

**OFFICIAL REQUEST FOR PROPOSAL FOR GLOBAL CUSTODIAN BANK SERVICES FOR FIREFIGHTERS'
RETIREMENT SYSTEM**

A proposal for global custodian bank services is hereby requested by Firefighters' Retirement System.

Firefighters' Retirement System (FRS, System) is a cost sharing, multiple-employer, governmental defined benefit pension plan and is entitled to be treated as a Governmental plan under section 414(d) of the IRS code. FRS provides retirement, disability, and survivor benefits for over 6,000 members employed by 144 different cities, parishes, and fire protection districts in Louisiana. The fiscal year for FRS ends June 30th. As of January 31st, 2023, System assets totaled approximately \$2.1 billion.

FRS is seeking to hire a global custodian bank for custody services. The global custodian will provide safekeeping and custody of a multi-currency global portfolio, settlement of trades, management of corporate actions, income collection, asset pricing, and the record keeping and reporting of these functions and services. Each proposing firm must be able to meet all the minimum requirements set forth in Attachment A. **IF YOUR FIRM DOES NOT MEET THE MINIMUM REQUIREMENTS, PLEASE DO NOT APPLY.**

A cover letter explaining how the firm satisfies each of these requirements must be provided. The letter should also state that the firm agrees to perform services under the terms outlined herein as well as attachments hereto, including the fee structure set forth in Attachment C. Please format your proposal by engrossing each question (including the number) and then provide your response. Do not engross tables and charts. Simply include the pertinent table or chart in your response. Part of the evaluation process will be based on your attention and adherence to all instructions and questions set forth herein.

The term of the contract to be negotiated shall be for a period of at least three years. The structure of FRS' portfolio is provided in Attachment B. The fee paid shall be negotiated as a total amount payable quarterly based upon the services provided during the quarter. The custodian shall invoice the System for each quarterly payment.

Further written or oral discussions shall be conducted with each top-rated proposer. Each proposal will be evaluated by the Board of Trustees' Investment Committee. The Board will notify proposers to be invited for further discussion. Such discussions shall not disclose any information derived from proposals submitted by competing firms.

Deadline for submissions of written questions is 4:30 CST on May 5th, 2023. FRS will only respond to questions that are received by email. All questions and answers will be consolidated into a single document and posted on the FRS website. The source of the questions will not be disclosed in the document. Responses will be posted by 4:30 CST on May 12th, 2023.

Any firm meeting the minimum requirements may obtain a copy of the official RFP from the System website (<http://www.ffret.com>). The deadline for submission of the cover letter is 4:30 CST on May 9th, 2023. The deadline for submission of the full response is 4:30 CST on June 9th, 2023. Please provide full responses by submitting twenty bound hard copies and a digital copy (PDF).

The full timeline for the RFP process is presented below:

Date	Action
02/09/2023	Introduction of RFP timeline
03/09/2023*	Board education and presentation of draft RFP for approval
04/03/2023	Begin advertisement period
04/28/2023	End advertisement period
05/05/2023	Deadline for submission of written questions
05/12/2023	Responses to questions posted
05/19/2023	Deadline for submission of cover letter
06/09/2023	Deadline for submission of full RFP responses
07/13/2023	Board review of candidates and finalist selections
Q3 2023	On site due diligence at finalists' operational headquarters
10/12/2023	Board interviews
Q4 2023	Contract awarded as soon as practical following finalist selection and completion of contract negotiation

*Blackout period begins

Blackout Period: Other than the other RFP response itself and questions allowed according to the RFP document, any further marketing communication related to this search with FRS board members or FRS staff is strictly prohibited from March 9th, 2023 until after selection of the finalist. If you have ongoing business relationships or are involved in other RFP processes with FRS board members or FRS staff, those communications are deemed acceptable. Any violation of this standard may be grounds for elimination from the search.

Firefighters' Retirement System hereby reserves the right to: (1) Discontinue the RFP in whole or in part, (2) Reject any and all proposals, (3) Waive minor irregularities in any proposal, (4) Request clarification of information submitted, (5) Request additional information from any proposer, and (6) Deviate from proposed timeline.

The street address for overnight delivery is:

Steven S. Stockstill, Executive Director
Firefighters' Retirement System
3100 Brentwood Drive Baton Rouge, LA 70809

Any questions regarding this RFP should be directed via email to:

Michael Becker, Chief Investment Officer
Firefighters' Retirement System
frs@ffret.com AND mbecker@ffret.com

A. ORGANIZATION

1. Describe the organizational structure of the bank and custody department. Provide an organization chart showing the operating interrelationships and authority within the Master Trust/Custody service unit and within the organization.
2. Comment on the bank's overall financial strength. Additionally, complete the following chart.

Financial Information	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Total Capital Ratio					
Tier 1 Risk-Based Capital Ratio					
Common Equity Tier 1 Ratio					
Tier 1 Leverage Ratio					
Total Assets					
Market Capitalization					
Shareholders' Equity					
Net Income					
Operating Cash Flow					

3. Comment on the bank's credit quality. Indicate all instances, if any, in which bank credit quality fell below investment grade. Additionally, complete the following chart for the previous five years. Add categories as necessary (long-term senior debt, subordinated debt, short-term deposits, etc.)

Most Recent Credit Ratings	Moody's	S&P	Fitch
Holding Company			
Bank			
Any relevant subsidiaries*			

* Any related entity that has a rating should be provided

4. Describe any merger, acquisition, etc. occurring during the last 5 years and the impact on the bank's credit quality.
5. Provide a brief description of the history and development of your custody services, including dates of both implementations of key elements and enhancements to the service. Specifically include the year in which you began custody of international assets, domestic securities lending, international securities lending, and alternative investments.
6. Provide the total number of Master Trust/Custody clients. What is the total market value (as of December 31st, 2022) of these accounts?
7. Complete the tables below relative to the distribution of your custody clients as of December 31st, 2022:

(a) Clients by size:

By size in millions of dollars:	No. of Clients	Market Value
\$0 to \$5,000		
\$5,000 to \$10,000		
\$10,000 and up		

(b) Clients by years of administration:

By Inception Date	No. of Clients	Market Value
0 to 3 years		
3 to 5 years		
Over 5 years		

(c) For U.S. based clients:

Type of Client	No. of Clients	Market Value
Public Funds		
Private/Corporate Funds		
Investment Mgrs/ Mutual Funds		
Others		
Totals		

(d) For Non-U.S. based clients:

Type of Client	No. of Clients	Market Value
Public Funds		
Private/Corporate Funds		
Investment Mgrs/ Mutual Funds		
Others		
Totals		

8. Provide a representative client list for domestic and global custody by name, organization type, and asset size.
9. Provide the number of clients you have gained and lost in each of the past 5 years by completing the following chart.

Client/Asset Retention	2022	2021	2020	2019	2018
Clients Gained					
Assets Under Custody Gained					
Clients Lost					
Assets Under Custody Lost					
Total Assets Under Custody					

10. Provide the name, contact person and phone number of five existing global custody public plan clients of similar asset size (\$1 billion - \$5 billion) who we may contact for references.
11. Identify the closest branch or office to the FRS office.
12. Describe the status of the bank's designation as a fiscal agency bank as defined in LA R.S. 11:2261.

B. CLIENT SERVICE

1. Identify the number of professional staff devoted exclusively to the delivery of custody services. Describe their average number of years of experience in the custody business. Describe their average length of service to your bank.
2. Identify the individuals that would be responsible for the day-to-day administration of our account, including the lead individual responsible for day-to-day client service as well as their backup. Do these individuals work solely for public fund clients?
3. Provide brief professional biographies of all key individuals (including those mentioned above) for this account. Include length of service at the bank and in the custody industry. Provide brief professional biographies on any management personnel devoted exclusively to global custody for U.S. public plan clients. Include education and work experience for all individuals.
4. Indicate the number of accounts a typical account representative manages. Indicate the number of accounts that would be assigned to our relationship manager.
5. Comment on the personnel turnover your organization has experienced in the Master Trust/Custody area in the past five years. Complete the following chart.

Retention/Turnover	2022	2021	2020	2019	2018
Total Employees					
Employees Lost					
Employees Gained					
Turnover Rate					

C. Custody and Transaction Services

1. 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. Discuss how and how often the accounting positions are reconciled to the custody positions.
2. Describe your depository memberships (i.e., DTCC, FRB, PTC) and the services you use at these depositories. Describe your system for the registration and custody of assets.

3. Describe the organizational structure of your trade settlement group.
4. Describe your trade settlement process and include a flowchart showing how transactions post to your system. Describe your procedures and capabilities of settling and accounting for trades.
5. Indicate whether purchases and sales settlements are made on an actual or contractual basis. Why? If you utilize a contractual settlement approach, describe any stipulations or exceptions to this method.
6. Describe any proprietary restrictions as to the type of securities you can hold in custody.
7. Describe the process that investment managers use to relay transactions to the bank. Include any time restrictions or trade notification deadlines. Describe the procedures to identify, follow-up, and resolve failed trades. Identify the percentage of transactions (purchases and sales) failed for the last three calendar years.
8. Describe your sub-custodian bank relationships by providing the name of the bank, whether the sub-custodian bank is a part of your organization, and the date hired or established. Describe your sub-custodian selection criteria. Explain the clearing process through sub-custodians, highlighting any geographical differences.
9. Describe the distribution of proxy information as well as the monitoring of proxy processing.
10. Describe the process for the timely delivery of proxies and proxy statements relative to externally managed accounts. Do you subscribe to a third-party vendor? Describe the services available.
11. Discuss the reporting and recording of corporate actions. List each deadline missed over the past 3 years and how you resolved the issue.
12. Describe how your organization handles filing of claim notices and other documents in connection with such proceedings. What third-party monitoring services do you currently support? Do you provide daily downloads of holdings and transactions to these firms?
13. Describe your Foreign Currency (FX) management capabilities. How do you demonstrate the competitiveness of your foreign exchange services?

D. Accounting Capabilities/Reporting/Pricing

1. Describe your accounting system including, but not limited to:
 - (a) Processing cycles
 - (b) Reconciliation reports and processes
 - (c) Interfaces with security movements and performance measurement systems
 - (d) Accounting for domestic and foreign securities
 - (e) Ability to provide trade date, settlement date, cash by country, local currency by country, U.S. Dollar, book value, market value reporting
 - (f) Fully integrated multi-currency accounting system
 - (g) The amount of historical data that can be accessed (i.e., 12, 18, 24 months, etc.)

- (h) Accounting for transactions in an alternative investment portfolio (i.e., private equity, real estate, mezzanine debt, venture capital)
 - (i) Accounting for corporate actions and class action settlements
 - (j) Process for tracking, reclaiming, and crediting foreign withholding taxes
2. Describe your amortization and accrual capabilities.
 3. Describe the pricing policy for public market securities. Identify the sources for pricing each category of securities. Describe the policies for the valuation of difficult-to-price assets such as private placements and derivatives. Indicate the system's timeline to reflect the most current prices available. Present data in the format below:

Domestic Security Valuation Procedure			
Type	Source	Method	Frequency

International Security Valuation Procedure			
Type	Source	Method	Frequency

4. Describe your source and method of pricing for commingled vehicles and limited partnership investments.
5. Describe the procedures and controls in place to ensure that securities are priced accurately.
6. Describe the reconciliation process for discrepancies between the custodian and portfolio managers/pricing vendors.
7. Indicate the circumstances in which you can accept client direction for pricing.
8. Describe the procedures for investigating unusual or significant pricing changes from the previous pricing period.
9. Describe the internal tolerances for security pricing discrepancies between you and the investment manager and how they are resolved.
10. Discuss the following processes by which you:
 - (a) In developed markets:
 - i. Track failed trades
 - ii. Report failed trades to clients and managers (how quickly?)
 - iii. Compensate clients for failed trades
 - iv. Compensate clients for errors in processing
 - (b) In emerging markets:
 - i. Tracked failed trades
 - ii. Report failed trades to clients and managers (how quickly?)
 - iii. Compensate clients for failed trades

iv. Compensate clients for errors in processing

11. Identify the lag time between trade execution, availability of on-line transaction data to the client, and the posting of the transaction to your accounting system. Identify how asset valuations reflect pending transactions.
12. Describe the capacity to report brokerage commissions by account and by transaction. Do you have the capacity to produce a detailed transaction analysis report and is this provided as a normal service?
13. Describe the process for handling corrections/reversals (i.e., as adjustments or as offsetting purchases and sales).
14. Describe your capabilities for providing accounting for commingled vehicles or limited partnership investments including capital calls, management fees, return of capital, and investment gains or losses.
15. Describe the controls in place to ensure wire transfers are made in a timely and accurate manner. List any cut-off times for various types of client-initiated transactions (book transfers, wires, mutual fund trades, etc.). Describe clients' ability to customize authorities (initiate vs authorize, dollar thresholds, inquiry only) based on individual users.
16. Describe the basis for monthly audited reports. Are the asset holdings and transactions based on settlement date accounting, settlement date accounting with pending trade adjustments, or trade date accounting?
17. Identify how many business days following month-end before information is reconciled and available on-line.
18. Identify the reporting capabilities available to clients. List both standard and customizable reports. Describe the ability to automate reporting and drilldowns in reporting. Provide a sample month end "audited/reconciled report".
19. Describe your month-end reconciliation process. Describe any differences between separate accounts, commingled funds, and limited partnerships. What is the usual schedule following the end of a month?
20. Describe the ability to delay fiscal year end closing process to include lagged quarterly alternative investment data.

E. Cash/Short-term Investment Management

1. Describe your policy for crediting interest and dividends on payable dates. Describe how uninvested cash is swept including but not limited to the frequency of sweep, any minimum cash balances, cutoff times, and locations or currencies in which you are unable to sweep cash.
2. Describe the availability of funds withdrawn for purchase and credited for sales.

3. Describe the reporting for daily cash balances. Do you report investable balances as well as current balances? Can clients see real time balances? Describe the timeline for cash balance reconciliation for accounting statements.
4. Provide fact sheets for the available short-term investment vehicles available to your custody clients. Include:
 - (a) Fund Name
 - (b) Fund manager(s) and experience
 - (c) Investment philosophy and objectives
 - (d) Types of allowable investments including any derivative securities
 - (e) Investment performance
 - (f) Minimum purchase unit
 - (g) Management/administration fees and conditions
5. Describe the timeline for income posting and availability for investment.

F. Performance Measurement, Analytics, and Reporting Capabilities

1. Describe the support services for third-parties such as consultants and auditors.
2. Describe all performance measurement and analytical services that are available to FRS. Include services that are available for alternative investment portfolios and commingled products (look-through basis).
3. Describe access to various benchmarks, economic data, internally developed research, and sector classifications.
4. Provide a comprehensive list of security level characteristics available for custom reporting. Identify the sources of information.
5. Describe any compliance monitoring service relative to investment and regulatory (see LA R.S. 11:311-312) guidelines. Include the level of integration into the trading process, frequency of monitoring, any asset classes that are not available for compliance monitoring, and any alerts and reports available for clients.

G. Legal/Internal Control/Risk Management

1. Identify each regulatory authority of the firm.
2. Disclose the nature of all onsite examinations by regulators in the last five years and include any findings.
3. Provide details of any ongoing regulatory action.
4. Disclose any self-reported violation to the SEC or other regulatory authorities in the last five years.
5. Identify and describe any litigation or investigation by a regulatory authority or contingent liabilities your company, its officer or its principals have been involved in within the last

five years relative to your Master Trust/Custody services, including any investment management or securities lending functions.

6. Describe the legal and compliance business units of the firm. Include the number of dedicated employees to these functions.
7. Provide a complete description of your capabilities for monitoring for compliance purposes requirements embodied in the Patriot Act, Anti-Money Laundering, OFAC SDN list, and other relevant programs.
8. Describe the monitoring of legislative and/or regulatory changes that may affect Master Trust/Custodial administration. Describe the method by which you advise clients of these changes.
9. Describe insurance coverage and indemnification relevant to the department handling Master Trust/Custody functions.
10. Describe your internal audit department. Provide an overview of the structure, key responsibilities, how findings are reported and to whom they are reported.
11. Identify your external auditors. Describe the audit relating to the controls and systems supporting U.S. - based master trust/custody clients.
12. Provide the most recent SOC 1 or equivalent report for internal control over financial reporting.
13. Identify critical vendors and describe the process for their hiring and monitoring.

H. Systems and Information Technology

1. Describe your trust/custody platform focusing on your core custody accounting performance measurement, and securities lending systems.
2. Provide a flowchart that shows how data is transmitted through these systems.
3. Identify the frequency of data transmission to clients. Discuss the different options for interfacing with third-party systems. Identify the relevant internal or outsourced groups that can develop interfaces for clients.
4. Discuss the uptime/downtime characteristics of the system for client access over the last five years. Describe the timing of system updates that would not allow clients to access their information.
5. Describe the process for clients to transact (wires, book transfers, etc.) on the online system.
6. Identify the length of time historical holdings and transactions data are available.
7. Describe the budget amount committed to systems and technology for the next five years.
8. Provide the firm's business continuity plan and disaster recovery plan.

9. Describe the security procedures that protect against or prevent unauthorized or malicious access to data.
10. Describe the process for identifying, managing, and disclosing security breaches regarding client data.
11. Identify the number of employees that are dedicated to IT/Cybersecurity.
12. Identify the percentage of custody related employees that work from home or any remote location. Describe any additional procedures to ensure safety and integrity of data.

I. Experience in Managing Transition and Conversion

1. Provide a detailed task list and schedule on how you will approach the conversion process, including actions required on the part of FRS and the timeframe to complete each task. Provide a conversion calendar and clearly describe the conversion process - who is responsible for coordinating activities, who must participate, what activities must occur, etc. detail the type and amount of resources required from FRS.
2. Discuss any dedicated resources (personnel, equipment, training, consultants, etc.), procedures, and controls provided or recommend in the transition/conversion period to ensure that the conversion process is completed successfully in a timely and accurate manner. Identify any dedicated conversion team members that would assist in the conversion by providing names, titles, and length of time on the conversion team.
3. Describe your training program for FRS staff.
4. Describe the interaction between the conversion team and the permanent account administration staff during and after the conversion process.
5. Describe the process for transferring historical data and appropriate client files.
6. Describe the processing of transactions which are pending during the transition/conversion period.
7. Describe any "blackout" periods in which investment managers may not transact in accounts.
8. Explain how there is sufficient control during the transition period to confirm that the process is successfully completed in both an accurate and timely manner.
9. Describe how corporate actions and tax reclaims are treated during the transition period.
10. Detail any costs associated with the conversion process.

ATTACHMENT A

**OFFICIAL REQUEST FOR PROPOSAL FOR GLOBAL CUSTODIAN BANK SERVICES FOR FIREFIGHTERS'
RETIREMENT SYSTEM**

MINIMUM REQUIREMENTS

The following qualifications are mandatory minimum requirements to submit an RFP response for custodian bank services. A cover letter must accompany each firm's proposal explaining how the firm satisfies each of these requirements.

1. Have a minimum of \$200 billion (USD) of assets under custody as of December 31st, 2022.
2. Provide full custody services for all markets, including emerging markets.
3. Be a fiscal agency bank of Louisiana as defined by LA R.S 11:2261.
4. Provide multi-currency accounting.
5. Provide on-line real time access to portfolio records, reports, and portfolio analytics.
6. Have and maintain FDIC capital adequacy requirements.
7. Have and maintain Fidelity and Indemnity Insurance coverage sufficient to cover any potential losses. Must show evidence of such policy in force.
8. Agree, if tentatively selected, to enter into good-faith fee negotiations for Global Custody Services. The fee structure provided must represent the firm's proposed fee structured specifically for FRS, not simply a reproduction of the firm's standard fee schedule.
9. Agree to have a representative physically present at the monthly FRS Board meeting. Meetings are currently held the 2nd Thursday of each month but may be subject to change. The cost associated with this client service should be included and itemized in the respondent's proposal.
10. Acknowledge the FRS board's right to change the selection requirements as deemed appropriate without further notice.
11. Acknowledge that it will serve in a fiduciary capacity to FRS.
12. Acknowledge the FRS board's right to: (1) Discontinue the RFP in whole or in part, (2) Reject any and all proposals, (3) Waive minor irregularities in any proposal, (4) Request clarification of information submitted, (5) Request additional information from any proposer, and (6) Deviate from proposed timeline.

ATTACHMENT B

**OFFICIAL REQUEST FOR PROPOSAL FOR GLOBAL CUSTODIAN BANK SERVICES FOR FIREFIGHTERS'
RETIREMENT SYSTEM**

Firefighters' Retirement System (FRS, System) is a cost sharing, multiple-employer, governmental defined benefit pension plan and is entitled to be treated as a Governmental plan under section 414(d) of the IRS code. FRS provides retirement, disability, and survivor benefits for over 6,000 members employed by 144 different cities, parishes, and fire protection districts in Louisiana. The fiscal year for FRS ends June 30th. As of January 31st, 2023, System assets totaled approximately \$2.1 billion. Below is the current structure of the FRS investment portfolio:

Asset type	Vehicle Types
Cash	2 Accounts
US Equity	3 Commingled Funds and 1 Separate Account
International and Global Equity	1 Commingled Fund and 3 Separate Accounts
Emerging Markets Equity	2 Commingled Funds and 1 Mutual Fund
US Fixed Income	2 Commingled Funds and 1 Separate Account
Emerging Markets Fixed Income	1 Commingled Fund
Private Equity	10 Limited Partnerships/LLCs
Private Real Estate	7 Limited Partnerships
Multi-Asset Strategies	1 Commingled Fund

(As of 2/28/2023) – Subject to change

FRS also has two separate accounts 'pending close' due to pending tax reclaims.

Below is a transaction summary for the FRS investment portfolio from July 1st, 2021 – June 30th, 2022:

Transaction Type	Number of Transactions		
	U.S.	Non-U.S.	Total
Class Actions	47	3	50
Corporate Actions	89	187	276
1089 Dividend Accruals	1,644	1,581	3,225
Dividends	1,348	1,457	2,805
FX Contract	1,089	1,455	2,544
Interest	1,702	149	1,851
Interest Accrual	34	0	34
Manual JEs	20	4	24
Misc. Activity	80	16	96
Partnership Distributions	66	0	66
Partnership Realized Gain/Loss	39	0	39
Principal Payments	2,414	0	2,414
Purchases	3,678	1,186	4,864
Receipts and Disbursements	525	48	573
Sales	2,036	1,073	3,109
Grand Total	14,811	7,159	21,970

ATTACHMENT C

**OFFICIAL REQUEST FOR PROPOSAL FOR GLOBAL CUSTODIAN BANK SERVICES FOR FIREFIGHTERS'
RETIREMENT SYSTEM**

FEE SCHEDULE

Please state your total annual fee for this custody relationship. Describe the base fee, transaction fees, any security charges, on-line charges, commission fees, EFT payment charges, STIF fees, and any other charges beyond the base fee. Fees should be quoted whenever possible, as both a "bundled" fee schedule and on an "a la carte" basis. Please compute your fee for each of the following categories with and without performing security lending services:

- (a) Custody only
- (b) Portfolio Investment Policy Compliance reporting/alerts
- (c) Any other ancillary services that would be appropriate
- (d) All of the above