

**REQUEST FOR PROPOSALS (RFP)  
FOR GLOBAL CUSTODIAN AND SECURITIES LENDING SERVICES  
QUESTIONS AND ANSWERS – FEBRUARY 6, 2022**

1. Is WSIB willing to receive the RFP via an online delivery portal that allows us to provide a centralized and secured delivery of our responses and corresponding information? We would set you up with access leveraging your email address and logging on and retrieving documents should be seamless.

Answer: Yes.

2. Please confirm where we may find Exhibit F – Special and General Terms and Conditions referenced in Section 7.7 for review

Answer: The Special and General Terms and Conditions are in Exhibits I and J. Exhibit I – Global Custody Services Contract is available on the WSIB website. Exhibit J – Securities Lending Services Contract to available to firms that complete the non-disclosure agreement as referenced in Section 5.3.

Exhibit F is now the fee proposal for Securities Lending Services and has been added to the WSIB website.

3. Regarding item 118.b in Section 2: Statement of Work, does the 105% requirement apply to international fixed income as well?

Answer: Yes, but we do not currently lend fixed income.

4. Regarding item 120 in Section 2: Statement of Work, “Provide next day liquidity at the option of the WSIB for any securities on loan,” can WSIB clarify what is meant by this statement?

Answer: We expect all loans to be able to be recalled on a daily basis.

5. With regards to Question 47.c in Exhibit E, could you clarify what you mean by notifying clients of election changes? Does this refer to the terms amending, or options no longer being available on the event?

Answer: Yes, this would include amendments or changes to the options originally published.

6. With regards to Question 126 in Exhibit E, should we give information for the years 2018, 2019, 2020, and 2021, as is requested in the surrounding questions? We noticed that the years in the narrative of the question differ from the years detailed within the chart. Please confirm that the information desired pertains to 2018, 2019, 2020, and 2021.

Answer: Yes, please see revised Exhibit E.

**Organization Resource and Staffing**

7. Can WSIB share their Service Level Agreement currently in place or expected to be in place with the custodian?

Answer: The WSIB currently does not have a Service Level Agreement with its custodian, but the WSIB expects one to be implemented during the first contractual year, prior to the live date.

8. Please confirm if the On-site representative referenced in 1.2 Purpose is required only during the time of transition or on a periodic / permanent basis?

Answer: The WSIB requires a dedicated resource on a periodic basis. Please see revised RFP.

9. We understand that WSIB uses a portfolio verification and shadow accounting system - can you discuss what system is used as well as the scope of usage and how it adds value to the WSIB team?

Answer: The WSIB currently use Broadridge as a verification system. The WSIB uses their system to independently validate custodian data. This is considered best practice and aids the WSIB in its daily verification of cash, monthly reconciliation process, and annual reporting.

### **Alternative Asset Servicing**

10. What system(s) does WSIB use to track alternatives?

Answer: The WSIB currently use Hamilton Lane as its back office private market service provider.

11. What metrics are key to Alts Asset servicing?

Answer: This is not in scope of custodian contract.

12. Is WSIB in need of a CRM tool?

Answer: No.

13. Is WSIB in need of Alts analytics, i.e. IRRs, metrics, unfunded commitment tracking, or document management?

Answer: No.

14. Is WSIB in need of capital call execution for the LPs?

Answer: The WSIB will require a custodian cash system to enter capital calls for wiring out of the custody system.

15. Do any of WSIB's hedge funds require estimates?

Answer: No.

16. Does WSIB track the underlying holdings for their PE funds?

Answer: Yes, but not with its custodian.

17. Is WSIB looking for additional flexibility for their Alternative Asset data model for reporting and analysis?

Answer: No.

18. Is the cash flow activity (e.g. capital calls, distributions) processed by the custodian and reflected on the custodian's records?

Answer: It is processed by WSIB using the custodians cash system. The funds are cash only from a custody perspective, but the transaction is reflected.

19. What level of accounting and reporting is expected for the limited partnerships and real estate investments?

Answer: Fund level valuations and cashflows only. WSIB will input cashflows and Hamilton Lane will provide monthly valuations that will need to be entered into the custodian's accounting system.

**Investment Performance Reporting**

20. Are lagged/non-lagged performance reporting for the total plan needed?

Answer: Assuming this question is around alternative assets, the WSIB already has a process in place that does not require the custodian to factor in lagged alternative data.

21. What is required for WSIB's daily results. RFP notes reasonable daily results, can WSIB further define what reasonable is to them from an unaudited perspective?

Answer: Daily performance results should reflect the custodian's calculation of performance based on the best available data as of the close of the previous day.

22. Is any ex-ante risk reporting need? Does WSIB use any third party platforms for this today?

Answer: Yes, WSIB would prefer a custodian to provide ex-ante risk reporting capability. Currently WSIB used MSCI BarraOne to provide overall risk reporting.

23. Are any ESG reports needed? Does WSIB use any third party platforms for this today?

Answer: Not in scope of this RFP.

24. Is security level attribution needed?

Answer: Yes.

25. Are any data warehousing or data feeds to a data warehouse needed?

Answer: Yes.

26. Please describe any customized reporting WSIB would need for the custodian to deliver/develop?

Answer: Reporting needs are listed in section 2.3.4 of the Statement of Work.

**Account and Holding Details**

27. Please confirm that WSIB will be providing volumes for transactions among their various asset types (i.e. separately managed holdings, comingled, mutual, limited partnerships, hedge, etc., derivatives, paydowns, wire payments, etc.)

Answer: This is included in Exhibit L.

28. Please provide a breakdown and count of types of accounts currently used at WSIB's custodian (i.e. separately managed, singled line and cash).

Answer: This is included in Exhibit K.

29. Please confirm WSIB will be providing a detailed holding list with country sector for each holding.

Answer: This is included in Exhibit K.

30. Please provide the average STIF balance for each fund.

Answer: Cash allocation targets and ranges are determined by a strategic asset allocation study for each fund and incorporated in the investment policies which are public information on our website. Additionally, market value and allocations are included in our quarterly performance reports also available on our website.

### **Daily Accounting Requirements**

31. Can you confirm only 3 pools require daily NAVs (Bond Fund, Savings (GIC) fund, and US TIPS)?

Answer: That is correct. The WSIB does require an unaudited daily NAV for the total CTF due to the recent investment of its target date funds in this portfolio. The WSIB needs the ability to reprice in volatile market conditions.

32. Is the Savings Fund valued using an incrementing NAV or is it valued at \$1 with a calculated daily income rate/monthly reinvestment?

Answer: Savings Pool is valued at cost.

33. RE: "Other funds managed by the WSIB may hold units in the Daily Bond Fund in addition to defined contribution participants." Does the NAV for this fund need to be sent to other providers (e.g., custodian(s) of plans not part of this RFP)?

Answer: The WSIB is responsible for distributing the daily NAVs received by the custodian to the record keeper and target date fund manager. The custodian will be expected to apply the daily prices to the funds that invest in the Daily Bond Fund that are on custodian books.

34. Are all of these funds available for daily participant activity?

Answer: Yes, there will be morning participant activity instruction from the WSIB to the custodian each trading day according to the SIFMA calendar.

### **Securities Lending**

35. Please provide an excel based asset list including security name, industry standard asset identifier (CUSIP/SEDOL/ISIN), shares/par value, price, market value.

Answer: This is included in Exhibit K.

36. Please provide accepted cash collateral reinvestment guidelines.

Answer: The Securities Lending Policy will be available as an attachment to the Securities Lending Service Contract template (Exhibit J) to the firms that sign a non-disclosure agreement.

37. Please provide accepted non cash collateral guidelines.

Answer: Please see Question #36.

38. Please provide any restrictions associated with securities lending, such as borrower restrictions, percentage on loan restrictions, minimum spread and max on loan, asset classes or markets restricted from securities lending

Answer: Please see Question #36.

39. Please advise if you have a policy on proxy voting.

Answer: Yes, this is available on the WSIB website.

### **Reporting Capabilities**

40. Does WSIB have any custom, bespoke or other 'non-off the shelf' reporting requirements? This could pertain to general ledgers or related trial balance reporting, APIs, ancillary tools/worksheets created using Excel (Data Direct), Power BI, et al

Answer: Yes, the WSIB will require the custodian to build a ledger level data feed to its state accounting system that is delivered monthly. The WSIB will also require integration with the custodian data platform via data feeds, APIs and other channels as required.

41. Please confirm if WSIB has any 3rd party data feeds or feed requirements?

Answer: The WSIB will require data feeds to its verification system daily/monthly. Some external managers request data feeds for a specified fund(s). Hired vendors may also require data feeds.

42. Please confirm if SWIB has any Online/digital tool training requirements? Will someone be needed onsite at time of transition to assist with training?

Answer: Yes, the WSIB will require training on systems and likely an onsite representative presence during the peak time of transition.

43. Please confirm if there are any market data considerations within any of the bespoke reporting or data file delivery?

Answer: The WSIB's primary data feeds relate to its funds and benchmarks. There are no major adjustments to that data based on market data, although related questions around treatment of data (e.g. holiday security pricing) may arise.

### **Insurance Accounting**

44. Please confirm what Statutory reporting is required for the Washington State Department of Labor and Industries Industrial Insurance Funds (LNI) plan.

Answer: NAIC.

45. Please confirm how many entities are in scope?

Answer: There are 13 custody funds in scope for the LNI Statutory reporting. There is a roll up level into 4 plan components (Accident Fund, Medical Aid, Accident Reserve,

Supplemental Pension).

46. Please confirm what statement types are required, green (separate accounts), blue (life and health) or yellow (P&C).

Answer: P&C

### **RFP response**

47. How long should the summary letter be, what type of information should be included, and to what level of detail?

Answer: The summary letter should be brief. It can be used to point out highlights of the firm's proposal and may also include other pertinent information that may not be in the firm's response. There should also be a section that identifies the portions of the proposal the firm is claiming to be confidential as discussed in Section 5.7 Proprietary Information.

### **Transition Planning**

48. Can WSIB please elaborate on the various tasks / processes / systems you envision to be incorporated into the daily practice and parallel processing of the conversion process?

Answer: The WSIB will want full parallel of the system to properly test the functionality. This would include all systems and activity. The WSIB envisions this would be a collaborative process to ensure a successful transition.

49. Can you please confirm if WSIB anticipates a legal document / contract be required and in place for the conversion period, and if so, can you please share a sample draft document?

Answer: Yes. The WSIB will use the contract template (see Exhibit I) already provided and add the additional elements/clarification as necessary.

50. Our firm is interested in responding solely in regards to providing securities lending services. Will WSIB consider awarding securities lending services on a stand-alone basis, **i.e.**, hire a non-custodial ("third-party") securities lending agent? We intend to respond if a proposal will be given due considered.

Answer: Not at this time.

51. If so, which sections and questions would WSIB like completed? Please also confirm that we should certify compliance with only those mandatory minimum qualifications relevant to the provision of securities lending services.

Answer: N/A

52. Please provide a copy of Attachment 2 to the Global Custody Services Contract, **i.e.**, the "Securities Lending Contract". The Contract for Securities Lending Services is referenced on page 30 of the Global Custody Contract; however, it is not attached as part of the Exhibit.

Answer: The Securities Lending Contract template will be provided to the firms that complete the non-disclosure agreement as described in Section 5.3 of the RFP.

53. What is the current relationship pricing (fee split) for securities lending? What are the fees, if any, associated with how cash collateral is managed by the agent?

Answer: Please see the Securities Lending Policy which is available as an attachment to the Securities Lending Service Contract template (Exhibit J) to the firms that sign a non-disclosure agreement. Current relationship pricing is not publicly available.

### General Questions

54. Due to the critical nature of the information that will be contained in Exhibits K-N, will there be an opportunity to ask additional clarifying questions regarding Exhibits K-N after the January 30, question deadline?

Answer: Yes. The WSIB will accept clarifying questions regarding the Exhibits released under the non-disclosure agreement through February 20, 2023.

55. Please provide the maximum file size your email server can accept.

Answer: 35 MB.

56. In addition to the information in the RFP, are there any areas of focus that may be of particular concern for WSIB or that have prompted the request for proposal, that would assist us in customizing our RFP response?

Answer: The RFP lays out all information that is needed in firm's response.

57. Can you please provide a list of your external Investment Managers?

Answer:

- Russell Investment Implementation Services, LLC
- BlackRock Institutional Trust Company, N.A.
- State Street Bank and Trust Company
- Brandes Investment Partners, L.P.
- TT International
- GQG Partners, LLC
- LSV Asset Management
- Arrowstreet Capital, L.P.
- William Blair Investment Management, LLC
- Sands Capital Management, LLC
- BLS Capital Fondsmæglersekskab A/S
- Mawer Investment Management Ltd.

58. For the Plan 3 retirement systems, does the support require daily valuation and distribution of unit values to a plan recordkeeper?

Answer: No, Plan 3 direct investment options excluding the three daily valued funds are not on the custodians' books.

59. Who is the plan recordkeeper for the Plan 3 retirement systems?

Answer: Voya

60. Are the assets supporting the Plan 3 retirement systems commingled with any other of the Trusts listed in the RFP?

Answer: Not in scope for this RFP, see above response.

61. Could you please provide us with the name of the third-party service provider referenced in the RFP? (i.e., 1.3 Overview of the Organization page 9, and requirement 92)

Answer: Hamilton Lane (Private Markets Back Office Service Provider)

62. Please share a schematic of the current account structure.

Answer: This is included in Exhibit K.

### **Scope of Work Requirements**

#### **Accounting & Custody Requirements**

63. What general ledger system do you use?

Answer: Agency Financial Reporting System (AFRS)

64. Will files be sent via FTP, or another type of electronic delivery method?

Answer: FTP and API will be the preferred methods of data delivery.

65. Can you please provide a sample of your general ledger as well as a chart of accounts?

Answer: The chart of accounts is included in Exhibit K. The general ledger sample can be provided to finalists if deemed necessary at a later stage in the procurement.

66. In reference to requirement 11, when you use the term "income recovery" do you mean relief at source?

Answer: Tax reclaim filing including relief at source.

67. In reference to requirement 12, when you use the term "aggressively" do you have an expectation on timing? If so, can you please provide more detail?

Answer: Monitoring of payments and timely follow-up when the WSIB tax reclaims are past market convention. The questioned term was removed in the revised RFP.



68. Is daily valuation needed for a subset of the plans or is it for all of the plans and assets? Please specify your daily valuation requirements.

Answer: Public assets should be valued daily. The funds are audited and reconciled monthly aside from the three daily valued funds. The WSIB does expect a soft close on all CTF funds daily so it can leverage estimated NAVs.

### **Trade Settlement Requirements**

69. In reference to requirement 34, can we please clarify your meaning when you use the term “clearing”? Are you referring to settlement or something else?

Answer: Trade Settlement.

### **Cash Management & Cash Control**

70. In reference to requirement 48. Contractor shall provide, if necessary, a collateralized investment vehicle for funds received after the daily wire cutoff. Please confirm if you are referring to collateralized deposits versus collateralized investment vehicle? What type of Sweep Vehicle are you invested in today?

Answer: Collateralized investment vehicle which is the sweep vehicle the WSIB currently uses.

71. In reference to requirement 50. Ability to support multiple STIF vehicles with varying deadlines. How is this processed today?

Answer: The WSIB currently invest in two sweep vehicles across its plans that have different deadlines. The WSIB expects the custodian to verify all cash for the day for its internally managed funds prior to the sweep deadline. Typically, the WSIB verifies all cash at the early deadline but have the ability to account for addition cash needs for the funds invested in the later vehicle if needed.

72. What is your estimated average daily cash balance held in your current custodians sweep vehicle?

Answer: Estimated value is roughly \$2 billion, i.e. 1.5% to 2%, but could drop to 1%.

73. In reference to requirement 56. Do you require daily audited accounting to support your cash overlay program?

Answer: Audited, no. But the WSIB does expect ledger balances to be accurate and that they are updated as transactions occur.

### **Performance Measurement and Analytics**

74. In your scope of work you reference Performance Measurement and Analytics (**At WSIB's Option**) can you clarify what you mean by “At WSIB's Option”? Is your current custodian providing this service?

Answer: The WSIB custodian provides this service, and it is not optional. Please see

revised RFP.

75. Are Performance Measurement and Analytics services needed for all of WSIB's plans that are in scope including the Labor & Industry Funds?

Answer: Yes

76. Is WSIB using any external risk or multi-asset class analytics systems today? Please confirm your risk requirements (ex. VaR, scenario analysis, stress testing, frequency).

Answer: The WSIB uses MSCI BarraOne for the total CTF Risk Analysis and Style Analytics for the Public Equity portion. The WSIB would require a risk analysis on a monthly basis that shows overall tracking error as well as contribution to tracking error from various asset classes.

77. In reference to requirement 68, please confirm the frequency of attribution reporting (i.e., monthly). Is Total Fund attribution required? When there is look-through capability to plan participants, is the expectation that performance and attribution can be calculated down to the individual participant?

Answer: This would be monthly reporting for the total fund and composites. Attribution looking through to the individual participant is requested.

78. In reference to requirement 73 (security master list), please clarify if WSIB is seeking access to full constituent level details on benchmarks.

Answer: Yes, the WSIB is seeking the full constituent level details for benchmarks where it is entitled.

79. Please provide a list of benchmarks required including any custom benchmarks (also for requirement 77). Please confirm which vendors WSIB is licensed with today and if constituent level licenses are in place.

Answer: The quarterly reports available on the WSIB website are a good source of information for benchmarks used.

80. In reference to requirement 76, does WSIB require daily performance at the security level or at the total account level? Please confirm if daily returns need to be audited or unaudited. Item A and B seem to contradict each other.

Answer: The WSIB requires daily performance at the security level, composite, and total account level. These would be delivered daily and be unaudited (delivered prior to official close of books for the month). After the close of books, an audited version of the month end performance would be to be delivered.

81. Will IRR returns be required for any investment types? If so, please specify which investment types.

Answer: The WSIB will require IRR return calculations annually for its auditors.

82. Do you require daily or monthly Compliance Monitoring?

*Please note, daily monitoring requires subscription to daily analytics, monthly monitoring requires subscription to monthly analytics*

Answer: Daily compliance monitoring.

83. Please indicate if you require or are interested in the following services:

- Universe Comparison (Peer and Manager Universes)
- Board Reporting

Answer: Yes, Universe Comparison (TUCS).

### **Investment Data**

84. Is general ledger data required for all WSIB accounts?

Answer: Not the three daily valued funds, and only the composite level for the CTF.

85. In reference to requirement 79, how is WSIB accessing this type of underlying custody data today and does this include the details within SWIFT messaging as well?

Answer: Through the custodian platform. The WSIB request SWIFT messaging details from the custodian for various reasons and copies of the SWIFT are shared with the WSIB. Access is ideal.

### **Secure Interface-**

86. In reference to requirement 86, can you please provide more details on the WSIB verification system?

Answer: This is the WSIB's shadow accounting platform. They independently compute NAVs and ingest custodian data to compare daily and monthly.

87. In reference to requirement 86. d, can you please provide more details on the daily feed of cash and accounting transactions and the data points as well as timing?

Answer: All cash transactions for the WSIB's private market funds will need to be sent to its verification system prior to the WSIB's daily sweep into STIF.

### **Middle Office Trade Settlement**

88. Is Middle Office Trade Settlement only needed for your internally managed accounts?

Answer: Yes

89. In reference to 100. b, can you specify what a TIMS message acknowledgement is?

Answer: This an automated technical validation acknowledgement that the trade has been

received in the custodian's middle office from our trading platform, Bloomberg AIM.

90. Number of US buy/sell trades (block and allocation level) per annum for your internally managed accounts

Answer: 4k last fiscal year. Trade detail needed for middle office services is included in Exhibits L.

91. Number of Non-US buy/sell trades (block and allocation level) by country per annum for your internally managed accounts

Answer: This is included in Exhibit L.

92. Number of third-party FX's per annum for your internally managed accounts

Answer: This is included in Exhibit L.

93. Please provide the number of brokers used for your internally managed accounts

Answer: The WSIB currently has 60 brokers/dealers approved for use.

94. Is derivative support in scope for Middle Office Services? If so, please provide:

- Number of ETD holdings and transactions per annum for your internally managed accounts

Answer: No.

- Number of OTC holdings and transactions per annum for your internally managed accounts

Answer: No.

95. Do you require collateral support for your internally managed accounts? If so, please provide:

- Number of FCM's/Derivatives Counterparties

Answer: No.

- Number of Active Collateral Agreements (Per Account, per Broker)

Answer: No.

### **Statutory Accounting Requirements-Labor & Industry Funds**

96. Please provide the number of legal entities and Schedule D's for the LNI funds?

Answer: 4 Schedule Ds required for each plan (Accident Fund, Medical Aid, Accident Reserve, Supplemental Pension)

97. Please provide the number of accounts for the LNI funds?

Answer: There are 13 custody funds in scope for the LNI Statutory reporting. There is a roll up level into 4 plan components (Accident Fund, Medical Aid, Accident Reserve, Supplemental Pension).

98. Can you provide us with a detailed listing of security types for the LNI funds

Answer: This is included in Exhibit K.

99. In reference to requirement 103, would an alternative to NAIC pricing be acceptable? If so, what is an acceptable alternative to the NAIC pricing?

Answer: No.

100. What type of insurance funds are the LNI funds?

Answer: P&C

101. What general ledger system do you use for the LNI funds?

Answer: Agency Financial Reporting System (AFRS)

102. Can you please provide a sample of your general ledger as well as a chart of accounts for the LNI funds?

Answer: Accounts are included in Exhibit K. The general ledger sample can be provided to finalists if deemed necessary at a later stage in procurement.

103. Will files be sent via FTP, or another type of electronic delivery method?

Answer: Currently all reports are loaded electronically for download by L&I employees. There are no data feeds at this time.

104. Is your current custodian providing accounting for the LNI funds? If so, is the same platform being used for the LNI funds as the other funds?

Answer: Yes, they use separate platforms for each service (GAAP & STAT).

**Accounts and Market Values:**

105. Please provide a holdings report in excel with the following information:

- Date (holdings as of)
- Account/Fund Name
- Number of Shares
- Valid Security Identifiers (CUSIP, Sedol)
- Security Name
- Market Values

- Settlement Location
- Security Type

Answer: This is included in Exhibit K.

106. Number and type (equity/fixed) of actively/separately managed US accounts (managers)

Answer: This is included in Exhibit K.

107. Market value of actively/separately managed US assets

Answer: This is included in Exhibit K.

108. Number of actively/separately managed non-US accounts (managers)

Answer: This is included in Exhibit K.

109. Market value of actively/separately managed non-US assets by country

Answer: This is included in Exhibit K.

110. Market value of any bank loan assets (if applicable)

Answer: Zero

111. Total number of positions held by country

Answer: This is included in Exhibit K.

112. Market value of passively managed assets

Answer: This is included in Exhibit K.

113. Number of passively managed funds by type (mutual funds, commingled funds, limited partnerships, hedge funds, etc.)

*Please note that we are primarily interested in the total number of fund investments you have and not the number of accounts you hold the fund investments in (if the totals vary).*

Answer: This is included in Exhibit K.

114. Number of physically held securities as well as types of certificates (e.g., are these primarily private placements)

Answer: This is included in Exhibit K.

115. Trade volumes and domicile of the physically held securities

Answer: This is included in Exhibit L.

## Transactions

116. Please distinguish between separate accounts and commingled funds for the following:

- Total number of US buy/sell trades per annum
- Total number of Non-US buy/sell trades by country per annum
- Total number of wires in and out
- Total number of Derivative transactions per annum (Swaps, Options, Futures)
- Number of annual 3rd Party Foreign Exchange transactions per annum

Answer: This is included in Exhibit L.

## Foreign Exchange

117. Please provide FX volumes for the past 12 months, separately for Custody FX and Directly Negotiated. Please identify whether the volumes are in developed or emerging markets or provide volume by currency.

Answer: This is included in Exhibit L.

118. Please provide the average portfolio turnover for the past 12 months?

Answer: 50% of the CTF is in private assets, hence a portfolio turnover measure is not applicable.

119. Current pricing: What comprises your current FX pricing arrangement?

Answer: FX trading is done by our managers (internally and externally) and is not included in our custody services. Our FX positions are priced according to our pricing source agreement with the current custodian.

120. Do you plan to use a passive FX overlay program to hedge foreign currency/holding exposures, or a share class program?

Answer: The WSIB currently has no plans to add a program to hedge anything.

## Securities Lending

121. Please provide the most recent annual gross securities lending revenue (pre-fee split).

Answer: FY 22 gross earnings \$4.32 million.

122. What is the fee split currently in place?

Answer: Please respond with your proposed fee.

123. For the purpose of calculating a securities lending estimate, please provide a holdings report in Excel with the following information:

- a. Date (holdings as of)
- b. Fund Name
- c. Valid Security Identifiers (CUSIP, Sedol)
- d. Security Name
- e. Number of Shares
- f. Market Values (base currency)
- g. Country of Issue

Answer: This is included in Exhibit K.

124. Do you participate in a collateral pool or a separate account for your cash collateral?

Answer: We use a separate account and please see our lending policy for more details.

125. Please provide your current collateral investment guidelines?

Answer: Please see the WSIB lending policy as discussed in Question #36.

126. Are you willing to accept non-cash in addition to cash collateral? If so, what forms of non-cash should we assume are acceptable (e.g., US Govt. only, all OECD debt, Equities, etc.)?

Answer: Please see the WSIB lending policy as discussed in Question #36

127. Are there any limits on securities lending activity such as total outstanding loans, minimum spreads, borrower restrictions/limits, proxy voting, etc.?

Answer: Currently the WSIB only has limitation on borrowers' limits, and please see the WSIB lending policy as discussed above for further details.

128. Do you plan to reimburse any collateral deficiency with your current provider before converting or have a remediation plan in place and intend on transferring assets in-kind (e.g., allocation earnings to reduce any collateral deficiencies)?

Answer: The WSIB will evaluate the best plan to handle a potential conversion.

### **Third party lending**

129. In the scope of work under section 2.6 Securities lending Requirements requirement 130 asks about supporting third-party lending. Is this currently being done today for WSIB?

Answer: The WSIB does not currently use a third-party lending agent but could in the future if the need comes up.

130. Is third-party lending in Scope for this RFP and should we include this in our Fee Schedule?

Answer: Yes

### **Alternative Investments**



131. What level of service do you require? i.e., basic line-item reporting, reporting & monitoring, drill down, full outsourcing support, shadow accounting, capital call management, document management, etc.?

Answer: Basic line-item reporting, system capability to process capital call and distributions. Cashflow reporting from the system used to support cash projections and reconciliations. Ability for WSIB operations to process spot trades to support the foreign cashflow needs with various partners. Ability to load monthly valuations from the WSIB back-office service provider for each investment.

132. What is the commitment level, in USD, of your alternatives?

Answer: Information is available in the WSIB audited financials located on its website.

### **Additional Custodial Services**

133. Is your custodian part of your existing Fixed Income Counterparties?

Answer: Yes.

134. Do you utilize Directed Brokerage or Commission Recapture with your existing Equity Managers?

Answer: No, and the WSIB does not anticipate using these in the foreseeable future.

135. Do you invest in Fixed Income or Equity ETFs?

Answer: Yes.

136. Would you be interested in learning about any of the above services?

Answer: Not at this time.