Date offering credits or debits cash to or from your account on the contractual (agreed upon) settlement date of the transaction, regardless of whether the settlement actually occurs in the market. Naturally, contractual settlement occurs provided that complete transaction information is supplied to BNY Mellon Asset Servicing in compliance with our trade notification standards.

We continually review and make changes to our contractual settlement date policies as appropriate. All other markets across all asset classes and registration locations, including physical delivery of securities, would settle on the date when actual settlement occurs.

We reserve the right to reverse a contractually settled transaction that is directly or indirectly failing due to circumstances beyond the control of BNY Mellon Asset Servicing or its agent. We will provide 24 hours advance notice of all U.S. income reversals and 72 hours advance notice of all global income reversals.

For those markets employing actual settlement, our policy stipulates that our clients' funds remain fully invested in their primary short-term investment vehicle until actually needed to fund a settlement. Therefore, we would keep all idle cash fully invested in an interest-bearing account, where appropriate, until funds are needed to settle a purchase when actual settlement occurs.

In the actual settlement markets, if a purchase trade has failed, funds that are required to pay for the purchase are not liquidated until actual settlement. In the case of Fed Fund trades, we pay an interest credit to your account for liquidating funds for a trade that failed.

3. **Describe your procedures for establishing entitlements and accruals for dividends and interest and for posting dividends and interest to client accounts. Indicate whether the process is automated or manual and indicate the primary source of the data. Also, describe your procedures for calculating and posting amortization and accretion.**

The Income Collections Team takes a proactive approach to income collection. From the time income payments are announced through the actual collection of funds, the Global Income Collection Unit ensures that all income, regardless of how unique, is collected and posted timely and accurately to client accounts.

The Global Income Collection Unit receives daily dividend transmissions from external vendors which are automatically received by BNY Mellon's custody system CMS. In addition, subcustodians provide dividend announcements within 24 hours of the announcement by the corporation. Interest payment information is received from external vendors, subcustodians and BNY Mellon's security master file within CMS. This information is known as "issue level" information. Issue level information received from BNY Mellon's multiple sources is reconciled in advance of income entitlement date to ensure that payment details used to auto-generate client income receivables on entitlement date are accurate.

BNY Mellon's custody system, CMS, generates income receivables on entitlement date based upon client share positions, tax treaties and income details received from market sources. A second reconciliation takes place in which income receivables generated by CMS are fully reconciled to income payable amounts reported by subcustodians. Discrepancies are usually due to unsettled or pending trade activity and easily resolved prior to income payable date. This reconciliation is completed in advance of income payable date enabling BNY Mellon to release income contractually to client accounts early in the morning of payable date without the need to first receive payment notification from subcustodians. Between 95% and 100% of income posting are released contractually to client accounts whereby BNY Mellon "advances" income proceeds to client accounts. Income credits to client accounts are offset with a debit to a suspense account. The debit remains open and is closely monitored until payment received.

A third reconciliation takes place upon receipt of payment from subcustodians. Payments received from subcustodians are reconciled to payments released to client accounts in CMS. This reconciliation takes place in BNY Mellon's cash and security reconciliation system known as "Smartstream" and also takes place in BNY Mellon's custody system, CMS. Underpayments and overpayments are attributable to pending and unsettled trades and always agree with the reconciliation of entitlements in the second reconciliation noted above. Processing of income payments received from subcustodians results in a credit to the contractual income suspense account and receivable status update to "Settled." Receivables remaining in a status other than settled are tracked and closely monitored until payment received.

Sources of Income

We use several sources to verify income collection information. The primary vendors that are used to compute principal and interest payments are: DTCC, The Fed, IDC (TREPP and Bond Buyer), Euroclear, Clearstream, as well as our worldwide sub custodians. In addition to these primary sources, we also use Bloomberg, financial publications, and paying agent websites as secondary resources to obtain payment information.

Amortization/Accretion

Amortization accounting is an integral piece of our full accrual accounting system. Our system calculates amortized cost values without manual intervention. Amortization of premium and accretion of discount is done on an automated basis on our Institutional Accounting System. Amortizations are recorded using straight line or constant yield * methods.

Our accounting system automatically calculates the book value adjustments of discount bonds and premium bonds by increasing or decreasing their value based on the amortization option code. The amortization is computed over the expected life of the security, from the purchase discount/premium to a relevant date. Using the straight-line method, the system amortizes the average cost of each lot for average cost accounts. Using the constant yield method, the system amortizes the weighted average yield per lot.

The assets are priced daily at their current market value and an unrealized gain/loss (between the amortized cost and the market value) is generated.

**Other terms used for constant yield are effective interest and scientific method.*

4. **For each country in which you have a custodial relationship, what is your policy toward crediting of interest and dividends on payable dates? Are income payments credited in same day funds? Are there any exceptions? Please list all payable dates for all income types.**

U.S. Income Crediting

Interest, dividends, and maturity payments collected through a depository are credited and available for investment on payable date (unless otherwise specified below).

Security Type	Income Credit Date
U.S. Equities	Payable Date
ADR/GDR/Blended Securities (e.g., SPDRs)	Receipt Date
U.S. Govt. Treasuries	Payable Date
Fixed Rate Bonds	Payable Date
GNMAs	Payable Date
FHLMCs / FNMA's	Payable Date
Floating Rate Bonds	Payable Date*
CMOs	Payable Date*
FHAs	Payable Date
CDs	Maturity Date
Real Estate	Receipt Date
Private Placements (including those held at a depository/ subcustodian)	Payable Date

** If depository held and the rate is known in advance of payable date.*

International Income Crediting

We have a global contractual income crediting policy in 45 markets. These markets and their crediting standards are outlined below:

Country	Dividend Payment Standard	Bond Payment Standard
Australia	Pay Date	Pay Date
Austria	Pay Date	Pay Date
Bahrain	Pay Date	Pay Date
Belgium	Pay Date	Pay Date
Bermuda	Pay Date	Pay Date
Bulgaria	Pay Date	Pay Date
Canada	Pay Date	Pay Date
Cayman Islands	Pay Date	Pay Date
China (Shanghai) (1)	Pay Date	Pay Date
China (Shenzhen) (1)	Pay Date	Pay Date
Clearstream	Pay Date	Pay Date
Cyprus	N/A	Pay Date

Country	Dividend Payment Standard	Bond Payment Standard
Czech Republic	Pay Date	Pay Date
Denmark	Pay Date	Pay Date
Euroclear *	Pay Date	Pay Date
Finland	Pay Date	Pay Date
France	Pay Date	Pay Date
Germany	Pay Date	Pay Date
Greece	Pay Date	Pay Date
Hong Kong	Pay Date	Pay Date
Hungary	Pay Date	Pay Date
Ireland	Pay Date	Pay Date
Israel	Pay Date	Pay Date
Italy (2)	Pay Date	Pay Date
Japan	Pay Date	Pay Date
Jersey	Pay Date	Pay Date
Malaysia	Pay Date	Pay Date
Malta	Pay Date	Pay Date
Mexico	Pay Date	Pay Date
Netherlands	Pay Date	Pay Date
New Zealand	Pay Date	Pay Date
Norway	Pay Date	Pay Date
Peru	Pay Date	Pay Date
Poland	Pay Date	Pay Date
Portugal	Pay Date	Pay Date
Singapore	Pay Date	Pay Date
Slovak Republic	Pay Date	Pay Date
Slovenia	Pay Date	Pay Date
South Africa	Pay Date	Pay Date
Spain	Pay Date	Pay Date
Sweden	Pay Date	Pay Date
Switzerland	Pay Date	Pay Date
United Kingdom	Pay Date	Pay Date
United States	Pay Date	Pay Date
Uruguay	Pay Date	Pay Date

FOOTNOTES:

* All currencies that are contractually eligible in the local market are also contractual at Euroclear.

(1) Dividend rates are announced in RMB, and at the same time, the listing company will announce the exchange rate of USD in Shanghai market and of HKD in the Shenzhen market. Subcustodian credits income in USD and HKD in Shanghai and Shenzhen respectively.

(2) Contractual income payments may be contingent upon receipt of proper tax documentation.

In all markets listed above, interest payments for bonds out on loan over record date are paid contractually on payable date.

Income collection in the remainder of the countries is based on actual crediting of the funds. In all other markets income is credited to client accounts upon actual receipt of funds by the Bank of New York Mellon. In general, income in all of the markets is credited to client accounts on income payable date.

In those instances where dividends would require a debit from the client account due to non-payment from an issuer or rate changes requiring an updated entry, we will provide 24 hours notice to the client for US securities and 72 hours for global securities before removing the funds from the account so as to mitigate overdraft situations.

5. Are funds available for reinvesting on contractual or actual settlement date? Please discuss.

Please refer to our response to *Question #2* above in this section for information regarding our contractual settlement date policy.

6. Describe the processing of tax reclaims on foreign income (by country).

The Tax Reclaim Group consists of 150 full-time professionals whose sole responsibility is to process client documentation, ensure client documentation is in place in local markets to establish tax relief at source or tax exemption, file tax reclaims when necessary, and monitor and collect foreign tax reclaims.

Our dedicated Tax Reclaim Group files for exemption or relief at source in markets, when possible, on behalf of our clients and completes the filing requirements for tax reclaims where appropriate. In countries that provide tax relief at source, the Tax Reclaim Group ensure that for properly documented clients, there is no withholding in excess of what the foreign investor owes under the applicable treaty between the investor's country of domicile and the taxing country. The client's responsibility is to provide the required documentation for qualification. We work directly with foreign agents and the tax authorities on behalf of our clients to support their reclaims based on the documentation provided by the client, as to their IRS status, structure, purpose, and presence overseas. In addition, our sophisticated Tax Reclaim System automatically generates that reclaim receivables which are monitored and tracked throughout their lifecycle until collection. Automated management reporting is used daily to ensure reclaims are processed and collected in accordance with BNY Mellon's pre-established standards.

A stand alone Tax Reclaim Control Team operates separately from the Tax Reclaim Operation Team, separately monitoring all tax reclaims to ensure timely processing and collection. The control team produces its own management reporting and conducts weekly control meetings to obtain updates in each market from the operations team.

Internally Developed Tax Reclaim System

The Tax Reclaim System facilitates the processing and receipt of all tax reclaims. This tracking, printing, monitoring, and processing system is maintained on our mainframe custody system. Our process includes monitoring reports, which are regularly forwarded to the subcustodians for follow-up with the local tax offices. The system also tracks the status of receivables against the statutes of limitations in each country. The Tax Reclaim Team constantly monitors reclaims approaching statute of limitations and follows up with clients to ensure that the required documentation is received before the statute expires.

The benefits of our internal mainframe Tax Reclaim System include the following:

- Reduces manual processing

- Automatically generates tax reclaim records
- Automatically prints tax forms to specifications of local tax authorities
- Processes multiple reclaims as one entity through the reclaim filing procedure
- Full integration of the Custody Management System and the Institutional Accounting System
- Ability to monitor subcustodian performance
- Ability for management to better track reclaims that are outstanding due to lack of documentation

We utilize E&Y tax consultants and KPMG's GLOWTRACK tax application for comprehensive information on both statutory tax rates and treaty information. Our subcustodian banks also identify and interpret changes to the local market tax structure.

Efficient Tax Reclaim Procedures

Our Custody Management System (CMS) establishes tax receivables and provides status tracking and reporting on a daily basis. Taxes are withheld on actual payable date of the dividend. They are reported on the same day that the dividend is posted and available for review on our online platform, *Workbench*. Simultaneously, the posting of the dividend systematically generates a reclaim receivable.

CMS maintains ten different status codes that identify the status of all steps of the reclaim process, which are maintained and reported on a daily basis. We have established standards for "normal" time allotments for each step in the reclaim process. All exceptions are reported to management on a weekly basis.

Tax Reclaim Reports

We carefully monitor and account for all tax reclamation items. Our multicurrency accounting and reporting system generates interest and dividend receivable reports at period-end, which are included in the client report package.

These reports provide:

- Security description
- Ex and pay dates
- Shares/par value and dividend rate
- Tax percent

Specifically, our reports reflect:

- Tax amount of each income receivable
- Tax expense amount of tax withholding that cannot be reclaimed
- Refund amount that can be reclaimed

The refund amount will appear on the interest/dividend receivable reports until collected by the subcustodian and credited to your account. The client or the client's investment manager can, therefore, easily track reclaim activity in each country.

Filing Frequency

The table below summarizes the filing frequency, payment standards, and statute of limitations in each country where reclaims are available.

Countries	Filing Frequencies	Payment Standards	Statute of Limitations
Australia	Upon receipt of exemption	4 – 6 months after filing date.	7 years after payment date.
Austria	Within 30 days of reclaim generation provided all the documentation is on file.	3-6 months after the filing date.	5 years from the end of the year in which the dividend was paid
Belgium ***EDS Filing available for ADRs	Within 30 days of reclaim generation provided all the documentation is on file.	18 months after the filing date, if tax forms filed through the standard reclaim procedure. 2-3 years if filed using the long procedure – Any client who is filing for a full 25% reclaim. This would include clients who provided an attestation after the time to receive the exemption on the dividend passed.	5 years from the end of the year in which the dividend was paid
Canada ***EDS Filing available for ADRs	Within 30 days of reclaim generation provided all the documentation is on file.	Payment standard is 18 months after proper documentation is filed and accepted by local tax authorities.	2 years from the end of the year in which the dividend was paid.
Denmark ***EDS Filing available for ADRs	Within 30 days of reclaim generation provided all the documentation is on file.	2-4 weeks after the filing date.	The statute varies based on the domicile of the investor: <ul style="list-style-type: none"> • Effective 01/01/2008, the statute of limitations for the majority of domiciles is 3 years from pay date. For dividends paid between 1992 and 2007, a statute date of 01/01/2011 will apply. • Germany: 4 years from the end of the year in which the dividend was paid. • Netherlands, Switzerland and Austria : 3 years from the end of the year in which the dividend was paid.
Estonia	Within 30 days of reclaim generation provided all the documentation is on file.	Varies	The statute of limitations is 3 years after the payment date.
Finland ***EDS Filing available for	Within 30 days of reclaim generation provided all the documentation is on file.	3-6 months after the filing date.	5 years following the year the dividend paid.

Countries	Filing Frequencies	Payment Standards	Statute of Limitations
ADRs			
France ***EDS Filing available for ADRs	Within 30 days of reclaim generation provided all the documentation is on file.	6-12 months after filing date.	<ul style="list-style-type: none"> • For most domiciles : Dec. 31 of the year two years after paydate. • Netherlands Residents - Dec. 31 of the year three years after paydate. • German Residents – Dec. 31 of the year four years after paydate.
Germany ***EDS Filing available for ADRs	The preferred way to file reclaims is through the EFP process (Electronic Filing Procedure). Reclaims filed via the EFP are paid within 3-6 months. Electronic filing can be completed once a month. Eligible clients with documentation have 6 months after the pay date of the dividend to file an EFP. Long Procedure reclaims can be filed at any time and reclaims are usually paid within 8-16 months.	For reclaims filed the standard procedure payment can be expected 8-16 months after the filing date. For reclaims filed electronically payment can be expected within 6 months.	31st of December 4 years after the ex-date. For example ex-dates in 1999 will expire December 31st of 2003.
Greece	Within 30 days of reclaim generation provided all the documentation is on file.	30 days – 3 months The Ministry of Finance treats reclaims on a case-by-case basis, therefore, the time frame for the reclaim payment may exceed the standard noted	3 years after the date the income was received
Indonesia ***EDS Filing available for ADRs	Standard Tax Reclaim is not offered. This is a Relief at Source and quick refund market only.	Quick refunds are generally paid in 1-3 months.	Quick refunds must be filed by the 4 th calendar date of the month following payable date.

Countries	Filing Frequencies	Payment Standards	Statute of Limitations
Ireland ***EDS Filing available for ADRs	Reclaims are filed quarterly for the current year and two clean-up filings for the previous years.	Approximately 6-9 months from filing date.	Four years following the end of the year the tax was levied.
Italy ***EDS Filing available for ADRs	Relief at Source is the preferred procedure as the reclaim process is lengthy. Reclaims, if needed, will be filed within 30 days of reclaim generation provided all the documentation is on file..	8 to 10 years from filing date. **	4 years from income payable date.
Japan	Within 30 days of reclaim generation provided all the documentation is on file.	Varies from 1 to 2 years depending upon the tax office in Japan processing the tax reclaim	5 years from income payable date.
Luxembourg	Within 30 days of reclaim generation provided all the documentation is on file.	12 months from filing date.	<ul style="list-style-type: none"> • For most domiciles : December 31 of the year following the dividend payment date • US/German Residents : 2 years after the dividend payment date • Netherlands Residents : 3 years from the end of the year in which the dividend paid
Mexico	Within 30 days of reclaim generation provided all the documentation is on file.	2 Months - 1 year after submittal of reclaim	5 Years from date the taxes are withheld
The Netherlands ***EDS Filing available for ADRs	<p>Within 30 days of reclaim generation provided all the documentation is on file.</p> <p>Dutch resident clients are allowed to file only 5 times per year.</p> <p>Tax Exempt Dutch and EU entities, entitled to a full refund, are allowed to file only 5 times per year.</p>	For Dutch clients the payment standard is 6-12 months from the filing date. For non-Dutch clients the payment standard is within 3 months.	<p>5 years from pay date ending on 12/31.</p> <p>For example: Pay Date: 05/01/2005 Statute of Limitation date: 12/31/2010</p>

Countries	Filing Frequencies	Payment Standards	Statute of Limitations
<p>Norway</p> <p>***EDS Filing available for ADRs</p>	<p>1st Quarter of the year following pay date.</p>	<p>6-12 months after NTA determines eligibility of the client's reclaim request..</p>	<ul style="list-style-type: none"> • 3 years from end of calendar year except the following domiciles: • Germany-4 years from end of calendar year • The Netherlands-5 years from end of calendar year for Netherlands domiciled clients <p>For all EEA module reclaims, statute of limitation is 3 years, from end of calendar year, with no exceptions.</p>
<p>Poland</p>	<p>Within 30 days of reclaim generation provided all the documentation is on file.</p>	<p>Payment standard is 2-4 months.</p>	<p>Statute of limitations is 5 years from January 1 of the year following income payment.</p>
<p>Portugal</p>	<p>Within 30 days of reclaim generation provided all the documentation is on file.</p>	<p>Standard is 3-5 years after date of filing, but can be longer. Reclaim refunds are currently delayed by PT authorities.</p>	<p>Statute is 2 years from Dec. 31st of the year the dividend paid.</p>
<p>Puerto Rico</p> <p>***EDS Filing available for ADRs</p>	<p>Within 30 days of reclaim generation provided all the documentation is on file.</p>	<p>No Standard time frame is provided. Reclaims are filed on a best efforts basis. Puerto Rico is known to dishonor most reclaim requests.</p>	<p>3 years from the date the tax was withheld or erroneously paid.</p>
<p>Spain</p> <p>***EDS Filing available for ADRs</p>	<p>Reclaims can be filed beginning February 1 of the year following the pay date.</p>	<p>Reclaims filed via the Quick Refund procedure are paid in 1-2 months. A COR is required. The following domiciles are not eligible to participate in the Quick Refund process: Austria, Denmark, Germany, Netherlands, Sweden, Switzerland and the UK.</p> <p>Standard tax refund is 12-36 months.</p>	<p>Statute varies by domicile but for most domiciles its 2 years from Dec 31st of the year the dividend paid.</p>

Countries	Filing Frequencies	Payment Standards	Statute of Limitations
Sweden ***EDS Filing available for ADRs	1 st Quarter of the year following pay date.	Standard tax refund is 3-6 months after filing date.	The statute of limitation is 5 years from income payable date. For Austria domiciled clients – Dec. 31, 2 years after the dividend pay date.
Switzerland ***EDS Filing available for ADRs	Semiannual tax filings in July and February.	Reclaims over the amount of CHF 500,000 will be paid within six weeks of being filed. Reclaims for an amount between CHF 100,000 and CHF 500,000 will be paid within 6 months of being filed. Reclaims below CHF 100,000 will be paid after 8 - 10 months. Tax reclaims filed on behalf of U.S. resident can take up to more than a year.	Statute is 2 years for Dutch domiciled clients and 3 years for all other clients; ending by the year end of the following year when the dividend was paid
United Kingdom	Within 30 days of reclaim generation provided all the documentation is on file.	Once a reclaim has been submitted U.K. revenue generally takes form 3-6months to receive reclaim proceeds.	Statute is 5 years from the year the excess tax was paid.

***Although the Treaty with Italy provides for tax reclaims, payments are received sporadically, generally 8-10 years after filing. Clients are encouraged to provide documentation and qualify for relief at source before income is paid in order to avoid over taxation in Italy.*

****EDS Filing stands for DTCC's Elective Dividend System or (EDS). Under EDS clients whose documentation is on file will receive the most favorable rate, either via Relief at Source or Quick Refund (depending on the market), and avoid the reclaim process.*

*****Long Procedure Filing of reclaims happens when the relief at source or electronic filing cannot be obtained. The most common reasons for filing a reclaim via the long procedure are lack of documentation at the time of the dividend payment and cross border securities.*

7. How do you prove accuracy and timeliness of receipts of US and non-US income and capital changes reported by your depositories, agents, and sub-custodians?

We accrue all interest and dividend income for each individual security via our multicurrency accounting system. Therefore, the amount of income due in local currency is known prior to payable date. If there are delays in the crediting of income, we address the collection on an individual security basis. For foreign securities, we submit a direction to the subcustodian to seek the proper payment. The subcustodian is required to submit the claim and to follow up on all collection progress. The Custody Management System automatically tracks all claims via an Aged Receivable Report that is generated and distributed to the Client Team daily.

The Accounting & Reporting representative reviews and reconciles interest and dividend discrepancy reports that identify securities that have received no payment or have received a payment that does not equal the amount accrued. The team immediately confers with the Income Collection Unit to confirm that action has taken place (tracking payments, filing claims, etc.). In addition, the Income Collection Unit uses the internal Tax Reclaim System to monitor claims that are due, filed, and past due.

The U.S. Custody Group reconciles ex-dividend and record date holdings to the depository and paying agent positions to ensure timely and accurate resolution of any proof problems on or prior to payable date. Procedures and controls are in place with both the U.S. Custody Group and the Client Service Team to facilitate timely receipt of income and timely initiation of claims.

Corporate Actions

BNY Mellon Asset Servicing maintains a dedicated group of corporate action specialists who are responsible for all aspects of corporate action notification and processing. Our corporate action notification procedures focus on control and optimum turnaround of information through automation to ensure that our clients, or their investment managers (when this responsibility is delegated), have sufficient time to study the action and to submit an informed response.

With the diversity of information received for both our U.S. and international markets, we work to use the most comprehensive sources of information, often comparing data so that accurate and timely notification is provided to our clients. In the U.S. market, information received from our primary sources is sent out automatically on mandatory actions and, for voluntary actions, as soon as confirmation is received on pertinent details (rates, terms, dates). For international markets, we seek information from vendors for initial details on actions and promptly notify clients once confirmation is received from our subcustodian in the applicable market for the dates appropriate to that action.

8. Describe the process for communicating with the investment managers serving your master custody clients.

At BNY Mellon Asset Servicing, client service is our first priority. Since your investment managers are crucial to your success, we consistently do everything we can to help them meet your needs. We currently have two groups who work with investment managers for the day-to-day operations. One works in a client service capacity, Investment Support Services (ISS), while the other concentrates on securities processing, Instruction Processing Group (IPG).

The ISS Team interacts with more than 900 external investment management firms. This group acts as the investment managers' single point of contact for all operational aspects of their accounts with BNY Mellon. Each ISS team has a dedicated IPG team assigned to their specific set of investment managers. This allows us to efficiently manage the trading and settlement workflows and capture any market or STP challenges we may face with the Investment manager community.

Our goal is to centralize our servicing to the investment management community and provide investment managers with a daily contact at BNY Mellon Asset Servicing for trade processing and cash management questions. Organizing around the investment managers positions our staff to better understand each investment manager's style and strategies and to provide a more effective, efficient, and consistent level of service.

The investment manager will also be assigned a Relationship Manager, and this group's responsibilities include:

- Communicating with investment managers who serve our clients to ensure that we understand their needs and they understand our securities processing operation.
- Continually evaluating and upgrading the services we provide to the investment management organizations. We take our annual Investment Manager Survey very seriously, and we respond as quickly as possible to any suggestions for service improvement.
- Providing our clients' investment managers with online access to the trade data they need in order to do their job effectively upon the terms of our standard online access agreement.
- Promoting the use of secure means of electronic trade and reconciliation communication.

9. Describe the reconciliation and audit procedures as they relate to the investment manager reconciliation process.

Investment Manager Reconciliation Process

We recognize the importance of providing accurate accounting reports in a timely fashion. In order to accomplish this for you, we would propose to implement a pre-reconciliation process with your investment managers. Our reconciliation process will be tailored to address your specific concerns and needs to ensure your complete satisfaction.

Each account undergoes a rigorous reconciliation process before a finalized accounting statement is produced. Reconciliation procedures used vary depending on several factors including account size, asset type, the required reporting schedule, and transaction volume. There are three types of reconciliations that can be done on a client's account. We have described each of these below.

Pre-Reconciliation with Investment Managers

As a standard practice, we work pro-actively with our clients' investment managers in a pre-reconciliation process to verify the accuracy of reports. At BNY Mellon Asset Servicing, we view the pre-reconciliation process as integral to delivering timely and accurate reports to our clients within pre-established standards. The following is an example of the process, but each client has a specific report delivery timeframe established during the conversion process.

- Investment managers access preliminary data from *Workbench* after month-end. On the second and third business days, your Client Team works proactively with the investment managers to identify all items needing review.
- Any items out of tolerance will be reviewed and corrected, if needed, by the morning of the fifth business day.
- After the reconciliations are completed, the final accounting statement is produced and delivered by the fifth business day.

"Auto-Reconciliation" with Investment Managers

- Your Client Accounting & Reporting team will manage your entire pre-reconciliation process for your investment managers and report back to them on a daily basis. This process and the reporting will be completely customized to meet your needs. The basis point tolerances for each portfolio or each asset type will be determined based on your requirements and the frequency and amount of detailed reporting will be designed based on your specifications.
- *Workbench* provides investment managers (as well as clients and consultants) who have executed our standard online agreement with online access to all activity on a daily basis. Each manager has the ability to formally review its portfolio online as part of the month-end process. This "auto-reconciliation" is completed before the final accounting statement is generated so that the reports delivered to the client are consistently accurate.

- Several of our U.S.-based and London clients use the SmartStream reconciliation system to reconcile cash and securities. Any reconciling items are automatically extracted and deployed through our Web online product.
- *Workbench* also provides greater flexibility with the pre-reconciliation process due to its ability to copy files into Excel. We have created the pre-reconciliation format and report from *Workbench* for the investment managers. This has generated a quicker response and turn-around time and has shortened the entire month-end process.

Reconciliation Letter

As a further guarantee of accuracy, our month-end report package for investment managers includes a final reconciliation letter. Differences between the manager's records and ours must be detailed by an authorized member of the investment firm and returned to us. Your Client Accounting & Reporting Services Manager endeavors to ensure that these differences are resolved immediately.

- 10. Discuss your procedures for tracking failed trades and reporting failed trades to the client. How quickly are failed trades reported? Do you guarantee proceeds? If so, in which markets?**

Failed Trades

As part of our efforts to keep failed trades to an absolute minimum, we use systems automation and advanced communication technology to help achieve timely and error-free transaction processing. We use automated links with clients, investment managers, and depositories to aid in capturing "good" trade instructions at the outset.

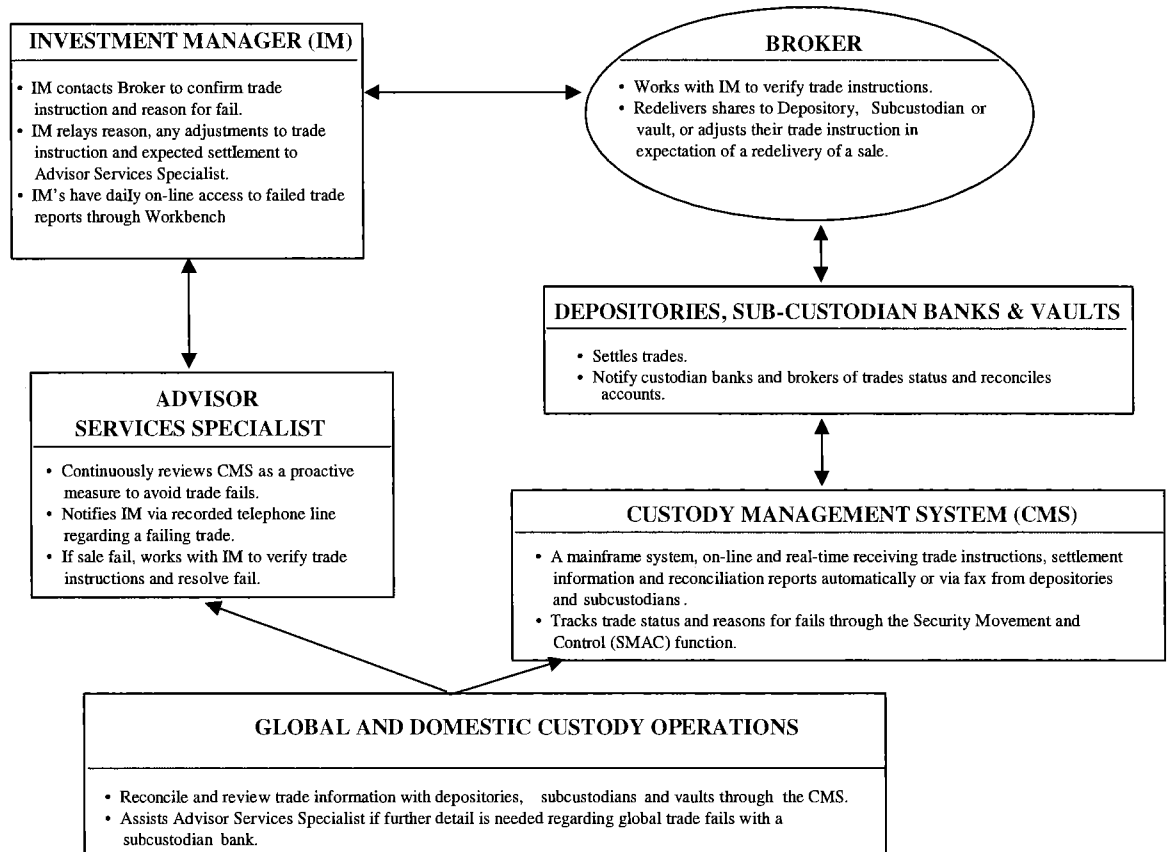
Once instructions are received electronically, they are processed through our Custody Management System (CMS) for editing and verification prior to posting to the system. CMS has been explicitly designed with edit checks that prevent "bad" trade instructions from posting automatically. These edit routines include cross checks on security identification, holdings in an account to ensure sufficient shares for a sale, verification of calculations applied to the trade, and account verification.

On Settlement Date minus 1 (SD-1), your assigned Investment Support Services Specialist reviews any un-affirmed trades and works with your investment managers to confirm that they are good trades. Investment managers using *Workbench*, our online service, have direct access to their portfolios. This allows them to review each trade and, then work directly with the broker, prior to contractual settlement date, to resolve any discrepancies.

If a trade should fail, the Investment Support Services Specialist will notify the investment manager (via recorded telephone) and assist in correcting the problem until an efficient settlement has occurred. The reason for the fail will be recorded on the trade detail record, for reference and review. The majority of fails result from late notification or incorrect trade information received from investment managers.

Please refer to the flow chart on the following page for a graphical description of the communication process for a failed trade.

FLOW CHART OF COMMUNICATION PROCESS FOR A TRADE FAIL



Online Viewing of Trade Status

Through *Workbench*, investment managers and clients can view trade status real-time each morning. We have also developed a report of all failed trades and currently provide the client with this information each day.

For those clients and investment managers without online access to trade activity, your assigned Investment Support Services Specialist notifies them of all fails via a recorded telephone line. In addition, we can provide the client and/or investment manager with a Daily Cash Statement via facsimile by 10:00 a.m. ET, for monitoring global transaction activity. This report illustrates the prior day's transactions by currency (a separate page is provided for each country) including pending trades/FXs, securities out on loan, securities out for registration, cash balances, and any failed trades, etc.

Guaranteeing Proceeds

Please refer to our response to *Question #2* above in this section for an overview of our contractual settlement date policy.

11. How do you handle corrections/reversals? Do you reissue statements?

Our systems contain extensive edit and verification routines designed to identify errors and eliminate the potential for reporting inaccurate information. If an error is identified after the accounting reports are finalized, the following occurs:

- If the error is detected prior to the close of the month following the reporting period (e.g., an error within a March report is discovered in April), we re-open the books on our accounting system to correct the error and generate a new report. At the same time, our performance system shares the databases of the accounting system and adjusts returns accordingly.
- If the error is discovered more than thirty days after the close of the reporting cycle, the error is cancelled and re-entered, if appropriate, and reported on the next available reporting period. The appropriate effective date of the transaction (e.g., prior-month trade date) is captured on the accounting and performance systems and proper adjustments are made.

As long as the accounting period's books are not closed, transactions automatically post to their proper effective date. If the books have been closed and need to be re-opened for proper effective date posting, only the Accounting and Reporting Supervisor or the Accounting and Reporting Manager is authorized to perform this function. Depending on the client's requirements, monthly reports may be re-run.

XV. PORTFOLIO ACCOUNTING

1. **Provide a complete description of your accounting system including, but not limited to:**

Our Institutional Accounting System (IAS) is a true trade date, full accrual, multicurrency accounting and reporting system. We developed IAS internally, and our dedicated systems staff performs all maintenance and upgrades. Accounting and valuation are performed daily. IAS operates in a real-time, online mode and supports all types of assets, including equity, debt, short-term, mortgage-backed, currency, foreign exchange, options, futures, and all derivative securities in either a single or multicurrency mode. Built upon a true general ledger structure, its built-in controls and crosschecks minimize errors in processing even the most complex international transactions.

Our Institutional Accounting System (IAS), a completely automated system, provides accounting for both global and U.S. portfolios, including:

- Four simultaneous currencies per transaction (settle, base, local, and income)
- Interest and dividend reclaim processing
- Multicurrency general ledger processing in any base currency
- Simplified foreign exchange contract execution and settlement
- Unique foreign asset processing, such as negative interest trading
- Foreign derivative processing and reporting
- Amortization of Canadian, U.S., and international securities
- Support for multinational accounts
- Separate currency and investment gain/loss accounting
- Multicurrency inquiry and reporting
- Plan accounting / unitization

Our multicurrency accounting system reports information in a simplified base currency or in multicurrency styles formats, breaking out investment and currency gain/loss on both a realized and an unrealized basis. The multicurrency reports display both base and local amounts for all information maintained, as well as the translation between the two (exchange rates, local prices). The base reports show the base currency information and base realized/unrealized gain/loss information. A client may elect to receive either or both base and multicurrency report styles or any combination of the two.

a) Processing cycles (cut-off, etc.)

We use state-of-the-art online, real-time securities processing systems to support our asset servicing business. Transactions and account balances are processed and updated in an *online, real-time mode*. The nightly batch cycle for our custody application averages less than two (2) hours per night. The scheduled downtime for this application is 10:00 p.m. to midnight EST. Minor batch processing also occurs to receive vendor feeds and subcustodian transmissions.

b) Reconciliation reports, processes and time frames

Ensuring Accuracy of Reports

We strive for accuracy in all of our processing and reporting and maintain many procedures in place to help us achieve this goal.

Daily Reconciliation

For BNY Mellon Asset Servicing, accuracy begins with a rigorous system of computerized checks and controls that continually and automatically monitor your account. Every day, this internal system generates more than 20 exception and control reports, and every day those reports are reviewed and appropriately resolved by the members of your Account Team. These reports include:

- Daily Transaction Report
- Pending Trade Report
- Select Transactions (back-posted transactions, as of trades, etc.)
- Pricing Exceptions by Accounts
- Subsidiary/General Ledger Report
- Cash Reconciliation Report
- Foreign Exchange Reconciliation Report

Monthly Reconciliation

Ongoing daily reconciliations are combined with information generated monthly to produce our month-end report package. To ensure that the information you receive is accurate, your account supervisor conducts a final review before authorizing production and delivery to you.

This step by step, day by day process of checking and rechecking has one objective: to make sure that every report you obtain from us is as accurate as it can possibly be.

Delivery of Standard Reports

Preliminary asset and transaction statements are available online as early as the first business day via *Workbench*. Our reconciled, final asset, transaction, and financial statements are generally available three to five business days after period-end for both individual accounts and consolidations of multiple accounts, provided that we have received all appropriate valuation information. Reconciled statements are available online the same day the hard copy statements are mailed.

In consultation with each client, a customized report production timetable will be developed to meet your specific needs.

c) Interfaces with securities movement and performance measurement systems.

We have a seamless architecture of operating systems that cover the areas of custody, accounting, and performance measurement. Integration begins at the processing level of transactions. Most custodians use the term "integration" loosely; for them, integration occurs only at the point of reporting or online access. With our design, as a portfolio manager invests in different asset types, the multicurrency architecture can settle, account for, and measure performance of these securities on one system, regardless of the country in which they are traded.

IAS is fully integrated with the following core systems:

The Custody Management System (CMS) is an online, real-time, multicurrency processor of security and cash/currency movement and control. Asset location, share availability (on loan, registered collateral), and the status of trades are maintained within the system. As the initial transaction repository, CMS continually transmits data in a real-time mode to our securities lending system, Institutional Accounting System, performance measurement system, and our online reporting system. An extensive set of editing files exists for both custody and accounting data. Front-end checks exist to identify and eliminate any discrepancies before a transaction can post to the history file.

Our Performance Measurement and Analytics System is fully integrated with IAS, sharing common databases including account and security reference files. Interface is accomplished through automatic extractions of holdings and transactions to ensure consistency.

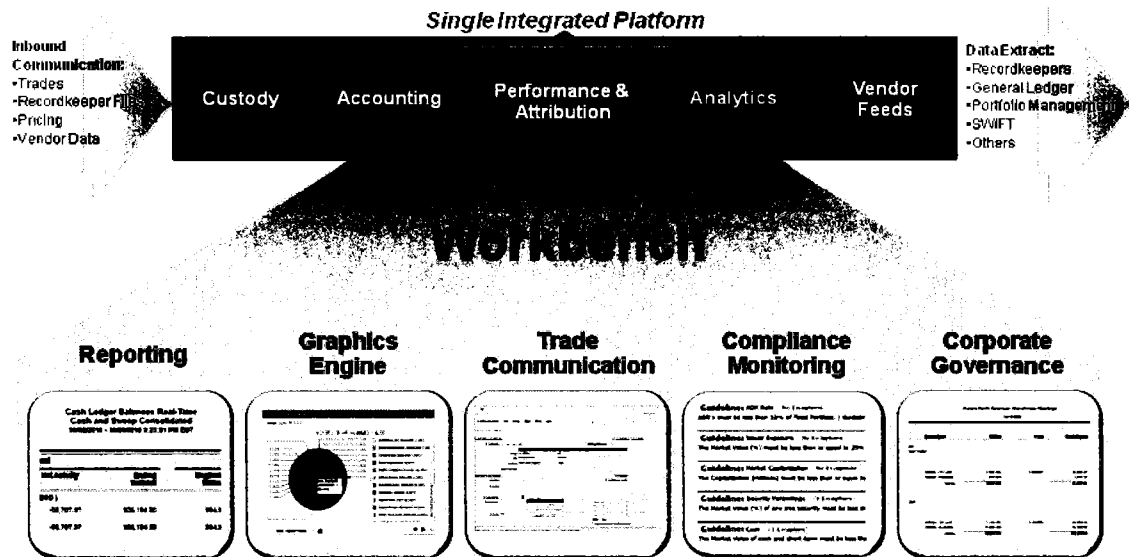
d) The system input/output sources, all data fields captured with accompanying record layout a record description, and security provisions.

BNY Mellon works with all major vendors and has global licenses for data in most cases, we have data extracts to most record keepers, risk and analytic providers, custodians and third party consumers of data. Our industry leading Workbench platform allows for all forms of data to be transmitted through reports or data extracts and we support over 1,000 custom general ledger files for clients today.

We have one fully integrated platform where we process client activity. This environment is capable of supporting all assets and currencies, as well as all transactional activity, including cash flows for your private equities.

To verify the quality of data, trade instructions are subject to a series of built-in edits prior to processing on our custody engine. This information is fed real-time to our accounting engine as well as to our on-line system, Workbench. Our accounting engine is trade date with full accrual and general ledger based. The accounting team monitors and maintains this information on a daily basis. This data then flows directly into our performance and risk analytics engine. Additionally, we receive various data feeds from outside vendors for information such as pricing, ratings, security identifiers, etc.

The data from our custody, accounting, performance and securities lending modules is automatically fed into Workbench. The interconnected platform ensures that the data available through Workbench is always identical to our internal platforms, eliminating the need for reconciliation. It is also important to note that we do reconcile your separately managed accounts with the investment managers to ensure the accuracy of your data.



e) Authorization and verification of transaction entries.

A quality measurement standard exists for every function and is tracked continually. The causes of any sub-standard performance are identified, and an appropriate resolution plan is developed and monitored closely.

Validation of accounting accuracy begins within our accounting system. A fundamental principal of our accounting control is the use of a double entry accounting system, the foundation upon which our Institutional Accounting System (IAS) was built. This system maintains two sets of accounting files: General ledger (GL) files are maintained to report summary level information, and subsidiary files are maintained to provide the supporting details. On a daily basis, our general ledger files are reconciled to our subsidiary files to ensure that they are in agreement. If the balances are not in agreement, a control report that identifies the variance is generated. All variances must be resolved within twenty-four hours.

In order to ensure the quality of the data entering IAS, we have designed several front-end edits, which verify the integrity of the data. For example, an edit in place verifies interest bought and sold on fixed income securities. The interest on the trade is calculated by the system and compared to the amount entered for the trade. If the two amounts differ, then IAS will not accept the trade until further research is conducted to reconcile the difference.

In addition to systems controls, each job function in the accounting unit is structured to employ a check and balance system across all team members. For example, supervisors monitor the status of the reconciliation process performed by the Specialists. Certain systems capabilities can be executed only by account managers. This ensures that critical functions are performed by senior level team members with the appropriate expertise.

Each week, 1,150 different aspects of our accounting and reporting processes are measured. Senior executives meet monthly, and, with the help of these reports review the elements of our accounting and reporting systems that most directly affect our performance. For example, the Custody Operations Group produces a weekly report tracking such items as open DTC proof items, depository sale fails, physical sale fails, foreign exchange processing and fails, trade processing and fails (in each country and by subcustodian), dividend and tax reclaim processing, etc.

Any quality control reports are available to clients. In many instances, we have worked with existing clients to provide them customized quality control reports. We would welcome the opportunity to discuss any client-specific quality reports that can be developed and delivered to assist in your oversight of the plan assets.

f) Integration of systems for non-US and US securities.

We have designed *one system* for all domestic and global securities regardless of asset type, currency, or settlement location. Our internally developed, online security movement and control system provides real-time trade status, security positions and multi-currency cash movements. We project foreign exchange settlements in both base and local currency.

All reports available on *Workbench* can be provided in full multicurrency with up to four currencies per transaction.

g) Accrual accounting capabilities including transactions not accrued.

Pending Transactions

Our accounting and reporting system recognizes pending purchases and sales daily, as well as at period-end. Since our system has a dual-entry general ledger foundation, asset positions pending settlement are automatically adjusted by corresponding/offsetting payables and receivables. In addition, a trade preceded by an asterisk denotes a pending transaction at period-end on our transaction statement.

Dividend Accruals

We receive notices of expected dividend events from vendors and subcustodians each day and add this information to our security reference file prior to each processing cycle. During processing, we examine this file to determine issues that contain an ex-date on or before the processing cycle posting date. The position file is then accessed to extract all the holders of the issue, and a dividend accrual transaction is generated and posted to both a general ledger file and a dividend file.

The dividend accrual entry is posted on ex-date of the dividend as a debit to "dividends receivable" and a credit to "dividend income".

The dividend file is used to monitor the timely receipt of the cash dividends. It is also used to support the dividend receivable, as shown on the "Statement of Net Assets" for each client reporting date.

Interest Accruals

Interest is accrued daily. An interest file is maintained which contains the interest purchased, interest earned, interest received, and the interest receivable on all interest-bearing securities for an account. There are currently 13 different interest accrual calculations reflecting the different ways fixed income investments accrue.

An interest accrual formula is applied against each holding to determine the daily earnings per issue. The total of daily earnings for an account is posted on each processing cycle to the general ledger accounts, "interest receivable" and "interest earned".

Interest accruals are calculated on contractual settlement date of the purchase through the date preceding maturity, contractual settlement date of a sale, or interest paydate.

h) Capability to record and report in both local and US currency.

IAS has the ability to track assets, liabilities, and income in both local and any base currency and segregates unrealized appreciation/depreciation into investment and currency gain/loss. Reports display both local and base cost and market values.

IAS supports up to four simultaneous transaction currency types where needed. These four currency types represent the maximum number possible for a given transaction and are:

1. Base - the functional currency of the client.
2. Local - the currency of the exchange on which the security was acquired. Local investment cost and investment gain/loss are always tracked in this currency.
3. Accrual - the currency of the security issuer. Local interest and dividend accruals are tracked in this currency.
4. Settlement - the currency in which a trade is settled or in which cash is transacted.

2. Describe the history of the accounting system(s) and any major system enhancements that have occurred in the last three years. What changes are planned for the future?

Our Institutional Accounting System (IAS) was developed internally in 1989.

Recent Accounting and Reporting Enhancements

Enhancements over the past three years include the following:

2009

- Improved Reporting Menu with Option to Manage Report Favorites, View Recommended Reports via Ratings, Search and Preview Report Samples
- Enhanced Drilldown Accounting Reports with Futures Processing
- General Ledger Report Writer
- 5500 Reports Available in Drilldown and Download Formats
- Global Class Actions Reports to Include Pre-Settlement Information as well as Intra-Day Updates to Claim Status Changes
- 100 Standard Report Enhancements
- 100 Client Custom Projects

2010 – 2011

- Interactive Reporting and Report Writers
- Custom Asset Classification and Groupings
- Manage Reports, Schedules and Distributions through Custom Binders
- Quarterly and Annual Scheduling of Reports
- Combined Analytics and Holdings Report Writers
- Drill Down on STIF Vehicles to View Underlying Fund Positions

- 175 Standard Report Enhancements
- 100 Client Custom Projects

We built our reporting and information delivery service on a very flexible platform that allows us to customize and enhance reporting as client and industry needs change. We will continue to enhance and develop our information delivery service based on input from our strategic client partnerships.

Planned Accounting and Reporting Enhancements

Current efforts underway include:

- Expansion of our futures and derivatives processes and reconciliation to automate centrally cleared swap margin processing and lifecycle automation
- Expanded use of FinCad calculators which were recently developed for internally calculated market values of derivatives intended for comparison purposes to client utilized sources
- Industry and regulatory signature ready reporting offering and enhancements
- Development of hedge fund transparency in addition to continued alternative investment accounting and reporting (private equity, real estate, bank loans, etc) to support transparency and integration with marketable investments
- Use of derivative developed business day and holiday calendar automation for short term investments accrual and payment calendars for increased accuracy
- Partnership accounting and advanced earnings allocation capabilities to support various pooling vehicles and strategies
- Expanded regulatory support of book and tax calculations for all industry standards and local GAAP basis
- Enhancements to real time earnings process to provide increased flexibility and to provide additional methods of allocating earnings components
- Enhancing solutions for private investments and alternative investments
- Pricing transparency and roll out of recently developed trade price database to challenge vendors and for pricing vendor reviews
- Continued reporting development of accounting and performance data through interactive reporting allowing for flexible per client customization within our *Workbench* information delivery platform

3. What is the lag time between trade execution, availability of on-line transaction data to the ERSRI, and the posting of the transaction to your accounting system?

Typical total “time in flight” between trade execution and posting to our accounting system is normally one-half second.

The cash availability and forecast reports have real-time updates during business hours. Clients also have real-time access to custody share reports, pending trades, transaction settlements, and estimated valuations of their portfolios. Accounting reports are updated on an overnight basis. Accounting reports include data elements such as market and book values, accruals, unrealized/realized gain and loss along with general ledger activity and balances.

4. Describe your procedures for computing and reporting realized gains and losses on securities sold:

a) For US-denominated securities

b) For non US-denominated securities

- Total

- From currency changes

- From market price changes

We maintain an unprecedented ability to calculate and report realized and unrealized gains, both currency and market, for U.S. dollar denominated and non-U.S. dollar denominated securities.

Unrealized currency and investment gains and losses on U.S. dollar and non-U.S. dollar-denominated securities are calculated and reported daily.

U.S. Dollar-Denominated Securities

For U.S. dollar-denominated securities, the amount of unrealized gain/loss is the difference between the current market value of the holding and the current accumulated cost. Change in unrealized appreciation/depreciation is the difference between the prior and current period's accumulated unrealized appreciation/depreciation.

Realized gains and losses on U.S. dollar-denominated securities are calculated and reported at the time of disposition. The proceeds from the sale of a security, minus the cost assigned to the position being sold, equals the realized gain or loss. The accounting method you have selected will determine the cost assigned.

Non-U.S. Dollar-Denominated Securities

Unrealized and realized gains and losses in local currency for non-U.S. dollar-denominated securities are calculated and reported in the same manner as described for U.S. Dollar-denominated securities.

The base equivalent unrealized appreciation/depreciation of a non-U.S. dollar-denominated security has two components: investment and currency.

The investment portion is calculated as follows:

$$\begin{aligned} & \text{[Local Market Value minus Local Cost]} \\ & \text{x Valuation Date Spot Exchange Rate} \end{aligned}$$

This amount represents the portion of the total unrealized appreciation/depreciation on the asset that is due to the market appreciation/depreciation.

The currency portion is calculated as follows:

$$\text{[Local Cost x Valuation Date Spot Exchange Rate] minus Base Cost}$$

This amount represents the portion of the total unrealized appreciation/depreciation that is due to the change in exchange rates between the local and base currencies.

Unrealized base currency appreciation/depreciation is also calculated daily on all payables, receivables, and currencies.

Four types of realized gains/losses are calculated and reported in connection with non-U.S. dollar-denominated securities.

- Investment gain/loss on the sale or disposition of a security is calculated as follows:

$$\begin{aligned} & \text{[Local Proceeds minus Relieved Local Cost]} \\ & \times \text{Sale Trade Date Spot Exchange Rate} \end{aligned}$$

This amount represents the gain/loss portion that is attributed to the market.

- Currency gain/loss on the sale or disposition of a security is calculated as follows:

$$\begin{aligned} & \text{[Relieved Local Cost x Sale Trade Date Spot Exchange Rate]} \\ & \text{minus Relieved Base Cost} \end{aligned}$$

This amount represents the gain/loss attributable to currency exchange rate changes during the period you held the investment.

- Currency account gain/loss arises because of the disposition of local currency to settle the purchase of a non-U.S. dollar-denominated security. It is calculated by comparing the average base-equivalent value of the currency to the disposition date value of the settlement.

Currency account gain/loss may also arise in connection with the acquisition of local currency to settle a sale if, prior to the posting of the sale proceeds, the currency account is overdrawn.

- Settlement gain/loss (or transaction gain/loss) represents the difference between the trade date base value and settlement date base value of purchases and sales of non-U.S. dollar-denominated securities.

All realized and unrealized gains and losses are reported in both local and base, where applicable.

- For all assets, provide information on your primary and supplementary pricing sources, frequency, and the mode of receipt and input of security prices. Describe your process for validating prices and using information from the supplemental sources.**

Pricing Vendors

We receive automated pricing feeds from numerous vendors on a daily basis. The following chart identifies our standard pricing vendors.

Vendor	Account Type Serviced by Vendor	Asset Classes	Primary/Secondary Vendor	Official Default Price Type
FT Interactive Data	Monthly Accounts	All US Fixed Income (excluding Municipals)	Primary	Bid Evaluations
		US Equities		Composite Close
		Equity Options		Close (if lower than bid or higher than ask, Mean is used)
		OTC Equities		Bid
		Mutual Funds		NAV
		Global US Equities		Close
		Global Fixed (Excluding Canada)		Bid Evaluations

Vendor	Account Type Serviced by Vendor	Asset Classes	Primary/Secondary Vendor	Official Default Price Type
Standard & Poors	All Accounts	Bank Loans	Secondary	Bid
	Monthly Accounts	US Fixed Income(excluding Municipals)	Secondary	Bid Evaluations
		Municipals	Primary	Bid Evaluations
Barclay's Capital	All Accounts	US Fixed (Lehman Aggregate Index)	Secondary	Bid Evaluations
Morgan Stanley	Monthly Accounts	MSCI EAFE Index Prices	Secondary	Primary exchange close
JP Morgan	Monthly Accounts	US Fixed Income	Secondary	Bid Evaluations
Statpro Canada	Monthly Accounts	Canadian Equities	Primary	Close
		Global Equities	Secondary	Close
		Global Fixed Income		Bid Evaluations
SS&C Technologies	Monthly Accounts	Canadian Fixed Income	Primary	Exchange Close if available; otherwise Mean Evaluation
Bloomberg	All Accounts	All asset Classes	Secondary	Bid for Bonds/Close for Equities
		Futures	Primary	Settle
Reuters	Monthly Accounts	Equity Options	Secondary	Close (if lower than bid or higher than ask, Mean is used)
		Futures/Future Options		Settle
Telekurs	Monthly Accounts	Fixed Income	Secondary	Bid
Markit	All Accounts	Bank Loans	Primary	Bid
Foreign Exchange Rates	All Accounts	WM Reuters*	Primary	11am EST/ 4pm London close
N/A	All Accounts	Short Term Assets and Commercial Paper	N/A	Book Value
OTC Derivatives				
Bear Stearns, Standard & Poors, CSV, Investor Analytics, Mark-it Partners, Super Derivatives	Daily & Monthly Accounts	IRS, CDS, Other Swaps, OTC Options**	Primary	Refer to Complex Securities Group

** The WM FX Rates are closing rates as of 4pm London/11am EST. For Forward Foreign Exchange Rates, BNY BNYM employs standard interpolation methodology based on the WM FX Rates. Bank Standard for Asian Currency forwards (CNY, IDR, INR, KRW, KZT, MYR, PHP, RUB, TWD, UAH, VND) are the NDF (non deliverable forward) rates.*

*** Pricing for the OTC Derivatives using the identified vendors is only provided as an additional service, subject to a specific client direction letter. Alternatively, specific price or source direction must be given.*

Securities not priced by vendors like some private placements, commingled funds, limited partnerships, certain derivatives, and real estate assets are priced manually. Our dedicated pricing unit works with investment managers and accounting teams to obtain other pricing sources for those private placements that are not priced by vendors. Commingled funds, partnerships, and real estate assets are priced as directed by the applicable investment manager. If we cannot obtain a price for a security type or asset from our list of vendors or from a client directed source, we will not price the asset. Further to that, we are happy to set up a procedure with the client in regards to a "hard to price" or "single pricing source" security according to the wishes of the client.

Pricing Procedures

Because of the importance of correctly pricing all securities, we have placed this responsibility with a centralized group of pricing specialists. Constant attention is paid to the process, and revisions are made where appropriate. Vendors are reviewed regularly for quality and coverage, and additional vendors are hired as desired.

We perform a rigorous systematic verification review of all securities pricing to strive for the most accurate price possible.

- At the time of acquisition, each security is assigned an official pricing source, based on its characteristics. The official pricing source is the primary vendor responsible for pricing that security. We receive coverage from at least two other vendors on most assets.
- Using an automated inter-source tolerance report, pricing specialists validate all issues with an inter-vendor variance over 2% at the asset class level. Automated daily and month-end pricing tolerance reports are created to monitor exceptions. Variances are reported when:
 - The asset's price change exceeds an acceptable tolerance benchmarked against major market indices
 - The vendor-supplied data varies from other sources by greater than 2%
 - A price is stale or missing

Once variances are identified, a team of pricing specialists who have knowledge of all security types and marketplaces researches issues.

Variance beyond Tolerance

Vendor price variances are reported when the vendor's price varies by more than the allowed tolerance from the prior month's price. All out of tolerance prices are reviewed by the pricing department staff, as well as the Client Accounting and Reporting Services Team.

Tolerances for various security types are as follows:

- U.S. equity 20%
- U.S. Fixed Income 5%
- Non-U.S. Securities 10%
- Emerging Markets 10%
- Options 100%

Alternative Pricing Sources

While we go to great lengths to determine the correct price for every security held by our clients, we also recognize that there is often more than one appropriate price for a security, especially with respect to fixed income pricing, and we have designed our systems to accommodate client-directed pricing feeds from other sources. The accounting system accommodates up to forty (40) different pricing sources and has the ability to store up to ten (10) prices per security.

6. What is the process of incorporating new investment vehicles into your system? Who is responsible for maintaining your securities database and what are their specific responsibilities?

A dedicated Investment Data Services Group handles all new security set-ups. This group has access to a variety of internal resources and an extensive network of external vendors to obtain new security information. When an account purchases a new security, our Investment Data Services Group is electronically notified.

Due to this dedicated group and internal automation, it is usually not necessary for clients to advise us beyond issuing the original trade instructions.

With a database of more than 1,000,000 records, we can immediately retrieve all relevant security information for set-up. If the security proves to be new to our database, we then work with external vendors, brokers and underwriters to obtain the required information. It is infrequent that such a situation would cause us to contact your investment manager for assistance.

Should we encounter an inordinate issue, we will set-up the security with a new processing type, identify a security most similar to the new one, and closely monitor the accounting methodology. If necessary, we will adjust our ledgers until we can properly identify and account for the security on our system.

From our database, we can immediately retrieve all relevant security information for set-up. If the security proves to be new to our database, we then work with external vendors, brokers, and underwriters to obtain the required information.

7. Discuss your capabilities to report brokerage commissions by account and transactions.

We provide a Broker Commission Report, which captures commission activity from four levels:

- By individual broker within a portfolio
- By individual broker within the entire client account
- Summarized by account
- By individual transaction

Our flexible reporting system allows clients to choose any combination of these sort options. The Broker Commission Report can be produced as part of your standard month-end report package.

8. How do you account for client assets held at a location other than the custodian?

Many clients invest in assets that are custodied by an organization other than BNY Mellon Asset Servicing. These securities are recognized as line items, reflecting units, cost, and the market value of the client's investment provided by the general partner or sponsor of the investment.

9. How are errors corrected and reported to the client?

Our systems contain extensive edit and verification routines designed to identify errors and eliminate the potential for reporting inaccurate information. If an error is identified after the accounting reports are finalized, the following occurs:

- If the error is detected prior to the close of the month following the reporting period (e.g., an error within a March report is discovered in April), we re-open the books on our accounting system to correct the error and generate a new report. At the same time, our performance system shares the databases of the accounting system and adjusts returns accordingly.
- If the error is discovered more than thirty days after the close of the reporting cycle, the error is cancelled and re-entered, if appropriate, and reported on the next available reporting period. The appropriate effective date of the transaction (e.g., prior-month trade date) is captured on the accounting and performance systems and proper adjustments are made.

As long as the accounting period's books are not closed, transactions automatically post to their proper effective date. If the books have been closed and need to be re-opened for proper effective date posting, only the Accounting and Reporting Supervisor or the Accounting and Reporting Manager is authorized to perform this function. Depending on the client's requirements, monthly reports may be re-run.

XVI. REPORTING

- 1. Provide a complete description of your proposed reporting package, including any unique features of your standard and custom reporting packages. Describe your reporting treatment for non-standard securities (CMBS, derivatives, alternative investments, etc.) Provide sample copies of the reports available to clients.**

Standard Month-end Reports

The standard reports listed below are available on a daily and month-end basis. Reports may be received via virtually any medium you select, including through our online Client Reporting platform. You can choose from our library of 450 reports, on a one-time or ongoing basis. All of these reports are available in a wide variety of formats and frequencies, including daily, monthly, quarterly, year-to-date, and annually.

Statement of Net Assets

This report provides a consolidated view of the net asset value of the account: Assets and liabilities, including outstanding payables and receivables. It summarizes general ledger information relating to the value of the portfolio as of the end of the reporting period (e.g., daily, monthly, quarterly, and annually). The value of each line item displayed on this statement is detailed on subsequent reports described below.

Investment Summary

This report displays the total value of assets by major investment type and identifies the cost, market value, and unrealized appreciation value of each asset category of the portfolio. The value under "Total Investments" matches the value of "Investments" reported on the Statement of Net Assets.

Investment Detail

This report provides a detailed description of each security held in the portfolio at the end of the reporting period. The number of shares, cost, price, market value, and unrealized gain/loss are shown for each security. The securities are displayed alphabetically by investment type, and the "Total Investment" figures listed on the last page are equal to the values of "Investments" reported on the Statement of Net Assets.

Purchases Pending Settlement

This report displays all securities purchased that remain unsettled as of the close of the reporting period. Each trade description includes the number of shares, price, settlement amount, and broker, as well as the contractual trade and settlement dates. The "Total" amount pending settlement is equal to the "Payables - Liabilities" on the Statement of Net Assets.

Sales Pending Settlement

This report displays all securities sold that remain unsettled as of the close of the reporting period. Each trade description includes the number of shares, price, settlement amount, and broker, as well as the contracted trade and settlement dates. The "Total" amount pending settlement is equal to the "Securities Sold-Receivables" value on the Statement of Net Assets.

Interest Receivable Report

This report displays all interest income that has accrued but has not been paid as of the close of the reporting period. The report identifies each security's pay date, interest rate, and amount accrued. The "Total Interest Receivable" matches the "Interest-Receivables" on the Statement of Net Assets.

Dividends Receivable Report

This report displays all dividend income accrued that remains unpaid as of the close of the reporting period and identifies each security's pay date, ex date, dividend rate, and amount of dividend accrued. The "Total Receivable" equals the "Dividends-Receiveables" on the Statement of Net Assets.

Statement of Change In Net Assets

This report displays the general ledger information relating to the change in the portfolio's value from the beginning of the reporting period (i.e., last period's close) to the close of the reporting period, and it identifies all receipt and disbursement activity that occurred during the reporting period. The value of each line item displayed on the statement is detailed on subsequent reports. In addition, the value of "Net Assets - End of Period" is equal to the value of "Net Assets" on the Statement of Net Assets. This report also shows all year-to-date activity.

Transaction Report

This report displays detailed information regarding transactions that affected the portfolio during the reporting, sorted by activity type (e.g., receipts and disbursements, purchases, sales, maturities, etc.). The activity is grouped to show details of the appropriate line items identified on the Statement of Change in Net Assets. All trades that are unsettled as of period end, whether the contractual settlement date has passed or will occur in the next reporting period, are noted with an asterisk.

Interest Earned Report

This report displays all interest income received (IT), bought (IB), and sold (IS) during the reporting period, sorted by individual security. It identifies the Total Net Interest Received and then calculates the amount of interest income earned by factoring in the values of accrued interest receivable at the beginning and end of the reporting period. "Interest Earned for the Period" is equal to the value of "Interest - Investment Income" on the Statement of Change in Net Assets.

Dividends Earned Report

This report displays all dividend income received (DV) during the reporting period, sorted by individual security. It identifies the total net dividends received and then calculates the amount of dividend income earned by factoring in the values of dividends accrued at the beginning and end of the reporting period. "Dividend Earned for Period" is equal to the value of "Dividends - Investment Income" on the Statement of Change in Net Assets.

Cash and Book Value Reconciliation Report

This report provides a reconciliation of cash and book value balances for the current reporting period. Cash values associated with trades have been converted from a contractual to a settled basis. Income receipts are also factored in to determine the actual amount of cash on hand at the close of the reporting period.

General Ledger Journal Entries

This report displays any additional transactions manually entered by the Client Accounting and Reporting Services Team. Journal entries are adjustments to individual general ledger accounts and are entered for a multitude of reasons. Typical entries seen on this report are receivables or payables for futures activity, fees payable, or an adjustment to unrealized or realized gain/loss.

Please refer to *Exhibit 5* for our *A Guide To Your Institutional Accounting Reports* and *A Guide To Online Reporting* brochures for sample reports.

Custom Reports

We provide our clients with the tools necessary to create their own customized reports through a sophisticated Report Writer. Clients can define their own customized information using the following Report Writer features:

- Add, edit, or delete customized reports
- Data can be exported directly to Excel spreadsheets
- Produce printed reports or PC download output
- Select fields from the integrated multi-currency database
- Sort rows in any order
- Copy/Paste functionality to other Windows applications to allow for further customization
- Improved efficiency in reporting process via built-in macro feature

Reports can be built from hundreds of data fields that can be displayed in any order desired. Boolean logic (i.e., less than, greater than, etc.) can be incorporated into reports, providing a filtering mechanism such that only the data needed is retrieved.

The Report Writer retains the format and allows immediate modification to the report to get precisely the information needed. This data can be analyzed further by automatically downloading to a spreadsheet application or graphics package, such as *Excel* or *PowerPoint*. All columns are parsed, and the data is formatted appropriately.

We will work with you to assess and develop customized reports needed to satisfy your specific requirements. We recognize that each of our client's needs is different, and thus, we place great importance behind customizing our services. We have a dedicated staff of systems programmers and business analysts who work exclusively on client-specific, custom report requests.

Reporting for Derivatives

Derivatives are reported both in the asset class that they affect and on separate schedules. Currency hedging is reflected by establishing a currency exposure for each currency and adjusting currency exposure by the effect of forward contracts and currency options.

Additional reporting includes exposure reporting from a country, currency and security aspect on both a hedged and unhedged position so that the client can determine the true exposure of a portfolio. Asymmetric reporting is provided to account for options effects.

Workbench Reporting

We also provide a variety of online reporting including:

- Counterparty exposure reporting
- Income and cash detail
- Open position exposure
- Currency and country exposure

Reporting for Alternative Investments

All activity related to your alternative investments, mortgages, and real estate is reflected in our full series of Transaction Reports. All activity is clearly labeled and segregated within these reports for easy viewing. Our transaction reports can also be filtered to reflect only alternative investment, mortgage, or real estate activity if so desired. This reporting is available on-line via *Workbench* on a daily basis. Our standard monthly reports described above also include full alternative investment activity detail.

Activity reported to us from the appropriate manager or administrator is reflected on the month end accounting reports. Transactions that occur throughout the month, for example cash distributions, rents, expenses, etc., are processed on a daily basis and we will use the greatest level of detail available to properly record each transaction. In addition, our flexible general ledger accounting system will allow the client to customize how each type of transaction is recorded and reported. Although most communication takes place via fax, all transaction information is available daily via *Workbench*.

2. Describe your capabilities for consolidated reporting. Include consolidating individual portfolios, accounts, foreign and domestic, etc.

Our accounting and reporting system can incorporate multiple portfolios into one consolidated accounting statement. Several consolidations can be arranged to meet your specific accounting and performance needs. Our consolidations integrate all aspects of individual portfolio accounts including: transactions, accruals, general ledger accounts, and asset listings. The consolidated transactions and asset listings will also display the name of the individual portfolio account.

3. Discuss the timeliness of delivery of statements and reports by hard copy and by electronic delivery. Indicate the availability of electronic feeds for transactions, cash balances, and any other relevant information.

Preliminary asset and transaction statements are available online as early as the first business day via *Workbench*. Our reconciled, final asset, transaction, and financial statements are generally available three to five business days after period-end for both individual accounts and consolidations of multiple accounts, provided that we have received all appropriate valuation information. Reconciled statements are available online the same day the hard copy statements are mailed.

In consultation with each client, a customized report production timetable will be developed to meet your specific needs.

Information delivery is available via a wide variety of modes including:

- Internet, via *Workbench*
- CD ROM
- PC access for data downloads to PC or PC Networks of PC files, worksheets, and other PC file formats
- CPU-to-CPU connection for file transmission to client systems

4. Discuss the types and timing of data available by electronic delivery, for:

a) On-line accounting

As mentioned above, preliminary asset and transaction statements are available online as early as the first business day via *Workbench*. Our reconciled, final asset, transaction, and financial statements are generally available *three to five* business days after period-end for both individual accounts and consolidations of multiple accounts, provided that we have received all appropriate valuation information. Reconciled statements are available online the same day the hard copy statements are mailed.

b) On-line analytics

A daily performance calculation is available every day, and a monthly rate of return is available in a preliminary format as quickly as the second business day of the month and can be viewed online via *Workbench*. Finalized Performance reports are available on a monthly, quarterly, and annual basis, generally *three to five* business days after accounting has been finalized. A mutually agreed upon delivery time frame between the client and our Performance & Risk Analytics group is established in order to satisfy client-specific needs.

c) On-line download of formatted reports

Each standard reports on *Workbench* can be downloaded in a series of standard files formats such as:

- PDF – Portable Document Format
- XLS – MS-Excel
- XML – Extensible Markup Language
- CSV – Comma Separate Values
- TSV – Tab Separate Values
- BMP – Bitmap
- EMF – Enhanced Metafile
- JPG – Joint Photographic Experts Group
- PNG – Portable Network Graphics

d) On-line download of raw data

Content of each standard report on *Workbench* is also available in raw data format. Columns can be organized or suppressed directly within the reporting engine. Additional features such as Custom Grouping and Summation of Data, On the Fly Charting with drill down Capabilities, Sort, Filter and Manage Columns and formulas with standard or custom-built expressions are available and can be downloaded in raw data formats.

e) Report writer access

Custom Reports

We provide our clients with the tools necessary to create their own customized reports through a sophisticated Report Writer. Clients can define their own customized information using the following Report Writer features:

- Add, edit, or delete customized reports
- Data can be exported directly to Excel spreadsheets
- Produce printed reports or PC download output

- Select fields from the integrated multi-currency database
- Sort rows in any order
- Copy/Paste functionality to other Windows applications to allow for further customization
- Improved efficiency in reporting process via built-in macro feature

Reports can be built from hundreds of data fields that can be displayed in any order desired. Boolean logic (i.e., less than, greater than, etc.) can be incorporated into reports, providing a filtering mechanism such that only the data needed is retrieved.

The Report Writer retains the format and allows immediate modification to the report to get precisely the information needed. This data can be analyzed further by automatically downloading to a spreadsheet application or graphics package, such as *Excel or PowerPoint*. All columns are parsed, and the data is formatted appropriately.

We will work with you to assess and develop customized reports needed to satisfy your specific requirements. We recognize that each of our client's needs is different, and thus, we place great importance behind customizing our services. We have a dedicated staff of systems programmers and business analysts who work exclusively on client-specific, custom report requests.

Workbench Client Reporting

We offer **Workbench Client Reporting**, our online information delivery platform, to access all of our clients' account information. This web-based tool has been completely designed and maintained by our dedicated in-house development staff.

With *Workbench Client Reporting*, you can easily retrieve a wealth of information, including the following types of data:

- Domestic and global holdings
- Positions in custody
- Real-time cash and custody activity (i.e., cash forecast, cash availability, settled transactions, status of security registration, and failed trades)
- Dividends and interest earned, received, and balances
- Foreign exchange transactions
- Tax reclaims
- All accounting transactions (i.e., purchases & sales, gains & losses, pending transactions, domestic & foreign)
- General ledger information (i.e., market value summary, net assets, change in net assets)
- Country, currency, and derivative exposure
- Securities lending reports
- Performance attribution
- Universe reports
- Performance data on a daily, monthly, quarterly basis, etc.
- Portfolio analytics (i.e., asset mix by country or class, equity sector diversification, bond sector diversification, fundamental equity, and fixed income risk characteristics)
- Issue-specific analytical data (i.e., financial statement items, growth ratios, earnings per share, daily price/volume)
- Shows all corporate actions (i.e., stock splits, mergers, dividends, etc.) as they occur, including the period of time between trade date and settlement date

- Full multi-currency reporting in up to four currencies per transaction
- One statement detailing all investments, regardless of origin
- Marketed list of assets available in local and/or base currency

Real-time Custody

Clients can access the following information on a *real-time* basis via our *Workbench* reporting engine or inquiry tool:

- Cash balances and cash activity, which includes: contributions and withdrawals, income payments, maturities, and foreign exchange transactions
- Transactions status, which includes: pending, failing, matched, settled, etc.
- Asset positions, which includes: location and status, such as assets on loan, out for re-registration, restricted, etc.
- Corporate action announcements, which includes: pre-settlement information and online response

*Investment accounting, performance, and analytics information is updated on a nightly basis.

5. How long is historical data available on-line and in hard copy?

Workbench maintains historical data online including:

- Accounting Statements (seven years)
- Performance (since inception)
- Portfolio summary analytics (monthly history/summary indefinitely)
- Holdings (real-time, previous business day for 45 prior days and 24 month-ends)*
- Cash (real-time and daily for 24 months)
- Security level analytics (holdings analytics to inception)
- Transactions (daily for 24 months)
- General ledger balances (prior-day, month-end balances for up to 24 months)

Our system maintains a "rolling" 24-month cycle of history. As a new month is closed, the 24th month of the prior month's reporting period is eliminated. If necessary, more than 24 months can be captured.

**It is important to note that we have the ability to store holdings on a daily basis in order to support proof of claim for class actions.*

6. What steps are taken to assure the accuracy of your reports?

Please refer to our response to *Question #1b* in *Section XV. Portfolio Accounting* for an overview of how we ensure the accuracy of reports.

7. Do asset valuations and transaction statements reflect pending transactions? Are they reported separately?

Our accounting and reporting system recognizes pending purchases and sales daily, as well as at period-end. Since our system has a dual-entry general ledger foundation, asset positions pending settlement are automatically adjusted by corresponding/offsetting payables and receivables. In addition, a trade preceded by an asterisk denotes a pending transaction at period-end on our transaction statement.

XVII. BENEFIT PAYMENTS

- 1. For providing periodic and non-periodic pension payments, what system is utilized? Please describe if in-house or outside vendors are utilized. When were the system and the various enhancements introduced? What is the current capacity of the system and how many payments are processed monthly?**

Since 1973, BNY Mellon has been a full service provider of benefit disbursements services using the Benefit Disbursements system. Genesys Software Systems developed the core system. There was an internally developed build-out to support the CIBC Mellon book of business. A second build-out supporting the US domestic benefits was initiated in 2003 and installed in 2004. BNY Mellon programmers have developed additional pieces to the system to enhance the existing system and support the custom requests of our clients. Changes to the system are done as needed in a controlled environment to support our requirements of our clients and to support enhancements to current processes and regulatory changes. Our benefit payment system is in a mainframe environment and is supported by the Corporate Network, which provides connectivity to both PCs and the mainframe.

The Benefit Disbursements system interfaces with BNY Mellon Treasury Services for check issuance and ACH information. Benefit Disbursements in turn receives information from Treasury Services concerning ACH rejects, stale dated checks and reconciled check images, which are available online via *Workbench*. Our benefit payment system is fully integrated with our trust accounting system. A direct communications link with our Trust Department provides for an efficient data flow that simplifies the reconciliation process.

Current production volumes exceed 1,725,000 periodic payments and 53,000 lump sum payments each month. There is no limit to the number of payments that can be produced.

- 2. Do you offer an on-line benefit disbursement system? What is the name of the system? Can you update retiree information, reconcile, make stop payments and print documents or reports through the same system? Please describe if done in-house or through a vendor.**

Yes. Our system is simply called the Benefit Disbursements System, and it is a component of our *Workbench* delivery platform, offers real-time, on-line inquiry and update capabilities via the Internet for both periodic and non-periodic payments. *Workbench* was developed, and is maintained and enhanced, internally.

Clients can choose the level of user access to their data for their staff and third parties such as plan administrators and updates can be easily made online, as well as requesting and reviewing reports generated out of the normal payrun process. The system is extremely user friendly and screens can be accessed by hovering over the Benefit Disbursements navigation bar shown on the home page and choosing a screen from the menu that is exposed.

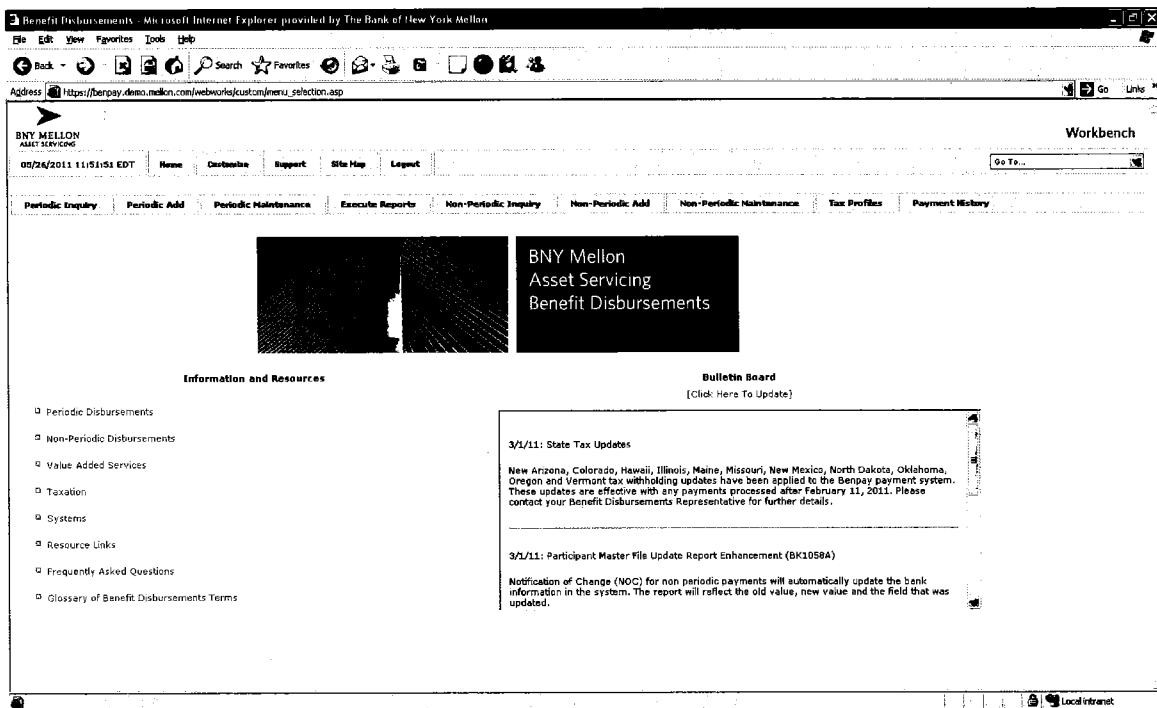
The system provides meaningful communications on a virtual "Bulletin Board" that are of interest to all clients. Inquiry can be completed by using one of four different search criteria.

Check Images can be accessed through the online payment history screens and images can be printed or saved and forwarded to participants. Data entry is easy to accomplish while drop-down menus are used throughout the system to provide a list of valid values for specific fields.

Clients can update their participant information and can add payees or change demographic data, pay sources, deductions, and direct deposit information for both periodic and non-periodic payments. Clients can also update tax election and tax form information. Additional HELP screens are provided for each screen within the system to provide additional field level information.

The system is available between the hours of 7:00 a.m. and 9:00 p.m., ET.

Below is a screen shot of our Benefit Disbursements System Home Page:



Reverse/Reissue of Payments

Reverse and reissues can be requested through the online payment history. The status of the payment is presented on the detail screen, easily accessed by clicking on the radio button next to the payment date in question. Reverse is available when the current date is equal to or greater than the payable date within the current year. Reissue is available when the current date is greater than the payable date plus four calendar days in the current year. When the conditions are correct, the user can respond to a prompt indicating whether the payment is just a reverse or a reverse and reissue. If there is an urgent need to replace a lost or damaged check, or the criteria for an online request is not currently met, a request can be sent to the Benefit Disbursements Representative and they can make the request for reverse or reissue.

3. How do you propose to prove your on-line benefit system to ERSRI?

BNY Mellon would appreciate an opportunity to provide a demonstration of the system to display the features of the Benefit Disbursements System and the ease of use. We can also provide access to a test region to allow the associates of the ERSRI to experience the system first hand.

4. What participant/plan information is retained on your system?

Please refer to our response to *Question #2* above in this section for an overview of the information available online via *Workbench*.

5. What type of benefit plan reports are available to the client and the various plan? Are customized reports available upon request? Describe briefly the contents of each report. Please provide samples of your standard periodic and non-periodic participant payment reports.

BNY Mellon's Benefit Disbursements System provides a variety of standard reports and has the flexibility to create reports to meet specific client needs. Our reports provide details of each payment such as payee name, social security number, address, ACH information, check number issued, gross to net calculations per payee and totals pages. If for any reason our standard reports are not sufficient, we can create custom solutions. Benefit Disbursements is using the Internet as the standard method of report delivery. The advantages include:

- More timely access to disbursement report information
- Access to archived information for up to seven years
- Report indexing, search and download capabilities

Our *Workbench* technology will enable you to obtain electronic copies of a wide array of reports, securely and conveniently, from any PC with Internet access. This user-friendly tool will enable you to search for account and participant data so that everything you need is at your fingertips.

Our Benefit Disbursements System is fully integrated with our trust accounting system. A direct communications link with our Trust Department provides for an efficient data flow that simplifies the reconciliation process.

Please refer to *Exhibit 6* for a report listing, which provides the following details: report ID, description, generation and retention. Also included in *Exhibit 6* are sample benefit payment reports.

Custom Report Writer

Our Report Writer tool provides an opportunity to request specific data elements for participant or payment information. The data is presented in a spreadsheet format, which can then be further analyzed due the flexibility of the format. Updates can be made to the spreadsheet; for example, to support a cost of living adjustment and then the spreadsheet can be returned to BNY Mellon and the changes can be applied to the system electronically. A quick name and address list can be created, along with any other combination of data desired.

6. How do you differentiate your benefit plan services from other institutions? What are the key elements that the client will gain from your benefit plan services?

Our People – Benefit Disbursements

In addition to the technology and processing capabilities referenced throughout this document, our experienced team stands out from the rest. A stable workforce creates an environment where experience grows and is maintained throughout the career of our team members, strengthened by our strategy to promote from within the organization. Also, local universities provide a qualified pool of candidates when hiring is done outside of the firm. The Benefit Disbursements Representative (BDR) assigned to your account, will be your single point of contact for all activity relating to benefit payments. The BDR will do the investigation to respond to inquiries, allowing you to focus on other tasks. Your BDR is responsible for servicing all aspects of payments, supported by our teams specifically trained in the following areas: Conversion, Call Center, Mail Distribution and Scanning, Tax, Adjustments, Client Reporting, Reconciliation, Control and Data Entry.

Premier Technology

Workbench is our browser-based information delivery platform that provides a wide variety of useful intellectual properties and reporting capabilities in accordance with the highest industry standards and requirements. *Workbench* delivers immediate access to your participant and payment data via a real-time inquiry tool in an easy to use Internet delivery product. Access can be granted to anyone as authorized by the client. Our Benefit Disbursements System, a component of our *Workbench* delivery platform, offers real-time online inquiry and update capabilities via the Internet for both periodic and non-periodic payments. The system is extremely user friendly and screens for inquiry and data entry can be accessed by hovering over the Benefit Disbursements navigation bar and choosing a screen from the menu that is exposed. The system provides meaningful communications on the Bulletin Board that are of interest to all clients. Presented check Images can be accessed through the on-line payment history screens and images can be printed or saved and forwarded to participants. Data entry is easy to do and drop down menus are used throughout the system where possible to provide a list of valid values for specific fields. Users can update participant information, by adding payees or changing demographic data, pay sources, deductions, and direct deposit information for both periodic and non-periodic payments. Users can also update tax election and tax form information. Additional HELP screens are provided for each screen within the system to provide additional field level information. Reports and Tax Form Images are also available for viewing via *Workbench*, providing access to all of the information on your desktop. Our ad hoc reporting tool is also available through *Workbench*, allowing custom extraction of participant and payment data and placement into Excel for further viewing and analysis.

BNY Mellon has a long history of accommodating our clients' specific requirements. We have a variety of payment options, schedules, mailing methods, and ancillary services from which to choose. Because we handle most of our disbursement processing *in-house*, we are able to respond quickly and efficiently to your requests. Best of all, we have the experience, expertise, and flexibility to find the perfect fit for your specific needs and the tools to allow you to enhance your own internal operating efficiencies.

Ancillary Services

In addition to our excellent track record for handling payments, we also provide:

- Easy conversion from your current payer to our system
- Flexibility to handle your payments, even if we do not manage your entire trust relationship
- Annual tax forms supplied to benefit recipients
- Stale date check management
- Telephone service center available for participant and client inquiries
- ACH Solicitation
- Reverse/reissues

We look forward to introducing you to our extensive realm of Benefit Disbursement capabilities. With BNY Mellon as your partner, you gain a competitive edge through our reliable services, expertise, and dedication to servicing your company's needs.

7. Do you give the plan sponsor credit for the float on funds in the plan's disbursement account? When are payments charged to the client account?

Our normal procedure for Benefit Disbursements payment production is to mail retiree advices/checks four to five days prior to payable date. Currently, 79% of all payments are made as a direct deposit. Of the 21% of payments issued by check, it has been our experience that 73% of these payments sent to retirees are received and cashed within 7 days of payable date. An additional 15% of checks issued are cashed within eight to fourteen days of payable date. BNY Mellon Benefit Disbursements provides an Outstanding Check Report monthly and clients should refer to this report for the actual outstanding amounts to estimate the float earned.

Also, we will work with clients to apply a zero balance concept to the processing of pension payments by establishing a Controlled Disbursement Account (CDA), which is funded from the Trust as the checks are presented for payment. With this technique, it is possible to achieve a near-zero balance in the disbursement account.

Float is always considered as a component of the overall trustee compensation package. Funding for the payments must be provided on or before payable date. The location of the funds will determine how the interest earned on the float will be distributed.

8. Would we be assigned one primary contact in your benefit payments area?

Yes. The Benefit Disbursements area is structured in teams. The client will be assigned a dedicated Benefit Disbursements Representative (BDR) who will be their daily contact. He or she will work with the client through the normal processing cycle, to resolve issues, handle emergency situations, and give any other support that is needed. Our BDRs are experienced, well trained and ready to provide outstanding customer service. The BDR will be an extension of your team and will assist with research and work with the other groups within Benefit Disbursements; such as, Tax and Control with questions on a tax reclaims.

The BDR will also facilitate the transfer of all necessary benefit payment information and assist the client's staff with any questions or issues that may arise. He or she will interact on a regular basis with the Client Accounting & Reporting Services (CARS) team to notify them of payment information for funding purposes. Working in conjunction with the client, the BDR is responsible for all benefit payment activity for your account.

In order to ensure complete coverage on accounts during absences, each specialist is part of a group of BDRs that cross-train on each other's accounts. The group reports to a Client Relationship Manager who, in turn, reports to the operations manager of Benefit Disbursements.

9. How is this function staffed? What is the interaction of responsibilities and accountability between the benefits area and other aspects of master custody services?

Please refer to our response to *Question #8* directly above.

10. How are you organized to give direct personal service to a client in terms of handling benefit payment exceptions, reconciling problems or errors and printing year-end tax information?

Please refer to our response to *Question #8* above.

11. In the case of benefit checks that reflect funding from both qualified and non-qualified (SERP) plan assets, describe the periodic reporting to the plan sponsor and the recipient.

The reporting for these plans is provided in the same manner as all other payments. We offer the following periodic payment options/services:

- Participants' records maintained on our system.
- The system will be available each day between 7:00 a.m. and 9:00 p.m. ET.
- A number of payment dates, payment frequencies, and mailing dates from which to choose.
- Payment instruction options include our Standard Inbound File Transfer, spreadsheet or online update via the Internet using our *Workbench* platform.
- Payments are made via ACH, check, or wire. Advices/checks have up to three lines available for your message. We can accommodate a message to all retirees in the plan and/or messages to individual payees.
- Informational advices/check stubs are mailed to all participants receiving payments, regardless of the payment method. Advices/check stubs show current and year-to-date payment and deduction information.
- Expertise in handling retroactive, future-dated and out-of-cycle payments, cost-of-living adjustments, medical repayments, and other "non-standard" payments.
- Up to 20 payment source fields customized to fit your needs.
- The ability to withhold up to 15 voluntary deductions of your choice (in addition to federal, state, and local tax withholding, and if required Medicare and Social Security.) for insurance premiums, union dues, etc. Deductions are accumulated and sent directly to the insurance company, union, etc. or to you, per your instructions and are sent via ACH or check.
- Pre and post disbursement balancing.
- Custom mail processing, including check "pulls", stuffer insertions, international mail, and use of customized envelopes (additional charge). We can also code payments to print in our offices to enable us to "pull" or custom mail them.
- Periodic death audits are completed four times per year at no additional charge, and direct deposit solicitations can be done based on your direction.
- Easy to read disbursement reports are provided on-line free of charge. Reports are available for on-line viewing and are created as the result of a system process, a schedule, a request. Reports are presented for on-line viewing in most cases within the hour of the request or the morning following payment processing. The daily reports show all payments as well as adjustments. Customized reports are also available.
- We produce advices for payees with a zero net payment. We can also code accounts to produce advices all the time, never produce advices or produce advices only when the net amount changes.
- Funding of payments via trust transfer, direct deposit transfer, or wire transfer.

12. Do you provide ACH/Direct Deposit services?

Yes. BNY Mellon is very experienced in the processing of ACH debits and credits for pension payments and is a long-standing member of the National Automated Clearinghouse Association (NACHA). We directly deposit pensioner payments via ACH, and we can maintain a pensioner's bank and home address. Each month approximately 1,270,000 payments are sent via electronic funds transfer. This service is offered with both periodic and non-periodic payments.

13. How many annuitant checks do you send each month?

Approximately 300,000 checks are issued to participants each month.

14. How many electronic fund transfers are sent each month?

Approximately 1,375,000 payments are sent via electronic funds transfer each month.

15. How many lump sum payments are made each month?

Current production volumes exceed 53,000 lump sum payments each month.

16. How many pensioners are in your largest and three smallest benefit payments clients?

BNY Mellon Benefit Disbursements provides approximately 110,000 monthly recurring payments to our largest client. The three smallest clients would each be making monthly recurring payments of less than one hundred.

17. Do you offer coordination of cash movement between accounts for disbursements? Be specific.

The Bank of New York Mellon Corporation has an automated funding interface. Our control unit runs a funding report, which is balanced, back to the check run totals. Once balanced, the automated funding file is created, which will automatically debit the trust and credit our demand deposit account on payable date. We can also accommodate funding via wire transfer or transfer from a DDA. These methods are typically used for Non Qualified Payments.

The detailed steps of our check run controls to assure accuracy of processing are as follows:

- The Benefit Payment Specialist (BPS) notifies the Quality Control Unit that they have balanced their check run. If required, scheduler entries are initiated, and the information is logged into a control sheet.
- The Quality Control Unit verifies any initiated scheduler entries and totals against funding authorization, report totals and the control sheet.
- Check run and ACH files are generated on the mainframe. The appropriate areas download and process each file.
- The Quality Control Unit notifies either the Check Issuance Unit or the Mail Unit (for locally printed checks) of check run totals in both number of items and amount. Totals are verified.
- The Quality Control Unit notifies the ACH Department of ACH totals in both number of items and amount. Totals are verified.

- An audit report from the vendor showing actual checks and dollar amounts is produced. If all totals match, the Check Issuance Unit authorizes production. A production audit report is then sent to the Check Issuance Unit showing all checks created and mailed.
- The Quality Control Unit reconciles the Demand Deposit Accounts and check runs on a daily basis to ensure all items were produced as expected and all funding secured.

In addition to the steps above, to ensure accuracy a separate Reconciliation Unit oversees DDA activity and works with the Quality Control Unit to address and resolve issues (including, but not limited to, money movement via manual and systemic CMS postings, credit backs, trust corrections, and reissues).

18. Can you accommodate retiree-requested deductions for health, supplemental life insurance and Quadro payments? How many deduction fields can your system accommodate per retiree?

Yes. The system supports 29 deductions, with 15 voluntary deduction sources in addition to federal, state, and local taxes, taxes for NRA, Social Security and Medicare, and eight deductions to support levies and garnishments. Each voluntary deduction may be "fine coded" to allow for an additional 99 deductions per deduction source. Fine coding is typically used for deductions such as Health Insurance. We would code one deduction field as Health Insurance and then fine code it so that we can withhold deductions for Blue Cross, Health America, etc. Each deduction type will create a separate deduction check to send to the vendor and will also create a separate deduction report. We also have beginning and end dates on all voluntary deduction sources.

19. Describe your tax services responsibilities in regard to government, state and participating reporting.

BNY Mellon has extensive experience with tax processing, including calculating, withholding, depositing, reporting to the appropriate taxing agencies and the production of individual tax forms. The system will correctly calculate federal, state and local taxes using tax tables residing within the application and the withholding elections chosen by each participant. Taxes are withheld and deposited to the appropriate taxing agencies, including taxes due under the Federal Insurance Contributions Act (FICA) and taxes withheld on foreign payments.

BNY Mellon provides individual tax forms for both periodic pension payments and lump sum distributions. A 1099-R form is issued at year-end and is available for viewing on-line via Workbench to our clients and for third parties where the client has authorized access. In addition, we file the Annual Return of Withheld Federal Income Tax, Form 945, returns, as well as the appropriate state tax filings. The firm also produces other individual tax forms which include: W-2, 1099-INT, 1099-MISC, 480.7C (Puerto Rico - participants in qualified plans) and 1042-S, The Employer's Quarterly Federal Tax Return, Form 941 and the Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 1042 annual returns are also completed as required. Our experienced Call Center Staff responds to calls received from your participants via a "1-800" number to answer any questions and provide assistance, including issuance of replacement tax forms.

The Benefit Disbursements System calculates withholding for all eligible states, Puerto Rico and the District of Columbia. Changes to these tables are made throughout the year, as notifications are received from our tax vendor, SunGard Business Systems, LLC. All changes are thoroughly tested in our Quality Assurance Region before moving to our production environment.

Clients must work with their assigned Benefit Disbursements Representative (BDR) to issue a corrected tax form. The BDR will enter the information into our tax form correction/reissue system and produce a new tax form. Beginning in February of each year, we process corrected and reissued tax forms daily. Corrected tax forms are provided, along with the original for on-line viewing via Workbench.

Quarterly tax status reports are automatically produced in April, July and October or can be generated upon request for each payment group and are available for on-line viewing by our clients. The tax status report contains the same information as would appear on the tax forms. The tax status report is also generated annually and contains the full year of payment information as it will be reflected on the individual tax forms. BNY Mellon also runs a prior year tax status report in November of every year to capture the prior year tax information including all of the adjustments that have occurred since the tax forms were originally created.

20. What are your procedures for canceling and reissuing checks?

We can stop payment on a check within 24 hours and issue a replacement within 48 hours (guaranteed). Periodic payments can be stopped and reissued using the Benefit Disbursements on-line system through the payment history screens. Non-periodic stop payments must be placed by the Benefit Disbursements Representative at BNY Mellon.

When a check is not received, then a stop payment is placed and a reissued check is mailed within 48 hours. We do require a 10 day wait period before reissuing payments, unless we are specifically informed that the participant originally received the check and lost or destroyed it by accident. This ensures we give the Postal Service adequate time to process the mail. We do require authorized signatures on all requests from clients to ensure that we do not process checks that are not valid. Less than 1% of all checks are returned, with the majority of these due to the expiration of forwarding orders. Clients and/or plan administrators can also have access to void a periodic check and have it reissued thru our online system, via online payment history. This process runs daily so the check can be mailed one or two days after the request has been entered.

Off cycle payments are typically coordinated through your assigned Benefit Disbursements Representative (BDR,) your single point of contact for benefit payments. The BDR will process the payment and it will be mailed within 24 to 48 hours. Funds may also be wired to the payee's bank.

XVIII. SYSTEM CAPABILITIES

- 1. What percentage of the Firm's current annual master custody budget is allocated for MIS/CIS, systems development, and/or other computer related expenses? What is the projected budget of the next three years? Breakout by category, if applicable, and provide dollar amounts.**

Approximately 20% of our expense budget is allocated to technology development.

For the 2012 fiscal year, BNY Mellon Asset Servicing is budgeted to spend approximately \$730 million on technology and product development. We anticipate that technology spending will remain consistent for the next several years.

- 2. Describe briefly your computer system's capability, describing in detail the primary and secondary hardware and data processing software configurations that serve your operations.**

Hardware Configuration

In 2011, BNY Mellon upgraded the mainframes that support our Custody Management System (CMS) to IBM z196's. BNY Mellon also installed new z196 Mainframes at its disaster recovery sites in New Jersey and Pennsylvania. The primary BNY Mellon data center houses six mainframes that provide a total of 49,198 MIPS. The CMS application runs across two of these mainframes, and these mainframes provide 18,731 MIPS of capacity:

- IBM 2817-709 – 8943 MIPS
- IBM 2817-710 – 9788 MIPS

Automation is in place to enable BNY Mellon to double its mainframe capacity in under ten minutes via the use of CIU engines. IBM performed a modeling study of the CMS application in order to ensure that the CMS application was scalable. This included modeling a 300% increase in CMS volumes.

In 2012, BNY Mellon installed a new IBM Virtual Tape system (IBM TS7740) to provide tape capacity for the mainframes that house CMS. This system is a 4-cluster tape grid with 512 tape addresses in production and 512 tape addresses in disaster recovery. All tape data is replicated to the disaster recovery site. Disk storage is provided by 5 EMC DMX4's; two at our primary data center, two at our disaster recovery site, and one in our bunker.

Software

All of our systems are maintained and enhanced internally. Our staff is devoted exclusively to master trust/custody programming development and processing.

Most systems were developed internally by our systems staff, including our multicurrency accounting and reporting system, our security movement and control system, and our online reporting system. On occasion, a few ancillary systems were initially developed externally by outside vendors. These systems were ready to operate upon installation and require no additional programs for initial use.

We offer the following software applications:

System	Initial Release	Developed Internally/Externally
Custody Management System (CMS)	1987	Internally
Institutional Accounting System (IAS)	1989	Internally
<i>Workbench</i> Client Reporting	1990 (browser-based system 2000)	Internally
Global Performance Measurement System	1999	Internally
Securities Lending System (Global One)	1998	Externally*
Benefit Disbursement System	2004	Externally**

***Securities Lending System**

In late 1998, Global Securities Lending began the implementation of SunGard's Global One lending application. Global One is a state-of-the-art, client-server suite of applications that supports both Domestic and Global securities lending, installed in client sites worldwide. Global One replaces two mainframe systems, namely GLS and DLS. The new application provides for much greater flexibility in terms of adapting to industry-wide changes and spreads the risk of new development among a broad user base. The implementation "integrates" Global One with the existing Custody Management System (CMS).

As a result of our fully integrated systems, all loan activity, including new loans and callbacks, is automatically sent to our Custody Management System (CMS). Once the new trade information is entered onto the securities lending systems, CMS is automatically updated. For example, when a security is placed on loan, the security location field will be updated to reflect that the security is on loan. Our Custody Management System will also show how much of the available position is on loan, allowing the Accounting & Reporting Specialist handling your account to view the position of the security on *a real-time basis*. As a security is delivered out to a borrower or returned to settle a trade, our custody area is automatically notified for appropriate actions on behalf of our custody-lending participants.

****Benefit Disbursement System**

Our Benefit Disbursement System is in a mainframe environment supported by the Corporate Network, which provides connectivity to both PCs and the mainframe. Genesys Software Systems developed the core system.

Our system application has no limitations on the number of payments processed each month. The Benefit Disbursement System interfaces with BNY Mellon Working Capital Solutions (WCS) for check issuance and ACH information, and in turn receives information from WCS concerning ACH rejects and stale dated checks. We also interface with an external vendor at year-end for tax form production. FLS (Federal Liaison Services) developed the tax liability and deposit reporting software and BNY Mellon developed all interfaces. This distributed system was installed in 2004. Our system, a component of our *Workbench* platform, is a real time, online system that allows you to easily monitor and manage your pensioners' disbursement activity.

Disaster Recovery

BNY Mellon's core U.S. technology processing site recovers to one of two recovery processing centers located in excess of 500 and 800 miles from the production site. All centers are fully staffed. Critical data is synchronously replicated to a data bunker and asynchronously replicated to one of two back up centers. A data push from the bunker would catch up the back-up centers to point of failure. Redundant hardware and applications are maintained at both of the back-up data center sites. Our processing center configuration supports the highest level of resiliency and geographic diversity required by financial system regulators. Our state-of-the-art production and contingency processing centers are greater than 500 miles apart, are strategically separated from business operating units, and dedicated solely to processing functions. This strategic configuration ensures that both would not be subject to a single debilitating event. We mitigate the risk of such hazards as flooding, gas mains, highways, airports, earthquakes, tornadoes and nuclear power plants through a combination of avoidance, sufficient distance from the hazard such that we would be outside of the evacuation zone, or facility design. Network components are 100% redundant between the sites and serviced by multiple carriers, multiple internet providers, and diverse and redundant entrances for each provider.

Our processing centers are supported by automated power fail over systems which include, multiple connections to outside electrical sources through different routes, battery back-up sufficient to carry the full load of the center while we convert to generator and triple redundant generator power to provide on-going operations in the event of an electrical failure. Maintenance and testing on these systems are performed monthly with a complete power fail over test of the entire center conducted once per year in the fall time-frame.

Our organization tests disaster recovery plans multiple times throughout the year. In 2012 testing was conducted on Feb 11/12. Future testing is scheduled for June 9/10 and Nov 10/11. In 2011 testing was conducted on March 5/6, June 18/19, and Nov 12/13. Tennessee the primary data center recovered to both back up data centers located in Pennsylvania and New Jersey.

Testing included mainframe and distributed systems recovery, application recovery, network recovery, storage and Business Continuity volume processing and validation of recovery procedures.

BNY Mellon meets the requirements of the Federal Reserve's Sound Practices to Strengthen the Resiliency of the US Financial System.

3. What was the percentage of downtime during the last two years? What was the number of occurrences? What were the primary causes and how were the problems corrected?

Other than planned processing outages, our system environment was down less than 0.01% during the past two years.

In instance of CPU downtime, our IBM PRSM (Processor Resource/System Manager) shifts processing needs off of the impaired facility and on to the unaffected area of the CPU. With the PRSM capability, production activity is automatically shifted off a "down" chamber and on to a test chamber, all within an instant.

4. **What has been the investment in systems development for the master custody systems for each of the past three years? Differentiate between the applications for US assets and those for processing of non-US assets.**

Please refer to the chart below for asset servicing technology expenditures for the past three years.

Year	Asset Servicing Expenditures (in millions)
2011	\$730
2010	\$620
2009	\$620

We have designed *one system* for all domestic and global securities regardless of asset type, currency, or settlement location.

5. **What is budgeted for systems development for the next three years? Differentiate between the domestic custody applications and those for processing non-US assets. What enhancements are currently being developed and what enhancements are planned for the future?**

For the 2012 fiscal year, BNY Mellon Asset Servicing is budgeted to spend approximately \$730 million on technology and product development. We anticipate that technology spending will remain consistent for the next several years.

As mentioned previously, we have designed *one system* for all domestic and global securities regardless of asset type, currency, or settlement location.

Planned Technology Enhancements

At BNY Mellon Asset Servicing, the focus of our development is toward "fine-tuning" our systems to more effectively meet the unique investments and operational requirements of our clients.

There are continued enhancements to the functionality of our custody, accounting and performance systems to support client requests, industry trends, and regulatory changes and efficiency gains. Functional enhancements include additional income processing capabilities, expanded support for derivatives, additional expense processing capabilities, additional enhancements to the accounting trade input interface process, and enhanced controls. Infrastructure enhancements include support for product upgrades and data restructuring, and streamlining to support continued system growth.

We will continue to aggressively enhance the *Workbench* Internet product in response to both client/market demands and newly available information delivery technologies. Our current strategy is one of incremental, continuous improvements and client customization of the current platform, which is rated #1 in the global custody industry.

Pending enhancements include:

Custody Enhancements

In addition to the support of client requests and commitments, we aim to maintain a robust and efficient custody platform, supporting industry initiatives and regulatory changes, as well as continuing to provide our clients with exceptional service. The following are examples of projects currently underway:

- Implementation of the 2012 SWIFT Standards Release
- Support of changes to 1099-B Reporting for Cost Basis as part of the Emergency Economic Stabilization Act of 2008
- Analysis and implementation of any changes required to support Money Market Reform
- Establish connection between our Custody platform and our comprehensive Cash Management Portal - Liquidity DIRECT
- Analysis and implementation of any changes needed to support the Foreign Account Tax Compliance Act (FATCA)

Accounting and Reporting Enhancements

Current efforts underway include:

- Expansion of our futures and derivatives processes and reconciliation to automate centrally cleared swap margin processing and lifecycle automation
- Expanded use of FinCad calculators which were recently developed for internally calculated market values of derivatives intended for comparison purposes to client utilized sources
- Industry and regulatory signature ready reporting offering and enhancements
- Development of hedge fund transparency in addition to continued alternative investment accounting and reporting (private equity, real estate, bank loans, etc) to support transparency and integration with marketable investments
- Use of derivative developed business day and holiday calendar automation for short term investments accrual and payment calendars for increased accuracy
- Partnership accounting and advanced earnings allocation capabilities to support various pooling vehicles and strategies
- Expanded regulatory support of book and tax calculations for all industry standards and local GAAP basis
- Enhancements to real time earnings process to provide increased flexibility and to provide additional methods of allocating earnings components
- Enhancing solutions for private investments and alternative investments
- Pricing transparency and roll out of recently developed trade price database to challenge vendors and for pricing vendor reviews
- Continued reporting development of accounting and performance data through interactive reporting allowing for flexible per client customization within our *Workbench* information delivery platform

Securities Lending

- Auto Borrow Management System
- Performance Measurement
- Value at Risk
- Agency Lender Disclosure
- Asset Management system compliance module re-engineering
- Ongoing review and system forecast of hardware capacity and needs of lending systems

- Client Reporting Package – continually reviewing, developing, and re-engineering as needs arise and lending product develops
- Third Party Lending Management System

Workbench Enhancements

BNY Mellon is committed to continuing to aggressively enhance our internet delivery tool, Workbench in response to both client/industry demands and newly available information delivery technologies. Our current strategy is one of incremental, continuous improvements and client customization of the current platform; which is consistently rated #1 in the global custody industry. The major ongoing and future enhancements to our internet *Workbench* Platform include:

Custody and Accounting

- Enhance our Corporate Action Notification/Response modules graphical Interface
- Continually enhance our reporting engine in order to reflect new regulatory changes

Performance & Risk Analytics

Recent enhancements include:

- Fixed income portfolios in manager at a glance reporting format
- Transparency for limited partnerships with positions aggregated with public market investments
- Improved benchmarking and peer comparison capabilities for private equity
- Provide broker and counterparty exposures and counterparty ratings for foreign exchange contracts
- Returns based style analysis in charting capability
- Extended functionality for Interactive Performance Report to include custom time periods and contribution

Future enhancements are as follows:

- Increasing reporting functionality in fixed income manager at a glance
- Extension of contribution to return capabilities
- Improving graphical risk/return reporting

New Mobile Applications

BNY Mellon has recently launched a mobile application of its multi-faceted web portal, Workbench. Available to institutional clients around the globe, the mobile application of Workbench supports clients in their need to quickly get the information they need. Key features include drill down capabilities, auto alerts for wires pending approval plus much more.

Workbench Mobile App

We continue to constantly enhance our mobile application. Enhances scheduled for later this year include:

- Ability to authorize wire instructions
- Greater graphics and dashboard capabilities

- Alerts center which will notify users of pending wires, breach to compliance guidelines and key messages from BNY Mellon servicing team

SharePoint

We now offer a collaborative tool called SharePoint which is integrated onto your Workbench homepage. One of the features includes a document repository which allows users to store and share documents such as legal agreements, including custodial or manager agreements, contact information, chart of accounts, procedures, authorized signature lists, etc. Users can also customize this page to include links to external websites, a calendar of events, and task monitoring.

Cloud Computing

BNY Mellon recently implemented private cloud services. A cloud, in simple terms, is a place where information technology resources such as computer hardware, operating systems, networks, storage, databases, and even entire software applications are available instantly, on-demand. A private cloud is one that would operate and be maintained in BNY Mellon's data center and available to internal associates. Our mission is to provide Infrastructure as a Service, on a need basis. Cloud computing leverages virtualization, optimization, standardization and automation while reducing costs and increasing flexibility. Our focus is agility and using the cloud to develop applications faster and more efficiently to drive innovation.

Performance & Risk Analytics

BNY Mellon is committed to continually improving products and services within our Performance & Risk Analytics suite. Currently, we are developing tools for enhanced risk measurement, with a focus on the transparency of alternative assets, providing investment level detail and risk analytics. We will collect and dynamically report on various data elements such as allocation, liquidity and liabilities through a centralized risk tool for a comprehensive risk analysis. Our support model will aggregate and normalize data while enabling our clients to more effectively manage fund risk.

We have built our reporting and information delivery service on a very flexible platform that allows us to customize and enhance reporting as client and industry needs change. We will continue to enhance and develop our information delivery service based on input from our strategic client partnerships.

6. When was the software developed and was it developed internally or externally?

Please refer to the table in our response to *Question #2* above in this section.

7. Specify which master custody data processing applications are batch oriented and which are online / real time.

We use state-of-the-art online, real-time securities processing systems to support our asset servicing business. Transactions and account balances are processed and updated in an *online, real-time mode*. The nightly batch cycle for our custody application averages less than two (2) hours per night. The scheduled downtime for this application is 10:00 p.m. to midnight EST. Minor batch processing also occurs to receive vendor feeds and subcustodian transmissions.

8. What additional equipment and software is necessary for ERSRI to obtain on-line services? Is this provided as part of your proposal?

Our *Workbench* website and the reporting engines contained therein do not require an explicit installation. The *Workbench* website is best supported by the capabilities of Microsoft Internet Explorer version 6.0 or higher, as well as Safari version 4.0.4, on Apple's Snow Leopard 10.6 and Leopard 10.5. Adobe Acrobat® "Reader" version 6.0 and Adobe Flash Player version 10.2.0 is also required. This is available from Adobe's website at no charge.

9. What are the hours of operation / availability for your on-line systems?

Clients can access our *Workbench* website 24 hours a day/7 days a week.

Your investment accounting, securities lending, performance and risk analytics data is updated in an overnight batch and can be accessed via *Workbench* between 3:00 a.m. E.T. to 10:00 p.m. E.T. Custody data, which includes real-time cash balances, transactions and asset positions, is available starting at 2:00 a.m. E.T. until 10:00 p.m. E.T. Benefit Disbursements, which provides all participant and payment information, is available from 7:00 a.m. - 9:00 p.m. ET.

10. Describe report-writer systems that you have provided to clients for installation on PC's. How would you provide such a system to ERSRI with a download of transactions and position history for development of accounting and performance measurement reports and graphs?

The Report Writer is a function of *Workbench*. Please refer to our response to *Question #8* above in this section for information regarding the browsers and operating systems that can support *Workbench*.

11. Describe your process of secured physical access.

All our buildings are under 24-hour camera surveillance. Trained security guards patrol the building.

All company employees are issued a photographed identification badge, which is magnetized. The building has a card access system installed on the elevators that restricts access to our floors. Furthermore, our operations further restrict access to the space that the department occupies with card access readers.

The card access system is integrated with our alarm system to immediately alert authorities of card access and alarm system violations.

Vault Security

Our vault is under the protection of an electronically controlled alarm system and a guard. Only authorized employees are granted access to the vault. The vault is opened in the morning by two authorized employees, who have one of the two combinations for the vault door. Once opened all authorized vault personnel work inside the actual vault. The vault is also equipped with four preset time clocks, which allow the vault doors to open only at these specific times.

The custody area is located on the third floor in a secured area to which only authorized employees have access. Securities are moved between the vault and the custody area via a secured elevator. In addition to this control, the area has 24-hour camera surveillance along with a guard.

12. Describe your system for prevention of damage by fire, water, and environmental hazards.

Protection and protection monitoring systems are in place in the primary and backup datacenters and are in compliance with all applicable local codes. Examples include but are not limited to automatic heat/smoke detection systems, automatic fire extinguishing systems (Sprinkler and/or Dry pipe pre-action systems in processing centers) and central station monitored building fire alarm systems.

Extensive research on location suitability was undertaken in the selection of our facilities. Our processing center configuration supports the highest level of resiliency and geographic diversity required by financial system regulators. Our contingency processing centers are greater than 500 and 800 miles from the primary, are strategically separated from business operating units, and dedicated solely to processing functions. This strategic configuration ensures that all would not be subject to a single debilitating event. We mitigate the risk of such hazards as flooding, gas mains, highways, airports, earthquakes, tornadoes and nuclear power plants through a combination of avoidance, sufficient distance from the hazard such that we would be outside of the evacuation zone, or facility design. Network components are 100% redundant between the sites and serviced by multiple carriers, multiple internet providers, and diverse and redundant entrances for each provider

13. Describe your disaster recovery plan and results of tests performed in the past year. Provide an estimate of the maximum elapsed time before the restoration processing of ERSRI's transactions in the event of disaster to the custodian's primary processing facility. Describe any ERSRI involvement in implementing disaster recovery.

Business Continuity Plan (BCP) and Disaster Recovery Plan Summary

BNY Mellon has an established BCP and Disaster program that focuses on Business Unit, Technology and Infrastructure recovery. A recovery plan exists for every business unit and technology facility.

A standardized process across the Corporation is used to produce and maintain Business Impact Analyses, recovery strategies, business resumption plans and test results for all business functions. The senior management member for each respective business line is responsible for the review and approval of this information. Reviews are performed at a minimum of annual or upon any significant changes.

Business Continuity Plans

The individual business continuity plans are maintained in an online database with specific access rights being granted to appropriate authorized staff. Please note that there is no client involvement in the disaster recovery implementation.

The plans include the following information:

- Staff. Detailed information on staff which includes contact numbers (work, home, cell), individual staff member recovery timeframes and remote access capabilities.
- Business Impact Analysis. An extensive Business Impact Analysis is completed by all business units that includes in the assessment critical functions, critical systems and applications, data recovery, financial losses, corporate impact, intangible losses, vital records and functional dependency on other areas. Recovery Time Objectives (RTO's) are assigned to the overall plan, systems and applications and staffing requirements.

- **Business Recovery Plan.** A comprehensive plan document is maintained that identifies individual responsibilities for all aspects of a business unit BCP event. Primary and alternates for each step are identified. Included in the plan documentation are directions to an alternate site, staff details, identification of vital records, offsite disaster recovery boxes, contact lists- vendor & internal BNY Mellon, customer notification details, business functions and supporting applications, and any critical data file inventories.
- **Strategy Statement.** Our planning process is based on an all hazards approach. Our scenarios include loss of facilities, loss of systems, loss of both, loss of life, loss of a critical vendor, loss of the internet and reduced staff readiness/ Pandemic event for loss of up to 40% of staff.
- **Recovery requirements.** This includes the following requirements: contingency site staffing, workspace, phone and facsimile, computer equipment and office supplies, automated reports, physical security and damage assessment.

BCP Testing

All plans are required to test on a minimum of an annual basis. Annual testing includes Business Unit alternate site, Primary Data Center recoveries at alternates, Staff call notifications, Pandemic and remote access. Exercises require completion of a test script that includes predefined objectives. Test results and any identified test gaps are required to be documented. All identified gaps are logged and tracked by Global Business Continuity to resolution.

All staff are required to undertake annual BCP training, this requirement is tracked at the individual plan level by Global Business Continuity.

Completion of testing requirements is tracked by Global Business Continuity, certified by Senior Business line management and reported to BNY Mellon's Board of Directors.

Most Recent BCP Tests

Our organization tests disaster recovery plans multiple times throughout the year. In 2012 testing was conducted on Feb 11/12. Future testing is scheduled for June 9/10 and Nov 10/11. In 2011 testing was conducted on March 5/6, June 18/19, and Nov 12/13. Tennessee the primary data center recovered to both back up data centers located in Pennsylvania and New Jersey.

Testing included mainframe and distributed systems recovery, application recovery, network recovery, storage and Business Continuity volume processing and validation of recovery procedures.

BNY Mellon meets the requirements of the Federal Reserve's Sound Practices to Strengthen the Resiliency of the US Financial System.

Business Continuity and Disaster Recovery plans and test results are proprietary and not made available for review. We would however be pleased to meet with you should you wish to discuss our Business Continuity Plan and Disaster Recovery capabilities.

Vendors

We have created a Service Provider Management program that includes a mandatory business continuity assessment for third-parties that provide critical services to us. Each provider is assessed on recovery time objectives, emergency management, pandemic readiness, alternate staff and data facilities, security controls, geographic separation between primary and recovery facilities, and testing results. They are then ranked and assigned a risk level, which helps us manage our overall service reliability and resilience for our clients.

Recovery Time Objectives (RTO's)

RTO's vary according to criticality of function. Critical applications have an RTO of 24 hours or less with our most critical applications having a recovery time objective of 2 hours or less.

While there are potential events whose predictability and potential magnitude of impact preclude any estimate of recovery time; BNY Mellon is committed to the development and implementation of Business Continuity technology and processes that strive to ensure minimal disruption of services provided to our clients.

Disaster Recovery

BNY Mellon's core U.S. technology processing site recovers to one of two recovery processing centers located in excess of 500 and 800 miles from the production site. All centers are fully staffed. Critical data is synchronously replicated to a data bunker and asynchronously replicated to one of two back up centers. A data push from the bunker would catch up the back-up centers to point of failure. Redundant hardware and applications are maintained at both of the back-up data center sites.

Our processing centers are supported by automated power fail over systems which include, multiple connections to outside electrical sources through different routes, battery back-up sufficient to carry the full load of the center while we convert to generator and triple redundant generator power to provide on-going operations in the event of an electrical failure. Maintenance and testing on these systems are performed monthly with a complete power fail over test of the entire center conducted once per year in the fall time-frame.

Pandemic

BNY Mellon has an established and documented Pandemic plan. The plan is based on stages and trigger levels as identified by the World Health Organization. Our triggers are based on the World Health Organization's Pandemic Alert system and matrixed to the CDC (US Centers for Disease Control) severity index. Where appropriate, we have established regional pandemic supporting plans that account for local government variations to the US CDC guidelines.

In addition every Business Unit is required to strategize and plan for reduced staff levels of up to 40%. Work from Home is part of our Pandemic plan and remote access tests are performed at a minimum of annually to test user access and system capabilities.

14. Describe any difficulties your organization experienced in connection with the Year 2000, or any more recent cyber-related intrusions.

The Bank of New York Company, Inc. and Mellon Financial Corporation were two separate entities in the year 2000. In the run up to the year 2000, extensive planning took place. We reviewed applications and technologies, and determined modifications and upgrades that would be needed to comply with date changes to the new century. Project planning and testing resulted in a migration achieved through a change-controlled set of processes. Additionally, where new hardware was needed, it was purchased and old technology sunsetted.

Our cyber environment is controlled via a centralized group who manages the perimeter through the use of Intrusion Detection and Prevention software. This function is global and manned 24/7. Alerts are preset. Should an attack be identified, its source would be closed down, and investigative actions taken. This process is defined by an enterprise policy, processes, and procedures. Potential incidents are risk ranked, investigated, and action taken.

15. Describe your process for file back-up and off-site storage, including frequency and location:

a) Data

b) Software

DASD and tape at the Tennessee Processing Center are mirrored to the respective back up sites in Pennsylvania and New Jersey. This configuration mitigates the impact of a regional disruption, and eliminates the need to maintain local region offsite back-up tapes.

16. Describe your process of incorporating new systems into your operations.

We have established policies and procedures for incorporating any technology change into the BNYM technology environment.

Change Management is the process of initiating, assessing impact, planning, implementing, closing, tracking, backing out, verifying, and controlling changes to, or tests of, our Global Information Technology Department environment. This environment includes: hardware, systems software, database, data communications, and application software; the LAN (Local Area Networks), the WAN (Wide Area Networks), the Data Center, and its associated environments, production parameters and procedures. The Change Management process at The Bank of New York Mellon has as its foundation the following principles:

- Changes are applied only with proper notification of and authorization.
- All changes are documented in the Change Management System including back out plans for each change.
- All changes are thoroughly tested before migration to production and verified that changes have been successfully applied post implementation. A risk estimation worksheet must be completed for every Remedy change record. This worksheet uses a weighted method to assign a risk level to each change based on the potential impact of the change. High risk changes are also approved by an enterprise level change control board.
- Established test systems and test environments are used to verify a change will be successful where applicable.
- Change windows are established to accommodate client business. Changes are not applied outside those windows, unless a strong reason exists for an exception.
- Changes are migrated through the environment in an orderly fashion, typically over multiple weekends as appropriate.
- Changes are implemented across multiple systems or applications simultaneously, only when considered an emergency or no alternative exists.
- All engineers have access to, and should be well versed in, change management procedures. Engineers will review these procedures as required.
- All changes must be authorized by two levels of management.

XIX. TRANSITION / CONVERSION PROCESS

- 1. Provide a detailed task listing and schedule on how you will approach the conversion process, including actions required on the part of ERSRI and the time frame to complete each task. Clearly describe the conversion process (i.e. who is responsible for coordinating activities, who must participate, what activities must occur, etc.) Detail the type and amount of resources required from ERSRI.**

Please refer to *Exhibit 7* for a detailed implementation plan prepared for the State.

- 2. What dedicated resources (personnel, equipment, training, consultants, etc.), procedures, and controls will you provide or recommend in the transition/conversion period to ensure that the conversion process is completed successfully in a timely and accurate manner?**

Transition Team

From the outset, your Relationship Manager, *Mark Sullivan*, and Client Service Officer, *Chris Mattia*, are charged with spearheading the entire conversion process by acting as the liaison between BNY Mellon Asset Servicing, you, and the current custodian during the conversion process.

Your asset conversion team would be comprised of several individuals. The asset conversion unit team leader is David Belsterling. David is assisted by your Client Accounting & Reporting Services Team and conversion specialists. The conversion specialists possess extensive experience in master trust/custody conversions and special accounting events. In addition, the Manager of Compliance and Control is very involved in the overall and complex conversion plan.

Finally, custody operations personnel work closely with the conversion team to coordinate and monitor the transfer of all assets held at the prior custodian. This group will also pinpoint any inaccurate or missing security deliveries on conversion date and assist in the reconciliation of assets physically received to those recorded on the prior custodian's final statements.

Client Implementation Group

Our Client Implementation Group is a dedicated project management team that analyzes and understands each client's investment support needs. They work to propose new ideas and solutions for meeting those needs while successfully implementing the mutually agreed upon solutions.

This consultative group works with clients to identify and analyze opportunities to improve processing efficiencies and information delivery. The Client Implementation Group also builds and implements the systems enhancements called for in the analysis.

Joanne Lebruto, a Project Manager from the Client Implementation Group, will be responsible for understanding your internal processes and will coordinate any customized systems projects. During our initial meeting our team, including the assigned Project Manager, works with all interested parties as required by the State to finalize the scope of the conversion project and all required services. We have found that this approach is the most beneficial to both of our organizations and fits with our philosophy of truly 'partnering' with our clients.

Resources to Ensure a Successful Conversion

Individuals from BNY Mellon Asset Servicing meet with your staff prior to the conversion to review all of our reports (accounting, performance measurement, analytical, etc.) and to ensure that you are fully equipped to make optimum use of the vast array of data that we are able to provide. During account conversions, we work closely with your staff to train and assist them in using our systems. Your Client Service Officer and other team professionals involved in servicing your account continue to assist and train your employees as needed throughout the relationship.

Systems Training

Manuals are in place for such systems as *Workbench* and the Custody Management System. These manuals are updated and revised as needed, and are customized for clients who use specific reporting functions. As additional client-specific systems are developed, supplemental manuals are designed to document the use of available functions and capabilities. In addition, we offer on-site training to demonstrate our systems' capabilities. A Help Desk representative is responsible and available to the client at all times for any systems questions that arise.

Client Procedures Manual

In order to ensure that all members of the Client Accounting and Reporting Services (CARS) Team are familiar with your instructions, expectations, and requirements, we develop a client-specific procedures manual detailing procedural guidelines, delivery standards, quality measures, and contractual obligations for each specific client. It serves as a reference manual for the Team's use in servicing the client. Relevant sections are shared with the client, thereby ensuring that everyone has a clear understanding of the procedures being followed. Sections are revised or added on an ongoing basis. Understanding your needs and expectations allows us to respond to your inquiries in a more accurate and timely manner.

Investment Managers

It is necessary to provide us with the name, address, and phone numbers of a key contact at each investment manager firm. Your representative from the Investment Advisors Specialist Group, or a designee from your CARS Team, will contact each individual to review the transition, but, more importantly, to make direct contact. This conversation is followed by the creation of an investment manager package that provides delivery instructions, cash and trade details, daily contacts, and account numbers. In addition, we contact all investment managers prior to conversion. Training in the use of our online access will also take place.

In addition to the client procedures manual and investment manager package, upon execution of our standard *Workbench* Services Agreement, clients and investment managers have access to a myriad of information through *Workbench* via the Internet. Information available includes: Global Market Guide by Account, global news updates via NetInfo, Market Profiles, Currency Analysis, Global Securities Lending information, and Weekly Commentary by BNY Mellon's Richard Hoey. Training in the use of our online access also takes place, as needed.

Conversion Control Group

We require a copy of the prior custodian's final audited statements as part of our extensive transition control process. The Conversion Control group is responsible for reconciling all securities and cash receipts, and for verifying that our beginning values are equal to the prior custodian's ending balances. This process includes a reconciliation of units, book values, and accruals. On conversion day a variance report is created showing discrepancies between what we expected to receive and what is actually received.

We make audit reports available, certifying that we have received all aspects of the prior accountant's financial records as of the close of business prior to conversion date, including unrealized appreciation, accrued income, cash, and book value. The Conversion Control Group works with the prior custodian daily until all variances are resolved.

3. Give a detailed description of your last comparable conversion, including the details of specific problems that occurred and the solutions instituted.

On September 1, 2011, BNY Mellon converted a Master Retirement client: a \$25.12 billion relationship that consisted of 27 separately managed domestic accounts, 8 separately managed global accounts, 25 line item accounts, and 2 cash accounts. This totaled 62 accounts and 5,330 assets. The conversion team, led by the Relationship Manager, included the Asset Conversion Unit team leader, David Belsterling, Client Accounting & Reporting Services Team, and conversion specialists. Our asset conversion team coordinated the smooth transition of assets with the client's previous custodian. In addition, we coordinated directly with the client's global custodian for a smooth transition of global assets. A transition project plan tracked major issues, and weekly internal meetings were held with the client to discuss the progress.

4. Provide a summary of the problems that you might reasonably expect to occur during this conversion and your approaches to those anticipated problems.

We do not anticipate any conversion problems. The potential for error exists mainly with delivery and formatting of information from the prior trustee/custodian. Receiving the data in MS Excel format helps to minimize any problems during the conversion process; however, from time to time, we may experience the following issues:

Security Delivery Variances on Conversion Date

Shortage: Securities are out for registration by the prior trustee/custodian at time of delivery. Once the agent sends the position back to the prior trustee, they typically become available to make delivery to BNY Mellon Asset Servicing.

Fails on Recently Purchased Securities

Securities are not delivered to BNY Mellon Asset Servicing on conversion date due to a trade fail at the prior trustee. Once the broker delivers to the prior trustee, the prior trustee makes delivery to us.

Income Collection Issues

Past-due income (relating to the conversion) is researched, and claims are made to the prior trustee for securities that received dividends prior to conversion date but that were payable after conversion.

To ensure a smooth transition, a Conversion Guide is sent to the former trustee/custodian, and a conference call is set up to go over the guide and timeframes for receipt of information. We have an internal Conversion checklist that is followed, and internal meetings are set up to ensure that all necessary items are being completed and all information is being received from the former trustee/custodian. Transfer information is requested from the delivering entity for all physical securities including limited partnerships and private placements. We balance the positions on a daily basis and works with the delivering entity until all positions are received and discrepancies are resolved. Once a reconciliation is completed, our beginning positions are reconciled to the prior trustee/custodian's ending positions to confirm that all assets have been received and that the accounting records are complete and accurate.

5. How do you process transactions that are pending during the transition/conversion period?

We report all activity (including trades settled at the prior trustee and income collected by the prior trustee) in detail from conversion date forward, enabling our statements to capture an accurate net asset value during conversion.

Typically, the following standards are applied for all activity that occurs during conversion:

Trades: All trade date securities traded prior to conversion date will settle at the prior custodian. All trade date securities traded on or after conversion date will settle at BNY Mellon Asset Servicing.

Maturities: Any asset maturing three days after conversion will be collected and sent by the prior trustee/custodian. After that date, we will collect the maturities on your behalf. Physicals are addressed on a case-by-case basis.

Failing Trades: Any trade with a contractual trade date prior to conversion will be settled by the prior custodian. At BNY Mellon Asset Servicing, we will assist in any way we can to help you resolve any outstanding trade issues. We will work with the prior custodian to determine why the trade is failing and will communicate that to the advisors, upon an inquiry from the advisor. TBA securities are kept on the prior custodian's books but cancelled by advisor and rebooked and settled at BNY Mellon Asset Servicing.

Due Bills: The prior custodian will collect and then forward to us if held at record date. DTC also monitors the payment of these issues for three days.

Corporate Actions: Corporate actions with an expiration date of up to one week after conversion date will be processed by the prior custodian. Corporate actions expiring on or after that date will be processed by us, assuming timely delivery of securities. We take responsibility for the collection of all income and principal claims during the conversion process.

Paydowns: We recommend that conversion occur on the first day of a month, with the custody piece of paydown assets moved before the last day of the month to ensure we have the paydown assets for record date.

Blackout Period: There are no blackout periods associated with the conversion process. At BNY Mellon Asset Servicing, we attempt to make the conversion a seamless process for your investment managers. However, should an investment manager plan reallocate, we would request a week's notice to ensure that all positions are balanced.

Securities on Loan: All existing securities held on loan need to be recalled by the prior trustee/custodian. Upon successful completion of the recall and the transfer of assets, we will initiate the client into our Global Securities Lending Program.

6. Describe training you would provide to ERSRI's staff during conversion.

Client training is an integral part of our conversion process. Our Workbench Consultants will visit your offices in order to provide customized training. Also, your staff is encouraged to come to BNY Mellon Asset Servicing to take advantage of the additional resources located in our office. In addition, your Client Service Officer and other Team professionals including the Accounting Group involved in servicing your account will assist and train your employees throughout the relationship.

Also available is training through our Workbench Meeting Center which utilizes WebEx technology that makes Internet/live training a reality.

Product Specific Training

In person, formal "classroom" and Internet-based training is provided to our clients' onsite at the client's offices. As additional client-specific systems are developed, supplemental manuals are designed to document the use of available functions and capabilities. Also available is training through our WebEx technology that makes Internet/live training a reality. Using our *Workbench* Meeting Centre, our staff and yours are in live contact throughout the training session.

Help Desk Support

A Help Desk Representative will be responsible and available to the client at all times for any systems questions that may arise. In addition, our Toll-Free *Workbench* Support line is available weekdays for client/investment manager support from 2:00 a.m. to 10:00 p.m. ET, Monday through Friday. The support line is also available on Saturdays from 11:00 a.m. to 5:00 p.m. ET. Upon request, additional weekend support can be provided. The phone number for our Help Desk is 1-800-INV-TECH (1-800-468-8324). Clients can also e-mail questions to workbench@bnymellon.com.

7. Describe the process for transfer of physical securities and appropriate client files.

To convert your assets, we assist your staff in creating an inventory listing. The inventory and securities are boxed and sealed for transportation to our vault. The securities are then securely transported to our vault in New York City, where they are immediately deposited into the vault and the inventory list is re-checked. Next, our staff determines each security's depository eligibility. During this review, we determine if you need to provide any supporting documentation to house a security in its appropriate depository.

Once we have the proper documents, all securities that are depository eligible are forwarded to the appropriate depository. All non-depository eligible securities are held in our vault and are re-registered into our nominee name, enabling us to collect income or sell the securities on your behalf.

In addition to determining a security's depository status, we focus on other important elements, including:

- Determining original cost
- Reviewing certificates to verify accuracy of the issue's name
- Reviewing any broker confirmation statements available as an additional form of verification

The amount of time it takes to transfer your assets to us depends upon an asset's current registration status. If physical certificates bear a nominee name, conversion would be completed within a few days. Securities held directly in your name require a formal documentation process, which extends the transfer process. Regardless of how your investments are registered or safekept, your conversion team has the experience and skills to ensure a smooth, precise transition to our bank.

XX. FEES

- 1. Please provide a detailed fee schedule for custodial services. Please submit an all-inclusive flat fee, (non-asset based) for ALL CUSTODY services. This inclusive fee shall cover all services required under this RFP. The services include, but are not limited to the following: portfolio administration, plan accounting, portfolio trading, portfolio transactions, out-of-pocket expenses (wire charges, courier services, telex, etc.), and report generation. The annual fee submitted shall be in effect for three (3) periods. Please identify all services included in your fee quote. In addition, if your organization offers "premium" products / services (i.e. performance analytics, etc.) that are not included in your fee quote, please identify these services and the related annual cost of each.**

Proposers should consider, among other things, the base portfolio composition information as provided in Appendix One.

Please refer to *Exhibit 8* for our proposed fee schedule.