

ILLINOIS STATE BOARD OF INVESTMENT
Request for Competitive Proposal: Defined Contribution Master/Trust Custody

I. OVERVIEW

The Illinois State Board of Investment (“ISBI”) hereby issues a request for competitive proposals (“RFP”) from qualified custodial banks (“Respondents”) that provide comprehensive domestic and international custodial and fund accounting services (acting in the capacity of a plan fiduciary), including, but not be limited to, the following services: securities safekeeping, settlement, valuation; performance measurement; foreign exchange; collection of income and providing a management/accounting and information retrieval system, among others. The fund accounting services should include daily NAV valuation (including both share and unitization methods), daily transmission of NAV valuations to the current recordkeeper, ability to accept daily trade ticket data from the recordkeeper, and dedicated resources to communicate to the recordkeeper on an on-going basis on behalf of the State of Illinois Deferred Compensation Plan’s (the “Plan”) separate accounts.

All forms needed for submitting a response to this RFP are available on ISBI’s website at <http://www.illinois.gov/isbi/Pages?RFP.aspx>. **Respondents to this RFP are responsible for monitoring ISBI’s website for information pertaining to the RFP, while the RFP is outstanding.**

ISBI is a non-appropriated state agency that is responsible for overseeing the Plan. The Plan is a defined contribution plan that is a non ERISA, governmental plan under Section 457 of the Internal Revenue Code of 1986. More information regarding ISBI and the Plan can be found by reviewing its enabling statute at 40 ILCS 5/22A, 40 ILCS 5/24 and its website at: <http://www.isbi.illinois.gov>. The Plan has a total market value of approximately \$3.9 billion as of March 31, 2016.

Currently, the Plan utilizes the services of three investment organizations to manage separate accounts on ISBI’s behalf, as detailed below:

Investment Style	Account Type	Market Value as of March 31, 2016
Mid-Cap Value Equity, Active	Separate Account	\$133.0 million
Large-Cap Value Equity, Active	Separate Account	\$60.1 million
Stable Value	Separate Account	\$535.4 million

II. RFP TIMELINE

- A. Date of Issue: June 27, 2016
- B. Deadline to Submit Written Questions: July 6, 2016, Noon CDT
- C. Q & A Document Posted: July 15, 2016
- D. Final Filing Date: July 27, 2016, 3:00 PM CDT
- E. Potential Interviews: August 2016
- F. Finalist Notified By: September 15, 2016

III. ISBI RFP PROCEDURES

ISBI will provide notice of this RFP in the State of Illinois newspaper and in one or more industry periodicals at least 14 days before the response to the RFP is due. Neither this RFP nor any response to this RFP should be construed as a legal offer.

All interested Respondents must submit their responses in accordance with the proposal submission instructions below. ISBI reserves the right to reject any or all proposals submitted. All material submitted in response to the RFP will become the property of ISBI. ISBI is not responsible for any costs incurred by the Respondents in responding to this RFP.

Staff, in conjunction with the Plan's investment consultant, Meketa Investment Group, ("Investment Consultant"), shall open the responses and thoroughly review each for content, quality and compliance with the RFP's requirements. Staff will compile a list of all Respondents to the RFP, identifying which responses are complete and incomplete.

If it becomes necessary to revise any part of the RFP, or if additional information is necessary for a clarification of provisions within this RFP, prior to the due date for proposals, a supplement will be provided to all known Respondents and posted on ISBI's website. If a supplement is necessary, ISBI may extend the due date and time of the proposals to accommodate any additional information requirements.

Respondents are advised that proposal materials are subject to the Illinois Freedom of Information Act (5 ILCS 140). After completion of the RFP, selection by the Board of Trustees of ISBI (the "Board") and successful negotiation of a contract, if any, proposals submitted may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Illinois Freedom of Information Act for information within the Respondents' proposals must identify relevant language as confidential, and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. The Respondent must also specify which statutory exemption applies for each piece of confidential information. The Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>).

ISBI reserves the right to make determinations of confidentiality. If ISBI disagrees with a Respondent's confidential designation, it may either reject the proposal or discuss its interpretation of the exemptions with the Respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, ISBI will remove the proposal from consideration.

Following review and evaluation of complete responses from interested Respondents, the field of candidates will be narrowed to a smaller list of the most highly qualified Respondents. ISBI's Staff and the Investment Consultant may meet with representatives of each Respondent to obtain an independent assessment of the Respondent's capabilities. Following any interviews with the selected Respondents, ISBI's Staff and the Investment Consultant will prepare Respondent recommendations for approval by the Board. The finalists may appear before the Board to present their firms' qualifications. The Board shall accept or modify the recommendation and make the final selection, if satisfied with the Respondents' capabilities.

ISBI shall conduct the RFP process in accordance with applicable provisions of the Illinois Pension Code, the State Officials and Employees Ethics Act and any other relevant authority under the Illinois Compiled Statutes. All ex parte communications between the ISBI and its Staff and interested parties, including Respondents, or non-interested parties shall be recorded or disclosed, in accordance with the State Officials and Employees Ethics Act. Board Members and Staff shall comply with all Illinois gift ban restrictions.

No Respondent shall retain a person or entity to influence (i) the outcome of an investment decision or (ii) the procurement of investment advice or services of ISBI for compensation, contingent in whole or in part upon the decision or procurement.

ISBI shall post the name of the successful Respondent, if any, on ISBI's website, along with a disclosure including the total amount applicable to the contract, the total fees paid or to be paid and a description of the factors that contributed to the selection of the Adviser. Any contract negotiated will not exceed five years in duration. Options to renew or extend the contract will not be included.

IV. PROPOSAL SUBMISSION

The Investment Consultant shall oversee the RFP process. If Respondent is interested in submitting a proposal, Respondent must submit an electronic copy of the complete proposal by 3:00 PM, CDT, Wednesday, July 27, 2016 to:

SEARCH CONTACTS: Illinois State Board of Investment
Johara.Farhadieh@illinois.gov
ISBI.backstop@illinois.gov; AND
CustodyRFPresponse@meketagroup.com

Questions concerning the RFP must be submitted in writing via e-mail to the Search Contacts by NOON, CDT, July 6, 2016. Responses to properly submitted questions will be consolidated into a single Q & A document and posted on ISBI's website on or about July 15, 2016. The Q & A document will not identify the source of the query.

PLEASE NOTE: Respondents WILL NOT receive individualized responses from the Search Contacts, in response to questions submitted by a Respondent. Respondents must review the Q & A document posted on ISBI's website to receive answers to all questions submitted.

If Staff and/or the Investment Consultant has/have a question(s) regarding how to interpret a Respondent's proposal, Staff and/or the Investment Consultant is/are authorized to request additional information from that Respondent.

ANY PROPOSAL RECEIVED AFTER THE JULY 27, 2016 DUE DATE AND TIME WILL NOT BE CONSIDERED.

PROPOSALS MUST CONTAIN THE FOLLOWING DOCUMENTS:

- A. Transmittal Letter. A transmittal letter must be submitted on the Respondent's official business letterhead. The letter must identify all documents provided collectively as a response to the RFP, and must be signed by an individual

authorized to bind the Respondent contractually. An unsigned proposal shall be rejected. The letter must also contain the following:

- Statement that the proposal is being made without fraud or collusion; that the Respondent has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity relating to the RFP, the Respondent's proposal or the Board's resulting selection.
- Statement that discloses any current business relationship or any current negotiations for prospective business with the Board or any Board Members or ISBI Staff.

B. Minimum Qualification Certification. The Respondent must complete the certification and provide all supporting documentation.

C. Questionnaire. The Respondent must address the questionnaire items in the RFP in the order in which they appear in the RFP. Further, each question number and question in the RFP shall be repeated in its entirety before stating the answer. Please note that certain questions require supporting documentation. This additional documentation should be submitted as attachments to the questionnaire.

D. Excel Files. The Respondent must provide portfolio attribution information, a current sample portfolio, and quarterly portfolio holdings as separate Excel files.

E. Vendor Disclosure Attachment(s).

V. ***SCOPE OF SERVICES***

The general custody services required by ISBI are discussed below. The Custodian will be responsible for those assets which it receives from the Board, the Board's investment advisers or the Board's direct investments.

The general custodial responsibilities required will include, but not be limited to, the collection of income, disbursements of funds and monthly reporting of all transactions in compliance with generally accepted accounting principles and applicable Federal and Illinois laws and regulations.

The Respondent must be able to provide all of the services listed below unless otherwise indicated:

A. **Accounting**

1. Must provide trade date multi-currency (local and US dollars) accounting for all securities and full accrual accounting for all assets.
2. Must provide accounting for the following:
 - Dividends and interest, corporate actions (including mergers, acquisitions, tenders, stock splits and dividends, warrants and spin-offs)
 - Domestic and international fixed income and equity portfolios
 - Equity real estate and REIT portfolios
 - Futures and multi-currency derivatives
3. Must provide payable date posting for dividends, bond interest and principal, and interest and pay down on mortgage pass-through certificates.

4. Accounting must be on a fiscal year basis (July 1 - June 30).
5. Must provide a secondary pricing source for comparison to the primary source for pricing securities.
6. Investments must be reported at cost and market value.
7. The Respondent must confirm that all information concerning holdings and transactions will be available for inquiry, download or print capabilities. Please confirm: _____
8. A comprehensive pricing protocol and system must be in place to independently ensure the accuracy of the prices received from various external sources on a daily basis. This system will employ procedures to verify the primary price to a secondary pricing source, compare prior day prices to current day prices, and investigate changes outside established tolerances as well as changes from prior month that appear unreasonable in relation to current market trends. Pricing sources must be provided upon request.
9. In all markets, the Custodian must use multiple and/or reliable sources/vendors for corporate action information collection and notification. A detailed reporting of client entitlements and deadlines must be provided within a 24-hour period.
10. Must interact with the CMS's s auditors in furtherance of the audit process and supply information specific to the audit process in a downloadable format, as requested by the auditors.
11. Must implement in concert with the Board any new accounting standards that impact the Board's financial reporting process, including providing information required by new accounting standards related to the Board's assets.

B. Securities Settlement

1. Must be a participating member and have access to securities settlement through DTC, Federal Reserve wire system, PTC and at other depositories (both domestic and international).
2. Must have the ability to settle physically held securities.
3. Must have the ability to execute foreign exchange transactions.
4. Must provide buy-fail float and contractual settlement date posting of sales.
5. Trade data must be electronically accessible by ISBI, its investment advisers and consultants.

C. Cash and Foreign Exchange Management

1. Must provide a Short Term Investment Fund (STIF) for daily cash sweeps.
2. Must provide for same day settlement of cash trades, such as physical, DTC, and Fed wireable repo and term purchases.
3. Must transfer cash between accounts, make and accept wire transfers of funds (including provision of Fed reference numbers upon request) and accept fund contributions via ACH.
4. Must provide overnight investment management services for funds received after daily sweep deadline. Any fees or costs associated with these services must be disclosed.
5. Foreign exchange transactions must be executed and converted in an automated fashion either by the Custodian or by other third party providers with full transparency of execution costs with methods disclosed (*i.e.*, Greenwich Mean Time) and time stamped execution records maintained.

6. Client-directed fund transfers (in U.S. \$ and foreign currencies) must be provided. Any fees or costs associated with these services must be disclosed.

D. Corporate Actions, Class Actions, and Proxy Processing

1. Must provide in a timely manner all annual reports, proxy voting cards, and proxy statements to ISBI's proxy voting agent.
2. Must ensure that powers of attorney and other special global proxy voting requirements are current or met, in cooperation with the Board's proxy voting agent, to allow for timely voting of global proxies.
3. Must provide timely notification to ISBI's investment advisers of corporate actions regarding conversion privileges, issuance of rights, mergers, tender offers, reorganizations and other actions requiring decisions by ISBI's investment advisers.
4. Must provide timely notification of class action litigation and provision of the necessary securities information to ISBI.
5. Must file claims for securities class action awards in a timely manner and carefully monitor collection of the amounts to which the Board is entitled.

E. Technology and Systems Support

1. Must provide a PC or workstation-based system with access to management information and accounting systems with the capability of providing the following information:
 - Current and historical prices, market values, and exchange rates in effect at times of pricing international securities
 - Composite portfolios
 - Current and historical transactions by security, by account, and by asset class
 - On-line access to current and historical holdings in any aggregate
 - Customized reports as required
 - Ad hoc query and reporting
2. Must provide ISBI Staff with the ability to review all externally managed portfolios.
3. Must safeguard records against potential loss or destruction by fire, theft, vandalism, storm, earthquake, or any other hazard, by retaining backup data in a secure off-site location so that records (current at least to the prior month-end and the end of the preceding day) can be recreated within a 24-hour period.
4. Must have an established and proven business continuity plan for emergency situations in place that provides for record re-creation and operations resumption within twenty-four hours of any occurrence of any major disaster or other cause which destroys records and/or disrupts normal operation of the Custodian's systems.
5. Computer records of all audited investment transactions and month-end positions must be maintained on electronically readable storage media for eight years. These records must be checked for viability on an annual basis and migrated, if necessary, to more current technology in order to maintain accessibility during the entire retention period.
6. The Custodian's online systems must report the same information as the audited accounting systems once audited values are available.

F. Reporting Requirements

1. Must provide audited monthly holding reports to ISBI, its recordkeeper, and the Investment Consultant to be received no later than ten business days after month-end for on-line reports and hard copy reports.
2. Must provide accurate monthly, quarterly, and year-to-date reports on all transactions, income, and other pertinent investment data, in a format acceptable to ISBI, its recordkeeper, and the Investment Consultant, no later than ten business days after the end of each month.
3. Must provide monthly reports in a format acceptable to ISBI.
4. Must provide annually the Statement on Auditing Standards “SAS” No. 70 report on processing of transactions by service organizations.
5. Must provide reports of daily transactions including domestic trades affirmed, un-affirmed, failing, pending, etc.
6. Must provide monthly performance measurement reports to be received no later than twelve business days after month-end.
7. Must provide quarterly performance measurement, attribution and other analytic reports.
8. Must provide ad hoc reporting during the Board’s annual financial and compliance audits by the Illinois Auditor General and during preparation of the Board’s annual report.
9. Must provide a delivery mechanism to create annual extract reports of portfolio activity for the Board’s annual financial and compliance audits.
10. Must provide hardcopy trial balance reports of ISBI investment adviser accounts on a monthly basis, accounting records and a monthly CD of same.
11. Must provide monthly feeder files for ePAM portfolio accounting system, which need to contain monthly transactions, holdings and cash activity, based on ePAM specifications.
12. Must provide reporting of claims filed for securities class action awards, amounts collected and claims outstanding.
13. Must provide other reports as may be requested by ISBI.

G. Performance Measurement and Analytics

1. Must provide monthly and daily performance reports and electronic files detailing the market values, cash flows, average balance and returns of each portfolio. These reports must include custodied assets, as well as any consolidations deemed necessary by ISBI to the parties determined by ISBI.
2. Must provide an updated listing of all ISBI accounts/composites and their assigned benchmarks in a centralized location and update monthly as necessary.
3. Must provide reports in the following terms: gross, net of management fees, and net of all fees, using CFA Institute-compliant calculation methods.
4. Must provide monthly performance reports detailing market performance and portfolio performance, at any level of detail or any aggregate deemed necessary by ISBI or the Board, including both current and historical data.
5. If a non-incumbent Custodian is selected, the successful Respondent must back-load audited performance data for all accounts (both open and closed), composites (both open and closed) and benchmarks (both standard and custom).
6. Must prepare monthly analytic reports in formats acceptable to ISBI.

7. Should daily performance be implemented, daily rates of return must be delivered on the next business day for all public market investments, asset classes and other composites, at the direction of ISBI.
8. A monthly rate of return and market value reconciliation must be performed between the System's records, the custodian's records and, where applicable, the external investment advisers.
9. Must perform monthly performance rate of return tolerances for public market adviser reconciliations in accordance with ISBI policies and requirements.

H. Personnel

1. Must make presentations, as required, to the Board to discuss services related to ISBI.
2. Must provide the personnel to facilitate audit access to ISBI's Staff or its designated agents for the purpose of verifying the integrity of Respondent's operations for the ISBI account and all data input and output, in case such an audit is deemed necessary.

I. Compliance Monitoring

1. Must provide and maintain an investment adviser compliance system capable of monitoring investment adviser holdings, compliance with investment guidelines and portfolio compliance with applicable laws and regulations (i.e. Sudan or Iran security prohibitions).
2. Must advise Client regarding different monitoring approaches, including advising regarding the creation of testing specific to investment guidelines and regulatory requirements.
3. Must provide a dedicated compliance group to communicate with Board Staff and provide online system training.
4. Must provide online compliance reporting capabilities.
5. Must maintain compliance applications as new guidelines are created, clarified, modified etc.

J. Fund Accounting Services

1. Must provide daily valuation / NAV / pricing via both share and unitized accounting.
2. Must transmit daily NAV / price to recordkeeper electronically by 6:00pm EST.
3. Must accept daily trade ticket electronically from recordkeeper by 10:00am EST. Trade is executed at prior day's NAV.
4. Must provide resources to facilitate periodic reconciliation with / questions from recordkeeper.

VI. POST PERFORMANCE REVIEW

Any Respondent retained by the Board will undergo quarterly performance reviews, at ISBI Staff’s discretion, wherein the Respondent’s compliance with agreement objectives and deliverables will be assessed. Evidence of material non-compliance will be reviewed by ISBI’s Staff and the Investment Consultant, as well as the Board, if necessary.

VII. MINIMUM QUALIFICATION REQUIREMENTS AND CERTIFICATION

Respondents must satisfy each of the following minimum qualifications for this RFP, in order to be given further consideration by the Board. Failure to satisfy each of the requirements will result in the immediate rejection of the proposal. Failure to provide complete information will result in the rejection of the proposal.

Please circle “YES” or “NO” where indicated. If evidence is requested, please provide complete documentation.

1. Respondent is either (i) a U.S.-domiciled national bank or trust company and member of the Federal Reserve, or (ii) a U.S. subsidiary of a foreign bank subject to the jurisdiction of U.S. courts, **and** has substantial unimpaired equity capital. (Yes/No):_____

If yes, please provide evidence.
2. The Respondent is authorized to conduct a trust business in the State of Illinois. (Yes/No):_____

If yes, please provide evidence.
3. Respondent has total assets under trust/custody for institutional clients in excess of U.S. \$300.0 billion. (Yes/No):_____

Institutional Trust/Custody Assets at 3/31/2016 (**Complete**):
4. Respondent will provide global custodial services, acting as a fiduciary under the Illinois Pension Code. (Yes/No):_____
5. Respondent has at least three U.S.-based public deferred compensation fund institutional clients that each have at least one custodied separate account. Each Plan has total plan assets in excess of U.S. \$1.0 billion. (Yes/No):_____

Complete:

U.S.-based Public Deferred Compensation Fund Institutional Client	3/31/16 Assets Under Custody

6. Respondent has an accounting system that provides access to both U.S. and international securities accounts within a uniform framework of accounting treatment, reporting and performance measurement. (Yes/No):_____
7. Respondent has provided global custody services for a minimum of fifteen years, as of March 31, 2016. (Yes/No):_____

If yes, please provide evidence.

8. Respondent is a member of, and has the ability to clear transactions or cash through, all major book entry or electronic securities depositories, such as the DTC system, and the Federal Reserve System. (Yes/No):_____
9. Respondent's proposed account manager has a minimum of five years experience in the master trust/custody field, as of March 31, 2016. (Yes/No):_____ If yes, please provide evidence.
10. Respondent's proposed custody transition team leader and his/her assistant have worked together on at least three prior conversions of an account with a market value in excess of \$2.0B consisting of multiple asset classes in the last five years as of March 31,2016. (Yes/No):_____ If yes, please provide evidence.
11. Respondent and its proposed account team have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Respondent submits a response to the RFP. (Yes/No):_____
12. Respondent has both (i) reviewed the Board's Vendor Disclosure Policy and (ii) provided all disclosures required under the Policy. If Respondent has no disclosures to report, Respondent has indicated that fact in the firm's response. The Vendor Disclosure Policy is attached as Exhibit A. (Yes/No):_____
13. Respondent has (i) reviewed the representations and certifications outlined in Exhibit B, titled Required Representations and Certifications, and (ii) agrees that, if Respondent is selected to provide custodial services, such representations and certifications will be incorporated into the master trust/custodial agreement. Limited drafting changes may be negotiated during any contract negotiation. (Yes/No):_____
14. Respondent agrees to provide the services as detailed in the Scope of Services section of this RFP and any other requirements as stated in this RFP. (Yes/No):_____

****INTENTIONALLY BLANK****

IF RESPONDENT PROVIDED A “NO” RESPONSE TO ANY OF THE MINIMUM QUALIFICATION REQUIREMENTS ABOVE, RESPONDENT SHOULD NOT SUBMIT A PROPOSAL TO THE BOARD.

PLEASE CERTIFY THE RESPONDENT’S SATISFACTION OF THE MINIMUM QUALIFICATIONS BY PROVIDING THE RESPONDENT’S AUTHORIZED SIGNATURE BELOW.

Authorized Signer Name: _____

Title: _____

Respondent Firm: _____

Signature: _____

Date: _____

VIII. QUESTIONNAIRE – All data should be as of December 31, 2015

I. General Information

1. Provide the name, title, address, telephone and fax numbers, and e-mail address for the person submitting this proposal.
2. Location of firm headquarters.
3. Provide a brief history of your Master Trust/Custody organization.
4. What are your firm's total assets and capital base? Tier 1 Capital ratio?
5. Comment on your firm's financial strength. Provide the most recent S&P and Moody's ratings and reports of your firm.
6. Briefly describe the organizational structure of your firm's parent company and the master trust/custody services. Identify those trust/custody operations authorized to conduct business in the State of Illinois. Provide an organizational chart, broken down by major operating units, and include annual operating income and year over year percentage growth by unit for the last five years.
7. Briefly describe each of your firm's core business units and the percentage of revenue and earnings derived from each.
8. Briefly summarize your firm's competitive advantages within the Master Trust/Custody industry.
9. Describe your firm's strategy and commitment to providing master custody services. Discuss briefly your firm's overall business objectives with respect to future growth.
10. Describe any organizational changes that occurred or were announced over the past three years (e.g., mergers, acquisitions, structural changes, departures of key personnel). How does the firm plan to integrate these changes into its current organization? What will be the impact of these changes on client relationships? Any changes in firm ownership?
11. List and briefly describe any new custody services/product improvements that have been released in the past two years or will be released within the next year.
12. Has there been any litigation involving your firm in the past five years? If yes, please attach details.
13. Describe the types of insurance and bonding your firm presently possesses, including for each: the name of the insurer, the type of the insurance policy and bond, the policy limits and the deductible, fiduciary liability coverage, and errors & omissions coverage. Are all insurance premiums paid-to-date?
14. Provide breakdown of your firm's institutional clients:

Type of Client	Total Assets	Number of Accounts	Average Client Size
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Public			
Defined Contribution			
Taft-Hartley			
Corporate			
Other			
Total			

15. List individual account growth for the periods below:

	2012	2013	2014	2015
# of Accounts Lost				
Asset Value (\$000)				
# of Accounts Gained				
Asset Value (\$000)				

16. Provide a representative client list (at least three deferred compensation plans with assets of \$1.0B or greater of assets).

17. What is the custodial client turnover rate?

18. Would your firm furnish client references? If so, please provide names and telephone numbers of five references for custody relationships of similar size. For how long has each been a client of your organization?

19. Name and briefly describe your firm's custody system. Where is the system located? When was the system introduced? How much downtime has the system experienced in each of the past two years?

20. How much has your firm dedicated to custody-related hardware and software enhancements/upgrades during each of the past two years in dollar terms and as a percentage of total custody operating expenses?

21. Briefly describe your firm's planned system enhancements for the next three years. Will these enhancements be developed internally or purchased from an outside vendor? How much money has your firm committed to these enhancements for each of the next three years?

22. Is the system dedicated to custody or shared with other units within your firm?

23. Is the institutional custody operation supported by a dedicated data processing, programming, and application development staff? How many programmers/analysts are assigned to the area?

24. Briefly describe your firm's custody backup, support, and recovery systems and security measures in place to protect against unauthorized access to the custody system.

II. Administration

1. Briefly describe the structure of the area of your firm that provides institutional custody services. Please name all key personnel in the area and include a short summary of each individual's background. Please identify any recent changes to the area's structure or staffing.
2. How many contact officers and account administrators does your firm have?
3. Describe your firm's approach to custody client staffing (e.g., team, relationship manager supported by several areas), including a description of the client service arrangement your firm will provide to ISBI. Describe the responsibilities of each person assigned to a typical custody relationship.

4. Provide the following information regarding contact officers and account administrators turnover:

	2012	2013	2014	2015
# of Professionals Hired				
# of Professionals Retired				
# of Professionals Terminated				

5. Provide the name, title, address, phone number, mobile number and fax number for the key individuals that would serve as contact(s) for this relationship.
6. How many accounts does the typical account representative manage?
7. Provide the following information:
 - Mean custody account size
 - Median custody account size
 - Custody clients and custody assets gained/lost in the past two years
 - Reasons for aforementioned lost clients
 - Number of custody relationship managers
 - Average client-to-relationship manager ratio
 - Total institutional custody employees
 - Year's experience (company/industry) & maximum number of clients
8. Rank, in descending order by asset size, the names of your firm's ten largest public fund master trust/custody services clients. For each of these clients, provide an appropriate contact name, telephone number, and indicate the major ancillary services (securities lending, short-term investment management, etc.) provided to them.
9. How are client instructions received and processed for transactions?
10. Proposed custodian transition process and timetable?

III. Accounting, Settlement, and Reporting

1. Provide a brief description of your firm's accounting processes and systems for all service areas (i.e. operations, technology etc.) and how they provide a competitive advantage.
2. Describe your firm's process for ensuring all trades and other transactions are received and recorded from the investment advisers.
3. Describe the controls in place for ensuring wire transfers are made in a timely and accurate manner.
4. When does your firm credit interest, dividends and sales? When does your firm debit purchases?
5. How does your firm handle options/futures and short sell accounting? Please describe briefly the extent of your firm's capabilities.
6. What is your firm's pricing source for each kind of instrument within custody? How does your firm ensure the accuracy of these prices? How frequently are they updated?
7. What procedures does your firm have in effect, if any, to flag and investigate unusual or significant pricing changes from the previous day?
8. How does the firm price securities that are not available from its pricing service, such as private placements?
9. Describe your firm's settlement process for domestic securities transactions, including depositories used and your firm's involvement with them. If your firm uses a central depository, is the firm a direct participant in that depository? Please provide your firm's average daily transaction volume by depository.
10. How is the firm notified of settlement problems and at what time (how soon after settlement date)?
11. What is your firm's policy on fail float?
12. How does your firm handle information on corporate activities (i.e., tender offers, exchange offers, etc.)?
13. What sources are used for dividend information and corporate actions?
14. Describe how your firm distributes proxy information. What controls, if any, are in place to ensure receipt and timely distribution?
15. Name and briefly describe your firm's accounting and reporting system.

16. Provide a copy of your firm's Statement of on Standards for Attestation Engagements (SOC1) report and your firm's most recent Annual Report. List and describe the nature of all errors and/or weaknesses that were discovered as a result of an outside review of the SOC1. What steps have been taken to correct the errors or otherwise strengthen the internal controls the system?
17. Describe your firm's system of quality control to ensure reporting accuracy. Are reports audited before they are delivered to clients? Who audits and corrects reports?
18. Describe your firm's process of restating incorrect accounting statements and publishing new reports.
19. If a report were requested on an ad hoc basis, how soon would it be available after the initial request?
20. Provide a schedule indicating the delivery time frames for unaudited and audited accounting reports/information and performance measurement calculations/analytics (universe data, indices data, etc.). (Be specific, e.g., audited statements will be available to the client on the __ business day after month-end.)
21. What types of commission/transaction cost reports are available? Can your firm's system identify both executing and clearing brokers? Can your firm's system identify the exchange on which the transaction is executed?
22. Is the firm able to provide statements on an accrual/trade date basis showing both realized and unrealized capital gains and including pending transactions?
23. How long does your firm retain historical information/statements (asset values and transactions)?
24. Describe the firm's procedures that verify that transactions and holdings statements balance with those of investment advisers. How does your firm resolve differences?
25. What is your firm's source of securities prices? What procedures ensure accurate pricing? What procedures does the firm have in effect, if any, to flag and investigate unusual or significant pricing changes from the previous day? Describe your firm's procedures for reconciling prices with investment advisers.
26. How does the firm price securities that are not available from its pricing service, such as private placements? Describe your firm's process of pricing derivative securities and non-traditional fixed income securities (144As, etc.).
27. How does your firm treat worthless/doubtful client securities?
28. Does your firm maintain a record of the original face amount purchased with regard to pass-through investments, such as GNMA's, FHLMC's, and FNMA's?

29. Please provide the following information.
- Does your firm have fully integrated multi-currency accounting?
 - Do standard reports break out impacts of taxes, brokerage and foreign exchange?
 - Do statements reflect pending transactions?
 - Do statements reflect amortized balance for fixed income?
 - Do statements reflect accrued interest and accrued dividends in asset valuations?
 - FIFO tax lot accounting capabilities?
 - Are internal accounting controls subject to independent audit?
30. What reports are provided as part of your firm's standard package? What reports are available on-line? Can clients retrieve on-line information in a customized format? If so, describe your custom reporting flexibility and limitations. Is the data compatible with Excel or other PC-based software? Can this information be accessed online?
31. What provisions are made for training of client personnel in the use of the on-line system? What provisions are made for assisting clients with reporting needs?
32. How soon after accounting periods are reports available? Is this information available online?
33. Which portions of your firm's reporting system are not yet automated? If not fully automated, does your firm have plans to do so? When?
34. Is the reporting system trade-date, settlement-date or cash basis? Do asset valuation and transaction statements reflect pending transactions?
35. Do asset valuations and transactions reflect pending transactions? Are accrued interest, accrued dividends, and other transactions included in asset valuations?
36. Does your firm have the capacity to report brokerage commissions by account and by transaction?
37. Provide examples of custodial interaction with client auditors and explain how your firm will supply information specific to the audit in a format requested by the auditors.
38. How will your firm work with the Board to implement new accounting standards that impact the Board's financial reporting process, including standards that require new reporting information?
39. Does your firm assist clients with tax reporting and related filings with respect client assets? If yes, please describe your firm's services and provide examples.
40. Describe the firm's disaster recovery protocol for client data.

IV. Cash Management and Investments

1. What is your firm's policy toward crediting of interest and dividends on payable dates? Are income payments credited in same day funds?
2. Describe your firm's system for monitoring and projecting cash balances. Does your firm sweep cash automatically? If so, how often and to what balance?
3. Are clients charged for overdrafts? What is the firm's policy and procedure?
4. What types of short-term investment vehicles are available for free cash balances? Please describe each vehicle in detail, including fund name, fund manager, investment philosophy, types of allowable investments, investment performance, minimum purchase units and whether the investments are federally insured.
5. What management fees are associated with each short-term investment vehicle? Gross 30-day yield? Expense ratio? Are there any additional STIF fees on top of the expense ratio?
6. Describe your firm's cash management policies and procedures regarding the purchase and sale of securities and receipt of income.
7. What are your firm's policies and procedures for investing daily surplus cash balances that are not used by investment advisers?
8. Provide a description of all available cash management vehicles for qualified retirement plans. Include all fees, frequency of fund opening/valuation and investment results for the past three calendar years ending December 31, 2015. Describe the investment guidelines and policies (risk analysis, asset allocation, average duration, quality, term structure, diversification, etc.) of your firm's short-term investment funds. Please detail if separate accounts (specific guidelines) are available.
9. Have any of your firm's short-term investment funds defaulted during the past two years? If so, please explain the circumstances of the default, recovery of investment, allocation of loss, etc. Did any participants incur a loss? Were any adjustments made to your firm's investment guidelines/policies to avoid a similar problem?
10. What is the daily notification deadline for outgoing wire transfers?
11. What is the daily deadline for receiving incoming wire transfers in order to ensure same-day investment?

V. Online Capabilities

1. Briefly describe your firm's online system (design, inquiry features, reporting capabilities, flexibility).
2. What is the lag time between trade execution, availability of online transaction data to the client and the posting of the transactions to your firm's accounting system?
3. Please provide the following information related to your online system:
 - Name
 - Version and release date
 - Access (Toll dial/toll free dial/Internet)
 - Supports modem pool (yes/no)
 - Consultant access (yes/no)
 - On-site training for clients (yes/no)
 - Online delivery of accounting reports (yes/no)
 - Installation and annual fee
 - Frequency of data (hourly, daily, weekly, etc.)
 - Downloadable to Excel (yes/no)
 - Help desk staff (number of employees) and hours
 - Commingled fund "look through" to underlying holdings (yes/no)
 - Ad hoc report generator (yes/no)

VI. Risk and Compliance Monitoring

1. Does your firm offer a system to monitor a client's investment advisers' compliance with investment guidelines? If so, does it offer:
 - Portfolio holding tests: tests performed on the portfolio data (i.e., test the maximum total domestic equity as a percent of total assets)
 - External data tests: tests that require data available from external database sources (i.e., credit ratings of fixed income instruments)
 - Derivatives tests: tests that measure the exposure to derivative instruments
 - Risk management tests: tests that measure the risks associated with individual portfolios as well as the total fund (i.e., value-at-risk analysis)
2. Is this compliance monitoring system a feature of your firm's online system? If so, what was the release date and how many clients are currently using it? If not, is there a proposed release date?
3. Comment on your firm's ability to monitor an investment adviser's trades for extreme positions that could indicate unauthorized/rogue trading. Can these trades be identified before settlement?

4. Comment on your firm's ability to report investment adviser compliance with state laws governing investment in and divestment from company securities tied to Sudan and Iran.

VII. Performance Measurement and Analytics

1. Describe in detail the basic performance measurement and analytics services currently available to institutional custody clients. How many clients use these services?
2. What procedures exist to verify the accuracy of rates of return? Does your firm have a procedure to verify returns with investment advisers? What percentage of returns are verified by investment advisers?
3. How frequently (quarterly/monthly) are performance calculations prepared and how soon after the end of the period are they available?
4. Does your firm's system have the capability to report returns both gross and net of investment adviser fees?
5. Please discuss your firm's performance measurement capabilities in the private equity and real estate areas. What systems does your firm use to calculate internal rates of returns for private equity portfolios?
6. Can clients access performance measurement and analytics through your firm's online system? If not, is there a planned release date for this capability?
7. Is the firm willing and/or able to backload data?

VIII. Global Custody

1. Provide an overview of your firm's global custody capabilities. Include the date which your firm began offering global custody services and how the firm differentiates itself from the competition.
2. List the number of U.S. clients and the number of portfolios for which your firm has global custody, including the amount of non-U.S. assets.
3. Does your firm use international central depositories for clearing and/or holding?
4. Does your firm have multi-currency accounting and reporting capabilities? Describe.
5. Does your firm process tax reclaims? Give examples of how the firm handles tax reclaim issues that arise due to changes in foreign law or taxation treaties.

6. Does your firm's insurance cover all global custody activities? Does your firm's insurance cover the activities of your sub-custodians?
7. Is the firm currently on the SWIFT system?
8. How many sub-custodians are in your firm's network and how are they selected and subsequently monitored? Please provide a list of all sub-custodians used to provide international custody services with the corresponding countries and indicate the number of years that each has acted in that capacity for the firm.
9. How often does the firm review the performance of sub-custodians and visit their offices?

IX. Transition/Conversion Process

1. Please describe the conversion process (who is responsible for coordinating activities, who participates, what activities must occur, etc.). Include an estimated conversion calendar, including actions required on the part of the client and the time frame to complete each task. Describe the conversion process for accounting information.
2. How does your firm handle transactions and claims that are in process during the transition/conversion period? Is there a blackout period associated with the transition process?
3. Does your firm have any limitations as to the format/media of conversion records?
4. How does your firm ensure sufficient control during the transition period to assure that the process is successfully completed in both an accurate and timely manner?
5. Are there any additional costs associated with the conversion?
6. What dedicated resources, procedures, and controls will your firm provide or recommend in the transition period to ensure that the transition process is completed successfully in both a timely and accurate manner?

X. Fund Accounting

1. Please briefly describe your firm's fund accounting services offered to defined contribution plans. How long have these services been offered? Please name all key personnel in the area and include a short summary of each individual's background. Please identify any recent changes to the area's structure or staffing.
2. What defined contribution recordkeepers do you currently interact with on behalf of your firm's clients? Describe how you interact with the recordkeeper. How do you ensure a successful relationship with each recordkeeper?

3. Please describe your firm's transmittal process of daily NAV price information to the recordkeeper. How often is this process reviewed? What is your NAV calculation methodology?
4. Describe your materiality threshold for a NAV Error.
5. Detail your end of day review and reconciliation process to ensure that all NAVs are correct.
6. How do you reconcile daily participant transactions / fund shares outstanding?
7. Describe the daily flow of information between custodian and recordkeeper.
8. Describe your lifestyle/fund of funds service capabilities. How long have you been supporting this fund structure?
9. Provide an overview of your company stock support capabilities.

XI. Fees

1. Please provide a detailed fee schedule for custody and fund accounting for the provision of custodial services to the Board.
2. Does your firm offer a multi-year guarantee at current fee schedules?
3. If this fee is not all-inclusive, provide a detailed schedule of fees (and an annual estimate) for all other services not included in the annual fee. Is your firm willing to guarantee that these additional fees will not rise above the estimated fee?
4. How long does your firm typically guarantee fee quotes? Are there any fees/charges that your firm will not guarantee for a specific time period?
5. Trustee/Custody Fees on assets under custody (bps)?
6. Trustee/Custody Fees for Separately Managed Portfolios (\$)?
7. Separate Account Maintenance Fees (\$)?
8. Commingled/LP Account Maintenance Fees (\$)?
9. Other Custody Charges?
10. Estimated Transaction Charges?
11. Performance Calculation fee?
12. Estimated Total Fees? Years Guaranteed?
13. Minimum fee?

14. Are there any transition costs to be absorbed by the client?

Exhibit A

The Illinois State Board of Investment (“ISBI”) acts as fiduciary for the General Assembly Retirement System, Judges’ Retirement System and State Employees’ Retirement System of Illinois. ISBI also acts as a fiduciary for the State of Illinois Deferred Compensation Plan. As fiduciaries, the Board is responsible for managing, investing, reinvesting, preserving and protecting fund assets.

It is the policy objective of ISBI to prevent actual, potential or perceived conflicts of interest with its current and prospective vendors on behalf of its participants.

In furtherance of this policy, ISBI shall require the following disclosures:

1. Political Contribution Disclosure

All (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors’ solicitors, finders, officers, directors, partners, principals, lobbyists, and any individual whose compensation is directly derived by the awarding of the Board’s contracts must provide written disclosures of all political contributions made during the preceding five years to a Board Member or a Board Member’s Campaign Committee, and provide disclosures in writing of any future political contributions made to Board Members or a Board Member’s Campaign Committee.

All, (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors’ solicitors, finders, officers, directors, partners, principals, lobbyists, and any individual whose compensation is directly derived by the awarding of the Board’s contracts must provide written disclosures of any future instances where a Board Member or a Board Member’s Campaign Committee solicits any political contributions from such persons, regardless of the candidate or political campaign committee for whom the solicitation is requested.

Additionally, (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors’ solicitors, finders, officers, directors, partners, principals, lobbyists, and any other individual whose compensation is directly derived by the awarding of the Board’s contracts, must provide written disclosures of all political contributions made during the preceding five years to any political committee established to promote the candidacy of the office of the Governor or any other declared candidate for that office.

The failure to provide written disclosures of political contributions or solicitations may result in the disqualification or termination of the vendor.

PROVIDE RESPONDENT’S POLITICAL CONTRIBUTION DISCLOSURES IN AN ATTACHMENT.

IF RESPONDENT HAS NO POLITICAL CONTRIBUTIONS TO REPORT, INDICATE THAT RESPONDENT HAS NO DISCLOSURES TO REPORT IN AN ATTACHMENT.

2. Public Act 95-0971 Disclosures

Public Act 95-0971 (the Act) amends the Illinois Procurement and Election Codes (i) to require certain “business entities” to register with the State Board of Elections; (ii) to require state bidding documents and contracts to contain language referencing a business entity’s duty to register with the State Board of Elections and duty to provide a registration-related certification; and (iii) to restrict business entities from making political contributions to any political committee established to promote the candidacy of the officeholder responsible for awarding the contract on which the business entity has submitted a bid or proposal, which is the Governor in the case of the Board. ISBI constitutes a “State Agency” under the Act. On January 30, 2008, the Board resolved to apply the Act’s requirements to the Board’s contracts.

All (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI must comply with all requirements of the Act that are applicable to the particular vendor. Please note that any contract formed between the Board and vendor is voidable for vendor’s failure to comply with the requirements of the Act.

Please read the Act carefully, as it may affect your ability to do business with ISBI. The Act may require registration and disclosures by you with the State Board of Elections, and requires specific language to be present in ISBI bidding materials and contracts. Further, the Act may restrict you from making political contributions to certain state officeholders.

DISCLOSE WHETHER RESPONDENT CONSTITUTES A “BUSINESS ENTITY” UNDER THE ACT. IF RESPONDENT IS A BUSINESS ENTITY, RESPONDENT MUST ATTACH REGISTRATION CERTIFICATION IN AN ATTACHMENT.

3. Vendor Disclosure of Financial Interests and Potential Conflicts of Interest

All bidding materials from potential ISBI vendors must be accompanied by a disclosure of any ownership of the vendor in excess of 5%, as well as a disclosure of any distributive income share in excess of \$100,000.00 of the bidding entity and its parent entity. If the vendor is a publicly traded entity subject to Federal 10K reporting, it may submit its 10K disclosure to satisfy the 5% ownership disclosure. Distributive income share, in this instance, is a fee, commission, bonus or any other form of remuneration conferred by the bidding entity or its parent contingent on the bidding entity’s selection for procurement of services by ISBI.

Disclosures must include at least the names, addresses, and dollar or proportionate share of ownership of each person identified and their instrument of ownership.

PLEASE PROVIDE OWNERSHIP DISCLOSURES IN AN ATTACHMENT. IF RESPONDENT HAS NO OWNERSHIP DISCLOSURES TO REPORT, INDICATE THAT RESPONDENT HAS NO OWNERSHIP DISCLOSURES TO REPORT IN AN ATTACHMENT.

Further, the bidding entity must disclose whether any of the following relationships, conditions, or statuses are applicable to representatives of the bidding entity or its parent entity:

- a. State employment, currently or in the previous three years, including contractual 17 employment services;
- b. State employment by spouse, father, mother, son, daughter or immediate family including contractual employment for services in the previous two years;

- c. Elective Status: the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous three years;
- d. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) holding elective office currently or in the previous two years;
- e. Employment, currently or in the previous three years, as or by any registered lobbyist of the State government;
- f. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) who is or was a registered lobbyist of the State government in the previous two years;
- g. Compensated employment, currently or in the previous three years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections;
- h. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) who is or was a compensated employee in the last two years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

PROVIDE DISCLOSURES APPLICABLE UNDER SECTION 3.a. – 3.h. IN AN ATTACHMENT.

IF RESPONDENT HAS NO DISCLOSURES TO REPORT FOR 3.a. – 3.h., INDICATE RESPONDENT HAS NO DISCLOSURES TO REPORT FOR 3.a. – 3.h. IN AN ATTACHMENT.

4. Public Act 98-1022 Disclosures

Public Act 98-0122 (the Act) amends the Illinois Pension Code to require certain disclosures regarding utilization of minorities, females and persons with a disability. For purposes of this Policy, the terms “minority owned business”, “female owned business”, and “business owned by a person with a disability” are as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.” In accordance with the Act, all (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, must provide the following numerical data:

- a. The number of the vendor’s investment and senior staff and the percentage of its investment and senior staff who are a (i) minority person, (ii) female, or (iii) person with a disability;

DIVERSITY PROFILE
Name of Investment Advisory Firm:
Data as of:

Job Category	Non-Disabled				Disabled		Total Minority, Female and Disabled Persons	Total Staff Minority & Non-Minority
	Non-Minority		Minority		Male	Female		
	Male	Female	Male	Female				
Senior Staff (as defined by your Firm)								
Investment Professionals (Excluding Senior Staff)								
Total Senior Staff & Investment Professionals								
Percent of Total Senior & Investment Professionals								

Note: Do not count employees twice. Employees may be placed in only category ONLY.

Example: A black female with a disclosed disability can go into either the "minority female" category OR the "disabled female" category, not both.

- b. The number of contracts, oral or written, that the vendor has in place for investment services, consulting services, and professional and artistic services that constitute a (i) minority owned business, (ii) female owned business, or (iii) business owned by a person with a disability; and
- c. The number of contracts, oral or written, that the vendor has in place for investment services, consulting services, and professional and artistic services where more than 50% of services performed pursuant to contract are performed by a (i) minority person, (ii) female, or (iii) person with a disability but do not constitute a business owned by a minority, female, or person with a disability.

Number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant or private market fund has with:		
	Number of Contracts	Funds Expenses to Date
Minority/Female/Disabled Firms		
Non-Minority owned Firms where greater than 50% of the services performed pursuant to the contact are completed by Minority/Female/Disabled persons within that Firm.		
Total		\$

Finally, in a separate attachment, please provide any additional information related to your firm's diversity initiatives that might be useful during the search and/or selection process.

These disclosures are not intended to prohibit or prevent any contract. The disclosures are (i) considered by the Board, within the bounds of financial and fiduciary prudence, prior to awarding a contract and (ii) used to fully and publicly disclose any potential conflict to ISBI so that ISBI may adequately discharge its duty to protect its participants.

When a potential for a conflict of interest is identified, discovered, or reasonably suspected, the Executive Director shall review and comment on it in writing to the Board's Audit and Compliance Committee. This Committee shall recommend in writing to the Board whether to void or allow the contract, bid, proposal or response weighing the best interests of the State of Illinois. The comment and determination shall be a part of the associated file.

These thresholds and disclosures do not relieve ISBI, or its designees, from reasonable care and diligence for any contract, bid, proposal or response. ISBI, or its designees, shall use any reasonably known and publicly available information to discover any undisclosed potential conflict of interest and act to protect the best interest of the State of Illinois.

Failure to make any disclosure required by this provision may render the contract, bid, proposal, response or relationship voidable by the Board and may result in the termination of any existing relationship, suspension from future contracts, bids, proposals, responses or relationships for a period up to ten years. Reinstatement must be reviewed and commented on in writing by the Executive Director. The Board shall determine in writing whether and when to reinstate the party at issue. The comment and determination must be a part of the associated file.

Additionally, all disclosures must note any other current or pending contracts, leases, bids, proposals, responses or other ongoing procurement relationships the bidding, proposing, or responding entity has with any other unit of State government and must clearly identify the unit and the contract, lease, bid, proposal, response or other relationship.

This policy shall be disclosed to all vendors as early as possible in the marketing process, ideally at the initial point of contact with ISBI. However, a failure on the part of ISBI to make such disclosure shall in no way detract from the application of this policy.

ADOPTED: September 7, 2005

AMENDED: December 16, 2005

AMENDED: January 30, 2009

AMENDED: December 5, 2014

AMENDED: March 20, 2015

Exhibit B

Representations and Certifications:

1. _____ shall comply with all applicable laws of the State of Illinois and the United States of America, and any governmental or regulatory authority outside of the United States.
2. _____ certifies that no finder's fee or commission has been or shall be paid to any individual or organization resulting from the establishment of this investment relationship.
3. No party may assign this Agreement, in whole or in part, nor delegate except as contemplated herein all or part of the performance of duties required of it by this Agreement without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be void.
4. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions of this Agreement shall not be affected, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.
5. _____ and the Board each represents to the other that it is duly authorized and fully empowered to execute, deliver and perform this Agreement.
6. _____ certifies that is has not been barred from entering into this Agreement as a result of a violation of Section 33E-3 or Section 33E-4 of the Illinois Criminal Code of 1961.
7. _____ shall maintain, for a minimum of 5 years after the completion of this Agreement, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this Agreement. _____ further agrees to cooperate fully with any audit and to makes this Agreement, and all books, records and supporting documents related to this Agreement, available to the Auditor General, chief procurement officer, internal auditor, and the purchasing agency. Failure to maintain the books, records and supporting documents required by this Agreement shall establish a presumption in favor of the State of Illinois for the recovery of any funds paid by the State of Illinois under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.
8. _____ certifies that _____ is its correct tax identification number and that the manager is doing business as a _____.
9. Any amount of compensation due according to the terms of this Agreement for which an appropriation is required and for which no appropriation has been enacted by the Illinois General Assembly and signed into law by the Governor shall not be due and payable and this Agreement shall become null and void as to such compensation unless and until the required appropriation is made.
10. _____ certifies that neither it, nor any of its affiliates, is participating or shall participate in an international boycott in violation of the provisions of the United States Export Administration Act of 1979.
11. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-5. Section 50-5 prohibits a contractor from entering into a contract with a State Agency if the contractor has been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, or if the contractor has made an admission of guilt of such conduct which is a matter of record. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
12. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-10. Section 50-10 prohibits a contractor from entering into a contract with a State Agency if the contractor has been convicted of a felony and 5 years have not passed from the completion of the sentence for that felony. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.

13. _____ certifies that it, and any of its affiliates (as defined in the Illinois Procurement Code), is not barred from being awarded a contract under 30 ILCS 500/50-11. Section 50- 11 prohibits a contractor from entering into a contract with a State Agency if the contractor knows or should know that it, or any of its affiliates, is delinquent in the payment of any debt to the State of Illinois, as defined by the Debt Collection Board. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
14. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-12. Section 50-12 prohibits a contractor from entering into a contract with a State Agency if the contractor, or any affiliate, has failed to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
15. _____ certifies that is not barred from being awarded a contract under 30 ILCS 500/50-14. Section 50-14 prohibits a contractor from entering into a contract with a State Agency if the contractor has been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last 5 years. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
16. _____ certifies that during the five years prior to the date of this Agreement, no officer, director, partner or other managerial agent of the _____ has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953. Further, _____ acknowledges that the Board shall declare this Agreement void if this certification is false.
17. Public Act 95-0971: _____ certifies, in Exhibit ___ to this Agreement , that they have registered as a Business Entity with the State Board of Elections and acknowledges a continuing duty to update the registration pursuant to PA 95-0971 (the “Act”). Further, _____ acknowledges that all Contracts between State Agencies and a Business Entity that do not comply with the Act shall be voidable under the Act.
18. _____ certifies that it does not pay dues or fees, or subsidize or otherwise reimburse its employees or agents for any dues or fees to any discriminatory club.
19. _____ certifies that it will provide a drug free workplace and will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of this Agreement. This certification applies to contracts of \$5,000 or more with individuals, and to entities with 25 or more employees.
20. _____ will furnish to the Board, from time to time, such evidence as the Board may reasonably request that it satisfies the foregoing requirements, and shall promptly notify the Board if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.
21. Respondent represents and warrants to the Board that it is registered as an investment adviser under the Investment Advisors Act of 1940.
22. Respondent acknowledges that it is a “fiduciary” with respect to the Account assets within the meaning of Article 1 of the Illinois Compiled Statutes, Chapter 40, Act 5; warrants that none of the disqualifications described in Section 411 of ERISA apply to the Respondent; and specifically agrees to perform its duties under this Agreement with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in an enterprise of like character and with like aims.
23. _____ shall secure, and maintain throughout the term of the investment management relationship with the Board, insurance that satisfies the requirements set forth below that is provided by insurer(s) rated A- or better by A.M. Best & Company. _____ shall provide the Board: a. A copy of the requisite insurance policies upon initiation of the contract; b. an annual certification that the insurance requirements continue to be satisfied; and c. evidence of continued

satisfaction of the insurance requirements upon request. The minimum insurance requirement shall include: d. a bond protecting the Account assets that meets the requirements of, and that is in the amount specified under, ERISA and the regulations thereunder; and e. errors and omissions coverage in an amount equal to the greater of: \$5 million or 5% of the assets under management, up to a maximum of \$10 million of coverage. The errors and omissions insurance shall protect the Account against losses from the negligent acts, errors or omissions of Respondent.

24. _____ shall notify the Board in writing within five (5) business days of any material changes in senior officers, senior personnel involved in the management of the Account, ownership, significant legal actions instituted against Respondent, or any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which is not conducted in the ordinary course of Respondent's business.

25. _____ certifies that Respondent and, to the best of its knowledge, Respondent's subcontractors (if any), have complied with Illinois Executive Order 1-2007.

26. _____ certifies that Respondent is not an Illinois Finance Entity as defined by 40 ILCS 5/1-110.10.

27. If _____ retains any subcontractors to perform any portion of the work hereunder, then Respondent shall promptly provide notification, in writing, to the Board. Respondent shall also disclose the names and addresses of all subcontractors and the expected amount of money each will receive under the contract. Respondent shall provide the Board a copy of any subcontract with an annual value of more than \$25,000 so identified within 20 days after the execution of this Agreement or after execution of the subcontract, whichever is later. In addition, Respondent acknowledges that if at any time during the term of the contract it adds or changes any subcontractors, it will provide notification, in writing, to the Board. For purposes of this certification, "subcontractor" does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy-voting advisory services, services used to track compliance with legal standards, and investment fund of funds where the Board has no direct contractual relationship with the investment advisers or partnerships.

28. _____ acknowledges that a description of this Agreement shall be posted on the Board's website, including the name of the organization, the total amount applicable to the Agreement, the total fees paid or to be paid under the Agreement and a disclosure, approved by the Board, describing the factors that contributed to the selection of the organization.

29. _____ agrees to disclose the names and address of: (i) Respondent; (ii) any entity that is a parent of, or owns a controlling interest in, Respondent; (iii) any entity that is a subsidiary of, or in which a controlling interest is owned by, Respondent; (iv) any persons who have an ownership or distributive income share in Respondent that is in excess of 7.5%; or (v) any persons who serve as executive officers of Respondent.

30. _____ agrees to provide full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the organization in connection with the provisions of services to ISBI. Such disclosure shall be updated promptly after a medication of those payments or an additional payment.

31. Respondent is not in violation of the "revolving door prohibition" on procurement activity relating to a State Agency under 30 ILCS 500/50-30.

NOTE – ADDITIONAL CERTIFICATIONS AND REPRESENTATIONS MAY BE NEGOTIATED IN ANY RESULTING AGREEMENT WITH THE BOARD.