



STATE STREET®

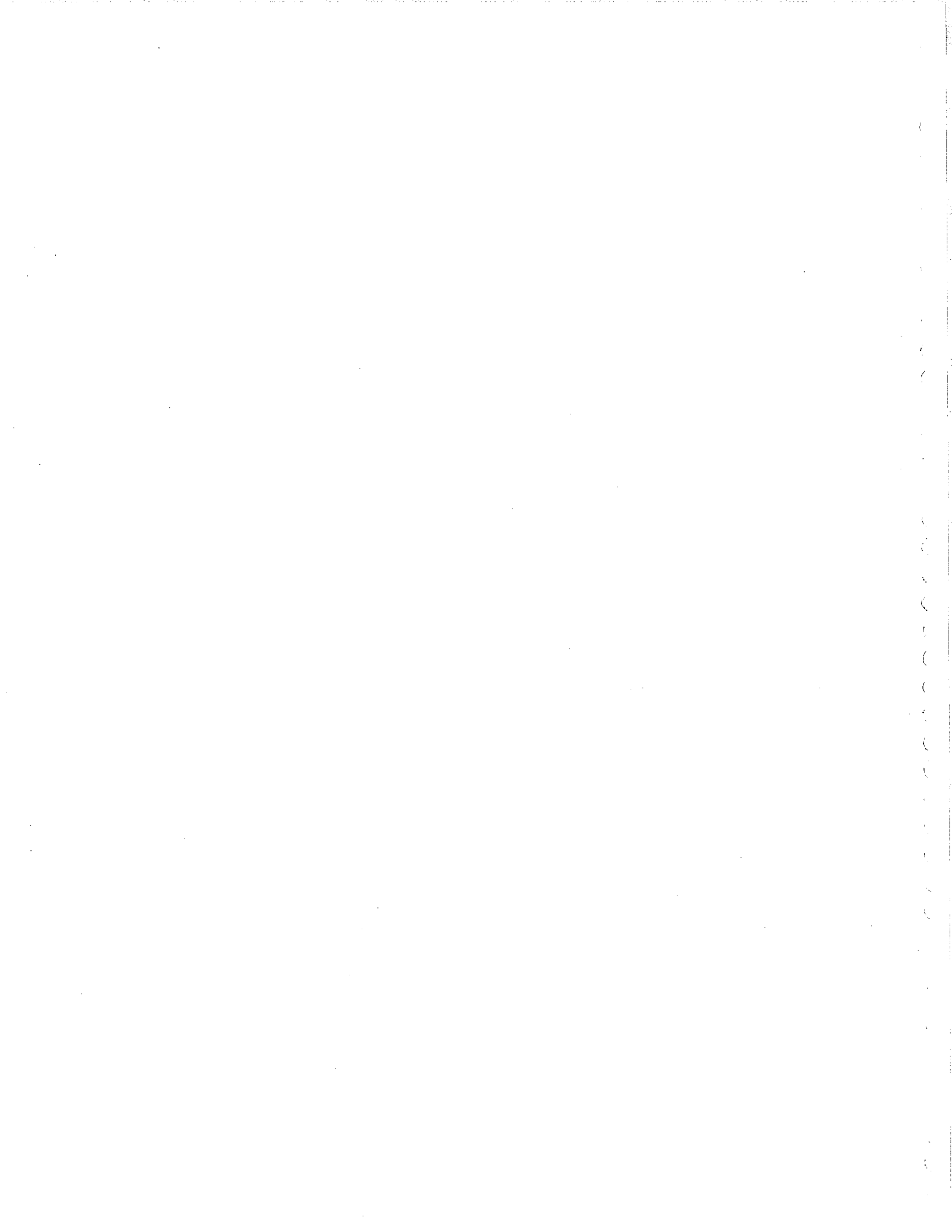
**Response to Request for Proposal  
State of Rhode Island and Providence  
Plantations  
Office of the General Treasurer**

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Institutional Investor Services

**April 10, 2012**

**Lisa H. Tyrrell  
Vice President  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
(617) 664-9430  
Lhtyrrell@statestreet.com**





STATE STREET

**Lisa H. Tyrrell**  
Vice President  
State Street Corporation  
Lafayette Conference Center  
Two Avenue de Lafayette  
Boston, MA 02111

Telephone: (617) 664-9430  
Facsimile: (617) 769-6874

April 9, 2012

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

Dear Vin:

Thank you for inviting State Street to respond to the State of Rhode Island and Providence Plantations' Request for Proposal for Master Custody Services. We are committed to participating in the RFP process and are willing to perform all services as mandated. This proposal is valid for 120 days or six (6) months subsequent to the filing date of April 10, 2012.

State Street's headquarters are located at:

State Street Financial Center  
One Lincoln Street  
Boston, MA 02111  
[www.statesstreet.com](http://www.statesstreet.com)

As a Vice President of State Street, I am authorized to bind State Street's offer. I can be reached at:

Ms. Lisa H. Tyrrell  
Vice President  
State Street Bank and Trust Company  
2 Avenue de Lafayette – 2nd Floor  
Boston, MA 02111-1724

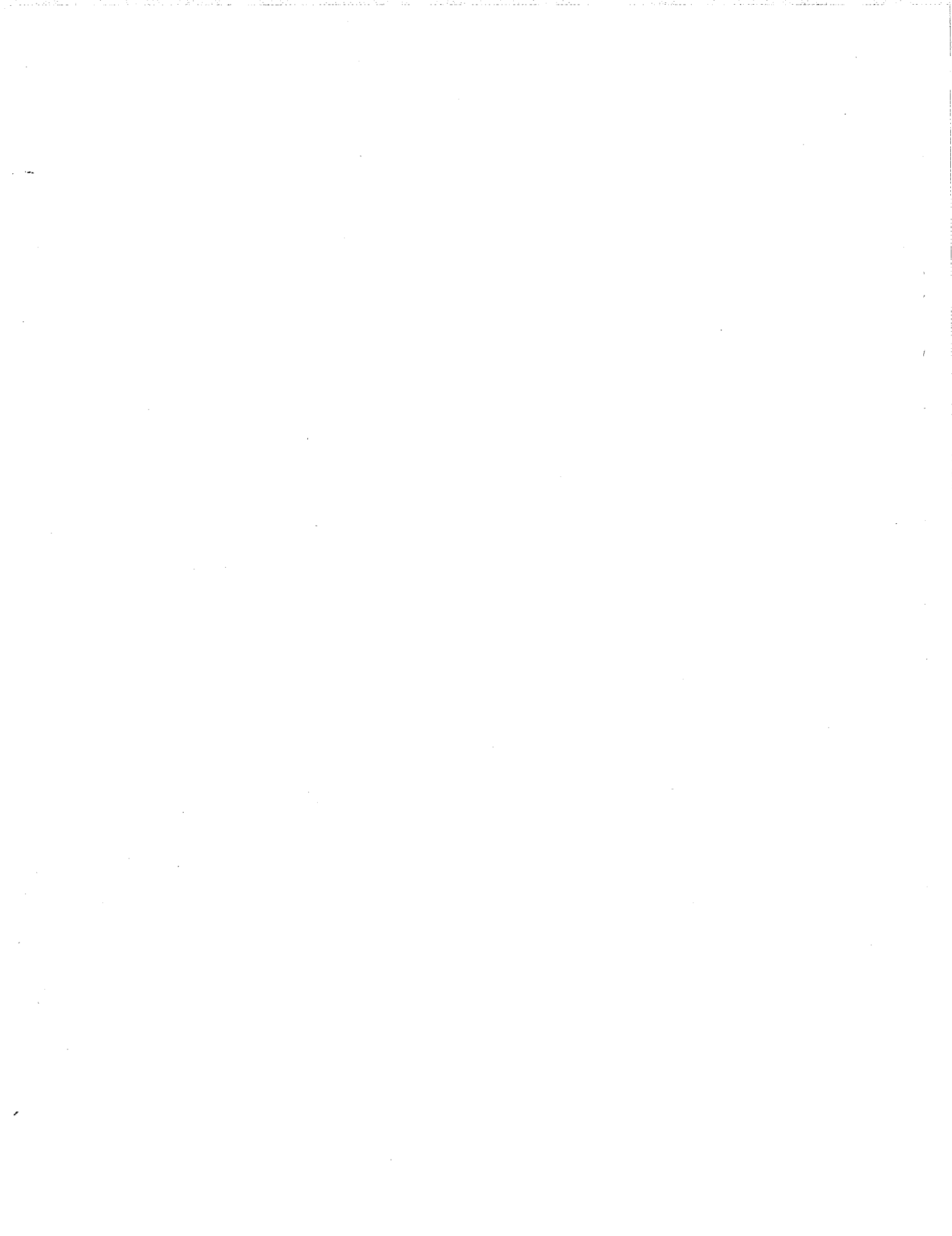
Phone: (617) 664-9430  
Fax: (617) 769-6874  
Email: [Lhtyrrell@statesstreet.com](mailto:Lhtyrrell@statesstreet.com)

Thank you for the opportunity to serve as your custodian for the past 27 years. You are a valued partner. We hope the depth and breadth of capabilities demonstrated by this response and the ongoing efforts of your service team here positions us to remain your custodian for the next five years.

If you have any questions or would like additional information, please do not hesitate to contact me. We are truly excited over this opportunity to continue our partnership with you and hope our response is received favorably.

Warm regards,

Lisa H. Tyrrell  
Vice President



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
EXECUTIVE SUMMARY

State Street Corporation and the dedicated Public Funds Services Division offer our sincere appreciation for the opportunity to respond to the Request for Proposal for Master Custody Services on behalf of the State of Rhode Island and Providence Plantations (the Office of the General Treasurer). It has been a privilege to serve as the Office of the General Treasurer's custodian since 1985, providing custody for your domestic and global assets, as well as directed trustee, performance and compliance services across your assets. In that time, we have forged a collaborative partnership and provided responsive service, efficient processing and ongoing solutions for the Office of the General Treasurer. We are delighted to have the opportunity to respond to this proposal because we understand that you are evaluating your future direction for the oversight of your funds and what role your custodian will play.

We are energized by the prospect of deepening our relationship with the Office of the General Treasurer to include administrative services for your private equity assets as well as risk services for your entire portfolio. Our proposal encompasses the entire suite of services we have discussed with the Office of the General Treasurer in recent weeks, offering a competitive cost and service proposal for the Office of the General Treasurer as you enter this next stage of your continued evolution. Partnering with us to provide the full scope of services will allow the Office of the General Treasurer to focus on the strategic oversight, analysis and administration of your plans, and the Office of the General Treasurer will have the ability to redeploy valuable resources to higher level functions, save time, money and leverage the comprehensive service solution created for the Office of the General Treasurer.

**Client Service the Office of the General Treasurer Way**

Your client relationship team, led by Lisa Tyrrell, Nick Katsikas, and Mark Schafer, has an abundance of experience both with State Street's asset servicing business as well as with the Office of the General Treasurer. The team has regularly demonstrated the institutional knowledge, skills and desire to help you implement major structural changes and coordinate complex transition and they are fully prepared to assist if and when you decide to move forward with an accounting and performance solution with us. You will continue to receive personalized attention and exemplary service. Rather than focusing on the risks and challenges of major asset and systems conversions you can work with your State Street relationship team to evaluate current processes and tools and let us help you further streamline and offload administrative work, enabling more time for focus on your investments.

**Continued benefit to the Office of the General Treasurer:**

- You will continue to receive personalized training in your office at a time convenient to you and on short notice. We work with you collaboratively to perform ongoing analysis of your daily functions and recommend solutions, based on our observations and best practices, to assist you in streamlining your operations as we did recently in coordinating the implementation of the manager reconciliation process.





- As you change or add new staff, we stand ready to assist them immediately with orientation to the many facets of our business where State Street supports the Office of the General Treasurer.

Importantly, Lisa, along with over 120 other dedicated professionals who focus on the public fund market segment takes a consultative, proactive approach with an emphasis on providing solutions to ensure our services are aligned with your strategic direction.

**Continued benefits to the Office of the General Treasurer:**

- Your solutions are tailored and recommendations are made based on the Office of the General Treasurer's needs by a team who has extensive experience in the industry and specifically on the Office of the General Treasurer relationship.
- You have consistency with a Relationship Manager, Lisa Tyrrell, who has been on your account since 2004 and understands the challenges, goals and inner workings of your organization. She regularly attends the monthly State Investment Commission meetings where she is kept apprised of the considerations of the Commission and the direction in which they are headed.
- You have a seamless integration of services that meet your needs through our established network with your vendors and consultants.

**Value Added Products and Services**

Our broad array of quality products and services are valued by public funds as much as our ability to develop a complete, one stop service solutions and to solve unique problems.

- This past year, for example, we created a new plan accounting solution for the Minnesota State Board of Investments which incorporates an online participant portal for defined contribution participants. The tool we installed enables pool participants to obtain transaction information and pool investment performance even trade online - a vast improvement over monthly statements.
- Robust investment servicing capabilities; expertise and state of the art products are the reason why leading investment management firms like Morgan Stanley decide to outsource their middle offices to State Street so they can focus on investing.

Additional examples of our expertise include:

- A single full-accrual, trade date accounting system for all assets and transactions regardless of country of origin or currency
- Proactive investment advisor reconciliation process
- A full service investment compliance solution
- Comprehensive risk tools with VaR analysis and scenario testing integrated into State Street's system architecture

With this same collaborative focus, we have provided significant consultative solutions to the Office of the General Treasurer recently including:

- Customized GASB 40 Reporting







- Incorporation of new hedge fund investments into the appropriate performance classifications
- Implemented monthly plan accounting review and reconciliation.

As demonstrated throughout our history, State Street's strength lies in our ability to employ our unique blend of technology, processing capabilities, and industry knowledge to craft the most effective solutions for the Office of the General Treasurer as well as our other clients. Our ability to create custom solutions around specific needs and to adapt our service model to meet your specific dynamic business requirements is one of the strongest assurances that State Street will continue to be an industry leader.

Our close relationship with the Office of the General Treasurer allows us a unique understanding of the Office of the General Treasurer's goals and challenges. The significance of the value proposition that is required from a global custodian in today's challenging economic environment is clear. In recognition of your priority to obtain the best value for your participants and your employees, State Street's proposal is focused on this goal.

Furthermore, **our proposal not only encompasses all the services and capabilities outlined in our response but also is extremely compelling from a financial standpoint** for the Office of the General Treasurer. The total package not only has a minimal change in its hard dollar flat fee, but includes and adds the following:

- Our continuation in the role of directed trustee for the Plan's assets
- A technology credit for use at the Treasurer's discretion
- In light of the evolution of the needs of your Office and your staff, we propose the review of processes and procedures by a third party consultant to ensure best practices are being incorporated across the board and to prepare us both to meet the needs of your retirees and constituents well into the future.
- The assumption by State Street of the document and cash flow administration process for your private equity and real estate assets. By allowing our experts to administer your alternative asset cash flows, your staff can focus on other, value added and more analytical activities.
- The inclusion of our core risk services into our performance suite to enable your new risk manager to evaluate, monitor, and measure the risk associated with investments held within the Plan's portfolio. Our hedge fund transparency services are offered but at an additional fee.

**What this means to the State of Rhode Island and Providence Plantations and Office of the General Treasurer**

Our experience providing the services that you desire is unparalleled. Our strength lies in our employees and their ability to help you perform your responsibilities more effectively by employing our advanced technology, processing capabilities, and industry expertise to craft the most effective solutions for your specific situation. The services you seek – a knowledgeable and experienced service officer, performance analytics and compliance monitoring, reliable and accurate accounting constitute our core competencies.





Thank you for affording us the opportunity to work with you in our current capacity as your custodian and for considering our current proposal. You have our commitment to continue to provide our service the Office of the General Treasurer way.

We look forward to the next steps of your evaluation process and will be honored to extend our relationship with the Office of the General Treasurer well into the future.





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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.

Confirmed. State Street began offering custodial services to the institutional market in 1924. We extended our services to the master trust/custody industry in 1974. As of December 31, 2012, State Street serviced US\$21.8 trillion in assets under custody.

**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.

Confirmed. State Street is authorized to conduct business in Rhode Island.

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

Confirmed. State Street Corporation and its subsidiaries are equal employment opportunity employers. Employment opportunities are not restricted by consideration of race, creed, color, religion, ancestry, national origin, citizenship, age, disability, marital status, medical condition, sexual orientation, or sex. Sexual harassment is completely unacceptable and is not tolerated in any form on any level. Equal employment opportunities are also extended to the disabled, disabled veterans, and Vietnam-era veterans. The Corporation has an established affirmative action program to implement this policy.





## 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;

Kindly refer to the transmittal letter accompanying our response.



## II. BUSINESS REFERENCES

Please see section IX 3. for reference requirements.

Please see section IX.



### 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 see the following enclosed;

- 2010, 2009 and 2008 Annual Report
- Financial Statements (last three (3) years)
- Call Reports (last four (4))
- Recent SEC 10K



#### **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, there are no actual or potential conflicts in providing services discussed in this RFP.





## V. CLIENT SATISFACTION STUDY

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

Due to the confidential nature of the information shared within our client satisfaction survey, we cannot share the results of the study. However, we are pleased to report that of the master custody clients who responded to our 2011 survey, our overall results showed that on a scale from 1 to 5 with 5 being the highest rating, our clients rated their overall satisfaction level as 4.22. Our public fund overall client satisfaction rate was 4.21.



## 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.

This is to certify that State Street Bank and Trust Company has not been in bankruptcy and/or receivership within the last five (5) calendar years, nor is bankruptcy or receivership 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.

State Street Bank and Trust Company is incorporated in the Commonwealth of Massachusetts and certifies that it is currently in good standing in that state.

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.

State Street Bank and Trust Company further certifies that it meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract required pursuant to the State of Rhode Island RFP for Master Custody Services.



## 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 State's current custody contract does not provide for indemnification of the State by the custodian, nor do the cited state laws clearly require that State contracts contain reciprocal indemnification clauses. We do not provide an explicit indemnification for clients, but we are contractually obligated to perform our duties according to the standard of care expected of a professional custodian for hire, i.e., "reasonable care." We must exercise reasonable care in the discharge of our functions and must monitor our subcustodians' ability to perform their obligations. We are responsible for losses that result from the acts of our agent subcustodians to the same extent as we would if we had performed the service ourselves in the relevant market, based on the market practices and circumstances prevailing in the relevant jurisdiction. Therefore, where a loss results from our failure or the failure of our agent to exercise the requisite standard of care, we would be responsible. We carry insurance in such amounts as it deems appropriate, which reflects a prudent assessment of business risks.



## VIII. ORGANIZATIONAL STRUCTURE

1. The Proposer shall give a brief history of its organization including the following:
  - a. Year of organization
  - b. Year of initiation of the master custody business
  - c. Nature of Firm's ownership
  - d. Nature of relationships with affiliated companies or joint ventures

### History

Our position as the world's leading provider of financial services to institutional investors is grounded in more than two centuries of experience.

Our roots can be traced back to 1792 - the year that Massachusetts Governor John Hancock approved the charter for the Union Bank, State Street's oldest ancestor bank. That was the same year the New York Stock Exchange opened its doors for business.

Union Bank merged with State Street Trust Company in the 1920s and State Street was named custodian of the very first US mutual fund, the Massachusetts Investment Trust from MFS, in 1924.

Beginning in the mid 1970s, we began to shift our focus away from traditional banking to concentrate on serving the needs of institutional investors. With the passage of ERISA legislation in 1974, we extended our services to the master trust/custody industry. In 1978, we launched our asset management arm, State Street Global Advisors (SSgA).

By the mid-1980s, our considerable investments in technology and people helped transform us from a regional retail bank to a global financial services provider, with an increasing presence in overseas markets.

After opening our first international office in Munich in 1970, we now serve more than 100 markets and operate in 26 countries. Our 2003 acquisition of Deutsche Bank's Global Securities Services business dramatically increased our presence in Europe and the Asia-Pacific region and our 2007 acquisition of Boston-based Investors Financial Services Corporation enhanced our position as the world's leading provider of fund accounting to the mutual fund industry and further strengthened our clear leadership in servicing the growing offshore and hedge fund markets globally.

### Ownership

State Street Corporation is a financial holding company organized under the laws of the Commonwealth of Massachusetts. Through our subsidiaries, we provide a full range of products and services for institutional investors worldwide.

We conduct our business principally through our wholly-owned subsidiary, State Street Bank and Trust Company. State Street Bank and Trust Company is a state chartered bank.

We are a publicly held company — our common stock is listed on the New York Stock Exchange under the ticker symbol STT.

### **Partners, Joint Ventures and Affiliates**

Through strategic partnerships, State Street combines its proprietary industry expertise with business leaders who are experts in key niche markets to offer best-in-class solutions to asset managers and asset owners. See below for a listing of State Street's key partners and affiliates.

### **Investment Management**

#### State Street Global Alliance, LLC

State Street Global Advisors and ABP, one of the world's largest pension funds, created a jointly-owned subsidiary, State Street Global Alliance, LLC, focused on partnering with innovative asset management firms.

### **Investment Servicing**

#### Boston Financial Data Services, Inc.

Boston Financial Data Services, Inc. (BFDS), a joint venture of State Street and DST Systems, Inc., is a leading provider of high-quality shareholder services to the US mutual fund and retirement plan markets. The company's services include recordkeeping, transaction processing, reporting, regulatory compliance, and reconciliation and control.

#### Elkins/McSherry, LLC

A wholly owned subsidiary of State Street, Elkins/McSherry is a leading trading cost consultant, monitoring costs for many of the world's largest pension plans, investment managers and broker/dealers. Utilizing specialized reports, Elkins/McSherry provides trading efficiency analyses that determine the relative cost to trade on various stock exchanges globally and the effectiveness of trades and brokers. Through Elkins/McSherry, State Street offers clients expertise and credibility in transaction cost measurement, an increasingly important tool for global investors.

#### InfraHedge

State Street formed a strategic alliance and made a majority equity investment in UK-based InfraHedge, which provides an independent governance and risk management infrastructure for institutional investors to invest in hedge funds through managed accounts. This alliance further expands State Street's comprehensive service offering for the hedge fund market.

#### International Financial Data Services

International Financial Data Services (IFDS), a joint venture of State Street and DST Systems, Inc., offers the global collective investment industry specialized shareholder and investor servicing solutions to result in fund managers having the technological and servicing edge to excel in their core business. Serving Canada, Europe and Asia, the company's services include advanced investor recordkeeping, e-business, reporting and workflow management in multiple languages and currencies.

#### International Fund Services

International Fund Services (IFS), acquired by State Street in July 2002, is a recognized industry-leading provider of fund accounting, fund administration and risk services to hedge funds and private equity funds. These services are fully integrated to provide complete end-to-end solutions that span the front-, middle- and back-office requirements of institutional investors.



Inigma Hengtian Software Ltd.

Inigma Global Services Ltd., is a leading technology company in China. The joint venture, Inigma Hengtian Software Ltd., provides and develops technologies for global financial industry institutions.

Princeton Financial Systems, Inc.

Princeton Financial Systems, a State Street company, is a leading provider of investment accounting, investment compliance, data management, performance measurement and reporting solutions to the global investment industry. Our services are used worldwide by more than 430 leading investment managers, custodians, insurance companies, pension funds, hedge funds and banks in 40 countries:

- Our PAM family of systems provides industry-leading international investment accounting solutions that support the accounting needs of 370 clients around the globe.
- MIG21, our investment compliance and risk monitoring solution, optimizes and automates pre-trade and post-trade compliance checking, the administration of regulatory, prospectus, and internal investment guidelines, along with the consequent resolution workflows.
- DVS Fund Warehouse is our platform for data management, reporting and analysis purpose-built for the investment industry. DVS Publisher Suite automates reporting processes for factsheet production, client and regulatory reporting, as well as statutory reporting.

State Street Syntel Sourcing Private Limited

State Street Syntel Sourcing Private Limited (SSSSPL) is a joint venture with Syntel Inc. It was formed to create capacity for future growth in our investment servicing business. Currently, SSSSPL provides support for transaction management, data management and specialized products for State Street business units in the US, UK, Continental Europe, and Asia Pacific,

The WM Company

The WM Company, a wholly owned subsidiary of State Street, is a world leader in performance measurement and investment administration services. Located in the UK, the WM Company collects and analyzes large amounts of financial data to help clients make informed investment decisions.

**Investment Research and Trading**

State Street Associates, LLC (SSA)

State Street Associates, LLC (SSA) is a partnership of industry and academia dedicated to delivering investment managers preeminent research in global asset allocation and currency management — unrivaled in the industry today. State Street Associates' products are available as analytical tools delivered over the State Street Global Link® platform or through advisory and investment management relationships. These products serve as essential assets for global investors at all stages of the investment process.

Blending the global assets, experience and intellectual capital of State Street Corporation, Windham Capital Management Boston, LLC and FDO Partners, LLC, State Street Associates provides leading-edge portfolio flow research, optimization

and risk management technology, currency management in both developed and emerging markets, and global asset allocation.

FDO Partners is dedicated to providing world-class currency and country investment management and advisory services. Windham Capital Management Boston provides investment management and advisory services to the institutional investment community — specializing in currency management, global asset allocation and risk analysis.

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.

### Organizational Structure

We offer institutional investors a complete and connected set of industry-leading services. These services fall into three general categories: investment servicing, investment management, and investment research and trading.

**State Street Global Services** – With \$21.8 trillion in assets under custody and administration as of December 31, 2011, we provide an array of customized investment solutions to public and private pension funds, nonprofits, hedge funds, asset managers, insurance companies, collective funds, and mutual funds. We offer fund accounting, fund administration, custody, securities lending, investment operations outsourcing, recordkeeping, performance and analytics, and transfer agency services that are highly scalable and truly global. With our expertise and local knowledge, we help our clients control costs, develop and launch competitive new investment products, and expand globally.

**State Street Global Advisors** – As one of the largest institutional money managers in the world, State Street Global Advisors (SSgA) has responsibility for over \$ 1.9 trillion and provides disciplined, systematic investment strategies for clients of every size and investment objective. Our passive and active (including enhanced) strategies capitalize on technological and intellectual innovation. We also offer integrated solutions and trading services to clients who wish to outsource aspects of their investment programs.

**State Street Global Markets** – We provide specialized investment research and trading in foreign exchange, equities, fixed income, derivatives and money market products. Our goal is to enhance and preserve portfolio values for asset managers and asset owners with original flow-based research, innovative portfolio strategies, trade process optimization, and global connectivity across multiple asset classes and markets.

### Master Trust / Custody Services

State Street's Institutional Investor Services (IIS) division is headed by Executive Vice President, Stephen F. Nazzaro. IIS's broad range of resources bring together the investment service and support of public retirement funds, corporate pension plans, Taft-Hartleys, financial institutions, endowments/ foundations and defined contribution plans.

We are one of the world's leading providers of financial services to institutional investors for a reason: our focus on providing global institutional investors with the investment tools and services they need to be successful. Our flexible and integrated range of services spans the entire investment spectrum, including research, investment management, trading services and investment servicing. By using any combination of these services, our clients can deliver more value to their clients, control costs, launch new products and expand globally. Please refer to **Exhibit I** for our organizational chart showing the operating relationships and authority within the master custody service unit and within State Street.

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.

We are one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With \$21.8 trillion in assets under custody and administration, and \$1.9 trillion in assets under management at December 31, 2011, State Street operates in 26 countries and more than 100 geographic markets worldwide.

We are committed to serving the needs of public organizations and have dedicated service teams that are highly focused and aware of the unique business challenges of these funds. We are the leading investment servicing provider of the public fund market with 35 percent market share and over \$1.5 trillion in public fund assets.

Our client service approach provides flexible and highly tailored service and technology solutions. This proves valuable to our diverse and industry-leading public market client base which includes 33 states, Washington D.C., and the U.S. Virgin Islands.

Institutional investors globally are dealing with enormous challenges, particularly in light of the current market environment and are struggling with crushing cost pressures, lightning-speed technological innovation and a host of other issues, including regulatory changes, shifting tax policies and heightened disclosure requirements.

We are uniquely qualified to help our clients respond effectively to these forces. We are a committed and capable guide in the creation and integration of innovations that make our clients fundamentally stronger and more successful.

Our growth strategy has three components.

- **Deepening our relationships with existing clients.** We work with our clients as a collaborative partner to develop complete solutions that fit their investment needs. This requires us to have a client-focused approach while providing fully integrated investment products that span the entire investment cycle. We are passionate about helping our clients succeed in meeting their investment goals across a wide spectrum of investment activities.
- **Expanding our presence around the globe.** With operations in 26 countries, we have a very substantial presence in every investment center around the world. Upon the close of our acquisitions of Mourant International Finance Administration (MIFA) and Intesa Sanpaolo in 2010, 44 percent of our employees will be located outside of the United States, enabling us to provide integrated global services to our clients. In 2009, we derived 33 percent of our revenues from outside of the United States. Following the aforementioned acquisitions, approximately 39 percent of our revenues are expected to be generated outside of the US. Our goal is to double our non-US revenues over the next five years.
- **Continuing our tradition of product and service excellence.** Today, more so than ever, sophisticated investors need up-to-the-minute information that enables them to seize opportunities as soon as they appear. Data is no longer enough — they need experienced-based advice and the latest technological support. Our investments in people and technology enable us to stay ahead of our clients' need for new products and investment strategies, increase efficiency and reduce the risk of error.

### **Our Commitment**

With US\$21.8 trillion in assets under custody and a subcustodian network spanning more than 100 markets, global custody is one of our core businesses and the foundation upon which our investment servicing franchise has been built.

Currently, more than 87 percent of our operating revenue is derived from our Investment Servicing line of business.

Our future is firmly focused on remaining a leader in the financial services industry with a commitment to servicing the investment strategies of institutional investors on a global basis.

We are committed to serving the needs of public organizations and have dedicated service teams that are highly focused and aware of the unique business challenges of these funds. We are the leading investment servicing provider of the public fund market with 35 percent market share and over \$1 trillion in public fund assets.

Our client service approach provides flexible and highly tailored service and technology solutions. This proves valuable to our diverse and industry-leading public market client base which includes 33 states, Washington D.C., and the U.S. Virgin Islands.

### **Experience**

We create innovative solutions surrounding financial accounting and reporting, plan accounting, core custody, securities lending, online access to data, cash sweep services and transition management. Our dedicated staff averages more than 15 years of industry experience. As a specialized provider, we work collaboratively with many large public and supranational organizations to develop customized service and technical solutions. We are fully committed to improving our clients' operational efficiencies while meeting contractual responsibilities.

### **Technology**

Technology is an integral part of our client focused business strategy. The information and analysis we provide through our technology helps our clients make informed decisions about their global investment activities. We develop products to create efficiencies and reduce administrative burden, while increasing the control and oversight needed to evaluate investment returns.

We make consistent, significant expenditures in technology – from staffing and training to systems development and delivery. Our systems and the expertise behind them meet the most complex requirements of our diverse client base.

Our information delivery platform is the industry's first Internet-based client access system. It is designed to fit our clients' day-to-day working environments and deliver portfolio information on an immediate and also a scheduled basis. The ability to address recent industry concerns, such as Corporate Governance, GASB 40 reporting, Class Action Litigation, and Investment Compliance Monitoring, are all part of our enhanced suite of products available.

### **Focus**

While others may offer similar core services to public funds, no other financial services company has made such an organizational and financial commitment to developing solutions to address the complex issues facing public funds. From investment management to custody, we are the only organization in the industry able to provide the Office of the General

Treasurer with cost-effective, integrated, long-term solutions through all phases of the investment process. No other company has our focus, our expertise, our technology or our people.

### **Our Competitive Advantage**

Our competitive advantage lies in our ability to service institutional investors globally. We continually invest in our business and build dynamic, long-term relationships with our clients. In doing so, we deliver a value that our clients cannot find anywhere else.

Our clients are among the world's largest asset managers and owners. They include governments, corporations, insurance companies, mutual funds, collective investments, investment managers, central banks and monetary authorities, non-profit organizations, endowments and foundations, health care institutions, and unions.

We offer these investors a complete and integrated set of industry-leading services that spans the investment process, including research, investment management, trading services and investment servicing.

Because this is our only business, our clients are confident that we can grow with them and service them in the future. For example, we have historically dedicated more than 20 percent of our annual operating expenses to technology and development.

Specializing in serving the needs of institutional investors enables us to gain a deep understanding of their requirements. We combine that knowledge with more than 80 years of experience in global financial markets to develop innovative products and services that anticipate market trends and help our clients succeed.

As a result, we have built long-standing, mutually successful relationships with our clients. Historically, approximately 75 percent of our new revenue has come from expanding relationships with existing clients, testifying to our ability to consistently provide solutions that work for them.

### **Business Objectives**

Our long-term business priorities are focused on maintaining financial stability while continuing to achieve global growth. We seize opportunities to grow revenues, whether by enhancing existing client relationships, entering into new relationships or making strategic acquisitions. At the same time, we are systematically reducing our operating costs to provide superior services within a competitive fee structure.

Another priority is to continue to invest in the development of new products and technologies that enable us to anticipate market trends and deliver the products and services that meet our clients' needs, both today and in the future.

Underpinning our business priorities are the company's long-standing values of integrity, innovation and service excellence. Our unwavering focus on helping our clients succeed clearly differentiates us in the global marketplace.

- 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?**

Please find our long term and short term credit ratings outlined below.

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MASTER CUSTODY SERVICES

**STATE STREET.**

State Street Corporation (as of December 2011)

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Commercial Paper	P-1	A-1	F1+
Senior Debt	A1	A+	A+
Subordinated Debt	A3	A	NR
Capital Securities	A3	BBB+	A-

State Street Bank and Trust Company (as of December 2011)

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Short-Term Deposits	P-1	A-1+	F1+
Short-Term Letters of Credit	P-1	-	-
Long-Term Deposits	Aa2	AA-	AA-
Long-Term Letters of Credit	Aa2	-	-
Senior Debt	Aa2	AA-	A+
Long-Term Counterparty	Aa2	AA-	-
Financial Strength	B	-	B

State Street Corporation (as of December 2010)

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Commercial Paper	P-1	A-1	F1+
Senior Debt	A1	A+	A+
Subordinated Debt	A2	A	A
Capital Securities	A3	BBB+	BBB+

State Street Bank and Trust Company (as of December 2010)

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Short-Term Deposits	P-1	A-1+	F1+
Short-Term Letters of Credit	-	-	-
Long-Term Deposits	Aa2	AA-	AA-
Long-Term Letters of Credit	-	-	-
Senior Debt	Aa2	A+	A+
Long-Term Counterparty	-	-	-
Financial Strength	B	-	-

**State Street Corporation (as of December 2009)**

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Commercial Paper	P-1	A-1	F1+
Senior Debt	A1	A+	A+
Subordinated Debt	A2	A	A
Capital Securities	A2	BBB+	BBB+

**State Street Bank and Trust Company (as of December 2009)**

	Moody's Investors Service	Standard and Poor's	Fitch, Inc.
Short-Term Deposits	P-1	A-1+	F1+
Short-Term Letters of Credit	-	-	-
Long-Term Deposits	Aa2	AA-	AA-
Long-Term Letters of Credit	-	-	-
Senior Debt	Aa2	AA-	A+
Long-Term Counterparty	-	-	-
Financial Strength	B	-	-

At December 31, 2011, we reported the following in our Form 10-Q filing with the SEC:

**Notional value of derivatives**

Not designated as hedging instruments	US\$1,405.05 billion
Designated as hedging instruments	US\$6.49 billion
Total notional value	US\$1,411.54 billion

**Capital – State Street Corp.**

Total shareholders' equity	US\$19.40 billion
Tier 1 risk-based capital	US\$13.64 billion
Total risk-based capital	US\$14.84 billion

At December 31, 2011 the net fair value of trading contracts was \$120 million held in a payable position.

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.

In the ordinary course of business, State Street and its subsidiaries are involved in disputes, litigation and regulatory inquiries and investigations, both pending and threatened. These matters, if resolved adversely against the Company, may result in monetary damages, fines and penalties or require changes in our business practices. The resolution of these proceedings is inherently difficult to predict. However, we do not believe that the amount of any judgment, settlement or other action arising from any pending proceeding will have a material adverse effect on our consolidated financial condition, although the outcome of certain matters may have a material adverse effect on our consolidated results of operations for the period in which such matter is resolved or a reserve is determined to be required.

The SEC has requested information regarding registered mutual funds managed by SSgA that invested in sub-prime securities. As of June 30, 2007, these funds had net assets of less than \$300 million, and the net asset value per share of the funds experienced an average decline of approximately 7.23% during the third quarter of 2007. Average returns for industry peer funds were positive during the same period. During the course of our responding to such inquiry, certain potential compliance issues have been identified and are in the process of being resolved with the SEC staff. These funds were not covered by our regulatory settlement, announced in the first quarter of 2010, with the SEC, the Massachusetts Attorney General and the Massachusetts Securities Division of the Office of the Secretary of State, which concerned certain unregistered SSgA-managed funds that pursued active fixed-income strategies. Four lawsuits by individual investors in those active fixed-income strategies remain pending. In February 2012, the Court found that one of those investors is entitled to a payment from State Street, after adjustment for the compensation received from the fair fund established by State Street in connection with the regulatory settlement noted above. We intend to appeal that ruling.

We are currently defending a putative ERISA class action by investors in unregistered SSgA-managed funds which challenges the division of our securities lending-related revenue between the SSgA lending funds and State Street in its role as lending agent.

We managed, through SSgA, four common trust funds for which, in our capacity as manager and trustee, we appointed various Lehman entities as prime broker. As of September 15, 2008 (the date two of the Lehman entities involved entered insolvency proceedings), these funds had cash and securities held by Lehman with net asset values of approximately \$312 million. Some clients who invested in the funds managed by us brought litigation against us seeking compensation and additional damages, including double or treble damages, for their alleged losses in connection with our prime brokerage arrangements with Lehman's entities. A total of seven clients were invested in such funds, of which three currently have suits pending against us. Two cases are pending in federal court in Boston and the third is pending in Nova Scotia.

Through SSgA, we acted as collateral manager for several collateralized debt obligation, or CDO, transactions structured and offered through other financial institutions. In February 2012, we entered into a settlement with the Massachusetts Secretary of State to resolve their investigation into disclosures made with respect to one CDO (Carina CDO, Ltd.). In April 2011, a purchaser of \$10 million of notes from a second CDO (Markov CDO I, Ltd.) commenced an action against us and the offering bank in federal court in New York. The suit alleges, among other things, that



SSgA failed to independently manage the CDO portfolio, and that, as a result, misrepresented its role as collateral manager.

Two related participants in our agency securities lending program have brought suit against us challenging actions taken by us in response to their withdrawal from the program. We believe that certain withdrawals by these participants were inconsistent with the redemption policy applicable to the agency lending collateral pools and, consequently, redeemed their remaining interests through an in-kind distribution that reflected the assets these participants would have received had they acted in accordance with the collateral pools' redemption policy.

In October 2009, the Attorney General of the State of California commenced an action under the California False Claims Act and California Business and Professional Code alleging that State Street's pricing of certain foreign exchange transactions for certain California state pension plans was not consistent with the custody contracts for these plans and related disclosures to the plans.

We provide custody and principal foreign exchange services to government pension plans in other jurisdictions, and attorneys general and other governmental authorities from a number of jurisdictions, as well as U.S. Attorney's offices, the U.S. Department of Labor, the SEC and other regulators, have requested information or issued subpoenas concerning our foreign exchange pricing.

In February 2011, a putative class action was filed in federal court in Boston that seeks unspecified damages, including treble damages, on behalf of all custodial clients that executed certain foreign exchange transactions through State Street from 1998 to 2009. The complaint alleges, among other things, that the rates at which State Street executed indirect foreign currency trades constituted an unfair and deceptive practice under Massachusetts law and a breach of the duty of loyalty. A second putative class action is currently pending in federal court in Boston alleging various violations of ERISA on behalf of all ERISA plans custodied with us that executed indirect foreign exchange transactions with State Street between 2001 and 2009. The complaint alleges that State Street caused class members to pay unfair and unreasonable rates for indirect foreign exchange transactions with State Street. The complaint seeks unspecified damages, disgorgement of profits, and other equitable relief.

Three shareholder-related class action complaints are currently pending in federal court in Boston. One complaint purports to be brought on behalf of State Street shareholders. The two other complaints purport to be brought on behalf of participants and beneficiaries in the State Street Salary Savings Program who invested in the program's State Street stock investment option. The complaints variously allege violations of the federal securities laws and ERISA in connection with our foreign exchange trading business, our investment securities portfolio and our asset-backed commercial paper conduit program.

State Street is named as a defendant in three complaints filed in federal court in Boston in January 2012 by investment management clients of TAG Virgin Islands, Inc., or TAG, which hold custodial accounts with State Street. The complaints, collectively, allege claims for breach of contract, gross negligence, negligence, negligent misrepresentation, unjust enrichment, breach of fiduciary duty and aiding and/or abetting a breach of fiduciary duty, in connection with certain assets managed by TAG and custodied with State Street. One complaint is an individual action. Two of the complaints are putative class actions asserted on behalf of certain persons or entities who were clients of TAG and entered into a custodial relationship with State Street and/or its predecessors in interest.

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MASTER CUSTODY SERVICES**

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**STATE STREET.**

For additional information, please refer to State Street's current annual report on Form 10-K, on file with the Securities and Exchange Commission.

## 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.

### Total Assets

We have \$21.8 trillion in assets under custody and administration as of December 31, 2011.

### Total Clients

The Office of the General Treasurer is serviced through our Institutional Investor Services (IIS) division, which handles all master trust and custody clients. Please refer to the following table for IIS clients as of 12/31/2011:

Client Type	Number of Clients	Total Assets (\$ Millions)
Corporate / Pension	415	957,307.84
Union/Taft-Hartley	62	115,086.6
Public/Government	184	1,332,035.19
Endowment / Foundation / Non Profit	217	211,116.05
Other Financial Services & Other	420	553,840.51
Total	1,298	3,169,386.19

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 see a listing of the top ten Public Fund clients as of December 31, 2011:

Client Name	Custodied Assets (USD billions)	Client Since
Client A	250	1992
Client B	165	1987
Client C	105	1995
Client D	105	2002
Client E	75	1997
Client F	70	1989
Client G	70	1994
Client H	70	2010
Client I	60	1989
Client J	55	2001

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.

Due to the confidential nature of our client base, we are not at liberty to provide specific client information. However, please refer to the below table for the clients gained and lost in our Institutional Investor Services Division (IIS) in the last three years.

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Year	Clients Gained	Clients Lost
2009	47	9
2010	60	24
2011	93	22

When we lose a client, reasons cited are generally pricing considerations or the desire to consolidate to a single provider or local solution. Several clients who have left have subsequently returned because we offer a level of service not found elsewhere. The consistency and unparalleled focus that we offer results in innovative solutions that precisely fit their growing investment needs.

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.

Please refer to the references below for three current clients with plans similar to the Office of the General Treasurer.

Client Name	Contact Name /Telephone Number	Custodied Assets	Client Since
Maryland State Retirement Agency	Ms. Victoria Willard, Managing Director Phone: (410) 625-5614	\$35B AUC	January 1994
Municipal Employees' Retirement System of Michigan	Mr. Jeb Burns, Chief Investment Officer Phone: (517) 703-9702	\$6.5B AUC	January 2008
State of Georgia Office of Treasury	Ms. Laura Glenn , Investment Officer Phone: (404)656-2995	\$11 B AUC	*February 2009

\*State of Georgia was a legacy IBT client and chose to consolidate assets held at other providers with State Street in 2009.

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.

Please refer to the references below for two former clients with plans similar to the Office of the General Treasurer.

Former Client Name	Contact Name /Title	Address	Phone/Email
State Teachers Retirement System of Ohio	Mr. Todd Hohenstein Manager, Investment Operations	275 East Broad Street Columbus, OH 43215	(614) 227-2863 Hohenstt@strsoh.org
Ohio Public Employees Retirement System	Mr. Walt Knox Assistant Director , Investment Accounting	277 East Town Street Columbus, OH 43215	(614) 227- 0316 wknox@opers.org

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

Please refer to the references below for additional clients with plans similar to the Office of the General Treasurer.

Client Name	Contact Name /Title	Address	Phone/Email
New Jersey Division of Investment	Mr. Timothy Walsh, Director	60 West State Street Trenton, NJ 08625	(609) 292-5106 tim.walsh@treas.state.nj.us

Federal Reserve, Office of Employee Benefits	Mr. William Clark, Chief Investment Officer, Senior Vice President	One Riverfront Plaza Suite 100 Newark, NJ 07102	(973) 848-3600 william.clark@ny.frb.org
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**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?**

Throughout our 27 year partnership, we have worked together to clarify and confirm your service needs and expectations. Our goal is to provide solutions tailored to your requirements and request that you actively participate in all evaluations of our service performance.

**Evaluation of Service**

To provide consistency and the ability to integrate data across all divisions, our annual formal report cards ask you to rate our service on a ‘very satisfied’ to a ‘very dissatisfied’ scale against the predetermined criteria including:

- Timeliness of reports
- Responsiveness to inquiries and requests
- Accuracy
- Knowledge of your accounting rules and reporting requirements

Lisa Tyrrell and Nick Katsikis review the report cards and if the answer to any question is “less than satisfied”, the team will work with your staff to develop an improvement plan that will be reviewed and monitored. We use these report cards as an ongoing mechanism for feedback.

We also provide the opportunity for investment managers and consultants to communicate their perceptions of our service to us through either a separate survey process or through a dedicated relationship officer.

Additionally, Lisa coordinates a formal review with you and your staff on an annual basis.

Your feedback is extremely important to us and it is our continuous goal for you to be highly satisfied with our service performance, on an ongoing basis, we obtain feedback through a combination of direct client contact (via telephone, email and written correspondence), monthly visits and annual quality surveys.

**Measurement of Service Quality**

We will continue to perform the annual survey. Based on the latest survey results, your overall satisfaction based on a scale from 1 to 5 was a 4 “satisfied” and we scored a 5 “very satisfied” on flexibility and handling special requests.

We analyze data from these service evaluations to identify areas where our service excels and where improvement is needed. Baseline measures are used to track service performance over time. Recommendations for service improvements based on survey results are developed collaboratively between the Quality Office and a committee of business managers. Senior management reviews survey results and recommendations quarterly resulting in the implementation of improvement initiatives in the business units.

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.

Periodically, we sponsor conferences and regulatory update sessions during which clients participate in discussions with senior executives, other clients and industry leaders.

Typically, such events are crafted to suit the interests of the various market segments of our client base – public funds, corporate plan sponsors, not-for-profit organizations and Taft-Hartley funds. These events serve to inform clients of market and industry trends and allow us to share our strategies as they pertain to the spectrum of services we provide to clients across the investment cycle.

We regularly organize conferences for various segments of our client base. The events serve to inform clients of market and industry trends and allow us to share our strategies as they pertain to the spectrum of services we provide to clients across the investment cycle.

Some of these events and conferences include:

**Annual Corporate Continuity Conference:** We discuss with other experts the continuity industry, best practices of recovery strategies, regulatory issues and workplace safety.

**Information Security Forum:** We discuss with other experts the best practice on enterprise data protection, demonstrate new technology solutions and explore current industry practices around technological security.

**State Street Analytics Conference:** We provide a forum to discuss performance and risk driven trends and tools with industry experts.

**State Street Global Markets Research Retreat:** A range of topics is presented to help our clients better understand market dynamics, identify investment opportunities and optimize global portfolio strategies.

### Training

One of the significant advantages to the Office of the General Treasurer in re-selecting State Street would be that your staff already knows how to use our systems. This means business continues without missing a step. That said, State Street will provide training on any of our applications to any Treasury staff member that needs it. Training can be provided in person at your office or may be provided through remote learning software, whichever the Treasury staff prefers.

In addition, we sponsor conferences during which clients participate in discussions with senior executives, other clients and industry leaders. Typically, such events are crafted to suit the interests of the various market segments of our client base — investment managers, insurance companies, mutual funds, plan sponsors and other sophisticated investors. These events serve to inform clients of market and industry trends and allow us to share our strategies as they pertain to the spectrum of services we provide to clients across the investment cycle.

As always, we encourage the Treasury staff to visit our offices informally and meet with the members of their client service team. The Treasury staff can also sit with the team to see how our systems, procedures, policies and audits work to help meet their needs.

### Publications

The following is a representative list of publications for clients:

***The Guide to Custody in World Markets:*** Presents information, on a market-by-market basis, related to settlement and safekeeping practices of each market within our network. A regularly updated version of this publication is available on State Street's Web site and is published annually via CD-ROM.

***Global Custody Network Review:*** Serves as a companion volume to the Guide to Custody in World Markets and provides clients with insight into our subcustodian selection and monitoring procedures.

***Investment Manager Guide:*** Details the policies and procedures that apply to all State Street office locations; provides information promoting the effective servicing of our mutual funds clients. In addition the Investment Manager Guide describes prescribed handling of trade notification, trade settlement, cash management, corporate action and income, reporting and account openings.

***State Street Watch®:*** This newsletter, published three times per year, provides information and insight on the financial industry with custom market segment pieces.

***InSights:*** A quarterly newsletter from State Street Global Advisors that presents recent developments and investment results.

***Vision Papers*** – We publish our Vision series on a quarterly basis through research that is designed to assist our clients in dealing with the ever-changing investment landscape. Spanning a variety of topics in which we have significant expertise and capabilities, the Vision series are intentionally written in very accessible language to help further the dialogue on key industry themes among a broad audience. Our latest paper in the series focuses on the rapid growth of sovereign wealth funds and their impact on the world's capital markets.

## 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.

We highly value our 27 year relationship with the Office of the General Treasurer. In addition to exceeding standard key operational indicators, we share best practice insights with the Office of the General Treasurer and present implications of important industry trends. Knowing that each client's needs are unique, we have developed customized, effective solutions to meet your investment and reporting objectives. Our service philosophy is that it is incumbent upon us to do everything we can to assist the Office of the General Treasurer in discharging their responsibilities to plan participants and other stakeholders in a responsive and cost effective manner. We accomplish this by offering a "high-touch" service model which is augmented by the best technology available in the institutional market. The Office of the General Treasurer has access to advanced analytic products, dashboards that provide up-to-the-minute financial information; robust data extraction routines and a suite of products that compliment the demands of their job. Our goal is to minimize the friction of plan administration and provide you the tools necessary to make decisions with a high level of confidence.

A dedicated client service team is assigned to every relationship. Our goal is to develop close, collaborative relationships that allow us to deliver highly personalized service. Our service vision is to create an extension of your staff using the expertise and professional depth at State Street. We do things 'your way, not ours'. Your team includes product and service specialists with expertise in each discipline. As you know, your client service team is comprised of professionals in Client Relationship Management, Accounting and State Street Investment Analytics.

Our servicing model gives account ownership – from start to finish – to the client relationship team. Lisa Tyrrell, your relationship manager is the focal point of this partnership. She works closely with Nick Katsikis and together they are responsible for ensuring company-wide client satisfaction, helping you to meet your near and long term strategies and fostering strong communication. The client relationship team will be your advocate to State Street and make certain we honor our value proposition.

The accounting team, led by Eric Bittner and Mike Isaacs leverages the talents of an organization dedicated to operations excellence to provide outstanding service and timely, accurate and useful information to our clients and their agents. The accounting team handles all operational functions, such as trust and plan reporting, client directed activity and ensuring trade settlement and income discrepancies are resolved.

The State Street Investment Analytics (SSIA) team, led by Kamran Makhdumi and Damian Hubbard, provides a broad array of services including performance measurement, universe comparison, risk analysis, attribution and compliance monitoring. The SSIA team focus is on client empowerment of data.

To confirm that we are continuously delivering the highest levels of service, we employ a variety of methods to garner feedback regarding our performance. These include direct client contact (via telephone, correspondence and personal visits), monthly visits and regular quality surveys. We review our progress in achieving relationship goals, and if needed, develop strategies and action plans to enhance the daily servicing of the relationship.

Please refer to **Exhibit II** for our current client service team their biographies.



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 find the current service team for the Office of the General Treasurer listed below. If we are reselected by the Office of the General Treasurer, there would not be any changes made to the current team, unless requested by the Office of the General Treasurer.

**Management Sponsor**

Name	Responsibility	Location	Number of Client Relationships	Years with Bank	Years Experience
Mark Schafer	Senior Vice President, Public Funds Client Service	Boston, MA	*	4	29

*\*Denotes management oversight and/or operations support for all client relationships*

**Relationship Management/Client Servicing Team**

Name	Responsibility	Location	Number of Client Relationships	Years with Bank	Years Experience
Lisa Tyrrell	Vice President, Relationship Manager	Boston, MA	5	13	23
Nicholas Katsikis	Assistant Vice President, Client Service	Boston, MS	7	19	19

**Custody and Accounting**

Name	Responsibility	Location	Number of Client Relationships	Years with Bank	Years Experience
Eric Bittner	Vice President, Accounting	Kansas City, MO	*	12	12
Mikel Isaacs	Account Manager, Accounting	Kansas City, MO	15	7	7

*\*Denotes management oversight and/or operations support for all client relationships*

**Performance and Analytics**

Name	Responsibility	Location	Number of Client Relationships	Years with Bank	Years Experience
Kamran Makhdumi	Vice President, Investment Analytics Consultant	Boston, MA	*	10	18
Damian Hubbard	Vice President, Investment Analytics	Boston, MA	7	7	7

	Consultant				
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*\*Denotes management oversight and/or operations support for all client relationships*

**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 table below for turnover statistics by level within the Institutional Investor Services division for the past three years.

Position	2009	2010	2011
Executive Vice President	0.0%	0.0%	0.0%
Senior Vice President	0.0%	0.0%	0.0%
Vice President	0.7%	2.8%	2.4%
Assistant Vice President	2.6%	4.9%	3.2%
Officer	0.0%	5.0%	2.8%

*Due to periodic organizational and reporting changes, turnover and headcount statistics produced at any given point in time may not be appropriately compared to statistics previously or subsequently produced as a result of discrepancies in methodology utilized or populations included.*

Turnover on a given service team will occur for different reasons, some of which are healthy (e.g. promotion opportunities that transfer someone to another part of State Street). While turnover statistics are important and can provide some insights on the stability of an organization, it is also important how an organization plans for and accommodates turnover so that service levels are not eroded by it.

**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.**

With regard to our executive leadership, significant appointments in the past three years include:

State Street's board of directors appointed Joseph L. (Jay) Hooley as chairman effective January 1, 2011, following Ronald E. Logue's planned retirement as a director. With this appointment, Hooley now serves as the company's chairman, president and CEO. Since joining State Street in 1986, he has held a number of leadership positions, including managing the company's global investment servicing business.

Scott Powers was named president and chief executive officer of State Street Global Advisors (SSgA) in April 2008, taking over leadership of one of the world's leading investment managers, with \$2.1 trillion in assets under management as of March 31, 2011. Powers joined SSgA from Old Mutual US, the US operating unit of London-based Old Mutual plc, where he served as chief executive officer.

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

- a. Recruitment/Replacement
- b. Training
- c. Compensation
- d. Incentive programs

Several initiatives have been implemented to retain key staff as well as foster a team approach and develop a strong level of experience. Our employees are frequently cross-trained on the various products we service for our clients. By training our employees in this manner, we have been able to enhance their level of knowledge and job satisfaction, so that they deliver a consistently high level of service. Two other initiatives that have been implemented within client service teams include Flexible Work Arrangements and a Service Excellence Program:

- Employees have been afforded the opportunity to maintain an alternate workweek (flexible work arrangements) schedule to provide an additional commitment on our part to the daily balancing of work and home.
- The Global Curriculum is a learning and development program that offers employees and managers access to targeted and relevant training that is consistent across all locations. The Global Curriculum courses consist of online and instructor-led classes across a wide range of disciplines and topics. These classes are also available in multiple languages.
- Our new approach to compensation is focused on total compensation and pay-for-performance. This new structure is a critical component of our ability to attract and retain talented employees that will fuel our company's growth into the future.
- Robust Reward and Recognition programs throughout the organization (i.e. Above and Beyond Award, Development Award)

## 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 III** for the auditor's Opinion Letters for the past 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.

Yes. We have a Corporate Audit group staffed by approximately 180 professionals who report directly to the Examining and Audit Committee of the Board of Directors. Corporate Audit provides the Board of Directors and management with independent and objective assessments of the design and operating effectiveness of State Street's system of internal controls covering the integrity of the Company's financial statements and reports, compliance with laws, regulations, and corporate policies and the effective management of risks faced by the Company in executing on its strategic and tactical operating plans.

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?

Corporate Compliance manages compliance risk defined as the risk of financial loss, regulatory sanction or denigration of reputation resulting from a failure by the corporation to comply with applicable laws, rules, regulations and related self-regulatory standards and implementing corporate policies and procedures that apply to the corporation's business activities and functions. Corporate Compliance is responsible for managing State Street's compliance risk. Compliance services provided to clients is an operational function managed by line area management.

Corporate Compliance is comprised of three areas: Program and Support Office, Subject Matter Expert functions, and Business-aligned Senior Compliance Officers. All three areas report to State Street's Chief Compliance Officer.

The Program and Support Office sets standards for the enterprise wide compliance programs to provide consistency, quality and reliability. Standards are established in the areas of risk assessment, controls testing, escalation and remediation, and reporting.

Subject matter experts have expertise in specific areas of compliance (e.g. ethics, anti-money laundering, bank regulation, and privacy). They provide support and guidance to business-aligned compliance staff as they design and implement their compliance programs. Subject matter experts are responsible for establishing and maintaining corporate level standards for compliance in their respective areas. They support the Chief Compliance Officer in monitoring the results of the enterprise wide compliance programs.

The business-aligned Senior Compliance Officers are assigned to line areas and provide direct compliance risk management support to the line management in order to establish and maintain compliance programs specific to their areas. The Senior Compliance Officers are responsible for establishing the compliance programs in their respective areas to meet the applicable regulatory requirements related to the legal entity, the location, and the products and services provided.

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

Corporate Audit maintains a universe of auditable entities within State Street to establish comprehensive coverage of the enterprise. Using a sophisticated model for analyzing the risks in each entity, Corporate Audit performs, at a minimum, annual risk assessments of the audit universe. Audit frequencies tie directly to the outcome of the risk assessment process and historical audit results. The primary focus on the auditable unit's highest risks may be modified to meet regulatory requirements, or independent public accountant's and management requests.

Individual audits are conducted following the principles outlined in the Committee of Sponsoring Organizations of the Treadway Commission (COSO) methodology, which encompasses the identification of business objectives, the risks associated with achieving the objectives and the controls management must implement to make certain risks are effectively managed.

Corporate Audit issues formal audit reports to the executives responsible for the business area reviewed, as well as the various management levels reporting up to the Chief Executive Officer, including executives from Legal, Risk and Compliance. The Examining and Audit Committee of the Board of Directors also receives copies of all audit reports.

Business unit management is required to prepare a corrective action plan to address issues raised in audits and internal controls reviews. Business units develop a corrective action plan, agree that plan with Corporate Audit, designate a manager responsible for executing the plan and establish a target date for completion of the plan. Corporate Audit monitors the completion of corrective actions through a database of open issues, and requires updates reflecting the status of each on a monthly basis. To extend a target date for completion of corrective action, managers must gain executive management approval from both the business unit and Corporate Audit. Corrective action plans where management has requested more than one extension are reported to the Examining and Audit Committee in detail.

**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?**

Once we receive trade instructions, electronic trade instructions flow through various audit and edit checks prior to posting directly to our core Global Horizon<sup>®</sup> system.

Transactions generally flow into Global Horizon and, through an electronic trade authorization process, post to our securities movement and control systems. Once transactions have passed all custody system edits and position checks, we deliver instructions to external trade recipients such as our subcustodians and depositories in markets where we are a direct participant. Our systems facilitate a timely, straight through processing of trade activity. Once a trade is approved, elapsed time for the authorization and transmission to the depository or subcustodian is minimal.

We electronically screen trade details for accuracy, completeness, and availability (enough shares to sell) immediately upon receipt.

In general, the primary edits use State Street reference databases. Some of the primary validations are as follows:

- Sender must be in sender database
- Account ID must be in fund header database

- Transaction type must be valid
- Date fields (e.g., trade date, settlement date, maturity date) must be valid calendar dates; also if non-business dates will produce a warning; and trade date must be less or equal than settlement date, etc.
- Local and base amounts (currency) must be valid for funds
- Asset ID must be in security reference database
- Quantity must not be zero, sell quantity must not exceed current position, calculated cost must not be zero
- Net amount (local) must cross foot (calculated using quantity times price + commission + taxes + fees + 'other' amounts + tolerance)
- Settlement net amount must be base net amount times exchange rate (settle currency/base currency)
- Settlement instructions required if settle location is DTC and clearing broker requires instructions
- Executing broker/counter-party must be in broker reference database
- Settlement location
- Currency must be valid ISO code

As trades are received electronically from investment managers, they are subjected to the complete set of edits and validations that would be applied had the trade been entered manually. These edits would include all common validations from correct population of all required fields and cross foot checks, to sufficient share availability. Any failure of these edits would create an exception condition and put the trade in question into a work queue for immediate manual review and repair. The generation of an exception on an individual trade within a batch does not impede the processing of the remaining transactions from within the batch.

#### **Income, amortization and accretion**

Reviews of income, amortization and accretion are performed daily and complete proof packages are provided on a monthly basis. There are several daily reports that show the accrual and amortization or accretion for each security held by the fund. Income reports are created from Global Horizon<sup>®</sup> and the information is compared to Bloomberg on a daily basis. Prior day's accruals are measured against current day's accruals for reasonability.

#### **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.**

State Street verifies the accuracy of information through an error detection process built into Global Horizon<sup>®</sup>. Transactions entered into Global Horizon pass a series of technological edits to facilitate accuracy and settlement. Each portfolio is balanced and reconciled on a daily basis so that all trades flowed through the system.

To further verify reporting accuracy and timeliness, State Street has implemented the **Client Service Workstation** — a tool that enables our staff to execute audits of transaction-related information that is sourced from Global Horizon<sup>®</sup> on a real-time basis. The Client Service Workstation automates the data verification, reasonability and reconciliation process daily on a transaction-by-transaction basis, allowing staff to focus on exception items and data analysis. Benefits translate

into accurate accounting information on a daily basis and a faster period close. This quality control procedure also verifies input and reconciliation of output. This audit is an integrated part of our general ledger accounting system.

The following is a list of automated audits:

Price Tolerance	Income Activity Proof
Price Consistency	Trial Proof
Cost and Share Proof	Cash Proof
Cost of Investments Proof	Payables/Receivables Proof
Pending Foreign Exchange Proof	Initial Income Verification
Open Trades Proof	Realized Gain/Loss Proof

State Street offices worldwide use our Client Service Workstation to facilitate consistent service delivery. In addition to these automated checks, State Street's client service team also manually reviews reports prior to mailing to clients.

**Reconciliation**

Reconciliations of reports with clients and their managers are performed daily and monthly, both online and manually, to confirm that State Street's records are consistent with those of the client's investment managers.

Daily, the fund accountant reconciles the end of day cash flows to the Global Horizon® cash balance on the general ledger as well as with the client. The fund accountant also reconciles the Global Horizon general ledger cash balance to the fund's DDA. In addition, holdings are verified through the reconciliation of the total daily accrual with the client. The account manager and/or senior fund accountant review the reconciliations daily. Failing trades, unmatched trades, pending activity and overdrawn DDA information reporting are delivered to the client or its investment managers, as directed by the client, electronically via State Street's information delivery platform, or sent via facsimile by service representatives who are available to answer inquiries pertaining to such reports.

The timeline for monthly reconciliations are customized to meet the month end close deliverable date for each client. With the monthly audited statement due to the Treasury staff on the 5<sup>th</sup> business day for publically held assets and the 7<sup>th</sup> business day for privately held assets, the monthly reconciliation with your external managers is as follows:

- 3<sup>rd</sup> Business Day: Preliminary sign off sheets are sent to your external manager for review.
- 5<sup>th</sup> Business Day: Managers note any variances over 20 basis points with detailed information explaining the variance. These are signed by the manager and faxed back to State Street.

In addition to the publicly traded assets held with your external managers, we also have a monthly reconciliation in place with your consultant, Cliffwater, for the private equity assets to verify that all records, your, ours and Cliffwater's reflect the same valuation.

**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.**

Please refer to **Exhibit IV** for a copy of our Memorandum of Insurance. State Street maintains a comprehensive insurance program designed to mitigate material risks faced by the Company in the ordinary course of its business. A summary description of State Street's current program is referenced above as **Exhibit IV**.

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. We have enclosed our most recent Statement on Standards for Attestation Engagements (SSAE) 16 Report (formerly, the Global Fund Accounting and Custody SAS 70) for your review. No substantive issues were raised and the examination details the auditor's comments. Any errors identified during this review and are corrected in the normal course of business.



## 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 US and non-US custody operations are integrated within our Global Cash and Securities Services division. For non-US custody, the various units managing agent bank relationships, securities settlements, and reconciliation resolution are organized by geographic area. Other custody functions, such as income, corporate actions and tax processing, are organized internally along the same geographic lines but exist within a functional environment.

Our structure allows us to leverage operational and regional similarities to maximize the efficiency of service and level of custody expertise we offer to our clients.

2. Describe your global custody capabilities in detail.

### Global Custody Capabilities

Our global custody service provides comprehensive trade clearance and settlement, safekeeping, asset servicing, and market information services. These services are available to all clients around the globe, regardless of residency or investment type. Investments can be supported in 108 markets. We started providing full global custody services in 1981.

**Trade Clearance and Settlement** involves the electronic receipt of trade instructions, the seamless feed of this information to our agent banks and depositories, the automated pre-matching of instruction and swift resolution of discrepancies, and the final exchange of payments for securities. In the event the settlement of a transaction should be detained, our specialists, agent banks, and depositories take immediate action to facilitate the fulfillment of the obligations of the transaction.

**Safekeeping** - In most markets, clients' assets are held through local depositories with whom we maintain either direct or indirect relationships through local agent banks. All assets are tracked point to point at the transaction level. Where assets are to be settled physically, securities are automatically sent for proper registration, unless otherwise requested by our clients for immediate turnaround.

**Corporate Action Processing** - Our superior corporate action capabilities enable us to track, notify, and process corporate actions in all markets that our clients invest in. Through our overall experience and knowledge, our clients are provided with a seamless corporate action product for both simple and complex investment types. We continuously communicate with depositories, subcustodians and other market agents to expedite the gathering of event information and use state of the art technology to communicate with our clients and market agents. This focused effort enables us to provide timely and accurate information when processing events whether they are simple event types such as splits, tenders, or calls, or events such as consents, puts, exchanges, that may occur on more complex or unusual investment instruments.

**Proxy Voting** - We partner with the financial services industry's market leader with respect to proxy voting, Broadridge Financial Solutions, Inc. (Broadridge) to provide proxy services for bondholder or shareholder meetings. The synergies between the two organizations allow for the highest quality service available to be provided to our clients. We have an active working relationship where we are very focused on identifying service expansion opportunities.

**Income Collection** - For the vast majority of assets under our custody, we credit income proceeds on payable date. This provides clients or their investment managers with the opportunity to invest the income as soon as it becomes available. Our income tracking technology supports accurate calculation of entitlements, identification of outstanding receivables, and proactive claiming.

**Tax Services** - As we support over 50 different investment types, for clients with over 110 residencies, investing in 108 markets, the need for precision in monitoring and understanding the continuous evolution of tax regulations cannot be underestimated. We have highly interactive relationships with large tax advisors and regulators around the world. We actively seek opportunities to achieve reduction at source and have led markets in establishing this practice. Understanding the complexity of obtaining exemptions, relief at source, and certifications, our market experts are always available to guide you through form completion and market practices. Our technology combined with our tax experts facilitates prompt and accurate collection of all tax reclamation entitlements. We also arrange for the collection and remittance to the Internal Revenue Service of Non-Resident Alien (NRA) withholding tax due on US investment income. With respect to capital gains tax, we facilitate capital gains tax filings for clients in applicable markets, working closely with local tax consultants and subcustodians to confirm tax calculations are accurate, payments are made on time and tax returns are filed accordingly.

**Market Information** - We are committed to sharing our expertise relating to settlement and safekeeping practices and risks, and to keeping you informed regarding changing custody conditions worldwide. We make that timely, accurate, and meaningful information available to you whenever and wherever you need it. Client communications include daily bulletins, quarterly newsletters and updates, and extensive annual reference guides. We also offer these materials as part of a wide array of custody reference materials in the Global Market Information (GMI) section of Global Investor Resources on our online information delivery portal, [my.statestreet.com](http://my.statestreet.com).

We are committed to providing subcustody services of superior quality to our worldwide client base. Our objective is to obtain custody and associated services from established institutions that are demonstrating a consistent and extensive level of commitment to the securities processing and custody business. These institutions are expected to comply with our specific operating and service requirements. The operating requirements clearly establish the criteria for performance by the subcustodian. We re-appraise all of our subcustody arrangements on a regular basis to confirm that we continue to maintain the highest level of quality, efficiency and operational integrity throughout our network.

**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.**

We will maintain eligible securities within a central depository in cases where depository usage is compulsory by law and, generally, when dictated by prevailing custodial practice.

Most depositories are developed to create settlement and safekeeping efficiencies, as well as to mitigate risks associated with the physical movement of certificates. Market officials generally intend that all investors will be users (direct or indirect) of the depository for eligible securities. Consequently, most depositories operating in the markets contained in our network are compulsory for settlement and/or safekeeping. A number are compulsory per local law, or the rules and regulations of the depository and/or affiliated stock exchange. In many cases, however, depository systems are compulsory by virtue of the fact that maintaining securities outside the system is inconsistent with prevailing custodial

practices. Not using the depository system under these circumstances may have significant and adverse effects on the liquidity of the particular position held outside the depository. Higher costs and risks associated with exception processing can also be attributed to operating in a manner different from the prevailing practice in the market.

In markets where a central depository does not exist or for securities that are not eligible for safekeeping at a central depository, securities are held in the vaults of our local subcustodian or in our vaults, as applicable.

### **Reconciliation**

To facilitate to goal of quality and consistency for our clients, we proactively reconcile subcustodian positions and the records of depositories where we maintain direct depository linkages – the United States, Canada, the United Kingdom, Clearstream and Euroclear - with our own records.

#### *Securities Reconciliation*

Where we have direct depository linkages, securities are systematically reconciled on a daily basis through our electronic interfaces.

In markets where we have subcustodian relationships, we perform automated securities position reconciliation of SWIFT statements with our subcustodian. We reconcile omnibus accounts on a daily basis. Exceptions to this are driven by local market capabilities; in these cases accounts are reconciled at least monthly.

Security exceptions are maintained in a resolution database for investigation as well as management reporting, and are tracked until resolution.

#### *Cash Reconciliation*

In the majority of markets, cash reconciliation is completed daily regardless of transaction volume. In markets where transaction volumes are low, the subcustodian only sends SWIFT messages when activity in the market exists. Non-active accounts are reconciled at least once per month.

Our records are reconciled via electronic interfaces with depositories where we provide direct custody and against our subcustodians' SWIFT cash statements. Depending on the subcustodian and the relevant timeframes for processing activity in the market, each account is designated to one of our six reconciliation cycles scheduled throughout the day. Cash exceptions, if any, are maintained in a database for investigation as well as management reporting and are tracked until resolution.

### **Segregation of Assets**

Client securities, regardless of type, are always separately identified on our books and records. Depending on the practice in particular markets, tax and income considerations and legal segregation requirements, securities may also be segregated by client at the subcustodian level. Securities are held in the name of State Street or the subcustodian "as custodian" or in a nominee name and are beneficially owned by the client. The securities are recorded on the books and records of State Street or the subcustodian as held on behalf of the client, not as assets of State Street or the subcustodian, and are not included on either our or the subcustodian's balance sheet. This is generally sufficient to remove assets from the bankruptcy estate of us or the subcustodian. Whether or not the foregoing segregation is sufficient to protect against such a drastic measure as nationalization would depend on the scope of a government's nationalization order, and is considered a matter of country risk.

Cash, unlike securities, is fungible. Currency cannot be registered in the name of, or identified as beneficially owned by a client, nor can it practically be held in physical segregation. Cash is deposited in demand or call accounts. We may open for the benefit of the client a deposit account with a subcustodian for uninvested cash balances. The depositor's asset is the repayment obligation due from the deposit-taking bank to the depositor, not the cash deposited. Such a repayment obligation is not an asset that can be pledged to creditors by either us or our subcustodians. A bank's obligation to repay a cash account cannot be pledged or attached by creditors. Deposit accounts are subject to some measure of credit risk to the institution taking the deposit because deposits are unsecured obligations.

Uninvested cash balances deposited with a bank, trust company or other deposit-taking institution represent an obligation with respect to which the depositor stands among the general creditors of the institution taking the deposit. However, for many currencies, the cash at the subcustodian is maintained in correspondent NOSTROs of State Street Bank and Trust Company. The client's asset is a deposit with State Street Bank and Trust Company that is not conditioned upon the solvency of a correspondent bank/subcustodian. Under these circumstances, the credit risk of subcustodians belongs to State Street. With respect to those currencies not on our books, the credit risk is to the deposit-taking institution.

**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.**

The provision of an effective global proxy voting service has become an increasingly important facet of the safekeeping service State Street provides to our clients. We take pride in the servicing alliance we have established with Broadridge Financial Solutions, Inc. (Broadridge) in order to provide the highest level of service for our clients. Broadridge is recognized as the industry's leading provider of proxy notification and vote tabulation services to security issuers, transfer agents, custodians, investment managers and voting agents.

We have established customized, innovative and automated communication links with Broadridge that facilitate the smooth flow of information among us, Broadridge, our clients, voting managers and subcustodians. Information flows automatically from our subcustodians to Broadridge to create meeting notifications as soon as information is available from the local market. Voting instructions flow automatically from Broadridge to our subcustodians so that all votes are recorded on a timely basis and are communicated via an authenticated network.

**United States and Canadian Issuers**

United States and Canadian issuers provide both Broadridge and their subsidiary in Canada, Broadridge Investor Communication Solutions Canada (Broadridge – ICS Canada) with meeting information on a daily basis. Upon receipt of meeting information provided by issuers and the electronic data feeds sent by us, Broadridge and Broadridge – ICS Canada release proxy notifications to the client.

Decision makers may choose to use Broadridge's ProxyEdge.com to access meeting information and submit voting instructions to United States and Canadian meetings. If these products are not selected clients will receive hardcopy materials via mail. Vote instructions can be submitted via hardcopy, telephone or via Proxyvote.com on the Internet. Vote instructions are compiled and sent directly by Broadridge to the company or their designated agent.

For physical securities in the United States, proxies are mailed to registered holders for processing directly with the tabulator/solicitor. We can assist if required, at the request of the client.

## Other Global Markets Issuers

Our subcustodians forward general meeting information via SWIFT messages to Broadridge. Client holding files and client contact details are automatically routed to Broadridge on a daily basis. These transmissions enable Broadridge to create meeting notifications to our clients. Broadridge then forwards meeting notifications to clients. Client responses also flow back to Broadridge and then to our subcustodian network via SWIFT.

Broadridge delivers all non-North American meeting information via ProxyEdge.com. Decision makers will access meeting information and input their voting instructions using these products. The vote instructions are processed and compiled by Broadridge, and transmitted daily to the subcustodians via SWIFT messages.

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

We identify each corporate action promptly, track it effectively and process it timely and accurately.

#### Event Capture

We begin working on a corporate action immediately following the identification of an event. We continuously communicate with depositories, subcustodians and other market agents to expedite the gathering of complete details on the event. Information received daily from data vendor sources, our subcustodians, and directly from issuers and paying agents is reconciled against our custody records. We also receive information such as a prospectus or other market materials directly from agents. Any information that is manually keyed into our system is subject to blind key verification. In the event that the information does not match between the enterer and verifier, the discrepant field must be resolved by a 3rd party. Prior to releasing a corporate action notification to clients, we strive to verify each corporate action with multiple sources to maximize the accuracy of the information. Once relevant details of the event and the holding have been confirmed, the global corporate action system supports the generation of three levels of corporate action notification for clients via our Corporate Action Tracking and Interactive Network (CApTAIN<sup>®</sup>), SWIFT, or Auto fax:

**Pre-notifications** are released within 24 hours of our receipt of preliminary corporate event details, which enables us to provide the clients with an alert of a potential corporate action event that may affect investment opportunities.

We employ timeliness standards for notification that dictate the release of an **Interim Notification** if full details of an action have not been released in the market within pre-established timeframes.

We strive to deliver **Full Notification** 48 hours prior to ex/effective date for ex-date driven events (e.g., rights issue) and at least 10 days prior to expiration for expiration date-driven actions (e.g., tender offers)

Our global corporate action system continuously integrates client and event information, identifying any changes in the terms of an event that require re-notification. Once the need for a re-notification is identified, the system automatically supports the generation of re-notifications. Re-notifications of voluntary events are generated at specific times as the expiration of the event approaches rather than every time a client's affected holding change.

These standards have been established to provide clients sufficient time to respond to voluntary corporate actions.

In addition, we have the capability to deliver to asset owners an email message to advise them that they have received a notification of a corporate event. Clients who wish to be advised that a corporate action notification or re-notification has been generated for their account can elect to receive an email alert message. The email will contain an image of the

notification imbedded in the message; however client identifying information will not be displayed. Clients have the option to receive these messages on a real time basis or via a scheduled batch process.

### Response Processing

For voluntary offers, which require a decision from the client and/or their investment manager(s), we provide a date and time deadline by which the client and/or their investment manager(s) must send us an instruction. Our response deadline for corporate actions is typically 48 hours in advance of the deadline by which we are required to submit instructions to our subcustodians, depositories and agents, as appropriate.

Missing responses are identified systematically for follow-up on our deadline date. Once missing responses are identified, we may initiate follow-up courtesy calls to the client and/or their investment manager(s) if time permits. If the client and/or their investment manager(s) does not submit a response, the default option, as identified on the notification is applied.

Clients can elect to receive response status messages via multiple methods; CApTAIN, SWIFT and Auto fax. Multiple status messages may be sent during the life cycle of a corporate action. The response status message can be used to convey the following information: acknowledge receipt of the client's and/or their investment manager(s) response to a voluntary corporate action; advise that the default action for an event has been applied; advise that standing instructions have been applied; and identify an action for which no response has been received.

After an asset owner or manager's instruction passes the appropriate controls or checks, the global corporate action system supports instruction processing through automated delivery to subcustodians via SWIFT. Once entitlements are collected, the subcustodian or depository notifies us via SWIFT or other communication links and the transactions are settled on our records.

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.**

We are a direct participant in the depositories and other local systems in the markets where we offer self-custody. In the United States, we are a participant of the Depository Trust and Clearing Corporation (DTCC) and the Federal Reserve Book Entry System (FBE).

We are a direct participant in Clearstream, Euroclear, the Canadian Depository for Securities (CDS), and Euroclear UK & Ireland Limited (EUI/CREST) in the United Kingdom and Ireland.

Our global custody network covers 108 markets worldwide. In the United States, Canada, the United Kingdom and Ireland, we utilize our own local market custody operations. In other markets, we have selected a local agent bank to act as our subcustodian.

We are committed to providing subcustody services of superior quality to our worldwide client base. Our objective is to obtain custody and associated services from established institutions that are demonstrating a consistent and extensive level of commitment to the securities processing and custody business. These institutions are expected to comply with our specific operating and service requirements. The operating requirements clearly establish the criteria for performance by the subcustodian. We re-appraise all of our subcustody arrangements on a regular basis so that we continue to maintain the highest level of quality, efficiency and operational integrity throughout our network.

Please refer to **Exhibit V** a complete list of our global custody network.

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

#### **Selecting Subcustodians**

Our subcustodian selection activities are designed to identify the agent bank arrangements that satisfy the servicing needs of our diverse client base. We sustain consistent and comprehensive processes in selecting appropriate subcustodians and undertake careful review of numerous factors to see that we maintain optimal service and quality levels. Each subcustodian we choose must evidence securities processing and local market expertise, and must satisfy our stringent operating requirements in terms of structure, communications, asset servicing activities, and reporting.

Our subcustodian selection procedures encompass the following activities:

- We identify potential subcustodian banks based on market research, input from our Enterprise Risk Management area, and contact with market participants.
- If a candidate exhibits an interest in being a subcustodian, we request detailed information describing the candidate's services and qualifications. The candidate must also supply confirmation regarding its ability to meet our operating requirements.
- We visit the market to conduct on-site reviews of the candidates.
- Our Enterprise Risk Management area prepares financial evaluations of the candidates.
- We identify finalists based on their ability to provide high quality service, to mitigate risks, and our internal assessments of their qualifications.

We prepare an operational design which defines how we will operate with a given subcustodian, and, where possible, add further controls to mitigate risks as identified in our market risk evaluations.

Subcustodian selection recommendations are considered by our interdisciplinary group of market and operational experts across the organization, with final review and approval performed by our senior management team.

Service arrangements, legal documentation and the fee schedule are finalized once senior management approves the subcustodian selection.

We consider a multitude of factors when assessing potential subcustodians for inclusion in our network. These extensive reviews support determinations relative to a provider's ability to exercise reasonable care in the servicing of our clients' assets. Key areas of focus include: (1) the subcustodian's practices, procedures, and internal controls, (2) its method of keeping custodial records, (3) its security and data protection practices, (4) its financial strength, (5) its reputation and standing in the local market, (6) its ability to influence and effectively manage market changes, (7) its commitment to local market advocacy on behalf of investors, (8) its use of technology and automation, (9) its ability to leverage resulting efficiencies to enhance service offerings, and (10) its qualifications and suitability in comparison to alternative service providers.

Our selection and monitoring processes are designed to promote affiliation with the best available providers on behalf of our clients in each market where they invest. Where possible, we choose local branches or affiliates of major global financial institutions who provide subcustody services in multiple markets. These providers generally exhibit strong internal controls and capacity, positive track records with respect to their financial condition and capitalization, integrated and efficient service platforms, a demonstrated commitment to the custody business, and relative stability during periods of global financial uncertainties.

### **Monitoring Subcustodians**

We monitor and review the performance of each subcustodian in our network on a regular basis to confirm that they continue to offer the highest level of quality, efficiency and operational risk containment.

Our subcustodian monitoring process is multi-faceted and begins with assessment of day-to-day interactions between State Street and a subcustodian to determine the latter's compliance with agreed-upon operating parameters. We maintain the same operating requirement standards for all of our subcustodians, regardless of the market's level of sophistication.

From a tactical standpoint, we monitor a subcustodian's ability to:

- Execute timely, accurate trade settlements, income payments, corporate actions (including proxy voting), tax reclamation and problem-solving tasks
- Cope with large trade volumes
- Correctly handle complex transactions
- Produce quality reporting
- Demonstrate progress in the use of technology and telecommunications systems (such as SWIFT)
- Take meaningful steps to mitigate risk on behalf of foreign investors
- Quickly and accurately communicate market events

Regular service level calls have been incorporated into our monitoring strategy to facilitate the client service management aspect of these assessments.

We visit all active subcustodians periodically in consideration of numerous factors (e.g., inherent risks in the given market, any changing subcustodian or market conditions, performance levels, etc.). Subcustodian visits are just one element of our comprehensive monitoring strategy. We see that a structured, formal due diligence review process is conducted on an annual basis for all subcustodian relationships. The formal due diligence reviews are conducted by network officers either during one of the on-site visits to a subcustodian, during a visit by a subcustodian, in person meetings outside of local market, or during an arranged conference call with the subcustodian.

We request that our subcustodians undertake periodic visits to State Street, so that we can conduct service level reviews with the operations staff that interact with the subcustodian.



To validate our ongoing monitoring and assessments, we expect an annual review of operational procedures and controls at our subcustodians. Normally an internationally recognized audit and accounting firm, unaffiliated with the subcustodian, performs this review. We generally receive an acknowledgment from the audit firm confirming the custody operations' internal controls and procedures used by our subcustodians.

Our Enterprise Risk Management (ERM) area tracks the financial condition of subcustodians, using various credit rating services, financial publications and press releases, and information obtained from the Network Management and Correspondent Banking teams due diligence activities. ERM examines and integrates into its analytical processes external factors that may impact a bank's creditworthiness, including economic, political, and regulatory trends in the provider's home country, as well as the potential for external support in the event of distress, such as from the bank's shareholders or its home government. The review processes include standard bank analysis tools and techniques as appropriate, including ratio analysis and peer comparisons and rankings to arrive at overall qualitative judgments regarding the financial conditions of our subcustodians.

Enterprise Risk Management provides the Network team and our senior management with regular monitoring reports, formal written credit reviews, and notices of any unexpected or negative developments with respect to providers and their operating environments. During periods of market turmoil, the frequency of these types of reports increases.

**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?**

We provide custody and accounting services that cover a wide range of exchange-traded futures and options, swaps, and currency hedge funds. We service futures and options transactions in an automated environment and provide collateral tracking, daily mark-to-market of positions, and margin movement.

Our Derivatives Workstation provides real-time investment accounting in an accurate, flexible, and timely manner. Services include:

- Security master data for the entire universe of exchange-traded derivatives
- Pricing and same day valuation
- Historical prices for back-dated pricing of late trades
- Primary and alternate pricing sources
- Valuation at the tax lot level
- On-demand real-time revaluation due to price adjustments or late trades
- Specialized valuations for Australian and New Zealand Exchange derivatives
- Automatic calculation of daily wire amounts for all currencies and brokers
- Margin account tracking at brokers

To facilitate integrated client reporting and valuations, derivatives processing is fully integrated with the Global Horizon® system on a real time basis.

**Futures**

- Establish collateral accounting with broker before release of assets
- Mark-to-market verified with broker daily
- Available on position statement and open purchases / sales report
- Supports domestic / international
- Single currency margin functionality
- Margin account tracking at brokers
- Automated pricing feeds from Bloomberg, Reuters and Telekurs for all exchange traded futures
- Automated calculations of daily margin and posting of wire activity

**Options**

- Tri-party agreements used for handling options (advisor – broker – State Street)
- Escrow receipts and put guarantees issued
- Collateral positions reconciled with broker before release of closed position
- All collateral subs and releases authorized by broker
- Online, fully automated accounting
- Assets and liabilities valued daily
- Automated pricing feeds from Bloomberg, Reuters and Telekurs for all exchange traded futures

**Short Sales – Equities, Fixed Income, International Securities**

- Recorded at (-) cost as short position
- Valued same as long positions
- Valued changes booked as unrealized gains/losses
- Collateral and margin held with broker is reported as "cash at other banks"
- Settle against "cash at other banks" as realized gain/loss when position is closed
- Dividends/interest treated as dividends payable/dividends expensed

**Mortgaged Backed Securities**

- Global Horizon accommodates any particular payment type
- Prepayments estimated by PSA or CPR
- Accruals/amortization of unscheduled payments recalculated/updated monthly
- Estimated amortization streams of principal paydown posted and reported on Global Horizon
- Cost/adjustment updated when paydown received, gain/loss then calculated

**SWAPS**

- Accruals adjusted daily
- Receivables/payables recorded on trial balance
- Underlying security is recorded separately
- Included in calculation of performance/market exposure
- Supports processing of index, currency, interest rate, treasury lock, corporate spreads and equity swaps

**Currency Hedging**

- Global Horizon received exchange traded rates, performs tolerance checks and produces forward price
- Rates determined for 3, 6 and 9 month settlement dates
- All forward contracts listed on Pending Spot FX Sales Report
- Global Attribution Report shows returns relative to any benchmark

State Street is committed not only to being compliant with applicable regulation but also to participating in its evolution. State Street has an experienced and dedicated Regulatory, Industry and Government Affairs Team that monitors legislative and regulatory developments of relevance globally, including in Europe and Asia, providing the concerned business areas with updates and analyses. Furthermore, this team develops State Street positions on significant policy and regulatory issues and is responsible for engaging with policymakers. It also manages State Street's industry association memberships. In addition, State Street's Compliance function maintains various tracking tools designed to maintain that State Street is aware of any regulatory change of relevance.

The team is led by the Global Head of Regulatory, Industry and Government Affairs, Stefan Gavell, EVP who reports into Jeff Carp, EVP and member of State Street's Management Committee – the most senior management committee for State Street.

This team meets with regulators on a regular basis to engage on various issues. In 2010, State Street evaluated more than 950 consultations globally and submitted responses to more than 40.

State Street also maintains active membership and participation in various industry groups such as ABA, ICI, FSR, SIFMA, UK IMA, EFAMA, FEAM, IMMFA, ASIFMA, US-ASEAN Business Council and the International Bankers Association. Each of these industry groups may have its own view in relation to the implications of regulatory developments.

As a significant player in the custody and asset management industries State Street is regularly invited to consult on developments and, as a result, several State Street employees are involved in shaping future legislation relating to the derivatives market. For example a member of State Street's Global Services Group is co-chair of the Derivative Operations Committee of the Asset Manager's Forum (AMF), which works with the regulators in formulating Dodd-Frank rules in the U.S. State Street's Global Markets Group is also currently building out State Street's Futures Clearing Merchant capabilities with the aim of acting as one of the centralized clearing brokers for over-the-counter derivatives.

In Asia, we have provided consulting services to certain government projects such as the Hong Kong Government's Mandatory Provident Fund (MPF) system and act as advisor to the National Council for the Social Security Fund (NCSSF) in China. In China, we have worked closely with industry and regulatory bodies in consultative capacities, sharing with them the experience in industry practices and global standards in business. We have also served as an advisor to the Australia as a Financial Centre Task Force and provided inputs to a range of countries in the Asia-Pacific on custody and asset management issues.

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

Hedge funds are carried on our Global Horizon accounting system as a line item / commingled fund. On a monthly basis the market value of each hedge fund is updated based on information from the hedge fund manager. Some hedge fund managers provide estimated monthly performance that our accounting area uses to derive the current month market value. Other hedge fund managers provide the actual market value. Once on the accounting system, the holding is swept into the performance system after the books have been closed just like any other holding and performance can then generate a return on the investment. Since most hedge fund managers can not provide final monthly valuations in a timely enough manner for most clients' month-end performance cycles, a second iteration of performance can also be run to capture those valuations. This usually occurs near the end of the month or the beginning of the following month.

Alternative investments such as real estate, venture capital and private equity are valued monthly utilizing a cash adjusted methodology in Global Horizon. Monthly values are calculated as quarterly financial statements are received by the fund accounting team from the General Partners and/or investment managers by the first business day of each month or a cut-off time frame that is mutually agreed upon with the client.

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

**FX Contracts**

Our treasury, accounting and custody systems are linked electronically. Once a foreign exchange transaction is booked to the treasury system, a series of transactions are automatically posted to Global Horizon subsystems.

Our Derivatives Workstation provides real-time investment accounting for derivative instruments in an accurate, flexible, and timely manner.

**Futures Accounting**

Once a future contract has been initiated, an initial margin deposit of collateral is entered into Global Horizon's® general ledger. On a daily basis, the mark to market for variation margin account is adjusted for changes between the market

value of the contracts on the current day from the previous day. The offset to the entry for variation margin is an unrealized gain or loss on the funds' records.

When the contract is closed out, a final variation margin payment based upon the trade date-1 value (net of fees) is recorded and a corresponding amount is recorded as a gain or loss.

### **Options Accounting**

Global Horizon accounts for written and purchased call or put options. The system supports exchange-traded equity, interest rate, treasury, swaptions and index options as well as other OTC options.

Purchased call and put options are reflected as assets and written call and put options are reflected as liabilities. These positions are valued daily to determine unrealized appreciation or depreciation. A gain or loss is realized when the positions are closed, exercised or expired.

### **Interest Rate Swaps Accounting**

Each interest rate swap is processed on Global Horizon with two positions, one for the fixed portion and one for the variable portion of the swap.

*Fixed Portion of Swap:* If there is a premium associated with the swap, the premium becomes the cost, otherwise the cost is zero. Swaps that contain a premium will be amortized daily.

*Variable Portion of Swap:* The variable portion of the swap is processed at par. The variable rate for the swap is updated based on the rate change frequency to reflect accurate accruals.

*Income Accrual:* The variable rate for the long or short portion of the swap is updated based on the rate change frequency to reflect accurate accruals.

*Pricing:* Daily, the market value for the swap is calculated and posted to an appreciation or depreciation general ledger account on Global Horizon.

### 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

Today, the Office of the General Treasurer uses our ILR vehicle for its overnight sweep vehicle. Other options for overnight investment include: **Eurodollar Time Deposits** are transacted through our Treasury Centers and are deposit obligations of State Street Bank & Trust Co., Grand Cayman Branch. Eurodollar maturities range from overnight to 397 days. Eurodollar deposits have the advantages of no movement of cash and securities, late afternoon deadlines, same day availability (usually available until 5:00 p.m. ET, or later). Eurodollar Deposits are not FDIC insured.

Liquidity Management and Control System (LMCS<sup>®</sup>) helps investors maximize return on investments by providing a passive end-of-day sweep of all U.S. dollar idle cash balance into State Street Bank & Trust, Grand Cayman This system automatically invests excess U.S. dollar Demand Deposit Account (DDA) balances in this overnight interest-earning investment vehicle. Interest and principal are credited back to the client's DDA the next day.

**Repurchase Agreements** are collateralized by U.S. Treasury and Agency securities and Mortgage backed securities. Our custody clients enjoy a number of special benefits when investing in repos through State Street. Since both the collateral and cash can remain at State Street, we can eliminate cash and securities movements, resulting in very cost effective processing charges. Integrating this money market service with the custody operation offers increased operating effectiveness and reduced administrative burden for our clients. Repo is not FDIC insured.

#### ERISA Qualified Fund Option

The following investment vehicle is available for ERISA qualified assets.

#### Short-Term Investment Fund (STIF)

STIF is a "money market" type of pooled investment fund, investing in securities such as commercial paper, bank obligations like certificates of deposit and time deposits, and repurchase agreements. It is available exclusively for qualified employee benefit plans, for either long-term reserves or overnight placement. Our objective is to provide a readily accessible investment vehicle in which participation can commence or terminate on a daily basis. While principal is positioned securely, income will fluctuate reflecting short-term interest rate changes.

**Assets:** \$34,987.06 mm

**Average Credit Quality:** A1/P1

**Minimum Amount Purchased:** \$1,000.00

**Average Maturity:** 22 days (as of 12/31/11)

**Fees/Expenses:** please refer to fee schedule

<b>STIF Performance as of 12/31/2011</b>	
Q4 2011	0.06%
YTD	0.25%
1 Year - Annualized	0.25%
3 Year - Annualized	0.38%
5 Year - Annualized	1.82%
10 Year - Annualized	2.21%
Since Inception (7/78) - Annualized	6.18%

**Non-ERISA Qualified Fund Options**

The following investment vehicles are available for non-ERISA qualified assets. SSgA offers two registered money market fund families in the asset class; the SSgA Money Market Mutual Funds and the State Street Institutional Investment Trust Money Market Funds. The latter fund family has an Institutional Share Class and an Investment Share Class. The Institutional Class will be the class of focus in this document as it better caters to the audience of this piece.

**1. The SSgA Money Market Mutual Fund Family**

**SSgA Money Market Fund**

This portfolio seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in dollar denominated securities. The fund invests in high quality money market instruments, including commercial paper, bank obligations such as CDs, time deposits and Euro CDs, and other money market instruments. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$1,000

**Assets:** \$4,688.14 mm

**S&P Fund Rating:** AAAM

**Fitch:** AAAMmf

**Average Maturity:** 17 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.38%

**Large Trade Notification Required:** \$50 Million+

<b>SSgA Money Market Fund Performance as of 12/31/2011</b>	
7 Day Average Yield	0.01%

30 Day Yield	0.01%
QTD Return	0.00%
1 Year – Annualized	0.00%
3 Year – Annualized	0.10%
5 Year – Annualized	1.53%
10 Year – Annualized	1.87%
Since Inception (5/88) - Annualized	4.01%

**SSgA U.S. Government Money Market Fund**

This portfolio seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in obligations of the U.S. Government or its instruments with remaining maturities of one year or less. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$1,000

**Assets:** \$4,068.56 mm

**S&P Fund Rating:** AAAM

**Fitch Rating:** AAAMmf

**Average Maturity:** 35 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.39%

**Large Trade Notification Required:** \$25 Million+

<b>SSgA Government Money Market Fund Performance as of 12/31/2011</b>	
7 Day Average Yield	0.00%
30 Day Yield	0.00%
QTD Return	0.00%
1 Year – Annualized	0.00%
3 Year – Annualized	0.01%
5 Year – Annualized	1.35%
10 Year – Annualized	1.75%
Since Inception (3/91) - Annualized	3.30%

**SSgA Prime Money Market Fund**

This fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in dollar denominated securities. The fund invests in high quality money market instruments, including commercial paper, bank obligations such as CDs, time deposits and

Euro CDs, and other money market instruments. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$10 million (per account)

**Assets:** \$8,751.09 mm

**S&P Fund Rating:** AAAM

**Fitch Rating:** AAAMmf

**Average Maturity:** 19 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.20%

**Large Trade Notification Required:** \$50 Million+

<b>SSgA Prime Money Market Fund Performance as of 12/31/2011</b>	
7 Day Average Yield	0.08%
30 Day Yield	0.02%
QTD Return	0.02%
1 Year – Annualized	0.08%
3 Year – Annualized	0.21%
5 Year – Annualized	1.70%
10 Year – Annualized	2.05%
Since Inception (2/94) - Annualized	3.50%

### **SSgA U.S. Treasury Money Market Fund**

This portfolio seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in obligations that are issued or guaranteed as to principal and interest by the U.S. Government and repurchase agreements backed by such securities. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$10 million (per account)

**Assets:** \$4,707.17 mm

**S&P Fund Rating:** AAAM

**Fitch Rating:** AAAMmf

**Average Maturity:** 31 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.20%

**Large Trade Notification Required:** \$10 Million+



7 Day Average Yield	0.00%
30 Day Yield	0.00%
QTD Return	0.00%
1 Year – Annualized	0.00%
3 Year – Annualized	0.00%
5 Year – Annualized	1.24%
10 Year – Annualized	1.77%
Since Inception (12/93) - Annualized	3.22%

**2. State Street Institutional Investment Trust Money Market Fund Family**

**State Street Institutional Liquid Reserves Fund – Institutional Class**

This portfolio seeks to maximize current income to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable \$1.00 per share net asset value (NAV) by investing in dollar denominated securities. The fund invests substantially all of its investable assets in the State Street Money Market portfolio of State Street Master Funds. The fund invests in high quality money market instruments including U.S. Treasury bills, notes and bonds, CDs, banker’s acceptances, Euro CDs, commercial paper and other money market instruments. An investment in this fund is neither insured nor guaranteed by the U.S. government. There is no assurance that the fund will be able to maintain a stable NAV of \$1.00 per share.

**Minimum Purchase Unit:** \$25 million

**Assets:** \$19.59 billion

**S&P Fund Rating:** AAAM

**Fitch Rating:** AAAmmf

**Average Maturity:** 22 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.12%

**Large Trade Notification Required:** \$50 Million+

7 Day Current Yield	0.15%
30 Day Yield	0.15%
QTD Return	0.04%
1 Year – Annualized	0.15%
3 Year – Annualized	0.28%
5 Year – Annualized	1.77%
Since Inception (8/04) Annualized	2.40%

**State Street Institutional U.S. Government Money Market Fund – Institutional Class**

RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
MASTER CUSTODY SERVICES

**STATE STREET.**

This portfolio seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in obligations of the U.S. Government or its instruments with remaining maturities of one year or less and repurchase agreements collateralized by US government securities. The fund invests substantially all of its investable assets in the State Street Government Money Market portfolio of State Street Master Funds. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$25 million

**Assets:** \$5.14 billion

**S&P Fund Rating:** AAAM

**Fitch Rating:** AAAMmf

**Average Maturity:** 35 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.12%

**Large Trade Notification Required:** \$30 Million +

<b>State Street Institutional Government Money Market Fund Performance as of 12/31/2011 – Institutional Class – Inception – October 2007</b>	
7 Day Current Yield	0.00%
1 Month Return	0.00%
QTD	0.00%
1 Year – Annualized	0.02%
3 Year – Annualized	0.12%
Since Inception (10/07) Annualized	0.79%

**State Street Institutional Treasury Money Market Fund – Institutional Class**

This portfolio seeks a high level of current income consistent with the preserving principal and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing exclusively in obligations of the U.S. Treasury, such as U.S. Treasury bills, notes and bonds with maturities of 397 days or less. The fund invests substantially all of its investable assets in the State Street Treasury Money Market portfolio of State Street Master Funds. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$25 million

**Assets:** \$9.43 billion

**S&P Fund Rating:** AAAM-G

**Fitch Rating:** AAAMmf

**Average Maturity:** 32 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.13%

**Large Trade Notification Required:** \$10 Million+

State Street Institutional Treasury Money Market Fund Performance as of 12/31/2011 – Institutional Class – Inception – October 2007	
7 Day Current Yield	0.00%
30 Day Yield	0.00%
QTD Return	0.00%
1 Year - Annualized	0.01%
3 Year - Annualized	0.02%
Since Inception (10/07) - Annualized	0.45%

**State Street Institutional Treasury Plus Money Market Fund – Institutional Class**

This portfolio seeks a high level of current income consistent with the preserving principal and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing principally in U.S. Treasury securities and repurchase agreements backed by such securities. The fund invests substantially all of its investable assets in the State Street Treasury Plus Money Market portfolio of State Street Master Funds. An investment in this fund is neither insured nor guaranteed by the U.S. Government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

**Minimum Purchase Unit:** \$25 million (per account)

**Assets:** \$1.22 billion

**S&P Rating:** AAAm

**Fitch Rating:** AAAmmf

**Average Maturity:** 24 days (as of 12/31/11)

**Liquidity:** Daily

**Fees/Expenses:** 0.12%

**Large Trade Notification Required:** 10 Million +

State Street Institutional Treasury Plus Money Market Fund Performance as of 12/31/2011 – Institutional Class – Inception – October 2007	
7 Day Current Yield	0.00%
30 Day Yield	0.00%
QTD Return	0.00%
1 Year - Annualized	0.01%
3 Year - Annualized	0.04%
Since Inception (10/07) - Annualized	0.57%

Please refer to **Exhibit VI** for our fund fact sheets.

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)
  - b. How sweep ties into trust accounting and cash forecast
  - c. Process and timing of notification of investment managers of available cash
  - d. Timing requirements for notification of cash needs
  - e. Treatment of unexpected receipts after investment cut-off
  - f. Identification of automated procedures and manual procedures
  - 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

Given our extensive experience with automated cash sweeps and the strength of our funds, the majority of ERISA-qualified clients utilize State Street’s pooled vehicles. We believe our competitive advantages surrounding cash processing, liquidity management, cash forecasting, daily/weekly controls and procedures, and reporting capabilities are lost when clients utilize a third party cash manager.

Our internal cash sweep system accommodates cash movements (to and from the fund participants) as well as automated accounting for the daily participant purchases and sales. By utilizing State Street’s cash sweep system, you will have unlimited access to liquidity, streamlined reporting, and efficient and secure cash management.

Our automated sweep vehicle can be managed down to zero or another designated target balance, and liquidated only on demand or to settle a purchase. Each portfolio is coded with the chosen liquidity vehicle. The typical deadline for most sweep vehicles is 1:30 p.m. ET for ERISA qualified funds and 3:00 p.m. ET for non-qualified funds, though it varies by investment vehicle.

Each fund/portfolio has its own Demand Deposit Account (DDA) which is coded with a chosen investment vehicle. At deadlines specific to each vehicle, our automated sweep function reviews the day’s settlement activity, calculates the buy/sell decisions and posts the appropriate amounts to our Global Horizon accounting system from both a cash investment and accounting perspective. Simultaneously, the remaining uninvested cash is electronically swept into the fund/portfolio’s chosen investment vehicle for overnight investment.

Clients or investment managers select the investment vehicle.

### **Cash Reporting**

We provide clients and investment managers with daily cash and trade information via [my.statestreet.com](http://my.statestreet.com) with alerts, views, reports and queries. Our inquiry and reporting capabilities are available 24/7/365. Clients can access a myriad of unique report formats in addition to those outlined below. Clients and investment managers can receive the following reports or views online on a daily basis:

### Global Cash Statement

- Provides daily local multicurrency cash reporting
- Reflects cash activity intra-day, for a period, or for an end date

### Cash Forecast Statement

- Projects multicurrency cash balances from one week to one month based on pending trade and foreign exchange settlements
- Investment tool used to manage currency positions
- Flexible reporting available in three levels: summary, mid level and detail
- Summary Report projects portfolio activity as one net amount by currency by day
- Detail Report projects activity with a detailed description for each transaction
- Available based upon intra-day activity

### Cash Projection View

- The Cash Forecast view is a real-time view. It displays the custody cash forecast activity for all US and non-US trade, income, and corporate action transactions except for off-book consolidated reporting. It groups this activity into eight time-periods.

### Intraday Cash

- The Intraday Cash view is a real-time view. It displays the custody cash balances and the activity in Pending, Cancelled and Settled status for all US and non-US trade, income and corporate action transactions except for off-book consolidated reporting. It also displays clean cash activity for settled transactions.

### Prior Settled Cash

- The Prior Settled Cash view displays the custody cash balances and the activity in settled status for all US and non-US trade, income, corporate action and clean cash transactions except for off-book consolidated reporting. The user can request a date up to 18 months prior to today.

### Cash Projection

- The Cash Projection view is a real-time view. It displays the best available cash compilation of cash activity using data provided by our core accounting and custody platforms. Data can be viewed via several cross-sectional displays and is all inclusive with both domestic and global cash activity.

### Transaction Accounts

Under the passive option for on book currencies, and in the absence of specific investment instructions, all "free" cash balances are held in transaction accounts, with no minimum balance requirement.

Interest rates on transaction accounts are designed to compensate clients for operating cash balances held on State Street balance sheet, without being subject to a notice period. Interest is accrued daily and posted to the account monthly. Interest rates on transaction accounts are reviewed weekly in relation to local market regulations, and prevailing money market conditions. State Street employs a structured pricing discipline in establishing its rates. State Street utilizes

quantified insights into expected future behaviors of a number of variables to determine the rate offered on deposits and overdrafts. Variables include: market indexes, competitor rates, funding requirements, currency risks, client dynamics and market liquidity. State Street's rates are subject to change as conditions warrant.

The following is a current list of State Street's on-book currencies (where both currency and location are on-book). We act as principal only with respect to currencies deemed on-book by State Street (see below):

Argentina	Australia	Brazil	Bulgaria
Canada	China (Offshore CNY)	Croatia	Czech Rep
Denmark	Euro	Hong Kong	Hungary
Iceland	Indonesia	Israel	Japan
Kuwait	Latvia	Lithuania	Malaysia
Mexico	New Zealand	Norway	Peru
Philippines	Poland	Singapore	South Africa
Sweden	Switzerland	Thailand	Turkey
UK	USA		

### **Cash Reconciliation**

We use a systemic cash reconciliation tool, ReconPlus, to reconcile cash. ReconPlus is an online function that reconciles cash records for both US and foreign accounts. There are two functions generated from ReconPlus that are available to the client service team:

The first function is an online inventory of the exceptions, by fund and currency, where the client service team can view and match any outstanding exceptions. There is a rules-based Enhanced Matching System that matches the majority of the transactions before they appear for the client service team to review. These rules are based on certain match criteria and help to confirm that valid exceptions are being reported.

The second function is a report that allows the client service team to view all of their balances and exceptions in one place by fund.

An account manager reviews all cash exceptions daily. Aged exceptions are included in our monthly management report that is reviewed by senior management.

### **Withdrawal**

Funds in the STIF and GSTIF are available for next day withdrawal.

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

State Street offers both contractual and actual settlement programs for the processing of security settlements.

Under our contractual program, eligible security buys and sells are settled on the contractual settlement date. As such, fail float does not relate to the contractual settlement program.

Under our actual settlement program, we begin with the assumption that all security transactions will settle on the scheduled settlement date and factor these cash flows into the cash forecast for the day. At the end of the day, if there were buy fails, the buy fail money would remain in the client's account.

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

As a custodian, State Street facilitates the processing of foreign exchange transactions at the direction of its custody clients or their independent investment managers. The internal and third-party investment managers of our custody clients are referred to in this description collectively as the "investment managers". These foreign exchange transactions may be executed with either third-party dealers or with State Street Global Markets, a separate division within State Street in which our foreign exchange business is conducted.

The investment managers determine what foreign exchange transactions are appropriate, with which foreign exchange dealer to execute these transactions, and on what terms and in what manner those transactions will be executed. The role that the custody division at State Street plays with respect to foreign exchange at State Street is simply to facilitate the processing of transactions at the direction of clients or their investment managers, whether the transactions are executed through State Street Global Markets or other third-party dealers.

If an investment manager decides to execute a foreign exchange transaction through State Street Global Markets, like all third-party foreign exchange dealers, State Street Global Markets acts as principal (i.e., not as an agent) when effecting foreign exchange transactions, taking principal positions and risks. As such, State Street Global Markets acts as the counterparty, not as a broker, with respect to these foreign exchange transactions. If requested by its clients, State Street Global Markets also may act as agent in executing foreign exchange transactions as part of its transition management or currency overlay services.

State Street Global Markets is separate from the division of State Street that provides custody services and all foreign exchange execution services provided by State Street Global Markets are separate and independent of any services provided to custody clients under their custody or similar contractual arrangements with State Street. The relationship of the investment manager with State Street Global Markets and the terms of the foreign exchange transactions entered into by such investment manager with State Street Global Markets will often be governed by a separate master agreement governing foreign exchange, typically in the form of an International Swaps and Derivatives Association (ISDA) Master Agreement.

The foreign exchange services offered by State Street Global Markets are conducted as part of the over-the-counter market. As a dealer or "market maker" in the foreign exchange market, State Street Global Markets enters into principal transactions with other banks as well as institutional investor clients. The rates that banks, acting as principal dealers in the foreign exchange market, quote to one another for currency pairs throughout the trading day are referred to as "inter-bank" rates. Inter-bank rates are quoted 24 hours a day, five days a week and change continuously throughout the trading period. There is no single inter-bank rate at any given time, nor is there consolidated reporting of recently executed transactions as exists in the equity markets.

No two market makers will necessarily quote the same inter-bank rates or bid-offer spread for a particular currency pair at any given moment in time. In addition, the rates and bid-offer spread that a market maker may quote to an institutional investor client generally will not be the same as those quoted to participants in the inter-bank market. Inter-bank rates are

normally used as wholesale reference prices for foreign exchange transactions with institutional investor clients and mark-ups or mark-downs are customarily applied when banks price transactions for these clients. The rates and the size of the bid-offer spread for any currency pair may be based on a variety of factors at the time of pricing a foreign exchange transaction, including, but not limited to, the size of the requested foreign exchange transaction, the type or level of services provided, the level of trading activity with the counterparty or institutional client over time, and the volatility and perceived liquidity of the relevant currency pair in the market, which can be affected by the time of day and any known and/or anticipated economic or other data releases or news in the foreign exchange and other financial markets.

#### **STATE STREET GLOBAL MARKETS FOREIGN EXCHANGE EXECUTION SERVICES**

State Street Global Markets offers three primary methods by which institutional investors may execute principal foreign exchange transactions with State Street Global Markets: Direct FX, Indirect FX, which includes both our Security Settlements and Holdings Foreign Exchange Service (SSH) and Automated Dividend and Interest Income Repatriation Service, and StreetFX™. The breadth of these services enables investment managers to select the method of execution they believe best suits the needs of their clients with respect to any particular foreign exchange transaction. Other than Indirect FX, State Street Global Markets also makes these services available to institutional investors whose assets are not in custody at State Street.

The range of services provided by State Street Global Markets is designed to address the needs of all types of institutional investment professionals (e.g. investment managers for mutual funds and pension funds, including currency overlay managers, asset owners, hedge funds, commodity trading advisors, and sovereign wealth funds). As noted above, all foreign exchange execution services provided by State Street Global Markets are exclusive of any services provided to custody clients under their custody or similar contractual arrangements with State Street.

#### **DIRECT FOREIGN EXCHANGE SERVICES**

State Street Global Markets provides 24-hour market-making services in the foreign exchange markets from trading desks in Boston, Toronto, Montreal, London, Sydney, Singapore, Hong Kong, Seoul, Taipei and Tokyo.

As a principal dealer in the foreign exchange market, State Street Global Markets employs a dedicated team of market risk professionals that operate as market makers in the foreign exchange market, providing liquidity in a number of currency pairs. Throughout the trading day, these individual market risk professionals quote prices (i.e., a bid and ask price) for the relevant currency pairs in which they trade. These prices are based on a variety of factors at the time of pricing a counterparty's foreign exchange transaction, including, but not limited to, the size of the requested foreign exchange transaction, the level of trading activity with the counterparty over time, and the volatility and perceived liquidity of the relevant currency pair in the market, which can be affected by the time of day and any known and/or anticipated economic or other data releases or news in the foreign exchange and other financial markets. State Street Global Markets is taking principal risk when it purchases and sells currency in the foreign exchange market and the bid and offer spread around each foreign exchange transaction is compensation for taking that risk. The pricing of any transaction by State Street Global Markets is not determined by reference to its actual costs. State Street Global Markets does not separately charge a commission in connection with the execution of its principal foreign exchange transactions.

State Street Global Markets offers a full range of foreign exchange products, including spot transactions, forward transactions (deliverable and non-deliverable forwards), and currency options (standard and exotic). State Street Global



Markets also facilitates electronic execution of foreign exchange transactions via its proprietary electronic platforms, FXConnect, VectorFX, and StreetFX.

Investment managers are responsible for determining whether to execute foreign exchange transactions with State Street Global Markets based on their own criteria, which typically include price, speed to quote, credit worthiness, proprietary research, account coverage, electronic trading capabilities and trade order handling. The investment managers also are responsible for negotiating foreign exchange transactions with State Street Global Markets' Direct FX Services. The investment managers obtain bid and ask prices directly from the foreign exchange market risk professionals of State Street Global Markets. If you have discussions about bid and ask prices with your client service representative, those discussions do not constitute a quote for or an execution of a foreign exchange transaction with State Street Global Markets.

Investment managers can submit foreign exchange transaction requests to the foreign exchange traders of State Street Global Markets either by telephone or electronically through third party or proprietary trading platforms, such as FXConnect. State Street Global Markets also offers a number of trading platforms to institutional investors, including Currenex and FXConnect, for which State Street Global Markets may receive a "click" or use fee for foreign exchange transactions executed over those platforms.

The foreign exchange operations team for State Street Global Markets strives to ensure that each foreign exchange transaction is confirmed in a timely manner and communicates with its counterparties or their investment managers to resolve any discrepancies. Specifically, the foreign exchange operations team will seek to confirm the terms of each foreign exchange transaction with the investment manager promptly on the date of execution, generally through either the Global Trade Settlement System (GTSS) or through other means, including by electronic trade matching, facsimile, S.W.I.F.T. or telephone. The foreign exchange operations team for State Street Global Markets also works to maintain the standard settlement instructions for its counterparties in an effort to ensure foreign exchange transactions settle correctly and efficiently.

#### **INDIRECT FOREIGN EXCHANGE SERVICES**

##### **General**

Our indirect foreign exchange services are available only to institutional investors (and their investment managers) whose assets are in custody at State Street. Similar to its direct foreign exchange execution services, State Street Global Markets acts as a principal dealer in executing indirect foreign exchange transactions requested by investment managers, taking principal positions and risks. As noted above, all foreign exchange execution services provided by State Street Global Markets are separate and independent of any services provided to custody clients under their custody or similar contractual arrangements with State Street. As of the date hereof, State Street Global Markets effects indirect foreign exchange transaction requests in the following currencies, unless otherwise noted:

<b>Currency</b>	<b>Currency Code</b>	<b>Currency</b>	<b>Currency Code</b>
Australian dollar	AUD	Lithuanian lita	LTL
Brazilian real	BRL	Malaysian ringgit	MYR
Bulgarian lev	BGN	Mexican peso	MXN
Canadian dollar	CAD	New Zealand dollar	NZD
Croatian kuna	HRK	Norwegian krone	NOK

Czech koruna	CZK	Peruvian new sol	PEN
Danish krone	DKK	Philippine peso	PHP
Euro	EUR	Polish zloty	PLN
Great British pound sterling	GBP	Romanian leu	RON
Hong Kong dollar	HKD	Singapore dollar	SGD
Hungarian forint	HUF	South African rand	ZAR
Indonesian rupiah	IDR	Swedish krona	SEK
Indian rupee	INR	Swiss franc	CHF
Israeli new shekel	ILS	Thai baht	THB
Japanese yen	JPY	Turkish lira	TRY
Kuwaiti dinar	KWD	United States dollar	USD
Latvian lat	LVL		

#### Security Settlements and Holdings Foreign Exchange Service

Investment managers may elect to use our indirect foreign exchange service to facilitate the daily execution of foreign exchange transactions when they notify State Street, as custodian, that they have purchased or sold a foreign security and/or when they otherwise have foreign currency denominated dividend and interest income that requires repatriation into either their base or some other selected currency. The types of income events covered by income repatriation services include cash dividends, interest income, interest on mortgage-backed securities, interest (credit or debit) on transaction accounts, and tax reclaims. Additionally, return of capital events and cash payments in lieu of fractional entitlements on corporate actions are included in the income repatriation service under specified circumstances.

Specifically, custody clients and their investment managers can instruct State Street, as custodian, to execute their foreign exchange requests either through State Street Global Markets or, when the relevant currency is not traded by State Street Global Markets, through a local subcustodian.

#### Instructing Foreign Exchange Transactions

An investment manager may instruct State Street in one of the following ways to execute their foreign exchange transactions, on behalf of some or all of its clients whose assets are in custody at State Street, either through State Street Global Markets or through the third-party local subcustodian, when they notify State Street, as custodian, that they have purchased or sold a foreign security or when they have elected to repatriate dividend and interest income.

#### Foreign Exchange Instructions for Security Settlements

Standing instructions by fund and by currency pair to execute a foreign exchange transaction upon electronic notification to State Street Investor Services of a purchase or sale of a foreign security that requires a foreign exchange transaction in the designated currency to settle such security transaction or to repatriate the proceeds resulting from such security transaction to the designated base currency of the investment manager.

On a trade-by-trade basis by incorporation of an instruction to execute a foreign exchange transaction into a security trade advice (or other transaction advice that requires a foreign exchange transaction) that is delivered to State Street Investor Services either electronically or by another authenticated method described below. Security trade advices that are delivered electronically to State Street are authenticated and validated by State Street Global Trade Processing Group within State Street Investor Services.

**Foreign Exchange Instructions Related to Dividend and Income Repatriation**

Standing instructions by fund and by currency pair to execute foreign exchange transactions related to foreign currency denominated dividend and interest income accumulated on a set interval (e.g., on a daily, weekly or monthly basis).

In each case, if the relevant currency is traded by State Street Global Markets, as indicated in the list above, the foreign exchange transaction request is sent to State Street Global Markets for execution using this service. If the relevant currency is not traded by State Street Global Markets, the foreign exchange transaction request is sent to the subcustodian in the local market for execution.

**Pricing - Security Settlements and Holdings Foreign Exchange Service**

Under this service, foreign exchange transaction requests that are able to be executed by State Street Global Markets are accumulated throughout the trading day and, as described further below, priced on a net basis periodically by currency pair for each investment manager, although this practice may vary in certain emerging markets due to foreign exchange controls, tax or other regulatory considerations. State Street Global Markets generally prices these foreign exchange transaction requests on a net basis only at the individual investment manager level and not at the custody client level or across any subset of investment managers or sub-advisors. The option of including in this service foreign exchange transactions related to foreign currency denominated dividend and interest income was made available to clients on October 11, 2010.

The pricing of foreign exchange transactions under this service is established on a regional basis. Specifically, in the United States, the requested foreign exchange transactions are generally priced once at the end of the trading day to allow all investment manager foreign exchange trade requests across funds for that day to be received by State Street. However, foreign exchange transactions requiring same day settlement may be priced earlier in accordance with payment deadlines in the relevant jurisdictions. In Europe and Asia, foreign exchange transaction requests are typically priced multiple times throughout the day, reflecting either the investment manager preferences in that region or other requirements relating to settlement of the currency.

The price of a foreign exchange transaction executed by State Street Global Markets under this service is based on an inter-bank market rate. Specifically, the pricing with respect to each currency pair is determined in a three-step process. First, indicative inter-bank bid and ask market rates for the currency pair are obtained at the time the prices for these transactions are set, generally from a third-party source. However, in circumstances in which State Street Global Markets believes that such indicative inter-bank market rates do not reflect current market conditions, State Street Global Markets may select the inter-bank bid and ask rates quoted by its trading desk. The time of day this inter-bank rate is determined varies by geographic region, as discussed above.

Second, a mark-up (if the foreign exchange transaction requests submitted by an investment manager on behalf of its clients represent, in the aggregate, a net purchase of a specific currency pair) or mark-down (if the foreign exchange transaction requests submitted by an investment manager on behalf of its clients, represent in the aggregate, a net sale of a specific currency pair), as applicable, is applied to this indicative inter-bank market rate. The amount of the mark-up or mark-down may be adjusted by State Street Global Markets from time-to-time.

The current mark-ups and mark-downs used by State Street Global Markets for these foreign exchange transaction requests are posted each business day on [my.statestreet.com](http://my.statestreet.com) and notice of any changes in these amounts will be

provided at least two business days in advance. These notices will be provided on my.statestreet.com and also sent by email alert to my.statestreet.com users.

Third, the resulting transaction prices are compared to the day's high and low prices up to the time the trade is priced as reported by the reported pricing source, generally a third-party source, (the "High-Low Range"), and if the transaction prices are outside the High-Low Range, those prices are modified to be the high or low price, as the case may be, quoted by such third-party pricing service at such time.

The resulting transaction price for an investment manager is then applied to all foreign exchange transaction requests priced at that time in the relevant region, as submitted by that investment manager on behalf of its clients using this indirect foreign exchange service. The result is that all underlying clients of that investment manager receive the same transaction price for foreign exchange transactions executed at the same time through this service, irrespective of whether their individual foreign exchange transactions are purchases or sales in that currency pair. If a custody client has hired more than one investment manager to manage its assets, that custody client may receive different transaction prices in the same currency pair on a given day depending on whether the investment managers that elected to submit the foreign exchange transactions through this service were net buyers or sellers at the time of execution in that region. Unless specified in the fee schedule of the relevant custody agreement, State Street does not impose any separate transaction processing charges on the underlying custody client if their investment manager elects to execute its foreign exchange transactions with State Street Global Markets.

With this particular foreign exchange service, custody clients receive consistent pricing and straight-through processing that substantially reduces settlement risk. The pricing of these trades on a net basis, together with the execution of all trades within the High-Low Range for the currency pair, tends to decrease the impact of any mark-up or mark-down. While this pricing methodology is fair to all clients, it is particularly advantageous for any client with individual foreign exchange transactions that are in the opposite direction of the net position of an investment manager's clients. For example, if all of the foreign exchange requests of an investment manager's clients result in that investment manager being a net purchaser of a particular currency pair, then any of that investment manager's clients that are sellers of that currency pair are able to sell at the indicative inter-bank ask rate plus the mark-up added for this service.

State Street, as custodian, will only initiate foreign exchange requests on your behalf when complete and authenticated instructions are received by State Street according to the requirements noted in this description. A foreign exchange transaction request, amendment or cancellation that is sent using this service may not be executed in as timely a manner, or at the same execution rate, as if the investment manager were to deal directly with the sales trading desk of a foreign exchange dealer, including State Street Global Markets Direct FX Services trading desk or, if applicable, the local subcustodian.

*Therefore, if the timing of the execution of a foreign exchange transaction request is important, an investment manager should contact State Street Global Markets' Direct FX Services trading desk. Similarly, a foreign exchange transaction request using this service is unlikely, in most circumstances, to be completed at the same or as favorable an execution rate as it would be if the investment manager were to deal with State Street Global Markets' Direct FX Services trading desk, reflecting a number of factors, including the convenience offered by indirect foreign exchange services and the relatively smaller size of trades executed through these services. If any client or investment manager prefers different pricing from what State Street Global Markets provides in connection with this indirect foreign exchange services, they can*

*elect not to be enrolled in this service and to manage and execute their foreign exchange transactions directly with State Street Global Markets Direct FX Services trading desk or through StreetFX™.*

**Automated Dividend and Interest Income Repatriation Service**

Investment managers of institutional investors whose assets are in custody at State Street may alternately elect to participate in the automated dividend and interest income repatriation service offered by State Street to execute foreign exchange transactions related to the repatriation of foreign currency denominated dividend and interest income on behalf of any custody client. These services constitute part of the overall indirect foreign exchanges services offered by State Street. The types of income events covered by the income repatriation service include cash dividends, interest income, interest on mortgage-backed securities, interest (credit or debit) on transaction accounts, and tax reclaims. Additionally, return of capital events and cash payments in lieu of fractional entitlements on corporate actions are included in the income repatriation service under specified circumstances. Under this service, State Street automatically aggregates all income of a custody client across all State Street custody locations on a set interval (e.g., on a daily, weekly or monthly basis) in accordance with standing instructions provided by an investment manager who, in turn, directs the execution of one net trade (or, depending upon the investment manager's elections, multiple trades) per currency, per portfolio at the end of the selected period. If the set interval to aggregate income for this service falls on a non-trading day, then the foreign exchange trade(s) would be conducted on the next following business day in the relevant region.

If the relevant currency is traded by State Street Global Markets, as indicated in the list above, the investment manager instructs State Street to send the foreign exchange transaction request to State Street Global Markets for automated execution. If the relevant currency is not traded by State Street Global Markets, the investment manager instructs State Street to send the foreign exchange transaction to the subcustodian in the local market for execution.

**Pricing – Automated Dividend and Interest Income Repatriation Service**

The price of a foreign exchange transaction executed by State Street Global Markets under this service is based on an inter-bank market rate. Specifically, the pricing with respect to each currency pair is determined in a two-step process. First, except as described below with respect to certain restricted currencies, at the opening of the trading day in Hong Kong, State Street determines a mid-rate for each currency pair based on indicative market bid and ask rates, which are generally obtained from third-party sources. With respect to certain restricted currencies for which State Street is able to access liquidity only when the local market is open, State Street determines the mid-rate as described above at the beginning of the relevant trading session for the particular currency in each case. In circumstances in which State Street Global Markets believes that such mid-rate does not reflect current market conditions, State Street Global Markets may select a mid-rate quoted by its trading desk.

Second, a mark-down and a mark-up, as applicable, is applied to this mid-rate, effectively establishing both a bid and ask rate for such currency pair. These rates are fixed for 24 hours, (or, with respect to the restricted currencies identified above for which liquidity is only accessible when the local market is open, from the beginning of the trading session for that currency in the local market until State Street Global Markets executes the foreign exchange transactions for the relevant currency under this service), meaning this pricing is generally used for all dividend and interest income repatriation foreign exchange transactions executed with State Street Global Markets during this period under this service. The amount of the mark-up or mark-down for these services may be adjusted by State Street Global Markets from time to time. If the foreign exchange transaction requests of a portfolio at the end of the relevant interval set by an investment

manager, in the aggregate, represent a net purchase of a currency pair, that portfolio will receive a transaction price for that net transaction equal to the mid-rate for that day plus the mark-up. If the foreign exchange transaction requests of a portfolio at the end of the relevant interval set by an investment manager, in the aggregate, represent a net sale of a currency pair, that portfolio will receive a transaction price for that net transaction equal to the mid-rate for that day minus the mark-down. The aggregation and netting of transactions for the relevant interval, however, is based on elections made by the client or its investment manager to either aggregate all activity for a particular currency or, for daily repatriation only, to aggregate at the income event or transaction account posting level. The current mark-ups and mark-downs used by State Street Global Markets for the automated execution of these foreign exchange transaction requests are posted each business day on [my.statestreet.com](http://my.statestreet.com) and notice of any changes in these amounts will be provided at least two business days in advance. These notices will be provided on [my.statestreet.com](http://my.statestreet.com) and sent via email alert to [my.statestreet.com](http://my.statestreet.com) users. Due to the manner in which these foreign exchange transactions are priced and executed, the transaction prices applied to such transactions are not limited to prices within the daily high-low range for the relevant currency pair at the time of execution.

The mark-up and mark-down for the automated dividend and interest income repatriation service generally tend to be somewhat higher than mark-ups and mark-downs on transactions that are executed in the manner described above under Security Settlements and Holdings Foreign Exchange Service. This higher amount reflects a number of factors, including primarily the greater risk to State Street Global Markets to effect transactions throughout a 24-hour period at a price determined and set at the outset of the trading day, (or, with respect to the restricted currencies identified above for which liquidity is only accessible when the local market is open, from the beginning of the trading session for that currency in the local market until State Street Global Markets executes the foreign exchange transactions for the relevant currency under this service).

*Accordingly, a foreign exchange transaction request under this service is unlikely to be completed at the same or as favorable an execution rate as it would be if the investment manager were to deal with State Street Global Markets' Direct FX Services trading desk, reflecting a number of factors including the convenience offered by these automated dividend and interest income repatriation services and the relatively smaller size of trades executed through these services and the increased risk to State Street Global Markets as a result of the way these foreign exchange transaction requests are priced. If any client or investment manager prefers different pricing from what State Street Global Markets provides in connection with its automated dividend and interest income repatriation services, they can elect to manage and execute their foreign exchange transactions with State Street Global Markets' Direct FX Services trading desk or through StreetFX™.*

#### Transaction Pricing and Reporting

Custody clients and their investment managers can view pricing information for foreign exchange transactions executed with State Street Global Markets at [my.statestreet.com](http://my.statestreet.com). Specifically, with respect to foreign exchange transaction requests executed in the manner described above under Security Settlements and Holdings Foreign Exchange Service, the following information, by currency pair, will be available for review on a next-business day basis:

**Indicative Rate Reference.** This explains whether the source for the indicative inter-bank market rates was a third-party pricing source, the market risk traders of State Street Global Markets or, for some emerging markets, subcustodian quotes or other independent dealer quotes.

**Indicative Rate Local Time.** This will be the local time at which the relevant indicative inter-bank market spot bid and ask rates are obtained. This timestamp is not the same as, and will be earlier than, the "FX Deal Entry Date - Transaction Booking Date and Time" described below.

**Indicative Spot Rate.** This will include both the bid and offer indicative inter-bank market spot rates to which the mark-up or mark-down is applied, as discussed above.

**Execution Rates.** These are the spot execution rates for each foreign exchange transaction executed with State Street Global Markets expressed in market convention terms and precision. The spot rates for foreign exchange transactions that do not settle on the spot settlement date may be adjusted to reflect forward points.

**High-Low Range.** This represents the daily high-low range up to the time the foreign exchange transaction requests are priced (i.e., the Indicative Rate Local Time).

**Actual Mark-up or Mark-Down.** This is the mark-up or mark-down, in basis points, applied to the Indicative Spot Rate and reflects the impact of the high low range for the day on the maximum mark-up or mark-down, if any.

With respect to foreign exchange transaction requests executed with State Street Global Markets in the manner described above under Automated Dividend and Interest Income Repatriation Service, the following information, by currency pair, will be available for review on a next business day basis:

**Indicative Rate Reference.** This explains whether the source for the indicative inter-bank market bid and ask rates that were used to derive the mid-rate was a third party pricing source, the market risk traders of State Street Global Markets or, for some emerging markets, subcustodian quotes or other independent dealer quotes.

**Indicative Rate Local Time.** This will be the local time at which the relevant indicative inter-bank market spot rates are obtained. This timestamp is not the same as, and will be earlier than, the "FX Deal Entry Date - Transaction Booking Date and Time."

**Indicative Spot Mid-Rate.** This will be the indicative spot mid-rate to which the mark-up or mark-down is applied, as discussed above.

**Execution Rates.** These are the spot execution rates for each automated dividend and income repatriation foreign exchange transaction executed with State Street Global Markets, expressed in market convention terms and precision.

**Actual Mark-up or Mark-Down.** This is the mark-up or mark-down, in basis points, applied to the Indicative Spot Rate. The high low range for the day does not impact the amount of the mark-up or mark-down.

State Street also includes the following additional fields for foreign exchange trades executed with State Street Global Markets in the Foreign Exchange View in [my.statestreet.com](http://my.statestreet.com).

**FX Deal Entry Date - Transaction Booking Date and Time.** This is the date and time that the foreign exchange transaction request was booked to the trading book of record of State Street Global Markets. The time is not the actual execution time for the foreign exchange transaction request. The date and time is in local time and, therefore, requires reference to the Ticket Area Location Code in order to interpret the relevant date and time.

**Execution Method Code.** This is method by which the foreign exchange transaction request was presented to State Street Global Markets.

**Ticket Area Location Code.** This is the location where the foreign exchange transaction request was booked to the books of record of State Street Global Markets. As described above, the "FX Deal Entry Date - Transaction Booking Date and Time" is recorded in the local time of the branch where the foreign exchange transaction request was executed.

**Trade Rate.** This is the rate at which the foreign exchange transaction request was executed, expressed in market convention terms and precision.

Refer to my.statestreet.com release notes for additional information and exceptions. Please note, the Indicative Rate Local Time included in the State Street Pricing Reports is not the same timestamp as the FX Deal Entry Date - Transaction Booking Date and Time.

State Street, as custodian, does not negotiate, review or approve any of the rates for foreign exchange transaction requests sent to State Street Global Markets for execution. State Street expects that investment managers will review and approve these rates on an ongoing basis.

#### **Subcustodians**

The forgoing pricing methodologies, including the applicable mark-ups and mark-downs, do not apply to indirect foreign exchange transactions that are executed by subcustodians. The pricing of foreign exchange transactions requests executed by the local subcustodian is determined solely by the subcustodian, except for transactions involving the Korean won and Taiwan dollar, for which State Street Global Markets provides the pricing at the individual transaction level (i.e., not priced net by investment manager) consistent with the descriptions above under Security Settlements and Holdings Foreign Exchange Service. Although the foreign exchange transaction requests related to the Korean won and Taiwan dollar are executed by the subcustodian resident in those jurisdictions, State Street Global Markets obtains the revenue associated with the mark-up or mark-down.

State Street, as custodian, does not negotiate, review or approve any of the rates for foreign exchange transaction requests sent to any subcustodians for execution. State Street expects that investment managers will review and approve these rates on an ongoing basis.

State Street receives the foreign exchange rate applied by the subcustodian to each deal and passes these on to the client. As a custodian, State Street monitors the timely execution of the foreign exchange requests by the subcustodian. State Street is readily available to contact the subcustodian on a case-by-case basis upon request by the client to pursue further details of the foreign exchange rates applied by the subcustodian.

State Street, as custodian, is not compensated by the subcustodian in relation to any foreign exchange transaction requests forwarded to the subcustodian per our client instructions. Except as described above, State Street does not mark-up or mark-down the foreign exchange transaction requests executed by the subcustodian. The subcustodian is compensated for its services and the execution of foreign exchange transaction requests by the foreign exchange rate applied to the respective foreign exchange activity and transaction processing charges where it may be applicable. This potential business is included in our negotiations for favorable fees with our subcustodians to support our business with them as a global custodian.

#### **Subcustodian FX Rate Reports**



Custody clients and their investment managers may view foreign exchange rate information at [my.statestreet.com](http://my.statestreet.com) for foreign exchange transactions executed by the subcustodians for most active currencies, except for transactions involving the Korean won and Taiwan dollar as noted above. Specifically, with respect to foreign exchange transaction requests executed by the subcustodians, beginning April 1, 2011, reporting on [my.statestreet.com](http://my.statestreet.com) for local currencies in 22 markets with additional currencies to be added over time.

The following information, by select currency pair will be available for review on a next-business day basis provided there was foreign exchange activity reported by the subcustodian for any such currency pair and the subcustodian provides the relevant foreign exchange rate information:

**Indicative Rate Reference.** This captures whether the subcustodian's source for the indicative inter-bank market rates was a third-party pricing source or, subcustodian quotes or other independent dealer quotes.

**Execution Rate Local Time.** This is the local time at which the subcustodian executed the trades at the reported execution bid or offer FX rate.

**Executed Bid / Offer Rate.** These are the spot execution rates for each foreign exchange transaction executed by the subcustodian.

**Daily High / Low Rate.** This is the daily high/low range for foreign exchange rate as reported by the subcustodian.

#### Transaction Processing Fees

Transaction Processing Fees may be charged to clients under custodial arrangements with State Street for various services including foreign exchange services. The Transaction Processing Fees are per trade processing fees charged for processing the settlement of transactions by State Street on behalf of the fund in connection with the provision of custody services. These Transaction Processing Fees, unless otherwise waived, apply whether the fund or its investment managers entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The Transaction Processing Fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described herein) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.

State Street Global Markets, which is separate from the division of State Street that provides custody services, offers principal or "dealer" trading services as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes. The fund or its investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services, irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under its custody agreement. When State Street or State Street Global Markets act as a counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the fund, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency or similar capacity (regardless of any other relationships between State Street and the fund under the custody agreement). In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the Fund in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

### Operational Requirements for Indirect Foreign Exchange Services

There are several operational requirements that should be considered by investment managers that elect to use indirect foreign exchange services. These include:

- No oral instructions to request amend or cancel a foreign exchange transaction with State Street Global Markets or any subcustodian will be accepted.
- At a minimum, instructions must be authenticated and include the following information: the fund account number, ISO currency code, amount of currency bought or sold, offsetting ISO currency code, and the desired value date.
- With respect to a foreign exchange transaction request accompanying a securities trade advice, if no amount is listed as bought or sold, then State Street will direct a foreign exchange transaction against the net amount of the security trade.
- If an instruction to execute a foreign exchange transaction is sent to State Street electronically via MT52x (Custom Format), which is an individual securities transaction instruction, the foregoing information should be included in Field 72 of the ISITC security trade advice using the code word, AFXC or AFXA, in conjunction with the offsetting ISO currency code (e.g., Field72:/AFXC/USD). Using these codes indicates that State Street, as custodian, should, upon receipt of such security trade advice, direct the execution of a foreign exchange transaction to State Street Global Markets or the local subcustodian as described above versus the offsetting currency indicated.
- If instructions are sent electronically via MT54x, which is a securities transaction instruction, the foregoing information should be included in Field 11A (TRADE BLOCK) of the ISITC security trade advice using the appropriate code word, FXIB or FXIS, in conjunction with the offsetting ISO currency code (e.g., Field 11A:/FXIB/USD). Using these codes indicates that State Street, as custodian, should, upon receipt of such securities transaction instruction, direct the execution of a foreign exchange transaction to State Street Global Markets or the local subcustodian as described above versus the offsetting currency indicated.
- If a value date for settling any foreign exchange transaction request is not included in any of the foregoing instructions, the foreign exchange transaction will be executed with a value date equal to the contractual settlement date of the corresponding securities transaction unless market circumstances dictate otherwise. State Street cannot honor any request to execute a foreign exchange transaction on the actual settlement date of the corresponding securities transaction.
- State Street asks that investment managers use the securities deadlines noted in the Securities Deadline Summary Matrix in the Reference Matrices Chapter of the *Investment Manager Guide*.
- Additionally, if instructions are not received according to the deadlines noted in the Reference Matrices chapter of the *Investment Manager Guide*, the execution date of the foreign exchange transaction may be delayed to the next trading date.
- State Street will not accept liability that may result from instructions that do not meet these requirements. State Street also reserves the right not to process incomplete or unclear instructions. Incomplete instructions, even if clarified or replaced by new instructions, may result in delayed execution of the transaction, for which we cannot assume any liability.

### THIRD-PARTY FOREIGN EXCHANGE

#### Requirements for Third-Party Foreign Exchange

Investment managers may execute foreign exchange transactions with third-party (i.e., non-State Street) FX providers. State Street must receive authenticated instructions with correct currency payment and receipt details by the deadlines

noted in the Reference Matrices chapter of the *Investment Manager Guide*. Instructions, regardless of type, received after the relevant deadline specified in the Reference Matrices chapter will be processed on a reasonable efforts basis. This may result in delayed currency payments, delayed posting of currency receipts, or both.

The instructions must include the following:

- Fund Number
- Fund Name
- Trade Date/Settlement Date
- Purchase Amount and ISO Currency
- Sale Amount and ISO Currency
- Exchange Rate
- Spot
- Forward
- Cash Remittance Instructions
  - Receiving Bank S.W.I.F.T. TID or Bank Identifier Code (BIC)
  - Beneficiary Name and Location or Beneficiary S.W.I.F.T. TID or BIC
  - Beneficiary Account Number

Investment managers that execute third-party foreign exchange contracts must also ensure that they provide their counterparty with the correct payment details for State Street. Care should be given as State Street payment details may differ based upon client domicile. State Street will, based on receipt of a pre-advice, credit client accounts on contractual value date for receipt of funds expected from third parties and reserves the right to reverse them from the client account by debiting the same amount with original value after three business days if the funds have not been delivered in the market. Payments received by State Street and its agents after contractual value date incur a delayed value cost. This expense may be claimed if State Street receives an instruction from the investment manager to do so. If claims are not attempted, or are unsuccessful, the expense, if greater than \$500, will be applied to the portfolio's cash account.

Foreign exchange contracts executed by investment managers with third-party providers should be in the name of the underlying client, not in the name of State Street.

State Street will not accept liability that may result from instructions that do not meet these requirements. State Street also reserves the right not to process incomplete or unclear instructions. Incomplete instructions, even if clarified or replaced by new instructions, may result in delayed processing of the transaction, for which State Street cannot assume any liability.

#### **OVERDRAFTS**

Overdrafts that occur as a result of related securities transaction(s) failing will be charged to the client's account and will be borne by the client. Accordingly, the investment manager should incorporate such charges into the portfolio's daily cash funding requirements.

To minimize potential overdrafts, investment managers may initiate a foreign exchange transaction after monitoring settlement activity and reviewing local cash balances.

#### STREETFX<sup>®</sup> FOREIGN EXCHANGE SERVICES

StreetFX is an advanced technology service that allows foreign exchange transactions to be electronically transmitted directly to State Street Global Markets by the investment manager (or by any support provider responsible for back office trade support or similar functions on behalf of a custody client). These transactions are executed by State Street Global Markets throughout the trading day as directed by the investment manager at benchmark rates with a mark-up or mark-down agreed upon with the investment manager. StreetFX allows an investment manager to customize how foreign exchange transactions are electronically delivered, executed, confirmed and reported.

#### NETTING

Many investment managers have recognized the settlement risk reduction advantages of netting settlement obligations for forward foreign exchange transactions that close out large hedge positions. When presented with authenticated instructions and required information (including gross deal detail as well as net payment/receipt amount), State Street will pay and/or receive net amounts in settlement of the associated gross obligations. Please note that legal agreements are required between the parties to establish a netting arrangement in order for the net settlement to clear the gross obligations. As our mutual client's agent, it is the responsibility of investment managers to be certain that effective netting agreements are in place with the counterparties with whom they settle on a net basis. State Street will respond to your instructions accordingly. Authenticated netting instructions must be received by State Street by the deadlines noted in the Reference Matrices chapter of the *Investment Manager Guide*.

Please refer to exhibit entitled Deliverable Currency Trading - Methods of Execution; this describes the various methods by which a State Street custody client or its investment manager can execute foreign exchange transactions.

Please refer to the exhibit entitled Third-Party Foreign Exchange Matrix, provides details on trading foreign exchange with third-party dealers. Clients are not obligated to execute foreign exchange transactions through State Street Global Markets. The markets in which State Street Global Markets is able to trade foreign exchange are provided for informational purposes only.

State Street works continually to improve its foreign exchange services, and the description of those services may change over time. For the most complete and current description of our foreign exchange services please see the most recent version of our *Investment Manager Guide*.

## **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
  - b. Effective date
  - c. Effect on positions

Our clients look to us to facilitate transaction capture and information delivery across all security types. We have the ability to receive instructions in a variety of ways to meet the needs of our diverse client base and varying degrees of technological sophistication. We recommend transmitting instructions electronically since it helps to facilitate the straight through processing of trades. Once we receive trade instructions, electronic trade instructions flow through various audit and edit checks prior to posting directly to our core Global Horizon<sup>®</sup> system.

Transactions generally flow into Global Horizon and, through an electronic trade authorization process, post to our securities movement and control systems. Once transactions have passed all custody system edits and position checks, we deliver instructions to external trade recipients such as our subcustodians and depositories in markets where we are a direct participant. Our systems facilitate a timely, straight through processing of trade activity. Once a trade is approved, elapsed time for the authorization and transmission to the depository or subcustodian is minimal.

We seek to pre-match the instructions we received from the investment manager with those of the broker who initiated the transaction. This is intended to resolve differences before settlement date. Our custody system is updated with matching information, as received from the local market, in near real-time. We aggressively investigate any unmatched exceptions within 24 hours of detection.

On the day of settlement, local market participants facilitate settlement. The depositories and local banks move securities and cash in accordance with instructions provided by the custodians or subcustodians. Once the trade settles in the local marketplace, we are provided with settlement confirmations. Our custody systems are updated electronically. The settlement information flows into our accounting and reporting systems, where it is provided back to the investment manager.

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

Contractual settlement is our standard convention for all eligible clients. With contractual settlement, the client's cash account is credited for eligible security sales and debited for eligible security purchases on the date the money is contracted to move, regardless of the actual settlement of the transaction(s) in the marketplace. Share availability is based upon actual settlement.

Contractual settlement of cash for security settlements of equity, government debt, and corporate debt instruments is provided in the following markets and currencies:

RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
MASTER CUSTODY SERVICES

**STATE STREET**

Market	Currency	Market	Currency
Australia	AUD	Japan	JPY
Austria	EUR	Latvia	LVL
Belgium	EUR	Lithuania	LTL-EUR
Brazil	BRL	Luxembourg*	
Bulgaria	BGN	Malaysia	MYR
Canada	CAD-USD	Mexico	MXN
China-B Shares Shenzhen	HKD	Netherlands	EUR
China-B Shares Shanghai	USD	New Zealand	NZD
Clear-stream*	AUD-BGN-CAD-CHF-DKK- EUR- GBP-HKD-HRK-HUF- IDR-ILS-ISK-JPY-LTL-LVL- MXN-MYR- NZD-NOK-PHP- PLN-SEK-SGD-THB-TRY- ZAR-GBP-USD	Norway	NOK-EUR
Croatia	HRK	Peru	PEN
Denmark	DKK-EUR	Philippines	PHP
Estonia	EUR	Poland	PLN
Euro-clear*	AUD-BGN-CAD-CHF-DKK - EUR- GBP-HKD-HRK-HUF- IDR-ILS-ISK-JPY-LTL-LVL- MXN-MYR-NZD-NOK-PHP- PLN- SEK-SGD-THB-TRY- ZAR-GBP-USD	Portugal	EUR
Finland	EUR	Singapore	SGD-HKD- USD
France	EUR	South Africa	ZAR
Germany	EUR	Slovak Republic	EUR
Greece	EUR	Slovenia	EUR
Hong Kong	HKD-GBP-USD	Spain	EUR
Hungary	HUF	Sweden	SEK-EUR
Iceland	ISK	Switzerland	CHF-CAD- EUR-GBP- JPY-USD
Indonesia	IDR	Thailand	THB
Ireland	EUR	Turkey	TRY
Israel	ILS	United Kingdom	GBP-AUD- CHF-DKK- EUR-HKD- JPY-NZD- USD-ZAR
Italy	EUR	United States	USD

\*Generally, Luxembourg securities are settled within Clearstream or Euroclear.

Contractual settlement provides the ability for investment managers to contract foreign exchange transactions and other investment activity in advance of security settlement without potentially overdrawing cash accounts. It also helps to meet the demand for cash information earlier in the day and facilitates the reconciliation of cash.

### **Eligibility Considerations**

Trades are eligible for contractual settlement if all five of the following conditions are met:

- Securities are held in book entry or dematerialized form
- Trades are related to securities/client assets held in our custody (including assets in our securities lending program)
- Transactions have trade dates that are not equal to contractual settlement date
- Transactions are not related to a third party lending agreement or corporate action event (including maturities)
- Securities are not in asset categories such as derivatives, futures, options, encumbered/restricted securities, or instruments that settle solely through funds transfer processes (including time deposits, third party repurchase agreements, unit trusts, collective investment trusts, mutual funds, and private placements)
- Trades are eligible for contractual settlement, but on a delayed basis under the following circumstances:
- Trades posted after our trade instruction deadline will be eligible for funding the next business day
- Sale transactions where the client's securities account lacks sufficient position to cover the trade will be contractually eligible on the date that sufficient shares become available

Through ongoing analysis, research, and stringent operating procedures, we strive to minimize exceptions to contractual settlement accounting; however, there may be certain instances beyond our control that would require reversal of a previously posted transaction.

Sale transactions will be contractually funded for 30 days, at which time funding will cease. Buy proceeds will be withheld until actual settlement takes place (not limited to 30 days). Cancelled trades will result in the reversal of contractual funding.

Additionally, local market conditions may require that we remove a market from our contractual settlement account program without prior notification to clients.

For all other markets or where a client is not eligible for contractual settlement, actual settlement is applied. Under actual settlement, a client's cash account is credited for sales and debited for purchases for the value date that the trade actually settles in the market.

We are willing to discuss contractual settlement in additional markets; however we will need to conduct an operational and market risk assessment of the feasibility and the development of an appropriate support infrastructure based upon current market conditions, trading volume and asset types.

Regardless of the accounting convention, we and our subcustodians track all settlements on an actual basis.

### **Physical Securities**

## General

Settlements of physical securities, both withdrawals and deposits, occur according to that market's accepted settlement conventions. Physical securities are generally held in the vaults of our subcustodians. In accordance with our subcustodian agreements, securities physically held for our clients must be segregated from the general assets of the subcustodian and the subcustodian's other clients. Our subcustodians are required to maintain separate records, as necessary, to identify each client's assets.

Upon receipt of physical securities, certificates are sent out for registration as appropriate.

All physical securities are monitored by our point-to-point tracking system, which requires acknowledgement of receipt of securities by each work area destined to receive the securities. Our custody control records are updated to reflect the settlement status of the physical security.

For detailed information regarding market settlement conventions please refer to the enclosed *Guide to Custody in World Markets*.

## United States

Physically-held securities are customarily registered in a State Street nominee name and vaulted in the Depository Trust Company's (DTC) New York custody services facility. Debt and equity issues ineligible for book entry in DTC or FBE settle physically "over the window" in New York at the DTC custody vault.

"Over the window" settlement requires that the delivering party physically present the securities directly to the receiving party or its agent. Physical certificates must either be endorsed for sale by the registered owner or be accompanied by a stock/bond power, and in some cases a corporate resolution, and needed transfer/resale exhibits in order to settle. Payment is wired separately in same-day funds, which requires that both parties adhere to stringent settlement timeframes. Based on client instructions at the time of settlement, physical securities are immediately sent out for registration with the transfer agent.

Physical securities can be held as they are received (in street name) for short periods. If the shares are to be resold prior to registration, the client must specify the turnaround in the original purchase instructions. Re-registration for "routine" securities generally takes five to ten business days. Re-registration for "non-routine" securities may take substantially longer, depending on the type of registration and the transfer agent involved. In the United States, shares out for registration can be traded but not settled until the new certificates are received.

## United Kingdom and Ireland

In the United Kingdom and Ireland, physical securities are held in our Edinburgh vault and are generally registered in State Street's nominee name. The control processes of the Edinburgh vault aim to minimize the misplacement or loss of securities. Upon instruction to sell a physical security, the physical certificate is withdrawn from the vault in accordance with stringent operating procedures. The physical certificate, along with any necessary documentation (signed in accordance with current Articles of Association of the nominee holding company), is typically delivered to the appropriate counterparty on contractual settlement date.

Upon receipt of the physical security and transfer documentation (which must contain the Nominee Company seal and two authorized signatures), the certificate is sent out for registration as appropriate. The documentation, along with the



physical certificate, is recorded by the recipient and forwarded to the transfer agent (registrar) for re-registration. The re-registration process can take anywhere from a few days to a couple of weeks.

All positions are monitored and recorded throughout their life by way of an inventory in the custody system. Our custody system is updated to reflect the proper settlement status. The payments for physical transactions are generally transferred through the Clearing House Automated Payment system (CHAPs).

### **Canada**

In Canada, physical securities are held in the vault of our vaulting agent. Following our operating requirements, our vaulting agent is required to confirm to us all receipts or deliveries of physical securities via SWIFT messaging. We work closely with our vaulting agent to confirm trade instructions are processed accurately in a timely manner. Upon receipt or delivery of physical certificates, our accounting and custody system is updated to reflect accurate client positions.

Upon receipt of physical securities, certificates are sent out for registration as appropriate. All positions are monitored throughout the registration process. Our custody system is updated to reflect the proper registration status.

- 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.**

We take an aggressive approach to income collection. We have established a team of income collection specialists whose sole responsibility is to track and collect dividend and interest income.

We verify each income event with multiple sources in order to maximize the accuracy of the information before releasing interest, dividend payments, or principal maturity proceeds to our clients. To determine entitlements and accruals for dividends and interest income or maturity payments we utilize the services of our subcustodian and depository relationships, local press and journals, and issuer mailings, as well as vendors such as Telekurs, Bloomberg, and FT Interactive Data. Our verification process enables us to provide our clients with accurate event capture information in a timely manner.

Several days prior to ex-date, announced dividend information is compared with our two primary sources in an effort to verify event and entitlement accuracy. If necessary, inquiries are made to our subcustodians to clarify non-matching information with conflicts being resolved prior to ex-date. This results in confirmation of the dividend event on our system.

On a daily basis, confirmed dividend records with a current or prior ex-date (for late announcements) are systematically extracted and used in calculating fund level entitlements. Dividend receivables are calculated on ex-date in Global Horizon using the accounting position, dividend event records and global tax tables. This information enables Global Horizon to reflect the appropriate entries to dividend receivable, and if applicable, tax expense and tax reclaim receivable accounts.

Interest receivables are accrued on Global Horizon, using indicative data stored on the security master file including interest rate, maturity date, dated date, accrual basis and payment frequency. The accounting position and global tax tables are used in conjunction with the coupon and accrual information to reflect the interest receivable and applicable tax expense and tax reclaim receivable entries on Global Horizon.

As a result, most entitlements are received on the customary payable date and past due receivables are minimized. Upon receipt of payment, entitlement comparisons are made between our records and the records of depositories to confirm that entitlements are paid accordingly.

Our systems identify trade activity during income record date periods and generate receivable records for claiming and tracking purposes. The claim process begins immediately upon validation of open receivable records. On a daily basis, our collection specialists analyze past due items to determine the client's entitlements. When the client is entitled to income, the record date holder is identified and a claim is initiated against the registered holder for the income. We monitor and record the status of all open claims to support timely processing until resolution.

*Please note: If a client has specifically requested that State Street leave its securities unregistered, we cannot assume liability if the claims are not honored in that market.*

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.

State Street systematically credits dividends for all types of equities, interest from debt instruments and final principal redemptions to our client accounts on payable date.

The following markets are covered under our Pre-Determined Income program (in their primary currencies):

• Australia	• Estonia	• Japan	• Poland
• Austria	• Euroclear <sup>4</sup>	• Kuwait	• Portugal
• Belgium	• Finland	• Latvia	• Singapore
• Brazil	• France <sup>7</sup>	• Lithuania	• Slovak Republic
• Bulgaria	• Germany	• Luxembourg	• Slovenia
• Canada <sup>1</sup>	• Greece	• Malaysia	• South Africa
• Czech Republic	• Hong Kong	• Malta	• Spain
• China – Shanghai <sup>2</sup>	• Hungary	• Mexico	• Sweden
• China – Shenzhen <sup>2</sup>	• Iceland	• Netherlands	• Switzerland
• Clearstream <sup>3</sup>	• Indonesia	• New Zealand	• Thailand
• Croatia	• Ireland <sup>6</sup>	• Norway	• UAE Dubai
• Cyprus	• Italy	• Peru	• United Kingdom
• Denmark		• Philippines	• United States <sup>5</sup>

1. Pre-determined income will be paid on holdings for events declared in USD or Canadian Dollars.
2. Pre-determined income will be paid on Shanghai and Shenzhen B share holdings.
3. Pre-determined income will be paid on Clearstream holdings for events paying in USD and in the domestic currency of the countries listed above with the exception of Indonesia and Malaysia.
4. Pre-determined income will be paid on Euroclear holdings for events paying in USD and in the domestic currency of the countries listed above.
5. Projected Depository items only.

6. Pre-determined income will be paid on Irish Assets held in the UK Crest location paying in either GBP or EUR.
7. Pre-determined income will be paid on credit d'impot (complimentary coupons) in the French market based on pay date of the dividend to which they are related or announcement date of the coupon if this is announced in the market after pay date.

The exceptions will include:

- Securities that are not under custody at State Street
- When a client's cash accounts in the above markets' primary currency are not maintained, for any reason, on the books of State Street
- Securities on loan under a securities lending program other than State Street's lending program (i.e., third party lending)
- Securities known to State Street to be in a condition of default, suspected to present a risk of default, or payment delay
- Securities in which the amount of income and redemption cannot be calculated in advance of payable date, or determined in advance of the actual collection (e.g., variable rate instruments, securities lacking valid asset identifiers, etc.)
- Securities involved in a trade in which the settlement either failed, or is pending, over record date
- Securities in asset categories (without limitation) including: Private Placements, Derivatives, Options, Futures, Asset Backed Securities, Mortgage Backed Securities, Collateralized Mortgage Obligations, Other Mortgages, Depository Receipts, Unit Trusts, Physically Held, and Non-Security Assets
- Securities that pay income in a currency other than the currency of the depository or sub custodian (e.g., Canadian securities held in Canada paying in USD )

Any income and redemption credit to a client's cash account is conditional until payment is made in full with good funds by the paying agent or the issuing company. Market regulations and practices dictate that such payment is final. State Street may at any time reverse or adjust any conditional income and redemption credit if relevant conditions are not fulfilled.

Pre-Determined Income may be subject to change as a result of changing market conditions and ongoing global custody analysis.

For those markets not covered by our Pre-Determined Income policy, income and dividend payments will be credited on actual date of receipt. Once dividend entitlements are collected from the appropriate party, the transactions are settled on our systems.

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

Please refer to the response provided above to question # 4 in this section.

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

**Tax Reclaims**

The tax entitlement of a client is contingent upon many factors, tax treaties, the clients' fiscal domicile and the client's legal structure. In addition, documentation requirements and opportunities to minimize withholding are considered. The reclaimable percentage of a tax expense is identified in local tax regulations and is country specific. We maintain tax entitlement accruals for all possible tax benefits/opportunities available to clients in their market of investment. We file tax reclaims for all clients that are entitled per the double taxation treaty agreements. Our minimum tax reclaim amount is US \$10.00, although several markets have amounts greater than this. We pursue every tax reclaim until receipt of payment from the foreign tax authority.

### ***Estimates of the Collectability***

Tax reclaim payment timeframes are governed by the tax authorities in the respective countries and reclaim payment is at the discretion of the foreign government. For this reason some markets have varied refund timeframes that range from a few months to ten years. We work with our subcustodians and local tax authorities to monitor the status of tax reclaims through the various stages of the process to promptly collect our client entitlements. Our system generates daily reports on the various stages of the filing process for our global tax specialists to review and take relevant action. On a continual basis, we review all aged items to support timely processing. In addition, we require our subcustodians to provide a monthly status report of all outstanding tax reclaims.

We take advantage of electronic filing opportunities in order to give our clients the most immediate tax benefits. We have implemented the necessary procedures to facilitate tax reclaim electronic filing for eligible clients investing in Denmark, Germany, the Netherlands, and Spain for quick reclaim filing only. These processes have allowed us to significantly reduce the reclaim processing time and simplify the filing process.

In 2011, we filed more than 141,000 tax reclaim line items and processed payments for over 143,000 tax reclaim line items on behalf of our clients, valued at 1.39 billion USD.

Reporting of open tax reclaim receivables is available and can be produced at a frequency requested by our client. This reporting will reflect the current status of open reclaims, from the time that they first accrue to the time of the payment receipt. Reporting can be produced automatically from the Tax team or by the business unit on an ad-hoc basis.

### **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?**

To facilitate the goal of quality and consistency for our clients, we proactively reconcile subcustodian positions and the records of depositories where we maintain direct depository linkages – the United States, Canada, the United Kingdom, Ireland, Clearstream and Euro clear with our own records.

### **Securities Reconciliation**

Where we have direct depository linkages, securities are systematically reconciled on a daily basis through our electronic interfaces.

In markets where we have subcustodian relationships, we perform automated securities position reconciliation of SWIFT statements with our subcustodian. We reconcile omnibus accounts on a daily basis and individual accounts at least monthly.

Security exceptions are maintained in a resolution database for investigation, as well as management reporting, and are tracked until resolution.

### **Cash Reconciliation**

In the majority of markets, cash reconciliation is completed daily regardless of transaction volume. In markets where transaction volumes are low, the subcustodian only sends SWIFT messages when activity in the market exists. Non-active accounts are reconciled at least once per month.

Our records are reconciled via electronic interfaces with depositories where we provide direct custody and against our subcustodians' SWIFT cash statements. Depending on the subcustodian and the relevant timeframes for processing activity in the market, each account is designated to one of our six reconciliation cycles scheduled throughout the day. Cash exceptions, if any, are maintained in a database for investigation as well as management reporting and are tracked until resolution.

### **Corporate Actions**

#### *Source Reconciliation*

We verify each corporate action with multiple sources, including subcustodians, depositories and corporate action data vendors such as Telekurs, Interactive Data Pricing and Reference Data, Inc., Bloomberg, and Xcitek. We also will look for a prospectus, issuer materials or other publications such as a press release to supplement information received from vendors and market sources.

#### *Entitlement Reconciliation*

We reconcile entitled client holdings throughout the life of a corporate action event against the same external parties (subcustodians and depositories) to confirm the proper notification of corporate action entitlements, as well as promptly identifying trading that would affect a client's participation status.

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

Our clients and investment managers look to us for our expertise in facilitating transaction capture and information delivery. We offer multiple electronic information delivery solutions for inbound and outbound communication. Following are the primary ways that we use technology to facilitate communication regarding transaction processing for our clients:

#### **Information Delivery Platform**

my.statestreet.com is our state-of-the-art Web-based information delivery product and offers clients a secure, end-to-end, easy-to-use trade entry solution. It allows for the capturing, verification and processing of various instruction types, including securities, cash and foreign exchange. Instructions are then validated using common edit criteria that is measured against industry and bank parameters (e.g. BIC and client/Manager Standing Instructions) and if necessary, are repaired in a consistent and timely manner. This process helps to streamline and create efficiencies in routing instructions to the appropriate system used to support clients. It also provides clients with an enhanced reporting functionality to monitor the processing cycle of an individual transaction.

Features include:

- Flexible Data Entry

- Enter instructions manually or using our file import capability. The file import feature allows clients to interface with the application using customized file layouts.
- Immediate Error Notification
- Receive notification of errors via an online message repair queue.
- Rapid Reviews and Approvals
- Review and approve single and multiple transactions quickly using the maker/checker feature. Up to three levels of approval are available
- Accurate Transaction Tracking
- Monitor the status of your transactions in real time online. The complete history of a transaction can be tracked by various criteria.
- Enhanced Security

Reduce risk with approval layers, single log-on, encryption, SSL3 and audit trails. The client controls who enters, modifies and approves transactions and have access to a record of all transactions.

#### **Electronic Trade Delivery (ETD)**

ETD is a process that enables our clients and third-party vendors to share transaction information between their trading systems and our custody systems. The process involves the translation of client trade information into an ISO/ISITC standard message package and the electronic routing to State Street.

The use of electronic interfaces, which continues to grow, allows our processing specialists to focus on moving the transaction through the entire cycle, including resolving pre-match exceptions, addressing registration delays, proactively following-up on fails and responding to client inquiries.

Our dedicated technologists work with clients to achieve system to system interfaces, setting up the initial communication and providing ongoing support. State Street supports a number of established interfaces with established trade order management systems including Advent, Bloomberg and FMCNet. State Street has in-depth experience in automating the delivery of trade instructions from many different vendors and from clients' internally developed portfolio management and/or trading systems. We support the industry standard ISITC format – but we also recognize that some clients may not be able to accommodate this format. As a result, we have developed products that allow us to translate custom formats to ISITC. These products also allow us to enrich each trade by translating client specific code sets to the industry standard, and by deriving missing data elements

We work closely with each client to identify and implement the appropriate transmission of settlement and income information back to the client office. This communication can take a variety of paths and formats depending upon the client's systems.

#### **SWIFT**

We accept instructions from our clients via the SWIFT network, a highly secure and efficient means of communicating cash and security transactions by virtue of its inherent encryption and authentication features. This network has direct links

to our custody system, enabling us to send and receive securities-related information to and from our subcustodian network on a real-time basis. Its electronic interface provides comprehensive controls so we can track trades on a point-to-point basis.

#### **Tested Facsimile and Tested Telex**

We accept instructions from our clients via tested facsimile or tested telex. We work with each client to determine appropriate data encryption, and our communications specialists decode the instructions that authenticate the sender.

#### **Verbal**

To support our clients' needs in situations of extreme urgency, we will accept verbal instructions. In order to confirm that an authorized party is giving the instructions, verbal instructions are recorded and verifying call-backs are placed to an alternate authorized individual. To further verify security, we request an authorized written confirmation within one hour of receipt of the verbal instruction.

#### **Trading Deadlines**

Instructions and deadlines needed for the delivery or receipt of trades can be found in our *Investment Manager Guide* enclosed. The Guide, which details policies and procedures applying to all State Street offices, is provided to all investment managers appointed by our contractual clients.

Stated securities instruction deadlines apply to trade instructions received via Electronic Trade Delivery (ETD) that are complete and accurate. Non-ETD trade instructions must be submitted two hours earlier in all markets to allow for additional processing time. Investment managers are encouraged to provide security and cash instructions no later than the stated deadline(s) and as early in the post trade execution process as possible. Instructions received after the relevant deadline specified will be processed on a reasonable efforts basis but may result in delayed settlement and may be subject to any costs and charges associated with settling the transaction.

Updates to the Guide are sent on a regular basis to investment managers incorporating any changes that affect delivery instructions, policies and procedures.

Please refer to our *Investment Manager Guide* enclosed for current details on our instruction deadlines.

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

Reconciliations of reports with clients and their managers are performed daily and monthly, both online and manually, to confirm that State Street's records are consistent with those of the client's investment managers.

Daily, the fund accountant reconciles the end of day cash flows to the Global Horizon® cash balance on the general ledger as well as with the client. The fund accountant also reconciles the Global Horizon general ledger cash balance to the fund's DDA. In addition, holdings are verified through the reconciliation of the total daily accrual with the client. The account manager and/or senior fund accountant review the reconciliations daily. Failing trades, unmatched trades, pending activity and overdrawn DDA information reporting are delivered to the client or its investment managers, as directed by the client, electronically via State Street's information delivery platform, or sent via facsimile by service representatives who are available to answer inquiries pertaining to such reports.

The timeline for monthly reconciliations are customized to meet the month end close deliverable date for each client. With the monthly audited statement due to the Treasury staff on the 5<sup>th</sup> business day for publically held assets and the 7<sup>th</sup> business day for privately held assets, the monthly reconciliation with your external managers is as follows:

- 3<sup>rd</sup> Business Day: Preliminary sign off sheets are sent to your external manager for review.
- 5<sup>th</sup> Business Day: Managers note any variances over 20 basis points with detailed information explaining the variance. These are signed by the manager and faxed back to State Street.

In addition to the publicly traded assets held with your external managers, we also have a monthly reconciliation in place with your consultant, Cliffwater, for the private equity assets to verify that all records, your, ours and Cliffwater's reflect the same valuation.

**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?**

We seek to prevent fails and follow strict internal procedures and controls, in addition to a pre-matching requirement, to facilitate timely settlements. We continually review these procedures and controls to ascertain that barriers to settling transactions in a timely manner do not develop. In addition, we work closely with local market participants to keep abreast of market events that may impact settlements.

**Monitoring Failed Trades**

If a settlement confirmation message is not received from our direct depository links or our subcustodians on contractual settlement date, the transaction is assigned a failing status on our custody platforms. Our settlement specialists immediately initiate a dialogue with the appropriate party (i.e., client representative, subcustodian, depository or counterparty) to facilitate prompt resolution of the failing transaction. Statuses of failed trades are updated and tracked daily on our custody system until full resolution is achieved.

**Resolving Failed Trades**

We take an aggressive stance in resolving failed trades. Once a trade is verified as failing, details pertaining to the cause of the fail are noted on the custody transaction record. In most markets this is an automatic process. Our settlement specialists immediately initiate a dialogue with the client representative, subcustodian, depository and/or counterparty to facilitate resolution. Our settlement specialists research the fail until resolution. Where multiple settlement cycles exist we try to resolve differences between counterparties and settle in a later cycle.

The availability of funds and securities related to failing trades is driven by market infrastructure, practice and regulation. For detailed information about local fail trade practices, please refer to the enclosed *Guide to Custody in World Markets*.

**Reporting Failed Trades**

Clients are notified of failed transactions according to their preferred communication method, which includes telephone, email, facsimile or our information delivery platform. Our online inquiry and reporting capabilities for failed trades are available in real-time 24/7/365 for the convenience of clients. Failed transaction reports contain the following information:

- Detail of failed security and foreign exchange transaction activity
- Specific fail reason descriptions for each item



- Age of each fail

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

If an error is discovered in either the daily audit or monthly reconciliation with the investment managers, the information is immediately corrected or reversed in Global Horizon<sup>®</sup>. All reversals and corrections are shown in the monthly reports.

## **XV. PORTFOLIO ACCOUNTING**

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

- a) Processing cycles (cut-off, etc.)
- b) Reconciliation reports, processes and time frames
- c) Interfaces with securities movement and performance measurement systems.
- d) The system input/output sources, all data fields captured with accompanying record layout a record description, and security provisions.
- e) Authorization and verification of transaction entries.
- f) Integration of systems for non-US and US securities.
- g) Accrual accounting capabilities including transactions not accrued.
- h) Capability to record and report in both local and US currency.

Global Horizon®'s single system environment serves clients around the world with online, real-time processing in their local time zones. The system is available 21 hours a day from 1:30 a.m. to 10:30 p.m. local time for processing during the week in each of the accounting regions. Additionally, at any point in time, Global Horizon can accurately account for all investment vehicles, including accruals, as a result of our "as-of" capability, which allows us to back post transactions for a prior month up to the last business day of the current month.

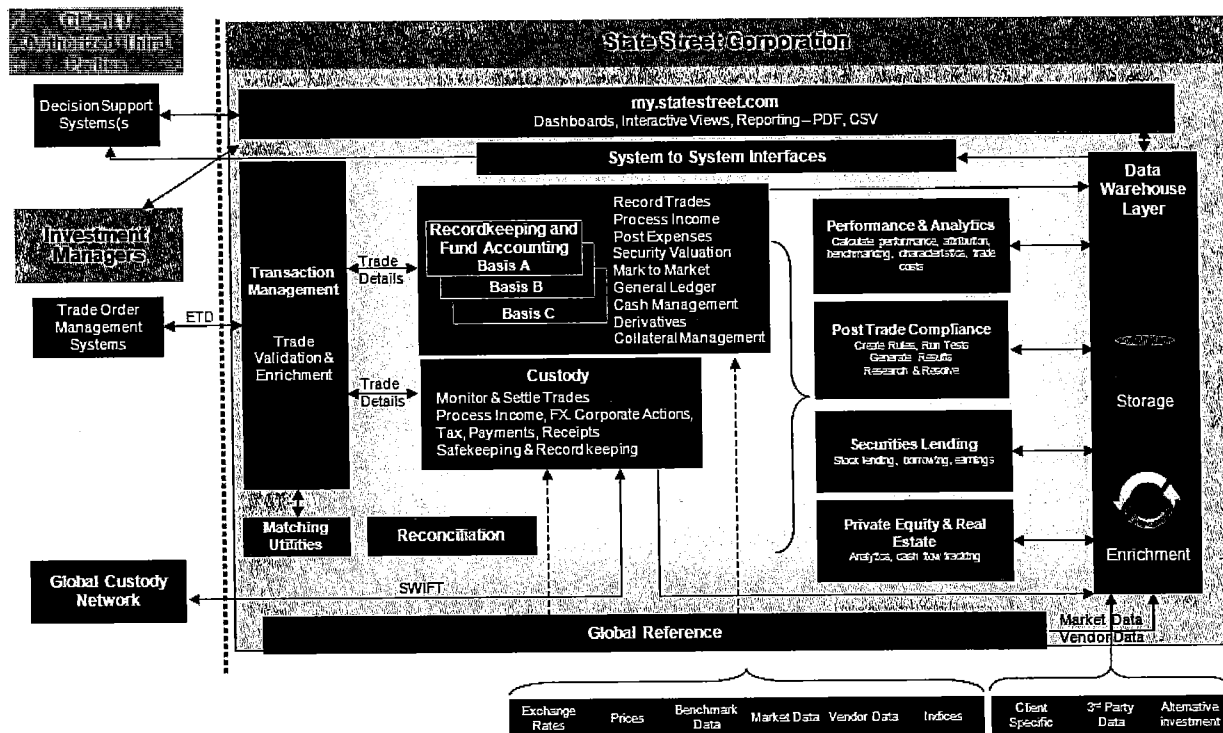
### **Global Horizon® Architecture and Information Delivery Overview**

The core of our accounting and custody platform is our proprietary Global Horizon Architecture. Global Horizon is the most sophisticated integrated global asset servicing system in the industry. The Global Horizon architecture has undergone significant evolution over the years, always striving to keep ahead of the marketplace while leveraging the latest cutting edge technology. This advanced technological infrastructure allows us to provide multicurrency accounting and custody services to clients anywhere in the world, in any time zone and in any currency.

Built upon a strong foundation, the architecture serves as basis for the full complement of our tools and services including Fund Administration, Performance/Analytics and Risk Analysis as necessitated by individual client requirements. All our capabilities are further complimented by the delivery of both reports and data through our award winning information delivery portal [my.statestreet.com](http://my.statestreet.com).

The architecture of Global Horizon envelopes the entire trade cycle and provides real-time, core transaction-processing capabilities. The free flow of customizable information between our clients, State Street and other servicing organizations helps to create a cooperative approach to servicing financial assets and positions us well for the straight through processing (STP) environment.

**System Schematic**



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**Global Horizon Core Services**

While each relationship is crafted to meet the needs of the individual client requirement, there are core applications which are used to service the majority of our relationships including:

Accounting:	Multicurrency Horizon Accounting (MCH)
Custody:	Custody Systems (SMAC/GSMAC)
Information Delivery:	my.statestreet.com

**Multicurrency Horizon Accounting:** At the heart of our global accounting capabilities is our proprietary Multicurrency Horizon (MCH) component. This system provides integrated portfolio and general ledger accounting to over 40,000 portfolios. Multicurrency Horizon's real-time capabilities and flexible, rules-based accounting methods support the mission-critical accounting and reporting needs of our client base from more than 20 worldwide locations.

**Custody Systems (SMAC/GSMAC):** The combination of our Security Movement and Control (SMAC) and Global Security Movement and Control (GSMAC) applications provide safekeeping, tracking, and control functions necessary for timely settlement of trades, income collections, corporate actions and other related security transactions. Its architecture is structured around an advanced set of capabilities that efficiently scale to service business growth.

While the SMAC system services the custody of assets domiciled in the United States, our Global Securities Movement and Control (GSMAC) system currently supports over 100 markets worldwide. We continue to refine and

expand the system to include global straight through processing requirements. Global Custody also serves as the primary interface to our global sub-custodian network.

Our clients look to us for our expertise in facilitating transaction capture and information delivery. We offer multiple electronic information delivery solutions for inbound and outbound communication. The use of electronic interfaces allows our processing specialists to focus on moving the transaction through the entire cycle, including resolving pre-match exceptions, addressing registration delays, proactively following-up on fails and responding to client inquiries. Following are the primary ways that we use technology to facilitate communication regarding transaction processing for our clients:

### Information Delivery Platform

my.statestreet.com is our state-of-the-art Web-based information delivery product and offers our clients a secure, end-to-end, easy-to-use trade entry solution. It allows for the capturing, verification and processing of various instruction types, including securities, cash and foreign exchange. Instructions are then validated using common edit criteria that is measured against industry and bank parameters (e.g. BIC and client/Manager Standing Instructions) and if necessary, are repaired in a consistent and timely manner. This process helps to streamline and create efficiencies in routing instructions to the appropriate system used to support clients. It also provides clients with an enhanced reporting functionality to monitor the processing cycle of an individual transaction.

Features include:

- **Flexible Data Entry** - Enter instructions manually or using our file import capability. The file import feature allows clients to interface with the application using customized file layouts.
- **Immediate Error Notification** - Receive notification of errors via an online message repair queue.
- **Rapid Reviews and Approvals** - Review and approve single and multiple transactions quickly using the maker/checker feature. Up to three levels of approval are available.
- **Accurate Transaction Tracking** - Monitor the status of your transactions in real time online. The complete history of a transaction can be tracked by various criteria.
- **Enhanced Security** - Reduce risk with approval layers, single log-on, encryption, SSL3 and audit trails. The client controls who enters, modifies and approves transactions and have access to a record of all transactions.

### Electronic Trade Delivery (ETD)

ETD is a process that enables our clients and third-party vendors to share transaction information between their trading systems and our custody systems. The process involves the translation of client trade information into an ISO/ISITC standard message package and the electronic routing to State Street.

The use of electronic interfaces, which continues to grow, allows our processing specialists to focus on moving the transaction through the entire cycle, including resolving pre-match exceptions, addressing registration delays, proactively following-up on fails and responding to client inquiries.

Our dedicated technologists work with clients to achieve system to system interfaces, setting up the initial communication and providing ongoing support. State Street supports a number of established interfaces with established trade order management systems. State Street has in-depth experience in automating the delivery of trade instructions from many different vendors and from clients' internally developed portfolio management and/or trading systems. We support the

industry standard ISITC format – but we also recognize that some clients may not be able to accommodate this format. As a result, we have developed products that allow us to translate custom formats to ISITC. These products also allow us to enrich each trade by translating client specific code sets to the industry standard, and by deriving missing data elements.

We work closely with each client to identify and implement the appropriate transmission of settlement and income information back to the client office. This communication can take a variety of paths and formats depending upon the client's systems.

#### **SWIFT**

We accept instructions from our clients via the SWIFT network, a highly secure and efficient means of communicating cash and security transactions by virtue of its inherent encryption and authentication features. This network has direct links to our custody system, enabling us to send and receive securities-related information to and from our subcustodian network on a real-time basis. Its electronic interface provides comprehensive controls so we can track trades on a point-to-point basis.

#### **Tested Facsimile and Tested Telex**

We accept instructions from our clients via tested facsimile or tested telex. We work with each client to determine appropriate data encryption, and our communications specialists decode the instructions that authenticate the sender.

#### **Verbal**

To support our clients' needs in situations of extreme urgency, we will accept verbal instructions. In order to confirm that an authorized party is giving the instructions, verbal instructions are recorded and verifying call-backs are placed to an alternate authorized individual. To further verify security, we request an authorized written confirmation within one hour of receipt of the verbal instruction.

#### **Reporting**

With my.statestreet.com's full suite of tools, clients can quickly understand what drives their results. A complete set of tools are available for increased efficiency.

#### **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?**

Dedicating ourselves to maintaining and extending our leadership position in tools and technology are fundamental to our ability to provide best in class service to our clients both today and going forward. Our systems are constantly being evaluated and carefully modified to improve quality of service and performance as well as support changing regulatory and client needs.

During the next few years, we continue to drive enhancements across all of our products and services, focusing much of our efforts on derivatives servicing, collateral management, risk, compliance services and performance services, and state-of-the-art information delivery via my.statestreet.com. We also continue to automate and integrate our core service areas to create centers of excellence, delivering streamlined operations and reduced operational risk.

Over the next several years, continued investment will be made to further extend the three key areas of efficiency, information delivery and new services. Our multi-year IT and Operations Transformation program will be a key driver for the upcoming change.

### **Efficiency**

Prioritized straight through processing capabilities include MT380 FX Order Instruction automation and internal order management upgrades. Further feature and reporting capabilities are planned within Cash Pro to provide improved flexibility and more robust reporting. State Street is re-engineering CAPTAIN for improved usage features and language capabilities. We are advancing efforts to begin self-clearing GBP currency which will allow for more favorable instruction deadlines.

### **Information Delivery**

On-line information capabilities will continue to be expanded including efforts to offer additional mobile content via our new iPad app, which was made available in the 4th quarter of 2011. State Street Springboard allows clients to view essential portfolio information that is specifically designed for mobile users and leverages the content and information from my.statestreet.com. The current app will serve as a flexible foundation for future updates that will expand on the initial release, provide additional functionality and broaden the content available.

For the existing web portal, we are planning to integrate FX and clean cash settlement status reporting along with CLS trade pre-settlement status messaging in a subsequent phase of this effort. The Market Fail Penalty capability will be enhanced in support of new asset backed security and agency debt guidelines established by the Treasury Market Practice Group. Efforts to enhance existing SWIFT asset servicing messages including the MT564 and MT566 are planned as well.

### **New and Expanded Services**

Asset servicing enhancements will include further expansion of markets within the Predetermined Income service; we also anticipate shifting the service to pay entitlement based on traded, rather than settled custody positions. State Street will continue to invest as needed to various industry and regulatory initiatives including Target 2 Securities, FATCA, Cost Basis Reporting, DTCC Re-engineering, annual SWIFT enhancements and migration to SWIFT ISO20022 message formats for Investment Funds and Corporate Actions messages.

### **Technology Innovation**

As part of its core technology strategy, State Street is implementing a state-of-the-art internal private cloud architecture. The 'cloud' refers to an infrastructure, platform, and software environment that allows for a scalable and responsive IT service model. This cloud utilizes of a software 'stack' consisting of a defined set of frameworks, platforms, tools, services and utilities that are approved for use in developing applications for deployment into the cloud. State Street's cloud implementation seamlessly supports client growth and activity with on-demand provisioning of an elastic capacity through automated server virtualization.

### **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?**

Summary and detail information on all custody transactions is available real time. Accounting data is refreshed nightly from Global Horizon<sup>®</sup>, and reflects close of prior business day. Access to all accounting information is available, including cash transactions, positions, purchase and sales, foreign exchange activity and earned income. Clients can customize reports or query data to match any format required for analysis.

my.statestreet.com is available via the internet 24/7/365, enabling access to this information anytime from anywhere.

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

Global Horizon<sup>®</sup> computes and reports all realized and unrealized gains and losses on domestic and non-\$US denominated securities as detailed in the following table:

**Component Computation**

<b>Unrealized G/L Investments</b>	Difference between book or cost and market value at close of reporting period (same as domestic security unrealized G/L)
<b>Unrealized G/L Income Receivable</b>	Net effect of mark-to-market of income receivables at close of reporting period
<b>Unrealized G/L Investment &amp; FX Receivable</b>	Net effect of mark-to-market of open receivables (trade and FX) at close of reporting period
<b>Unrealized G/L Investment &amp; FX Payables</b>	Net effect of mark-to-market of open payables (trade and FX) at close of reporting period
<b>Currency G/L on Dividends Received</b>	Result of currency fluctuation from ex-date to cash receipt date
<b>Currency G/L on Interest Received</b>	Result of currency fluctuation from payable date to cash receipt date
<b>Currency G/L on Tax Refunds Received</b>	Similar calculation to currency G/L on dividends and interest
<b>Currency G/L on Security Settlements</b>	Currency fluctuation between trade date and cash settlement date
<b>Currency G/L on FX Settlements</b>	Similar to currency G/L on security settlements
<b>G/L on Currency Disposed</b>	Represents the change in value of the currency due to the exchange rate fluctuation between the settlement date exchange rate of the transaction, which created the original cost of the currency coming into the fund and the settlement date exchange rate of the transaction, which caused the currency to leave the fund
<b>Security G/L</b>	The difference between the current local cost of a security and the local proceeds at which the security was sold (local sell proceeds – local cost for original buy)
<b>Currency G/L</b>	Represents the exchange rate fluctuation of the value of the original buy amount of a security compared to the value of the original buy amount on the date of the sell (original local cost of the security/TD sell exchange rate – original local cost of the security/original TD buy exchange rate)
<b>Unrealized Appreciation/Depreciation</b>	This is the total unrealized G/L on securities for the reporting period

5. 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.

The following is a list of available primary and secondary pricing sources from which you may choose:

	<b>Primary Pricing Source(s)</b>	<b>Secondary Pricing Source(s)</b>	<b>Frequency</b>
U.S Common & Preferred Stock	Reuters	IDC, Bloomberg	Daily

RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
MASTER CUSTODY SERVICES

**STATE STREET**

	<b>Primary Pricing Source(s)</b>	<b>Secondary Pricing Source(s)</b>	<b>Frequency</b>
U.S. Corporate Bonds	Interactive Data Pricing and Reference Data, Inc., Barclays Capital	JP Morgan Pricing Direct Reference Data, Inc., Reuters (EJV)	Daily, Monthly (Reuters EJV)
U.S. High Yield Bond	Interactive Data Pricing and Reference Data, Inc.	Bloomberg	Daily, Monthly (Bloomberg)
U.S. Treasuries & Federal Agencies	Interactive Data Pricing and Reference Data, Inc., Barclays Capital	JP Morgan Pricing Direct Reference Data, Inc., Reuters (EJV)	Daily, Monthly (Reuters EJV)
Non-U.S. Common & Preferred Stock	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)
Non-U.S. Corporate Bonds	Interactive Data Pricing and Reference Data, Inc.	Statpro., Bloomberg	Daily, Monthly (Bloomberg)
Private Placements	Statements	Investment Managers/Brokers	Per Request
Asset- and Mortgage-Backed Securities	Interactive Data Pricing and Reference Data, Inc., Barclays Capital	JP Morgan Pricing Direct Reference Data, Inc., Reuters (EJV)	Daily, Monthly (Reuters EJV)
Futures	Reuters	Bloomberg	Daily, Monthly (Bloomberg)
Options	Reuters	Bloomberg	Daily, Monthly (Bloomberg)
Forwards	WM Company, Reuters	Off Line	Daily
Swaps	Global Horizon®	Off Line	Daily
Structured Derivatives	Reuters	Bloomberg	Daily, Monthly (Bloomberg)
Warrants	Reuters	Bloomberg	Daily, Monthly (Bloomberg)
Certificates of Deposit	Global Horizon®	None	Monthly
Collateralized Mortgage Obligations and Collateralized Bond Obligations	Interactive Data Pricing and Reference Data, Inc.	JP Morgan Pricing Direct	Daily
Commingled Funds	Fund Statements		Daily/Monthly
Eurobonds	Interactive Data Pricing and Reference Data, Inc.	Stat Pro, Bloomberg	Daily
Non-U.S. Government Bonds	Interactive Data Pricing and Reference Data, Inc.	Stat Pro, Bloomberg	Daily, Monthly (Bloomberg)
GICs	Duff & Phelps	None	Per Request
Mutual Funds	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)
Right Offerings – U.S.	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)
Right Offerings – Int'l	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)
OTC Issues	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)



	Primary Pricing Source(s)	Secondary Pricing Source(s)	Frequency
Real Estate (REITS - Listed Only)	Reuters	IDC, Bloomberg	Daily, Monthly (Bloomberg)

Daily and monthly price verification is done to establish the integrity of the information received. We complete the following review of prices:

**Daily Tolerances**

Daily tolerance checking is completed at the security level. Each fixed income security is automatically compared to the previous day's price. Changes exceeding +/- 5-7 percent depending on the vendor file are posted to a tolerance exception report and verified manually via secondary sources (i.e., Bloomberg, Interactive Data Pricing and Reference Data, Inc., Reuters Fixed Income). If the alternative sources do not confirm the vendor price, a price challenge will be submitted to the appropriate vendor for verification. Prices proven to be invalid are manually updated. All equities are checked against a second source to verify the accuracy of the vendor prices and the variance must be zero.

**Monthly Tolerances**

For pricing feeds that are received only once per month (at month-end), monthly price tolerance verifications compare the current month-end price to the previous month-end price. The standard for acceptable ranges consists of a +/- 10 percent tolerance rate.

Once we complete our review of the pricing files, we also review prices for our client's portfolios on Client Service Workstation. Clients can set a price tolerance level by portfolio and by security type. The client service team confirms any prices that fall out of the tolerance level set by the client.

As custodian, we are responsible for the records and valuation of your assets. Investment managers are required to reconcile to the records of the custodian and provide any discrepancies or pricing challenges to the custodian on a timely basis. Resolution time of differences with investment managers varies based on the complexity of the investment strategy as well as the responsiveness of the investment manager. To expedite resolution of differences we have a dedicated team assigned to each investment manager. Most differences can be resolved same day however pricing challenges or other more complex inquiries may require us to inquire with outside parties (e.g. pricing vendors) for further information.

**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?**

We take a systematic approach to adding securities to our security master file. We are continually looking for ways to automate the process of adding securities to the security master file. Currently, we receive daily feeds from major market data vendors which allow information to be automatically added to the security master file. For securities not covered by these vendors the request to add the security is submitted Reference Services. Upon receipt of the request, our reference database specialists begin the research process. Once an identifier is located relevant data elements, based on security type, are obtained from the appropriate vendor source. Subsequently, reference database specialists will perform a multi-source validation if possible to verify that security files are updated with accurate information. If a valid asset identifier is not located, an internal identifier is assigned to the security.

### Sources of Information

The process for maintaining, adding to, or amending the security master file entails a detailed independent research and verification process utilizing widely recognized industry sources, such as:

- Bloomberg (Back Office and Per Security)
- Reuters Datascope
- Thomson MMD
- Telekurs
- Standard & Poor's
- Ratings Express
- CUSIP
- ISID Plus
- IDC/FT Interactive Data
- LSE
- Moody's
- SIAC
- WM DatenService
- Depositories
- DTC
- Euroclear
- Crest
- CDS

### Security File Set-Up

We have a centralized team of specialists that are dedicated to researching and maintaining data related to investment securities. Our reference database specialists are responsible for the set-up and maintenance of the following information files that enable these processes:

- Security master file
- Broker file
- Asset Backed Security Paydown Factor
- Asset Identifier Cross Reference File
- Broker Identifier Cross Reference File

- VRDN Rate Change

**Maintenance of Security Information**

Certain data elements for security record/master records that are added under a valid asset identifier (e.g., CUSIP, ISIN, SEDOL, etc.) are automatically maintained by our vendor feeds. Security record/master files that are added under a State Street internally assigned reference identifier (dummy) are maintained manually.

**Quality Control Reviews**

Our reference database specialists utilize the services of data vendors, as well as our subcustodian and depository relationships, to validate security characteristics and cross-reference security information. On a daily basis, quality reviews are performed on a sampling of data to check the accuracy and integrity of the data added to the security master file. Records containing data elements that fail the quality review process are re-verified with the appropriate vendor source and updates are processed accordingly. We also employ other quality control steps which include, but are not limited to, the following:

- Quality management reporting
- Vendor performance reviews
- Dummy number assignment
- CUSIP change processes

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

Clients have the ability to view and produce a wide array of broker commission reports via my.statestreet.com. Reports can be run for different date ranges (trade date, post date, re-post date), particular portfolios, a specific portfolio type, a specific broker or particular asset identifier, and can be sorted by executing or clearing broker types. Broker commission reports can be sorted from a Detail or Summary level using the following criteria: Broker, Commission, Currency, Issue, Portfolio, Share/Par and Trade Date.

Below is a list of some of the standard brokerage reports available online:

Broker Commission Rank with per share – Composite
Broker Commission Rank with per share – Detail
Broker Principal Rank with shares – Composite
Broker Principal Rank with shares – Detail
Broker Principal/Commission Rank – Composite
Broker Commission Principal Rank – Composite
Broker Commission Principal Rank – Detail

In addition, my.statestreet.com’s Interactive Viewer provides an easy to use yet powerful tool for users to interact with broker related information. Information is presented graphically and in a data grid format to help you quickly scan and analyze patterns, exceptions and emerging trends. You can customize the content of views as well as the presentation. Both report and download output is available. Drill down enables a detailed investigation of the information. Key capabilities include:

- Find, sort, configure, review, analyze and manage data
- Summary to detail drill down
- Flexible and robust data selection across product and category
- Simple to use customization tools and navigation
- Rich graphing capabilities
- A broker commission Interactive View is available, allowing users to easily view and customize broker commission information.

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

We currently account for assets held outside the custodian using statements provided by the investment manager, general partner, client and/or other approved source. We reconcile our accounting records to these statements to confirm that the assets are accurately reflected.

Commingled funds and non-exchange traded mutual funds are priced based on the statements provided by the investment manager.

Hedge funds are carried on our Global Horizon accounting system as a line item / commingled fund. On a monthly basis the market value of each hedge fund is updated based on information from the hedge fund manager. Some hedge fund managers provide estimated monthly performance that our accounting area uses to derive the current month market value. Other hedge fund managers provide the actual market value. Once on the accounting system, the holding is swept into the performance system after the books have been closed just like any other holding and performance can then generate a return on the investment. Since most hedge fund managers can not provide final monthly valuations in a timely enough manner for most clients' month-end performance cycles, a second iteration of performance can also be run to capture those valuations. This usually occurs near the end of the month or the beginning of the following month.

Alternative investments such as real estate, venture capital and private equity are valued monthly utilizing a cash adjusted methodology in Global Horizon. Monthly values are calculated as quarterly financial statements are received by the fund accounting team from the General Partners and/or investment managers by the first business day of each month or a cut-off time frame that is mutually agreed upon with the client.

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

If an error is detected while the accounting books are open, then it is corrected within that month's reporting. If an error is detected after the books are closed, then we determine the impact of the error. If the impact is greater than a pre-established tolerance which is meaningful to the performance of the fund, then we reach out to our client to discuss the impact of the error. Upon client direction, we will either re-opened the books to back post the correction or keep the books closed and post the correction in the current month's reporting.

## 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.

Please refer to the following table for a list of our standard reports:

Report Types	Brief Description
Computations of Net Asset Value	This report is the final calculation of the working trial balance for the specified accounting period, and shows the computation of the total net asset value of the fund.
Working Trial Balance	This report summarizes activity in the fund for the specified accounting period. The working trial balance, maintained on our interactive general ledger system, is a balance sheet for the fund, displaying asset, liability, and capital accounts (i.e., cost, cash, receivables, payables, expenses, income, and contributions).
Account Position Appraisal	The purpose of this report is to reflect an appraisal of all securities held in a single portfolio by a specific investment manager. It categorizes holdings by major and minor industry sectors within three asset classes (i.e., cash equivalents, equities, and fixed income).
Cash Transaction Reports	This report shows a schedule of receipts and disbursements for the month, on a day-to-day basis. Transactions are categorized by type (e.g., purchases, sales, dividends received, interest received, etc.). An ending cash balance is shown for each day of the month. Activity is summarized by category on the final page of the report.
Base Equivalent Cash Statement	This report reflects the local activity from the Cash Transaction Statement which has been converted into the base currency of the client for a specific period. The local currency being converted is indicated in the top left hand corner of each report.
Portfolio Purchase Report	This report shows all securities bought, cancelled and adjusted during the month and is divided into three distinct investment classifications: fixed income, common and preferred, and short-term investments.
Portfolio Sales Report	This report is similar to the Purchases Report with the exception that it reflects taxes (SEC), interest sold, and proceeds.
Foreign Exchange Activity Report	This report reflects contracts to purchase or sell one currency for another currency.
Summary Realized Gain / Loss Report	This report shows the proceeds, average cost, and average gain/loss realized on the sale of a given security during the accounting period.
Open Trades Report	This report reflects securities traded but not yet settled. Each month, these securities, for accounting purposes, are carried as payables and/or receivables. Open transactions are categorized as purchases, sales, principal pay-ups, principal paydowns, or corporate actions.
Receivables Reports	Comprised of Dividend, Interest and Tax Reclaim, this report shows the local and base receivables and the unrealized, by currency, gain/loss.
Plan Accounting	Separate accounting for multiple plans within one trust.

Please refer to the enclosed Sample Custody and Accounting Report Package.

Real estate holdings are accounted for based on the cost associated with acquiring the property. The client or real estate manager will provide us with a periodic market value of the holdings, the frequency depending on if they are wholly owned properties/partnerships and if there are material cash flows.

Private equity partnerships are accounted for in a similar manner. Positions are recorded at the security level based on what the manager paid for the holding. The investment manager provides market values and other related cash flow information on a monthly basis.

All of these portfolios can be consolidated into a composite report. Reports can be produced on a daily, weekly, monthly or annual basis.

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

Consolidated reports can be created at various levels depending on clients' business requirements and specifications. Global Horizon<sup>®</sup> is capable of generating composite reports to meet general and client specific requirements. All components of our standard month-end reporting are capable of being consolidated. The most common reports requested by clients to be consolidated are the account position appraisal, trial balance and purchase and sales. Additionally, dynamic composite capabilities are available on our information delivery platform.

**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.**

Fully audited monthly reports are available within five to seven business days after month-end; however, we will work with you to meet your reporting timeframes. Preliminary reports are available online the first business day following month-end.

We offer feeds for all data categories on our Global Horizon accounting and custody system. These data categories include but are not limited to transactions, cash activity and balances, custody positions, lot level holdings, summary level holdings, general ledger activity and balances, security master, income receivables and payables, FX activity, prices, fund level NAV, broker data, DDA transactions. This data is available in many standardized formats required to interface with other systems for accounting and investment management (i.e. PAM, CAMRA, and SEI), compliance (i.e. Charles River Compliance Master), and NAV and Performance dissemination (i.e. Confluence Fund station). We also offer many feeds on behalf of our clients to vendors and third parties such as Lipper, Advent, Factset, Bloomberg, Morningstar, Evare, and more. In addition, we offer all of these data categories in customized formats based upon individual client requirements.

The timing of the feeds would be determined based on our business requirements.

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

- a) On-line accounting
- b) On-line analytics
- c) On-line download of formatted reports
- d) On-line download of raw data
- e) Report writer access

my.statestreet.com provides a flexible, interactive and collaborative way for our clients to access the information they need from State Street. Our web based tool is built around various methods of information delivery that allow users to choose the way that they gather and interact with their accounting and analytics data they need. Unaudited information is available daily; audited reports are available from the 5<sup>th</sup> - 7<sup>th</sup> business day for accounting information, 10<sup>th</sup> business day for performance information and 11<sup>th</sup> business day for investment compliance information.

The report and data delivery tools currently available in my.statestreet.com are:

**Dashboards**

View dashboards that provide high-level snapshots of your information, then drill down to get more detail. With an intuitive design, the dashboards aggregate information, easily allowing you to navigate the data for greater insight.

**Alert Center**

Set alerts to notify you of critical events. You can choose book-closing notifications, upcoming deadlines, compliance breaches, report or document availability, and other business critical events. Notification is sent via email with a direct link to more detailed information.

**Report Access**

Receive all your reports in a single inbox, with robust search and customization tools to tailor your workspace to your needs.

**Report Center**

The Report Center is the hub for viewing, sharing and building reports. Users may choose from a comprehensive inventory of standard reports or select specific data. Output is available in multiple formats, including PDF, Excel and common data formats (.csv). Reports may be configured for delivery to the my.statestreet.com inbox or directly to a printer or server, ready to view on demand.

- Reports are interactive, with a table of contents to help users find specific information quickly
- Robust configuration tools allow users to define multiple parameters to customize the contents of a report, including reporting periods, date ranges, funds, user defined filters, and asset identifier options
- Report parameter settings can be saved, reused and shared

- Features such as “full search” can reduce manual information keying and eliminate significant opportunities for error
- Users may print the entire report if needed or may print individual sections outlined in the table of contents
- Post processor feature saves time by allowing user to automatically download, save and/or print scheduled reports at anytime, even when they are not logged onto the information delivery tool

### **Online Documents**

Online Documents is a secure file sharing tool enabling us to deliver electronic content in an organized and secure way. Similar to the familiar Windows Explorer documents can be organized by folders and sub-folders, search capabilities are provided to easily find specific documents, and a subscription-based email alert notification proactively tells users when new content is available. The benefits of Online Documents include the following:

- Distributes documents to multiple users immediately in a secure environment.
- Provides an audit trail of when documents were loaded and who loaded them.
- Eliminates bulky emails, reducing strain on company systems.
- Eliminates need to detach and stores files before viewing, so access to important information is closer at hand than before.
- Provides consistency since all users with access are viewing the same document.

### **Interactive Views**

Interactive Views deliver role-based information through a flexible user interface. Information is presented graphically and in data grid format to help clients quickly scan and analyze patterns, exceptions and emerging trends. Users can customize the content of views as well as the presentation. Both report and download output is available. Drill down enables detail investigation of the information. Key capabilities include:

- Find, sort, configure, review, analyze and manage data
- Summary to detail drill down “click through”
- Flexible and robust data selection across product and category
- Simple to use customization tools and navigation
- Rich graphing capabilities

### **Interactive Spreadsheet**

Interactive Spreadsheet allows you to securely download data directly into a Microsoft Excel workbook on your desktop. After set up, one click immediately refreshes all the content in your spreadsheet and skips the steps of logging in and navigating my.statestreet.com. This feature saves time and increases productivity for users who integrate information into desktop tools and/or commonly download the same information. Clients can request, configure, access and format information anywhere through my.statestreet.com, our web-enabled online information delivery platform.



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

The availability of historical information online depends upon the type of data and the specific report requested. Our retention policies have been built around analysis of historical usage across our entire client base. We have structured our retention standards so that the vast majority of historical data requests can be accomplished directly through my.statestreet.com.

Please refer to the following table for specific retention policies by type:

<b>Accounting</b>	
Electronic Data Retention Requirements	Records are stored permanently
Data Retention Policies – Online Information Delivery Platform	Accounting – 90 days of daily information and 18 month ends Transactions – 600 days of daily information. Performance & Analytics – since fund inception
Client Records Retention	7 Year Storage Month end and annual reports Client correspondence Proxy reporting Regulatory reporting (federal, state, local) Corporate action files

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

We establish accuracy of information through an error detection process built into Global Horizon. Transactions entered into Global Horizon pass a series of technological edits to provide accuracy and settlement. Each portfolio is balanced and reconciled on a daily basis to confirm that all trades flowed through the system. A working trial balance is also produced at month-end for each portfolio.

To further provide reporting accuracy and timeliness, we have implemented the Client Service Workstation—a tool that enables our staff to execute audits of transaction-related information that is sourced from Global Horizon on a real-time basis. The Client Service Workstation automates the data verification, reasonability and reconciliation process daily on a transaction-by-transaction basis, allowing staff to focus on exception items and data analysis. Benefits translate into accurate accounting information on a daily basis and a faster period close. This quality control procedure also verifies input and reconciliation of output. This audit is an integrated part of our general ledger accounting system.

The following is a list of automated audits:

Price Tolerance	Income Activity Proof
Price Consistency	Trial Proof
Cost and Share Proof	Cash Proof
Cost of Investments Proof	Payables/Receivables Proof
Pending Foreign Exchange Proof	Initial Income Verification
Open Trades Proof	Realized Gain/Loss Proof

**RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
MASTER CUSTODY SERVICES**

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**STATE STREET.**

State Street offices worldwide use our Client Service Workstation to facilitate consistent service delivery. In addition to these automated checks, our client service team also manually reviews reports prior to mailing to clients.

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

Yes, reporting is provided on a trade-date, full accrual basis, asset valuation and transaction statements reflect pending transactions.

## **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?

Both periodic and non-periodic payment processing is performed internally on the PLUS system. The PLUS payment system was originally purchased from National FSI, Inc. but no vendor relationship has existed for almost 30 years. The application has been enhanced significantly over the years and it is regularly enhanced by our dedicated team of programmers to provide expanded services to our clients. The system is operating in a Unix environment.

We currently issue over 3.5 million payments per month and our system can support significantly more payments as we have the server and storage capacity to continue to expand our client base.

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.

### **WEB-BASED TOOLS FOR PLAN SPONSORS**

Yes. Our clients leverage State Street's innovative technology capabilities, including data integration among plan sponsors, actuaries and insurance providers, as well as between defined-benefit and defined-contribution plans. Online access for plan sponsors and third party administrators is available through our iPayBenefits.com portal. This plan sponsor portal is comprised of the following two systems:

#### **PLUS WEB**

Our fully transactional Web application provides plan sponsors with on-line access to our disbursement system. The application includes functionality to:

- Add, change and inactivate retirees' payment records
- Perform a full reconciliation of each check run (monthly, lump sums, and off-cycles payment)
- Generate various standard reports
- Search participant records (real time information)
- Process stop and reissue of payments
- View and print copies of paid checks
- View and print tax forms including 1099R and W-2 forms.

A key feature of the application is its intuitiveness and ease-of-use, enabling end users to quickly and efficiently navigate and complete their processing.

#### **CUSTOM QUERIES**

This web-based system provides an interactive way to view, compile and manage information. Plan sponsors and record keepers can:

- Access and analyze information.
- Build a custom search and generate reports and spreadsheets.
- Create form letters and labels.
- Save and re-use searches and results.
- Store information by user, group or in public folders.

Our custom query system is designed to meet both your scheduled and ad-hoc reporting requirements. Use the scheduler to automatically receive reports based on an hourly, daily, weekly or monthly basis.

### **WEB-BASED TOOL FOR RETIREES**

#### **MYPENPAY.COM**

State Street has developed a participant web based product called "myopenpay.com". This cost-effective tool is designed to complement and enhance the informational and transactional services you currently provide to your retired participants. A customizable online solution, myopenpay.com provides retired plan participants with direct and secure access to their personal payment information and account transactions. With 24-hour online availability and easy-to-navigate screens myopenpay.com offers retirees the following:

- Ability to view and update account information for address, tax election, and direct deposit
- Immediate confirmation of changes
- Access a record of payments disbursed over an 18-month period
- Review income and deduction detail.
- View and print copies of checks (both front and back) that were presented for payment
- Ability to stop and reissue outstanding checks
- View and print online tax forms such as 1099R, W-2, and 1042S

This system also provides a forum for plan sponsors to communicate directly to retirees regarding timely special event announcements and upcoming deadlines.

PLUS Web and Custom Queries is supported in-house. Myopenpay.com is supported by a vendor who provides web service calls to our payments system. State Street owns the source code for the above applications.

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

We would be more than happy to provide you a demonstration of our benefit payment systems via a WebEx or at the finals presentation should State Street be fortunate enough to be selected as a finalist. Through a systems demonstration we can show you the many facets of our plan sponsor and retiree web sites, including the ability to stop and reissue payments, reverse ACH payments, view 1099R and W-2 tax forms and view images of paid checks.

In addition, our benefit payment system has a built-in reconciliation process that allows our clients to prove their payment disbursements prior to issuing payments.

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

For benefit payments, the information available through our iPayBenefits.com portal includes:

Participant's Details

- Social security number
- Address (incl. country)
- Participant status (active, deceased, suspended, future pay)
- Primary and secondary addresses
- Paysources and deductions
- Payment method (check or direct deposit)
- Bank account information
- Federal and state tax withholding elections
- Special check messages
- Future dated changes to pay sources and deductions
- Special fields to record: Date of birth, retirement, and death, beneficiary/term vested participants
- Plus several customizable fields to store data

Payment History

- Over 18 months of detailed information
- Pay source and deduction details
- Federal and state tax withholding elections and amounts paid
- Address on check or advice of payment
- Payment Method (check vs. ACH)
- Bank account information (ACH)
- Check status (paid, stopped, cancelled, outstanding)

On-line Reports

- Participant Payment Report (Check Register)
- Deductions Withheld Report
- Trial Balance Report
- Future Change Report
- Participant Activity Report
- Plus customizable reports via Custom Queries Application

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 you standard periodic and non-periodic participant payment reports.

The following standard reports are available online via PLUS Web:

#### STANDARD MONTHLY REPORTS

##### ***Participant Payment Report***

This report is a check register of payments issued and includes name, social security number (first five digits), gross dollars (by source), deductions (up to ten), net dollars, primary and secondary addresses, and Federal Tax election. The report also displays all financial amounts in current month and YTD totals.

##### ***Deduction Report***

This report is produced for each deduction taken, including a separate report for each type of medical insurance if the plan sponsor wishes to remit directly to the carrier. The report, in alphabetical order, includes name, social security number (first five digits), type of deduction and the deduction amount.

#### ADDITIONAL REPORTS

Along with State Street's standard monthly reports, there are various optional reports generated each payment cycle, including:

1. ***Payment Status***: Identifies future changes in benefit amounts
2. ***Tickler Report***: Forecasts account changes up to 90 days in advance
3. ***Trial Balance***: Pre-check writing balancing
4. ***Activity/Change***: Reflects all activity in participant account and is purged each month.
5. ***Outstanding Checks***: List checks that are currently un-cashed

#### AD HOC REPORTING

Our Custom Queries application is a web-based system that provides an interactive way to view, compile and manage information. Plan sponsors and record keepers can:

- Access and analyze any information stored on our payment system.
- Build a custom search and generate reports and spreadsheets.
- Create form letters and labels.
- Save and re-use searches and results.
- Store information by user, group or in public folders.

Our custom query system is designed to meet both your scheduled and ad-hoc reporting requirements. Use the scheduler to automatically receive reports based on an hourly, daily, weekly or monthly basis.

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?

State Street Retiree Services understands the importance and value which plan sponsors place on their retiree population, and we are committed to treating your retirees with courtesy and respect. For more than thirty years we

have been, and continue to be, dedicated to the retiree payment administration business and our experience in this area is unmatched. Our two fully operational administration sites and our investment in advanced technology also set us apart and demonstrate our commitment to this business.

State Street pioneered the development of Retiree Services in the late 1970's and is dedicated exclusively to the servicing of our clients and their participants. Today, we are the leading provider of retiree services among U.S. trustee banks, serving more than 750 clients and processing over 3.5 million monthly recurring payments. We provide benefit payment administration as a "stand alone" product, whereas "check writing" is often considered secondary at other institutions. We are "solutions oriented" toward our clients, able to offer programming and processing recommendations based on past experience with similar custom requirements.

Plan Sponsors are serviced by an **experienced payment administration team** comprised of a Unit Manager, First Line Manager, and Benefit Associate, who acts as your daily contact. This organizational structure is designed to provide you with a dedicated contact and management support. The benefit associate assigned to your account handles all aspects of payment processing. The Retiree Services benefit associate places the emphasis on service. We will treat your requests with a sense of urgency and respond with a smile, while providing quality service.

State Street is unique in offering **two fully redundant operational sites**. Our expansion to Jacksonville, FL complementing our original location and continuing operation in Quincy, MA provides business continuity and system disaster recovery for our clients. We have been providing payment administration services at our Jacksonville center since 1998. Most institutions have a disaster recovery site with no staff or reduced staff. Our fully operational redundant locations provide complete and uninterrupted disaster recovery services.

State Street's **investment in advanced technology** for benefit payment administration is evidenced by the financial commitment and growth of our business over the last several years. Retiree Services' actual expenditure for payment related system technology in the past three years totaled over \$10 million dollars. This investment was focused on various projects including the development of our enhanced plan sponsor web applications (PLUS Web, Custom Queries and Workspace) and our retiree web site (myopenpay.com).

A team of programmers, specifically dedicated to Retiree Services, maintains our benefit payment system, and many of our system features and enhancements have been developed in response to the custom needs of our clients. The Retiree Services Management Team controls the technology priorities. As stated above, our experience in this area allows us to be proactive in understanding the needs of and offering solutions to our clients.

Retiree Services expects to commit an additional \$8 -\$10 million towards technology related expenditures over the next 5 years.

**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?**

We offer the plan sponsor the option of earning float on outstanding checks. Our standard processing uses an omnibus Demand Deposit Account (DDA) where State Street earns the float. However, State Street also offers a custom DDA in which the plan sponsor will receive an invoice credit for the float. In the latter scenario, our fee schedule may be adjusted to reflect a higher fee.

Benefit payments are charged to the clients account on the payment date or next business day should the payment date be a weekend or bank holiday.

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

Yes, a benefit administrator will be assigned as your primary in Retiree Services.

**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?**

As noted earlier, plan sponsors are serviced by an experienced payment administration team comprised of a Unit Manager, First Line Manager, and Benefit Associate, who acts as your daily contact. This organizational structure is designed to provide you with a dedicated contact and management support.

There is daily communication between Retiree Services and our trust/custody division regarding the creation of new accounts, accurate funding of existing accounts and timely response to client requests. Representatives from each division attend joint internal meetings and conduct client service calls on a regular basis. It is imperative that the trust/custody business unit and Retiree Services are in sync with one another in order to maintain the highest possible level of service to plan sponsors and plan participants.

**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?**

Our primary goals in servicing benefit payment clients are to treat their retirees with courtesy and respect, and to provide accurate and timely payments and plan sponsor reporting. A benefit associate will be assigned specifically to your account to handle your day to day processing and to respond to your questions as they arise. The benefit associate is part of our "team" client service approach that is designed to provide the plan sponsor with the highest possible level of service, and to respond with a sense of urgency to plan sponsor and retiree inquiries. The client service unit is structured as follows:

**Unit Manager**

Unit Managers located in Quincy, MA and Jacksonville, FL are responsible for the day-to-day operation of the client service units. These managers have been supporting the Retiree Service business at State Street for an average of twenty years. With prior experience in banking, actuarial administration, and human resources/benefits, this team has the depth of knowledge to provide service and solutions to meet client needs. These managers report to Nancy Stokes, department manager, responsible for all payment delivery. Nancy has been with State Street for 26 years.

**First Line Manager**

A supervisor or operations officer fills this position. There is currently an average of four managers in each unit, each with four to six benefit associates reporting to them. The first line managers have an average of six years' experience in the Retiree Services department.

**Benefit Associate**

The benefit associate is responsible for receiving and entering the data to the payment system, the control of the integrity of the data, and communications with the plan sponsor and the participants.

The benefit associate assigned to your account will process all transactions that occur on a daily basis, including data input, distribution reconciliation and stop-payment processing. In addition, this individual would serve as your direct contact for inquiries. Cross training within teams allows for two additional levels of support to provide the necessary backup, with client specific knowledge to handle all situations and inquiries, if your benefit associate is unavailable.



**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.**

Our payment system can handle multiple payment types within a single gross payment. The system supports up to 999 pay source fields at the account level and 20 sources at the participant level. Therefore, monthly qualified and non-qualified payment amounts can be stored in separate "pay sources" but combined into a single gross payment. These amounts are coded as 1099R and/or W2 at the source level and are reported on separate tax forms at year-end. In this scenario, distinct qualified and non-qualified tax withholding elections exist.

Our Participant Payment Report (check register), which is available on line or on CD, reflects payment source totals; our Funding Report reflects the qualified and non-qualified funding required for each plan. Participants will receive a check stub or advice of deposit, which breakdown the payment by sources and deductions (both current and year-to-date amounts).

**12. Do you provide ACH/Direct Deposit services?**

Yes, direct deposit transactions via ACH are available to retirees for both recurring and lump sum payments. It is at the client's discretion whether to pre-note the transaction or not. During the pre-note process the retiree may have a check produced and sent directly to the bank. During the conversion process, State Street will automatically pre-note retirees in a test environment, to monitor that there is no interruption in ACH service when live payments are generated.

We also provide an advice of deposit to the participant with each ACH payment, although we can suppress the advice at the request of the plan sponsor or participant.

**13. How many annuitant checks do you send each month?**

In January 2012, over 672,000 annuitant checks were issued.

**14. How many electronic fund transfers are sent each month?**

In January 2012, over 2,744,000 electronic transfers were processed.

**15. How many lump sum payments are made each month?**

In January 2012, over 210,000 lump sum payments were made.

**16. How many pensioners are in your largest and three smallest benefit payments clients?**

Our three largest clients are as follows:

Client A        730,000 payments per month

Client B        234,000 payments per month

Client C        203,000 payments per month

Our three smallest clients are as follows:

Client D        2 payments per month

Client E        4 payments per month

Client F        6 payments per month

**17. Do you offer coordination of cash movement between accounts for disbursements? Be specific.**

Yes, via an automated process we coordinate the movement of cash between trust and benefit payment accounts to fund participant disbursements. Following each payroll run (monthly, lump sum, and off-cycle), the Office of the General Treasurer retiree services team forwards a funding report/request to the trust/custody service team, which includes specific information from the payroll run. The funding request lists total gross amount per pay source and account identifier, trust account number by source account, benefit payment account number (DDA) and plan name. The values on the funding request are reconciled to the values on the pre-payroll trial balance and post payroll payment register as each of these reports are system generated and must reconcile. As an automated component of our pension payroll run, a corresponding "funding file" is sent to the trust area in order to move funds from the appropriate trust account to the account on which benefit payments are drawn on the payment date.

In addition, the client service team works with the trust team to confirm that the trust cash statement report reconciles to the all benefit payment funding requests. This includes reconciliation on off-cycle check runs, lump sum distributions, returns to trust and of course the monthly check run.

**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, we can accommodate deductions for health & welfare, QDROs, tax levies and garnishments. Our system has 999 deduction fields at the account level that can be utilized by the plan sponsor. Our system is able to process up to 20 deductions at the participant level. Within each deduction there are 1,300 sub-deductions. This allows one deduction to be set up (i.e., state tax or medical premiums) with several distinct options within the one deduction. Each sub-deduction is set up with a payee and mailing address or ACH information for the check or direct deposits to accommodate ease in payment and mailing.

**19. Describe your tax services responsibilities in regard to government, state and participating reporting.**

Within Retiree Services, the Tax Reporting and Reconciliation Unit is responsible for ensuring proper funding and reconciliation of all disbursing accounts, filing of all tax forms, deposit of all taxes withheld, response to all IRS and state inquiries, and compliance with all tax reporting regulations. For both Federal and State withholding, State Street will deposit the taxes withheld, file the necessary forms, and reconcile the amounts reported to the withholding agencies to the amounts reported to the participants.

We provide Federal, State, Social Security, Medicare, and Non-Resident Alien (NRA) withholding and tax reporting. For recurring payments, our system calculates Federal tax withholding amounts based on the W4P election, and we also calculate the State tax amount for all states accepting withholding tax, based on an election from the retiree. For recurring payments, our system complies with those states that mandate withholding on disbursements. Our recurring system contains the appropriate defaults for the absence of tax election form.

State Street provides and reports the following tax forms for the plan sponsor:

- 1042** Filing of Federal tax liability for non-resident aliens
- 8109B** Filing of Federal tax deposits
- 945** Filing of Federal tax liability with IRS for qualified plans
- 941** Filing of Federal tax liability with IRS for non-qualified plans
- State** Filing of State deposit forms and applicable annual reconciliations

The plan sponsor will receive a register for every type of form issued to a participant. These reports are available on CD as well.

State Street provides and reports all of the following tax forms on behalf of the participant and the plan:

- 1099R** Statement to recipients of pension and defined contribution plan payments
- 1099DIV** Statement to recipients of dividend payments
- 1099M** Statement to recipients of miscellaneous income
- 1099B** Statement to recipients of proceeds from broker and barter exchange transactions
- 1099INT** Statement to recipients of interest income
- W2** Statement to recipients of wage payments (LTD), or other non-qualified payments
- 1042S** Statement to non-resident alien recipients of pension and defined contribution plan payments
- 480.7C** Statement to recipients of pension payments for residents of Puerto Rico

**20. What are your procedures for canceling and reissuing checks?**

Plan sponsors will have direct access to stop and reissue outstanding checks as needed through PLUS Web, our on-line system or by contacting their client service team at State Street. Using PLUS Web, plan sponsors can request stop payments up until 7 PM EST in order to have a new check reissued and mailed to the participant on the following business day. Our system will change the status of the original check from outstanding to cancelled and the new check will appear on-line.

If the request is made through your client service team, we guarantee that the reissued check is mailed within 48 hours of the request, although most checks are mailed in 24 hours.

## 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.

Each year, State Street devotes 20-25% of our operating expense budget to technology. Specifics as they pertain to raw dollar amounts and business lines are not publicly disclosed.

We have maintained a technology leadership position in the financial services industry. Dedicating ourselves to maintaining and extending our leadership position in tools and technology are fundamental to our ability to provide best in class service to our clients both today and going forward. Our systems are constantly being evaluated and carefully modified to improve quality of service and performance as well as support changing regulatory and client needs. To that end, we understand that technology leadership requires an organizational commitment to leveraging skills, resources and expertise across the IT community. To support current business initiatives and seize new opportunities for developing innovative solutions to business challenges today and in the future, we devote 20 to 25 percent of our operating expenses to technology.

The guiding tenets in our Information Technology organization are responsiveness, quality, timeliness, productivity and accountability. Adhering to these tenets enables us to develop the IT solutions that solve business problems for our clients, strengthen our position in all of the markets we serve and position State Street well for future growth.

### **Setting Long-Term Strategy**

In all aspects of technology, architecture, development and infrastructure, State Street is a respected partner and industry leader. We execute an architecture-based technology strategy planning process on a three-year rolling cycle. Our strategy is driven by client needs and technology trends. *Scalability, reliability, global reach, continuous innovation and trusted partnerships* are the foundation of our technology strategy.

**my.statestreet.com** - The evolution of my.statestreet.com is driven by our Strategic Development Partnership, which involves clients throughout our product development cycle to provide for the realization of three guiding principles:

**Client Centricity** – Enhance client productivity by packaging information based on the specific roles and tasks performed by our clients

**Client Empowerment** – Provide easy to use yet powerful tools for users to interact with information delivered through the web portal

**Integrity and Timeliness** – Deliver accurate and complete information when it is needed

This partnership enables clients to directly influence the value proposition that my.statestreet.com provides to them as well as realizing the benefits that new capabilities will enable. Examples of the application of these guiding principles can be seen through the deployment of some of the following key enhanced information delivery capabilities:

### **Custody**

Recent online information delivery capabilities have focused on providing expanded real-time custody content via my.statestreet.com. Custody and cash activity is more comprehensive with the recent addition of real time off-book cash information, full lifecycle reporting of foreign exchange and clean cash activity, and a new tax reclaim status view.

New Interactive Views available include:

**Foreign Exchange View** - reserved for open and/or pending foreign exchange activity

**Multi Location Holdings View** - lists assets held in more than one depository across the State Street network allowing asset managers to avoid fails due to inadequate position from a single depot

**Open Tax Reclaims View** - enables clients to monitor the filing and collection of tax reclaims

All interactive Custody Views are also available in Chinese, Japanese and German, support your local time zone, and offer the Interactive Spreadsheet feature that allows you access to your data directly from your desktop.

Finally, in response to a new charge for failed settlements of Japanese Government Securities our newly renamed view Market Fail Penalty Charges was enhanced to Include Japanese Government Securities (where contractual settlement date is on/after 1-Nov-2010).

Our development plan will continue to focus on enhancing our core tools within my.statestreet.com as well as introducing new user-centric tools. Specific areas of focus include the following:

- Expansion of customization options throughout the site so that users can fine-tune their work space to optimize their experience
- Redesign of Reporting tools to incorporate user feedback, streamline processes and improve overall user experience
- New information solutions for Fund Administrators, Corporate Cash Services, ETF Plan Sponsors, and Regulatory Resource Services will be designed around the specific needs of these roles as well as continued expansion of content across all services.
- Access to key information via mobile channels including tablets (e.g. iPad) smart phones (e.g. iPhone)

**State Street Investment Analytics – Next Generation** - What differentiates State Street Investment Analytics in the marketplace is that we provide the complete investment picture: great breadth in capabilities and depth in asset classes.

Our system is organized around the data warehouse concept:

- Collecting, validating, consolidating and storing market data
- Capturing inputs and generating client specific returns and analytics
- Storing relevant information based on an intuitive data model organized around the way clients think of their assets and the types of information they need
- Delivering results and information through my.statestreet.com where clients can use Interactive Views and dashboards to drill through data, configure and produce reports, queries, and various types of analysis, and maintain alerts
- Embedding value added applications and features – enabling what if analysis, scenario analysis, and stress testing
- Facilitating propagation of data into vended systems and tools, and client databases

Future enhancements to this system include continuing to round out and expand the State Street Investment Analytics data and toolset, in line with client direction and requirements and using the latest technologies and data modeling

techniques, so that as the Office of the General Treasurer needs change we are in a position to meet those needs rapidly.

**OTC Derivative Accounting and Management Functionality-** The expanded utilization of OTC derivative instruments in the marketplace has created a void that we are quickly filling. In order to maintain our position of leadership in this area and provide top tier OTC information and services, we have launched an aggressive development program to introduce industry leading OTC derivative technologies that will include: cash flow profile and projection including theoretical pricing to be used in evaluation of vendor supplied and market prices; document management and workflow capabilities allowing OTC related tasks from trade capture through fund accounting, custody, and valuation to be automated in a shared and Subject Matter Expert (SME) environment; and standardization of messaging and communication through the adoption of FpML messaging and standards. With the introduction of these expanded OTC capabilities, we will be well positioned to deliver reporting and accounting capabilities for even the most complex of security types at a level unsurpassed in the industry.

**Enhanced Reconciliation Processing** – We are expanding and improving our reconciliation capabilities between our systems and third party organizations. This work will benefit all clients by helping to obtain more rapid identification of discrepancies and ensuring integrity of all State Street applications and services, especially in light of the current industry focus on risk mitigation.

**Cloud Computing Objectives** - State Street prioritizes investment in its technology, and continues to lead the industry in innovative solutions to consistently deliver value to its clients. As part of its core technology strategy, State Street is implementing a state-of-the-art internal private cloud architecture. The 'cloud' refers to an infrastructure, platform, and software environment that allows for a scalable and responsive IT service model. This cloud utilizes a software 'stack' consisting of a defined set of frameworks, platforms, tools, services and utilities that are approved for use in developing applications for deployment into the cloud.

State Street's cloud implementation seamlessly supports client growth and activity with on-demand provisioning of an elastic capacity through automated server virtualization. This cloud offers a secure, stable, and robust environment that provides the highest quality service and enhances time to market for clients. The architecture affords detailed SLA monitoring and reporting for internal teams and clients. Cloud performance is monitored and measured against a strict set of criteria governed by the Office of Architecture, designed to promote adherence to established technology standards.

**Transformation of Business Operations and Information Technology** - In parallel with its global growth, State Street has implemented programs to transform business processes and create efficiencies across the company. Initiatives that have already been successfully implemented include utilizing Lean methodologies, establishing centers of excellence to align core functions with client needs, and leveraging the company's global scale to deliver continuous 24/7 operations and client service. As part of the multi-year program announced today, State Street will broaden and accelerate these successful initiatives across the organization.

State Street will also build on its strong technology platforms with sustained investments that will accelerate State Street's development of leading-edge solutions for its clients. The company is investing in powerful technologies, such as private processing clouds, which vastly increase global computing capabilities, and is also developing new methods and tools to accelerate the pace of innovation and the introduction of new services and solutions. State Street's focus with these initiatives is to continually improve its excellent client service and to provide a competitive advantage for its clients.

**Exposure Monitor** - Among the several new product development efforts underway at State Street is Exposure Monitor. The genesis of this new product was the financial crisis in 2008 and significant interest from clients globally to have readily available way to view their exposures across investment activities. The functionality envisioned in this product has been and will be introduced through a number of releases over the course of this year and next. The initial roll-out targeted selected clients for the Q2 2011 pilot. Production rollout will allow for general availability across State Street's global client base in Q1 2012. In this second phase, client feedback will be considered for enhanced features and advanced analytics such as news-based views on exposure will be integrated.

The core product capabilities consist of the aggregation of internal and (if requested by the client) external data, the calculation of entity exposure, the monitoring of this exposure for limit violations against client specific business rules, and the reporting online of a set of metrics regarding exposure to a business entity. Entity exposure is the amount of loss a client faces in case of a bankruptcy of a particular business entity, excluding recovery values. The calculation includes combining counterparty exposure such as positive market value of OTC positions and market risk from open transactions with issuer exposure stemming from direct investments in securities issued by an entity or derivatives on such securities. This aggregated exposure then can be netted against collateral. A set of standardized exposure calculation methods which will grow with client demand for different methods produces consistent and efficient exposure calculation processes.

Once calculated on an investment type level, the exposures are linked to business entities which allow the aggregation on an entity level. This process includes the capability of handling multiple counterparty identifiers from various internal and external systems such as accounting, transaction processing, securities lending, and collateral management. The normalized entity level data is then linked according to parent-child relationships so that exposure can be reported at the ultimate parent level. Further, the exposure is netted against collateral reflecting transaction statuses, which enables reporting of actual and contractual exposure. Entity information is also enriched with ratings, rating watch list status for further analysis. Similar to compliance reporting, an alerts engine sends messages when/if limits, set by clients, are breached. Reports will then be made available online allowing clients to see exposure and breach details. The thresholds or rules that define a breach can be customized by each client. The reporting is available through Interactive Dashboards in [my.statestreet.com](http://my.statestreet.com).

**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.**

Global Horizon's single system environment serves institutional clients around the world with online, real-time processing in their local time zones. Our multicurrency portfolio and general ledger system has electronic trade capture capabilities, provides real-time, core transaction processing capabilities, and offers flexible, rules-based accounting methods to support the needs of our clients. Global Horizon also feeds our information delivery platform that can be accessed anywhere in the world.

Our systems are built on multiple state-of-the-art platforms in order to maximize scalability, availability and performance for specific functions within the architecture. Our computing platforms comprise the latest storage and processing technologies. Data storage is housed on EMC and Hitachi technology that also represents the industry's best with regard to price-performance, availability, scalability and replication technologies. To provide for proper operations and management, we stay within current releases of critical systems software; this includes IBM z/OS, SUN Solaris, IBM AIX, IBM Websphere and Veritas.

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?

The custody system, by design, requires periodic downtime for scheduled application maintenance and change opportunities. Detailed system downtime reports are not available. However, during the past two years, system downtime has been less than 0.1%.

Recovery time objectives (RTO) are established for both business functions and supporting applications. Down time tolerance levels (DTL) are identified for all business functions based on how quickly the business operations must be resumed. All applications are mapped to their associated business functions. This assists the business owner in setting the appropriate RTO for the supporting application with the RTO of the business function as the driver. As part of the corporate program standards and compliance requirements, all business functions and applications must have a business owner and an associated RTO. This RTO must then be in alignment with that of the down time tolerance level to be in compliance. Executive signoff is required for all initial RTO designations and any changes.

Recovery for each function and application is determined by the business requirement.

All functions are grouped into one of five DTL categories based on the business priority and their down time tolerance level:

- Level 1: 0 - 4 hours
- Level 2: 5 – 8 hours
- Level 3: 9 – 24 hours
- Level 4: 25 – 72 hours
- Level 5: 73 + hours

All applications are grouped into one of six categories based on the business priority and their recovery time objective:

- **Priority I (Recovery within 0-4 hours)**

Priority 1 applications are those with the potential for severe financial, reputational, client and market share losses sufficient to warrant the expense associated with highly resilient technology continuity solutions. Non-performance of these applications would have a severe adverse impact on dependent business functions, which could affect resiliency within segments of the global financial services industry.

- **Priority II (Recovery within 5-8 hours)**

Priority 2 applications are those with the potential for severe financial, reputational, client and market share losses sufficient to warrant the expense associated with highly resilient technology continuity solutions. Non-performance of these applications would have a severe adverse impact on dependent business functions, which would seriously affect operational efficiencies, liquidity, and balance sheet stability of the corporation.

- **Priority III (Recovery within 9-24 hours)**

Priority 3 applications are those with the potential for significant financial, reputational, client, legal and market share losses sufficient to warrant the expense associated with resilient technology continuity solutions. Non-performance of these applications would have adverse impact on dependent business functions which would significantly affect operational efficiencies and may affect liquidity, and balance sheet stability of the corporation.

- **Priority IV (Recovery within 25-72 hours)**

Priority 4 applications are those with the potential for moderate reputational and client losses sufficient to warrant the expense associated with the implementation of technology continuity solutions. The potential for financial and / or market share loss is low enough to warrant delaying recovery for more than 24 hours. These applications



should not require daily processing, nor there legal or regulatory impact if not operating. Non-performance of these applications would have some degree of impact on dependent business functions, which could modestly affect operational efficiencies within the corporation.

- **Priority V (Recovery within 73-2,879 hours)**

Priority 5 applications are those with the potential for minimal reputational and client losses sufficient to warrant the expense associated with the implementation of less costly technology continuity solutions. The potential for financial and / or market share loss is very low to warrant delaying recovery for more than 72 hours. These applications should not require daily processing, nor there legal or regulatory impact if not operating. Non-performance of these applications would have a minor degree of impact on dependent business functions, which may slightly affect operational efficiencies within the corporation.

- **Priority Manual (Non-technical) (Recovery => 4 months)**

Non-technical applications are those that do not require a technical solution and can either be rebuilt or purchased within a four-month period. Manual or alternate procedures may be used to temporarily replace the application functionality until the permanent solution is implemented. There is inconsequential operational, risk or security impact to the corporation from non-performance of these applications.

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 response provided to question # 1 above in this section.

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?**

Please refer to the response provided to question # 1 above in this section.

6. **When was the software developed and was it developed internally or externally?**

Our proprietary Global Horizon architecture was internally developed in 1981, a testament to our long-standing expertise in this business. We continually seek the latest technologies to support our businesses. Significant milestones in Global Horizon's history include its complete rewrite in 1992 to include multi-currency processing; the migration to open systems architecture and client-server platforms in 1996, the move to web-based applications and iteration based development in 2000, and the expansion towards a service-oriented architecture in 2009. We are committed to ensuring our system's architecture is innovative, reliable, scalable, and competitive, and we have a very long track record to prove this.

We have a dedicated staff of more than 7,000 technology employees and contractors worldwide responsible for the research, analysis, development, enhancement and maintenance of our core and customized technology solutions within our Information Technology (IT) organization.

7. **Specify which master custody data processing applications are batch oriented and which are online / real time.**

Global Horizon® is a fully integrated global custody and accounting system that operates in real-time.

**8. What additional equipment and software is necessary for ERSRI to obtain on-line services? Is this provided as part of your proposal?**

my.statestreet.com takes advantage of commonly used, industry standard, internet technology software. Most users find they do not need to download any new software to access my.statestreet.com. The specific technology requirements to access my.statestreet.com are:

**Internet Browser**

Microsoft Internet Explorer 7.0 (fully supported) is the recommended browser for my.statestreet.com. Higher versions of Microsoft® Internet Explorer and alternative browsers (Firefox, Safari, etc) may also be used.

**Adobe PDF Reader**

my.statestreet.com PDF documents currently supports at a minimum Adobe Reader version 6.0.1., however version 9.2 is recommended

**Adobe Flash Player**

Adobe Flash version 10.2 required

**Java Software**

Java version 1.4.2 (minimum)

To facilitate ease of user configuration, all required software is easily available for download via links available under Site Requirements on the my.statestreet.com login page.

**9. What are the hours of operation / availability for your on-line systems?**

my.statestreet.com is available 24/7/365 days a year apart from downtime for scheduled maintenance and system upgrades. Users are notified of scheduled maintenance windows through an alert from our online information delivery system. Scheduled maintenance is typically performed on weekends and outside of core business processing times.

**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?**

With my.statestreet.com's full suite of tools, the Treasury staff would have the ability to develop accounting, performance measurement reports and graphs as detailed below.

**Report Center**

The Report Center is the hub for viewing, sharing and building reports. Users may choose from a comprehensive inventory of standard reports, or select specific data. Output is available in multiple formats, including PDF, Excel and common data formats (.csv). Reports may be configured for delivery to the my.statestreet.com inbox or directly to a printer or server, ready to view on demand.

- Reports are interactive, with a table of contents to help find specific information quickly
- Robust configuration tools allow users to define multiple parameters to customize the contents of a report, including: reporting periods, date ranges, funds, user defined filters, and asset identifier options
- Reports parameter settings can be saved, reused and shared
- Rich with features such as "full search" that reduce manual information keying and eliminate significant opportunities for error
- May print the entire report if needed, or may print individual sections outlined in the table of contents

- Post processor feature saves time by allowing user to automatically download, save and/or print scheduled reports at anytime - even when not logged onto the information delivery tool

#### Executive Reporting:

The Executive Reporting tool is available to all users via my.statestreet.com. Executive Reporting allows you to create customized report designs containing statistical data, images, charts, graphs, and text. You can select standard, blank, or custom templates, save your design in the Library, and run reports to the Executive Reporting Inbox. Executive Reporting gives you the ability to select the components of the report, drag them to containers on the page, and then configure the containers with funds, statistics, periods, hierarchy, and other formatting options. The following are a sample of some of the components that are available to choose from and a brief description:

- **Text:** Use to manually add text to your design.
- **Image:** Use to add an image to your design. Compatible with .jpeg, .bmp, .gif, .jpg, and .png.
- **High Low (Tabular):** Provides your 'top' or 'bottom' holdings based on the selected statistic.
- **Monthly Security (Tabular):** Provides performance and Equity/Fixed Income Characteristics results at the security level.
- **Monthly Performance (Bar Chart, Line Chart, and Tabular):** Provides performance results for hierarchical results (Total, Asset Class, Geo Region, Sector, and Industry). The custom return statistics allows you to request custom time period and rolling periods.
- **Monthly Manager/Policy Information (Pie Chart, Bar Chart, and Tabular):** Provides allocation results based on the sum of selected funds.
- **Monthly Characteristic (Bar Chart, Line Chart, and Tabular):** Provides rolled up Equity and Fixed Income Characteristics results and the Total, Sector, Industry, and Country Levels. Results are either point in time or rolling periods.
- **Monthly Style (Line Chart, Drift, and Histogram):** Allows the user to plot and see the equity style size and equity style (value, growth, and core) over time.
- **Universe (Tabular, Single Universe Floating Bar, Multiple Universe Floating Bar, Scatter, Supplemental Data):** Provides Static Universes only. Provides Universe of Performance, Characteristic, and Risk Statistics.

#### Interactive Views

Interactive Views deliver role-based information through a flexible user interface. Information is presented graphically and in data grid format to help clients quickly scan and analyze patterns, exceptions and emerging trends. Users can customize the content of views as well as the presentation. Both report and download output is available. Drill down enables detail investigation of the information. Key capabilities include:

- Find, sort, configure, review, analyze and manage data.
- Summary to detail drill down "click through".
- Flexible and robust data selection across product and category.
- Simple to use customization tools and navigation.
- Rich graphing capabilities.

**11. Describe your process of secured physical access.**

State Street utilizes multiple levels of security ranging from receptionists, card access readers and biometric technology for all buildings. Many buildings and high-level security areas employ positive controls such as turnstiles, revolving doors and security access portals. Access and egress from buildings and high security areas are monitored and recorded on video systems. State Street also employs anti-pass back on our card access system. The access control lists for the areas are reviewed on a quarterly basis and updated accordingly. Security officers are dispatched to areas where failures are experienced. Most secure areas are also monitored by closed circuit TV.

**12. Describe your system for prevention of damage by fire, water, and environmental hazards.**

Our Corporate Information Security team is responsible for the enterprise management of the Information Security Program. The State Street program, based on the ISO 27001/27002 framework, addresses various security requirements including Asset Management, Human Resources Security, Physical and Environmental Security, Communications and Operations Management, Access Control, Information Systems Acquisition, Development and Maintenance, Incident Management and Compliance.

**Incident Management**

Within the corporate program, we recognized the need to address events that affect the entire corporation. Many incidents are typically business unit/process specific. The incident may require a collective response/coordinated effort across the corporation. The Global Incident Management Program (Global IMP) was developed to address incidents that require a collected response that is supported by the corporation. The Global IMP is a cross organization program designed to create a framework for managing market, counterparty, system, infrastructure and personnel related events. In the event of a business interruption, a significant number of people are responsible for ensuring senior management has the necessary information available to make appropriate and timely decisions. The Global Incident Management Team (Global IMT) directs, coordinates, and supports incident management activities across the corporation. Associated Global IMT roles and responsibilities are defined for senior management and support teams to provide direction and consistency in managing incidents effecting business critical functions. The roles include an Incident Manager and an Incident Coordinator at the management level. During incident management periods, Global IMT leverages all resources within our Global Continuity Services (GCS) group to assist with logistical and tactical functions. To expedite the impact assessment process, key information for critical business functions and processes has been documented into a global Business Critical Timeline. To facilitate the operation of the Global Incident Management Team an Emergency Operations Center (EOC) structure is in place including a Corporate EOC for the Global IMT and Business Command Centers (BCC) for each major business in the corporation. Communication between the Corporate EOC and BCCs is accomplished by a permanent and on going conference call facility managed by the Director of Global Continuity Services.

Incident monitoring templates are in place to capture measurable data during incident management periods that can be used to analyze the recovery process against established baselines. In addition, a post incident analysis process is in place to confirm feedback from participants and affected business units is captured after each incident. These methodologies confirm the Global IMT process is kept fresh and up to date by providing the basis for on going improvements and modifications.

On any given day, at any moment, the business continuity infrastructure can be tested by:

- Facilities or systems failure such as a major fire to a data center or a major network outage
- A human resource event such as a plane crash, violence in the workplace, bomb threat or pandemic outbreak

- A counterparty or market crisis such as the failure of a large global financial institution or a significant drop in a major securities trading market

Readiness and flexibility are built into State Street's Incident Management Program (IMP). Emphasis is placed on establishing the best structure for delivering the message efficiently to key individuals throughout the corporation.

- 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.**

Our Global Continuity Program encompasses both technology and business continuity planning worldwide. The program's goal is to recover data processing systems, data communications facilities, information, data and business functions in a secure manner. Restoration must be accomplished in a time frame consistent with legal, regulatory and business requirements while maintaining information integrity.

State Street conducts over 100 technology related recovery exercises annually. In addition, there are over 400 business continuity recovery exercises conducted annually. The issues that arise during these exercises are documented and tracked through resolution. The corporate program monitors this process and tracks all issues through to final resolution.

On occasion, selected clients, vendors, and service providers are solicited to participate in these recovery exercises. However, typically, client participation during recovery exercises is minimal. Representing the client, the critical business areas participate in a recovery exercise at least annually to verify software, applications, and equipment is operational at the recovery site.

Please refer to response to question number three above for details on recovery time objectives (RTOs).

- 14. Describe any difficulties your organization experienced in connection with the Year 2000 or any more recent cyber-related intrusions.**

In June 1998, State Street's Resolution 2000 program began its Year 2000 contingency planning. Our Year 2000 strategy was to perform extensive correction and testing when necessary to avoid the business risks associated with the Year 2000 and other critical dates. Our careful planning was successful and there was no impact from Year 2000.

Numerous internal layers of management allow us to very carefully protect our software. Firewalls and Intrusion Detection Systems protect against unauthorized access to our desktops. Our Anti Virus Software protect against viruses, spy ware, and ad ware. There is software in place to manage access to the desktop and software installation capabilities. Software deployments are managed for consistency and reliability of delivery. We work closely with our Technology Asset Management and Strategic Sourcing Teams to verify software licensing, compliance, and sourcing of new software through a consistent request/approval/delivery process. We manage desktop administrative privileges and reset the administrator password on a quarterly basis using group policy. We also elevate applications that require administrative rights, allowing for the reduction of user's rights to "User" level. All laptops are encrypted using 256 bit AES encryption and all PC's are using Single Sign On. We manage AD Policy changes and auditing of our active directory.

15. Describe your process for file back-up and off-site storage, including frequency and location:

a) Data

b) Software

State Street's backup data is kept onsite for approximately six months. Data is then sent to our offsite storage vendor, Iron Mountain, from which data can be retrieved in 24 hours. In the US and Canada, our vendor of choice is Iron Mountain; for our sites in Europe and Asia Pacific; we subscribe to similar vendors. There are extensive security procedures for requesting data and having it shipped to the appropriate location.

As a first level of data protection, full tape backups are created on a weekly basis and incremental tape backups are created on a daily basis. Two copies of the tape are created in both instances and one copy is sent to our offsite storage facility. If an application requires recovery from tape, the appropriate tapes are shipped to the recovery facility. Data that is electronically vaulted or remote copied is stored at the actual recovery facility and does not require the offsite storage provider's involvement.

16. Describe your process of incorporating new systems into your operations.

The implementation of new systems would need to be reviewed on a case-by-case basis.

**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.

Since the Office of the General Treasurer is a current State Street client, there will **be no custody transition process if State Street is reselected**. If reselected, we would use conversion planning, execution, and reconciliation of a \$7 billion transition time to focus on the future needs of the Treasury staff and ERSRI plan accordingly.

We would also like to point out some of the major transition costs that would be avoided by reselecting State Street as custodian.

- Lost productivity and additional staff hours spent monitoring and reconciling the transition and troubleshooting conversion issues
- Potential loss of class action proceeds if filing disrupted or sufficient transaction history not acquired by the subsequent custodian
- Potential loss of tax reclaim income, as custodian starts new account opening and documentation process from scratch
- Global market opening processing would need to occur which would require the Treasury staff at many levels to participate and lead the process, taking valuable time away from other priorities

However, for a client that is converting into State Street, a conversion plan is tailored to client specifications but would include the following time frames and activities by the following parties:

Time Schedule	Activity	Responsibility
Conversion Date (*C)-60	The prior custodian receives notification that State Street has been appointed custodian/trustee.  State Street receives authorization to contact the prior custodian and is provided an appropriate list of contacts names and phone numbers.	CLIENT
*C-50	State Street makes telephone contact and sets up a preliminary meeting with the prior custodian to discuss the conversion.  CLIENT and the State Street client service team will agree on the number and type of portfolios and plans to be set up and their reporting requirements and will begin collecting the required documents.  The conversion planner is prepared detailing roles, responsibilities, events and timing.	State Street  CLIENT/ State Street  State Street

RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
 RHODE ISLAND AND PROVIDENCE PLANTATIONS  
 OFFICE OF THE GENERAL TREASURER  
 MASTER CUSTODY SERVICES



C-45	<p>The prior custodian provides State Street with a fully audited list of assets by portfolio with share amounts and descriptions, vaulting location (DTC, Fed, etc.) cost and market value.</p> <p>State Street provides the prior custodian with a list of delivery instructions and the conversion requirements.</p> <p>The prior custodian provides State Street with a list of its agent banks and an account number for each security being transferred to facilitate proper portfolio assignment and advises State Street as to availability of transfer.</p> <p>State Street provides account instructions and document requirements to all designated investment managers; agreement is reached as to how transactions will be reported to State Street.</p>	<p>Prior Custodian</p> <p>State Street</p> <p>Prior Custodian</p> <p>State Street</p>
*C-15	<p>The prior custodian provides State Street with a fully audited portfolio accounting report as of one month prior to conversion date. This report will include full cost and market value detail, ERISA value, dividend and interest receivable report and open trades detail.</p>	<p>Prior Custodian</p>
*C-10	<p>State Street begins parallel running of accounts if required.</p> <p>The prior custodian provides State Street with daily/weekly transaction statements</p>	<p>State Street</p> <p>Prior Custodian</p>
*C-5	<p>The prior custodian provides a reconciliation of all pending portfolio transactions and income receivables</p> <p>The prior custodian provides (via email) list of securities to be transferred (in cusip order and settlement location) indicating all items held as of five (5) business days prior to conversion date</p> <p>The prior custodian provides State Street with a list that identifies all securities out for transfer.</p>	<p>Prior Custodian</p>
*C-1	<p>The prior custodian provides the custodial asset inventory confirmed for delivery and estimates of cash to be transferred.</p>	<p>Prior Custodian</p>
*C	<p>On conversion date the prior custodian wires to State Street all cash held in the account(s) with an itemized breakdown by 11:00 am. Cash is defined as invested and un-invested cash positions. Breakdown of wires must include account numbers as well as specific amounts, details (dividends, interest, etc.)</p> <p>The prior custodian will deliver or causes the delivery of all client held assets confirmed for delivery.</p> <p>State Street monitors inventory and cash receipts throughout the day and a complete reconciliation will be performed immediately.</p>	<p>Prior Custodian</p> <p>State Street</p>



*C+1	The prior custodian will wire all trailing income or outstanding transaction proceeds to State Street on a daily basis.  Once assets are converted to our system, they will immediately be available for our securities lending programs.	Prior Custodian
*C = Conversion Date		

**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?**

For any conversion, our primary goal is to make the transition to State Street as seamless as possible; therefore, the conversion plan, testing procedures and timetable will be tailored to meet each client's needs. The dedicated client manager is the primary point of contact for all client communication and activities and will facilitate and coordinate client service needs with the appropriate State Street resources. During the conversion process, the client service team works closely with the conversion/transition unit. The experienced staff in this internal consulting group coordinates the migration of custody and accounting activity with the prior custodian/trustee to State Street. Conversion procedures by participant are outlined below:

**Clients.** We rely on clients primarily for gathering legal documents and providing contact information. Specifically, we ask that clients:

- Notify custodian and investment managers of termination of current custodian bank(s) and appointment of State Street as successor.
- Provide State Street with contacts at custodian bank(s) and authorization for us to contact them.
- Provide us with details regarding the portfolio configuration and reporting requirements.
- Provide us with all requested documentation prior to conversion date.

Liquidate positions in any commingled short-term funds of other custodian bank(s) and arrange for funds transfer to us.

**State Agencies.** To the extent that any State Agencies are involved in the plan, they will be asked to provide pertinent legal documentation to us. Any reporting requirements they have will be built into the conversion plan.

**Prior Custodians.** We will run parallel with prior custodians for approximately two weeks prior to conversion date to facilitate a smooth conversion. They must provide us with the location of all assets and transfer them accordingly. The following reconcilements will be done:

- The prior custodian's holdings list will be reconciled against securities received at State Street.
- Security positions and valuations will be compared against those of active investment managers where statements are available.
- Line-item holdings will be reconciled to the statements of mutual funds and GIC carriers.
- Bonds will be checked against a pricing source to verify that payment specifics and accruals have been accounted for properly.

Any discrepancies that are found will be reported to the client. After all questions have been answered and the beginning positions have been entered onto our books, we will provide the client with a detailed explanation of any differences from the prior custodian's positions/valuations.

**Depositories, Agents and Subcustodians.** We receive electronic settlement confirmation of both security and currency movements from our subcustodians daily during a conversion. This data is integrated into our daily activity reconciliation program. In addition, we receive comprehensive monthly position statements for each individual portfolio. These statements are compared to our internal records and any discrepancies found are addressed immediately with the subcustodian.

At State Street, we believe that it is important to establish a partnership model from the inception of client relationships. We work closely with the new client throughout the transition process so that all of its needs are met during and after the conversion.

**3. Give a detailed description of your last comparable conversion, including the details of specific problems that occurred and the solutions instituted.**

Please refer to **Exhibit VII** for an example of conversion issues and their resolution.

**4. Provide a summary of the problems that you might reasonably expect to occur during this conversion and your approaches to those anticipated problems.**

Through the planning process we identify and communicate areas where extra care may be necessary. Well in advance of the conversion date the conversion plan is provided to the prior custodian and meetings are convened to review the client's requirements, timing and deadlines. Problems are minimized with an emphasis on disclosure, clear communication and automated processing. Issues that occur are often beyond our control and are address quickly through our daily reconcilements. Common occurrences are:

**Security Shortages**

- Shares out for registration. Prior custodian delivered the shares as they became available.
- Shares on loan (hot stock). Prior to conversion, ask prior custodian to determine shares on loan that are considered hot stock and start the recall process earlier.
- For physical security, certificate need to be sent out for split. Certificate was delivered as it was available for transfer.

**Failed Market Trades**

- Short shares at broker. Shares and Sales proceeds were transferred to State Street once trades settled at prior custodian.
- Broker sent instructions to both prior and successor custodian banks. Contacted Investment Manager to send cancellation instructions.
- Return shares to prior custodian due to late trade instructions. This issue is most common on domestic assets. The turn around of returning shares is usually same day.

**Cash Overdrafts**

- Prior custodian forecasted cash transfer incorrectly and sent late notification for the adjustment. Sent claims to prior custodian.
- Cash transfer wired to incorrect account. State Street processed interfund transfer the next day.

**Accounting**

- Beginning cash balances provided didn't match prior month ending cash Balances. Requested for custody report and determined cash activities that made up the difference.
- Incorrect accruals. State Street loaded positions and accrued accounts. Accruals were compared to prior custodian's final audited report. We checked Bloomberg for any discrepancy to see that State Street was accruing correctly.
- State Street balances cash and securities on a daily basis. Exceptions are documented and reported. The conversion team works with the prior custodian until all discrepancies are resolved.

**5. How do you process transactions that are pending during the transition/conversion period?**

The conversion guidelines outline the cut off dates where trades should be settling during the conversion period. As a standard practice, the below procedures are set up for the investment manager, prior custodian and State Street to follow:

**Trade date conversion**

All trades with trade date of conversion date and forward will settle at State Street. All trades with trade date prior to conversion date will settle at prior custodian. Pending shares and cash proceeds are transferred to us as they become available.

**Failed Trades**

Failing trades at prior custodian on conversion date can be cancelled and re-instructed to settle at State Street. But most of the time, failed trades remain at prior custodian. State Street will continue to follow through until shares or sale proceeds are transferred.

**Pending TBAs**

Any pending TBA trades settling before the conversion date will be the responsibility of the prior custodian. Any pending TBA trades settling on conversion date and thereafter will be the responsibility of State Street. Investment Manager will send cancellation instructions to prior custodian and re-instruct the trades to settle at State Street.

**Pending Forward Contracts**

All pending forward contracts with trade date prior to conversion date and settlement date before the 15th of the conversion month will settle at prior custodian. All pending forwards with trade date prior to conversion date and settlement date on the 15th of the conversion month will settle at State Street. Investment Manager will send cancellation instructions to prior custodian and re-instruct the trades to settle at State Street.

**Pending Corporate Actions**

Prior custodian will be responsible for all corporate actions on securities in their custody on record date. List of pending corporate actions including action taken by the Investment Manager will be provided to State Street.

**Interest, Dividend and Tax Reclaim Receivable**

Prior custodian will be responsible for collecting all interest, dividends and reclaim payments on securities held in their custody as of record date. Accrued income are loaded to State Street's system and reconciled to prior custodian's month end report following the conversion date. Prior custodian will transfer cash to State Street on receipt date +1 or weekly depending upon the agreed schedule when to wire residual cash. State Street will monitor the accrued income lines from prior custodian's monthly statements and confirm that all receivables are collected.

**Shares on loan/Shares out for re-registration**

Shares are delivered to State Street as they become available. These will be included in the share exceptions report provided daily to prior custodian for daily status update.

If shares on loan are to be novated or with a third party lender, we will work closely with securities lending and third party lending team to confirm shares on loan are reflected into the system accurately.

**6. Describe training you would provide to ERSRI's staff during conversion.**

Members of our training team are active and integral participants in our client partnerships, particularly as we enter the implementation phase. The team's participation includes an early assessment of training needs once there is an agreed upon service model for the Treasury staff.

A training program, based on a proven set of materials and procedures is customized for each client based on:

- Business model and detailed workflows
- Applications and service model
- Job functions impacted
- Degree of change
- Other considerations

From this information, and with the help of subject matter experts, we create a training curriculum, including a training plan suited to each associated job function. We work closely with business analysts, process designers, and IT developers to develop new training modules as needed. Our implementation lifecycle methodology includes many review points to confirm that our training materials and procedures accurately reflect and anticipate our clients' needs.

**7. Describe the process for transfer of physical securities and appropriate client files.**

Please refer to the detailed response provided to question #5 in this section.

## 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 our enclosed fee schedule.





# STATE STREET.

## The Rhode Island State Investment Commission for the Employees' Retirement System of Rhode Island Master Trust/Custody, Investment Analytics, and Investment Compliance Services State Street Fee Proposal Summary

State Street is pleased to provide our fee schedule for serving as directed trustee/ custodian to The Rhode Island State Investment Commission for the Employees' Retirement System of Rhode Island. We are also pleased to offer performance, analytics, compliance and risk through services State Street Investment Analytics. This fee schedule was based on the following assumptions:

- Separately Managed Domestic Equity - Up to five (5) Accounts
- Separately Managed International Equity - Up to two (2) Accounts
- Separately Managed Domestic Fixed Income - Up to seven (7) Accounts
- Separately Managed International Fixed Income - Up to two (2) Accounts
- Mutual Fund/Commingled Funds - Up to 28 Accounts
- Transition Management Accounts - Up to two (2) Accounts
- Cash Accounts - Up to four (4) Accounts
- Look Through Accounts - Up to four (4) Accounts
- Private Equity/Real Estate/Real Return Line Items - Up to 150 Investment Lines.
- Plan Accounting Fees - Up to four (4) Plans

This fee will remain in place for three (3) years assuming there are no significant changes in the System's investment structure.

Institutional Investor Services	Assets / No.	BPs / Price	Est. Price	Subtotal
<b>Custody and Administration Administration</b>				
Domestic Assets	\$5,037,498,000			
Line Item / Recordkeeping Assets	\$2,181,000,000			
International Assets - see schedule below	\$10,502,000			
Domestic Assets (in Int'l Portfolios)	\$0			
<b>Subtotal</b>	<b>\$7,229,000,000</b>		Flat Fee	<b>\$725,000</b>
<b>Portfolio Accounting and Reporting</b>				
Separately Managed Domestic Equity			\$1,000 per account per year*	
Separately Managed International Equity			\$2,000 per account per year*	
Separately Managed Domestic Fixed Income			\$1,000 per account per year*	
Separately Managed International Fixed Income			\$ 3,000 per account per year*	
Mutual / Commingled Funds			\$750 per account per year*	
Cash Accounts			\$750 per account per year*	
Transition Accounts			\$2,000 per account per year*	
Look Through Accounts			\$1,500 per account per year*	
Private Equity/Real Estate/Real Return Line Items			\$250 per line item per year*	
Plan Accounting Fees			\$500 per plan per year*	
<b>Subtotal</b>				<b>\$0</b>

\* Accounts over the number included will be assessed a per account fee.

### Transaction Fees

Depository and Fed Book Entry Transactions	Included
International Transactions	See Schedule Below*
Mutual Fund / Commingled Transactions	Included
Physical Transactions	Included
Paydowns	Included
Futures / Options	Included
Inter-Fund Transfers	Included
Outgoing Fed Wires	Included





Foreign Exchange - SSC	Included
Foreign Exchange - Third Party	Included
OTC Interest Rate/Credit Default Swaps	\$ 50 per trade*
OTC Total Return Swaps	\$ 75 per trade*
<b>Subtotal</b>	<b>\$0</b>

### International & Subcustodian Detail

	Group A	Group B	Group C		
Holdings (BP)*	Waived	Waived	40.00		
Transactions (\$)	\$25	\$45	\$85		
	Australia	Brazil	Argentina	Israel	Poland
	Austria	Greece	Bahrain	Ivory Coast	Qatar
	Belgium	India	Bangladesh	Jamaica	Romania
	Canada	Indonesia	Benin	Jordan	Russia
	Canada - Fiducie Desjardins	Ireland	Bermuda	Kazakhstan	Saudi Arabia
	Cedel/Clearstream	Malaysia	Botswana	Kenya	Senegal
	Denmark	Mexico	Bulgaria	Kuwait	Serbia
	Euroclear	Portugal	Burkina Faso	Latvia	Slovak Republic
	Finland	Puerto Rico	Cayman Island	Lebanon	Slovenia
	France	South Korea	Chile	Lithuania	Sri Lanka
	Germany	Thailand	China	Mali	Swaziland
	Hong Kong		Colombia	Malta	Taiwan
	Italy		Costa Rica	Mauritius	Togo
	Japan-Mizuho		Croatia	Morocco	Trinidad & Tobago
	Japan-Sumitomo		Cyprus	Namibia	Tunisia
	Netherlands		Czech Republic	Niger	Turkey
	New Zealand		Dubai	Nigeria	Uganda
	Norway		Ecuador	Oman	Ukraine
	Singapore		Egypt	Pakistan	United Arab Emirates
	South Africa		Estonia	Palestine	Uruguay
	Spain		Ghana	Panama	Venezuela
	Sweden		Guinea-Bissau	Peru	Vietnam
	Switzerland		Hungary	Philippines	Zambia
	United Kingdom		Iceland		Zimbabwe

\* based on the month-end total asset value in US dollars

### International Assets

<b>Group A</b>				
Assets	\$9,100,000	0.00	\$0	
Transactions	0	\$25	\$0	
<b>Group B</b>				
Assets	\$441,000	0.00	\$0	
Transactions	0	\$45	\$0	
<b>Group C</b>				
Assets	\$961,000	0.00	\$0	
Transactions	0	\$80	\$0	
<b>International Assets - Subtotal</b>				<b>\$0</b>

### Total Global Custody Services

**\$725,000**

### Ancillary Service Fees

Third Party Process and Procedure Review - one time event	Included
<b>GASB Customized Reporting</b>	Waived
GASB 40 Custom Sector Classification and Re-Calculation of Duration and Ratings for 1 to 6 Fixed Income Accounts	Included
GASB 40 Custom Sector Classification and Re-Calculation of Duration and Ratings for 7 Fixed Income Accounts or More	\$1,000 per account per year
On-line Reporting (My.Statestreet) Access and Training	Included



State Street Associates		Included
	Access to Personnel and Research	To Be Negotiated*
Third Party Lending		To Be Negotiated*
One-Time Charges		To Be Negotiated*

**Performance Measurement, Analytics, Universe, Risk and PrivateEdge Services**

<b>Monthly Performance Measurement</b>		
	Gross and Net Manager Performance	Included
	Three (3) Custom Benchmarks	Included
	Performance Dashboard (Total Level)	Included
	Total Plan Pool Attribution	Included
	State Street Universe - Monthly (Asset Class Aggregates Only)	Included
	Risk Statistics (Ex Post)	Included
<b>Investment Compliance Monitoring</b>		
	Monthly Standard Service Level for 1 to 15 Accounts	Included
	Monthly Standard Service Level for 16 Accounts or More	\$1,800 per account per year
<b>Positions Based Risk Services Covering All Portfolios - Monthly</b>		
	Core Risk Services	Included
	Hedge Fund Transparency	\$8,000 per hedge fund per year
<b>PrivateEdge - Qrtly Services: Private Equity Partnerships and Real Estate Investments</b>		
	Cash flow administration	Included
	Quarterly performance and transparency services	\$2,500 per partnership per year

**Total Analytics, Universe, Risk and Private Edge Services** **\$0**

**Grand Total All Services** **\$725,000**

**Footnotes and Other Charges:**

**Transaction Processing Fees**

Transaction Processing Fees are per trade processing fees charged for processing settlement of transactions by State Street on behalf of its clients in connection with the provision of custody services hereunder. These transaction processing fees, unless otherwise waived, apply whether the client or its third party investment manager entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The processing fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described below) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.

**Out - of - Pocket Expenses**

All out of pocket expenses are included in the flat fee above with the exception of stamp duties, re-registration fees, and other market costs, derivative valuation or expenses not reasonably foreseen as part of the trust and custody relationship will be billed to the customer.

**Short Term Investment Fund**

State Street to be the exclusive short term investment fund (STIF) manager for all residual cash balances held across all client portfolios. An administrative/management fee of 12 basis points will be netted directly from the yield of the fund and is determined by the fund selected.

Another alternative we could explore is the ability to place funds in an interest bearing DDA account at State Street .



**Foreign Exchange**

State Street Global Markets, as a separate division of State Street, offers principal or "dealer" trading services, as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes, including most of those described in this schedule. The client or its third party fiduciary investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under the trust/custody agreement. When State Street or State Street Global Markets act as a counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the client, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency or similar capacity (regardless of any other relationships between State Street and the client under the trust/custody agreement). In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the client in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

**State Street Global Markets**

Fee schedule assumes that State Street Global Markets will be considered for any transition management opportunities that may arise. Trades resulting from transitions outside of State Street will incur a transaction charge of \$8.00 each.

Fee schedule assumes that State Street Global Markets will also be considered for any derivatives clearing business that 50% of all derivatives (e.g., futures, options) are cleared through our organization.

**Overdrafts**

An overdraft charge of Fed Funds plus 200 basis points will apply to all U.S. overdrafts.

***Fee schedule assumes no material changes to volume, structure or asset composition assumptions used to construct this fee schedule. Any such changes could result in the need for amended fee terms.***

**State Street Bank and Trust Company**

**Rhode Island State Investment Commission**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





# STATE STREET.

## The Rhode Island State Investment Commission for the Rhode Island OPEB Systems Trust

### State Street Fee Proposal Summary

State Street is pleased to provide our fee schedule for serving as custodian to The Rhode Island State Investment Commission for the Rhode Island OPEB Systems Trust. This fee schedule was prepared based on the following assumptions:

- Account that will hold cash/sweep vehicle or commingled/mutual fund - one (1) account
- Domestic account that will hold fixed income assets - one (1) account
- Plan Accounting Fees - five (5) Plans

This fee will remain in place for three (3) years assuming there are no significant changes in the System's investment structure.

Institutional Investor Services	Assets / No.	BPs / Price	Est. Price	Subtotal
<b>Custody and Administration Administration</b>				
Flat fee for assets under custody				
Subtotal	\$0			\$9,250
<b>Portfolio Accounting and Reporting</b>				
Cash/Commingled Fund		Included		
Domestic Equity-Separately Managed		Included		
Domestic Fixed Income - Separately Managed		Included		
Plan Accounting Fees		Included		
Subtotal	0			\$0
<b>Transaction Fees</b>				
US Depository and Fed Book Entry Transactions		Included		
Physical Transactions		Included		
Outgoing Fed Wires		Included		
Incoming Fed Wires		Included		
Subtotal				\$0
<b>Ancillary Service Fees</b>				
On-line Reporting (My.Statestreet) Access and Training		Included		
<b>Grand Total All Services</b>				<b>\$9,250</b>

#### Footnotes and Other Charges:

##### Transaction Processing Fees

Transaction Processing Fees are per trade processing fees charged for processing settlement of transactions by State Street on behalf of its clients in connection with the provision of custody services hereunder. These transaction processing fees, unless otherwise waived, apply whether the client or its third party investment manager entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The processing fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described below) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.





**Out - of - Pocket Expenses**

All out of pocket expenses are included in the flat fee above with the exception of stamp duties, re-registration fees, and other market costs, derivative valuation or expenses not reasonably foreseen as part of the trust and custody relationship will be billed to the customer.

**Short Term Investment Fund**

State Street to be the exclusive short term investment fund (STIF) manager for all residual cash balances held across all client portfolios. An administrative/management fee of 12 basis points will be netted directly from the yield of the fund and is determined by the fund selected.

**Foreign Exchange**

State Street Global Markets, as a separate division of State Street, offers principal or "dealer" trading services, as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes, including most of those described in this schedule. The client or its third party fiduciary investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under the trust/custody agreement. When State Street or State Street Global Markets act as a counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the client, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency or similar capacity (regardless of any other relationships between State Street and the client under the trust/custody agreement). In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the client in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

**Overdrafts**

An overdraft charge of Fed Funds plus 200 basis points will apply to all U.S. overdrafts.

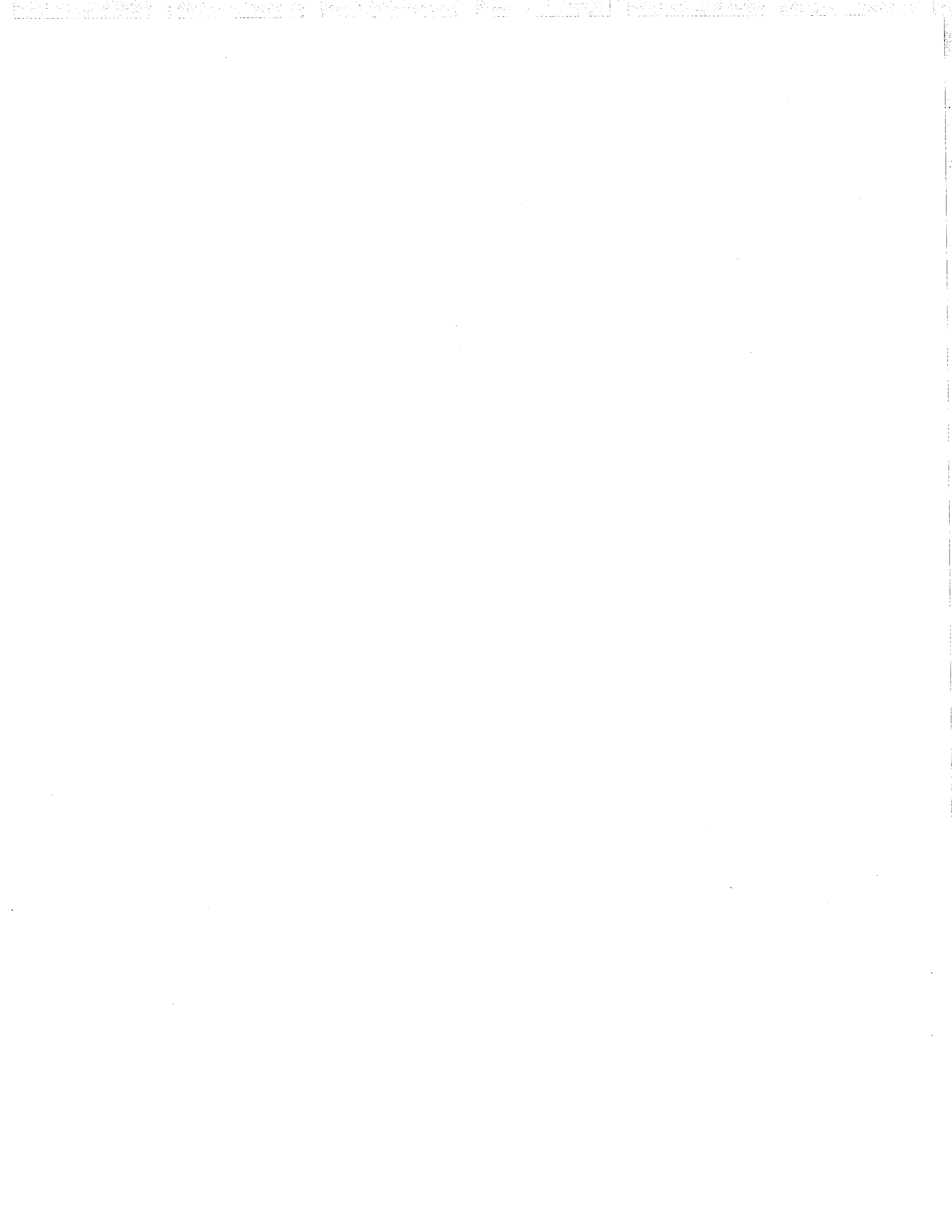
***Fee schedule assumes no material changes to volume, structure or asset composition assumptions used to construct this fee schedule. Any such changes could result in the need for amended fee terms.***

**State Street Bank and Trust Company**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Rhode Island State Investment Commission**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_





# STATE STREET.

## The State of Rhode Island and Providence Plantations for State Operating Funds State Street Fee Proposal Summary

State Street is pleased to provide our fee schedule for serving as custodian to The Rhode Island and Providence Plantations operating funds for the State of Rhode Island. This fee schedule was prepared based on the following assumptions:

- Separately managed fixed income account - one (1) account
- Mutual fund/commingled fund - one (1) account

This fee will remain in place for three (3) years assuming there are no significant changes in the Funds' investment structure.

<b>Institutional Investor Services</b>	<b>Assets / No.</b>	<b>BPs / Price</b>	<b>Est. Price</b>	<b>Subtotal</b>
<b>Custody and Administration Administration</b>				
Flat fee for assets under custody				
Subtotal	\$0			\$9,200
<b>Portfolio Accounting and Reporting</b>				
Separately Managed Domestic Fixed Income		Included		
Mutual/Commingled Fund		Included		
Subtotal	0			\$0
<b>Transaction Fees</b>				
US Depository and Fed Book Entry Transactions		Included		
Physical Transactions		Included		
Outgoing Fed Wires		Included		
Incoming Fed Wires		Included		
Subtotal				\$0
<b>Ancillary Service Fees</b>				
On-line Reporting (My.Statestreet) Access and Training		Included		
<b>Grand Total All Services</b>				<b>\$9,200</b>

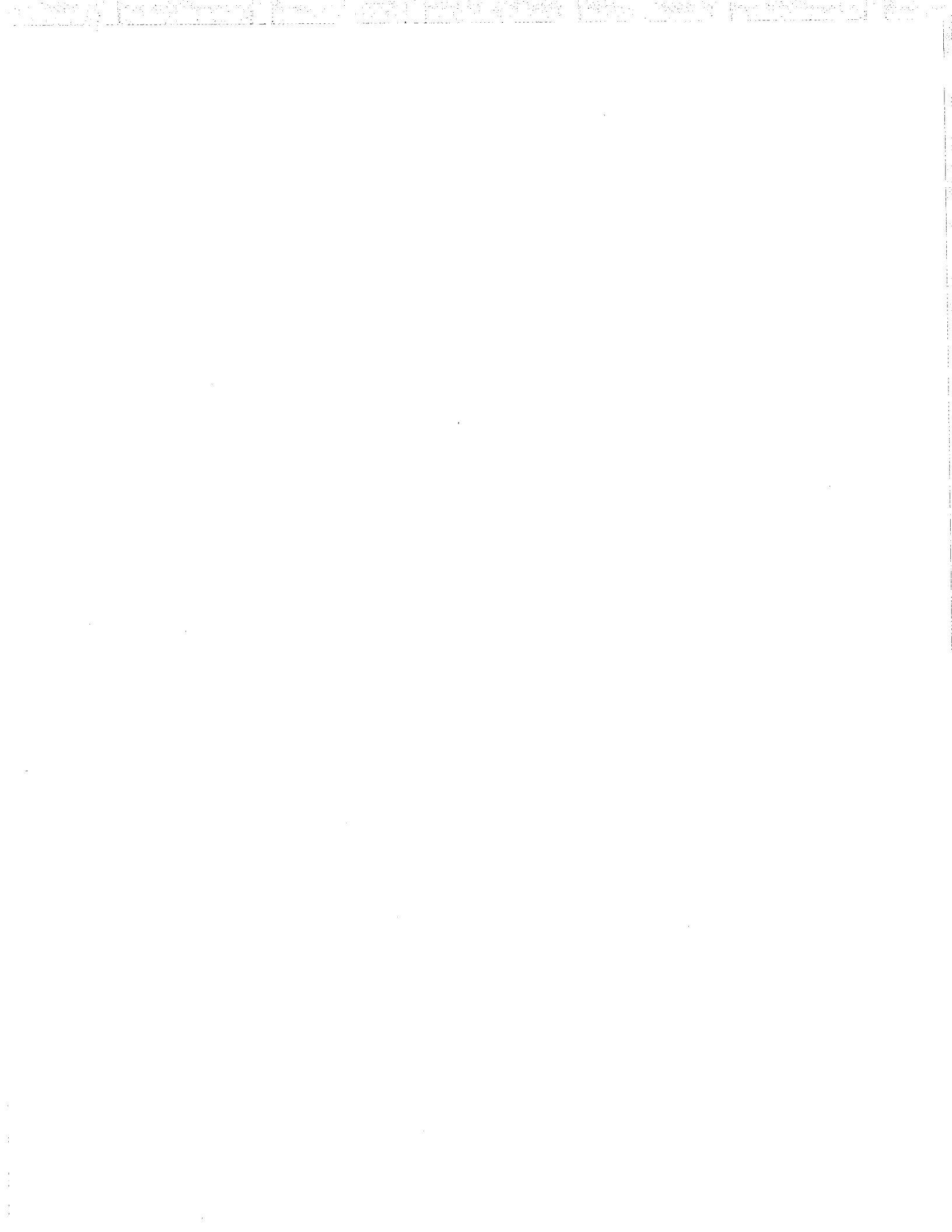
### Footnotes and Other Charges:

#### Transaction Processing Fees

Transaction Processing Fees are per trade processing fees charged for processing settlement of transactions by State Street on behalf of its clients in connection with the provision of custody services hereunder. These transaction processing fees, unless otherwise waived, apply whether the client or its third party investment manager entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The processing fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described below) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.

#### Out - of - Pocket Expenses

All out of pocket expenses are included in the flat fee above with the exception of stamp duties, re-registration fees, and other market costs, derivative valuation or expenses not reasonably foreseen as part of the trust and custody relationship will be billed to the customer.



**Short Term Investment Fund**

State Street to be the exclusive short term investment fund (STIF) manager for all residual cash balances held across all client portfolios. An administrative/management fee of 12 basis points will be netted directly from the yield of the fund and is determined by the fund selected.

**Foreign Exchange**

State Street Global Markets, as a separate division of State Street, offers principal or "dealer" trading services, as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes, including most of those described in this schedule. The client or its third party fiduciary investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under the trust/custody agreement. When State Street or State Street Global Markets act as a counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the client, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency or similar capacity (regardless of any other relationships between State Street and the client under the trust/custody agreement). In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the client in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

**Overdrafts**

An overdraft charge of Fed Funds plus 200 basis points will apply to all U.S. overdrafts.

***Fee schedule assumes no material changes to volume, structure or asset composition assumptions used to construct this fee schedule. Any such changes could result in the need for amended fee terms.***

**State Street Bank and Trust Company**

**The State of Rhode Island and Providence Plantations**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**EXHIBITS AND ENCLOSURES**

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
I	Organization Chart
II	Client Service Team Biographies
III	Auditor's Opinion Letters (last three (3) years)
IV	Memorandum of Insurance
V	Global Custody Network
VI	Short Term Investment Vehicle Fact Sheets
VII	Example of Conversion Issues and Resolution

**REQUIRED FINANCIAL ENCLOSURES**

2010, 2009 and 2008 Annual Report  
Financial Statements (last three (3) years)  
Call Reports (last four (4))  
Recent SEC 10K

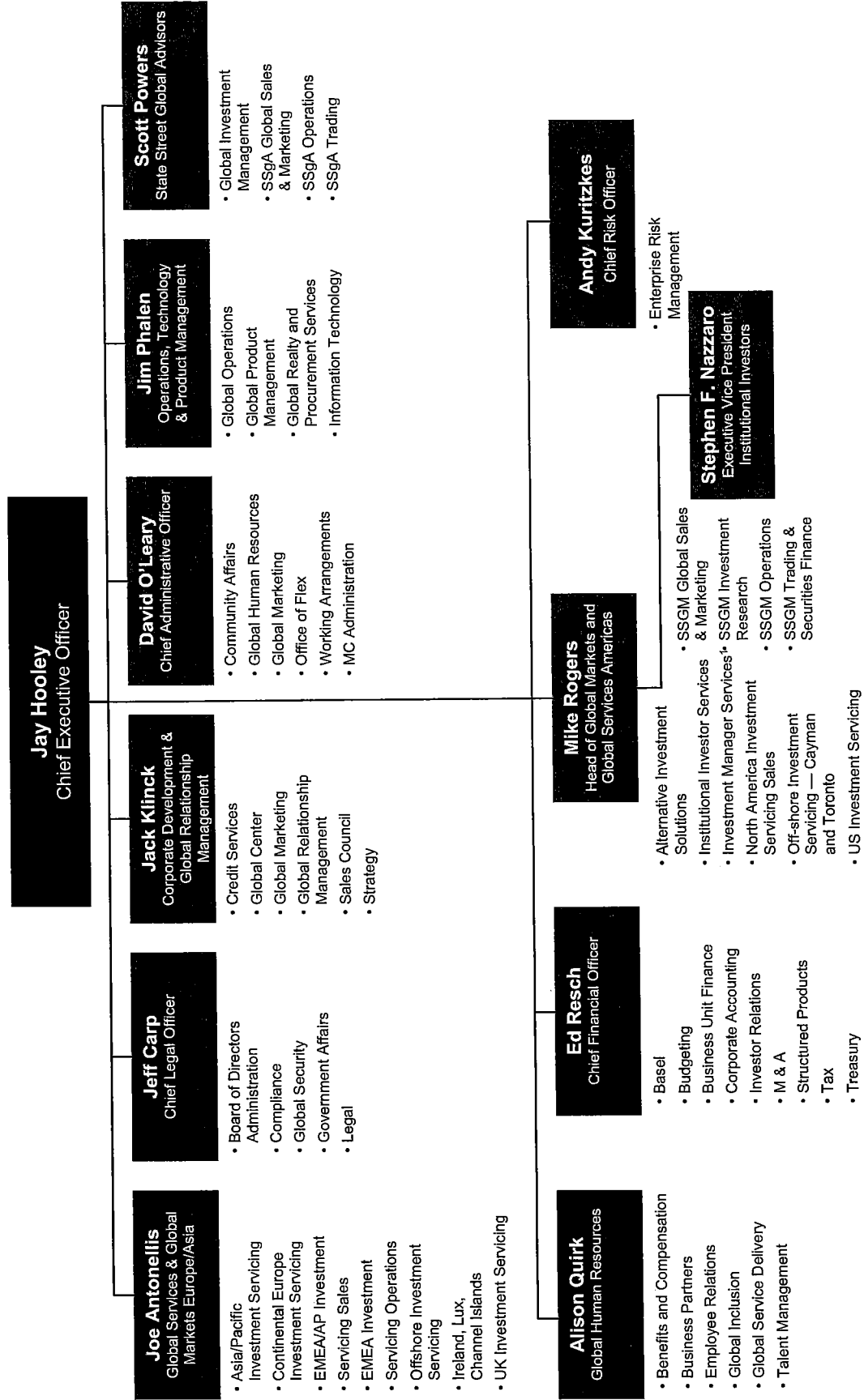
**ENCLOSURES**

Global Fund Accounting and Custody Service Organizational Control Report (SOC1)  
Guide to Custody in World Markets  
Investment Manager Guide  
Sample Report Package





# Management Committee



<sup>1</sup> IMS has additional reporting relationship to head of Global Services, Europe/Asia



**BIOGRAPHIES**

**Mark E. Schafer, Senior Vice President, Director of Public Funds Client Services**

As head of the Public Funds division, Mark is responsible for all aspects of running this business – from setting service strategy executing initiatives that deliver value to clients. He and his management team lead a business that serves many of the largest pools of public pension assets in the world.

He develops, along with clients and senior bank management, the strategic vision for the public fund segment; this includes product development and service delivery. In addition, Mark earned a Bachelor of Science in business from Rutgers University and an Executive Master of Business Administration in finance from Stern School of Business, New York University.

**Lisa H. Tyrrell, Vice President, Client Service Manager, Public Fund Services**

Lisa joined State Street in 1999, as a client relationship manager in the Public Funds division. She was promoted to vice president in 2001. Lisa is currently responsible for managing all aspects of strategic state pension fund relationships. She has responsibility for six clients.

Lisa's prior business experience includes two years at the Forrest Edwards Group in New York where she worked as a business analyst, and eight years at Mellon Trust where she was in various accounting-related positions servicing institutional investors such as public and corporate pension plans, endowments, foundations, insurance funds and group trusts.

Lisa earned a Bachelor of Arts in political science from the University of Massachusetts.

**Nicholas M Katsikis, Assistant Vice President, Public Funds**

Nick began his career at State Street in 1992 as a Portfolio Accountant. He was promoted to auditor in 1994 and to Client Service Manager in 1996. During this time, he worked on Defined Benefit and Defined Contribution Plans. In 1999, he was promoted to Client Service Officer, where he managed relationships and custody accounting reporting for the middle market institutional clients consisting of Non Profit, Corporate, and Public Funds. In 2002, he was promoted to Assistant Vice President. In 2005, Nick joined the Russell Investments relationship to manage the Endowment and Foundation sleeve. Nick joined the Public Funds division in 2009. He is responsible for the client relationship of several large/mid market clients in Public Funds.

Nick earned a Bachelor of Science in business administration from Framingham State College.

**Kamran Makhdumi, CFA, Vice President, Investment Analytics Consultant, State Street Investment Analytics**

Kamran is the Public Funds segment lead for State Street Investment Analytics. His team is responsible for client servicing and business development for Public Fund users of performance and analytical services. He joined State Street in 2003 as a performance consultant and has over 18 years of experience working with institutional investors.

Prior to joining State Street, Kamran has worked at Deutsche Bank, Bankers Trust and Segal Advisors.

Kamran has a Bachelor of Science from Columbia University and is a CFA charter holder. He is a member of the CFA Institute and The Boston Security Analysts Society.

**Damian Hubbard, Assistant Vice President, State Street Investment Analytics**

Damian is a State Street Investment Analytics client consultant that specializes in the Public Funds segment. He is responsible for client servicing and business development for Public Fund users of performance and analytics services. After joining State Street in 2005 as a fund accountant he transferred to SSIA and has worked operationally, as a team leader, and a client consultant.

Damian has a Bachelor of Science in economics from the University of Vermont and is a CFA charter holder.

**Eric S. Bittner, Vice President, Monthly Accounting, Institutional Investor Services**

Eric transferred to Institutional Investor Services (IIS) Monthly Accounting in February 2006. Eric oversees the monthly pension fund accounting team in Kansas City handling primarily public funds and Taft-Hartley plans. He is responsible for ensuring all client requirements are identified, documented and communicated within State Street, as well as ensuring that State Street internal procedures and audit guidelines are followed with resources appropriately allocated to fully service client needs.

Eric joined State Street in June 2000 as a Senior Fund Accountant helping to open the Kansas City Defined Contribution Services office. He has worked his entire State Street career within IIS servicing defined contribution plans, defined benefit plans, and not-for-profit clients.

Eric is a graduate of Baker University with a Bachelors of Science Degree in Business Administration.

**RESPONSE TO REQUEST FOR PROPOSAL FOR STATE OF  
RHODE ISLAND AND PROVIDENCE PLANTATIONS  
OFFICE OF THE GENERAL TREASURER  
MASTER CUSTODY SERVICES**

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**STATE STREET.**

**Mikel Isaacs, Financial Information Manager, Financial Information Services (FIS)**

Mikel began his career at State Street in June of 2005, where he worked for a year as a Fund Accountant in the Mutual Funds department. He came into the FIS group in June of 2006, and has worked in the group since that time. He is has maintained his original client base while also taking responsibility for additional clients over the past six years.

Mikel has Bachelor of Science with an emphasis in Finance from Central Missouri State University. In addition, Mikel completed his Master's of Business Administration degree at the University of Missouri- Kansas City in July of 2007 and am currently pursuing a Master's of Accounting degree from the University of Missouri-Kansas City.



## Report of Independent Auditors

To the Management and Board of Directors of State Street Corporation

We have examined the accompanying description of controls related to certain accounting, custody, securities lending (agency and principal) and financial reporting controls of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street, including its operations and related support areas in Australia, Canada, People's Republic of China, Germany, India, Ireland, Japan, Luxembourg, Poland, Singapore, South Africa, the United Kingdom and the United States, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Sections II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control as it relates to an audit of financial statements, (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and user organizations applied the controls contemplated in the design of State Street's controls, and (3) such controls had been placed in operation as of March 31, 2011. State Street uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those control objectives and related controls of State Street and supporting areas and does not include control objectives and related controls at the subservice organizations described in Section II E. Our examination did not extend to the controls of these subservice organizations. The control objectives were specified by management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of March 31, 2011. Also, in our opinion, the controls, as described in Section V, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers of State Street applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the related control objectives, described in Section V, during the period from April 1, 2010 to March 31, 2011. The specific controls and the nature, timing, extent and results of the tests are listed in Sections V and VI. This information has been provided to user organizations of State Street and to their auditors to be taken into consideration, along with information about the internal control at user organizations, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section V were achieved during the period from April 1, 2010 to March 31, 2011.



The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at user organizations of State Street are dependent upon their interaction with controls and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of internal controls at individual user organizations.

The description of the controls at State Street is as of March 31, 2011, and information about tests of the operating effectiveness of specific controls covers the period from April 1, 2010 to March 31, 2011. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls, or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to a user organization's internal control. Such information has not been subjected to the procedures applied in the examination of the description of controls applicable to the processing of transactions for user organizations, and accordingly we express no opinion on it.

This report is intended solely for the management of State Street, its customers and the independent auditors of its customers.

*Ernst & Young LLP*

May 18, 2011





Ernst & Young LLP  
200 Clarendon Street  
Boston, Massachusetts 02116-5072  
Tel: +1 617 266 2000  
Fax: +1 617 266 5843  
www.ey.com

## Report of Independent Auditors

To the Management and Board of Directors of State Street Corporation

We have examined the accompanying description of controls related to the custody and recordkeeping functions of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street's Global Services ("Global Services"), including its operations and related support areas in Australia, Canada, People's Republic of China, Germany, India, Ireland, Japan, Luxembourg, Poland, Singapore, South Africa, the United Kingdom and the United States, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Sections II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control as it relates to an audit of financial statements, (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and user organizations applied the controls contemplated in the design of State Street's controls, and (3) such controls had been placed in operation as of September 30, 2010. Global Services uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those control objectives and related controls of Global Services and supporting areas and does not include control objectives and related controls at the subservice organizations described in Section II E. Our examination did not extend to the controls of these subservice organizations. The control objectives were specified by management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of September 30, 2010. Also, in our opinion, the controls, as described in Section V, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers of Global Services applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the related control objectives, described in Section V, during the period from October 1, 2009 to September 30, 2010. The specific controls and the nature, timing, extent and results of the tests are listed in Sections V and VI. This information has been provided to user organizations of Global Services and to their auditors to be taken into consideration, along with information about the internal control at user organizations, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section V were achieved during the period from October 1, 2009 to September 30, 2010.

The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at user organizations of Global Services are dependent upon their interaction with controls and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of internal controls at individual user organizations.

The description of the controls at State Street is as of September 30, 2010, and information about tests of the operating effectiveness of specific controls covers the period from October 1, 2009 to September 30, 2010. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls, or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to a user organization's internal control. Such information has not been subjected to the procedures applied in the examination of the description of controls applicable to the processing of transactions for user organizations, and accordingly we express no opinion on it.

This report is intended solely for the management of State Street, the customers of Global Services and the independent auditors of its customers.

*Ernst & Young LLP*

November 19, 2010

## Report of Independent Auditors

To the Management and Board of Directors of State Street Corporation

We have examined the accompanying description of controls related to the custody and recordkeeping functions of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street's Global Services ("Global Services"), including its operations and related support areas in Australia, Canada, People's Republic of China, Germany, India, Ireland, Japan, Luxembourg, Poland, Singapore, South Africa, the United Kingdom, and the United States of America, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Section II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control as it relates to an audit of financial statements, (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and user organizations applied the controls contemplated in the design of State Street's controls, and (3) such controls had been placed in operation as of March 31, 2010. Global Services uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those control objectives and related controls of Global Services and supporting areas and does not include control objectives and related controls at the subservice organizations described in Section II E. Our examination did not extend to the controls of these subservice organizations. The control objectives were specified by management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of March 31, 2010. Also, in our opinion, the controls, as described in Section V, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers of Global Services applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the related control objectives, described in Section V, during the period from October 1, 2009 to March 31, 2010. The specific controls and the nature, timing, extent and results of the tests are listed in Section V and VI. This information has been provided to user organizations of Global Services and to their auditors to be taken into consideration, along with information about the internal control at user organizations, when making assessments of control risk for user organizations. In our opinion the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section V were achieved during the period from October 1, 2009 to March 31, 2010.



The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at user organizations of Global Services are dependent upon their interaction with controls and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of internal controls at individual user organizations.

The description of the controls at State Street is as of March 31, 2010, and information about tests of the operating effectiveness of specific controls covers the period from October 1, 2009 to March 31, 2010. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls, or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to a user organization's internal control. Such information has not been subjected to the procedures applied in the examination of the description of controls applicable to the processing of transactions for user organizations, and accordingly we express no opinion on it.

This report is intended solely for the management of State Street, the customers of Global Services and the independent auditors of its customers.

*Ernst & Young LLP*

May 26, 2010

**Report of Independent Auditors**

To the Management and Board of Directors of State Street Corporation:

We have examined the accompanying description of the controls related to the custody and recordkeeping functions of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street's Investor Services ("Investor Services"), including its operations and related support areas in Australia, Canada, China, Germany, India, Ireland, Japan, Luxembourg, the Netherlands (only through March 31, 2009), Poland, Singapore, South Africa, the United Kingdom, and the United States of America, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Sections II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control related to recordkeeping and custody of the assets of customers of Investor Services as it relates to an audit of financial statements; (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and customers and subservice organizations of Investor Services applied the controls contemplated in the design of State Street's controls, as described in Section II E; and (3) such controls had been placed in operation as of September 30, 2009. The control objectives were specified by the management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

Investor Services uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those controls and related control objectives of State Street's Investor Services and supporting areas, and does not include controls and related control objectives at the subservice organizations described in Section II E. Our examination did not extend to controls of these subservice organizations.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of September 30, 2009. Also, in our opinion, the controls, as described in Section V of this report, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers and subservice organizations of Investor Services applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the control objectives, during the period from October 1, 2008 to September 30, 2009. The specific control objectives and controls, and the nature, timing, extent, and results of the tests are listed in Section V and VI. This information has been provided to customer organizations of Investor Services and to their auditors to be taken into consideration, along with information about the internal control at customer organizations, when

making assessments of control risk for customer organizations. In our opinion, the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from October 1, 2008 to September 30, 2009.

The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at customers of Investor Services are dependent on their interaction with the controls, and other factors present at individual customer organizations. We have performed no procedures to evaluate the effectiveness of controls at individual customers of Investor Services.

The description of controls at State Street is as of September 30, 2009, and the information about tests of the operating effectiveness of specific controls covers the period from October 1, 2008 to September 30, 2009. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to user organizations' internal control as it relates to an audit of financial statements. The information in Section VII has not been subjected to the procedures applied in the examination of the description of the controls of Investor Services, and accordingly, we express no opinion on it.

This report is intended solely for use by the management of State Street, customers of Investor Services, and the independent auditors of its customers.

A handwritten signature in cursive script that reads "Private House LLP".

November 16, 2009

**Report of Independent Auditors**

To the Management and Board of Directors of State Street Corporation:

We have examined the accompanying description of the controls related to the custody and recordkeeping functions of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street's Investor Services ("Investor Services"), including its operations and related support areas in Australia, Canada, China, Germany, India, Ireland, Japan, Luxembourg, the Netherlands, Poland, Singapore, South Africa, the United Kingdom, and the United States of America, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Sections II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control related to recordkeeping and custody of the assets of customers of Investor Services as it relates to an audit of financial statements; (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and customers and subservicers of Investor Services applied the controls contemplated in the design of State Street's controls, as described in Section II E; and (3) such controls had been placed in operation as of March 31, 2009. The control objectives were specified by the management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

Investor Services uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those controls and related control objectives of State Street's Investor Services and supporting areas, and does not include controls and related control objectives at the subservice organization described in Section II E. Our examination did not extend to controls of these subservice organizations.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of March 31, 2009. Also, in our opinion, the controls, as described in Section V of this report, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers and subservicers of Investor Services applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the control objectives, during the period from April 1, 2008 to March 31, 2009. The specific control objectives and controls, and the nature, timing, extent, and results of the tests are listed in Section V and VI. This information has been provided to customer organizations of Investor Services and to their auditors to be taken into consideration, along with information about the internal control at customer organizations, when making assessments of control risk for customer organizations. In our opinion, the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide

reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from April 1, 2008 to March 31, 2009.

The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at customers of Investor Services are dependent on their interaction with the controls, and other factors present at individual customer organizations. We have performed no procedures to evaluate the effectiveness of controls at individual customers of Investor Services.

The description of controls at State Street is as of March 31, 2009, and the information about tests of the operating effectiveness of specific controls covers the period from April 1, 2008 to March 31, 2009. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to user organizations' internal control as it relates to an audit of financial statements. The information in Section VII has not been subjected to the procedures applied in the examination of the description of the controls of Investor Services, and accordingly, we express no opinion on it.

This report is intended solely for use by the management of State Street, customers of Investor Services, and the independent auditors of its customers.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

May 28, 2009



**Report of Independent Auditors**

To the Management and Board of Directors of State Street Corporation:

We have examined the accompanying description of the controls related to the custody and recordkeeping functions of State Street Corporation ("State Street") applicable to the processing of transactions and the safekeeping of assets for customers of State Street's Investor Services ("Investor Services"), including its operations and related support areas in Australia, Canada, China, Germany, India, Ireland, Japan, Luxembourg, the Netherlands, Poland, Singapore, South Africa, the United Kingdom, and the United States of America, as described in Section II A. Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description in Sections II through V presents fairly, in all material respects, the aspects of State Street's controls that may be relevant to a user organization's internal control related to recordkeeping and custody of the assets of customers of Investor Services as it relates to an audit of financial statements; (2) the controls included in the description in Section V were suitably designed to achieve the control objectives specified in the description in Section V, if those controls were complied with satisfactorily and customers and subservicers of Investor Services applied the controls contemplated in the design of State Street's controls, as described in Section II F; and (3) such controls had been placed in operation as of September 30, 2008. The control objectives were specified by the management of State Street. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

Investor Services uses various third-party service organizations to obtain information and to perform various functions related to the recordkeeping for and the custody of assets. The accompanying description includes only those controls and related control objectives of State Street's Investor Services and supporting areas, and does not include controls and related control objectives at the subservice organization described in Section II F. Our examination did not extend to controls of these subservice organizations.

In our opinion, the accompanying description of the aforementioned controls presents fairly, in all material respects, the relevant aspects of State Street's controls that had been placed in operation as of September 30, 2008. Also, in our opinion, the controls, as described in Section V of this report, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily, and the customers and subservicers of Investor Services applied the controls contemplated in the design of State Street's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in Section V, to obtain evidence about their effectiveness in meeting the control objectives, during the period from April 1, 2008 to September 30, 2008. The specific control objectives and controls, and the nature, timing, extent, and results of the tests are listed in Section V and VI. This information has been provided to customer organizations of Investor Services and to their auditors to be taken into consideration, along with information about the internal control at customer organizations, when making

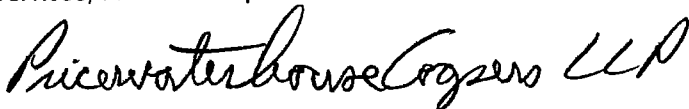
assessments of control risk for customer organizations. In our opinion, the controls that were tested, as described in Section V, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from April 1, 2008 to September 30, 2008. However, as described in Section II, the scope of our engagement did not include tests of operating effectiveness of certain control activities in every location and accordingly, State Street anticipates that user auditors will evaluate the operating effectiveness of such controls outlined in Section V.

The relative effectiveness and significance of specific controls at State Street and their effect on assessments of control risk at customers of Investor Services are dependent on their interaction with the controls, and other factors present at individual customer organizations. We have performed no procedures to evaluate the effectiveness of controls at individual customers of Investor Services.

The description of controls at State Street is as of September 30, 2008, and the information about tests of the operating effectiveness of specific controls covers the period from April 1, 2008 to September 30, 2008. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at State Street is subject to inherent limitations and accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes made to the system or controls or the failure to make needed changes to the system or controls, may alter the validity of such conclusions.

The information included in Section VII is presented by State Street to provide additional information and is not part of State Street's description of controls that may be relevant to user organizations' internal control as it relates to an audit of financial statements. The information in Section VII has not been subjected to the procedures applied in the examination of the description of the controls of Investor Services, and accordingly, we express no opinion on it.

This report is intended solely for use by the management of State Street, customers of Investor Services, and the independent auditors of its customers.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP". The signature is written in dark ink and is positioned above the date.

November 25, 2008



# STATE STREET

Box 5501  
Boston, MA 02206

## MEMORANDUM OF INSURANCE INSURED: STATE STREET CORPORATION AND ITS SUBSIDIARIES

COVERAGE	TOTAL LIMITS (U.S. \$)	LEAD INSURER	BROKER	POLICY NO.	TERM
FINANCIAL INSTITUTION BOND · Bankers Blanket Bond Provides coverage for dishonest acts by employees. · Computer Crime Coverage Insures against theft of money, securities or property by using a computer to transfer covered property from the bank to another person/place.	\$75,000,000	Lloyd's of London	Marsh USA, Inc	QA041411	07/01/11-07/01/12
*BANKERS PROFESSIONAL LIABILITY (ERRORS & OMISSIONS) Covers losses caused by wrongful acts, errors or omissions while rendering a professional service to a customer.	\$75,000,000	Chartis & Multiple Insurers	Marsh USA, Inc	02-306-57-31	07/01/11-07/01/12
*EXCESS FINANCIAL INSTITUTION BOND & BANKERS PROFESSIONAL LIABILITY Follows form of underlying coverages.	\$25,000,000 excess of \$75,000,000	Endurance	Marsh USA, Inc.	P003539008	07/01/11-07/01/12
*EXCESS FINANCIAL INSTITUTION BOND & BANKERS PROFESSIONAL LIABILITY Follows form of underlying coverages.	\$15,000,000 excess of \$100,000,000	Axis Bermuda & Multiple Insurers	Marsh USA, Inc.	1136200111QA	07/01/11-07/01/12
*EXCESS FINANCIAL INSTITUTION BOND & BANKERS PROFESSIONAL LIABILITY Follows form of underlying coverages.	\$10,000,000 excess of \$115,000,000	Chubb	Marsh USA, Inc	7042-7809	07/01/11-07/01/12
*EXCESS FINANCIAL INSTITUTION BOND & BANKERS PROFESSIONAL LIABILITY Follows form of underlying coverages.	\$40,000,000 excess of \$125,000,000	Alterra & Multiple Insurers	Marsh USA, Inc.	69591-4475-PLFF-2011	07/01/11-07/01/12
*EXCESS FINANCIAL INSTITUTION BOND & BANKERS PROFESSIONAL LIABILITY Follows form of underlying coverages.	\$35,000,000 excess of \$165,000,000	Chartis	Marsh USA, Inc	02-310-27-43	07/01/11-07/01/12
EXCESS ALL RISK SECURITIES Covers all risks of physical loss or damage from whatever cause including theft by the Insured's employees of negotiable and non-negotiable securities and all documents of value including electronic securities.	\$300,000,000 excess of \$200,000,000	Lloyd's of London	Marsh USA, Inc.	QR018911	07/01/11-07/01/12

\*Blended including Professional Liability and Management Liability insurance coverages.

This memorandum furnishes a brief outline of the insurance coverages currently in force. Coverage and its availability is subject to change over time. The outline is for general information only and does not alter or replace the actual terms and conditions of the applicable policies. Insurance certificates issued by the insurance brokers will be furnished upon request.

STATE STREET BANK AND TRUST COMPANY  
Annette Hopkins  
Vice President  
As of 7/1/2011



Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Argentina	Citibank, N.A., Buenos Aires	1991	21	1991	Caja de Valores S.A.
Australia	The Hongkong and Shanghai Banking Corp. Limited, Sydney Citigroup Pty. Limited, Melbourne	1985	27	2007 2004	Austraclear Limited
Austria	UniCredit Bank Austria AG, Vienna	1986	26	2008	Österreichische Kontrollbank AG (Wertpapiersammelbank Division)
Bahrain	HSBC Bank Middle East Limited, Manama (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1997	15	1997	Clearing, Settlement, and Depository System of the Bahrain Bourse
Bangladesh	Standard Chartered Bank, Dhaka	1992	20	1992	Central Depository Bangladesh Limited
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)	1985	27	2007	National Bank of Belgium; Euroclear Belgium
Benin	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Bermuda	HSBC Bank Bermuda Limited, Hamilton	1996	16	1996	Bermuda Securities Depository
Federation of Bosnia and Herzegovina	UniCredit Bank d.d., Mostar	2010	2	2010	Registar vrijednosnih papira u Federaciji Bosne i Hercegovine, d.d. (RVP), the Registry of Securities of the Federation of Bosnia and Herzegovina

\*Service is not available to State Street's U.S. mutual fund clients subject to SEC Rule 17f-5.

\*\* Euroclear UK & Ireland Limited (EUI) serves as depository for GBP- and EUR-denominated money market instruments. Also, EUI utilizes its CREST system to facilitate settlement for eligible securities in the UK and Ireland, with securities ownership recorded at the relevant issuer's registrar.

Limited Access

Last Updated: January 17, 2012

GLOBAL CASH AND SECURITIES  
SUBCUSTODIAN NETWORK – FEBRUARY 2012

STATE STREET

Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Botswana	Standard Chartered Bank Botswana Limited, Gaborone	1993	19	2010	Central Securities Depository Company of Botswana Limited
Brazil	Citibank, N.A., São Paulo	1991	21	1991	Central de Custódia e de Liquidação Financeira de Títulos Privados (CETIP); Companhia Brasileira de Liquidação e Custódia; Sistema Especial de Liquidação e de Custódia (SELIC)
Bulgaria	ING Bank N.V., Sofia UniCredit Bulbank AD, Sofia	1997	15	1997 2004	Bulgarian National Bank; Central Depository AD
Burkina Faso	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Canada	State Street Trust Company Canada, Toronto	1986	26	1998	The Canadian Depository for Securities Limited
Chile	Banco Itaú Chile, Santiago	1991	21	2000	Depósito Central de Valores S.A.
China – A -share market	HSBC Bank (China) Company Limited, Shanghai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2003	9	1992  2010	China Securities Depository & Clearing Corporation Limited
	China Construction Bank				

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Market	Subcustodian Name	Year State Street entered the market	Years In the market	Year relationship established	Depositories
China – B-share market	HSBC Bank (China) Company Limited, Shanghai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1992	20	1992	China Securities Depository & Clearing Corporation Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria, Bogota	1992	20	1992	Depósito Central de Valores; Depósito Centralizado de Valores de Colombia S.A. (DECEVAL)
Costa Rica	Banco BCT S.A., San Jose	1998	14	1998	Central de Valores S.A.
Croatia	Privredna Banka Zagreb d.d., Zagreb Zagrebacka Banka d.d., Zagreb	1997	15	1997 2006	Sredisnje kirinsko deponitarno drustvo d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)	1992	20	2008	Central Depository and Central Registry
Czech Republic	Ceskoslovenská obchodní banka a.s., Prague UniCredit Bank Czech Republic, a.s., Praha	1993	19	1993 2006	Czech National Bank; Centrální deponitár cenných papírů, a.s.
Denmark	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)	1985	27	2005	VP Securities A/S
Ecuador	Banco de la Producción S.A PRODUBANCO, Quito	1993	19	2004	Depósito Centralizado de Compensación y Liquidación de Valores, S.A. (DECEVALE)

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STATE STREET

Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Egypt	HSBC Bank Egypt S.A.E., Cairo (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1993	19	1999	Misr for Clearing, Depository and Central Registry S.A.E.; Central Bank of Egypt
Estonia	AS SEB Pank, Tallinn	1997	15	2008	AS Eestli Väärtpaperikeskus
Euroclear	N/A	1981	31	1981	Euroclear Bank S.A./N.V. is a transnational settlement and depository system for banks, brokers, and other regulated market professionals. Euroclear is a settlement system for domestic and international securities transactions.
Finland	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)	1985	27	2006	Euroclear Finland
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)	1985	27	2005	Euroclear France
Republic of Georgia	JSC Bank of Georgia, Tbilisi	2011	1	2011	Georgian Central Securities Depository National Bank of Georgia
Germany	Deutsche Bank AG, Frankfurt	1981	31	2003	Clearstream Banking AG, Frankfurt
Ghana	Standard Chartered Bank Ghana Limited	1993	19	2010	GSE Securities Depository Company Limited Central Securities Depository (Ghana) Limited
Greece	BNP Paribas Securities Services, S.C.A., Athens	1990	22	1998	Kentriko Apothetirio Aksion (Apothetirio), a department of Hellenic Exchanges S.A. Holding; Bank of Greece, System for Monitoring Transactions in Securities in Book-Entry Form

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Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Guinea-Bissau	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Hong Kong	Standard Chartered Bank (Hong Kong) Limited, Hong Kong	1985	27	1985	Central Moneymarkets Unit; Hong Kong Securities Clearing Company Limited
Hungary	UniCredit Bank Hungary Zrt., Budapest	1991	21	2001	Közponyi Elszámolóház és Értéktár (Budapest) Zrt. (KELER)
Iceland	Landsbankinn hf, Reykjavik	1998	14	2009	Icelandic Securities Depository Limited
India	The Hongkong and Shanghai Banking Corp. Limited, Mumbai Deutsche Bank AG, Mumbai	1992	20	1992 1995	Central Depository Services (India) Limited; National Securities Depository Limited; Reserve Bank of India
Indonesia	Deutsche Bank AG, Jakarta	1990	22	2004	Bank Indonesia; PT Kustodian Sentral Efek Indonesia
Ireland	State Street Bank and Trust Company, United Kingdom branch	1990	21	2011	Euroclear S.A./N.V. for government debt instruments only Euroclear UK & Ireland Limited **
Israel	Bank Hapoalim B.M., Tel Aviv	1992	20	1992	Tel Aviv Stock Exchange Clearing House Limited. (TASE Clearing House)
Italy	Deutsche Bank S.p.A., Milan	1981	31	2005	Monte Titoli S.p.A.
Ivory Coast	Société Générale de Banques en Côte d'Ivoire, Abidjan	1995	17	1995	Dépositaire Central - Banque de Règlement
Jamaica*	Scotia Investments Jamaica Limited, Kingston	1994	18	1994	Jamaica Central Securities Depository

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STATE STREET

Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Japan	Mizuho Corporate Bank, Limited., Tokyo The Hongkong and Shanghai Banking Corporation	1981	31	1999 2006	Bank of Japan – Net System; Japan Securities Depository Center (JASDEC) Incorporated
Jordan	HSBC Bank Middle East Limited, Amman (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1993	19	1993	Securities Depository Center
Kazakhstan	SB HSBC Bank Kazakhstan JSC, Almaty (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2000	12	2000	Central Securities Depository
Kenya	Standard Chartered Bank Kenya Limited, Nairobi	1993	19	2010	Central Depository and Settlement Corporation Limited; Central Bank of Kenya
Republic of Korea	Deutsche Bank AG, Seoul The Hongkong and Shanghai Banking Corp. Limited, Seoul	1991	21	2003 1997	Korea Securities Depository
Kuwait	HSBC Bank Middle East Limited, Kuwait (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2007	5	2007	Kuwait Clearing Company
Latvia	AS SEB banka, Riga	1997	15	2008	Latvian Central Depository

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Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Lebanon	HSBC Bank Middle East Limited, Beirut (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1996	16	1996	Banque du Liban; Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (Middleclear) S.A.L.
Lithuania	AB SEB bankas, Vilnius	1997	15	1997	Central Securities Depository of Lithuania
Luxembourg	N/A	1991	21	1991	Clearstream Banking S.A. (Luxembourg securities only)
Malaysia	Standard Chartered Bank Malaysia Berhad, Kuala Lumpur	1987	25	1987	Bank Negara Malaysia; Bursa Malaysia Depository Sdn. Bhd.
Mali	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Malta	The Hongkong and Shanghai Banking Corporation Limited, Valletta	2004	8	2004	Central Securities Depository of the Malta Stock Exchange
Mauritius	The Hongkong and Shanghai Banking Corp. Limited, Ebene	1993	19	1993	Bank of Mauritius; Central Depository and Settlement Co. Limited
Mexico	Banco Nacional de México S.A., Mexico City	1985	27	1985	S.D. Indeval, S.A. de C.V.
Morocco	Citibank Maghreb, Casablanca	1993	19	2009	Maroclear
Namibia	Standard Bank Namibia Limited, Windhoek	1993	19	1994	Bank of Namibia
Netherlands	Deutsche Bank AG, Amsterdam	1985	27	2003	Euroclear Nederland

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STATE STREET

Market	Subcustodian Name	Year State Street entered the market	Years In the market	Year relationship established	Depositories
New Zealand	The Hongkong and Shanghai Banking Corp. Limited, Auckland	1985	27	2007	New Zealand Central Securities Depository Limited
Niger	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Nigeria	Stanbic IBTC Bank Plc., Lagos	2000	12	2000	Central Securities Clearing System Limited Central Bank of Nigeria
Norway	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)	1985	27	2006	Verdipapirsentralen
Oman	HSBC Bank Middle East Limited, Muscat (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1997	15	1997	Muscat Clearing & Depository Co. S.A.O.C.
Pakistan	Deutsche Bank AG, Karachi	1992	20	1992	Central Depository Company of Pakistan Limited.; State Bank of Pakistan
Palestine	HSBC Bank Middle East Limited, Ramallah (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1999	13	1999	Clearing, Depository and Settlement system, a department of the Palestine Securities Exchange
Peru	Citibank del Perú, S.A., Lima	1991	21	1991	CAVALI S.A. Institución de Compensación y Liquidación de Valores
Philippines	Deutsche Bank AG, Manila branch	1987	25	2010	Philippine Depository & Trust Corporation; Registry of Scripless Securities (ROSS) of the Bureau of Treasury

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## GLOBAL CASH AND SECURITIES SUBCUSTODIAN NETWORK – FEBRUARY 2012

Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Poland	Bank Handlowy w Warszawie S.A., Warsaw	1992	20	1992	Krajowy Depozyt Papierów Wartościowych S.A.; Rejestr Papierów Wartościowych
Portugal	BNP Paribas Securities Services, S.C.A., Lisbon branch Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)	1988	22	2006 2009	INTERBOLSA - Sociedad Gestora de Sistemas de Liquidación e de Sistemas Centralizados de Valores Mobiliários, S.A.
Puerto Rico	Citibank, N.A., San Juan	1998	14	1998	U.S. depositories Depository Trust Company (DTC) Federal Reserve's Book-Entry Securities Transfer System (FBE)
Qatar	HSBC Bank Middle East Limited, Doha (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	1999	13	1999	Central Clearing and Registration (CCR), a department of the Qatar Exchange
Romania	ING Bank N.V., Bucharest	1997	15	1997	S.C. Central Depository S.A.; National Bank of Romania
Russia	ING Bank (Eurasia) ZAO, Moscow	1995	17	2002	Vneshtorgbank, Bank for Foreign Trade of the Russian Federation National Settlement Depository
Saudi Arabia*	HSBC Saudi Arabia Limited Riyadh	2007	5	2007	Tadawul Central Securities Depository Saudi Arabian Monetary Agency
Senegal	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement

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Market	Subcustodian Name	Year State Street entered the market	Years In the market	Year relationship established	Depositories
Serbia	Unicredit Bank Serbia JSC, Belgrade	2004	8	2004	Central Registrar, Depository and Clearinghouse
Singapore	Citibank N.A. Singapore United Overseas Bank Limited, Singapore	1981	31	2009 2003	The Central Depository (Pte) Limited.; Monetary Authority of Singapore
Slovak Republic	Ceskoslovenska obchodni banka a.s., Bratislava UniCredit Bank Slovakia a.s., Bratislava	1994	18	1994 2004	Centralny depozitar cenných papierov SR, a.s.
Slovenia	UniCredit Banka Slovenija d.d., Ljubljana	1997	15	1997	KDD - Centralna klirnsko depotna druzba d.d.
South Africa	Standard Bank of South Africa Limited, Johannesburg FirstRand Bank Limited, Johannesburg	1993	18	1993 2011	Strate Limited
Spain	Deutsche Bank S.A.E., Barcelona	1985	27	2006	IBERCLEAR
Sri Lanka	The Hongkong and Shanghai Banking Corp. Limited, Colombo	1991	21	1991	Central Bank of Sri Lanka; Central Depository System (Pvt) Limited
Republic of Srpska	UniCredit Bank d.d., Mostar	2010	2	2010	Centralni registar hartija od vrijednosti a.d., the Central Registry of Securities in the Republic of Srpska
Swaziland	Standard Bank Swaziland Limited, Mbabane	1994	18	1998	None
Sweden	Skandinaviska Enskilda Banken AB (publ), Stockholm	1985	27	1985	Euroclear Sweden
Switzerland	UBS AG, Zurich Credit Suisse AG, Zurich	1981	31	1998 2008	SIX SIS AG

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## GLOBAL CASH AND SECURITIES SUBCUSTODIAN NETWORK – FEBRUARY 2012

Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
Taiwan (R.O.C.)	Deutsche Bank AG Standard Chartered Bank (Taiwan) Limited	1991	21	2002 1994	Taiwan Depository and Clearing Corporation; Central Bank of the Republic of China (Taiwan)
Thailand	Standard Chartered Bank (Thai) Public Company Limited, Bangkok	1987	25	1987	Thailand Securities Depository Company Limited
Togo	via Société Générale de Banques en Côte d'Ivoire, Abidjan	2001	11	1995	Dépositaire Central - Banque de Règlement
Trinidad & Tobago	Republic Bank Limited, Port-of-Spain	1993	19	1993	Central Bank of Trinidad and Tobago; Trinidad and Tobago Central Depository Limited
Tunisia	Banque Internationale Arabe de Tunisie, Tunis	1993	19	1993	Société Tunisienne Interprofessionnelle pour la Compensation et de Dépôts des Valeurs Mobilières (STICODEVAM)
Turkey	Citibank, A.S., Istanbul	1990	22	1990	Central Bank of Turkey; Central Registry Agency
Uganda	Standard Chartered Bank Uganda Limited, Kampala	2002	10	2010	Bank of Uganda; Securities Central Depository
Ukraine	ING Bank Ukraine, Kiev	1998	14	1998	National Bank of Ukraine; All-Ukrainian Securities Depository (AUSD)
United Arab Emirates - Abu Dhabi Securities Exchange	HSBC Bank Middle East Limited, Dubai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2008	5	2008	Clearing, Settlement, Depository and Registry department of the Abu Dhabi Securities Exchange
United Arab Emirates - Dubai Financial Market	HSBC Bank Middle East Limited, Dubai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2001	11	2001	Clearing and Depository System, a department of the Dubai Financial Market

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Market	Subcustodian Name	Year State Street entered the market	Years in the market	Year relationship established	Depositories
United Arab Emirates - Dubai International Financial Center	HSBC Bank Middle East Limited, Dubai (as delegate of The Hongkong and Shanghai Banking Corporation Limited)	2007	6	2007	Central Securities Depository, owned and operated by NASDAQ Dubai Limited
United Kingdom	State Street Bank and Trust Company, United Kingdom branch	1985	27	1985	Euroclear UK & Ireland Limited **
United States	State Street Bank and Trust Company, Boston	1924	88	1924	Depository Trust Company (DTC) National Book Entry System (FBE)
Uruguay	Banco Itaú Uruguay S.A., Montevideo	1991	21	1999	Banco Central del Uruguay
Venezuela	Citibank, N.A., Caracas	1991	21	1991	Banco Central de Venezuela Caja Venezolana de Valores
Vietnam	HSBC Bank (Vietnam) Limited, Ho Chi Minh City	1999	13	1999	Vietnam Securities Depository
Zambia	Standard Chartered Bank Zambia Plc, Lusaka	1993	19	2010	Bank of Zambia; LuSE Central Shares Depository Limited.
Zimbabwe	Barclays Bank of Zimbabwe Limited, Harare	1993	19	1993	Reserve Bank of Zimbabwe

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## Short Term Investment Fund (STIF)

31 DECEMBER 2011

CASH FACT SHEET

**Investment Objective**

The Strategy seeks to provide safety of principal, a high level of liquidity and a competitive yield.

Portfolios managed using the Strategy are not "money market funds" registered with the Securities and Exchange Commission, and are not subject to the various rules and limitations that apply to such funds. Although a cash management product may seek to maintain a stable or constant net asset value, there can be no assurance that it will do so.

**Benchmark**

Merrill Lynch 3-Month U.S. Treasury Bill Index

**Investment Strategy**

The Strategy invests principally in high quality, short-term securities and other instruments including, but not limited to, U.S. Treasury bills, notes and bonds, other obligations issued or guaranteed as to principal or interest by the U.S. Government, its agencies or instrumentalities, corporate debt obligations (including commercial paper of U.S. and foreign companies), instruments of U.S. and foreign banks, including time deposits (including Eurodollar Time Deposits), certificates of deposit (including Eurodollar and Yankee Certificates of Deposit) and banker's acceptances, supranational and sovereign debt obligations (including obligations of foreign government subdivisions), mortgage-backed and asset-backed securities, repurchase agreements, funding agreements, and money market mutual funds subject to SEC Rule 2a-7, and other investment pools that SSgA determines to be consistent with the Strategy's investment objective. All securities held by the Strategy shall be U.S. dollar denominated. The Strategy may concentrate its investments in one or more industries or groups of industries, such as investments in obligations of U.S. or non-U.S. banks.

Investments made by the Strategy may satisfy some, but not necessarily all, of the quality, maturity and diversification requirements set forth in Rule 2a-7 under the Investment Company Act of 1940. For example, the dollar-weighted average maturity and weighted average life of the Strategy will not normally exceed 60 days and 120 days, respectively, and the maximum expected average time to receipt of principal of any single security purchased by the Strategy will not normally exceed 397 days. The Strategy will not invest in a security or other investment unless SSgA determines at the time of investment that it presents minimal credit risk. The Strategy is not required to comply with the requirements of Rule 2a-7 and does not incorporate all of the requirements of Rule 2a-7, such as, for example, requirements as to board reporting, certain periodic testing requirements, and requirements for certain reports of the Securities and Exchange Commission, as well as certain substantive limitations on investments contained in Rule 2a-7.

The Strategy will not typically engage in transactions involving derivatives, although it may purchase securities in which options or other derivatives are embedded. The Strategy would not purchase those securities for purposes of creating what SSgA considers to be investment leverage. (SSgA generally will determine whether an investment has the effect of creating investment leverage by evaluating the effect of the investment on the exposure and risk profile of a Portfolio as a whole.)

Portfolios managed using the Strategy are expected typically to issue and redeem shares at a "book value" of \$1 per share, using an amortized cost-based methodology to value their investments. Portfolios managed using the Strategy are not registered money market funds, and may continue to issue and redeem shares at book value under circumstances where a registered money market fund might not, such as when the variation between book value per share and market value per share exceed levels permissible for a registered money market fund to issue and redeem shares at \$1 per share. SSgA may at any time (without notice to investors) cause a portfolio to issue and redeem shares at their market value, rather than their book value.

For the purpose of complying with the Global Investment Performance Standards (GIPS<sup>®</sup>), the firm (SSgA-Global) is defined as all portfolios managed across the global offices of State Street Global Advisors (SSgA) and SSgA Funds Management, Inc., with the exception of business units which are held out to the market place as distinct business entities: the Office of the Fiduciary Advisor (OFA), and Charitable Asset Management (CAM). Prior to 1/1/2011, SSgA-Global also excluded its wrap fee business (Intermediary Business Group (IBG)) and assets accounted for on a book value basis (global cash and stable value assets). SSgA-Global claims compliance with GIPS<sup>®</sup> from January 1, 2000.

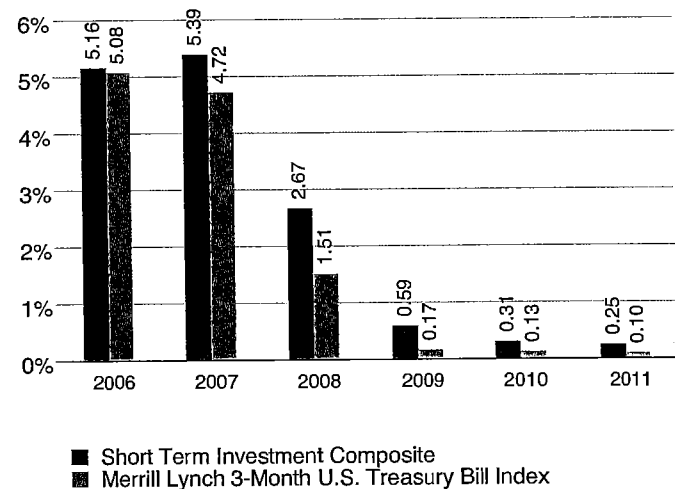
The performance when shown is of a composite created consisting of all discretionary accounts using this investment strategy. There is no minimum account size required for the inclusion in the composite. New funds or accounts are added to the composite upon the first full month of operation and closed funds or accounts are removed from the composite upon the last full month of operation. The performance figures contained herein do not reflect the deduction of advisory or other fees which could reduce the return.

The Short Term Investment Composite (the "Composite") seeks to provide safety of principal, a high level of liquidity and a competitive yield.

**This fact sheet provides summary information about the Fund. It should be read in conjunction with the Fund's applicable Strategy Disclosure Document, which is available upon request. The Disclosure Document contains important information about the Fund, including a description of a number of risks associated with investing in the Fund.**

**Performance**

Total Returns	Fund	Benchmark
Q4 2011	0.06%	0.00%
YTD	0.25%	0.10%
1 Year	0.25%	0.10%
3 Year	0.38%	0.13%
5 Year	1.82%	1.31%
10 Year	2.21%	1.91%
Inception to Date (Jul 1978)	6.18%	5.65%

**Calendar Year Returns**

All returns greater than 1 year are annualized. Performance shown represents past performance. Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance shown above. The performance figures contained herein are provided gross of investment management fees and reflect all items of income, gain and loss and the investment of dividends and other income. Performance of certain portfolios within the composite is net of administrative costs. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Performance returns are calculated in US dollars.

**Key Facts**

- Is actively managed
- May invest in other investment pools, including other State Street products
- May use derivatives
- Will not use investment leverage
- Will not sell securities short
- Will not lend its portfolio securities

**Risk Management**

SSgA's portfolio management and credit teams monitor interest rate, market, and credit risks closely on a continuing basis.

**Supplemental Information****Characteristics**

1 Day Average Yield	0.23%
Average Credit Quality	A1P1
Composite Assets Under Management (\$M)	\$34,987.06
Weighted Average Maturity	22.00

**Top Issuers**

Citibank NA	3.25%
UBS Securities LLC Repo	3.06
Royal Bank of Canada	2.79
Merrill Lynch Pierce Fenner & Smith Inc Repo	2.50
Bank of Tokyo-Mitsubishi UFJ Ltd/New York NY	1.90
National Australia Bank Ltd	1.76
National Australia Bank, New York	1.70
Nordea Bank AB	1.69
Credit Agricole Corporate & Investment Bank Repo	1.62
Barclays Bank PLC NY	1.61

**Sector Allocation**

Yankee Certificates Of Deposit	51.08%
Repurchase Agreements	14.77
Time Deposit	9.55
Commercial Paper	7.53
Bank Notes	5.47
Euro Certificates Of Deposit	4.97
U.S. Treasury	4.02
U.S. Agency	2.01

**Credit Quality Breakdown**

Aaa	3.08%
Aa	12.08
A	2.77
A1+/P1	29.84
A1/P1	51.80

**Maturity Ladder**

Overnight (1 Day)	22.56%
2 - 30 Days	43.19
31 - 60 Days	10.55
61 - 90 Days	4.72
Over 90 Days	18.98

**Investment Manager**

State Street Global Advisors (SSgA), the investment management division of State Street Bank and Trust Company.

**Important Message About Risk**

There are risks involved with investing, including possible loss of principal. The Strategy seeks to maintain a constant one dollar unit value, although there is no assurance that a constant unit value will be maintained. Risks associated with fixed income securities include, but are not limited to, interest rate risks; the risk of issuer default, and inflation risk. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns. U.S. Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

Additionally, an investment in the Strategy is subject to a number of risks, which include but are not limited to: Asset-Backed Securities Risk, Cash Position Risk, Concentration Risk, Conflict of Interest Risk, Counterparty Risk, Credit Risk, Custodial Risk, Defensive Investing Risk, Deflation Risk, Derivatives Risk, Extension Risk, Financial Institution Risk, Geographic Concentration Risk, Income Risk, Inflation Risk, Interest Rate Risk, Investment Risk, Issuer Risk, Leveraging Risk, Limited Investment Program Risk, Liquidity Risk, Low Short-Term Interest Rate Risk, Management Risk, Market Risk, Mortgage-Backed Securities Risk, Municipal Obligations Risk, Portfolio Turnover Risk, Prepayment Risk, Repurchase Agreement Risk, Risk of investment in Other Pools, Tax Risk, U.S. Government Securities Risk, Variable and Floating Rate Securities, and Valuation Risk. You should refer to the Strategy's Disclosure Document for a complete description of the risks of investing in the Strategy.

Risk management does not promise any level of performance or guarantee against loss of principal. SSgA encourages investors to seek the advice of well-qualified financial and tax advisors, accountants, attorneys and other professionals before making any investment or retirement decision.

Certain Supplemental Information may be rounded to the nearest hundredth decimal and may result in the total not adding up to 100.

The top holdings are presented to illustrate examples of the securities that the Strategy has bought and may not be representative of the Strategy's current or future investments. In the case of fixed income and cash funds the securities are aggregated and shown at the issuer level. The top holdings do not include other assets or instruments that may be held by the Strategy including, for example and not by way of limitation, cash or cash equivalents and derivatives such as futures, options and swaps. The figures presented are as of the date shown above, do not include the Strategy's entire investment portfolio, and may change at any time. Characteristics and allocations are as of the date indicated and are subject to change. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security, if shown. It is not known whether the sectors or securities will be profitable in the future.

**State Street regards the Fact Sheets in their distributed form to be complete documents that include material information regarding the Funds for investor consideration. You are not authorized to make any material modifications to this information without our express consent, and we assume no liability in connection with these Plan Materials or with regard to any modifications to or misuse of the information contained therein.**

## SSgA US Government Money Market Fund

31 DECEMBER 2011

CASH | FACT SHEET

## Fund Objective

The Fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in obligations of the US Government, or its instrumentalities with remaining maturities of one year or less.

## Process

The Fund attempts to meet its investment objective by investing at least 80% of its net assets in obligations issued or guaranteed as to principal and interest payments by the US Government or its agencies and instrumentalities as well as repurchase agreements secured by such instruments. The Fund will invest no more than 5% of its net assets (taken at current market value) in repurchase agreements maturing in more than seven days.

## Key Features

- Daily liquidity
- Sophisticated credit analysis
- Highest Credit Quality
- Capital preservation

## Yield

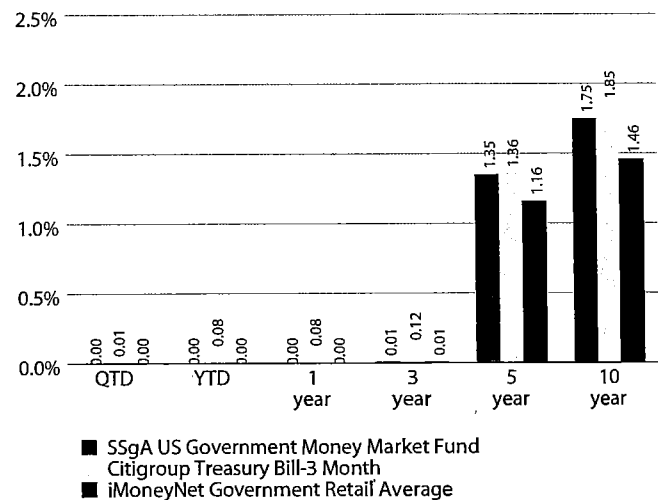
7 Day Average Yield (subsidized)*	0.00%
7 Day Average Yield**	-0.33%

## Performance

Total Return	SSgA US	Citigroup Treasury	iMoneyNet
	Government Money Market Fund	Bill-3 Month	Government Retail Average
QTD	0.00%	0.01%	0.00%
YTD	0.00	0.08	0.00
Annualized			
1 Year	0.00	0.08	0.00
3 Year	0.01	0.12	0.01
5 Year	1.35	1.36	1.16
10 Year	1.75	1.85	1.46
Gross Expense Ratio			0.39%
Net Expense Ratio <sup>^</sup>			0.39%

Performance quoted represents past performance, which is no guarantee of future results. Investment return will fluctuate. Current performance may be higher or lower than that quoted. Visit [ssgafunds.com](http://ssgafunds.com) for most recent month-end performance.

## Performance vs Benchmark



Unless otherwise noted all information contained herein is that of the US Government Money Market Fund.

\*The subsidized yield reflects the yield calculation with expense limitation currently in effect. Without the limitation returns would have been lower.

\*\*7 Day Yield is as of the 7-day period ending the last business day of the month indicated. The yield quotation stated above more closely reflects the current earnings of the Fund than the total return quotation.

Total Annual Fund Operating Expenses may be higher than the fund's ratio of expenses to average net assets shown in the Financial Highlights, which reflect the operating expenses of the fund including voluntary waivers.

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. The SSgA Funds pay State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc. for investment advisory services.

**Not FDIC Insured - No Bank Guarantee - May Lose Value**

**Fund Characteristics**

Weighted Average Maturity	35 days
Weighted Average Life	39 days
Number of Holdings	56

**Top Holdings**

Citigroup Global Markets Inc Repo	6.99%
Credit Suisse Securities (USA) LLC Repo	6.20
FHLB Discount Note 2/1/12	5.63
Merrill Lynch Pierce Fenner & Smith Inc Repo	5.31
Goldman Sachs & Co Repo	5.18
Fannie Mae Discount Note 4/2/12	4.96
Deutsche Bank Securities Inc Repo	4.29
Barclays Capital Inc Repo	4.14
Fannie Mae Discount Note 2/9/12	3.72
Fannie Mae Discount Note 2/29/12	3.72

**Sector Weights**

U.S. Agency	64.53%
Repurchase Agreements	34.23
U.S. Treasury	1.24

**Key Facts**

Inception Date:	March 01, 1991
Net Asset Value	\$1.00
Total Net Assets (000)	\$4,068,556
Ticker Symbol	SSGXX
CUSIP	784924300
Primary Benchmark	Citigroup Treasury Bill-3 Month
Investment Manager	SSgA Funds Management, Inc.
Distributor	State Street Global Markets, LLC

**Fund Composition**

Overnight (1 Day)	36.00%
2 - 30 Days	16.67
31 - 60 Days	22.20
61 - 90 Days	7.93
Over 90 Days	17.20

**Portfolio Guidelines**

- Investments limited to US government securities and repurchase agreements backed by governments.
- Maximum remaining maturity of 397 days or less for individual portfolio investments.
- Dollar weighted average portfolio maturity of 60 days or less.

**Risk Management**

SSgA FM independently measures, verifies, and monitors the risk levels of all our cash portfolios. We believe that inherent risk tolerance of cash investments should be at or near zero and are keenly aware of the risk/return trade-offs of short-term investments.

**Before investing, consider the funds' investment objectives, risks, charges and expenses. A prospectus which contains this and other information about the fund can be obtained by calling 1-800-997-7327, or by visiting [ssgafunds.com](http://ssgafunds.com). Read it carefully before investing.**

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or another governmental agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.*

The Citigroup 3-Month Treasury Bill Index is comprised of equal dollar amounts of 3-month Treasury bills purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new 3-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the Index. The Index is rebalanced monthly by market capitalization. The Index is unmanaged and can not be invested in directly.

iMoneyNet Government Retail category includes all government retail funds, or all funds in the Treasury Retail, Treasury & Repo Retail, and Government & Agencies Retail categories.

The top 10, sector breakdown and maturity ladder are represented as a percentage of par.

Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.

## SSgA Money Market Fund

31 DECEMBER 2011

CASH | FACT SHEET

## Fund Objective

The Fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in dollar denominated securities.

## Process

The Fund attempts to meet its investment objective by investing in high-quality money market instruments, including (1) US government - sponsored entities such as the Federal Home Loan Bank; (2) other obligations issued or guaranteed as to interest and principal by the US Government, its agencies and instrumentalities; (3) instruments of US and foreign banks, including certificates of deposit, bankers acceptances and time deposits; these instruments may include Eurodollar Certificates of Deposit, Eurodollar Time Deposits and Yankee Certificates of Deposit; (4) commercial paper of US and foreign companies; (5) asset-backed securities; (6) corporate obligations of US and foreign companies; (7) variable and floating rate notes; and (8) repurchase agreements collateralized with any of the above - described securities.

## Key Features

- Daily liquidity
- Sophisticated credit analysis
- Capital preservation

## Yield

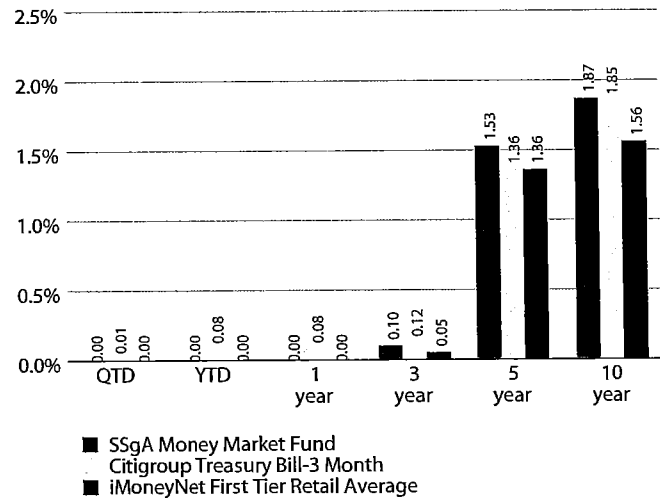
7 Day Average Yield (subsidized)*	0.01%
7 Day Average Yield**	-0.13%

## Performance

Total Return	SSgA Money Market Fund	Citigroup Treasury Bill-3 Month	iMoneyNet First Tier Retail Average
QTD	0.00%	0.01%	0.00%
YTD	0.00	0.08	0.00
Annualized			
1 Year	0.00	0.08	0.00
3 Year	0.10	0.12	0.05
5 Year	1.53	1.36	1.36
10 Year	1.87	1.85	1.56
Gross Expense Ratio			0.38%
Net Expense Ratio <sup>^</sup>			0.38%

Performance quoted represents past performance, which is no guarantee of future results. Investment return will fluctuate. Current performance may be higher or lower than that quoted. Visit [ssgafunds.com](http://ssgafunds.com) for most recent month-end performance.

## Performance vs Benchmark



Unless otherwise noted all information contained herein is that of the SSgA Money Market Fund.

\*The subsidized yield reflects the yield calculation with expense limitation currently in effect. Without the limitation returns would have been lower.

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. The SSgA Funds pay State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc. for investment advisory services.

\*\*7 Day Yield is as of the 7-day period ending the last business day of the month indicated. The yield quotation stated above more closely reflects the current earnings of the Fund than the total return quotation.

Total Annual Fund Operating Expenses may be higher than the fund's ratio of expenses to average net assets shown in the Financial Highlights, which reflect the operating expenses of the fund including voluntary waivers.

<sup>^</sup>The fund's investment advisor is contractually obligated until December 31, 2012 to waive its management fee and to reimburse the fund for all expenses to the extent that total expenses (exclusive of non-recurring account fees, extraordinary expenses and acquired fund fees) exceed 0.40% of average daily net assets on an annual basis. Absent such waivers and/or reimbursements, the fund's performance would have been lower.

**Not FDIC Insured - No Bank Guarantee - May Lose Value**

**Fund Characteristics**

Weighted Average Maturity	17 days
Weighted Average Life	47 days
Number of Holdings	67

**Top Holdings**

Morgan Stanley & Co LLC Repo	6.44%
Merrill Lynch Pierce Fenner & Smith Inc Repo	5.33
Credit Suisse Securities (USA) LLC Repo	4.27
UBS Securities LLC Repo	4.27
Rabobank Nederland NV/NY	4.27
UBS AG/Stamford Branch	3.63
Credit Suisse First Boston Inc./NY	3.20
Barclays Bank PLC NY	3.20
Lloyds TSB Bank PLC/NY	2.67
Bank of Montreal/Chicago	2.56

**Sector Weights**

Yankee Certificates Of Deposit	46.80%
Repurchase Agreements	25.70
Asset Backed Commercial Paper	8.00
Commercial Paper	7.64
Bank Notes	6.48
Euro Certificates Of Deposit	4.80
Corporate Obligations	0.58

**Key Facts**

Inception Date:	May 02, 1988
Net Asset Value	\$1.00
Total Net Assets (000)	\$4,688,144
Ticker Symbol	SSMXX
CUSIP	784924748
Primary Benchmark	Citigroup Treasury Bill-3 Month
Investment Manager	SSgA Funds Management, Inc.
Distributor	State Street Global Markets, LLC

**Fund Composition**

Overnight (1 Day)	25.70%
2 - 30 Days	41.96
31 - 60 Days	9.71
61 - 90 Days	3.73
Over 90 Days	18.90

**Portfolio Guidelines**

- Single Issuer concentrations constrained to 5% of total assets, except for government obligations.
- Maximum remaining maturity of 397 days or less for individual portfolio investments.
- Dollar weighted average portfolio maturity of 90 days or less.

**Risk Management**

SSgA FM independently measures, verifies, and monitors the risk levels of all our cash portfolios. We believe that inherent risk tolerance of cash investments should be at or near zero and are keenly aware of the risk/return trade-offs of short-term investments.

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The top 10, sector breakdown and maturity ladder are represented as a percentage of par.

Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.

The Citigroup 3-Month Treasury Bill Index is comprised of equal dollar amounts of 3-month Treasury bills purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new 3-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the Index. The Index is rebalanced monthly by market capitalization. The Index is unmanaged and can not be invested in directly.

iMoneyNet First Tier Retail category includes only non-government retail funds that also are not holding any second tier securities. Portfolio Holdings of First Tier funds include U.S. Treasury, U.S. Other, Repos, Time Deposits, Domestic Bank Obligations, Foreign Bank Obligations, First Tier CP, Floating Rate Notes, and Asset Backed Commercial Paper.

## SSgA Prime Money Market Fund

31 DECEMBER 2011

CASH | FACT SHEET

## Fund Objective

The fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in dollar denominated securities.

## Process

The Fund attempts to meet its investment objective by investing in high quality money market instruments. Such instruments include (1) US Treasury bills, notes and bonds; (2) obligations issued or guaranteed as to interest and principal by the US Government, its agencies or instrumentalities and other such obligations that are neither insured nor guaranteed by the US Treasury; (3) instruments of US and foreign banks, including certificates of deposit, bankers acceptances and time deposits; these instruments may include Eurodollar Certificates of Deposit, Eurodollar Time Deposits and Yankee Certificates of Deposit; (4) commercial paper of US and foreign companies; (5) asset-backed securities; (6) corporate obligations of US and foreign companies; (7) variable and floating rate notes; and (8) repurchase agreements; and (9) mortgage-backed securities.

## Key Features

- Daily liquidity
- Capital preservation
- Sophisticated credit analysis

## Yield

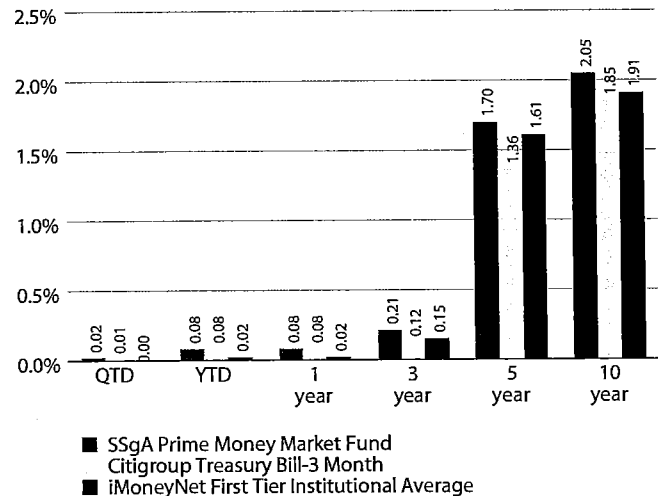
7 Day Average Yield (subsidized)*	0.08%
7 Day Average Yield**	0.01%

## Performance

Total Return	SSgA Prime Money Market Fund	Citigroup Treasury Bill-3 Month	iMoneyNet First Tier Institutional Average
QTD	0.02%	0.01%	0.00%
YTD	0.08	0.08	0.02
Annualized			
1 Year	0.08	0.08	0.02
3 Year	0.21	0.12	0.15
5 Year	1.70	1.36	1.61
10 Year	2.05	1.85	1.91
Gross Expense Ratio			0.25%
Net Expense Ratio <sup>^</sup>			0.20%

Performance quoted represents past performance, which is no guarantee of future results. Investment return will fluctuate. Current performance may be higher or lower than that quoted. Visit [ssgafunds.com](http://ssgafunds.com) for most recent month-end performance.

## Performance vs Benchmark



Unless otherwise noted all information contained herein is that of the SSgA Prime Money Market Fund.

\*The subsidized yield reflects the yield calculation with expense limitation currently in effect. Without the limitation returns would have been lower.

\*\*7 Day Yield is as of the 7-day period ending the last business day of the month indicated. The yield quotation stated above more closely reflects the current earnings of the Fund than the total return quotation.

<sup>^</sup>The fund's investment advisor is contractually obligated until December 31, 2012 to waive 0.05% of its 0.15% management fee. Additionally, the advisor is further contractually obligated until December 31, 2012 to waive its management fee and to reimburse the fund for all expenses to the extent that total expenses (exclusive of non-recurring account fees, extraordinary expenses and acquired fund fees) exceed 0.20% of average daily net assets on an annual basis. Absent such waivers and/or reimbursements, the fund's performance would have been lower.

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. The SSgA Funds pay State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc. for investment advisory services.

**Not FDIC Insured - No Bank Guarantee - May Lose Value**

**Fund Characteristics**

Weighted Average Maturity	19 days
Weighted Average Life	44 days
Number of Holdings	79

**Top Holdings**

Morgan Stanley & Co LLC Repo	5.45%
Merrill Lynch Pierce Fenner & Smith Inc Repo	4.60
Barclays Bank PLC NY	3.45
Credit Suisse First Boston Equity Collateral Repo	3.45
UBS Securities LLC Repo	2.57
Credit Suisse Securities (USA) LLC Repo	2.30
ING Bank NV	2.30
Bank of Tokyo-Mitsubishi UFJ Ltd/New York NY	2.30
Svenska Handelsbanken AB	2.30
National Australia Bank, New York	2.30

**Sector Weights**

Yankee Certificates Of Deposit	46.82%
Repurchase Agreements	25.40
Asset Backed Commercial Paper	8.33
Bank Notes	7.54
Commercial Paper	6.68
Euro Certificates Of Deposit	4.60
Corporate Obligations	0.63

**Key Facts**

Inception Date:	February 22, 1994
Net Asset Value	\$1.00
Total Net Assets (000)	\$8,751,088
Ticker Symbol	SVPXX
CUSIP	784924797
Primary Benchmark	Citigroup Treasury Bill-3 Month
Investment Manager	SSgA Funds Management, Inc.
Distributor	State Street Global Markets, LLC

**Fund Composition**

Overnight (1 Day)	24.25%
2 - 30 Days	47.16
31 - 60 Days	7.99
61 - 90 Days	2.84
Over 90 Days	17.76

**Portfolio Guidelines**

- Single Issuer concentrations constrained to 5% of total assets, except for government obligations.
- Maximum remaining maturity of 397 days or less for individual portfolio investments.
- Dollar weighted average portfolio maturity of 60 days or less.

**Risk Management**

SSgA FM independently measures, verifies, and monitors the risk levels of all our cash portfolios. We believe that inherent risk tolerance of cash investments should be at or near zero and are keenly aware of the risk/return trade-offs of short-term investments.

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*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or another governmental agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.*

The Citigroup 3-Month Treasury Bill Index is comprised of equal dollar amounts of 3-month Treasury bills purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new 3-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the Index. The Index is rebalanced monthly by market capitalization. The Index is unmanaged and can not be invested in directly.

iMoneyNet First Tier Institutional category includes only non-government institutional funds that also are not holding any second tier securities. Portfolio Holdings of First Tier funds include U.S. Treasury, U.S. Other, Repos, Time Deposits, Domestic Bank Obligations, Foreign Bank Obligations, First Tier CP, Floating Rate Notes, and Asset Backed Commercial Paper.

The top 10, sector breakdown and maturity ladder are represented as a percentage of par.

Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.



## SSgA US Treasury Money Market Fund

31 DECEMBER 2011

CASH | FACT SHEET

## Fund Objective

The Fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in obligations that are issued or guaranteed as to principal and interest by the US Government and repurchase agreements backed by such securities.

## Process

The Fund invests its assets primarily in US Treasury bills, notes and bonds (which are direct obligations of the US Government) and repurchase agreements backed by such securities. The fund also may invest in shares of other money market funds including funds advised by the fund's investment advisor.

## Key Features

- Daily liquidity
- Highest Credit Quality
- Capital preservation
- Sophisticated credit analysis

## Yield

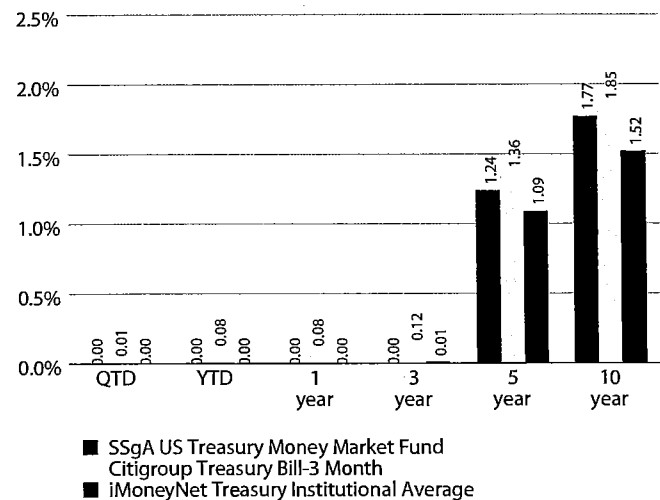
7 Day Average Yield (subsidized)*	0.00%
7 Day Average Yield**	-0.23%

## Performance

Total Return	SSgA US Treasury Money Market Fund	Citigroup Treasury Bill-3 Month	iMoneyNet Treasury Institutional Average
QTD	0.00%	0.01%	0.00%
YTD	0.00	0.08	0.00
Annualized			
1 Year	0.00	0.08	0.00
3 Year	0.00	0.12	0.01
5 Year	1.24	1.36	1.09
10 Year	1.77	1.85	1.52
Gross Expense Ratio			0.25%
Net Expense Ratio <sup>^</sup>			0.20%

Performance quoted represents past performance, which is no guarantee of future results. Investment return will fluctuate. Current performance may be higher or lower than that quoted. Visit [ssgafunds.com](http://ssgafunds.com) for most recent month-end performance.

## Performance vs Benchmark



Unless otherwise noted all information contained herein is that of the US Treasury Money Market Fund.

\*The subsidized yield reflects the yield calculation with expense limitation currently in effect. Without the limitation returns would have been lower.

\*\*7 Day Yield is as of the 7-day period ending the last business day of the month indicated. The yield quotation stated above more closely reflects the current earnings of the Fund than the total return quotation.

Total Annual Fund Operating Expenses may be higher than the fund's ratio of expenses to average net assets shown in the Financial Highlights, which reflect the operating expenses of the fund including voluntary waivers.

<sup>^</sup>The fund's investment advisor is contractually obligated until December 31, 2012 to waive 0.05% of its 0.15% management fee. Additionally, the advisor is further contractually obligated until December 31, 2012 to waive its management fee and to reimburse the fund for all expenses to the extent that total expenses (exclusive of non recurring account fees, extraordinary expenses and acquired fund fees) exceed 0.20% of average daily net assets on an annual basis. Absent such waivers and/or reimbursements, the fund's performance would have been lower.

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**Fund Characteristics**

Weighted Average Maturity	31 days
Weighted Average Life	31 days
Number of Holdings	20

**Top Holdings**

U.S. Treasury Bill 1/5/12	11.82%
U.S. Treasury Bill 2/23/12	8.59
U.S. Treasury Bill 1/26/12	7.52
U.S. Treasury Bill 2/2/12	7.52
U.S. Treasury Bill 1/12/12	6.45
U.S. Treasury Bill 1/19/12	6.45
U.S. Treasury Bill 2/16/12	6.45
U.S. Treasury Bill 3/1/12	6.45
U.S. Treasury Bill 3/8/12	6.45
U.S. Treasury Bill 2/9/12	5.37

**Sector Weights**

U.S. Treasury	79.50%
Repurchase Agreements	20.50

**Key Facts**

Inception Date:	December 01, 1993
Net Asset Value	\$1.00
Total Net Assets (000)	\$4,707,169
Ticker Symbol	SVTXX
CUSIP	784924847
Primary Benchmark	Citigroup Treasury Bill-3 Month
Investment Manager	SSgA Funds Management, Inc.
Distributor	State Street Global Markets, LLC

**Fund Composition**

Overnight (1 Day)	20.50%
2 - 30 Days	32.23
31 - 60 Days	27.93
61 - 90 Days	19.34

**Portfolio Guidelines**

- Investments limited to US Treasury securities and repurchase agreements backed by US Treasuries.
- Maximum remaining maturity of 397 days or less for individual portfolio investments.
- Dollar weighted average portfolio maturity of 60 days or less.
- Minimum initial investment is \$10 million

**Risk Management**

SSgA FM independently measures, verifies, and monitors the risk levels of all our cash portfolios. We believe that inherent risk tolerance of cash investments should be at or near zero and are keenly aware of the risk/return trade-offs of short-term investments.

**Before investing, consider the funds' investment objectives, risks, charges and expenses. A prospectus which contains this and other information about the fund can be obtained by calling 1-800-997-7327, or by visiting [ssgafunds.com](http://ssgafunds.com). Read it carefully before investing.**

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The top 10, sector breakdown and maturity ladder are represented as a percentage of par.

Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.

The Citigroup 3-Month Treasury Bill Index is comprised of equal dollar amounts of 3-month Treasury bills purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new 3-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the Index. The Index is rebalanced monthly by market capitalization. The Index is unmanaged and can not be invested in directly.

iMoneyNet Treasury Institutional category includes only institutional government funds that hold 100 percent in U.S. Treasuries.

Date of First Use: January 2012

Expiration Date: 04/20/2012

20120113/16:43

# Institutional Liquid Reserves Fund

Institutional Class

31 DECEMBER 2011

CASH FACT SHEET

## Fund Facts

Ticker Symbol	SSIXX
CUSIP	85749P101
Net Expense Ratio <sup>1</sup>	0.12%
Net Assets	19,594,978,747.35
Weighted Average Maturity <sup>^</sup>	22
Weighted Average Life <sup>^</sup>	40
7 Day Yield	0.15%
7 Day Yield (Subsidized)	0.15%
Number of Holdings	110
Inception	August 12, 2004
Net Asset Value	\$1.00
S&P Fund Rating*	AAAm
Fitch Fund Rating**	AAAmmf
Trading Deadline	5:00 PM (EST)

## Fund Objective

The Institutional Liquid Reserves Fund (the "Fund") seeks to maximize current income to the extent consistent with preservation of capital and liquidity and the maintenance of a stable \$1.00 per share net asset value, by investing in U.S. dollar-denominated money market securities.

## Investment Strategy

The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in the State Street Money Market Portfolio of State Street Master Funds, which has the same investment objective as, and investment policies that are substantially similar to those of, the Fund. The Fund attempts to meet its investment objective by investing in high-quality money market instruments. Such instruments include: (1) U.S. Treasury bills, notes and bonds; (2) other obligations issued or guaranteed as to interest and principal by the U.S. government, its agencies, or instrumentalities; (3) instruments of U.S. and foreign banks, such as certificates of deposit, bankers' acceptances and time deposits, including Eurodollar Certificates of Deposit, Eurodollar Time Deposits and Yankee Certificates of Deposit; (4) commercial paper of U.S. and foreign companies; (5) mortgage- and asset-backed securities; (6) corporate obligations of U.S. and foreign companies; (7) variable and floating rate notes; and (8) repurchase agreements.

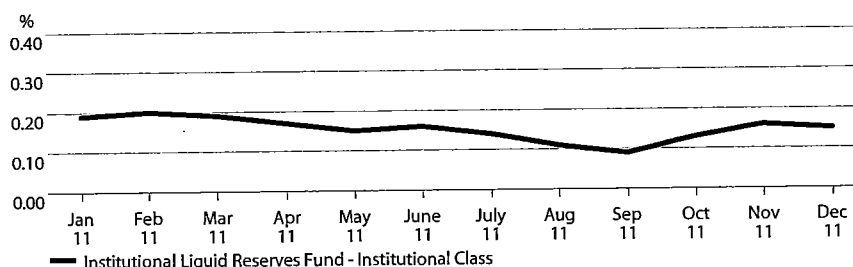
## Fund Performance

	As of	1 Month	3 Month	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Month End	12/31/2011	0.01%	0.04%	0.15%	0.15%	0.28%	1.77%	2.40%
Quarter End	12/31/2011	0.01%	0.04%	0.15%	0.15%	0.28%	1.77%	2.40%

**Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit sttfunds.com for most recent month-end performance.**

**Average Annual Total Returns reflect the reinvestment of dividends, capital gains distributions all fee waivers and expense reimbursements.**

## Monthly Yield History



## 30 Day Yield

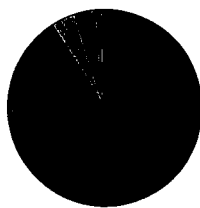
**Yield quotations more closely reflect the current earnings of money market funds than the total return quotations.**

## Maturity

	2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Weighted Average Maturity (Days)	37	43	43	43	39	33	28	18	16	26	23	22
Weighted Average Life (Days)	53	58	78	76	74	70	66	49	44	52	43	40

## Maturity as of month end

## Fund Composition (% Amortized Cost)



- Certificate of Deposit - 64.9%
- Government Agency Repurchase Agreement - 10.0%
- Asset Backed Commercial Paper - 9.0%
- Financial Company Commercial Paper - 7.2%
- Treasury Repurchase Agreement - 4.2%
- Other Note - 3.7%
- Other Repurchase Agreement - 1.0%

## Top Ten Holdings (% Amortized Cost)

Goldman Sachs Tri Party Repo	3.35%
UBS AG	3.10
Bank of Tokyo - Mitsubishi	2.66
National Australia Bank Ltd.	2.22
Credit Suisse	2.22
Lloyds TSB Bank	2.22
Rabobank Nederland NV	2.22
CSFB Tri Party Repo	1.77
Merrill Lynch Tri Party Repo	1.77
Royal Bank of Scotland	1.77

## Maturity Ladder (% Amortized Cost)

Overnight (1 Day)	0.00%
2 - 30 Days	69.33
31 - 60 Days	10.93
61 - 90 Days	3.32
Over 90 Days	16.42

Please note that full details of underlying fund holdings can now be found on [www.sttfunds.com](http://www.sttfunds.com)

## Investment Commentary

Economic data was mixed for the month of December. New home sales, housing starts and building permits rose. Mortgage applications, existing home sales, median home prices and pending home sales declined. Housing data continued to be impacted by ongoing application delays, foreclosures, stricter lending requirements, and limited qualified buyers. Construction spending data was again slightly positive, buoyed by government projects. Retail sales data was up during the holiday season but down from the prior month. Automobile sales data was slightly down versus the prior month. December Non Farm payroll growth was positive as 200,000 jobs were gained for the month and the unemployment rate dropped to 8.5%. Private payroll employment saw an increase of 212,000 and average hourly earnings increased moderately. Both initial jobless claims and continuing unemployment claims dropped as did the four week moving average. Oil prices increased ranging from a low of \$93.75 to a high of \$101.45, ending the month at \$98.83 as demand rose. Commodity and raw material price movements were moderate. Gold's price per ounce declined from a high of \$1,746 to a low of \$1,545 during the month. The University of Michigan's consumer confidence rose slightly, more than forecast, to 69.9 from 67.7 as equity markets rose and gasoline prices declined. Core PCE, the Fed's preferred inflation measure, ended November at 1.7% within the unofficial target range of 1%-2%, year over year.

The Federal Open Market Committee met on December 13, and the Federal Funds target rate was unchanged at a range of 0 to 0.25%. Federal Reserve official statements and unofficial rhetoric continued to suggest a weak economy. In the official FOMC statement, the committee noted, "Strains in global financial markets continue to pose significant downside risks to the economic outlook."

Throughout December, government entities including the U.S. Treasury, Federal Reserve and global Central Banks continued to assist their respective countries' financial systems addressing problems or providing capital assistance as needed. Globally, politicians continued to address spending shortfalls, imposed austerity plans and increased taxes. ECB President Draghi acknowledged weak growth and financial problems and the ECB cut its refinancing rate from 1.25% to 1.00%. In addition, two, three year Long-Term Repo Operations (LTRO's) were announced and initiated that allowed banks to borrow and ensured financial institutions had access to liquidity. Collateral requirements were also lessened, widening the range of acceptable collateral but the lack of high quality collateral remains an ongoing concern. ECB overnight deposits hit record highs. During the first, three year LTRO, more than 520 banks borrowed in excess of €489 billion. The Australian Central Bank cuts interest rates by twenty-five basis points. The G-20 proposed creating a lending facility to the International Monetary Fund which would aid Eurozone countries. Financial market conditions experienced severe volatility due to Eurozone and peripheral countries' sovereign debt problems which weighed on the euro as well. The Federal Reserve extended its US dollar swap lines and cut the rate at which banks can borrow to help ease global financial strain. The crisis persists within interbank lending markets as banks have been reluctant to lend to one another and credit conditions tighten. Numerous global banking institutions were downgraded by the credit rating agencies. S&P placed fifteen of seventeen Eurozone countries sovereign ratings on credit watch negative. In addition, the European Union had its AAA rating put on credit watch negative. Moody's put eight Spanish banks on review for downgrade. Fitch downgraded five European Commercial banks.

Short term funding levels rose as the three-month LIBOR rate increased approximately five basis points from .53% to .58% during the month. The fund's liquidity and counterparty risk exposure remained of uppermost importance.

***The views expressed in this material are the views of SSgA Global Cash through the period ended at the date noted above and are subject to change based on market and other conditions. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.***

## About SSgA

State Street Global Advisors (SSgA) is a global leader in asset management. Sophisticated investors worldwide rely on SSgA for our disciplined, precise investment process and powerful global investment platform that provides access to every major asset class, capitalization range and style. As the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors, SSgA has the financial strength, global expertise and advanced research capabilities to deliver client-focused solutions.

**Distribution Calculations:** (Security Distribution, Quality Distribution, Maturity Distribution and Sector Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

<sup>1</sup>The Adviser has contractually agreed to cap the U.S. Government Fund's Total Annual Fund Operating Expenses (excluding taxes, interest and extraordinary expenses) attributable to the Institutional Class to the extent that expenses exceed 0.12% of Institutional Class net assets, through April 30, 2012.

\*Standards & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell. A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's. The rating is based on Standard & Poor's analysis of the fund's credit quality, market price exposure and management. The rating signifies the fund has extremely strong capacity to maintain principal value and limit exposure to principal losses due to credit, market and or liquidity risks. This is accomplished through conservative investment practices and strict internal controls. Rated money market fund portfolios are monitored on a weekly basis by Standard & Poor's. For more information, please visit [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us).

\*\* Fitch ratings are opinions based on all information known to Fitch, including publicly available information and/or non-public documents and information provided to the agency by an issuer and other parties. A fund rated 'AAAmf' reflects the fund's extremely strong capacity to achieve its investment objective of preserving capital and providing shareholder liquidity through limiting credit, market and liquidity risks. The main drivers of the rating assignment are the credit quality, diversification, maturity profile and liquidity of the fund portfolio and the capabilities and resources of its investment advisor. Publication and maintenance of all ratings are subject to there being sufficient information, consistent with the relevant criteria and methodology, to form a rating opinion. Ratings are not facts, and therefore cannot be described as being "accurate" or "inaccurate". Users should refer to the definition of each individual rating for guidance on the dimensions of risk covered by such rating. Please see <http://www.fitchratings.com> for more information.

**An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or another governmental agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.**

*Distributor: State Street Global Markets, LLC, member FINRA, SIPC. The Fund pays State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc., an affiliate of State Street Bank and Trust Company, for investment advisory services.*

**Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-800-997-7327 or visit [www.sttfunds.com](http://www.sttfunds.com). Read it carefully.**

# Institutional U.S. Government Money Market Fund

Institutional Class

31 DECEMBER 2011

CASH FACT SHEET

## Fund Facts

Ticker Symbol	GVMXX
CUSIP	857492706
Net Expense Ratio <sup>1</sup>	0.12%
Net Assets	5,139,794,582.93
Weighted Average Maturity <sup>A</sup>	35
Weighted Average Life <sup>A</sup>	38
7 Day Yield	-0.01%
7 Day Yield (Subsidized)	0.00%
Number of Holdings	74
Inception	October 25, 2007
Net Asset Value	\$1.00
S&P Fund Rating*	AAAm
Fitch Fund Rating**	AAAmf
Trading Deadline	5:00 PM (EST)

## Fund Objective

The U.S. Government Money Market Fund (the "Fund") seeks to maximize current income to the extent consistent with preservation of capital and liquidity and the maintenance of a stable \$1.00 per share net asset value ("NAV"). The Fund invests in U.S. Government securities and repurchase agreements collateralized by U.S. government securities.

## Investment Strategy

The U.S. Government Money Market Fund is a money market fund that seeks to achieve its investment objective by investing substantially all its investable assets in the State Street U.S. Government Money Market Portfolio of State Street Master Funds, which has the same investment objective as, and investment policies that are substantially similar to those of, the Fund. The Fund attempts to achieve its investment objective by investing, under normal circumstances, substantially all of its assets in obligations issued or guaranteed as to principal or interest by the U.S. government or its agencies or instrumentalities ("U.S. government securities") or in repurchase agreements collateralized by U.S. government securities. Although some U.S. government securities are backed by the full faith and credit of the U.S. government, others are backed only by the credit of the government agency or instrumentality issuing or guaranteeing the securities.

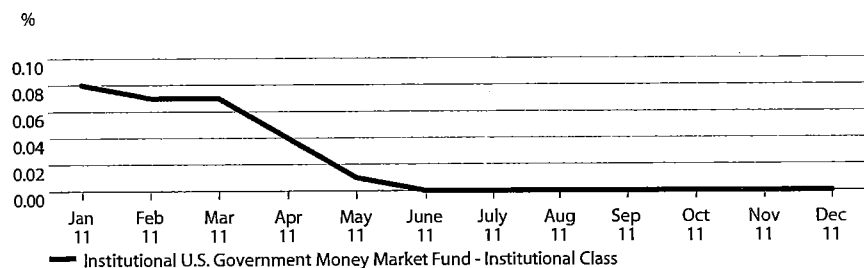
## Fund Performance

	As of	1 Month	3 Month	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Month End	12/31/2011	0.00%	0.00%	0.02%	0.02%	0.12%	N/A	0.79%
Quarter End	12/31/2011	0.00%	0.00%	0.02%	0.02%	0.12%	N/A	0.79%

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**Average Annual Total Returns reflect the reinvestment of dividends, capital gains distributions all fee waivers and expense reimbursements.**

## Monthly Yield History



## 30 Day Yield

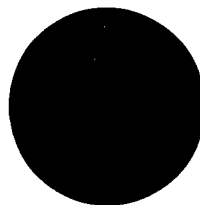
**Yield quotations more closely reflect the current earnings of money market funds than the total return quotations.**

## Maturity

	2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Weighted Average Maturity (Days)	43	34	28	33	18	28	18	34	32	31	53	35
Weighted Average Life (Days)	57	44	36	53	34	51	37	48	42	39	58	38

## Maturity as of month end

## Fund Composition (% Amortized Cost)



- Government Agency Debt - 62.9%
- Government Agency Repurchase Agreement - 24.2%
- Treasury Repurchase Agreement - 8.6%
- Treasury Debt - 4.3%

## Top Ten Holdings (% Amortized Cost)

Goldman Sachs Tri Party Repo	12.11%
UBS Warburg Tri Party Repo	12.11
Federal Home Loan Bank	4.79
Federal National Mortgage Assoc.	3.46
Federal Home Loan Mortgage Corp.	3.37
Barclays Cap Tri Party Repo	2.60
Citigroup Tri Party Repo	2.60
CSFB Tri Party Repo	2.60
Federal National Mortgage Assoc.	2.60
U.S. Treasury Bill, 0.0100%, 1/5/2012	2.16

## Maturity Ladder (% Amortized Cost)

Overnight (1 Day)	0.00%
2 - 30 Days	54.94
31 - 60 Days	24.21
61 - 90 Days	5.28
Over 90 Days	15.57

## Investment Commentary

Economic data was mixed for the month of December. New home sales, housing starts and building permits rose. Mortgage applications, existing home sales, median home prices and pending home sales declined. Housing data continued to be impacted by ongoing application delays, foreclosures, stricter lending requirements, and limited qualified buyers. Construction spending data was again slightly positive, buoyed by government projects. Retail sales data was up during the holiday season but down from the prior month. Automobile sales data was slightly down versus the prior month. December Non Farm payroll growth was positive as 200,000 jobs were gained for the month and the unemployment rate dropped to 8.5%. Private payroll employment saw an increase of 212,000 and average hourly earnings increased moderately. Both initial jobless claims and continuing unemployment claims dropped as did the four week moving average. Oil prices increased ranging from a low of \$93.75 to a high of \$101.45, ending the month at \$98.83 as demand rose. Commodity and raw material price movements were moderate. Gold's price per ounce declined from a high of \$1,746 to a low of \$1,545 during the month. The University of Michigan's consumer confidence rose slightly, more than forecast, to 69.9 from 67.7 as equity markets rose and gasoline prices declined. Core PCE, the Fed's preferred inflation measure, ended November at 1.7% within the unofficial target range of 1%-2%, year over year.

The Federal Open Market Committee met on December 13, and the Federal Funds target rate was unchanged at a range of 0 to 0.25%. Federal Reserve official statements and unofficial rhetoric continued to suggest a weak economy. In the official FOMC statement, the committee noted, "Strains in global financial markets continue to pose significant downside risks to the economic outlook."

Throughout December, government entities including the U.S. Treasury, Federal Reserve and global Central Banks continued to assist their respective countries' financial systems addressing problems or providing capital assistance as needed. Globally, politicians continued to address spending shortfalls, imposed austerity plans and increased taxes. ECB President Draghi acknowledged weak growth and financial problems and the ECB cut its refinance rate from 1.25% to 1.00%. In addition, two, three year Long-Term Repo Operations (LTRO's) were announced and initiated that allowed banks to borrow and ensured financial institutions had access to liquidity. Collateral requirements were also lessened, widening the range of acceptable collateral but the lack of high quality collateral remains an ongoing concern. ECB overnight deposits hit record highs. During the first, three year LTRO, more than 520 banks borrowed in excess of €489 billion. The Australian Central Bank cuts interest rates by twenty-five basis points. The G-20 proposed creating a lending facility to the International Monetary Fund which would aid Eurozone countries. Financial market conditions experienced severe volatility due to Eurozone and peripheral countries' sovereign debt problems which weighed on the euro as well. The Federal Reserve extended its US dollar swap lines and cut the rate at which banks can borrow to help ease global financial strain. The crisis persists within interbank lending markets as banks have been reluctant to lend to one another and credit conditions tighten. Numerous global banking institutions were downgraded by the credit rating agencies. S&P placed fifteen of seventeen Eurozone countries sovereign ratings on credit watch negative. In addition, the European Union had its AAA rating put on credit watch negative. Moody's put eight Spanish banks on review for downgrade. Fitch downgraded five European Commercial banks.

Short term funding levels rose as the three-month LIBOR rate increased approximately five basis points from .53% to .58% during the month. The fund's liquidity and counterparty risk exposure remained of uppermost importance.

Demand for short maturity Treasury and agency securities remained high during December as many investors remained focused on principal preservation and liquidity. Year-end window dressing and the uncertainty over the ongoing sovereign debt crisis in Europe continued to lend a flight-to-quality bid.

Both term and overnight repo rates for Treasury and agency collateral provided a relevant yield pick-up over owning bills and agencies outright. Increased demand for funding from banks and dealers continued to keep repo rates elevated for most of the month. As year-end approached, dealers wound down balance sheets and collateral became more difficult to source while rates approached zero.

The government-related entities Fannie Mae, Freddie Mac, and the Federal Home Loan Banks continue to issue a limited supply of short-end paper. For the month of December, discount note outstandings rose slightly but could not keep pace with the rise in demand. The continued high demand kept rates low and spreads tight to bills as well.

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**Distribution Calculations:** (Security Distribution, Quality Distribution, Maturity Distribution and Sector Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

<sup>1</sup> The Adviser has contractually agreed to cap the U.S. Government Fund's Total Annual Fund Operating Expenses (excluding taxes, interest and extraordinary expenses) attributable to the Institutional Class to the extent that expenses exceed 0.12% of Institutional Class net assets, through April 30, 2012.

\* Standards & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell. A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's. The rating is based on Standard & Poor's analysis of the fund's credit quality, market price exposure and management. The rating signifies the fund has extremely strong capacity to maintain principal value and limit exposure to principal losses due to credit, market and or liquidity risks. This is accomplished through conservative investment practices and strict internal controls. Rated money market fund portfolios are monitored on a weekly basis by Standard & Poor's. For more information, please visit [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us).

\*\* Fitch ratings are opinions based on all information known to Fitch, including publicly available information and/or non-public documents and information provided to the agency by an issuer and other parties. A fund rated 'AAAmf' reflects the fund's extremely strong capacity to achieve its investment objective of preserving capital and providing shareholder liquidity through limiting credit, market and liquidity risks. The main drivers of the rating assignment are the credit quality, diversification, maturity profile and liquidity of the fund portfolio and the capabilities and resources of its investment advisor. Publication and maintenance of all ratings are subject to there being sufficient information, consistent with the relevant criteria and methodology, to form a rating opinion. Ratings are not facts, and therefore cannot be described as being "accurate" or "inaccurate". Users should refer to the definition of each individual rating for guidance on the dimensions of risk covered by such rating. Please see <http://www.fitchratings.com> for more information.

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*Distributor: State Street Global Markets, LLC, member FINRA, SIPC. The Fund pays State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc., an affiliate of State Street Bank and Trust Company, for investment advisory services.*

**Before investing, consider the fund's investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-800-997-7327 or visit [www.stffunds.com](http://www.stffunds.com). Read it carefully.**

Expires 4/20/2012

# Institutional Tax Free Money Market Fund

Institutional Class

31 DECEMBER 2011

CASH FACT SHEET

## Fund Facts

Ticker Symbol	SSTXX
CUSIP	857492508
Net Expense Ratio	0.17%
Net Assets	87,135,456.85
Weighted Average Maturity <sup>^</sup>	6
Weighted Average Life <sup>^</sup>	6
7 Day Yield	-0.21%
7 Day Yield (Subsidized)	0.00%
Number of Holdings	67
Inception	February 7, 2007
Net Asset Value	\$1.00
Trading Deadline	12:00 PM (EST)

## Fund Objective

The State Street Institutional Tax Free Money Market Fund (the "Fund") seeks to maximize current income, exempt from federal income taxes, to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable \$1.00 per share NAV.

## Investment Strategy

The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in the State Street Tax Free Money Market Portfolio of State Street Master Funds, which has the same investment objective as, and investment policies that are substantially similar to those of the Fund. The Fund has a fundamental policy of investing at least 80% of its net assets under normal market conditions in municipal securities, the interest from which is, in the opinion of bond counsel, exempt from federal income tax, including the alternative minimum tax. These securities are issued by states, municipalities and their political subdivisions and agencies, instrumentalities and other governmental units, and certain territories and possessions of the United States. Investments may include, among other things, general obligation bonds and notes, revenue bonds and notes, private placements, tender option bonds, private activity bonds, industrial development bonds and municipal lease contracts. Securities purchased may bear fixed, variable or floating rates of interest or may be zero coupon securities. The Fund may buy or sell securities on a when-issued or forward commitment basis. The Fund may also invest in other mutual funds, subject to regulatory limitations, that invest in such obligations. The Fund may invest up to 20% of its assets in federally taxable money market instruments including securities issued by or guaranteed by the US government or its agencies or instrumentalities, privately issued money market instruments, certificates of deposit, commercial paper and repurchase agreements.

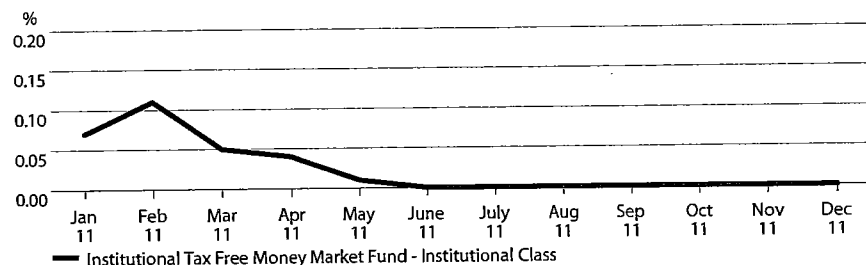
## Fund Performance

	As of	1 Month	3 Month	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Month End	12/31/2011	0.00%	0.00%	0.02%	0.02%	0.18%	N/A	1.22%
Quarter End	12/31/2011	0.00%	0.00%	0.02%	0.02%	0.18%	N/A	1.22%

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**Average Annual Total Returns reflect the reinvestment of dividends, capital gains distributions all fee waivers and expense reimbursements.**

## Monthly Yield History



## 30 Day Yield

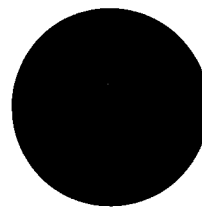
**Yield quotations more closely reflect the current earnings of money market funds than the total return quotations.**

## Maturity

	2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Weighted Average Maturity (Days)	6	6	6	6	5	6	3	5	6	6	6	6
Weighted Average Life (Days)	6	6	6	6	5	6	3	5	6	6	6	6

## Maturity as of month end

## Fund Composition (% Amortized Cost)



- Variable Rate Demand Note - 83.4%
- Investment Company - 16.6%

## Top Ten Holdings (% Amortized Cost)

Dreyfus Tax Exempt Cash Mgt Fund	16.64%
Kansas State Department of Transportation	4.23
City of Rochester, MN	3.70
Metropolitan Water District of S California	3.22
County of Mecklenburg, NC	2.72
Connecticut State Health & Educational	2.42
MA Bay Transportation Authority	2.42
Tulalip Tribes of the Tulalip Reservation	2.42
San Diego Housing Authority	2.39
University of Delaware	2.34

## Maturity Ladder (% Amortized Cost)

Overnight (1 Day)	0.00%
2 - 30 Days	100.00
31 - 60 Days	0.00
61 - 90 Days	0.00
Over 90 Days	0.00

Please note that full details of underlying fund holdings can now be found on [www.sttfunds.com](http://www.sttfunds.com)

## Investment Commentary

Economic data was mixed for the month of December. New home sales, housing starts and building permits rose. Mortgage applications, existing home sales, median home prices and pending home sales declined. Housing data continued to be impacted by ongoing application delays, foreclosures, stricter lending requirements, and limited qualified buyers. Construction spending data was again slightly positive, buoyed by government projects. Retail sales data was up during the holiday season but down from the prior month. Automobile sales data was slightly down versus the prior month. December Non Farm payroll growth was positive as 200,000 jobs were gained for the month and the unemployment rate dropped to 8.5%. Private payroll employment saw an increase of 212,000 and average hourly earnings increased moderately. Both initial jobless claims and continuing unemployment claims dropped as did the four week moving average. Oil prices increased ranging from a low of \$93.75 to a high of \$101.45, ending the month at \$98.83 as demand rose. Commodity and raw material price movements were moderate. Gold's price per ounce declined from a high of \$1,746 to a low of \$1,545 during the month. The University of Michigan's consumer confidence rose slightly, more than forecast, to 69.9 from 67.7 as equity markets rose and gasoline prices declined. Core PCE, the Fed's preferred inflation measure, ended November at 1.7% within the unofficial target range of 1%-2%, year over year.

The Federal Open Market Committee met on December 13, and the Federal Funds target rate was unchanged at a range of 0 to 0.25%. Federal Reserve official statements and unofficial rhetoric continued to suggest a weak economy. In the official FOMC statement, the committee noted, "Strains in global financial markets continue to pose significant downside risks to the economic outlook."

Throughout December, government entities including the U.S. Treasury, Federal Reserve and global Central Banks continued to assist their respective countries' financial systems addressing problems or providing capital assistance as needed. Globally, politicians continued to address spending shortfalls, imposed austerity plans and increased taxes. ECB President Draghi acknowledged weak growth and financial problems and the ECB cut its refinancing rate from 1.25% to 1.00%. In addition, two, three year Long-Term Repo Operations (LTRO's) were announced and initiated that allowed banks to borrow and ensured financial institutions had access to liquidity. Collateral requirements were also lessened, widening the range of acceptable collateral but the lack of high quality collateral remains an ongoing concern. ECB overnight deposits hit record highs. During the first, three year LTRO, more than 520 banks borrowed in excess of €489 billion. The Australian Central Bank cuts interest rates by twenty-five basis points. The G-20 proposed creating a lending facility to the International Monetary Fund which would aid Eurozone countries. Financial market conditions experienced severe volatility due to Eurozone and peripheral countries' sovereign debt problems which weighed on the euro as well. The Federal Reserve extended its US dollar swap lines and cut the rate at which banks can borrow to help ease global financial strain. The crisis persists within interbank lending markets as banks have been reluctant to lend to one another and credit conditions tighten. Numerous global banking institutions were downgraded by the credit rating agencies. S&P placed fifteen of seventeen Eurozone countries sovereign ratings on credit watch negative. In addition, the European Union had its AAA rating put on credit watch negative. Moody's put eight Spanish banks on review for downgrade. Fitch downgraded five European Commercial banks.

Short term funding levels rose as the three-month LIBOR rate increased approximately five basis points from .53% to .58% during the month. The fund's liquidity and counterparty risk exposure remained of uppermost importance.

The SIFMA index, upon which Variable Rate Demand Obligation (VRDO) issuance is reset, fell from .12% to .10%. The high rate was .12%, while the low rate was .10%, and the average for the month was .11%. Municipal VRDO yields rallied during the month as year end flight to quality demands exceeded available supply. Demand for U.S.-based LOC providers remained extremely high as cross-over taxable funds sought alternatives to European bank liquidity providers and unsecured debt. State revenues continued to increase across the nation, with some states able to build excess reserves, while others continued to close budget gaps. Local governments continued to remain under stress due to ongoing pressures from a weak housing market, lower levels of state aid and slow economic growth.

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## About SSgA

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**Distribution Calculations:** (Security Distribution, Quality Distribution, Maturity Distribution and Sector Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

**An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or another governmental agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.**

**Distributor:** State Street Global Markets, LLC, member FINRA, SIPC. The Fund pays State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and pays SSgA Funds Management, Inc., an affiliate of State Street Bank and Trust Company, for investment advisory services.

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## Institutional Treasury Money Market Fund

Institutional Class

31 DECEMBER 2011

CASH FACT SHEET

## Fund Facts

Ticker Symbol	TRIXX
CUSIP	857492888
Net Expense Ratio	0.13%
Net Assets	9,426,276,779.49
Weighted Average Maturity <sup>^</sup>	32
Weighted Average Life <sup>^</sup>	32
7 Day Yield	-0.22%
7 Day Yield (Subsidized) <sup>1</sup>	0.00%
Number of Holdings	39
Inception	October 25, 2007
Net Asset Value	\$1.00
S&P Fund Rating*	AAAm-G
Fitch Fund Rating**	AAAmf
Trading Deadline	2:30 PM (EST)

## Fund Objective

The Treasury Money Market Fund (the "Fund") seeks a high level of current income consistent with preserving principal and liquidity and the maintenance of a stable \$1.00 per share net asset value ("NAV").

## Investment Strategy

The Treasury Money Market Fund is a money market fund that seeks to achieve its investment objective by investing substantially all of its investable assets in the State Street Treasury Money Market Portfolio of State Street Master Funds, which has the same investment objective as, and investment policies that are substantially similar to those of, the Fund. The Fund attempts to meet its investment objective by investing exclusively in direct obligations of the U.S. Treasury that have maturities of 397 calendar days or less. These direct obligations of the U.S. Treasury include U.S. Treasury bonds, bills and notes.

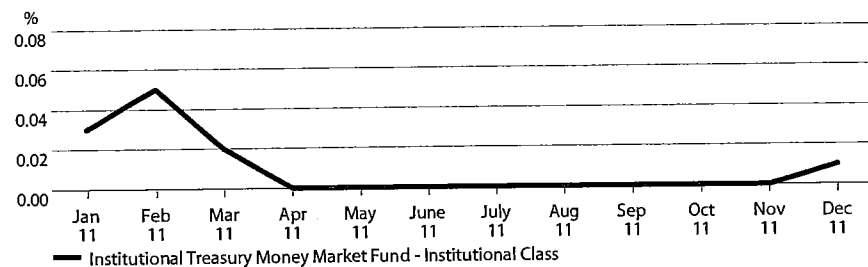
## Fund Performance

	As of	1 Month	3 Month	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Month End	12/31/2011	0.00%	0.00%	0.01%	0.01%	0.02%	N/A	0.45%
Quarter End	12/31/2011	0.00%	0.00%	0.01%	0.01%	0.02%	N/A	0.45%

**Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit sttfunds.com for most recent month-end performance.**

**Average Annual Total Returns reflect the reinvestment of dividends, capital gains distributions all fee waivers and expense reimbursements.**

## Monthly Yield History



## 30 Day Yield

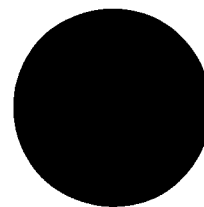
**Yield quotations more closely reflect the current earnings of money market funds than the total return quotations.**

## Maturity

	2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Weighted Average Maturity (Days)	49	44	31	21	20	18	10	20	26	37	45	32
Weighted Average Life (Days)	49	44	31	21	20	18	10	20	26	37	45	32

## Maturity as of month end

## Fund Composition (% Amortized Cost)



■ Treasury Debt - 100.0%

## Top Ten Holdings (% Amortized Cost)

U.S. Treasury Bill, 0.0000%, 1/19/2012	10.96%
U.S. Treasury Bill, 0.0000%, 1/12/2012	9.94
U.S. Treasury Bill, 0.0000%, 1/5/2012	8.47
U.S. Treasury Bill, 0.0100%, 2/9/2012	5.87
U.S. Treasury Bill, 0.0125%, 2/16/2012	5.03
U.S. Treasury Bill, 0.0200%, 2/2/2012	4.20
U.S. Treasury Bill, 0.0300%, 3/1/2012	4.19
U.S. Treasury Bill, 0.0100%, 1/5/2012	3.99
U.S. Treasury Bill, 0.0300%, 1/19/2012	3.36
U.S. Treasury Bill, 0.0100%, 3/15/2012	3.26

## Maturity Ladder (% Amortized Cost)

Overnight (1 Day)	0.00%
2 - 30 Days	51.81
31 - 60 Days	33.91
61 - 90 Days	14.28
Over 90 Days	0.00

Please note that full details of underlying fund holdings can now be found on [www.sttfunds.com](http://www.sttfunds.com)

## Investment Commentary

Economic data was mixed for the month of December. New home sales, housing starts and building permits rose. Mortgage applications, existing home sales, median home prices and pending home sales declined. Housing data continued to be impacted by ongoing application delays, foreclosures, stricter lending requirements, and limited qualified buyers. Construction spending data was again slightly positive, buoyed by government projects. Retail sales data was up during the holiday season but down from the prior month. Automobile sales data was slightly down versus the prior month. December Non Farm payroll growth was positive as 200,000 jobs were gained for the month and the unemployment rate dropped to 8.5%. Private payroll employment saw an increase of 212,000 and average hourly earnings increased moderately. Both initial jobless claims and continuing unemployment claims dropped as did the four week moving average. Oil prices increased ranging from a low of \$93.75 to a high of \$101.45, ending the month at \$98.83 as demand rose. Commodity and raw material price movements were moderate. Gold's price per ounce declined from a high of \$1,746 to a low of \$1,545 during the month. The University of Michigan's consumer confidence rose slightly, more than forecast, to 69.9 from 67.7 as equity markets rose and gasoline prices declined. Core PCE, the Fed's preferred inflation measure, ended November at 1.7% within the unofficial target range of 1%-2%, year over year.

The Federal Open Market Committee met on December 13, and the Federal Funds target rate was unchanged at a range of 0 to 0.25%. Federal Reserve official statements and unofficial rhetoric continued to suggest a weak economy. In the official FOMC statement, the committee noted, "Strains in global financial markets continue to pose significant downside risks to the economic outlook."

Throughout December, government entities including the U.S. Treasury, Federal Reserve and global Central Banks continued to assist their respective countries' financial systems addressing problems or providing capital assistance as needed. Globally, politicians continued to address spending shortfalls, imposed austerity plans and increased taxes. ECB President Draghi acknowledged weak growth and financial problems and the ECB cut its refinancing rate from 1.25% to 1.00%. In addition, two, three year Long-Term Repo Operations (LTRO's) were announced and initiated that allowed banks to borrow and ensured financial institutions had access to liquidity. Collateral requirements were also lessened, widening the range of acceptable collateral but the lack of high quality collateral remains an ongoing concern. ECB overnight deposits hit record highs. During the first, three year LTRO, more than 520 banks borrowed in excess of €489 billion. The Australian Central Bank cuts interest rates by twenty-five basis points. The G-20 proposed creating a lending facility to the International Monetary Fund which would aid Eurozone countries. Financial market conditions experienced severe volatility due to Eurozone and peripheral countries' sovereign debt problems which weighed on the euro as well. The Federal Reserve extended its US dollar swap lines and cut the rate at which banks can borrow to help ease global financial strain. The crisis persists within interbank lending markets as banks have been reluctant to lend to one another and credit conditions tighten. Numerous global banking institutions were downgraded by the credit rating agencies. S&P placed fifteen of seventeen Eurozone countries sovereign ratings on credit watch negative. In addition, the European Union had its AAA rating put on credit watch negative. Moody's put eight Spanish banks on review for downgrade. Fitch downgraded five European Commercial banks.

Short term funding levels rose as the three-month LIBOR rate increased approximately five basis points from .53% to .58% during the month. The fund's liquidity and counterparty risk exposure remained of uppermost importance.

Demand for short maturity Treasury securities remained high during December as investors remained focused on principal preservation and liquidity. Year-end window dressing and the uncertainty over the ongoing sovereign debt crisis in Europe continued to lend a flight-to-quality bid to Treasury bills. The only consistent supply of bills throughout the month was in the auctions, which consistently saw record demand. All four-week bill auctions during the month of December stopped at a rate of 0.00% and quickly traded at negative rates post-auction. At times, investors had to look out to five month maturities to find positive yields. The demand imbalance should wane as window dressing trades are unwound early in 2012.

Both term and overnight repo rates for Treasury collateral provided a relevant yield pick-up over owning bills outright. Increased demand for funding from banks and dealers continued to keep repo rates elevated for most of the month. As year-end approached, dealers wound down balance sheets and collateral became more difficult to source while rates approached zero.

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**Distribution Calculations:** (Security Distribution, Quality Distribution, Maturity Distribution and Sector Distribution) are measured on a trade date basis and exclude uninvested cash from the market value used to compute the percentage calculations.

<sup>1</sup> The Subsidized yield reflects the yield calculation with expense limitation currently in effect. Without the limitation returns would have been lower.

\* Standards & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell. A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's. The rating is based on Standard & Poor's analysis of the fund's credit quality, market price exposure and management. The rating signifies the fund has extremely strong capacity to maintain principal value and limit exposure to principal losses due to credit, market and or liquidity risks. This is accomplished through conservative investment practices and strict internal controls. Rated money market fund portfolios are monitored on a weekly basis by Standard & Poor's. For more information, please visit [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us).

\*\* Fitch ratings are opinions based on all information known to Fitch, including publicly available information and/or non-public documents and information provided to the agency by an issuer and other parties. A fund rated 'AAAmf' reflects the fund's extremely strong capacity to achieve its investment objective of preserving capital and providing shareholder liquidity through limiting credit, market and liquidity risks. The main drivers of the rating assignment are the credit quality, diversification, maturity profile and liquidity of the fund portfolio and the capabilities and resources of its investment advisor. Publication and maintenance of all ratings are subject to there being sufficient information, consistent with the relevant criteria and methodology, to form a rating opinion. Ratings are not facts, and therefore cannot be described as being "accurate" or "inaccurate". Users should refer to the definition of each individual rating for guidance on the dimensions of risk covered by such rating. Please see <http://www.fitchratings.com> for more information.

Information is for the State Street Treasury Money Market Portfolio. Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.

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Expires 4/20/2012

# Institutional Treasury Plus Money Market Fund

Institutional Class

31 DECEMBER 2011

CASH FACT SHEET

## Fund Facts

Ticker Symbol	TPIXX
CUSIP	857492862
Net Expense Ratio <sup>1</sup>	0.12%
Net Assets	1,220,158,920.27
Weighted Average Maturity <sup>^</sup>	24
Weighted Average Life <sup>^</sup>	24
7 Day Yield	-0.24%
7 Day Yield (Subsidized)	0.00%
Number of Holdings	26
Inception	October 24, 2007
Net Asset Value	\$1.00
S&P Fund Rating*	AAAm
Fitch Fund Rating**	AAAmmf
Trading Deadline	5:00 PM (EST)

## Fund Objective

The Treasury Plus Money Market Fund (the "Fund") seeks a high level of current income consistent with preserving principal and liquidity and the maintenance of a stable \$1.00 per share net asset value ("NAV"). The Fund invests in a portfolio consisting principally of U.S. Treasury securities and repurchase agreements collateralized by such securities.

## Investment Strategy

The Treasury Plus Money Market Fund is a money market fund that seeks to achieve its investment objective by investing substantially all of its investable assets in the State Street Treasury Plus Money Market Portfolio of State Street Master Funds, which has the same investment objective as, and investment policies that are substantially similar to those of, the Fund. The Fund attempts to meet its investment objective by investing, under normal circumstances, at least 80% of its net assets in direct obligations of the U.S. Treasury (U.S. Treasury bills, notes and bonds) and repurchase agreements collateralized by these obligations.

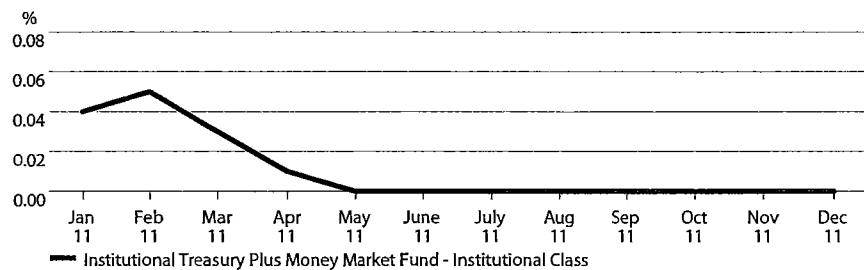
## Fund Performance

	As of	1 Month	3 Month	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Month End	12/31/2011	0.00%	0.00%	0.01%	0.01%	0.04%	N/A	0.57%
Quarter End	12/31/2011	0.00%	0.00%	0.01%	0.01%	0.04%	N/A	0.57%

**Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit sttfunds.com for most recent month-end performance.**

**Average Annual Total Returns reflect the reinvestment of dividends, capital gains distributions all fee waivers and expense reimbursements.**

## Monthly Yield History



## 30 Day Yield

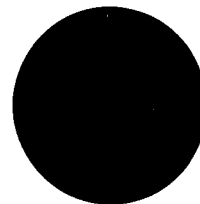
**Yield quotations more closely reflect the current earnings of money market funds than the total return quotations.**

## Maturity

	2011											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Weighted Average Maturity (Days)	58	36	19	10	9	6	4	7	12	21	31	24
Weighted Average Life (Days)	58	36	19	10	9	6	4	7	12	21	31	24

## Maturity as of month end

## Fund Composition (% Amortized Cost)



- Treasury Debt - 67.6%
- Treasury Repurchase Agreement - 32.4%

## Top Ten Holdings (% Amortized Cost)

Deutsche Tri Party Repo	12.86%
UBS Warburg Tri Party Repo	12.86
U.S. Treasury Bill, 0.0300%, 3/1/2012	7.35
U.S. Treasury Bill, 0.0250%, 1/26/2012	5.66
U.S. Treasury Bill, 0.0300%, 1/5/2012	5.51
U.S. Treasury Bill, 0.0300%, 1/19/2012	5.51
U.S. Treasury Bill, 0.0125%, 2/16/2012	5.51
U.S. Treasury Bill, 0.0200%, 2/2/2012	5.51
U.S. Treasury Bill, 0.0000%, 1/5/2012	3.67
U.S. Treasury Bill, 0.0000%, 1/19/2012	3.67

## Maturity Ladder (% Amortized Cost)

Overnight (1 Day)	0.00%
2 - 30 Days	68.04
31 - 60 Days	18.37
61 - 90 Days	13.59
Over 90 Days	0.00

Please note that full details of underlying fund holdings can now be found on [www.sttfunds.com](http://www.sttfunds.com)

## Investment Commentary

Economic data was mixed for the month of December. New home sales, housing starts and building permits rose. Mortgage applications, existing home sales, median home prices and pending home sales declined. Housing data continued to be impacted by ongoing application delays, foreclosures, stricter lending requirements, and limited qualified buyers. Construction spending data was again slightly positive, buoyed by government projects. Retail sales data was up during the holiday season but down from the prior month. Automobile sales data was slightly down versus the prior month. December Non Farm payroll growth was positive as 200,000 jobs were gained for the month and the unemployment rate dropped to 8.5%. Private payroll employment saw an increase of 212,000 and average hourly earnings increased moderately. Both initial jobless claims and continuing unemployment claims dropped as did the four week moving average. Oil prices increased ranging from a low of \$93.75 to a high of \$101.45, ending the month at \$98.83 as demand rose. Commodity and raw material price movements were moderate. Gold's price per ounce declined from a high of \$1,746 to a low of \$1,545 during the month. The University of Michigan's consumer confidence rose slightly, more than forecast, to 69.9 from 67.7 as equity markets rose and gasoline prices declined. Core PCE, the Fed's preferred inflation measure, ended November at 1.7% within the unofficial target range of 1%-2%, year over year.

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<sup>1</sup> The Adviser has contractually agreed to cap the Treasury Plus Fund's Total Annual Fund Operating Expenses (excluding taxes, interest and extraordinary expenses) attributable to the Institutional Class to the extent that expenses exceed 0.12% of Institutional Class net assets, through April 30, 2012.

\* Standards & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell. A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's. The rating is based on Standard & Poor's analysis of the fund's credit quality, market price exposure and management. The rating signifies the fund has extremely strong capacity to maintain principal value and limit exposure to principal losses due to credit, market and or liquidity risks. This is accomplished through conservative investment practices and strict internal controls. Rated money market fund portfolios are monitored on a weekly basis by Standard & Poor's. For more information, please visit [www.standardandpoors.com/home/en/us](http://www.standardandpoors.com/home/en/us).

\*\* Fitch ratings are opinions based on all information known to Fitch, including publicly available information and/or non-public documents and information provided to the agency by an issuer and other parties. A fund rated 'AAAmf' reflects the fund's extremely strong capacity to achieve its investment objective of preserving capital and providing shareholder liquidity through limiting credit, market and liquidity risks. The main drivers of the rating assignment are the credit quality, diversification, maturity profile and liquidity of the fund portfolio and the capabilities and resources of its investment advisor. Publication and maintenance of all ratings are subject to there being sufficient information, consistent with the relevant criteria and methodology, to form a rating opinion. Ratings are not facts, and therefore cannot be described as being "accurate" or "inaccurate". Users should refer to the definition of each individual rating for guidance on the dimensions of risk covered by such rating. Please see <http://www.fitchratings.com> for more information.

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<b>Conversion - Client ABC</b>	
<b>Conversion Date: 1/3/12</b>	
<b>Prior Custodian: JPMC</b>	
<b>NAV - \$13,500,000,000</b>	
<b>Number of Funds: 20</b>	
<b>Number of Securities: 1,635 Holdings</b>	
	<b>PROBLEM RESOLUTION</b>
<b>Cash</b>	
Accounting ending cash balance did not match custody ending balance.	JPMC sent revised accounting report to match custody.
Margin variation payable on 1/4 settled at JPMC instead of State Street.	State Street wired back cash to JPMC.
<b>Security - Custody</b>	
Custody shares were delivered to State Street timely with no issues.	
<b>Accounting</b>	
For daily pricing funds, JPMC failed to deliver the final reports on the last business day by 8:00 PM EST as agreed upon. Number of staff stayed late with the goal of completing the reconciliation on that day. Some reports were received after 10:00 PM EST and all reports were received the next day (12/31/11 - Saturday).	The team worked on Saturday to complete the final accounting reconciliation and ensured that JPMC's ending NAV balances as of 12/31/11 matched State Street's 1/3/12 beginning balances.
Report for 1 fund was received late due to revision.	Escalated to JPMC management and client.
For the monthly funds, final month end reports were received in PDF format. JPMC did not provide the reports in excel format as agreed upon prior to conversion date. This resulted to a delay in completing our final accounting reconciliation. We utilize macros to perform our reconciliation hence the need of files in excel format.	Sent numerous requests to JPMC and also escalated to the Client. While waiting for the excel files, we started our reconciliation based on the PDF files. The final accounting recon was completed with no further issues.

