

RFP – Q&A
February 4, 2019

Please see below the responses to the questions received in reference to the Custodian RFP.

1. Accounts and Market Value – see attached Excel spreadsheet.
2. Are there any global securities (non-US dollar dominated holdings); if so, please provide a breakdown by country of the market value and trading estimates?
 - a. See attached Excel spreadsheet.
3. The anticipated target date for conversion, if necessary, is October 1, 2019.
4. The plans utilize the City of San Jose’s Finance Department for benefits payment, hence it is not a required service.
5. Please provide the fee proposal for each plan separately.
6. Do the plans currently participate in a lending program and is it in scope for this opportunity?
 - a. The Boards have elected to no participate in Securities Lending program and it is not in the scope of this RFP.
7. Do you require daily or monthly audited accounting records?
 - a. We require monthly audited accounting records.
8. What is your estimated average quarterly cash balance held in your current custodians sweep vehicle?
 - a. The plans’ last quarterly average cash balance was \$200 million.
9. Do you need segregated collateral accounts for derivative investments?
 - a. No
10. We will require the following services for Performance Measurement:
 - a. Custom Benchmark Performance: 24
 - b. Monthly Attribution
 - c. Portfolio and Security Analytics
 - d. Universe Comparison (Peer and Manager Universes)
 - e. Compliance Monitoring
11. We require the following service levels for Alternative Investments:
 - a. Basic line item reporting
 - b. Reporting & monitoring

- c. Shadow accounting
- d. Capital call management
- e. Document management
- f. Certain services may be added in the future
- g. Commitment level, in USD, of the plans' Alternative Investments:
 - i. Currently only the Federated and Police and Fire pension funds invest in Alternative Investments.

Investments Measured at NAV as of June 30, 2017 (In Thousands)	Fair Value	Unfunded Commitments
Private Equity	358,013	468,508
Private Debt	238,639	229,708
Real Assets	759,141	197,342
Absolute Return	471,374	-
Total Investments Measured at NAV	\$ 1,827,167	\$ 895,558