

Master Trustee and Custodial Services**GENERAL INFORMATION**

Name of Bank _____

Address _____

Respondent's Name _____

Respondent's Title _____

Respondent's Telephone Number _____

Respondent's E-mail Address _____

ORGANIZATION AND BACKGROUND

Briefly describe the organizational structure of the Bank and Master Trust/Custody Department and the unit within this Department that services Endowment and Foundation accounts (E&F accounts). Provide an organization chart showing the operating interrelationships and authority within the Master Trust/Custody service units, and how this unit fits within the organization.

Provide a brief description of the history and development of your Master Trust/Custody services, including acquisitions or mergers and dates of both implementation of key elements and enhancements to your overall services.

What are your total assets held in custody? How many E&F Account clients did your organization service as of December 31, 2009? Please list number and asset size.

	Number of E&F Clients	Total AUM
Less than 1 Billion in AUM		
Between 1-5 Billion AUM		
Greater than 5 Billion AUM		

What is the breakdown of relationships by number of foundations, other endowed institutions, pension funds, public funds, private individuals and families, and other?

What are the assets for each of these categories?

How many E&F relationships have been added in each of the past three years?

How many have been lost?

For each account lost, indicate asset size and the reason for termination.

How do you rate amongst your competitors in industry surveys? Please provide rankings.

Identify and describe any litigation and/or investigation by a regulatory authority or contingent liabilities your company, its officers or its principals have been involved in within the last three years relative to your Master Trustee/Custody services. What was the final outcome of such investigation or litigation?

ADMINISTRATION

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Organization and Resources

Describe the organizational unit that would handle the account.

What is the average number of clients with whom an individual on this level works?

Does a separate unit exist for working with investment managers?

How many professional staff are devoted exclusively to the delivery of Master Trust/Custody services?

What approach to account administration is used (i.e., account teams, account administrator with supporting group)?

Who interfaces with clients? How often?

Provide brief biographical summaries of key individuals in charge of Mater Trust/Custody services and the account administrator who would be assigned to this account. What is the rank and level of authority of this individual?

Identify the person(s), and their qualifications, designated to handle matters when the account administrator is unavailable.

How do you measure the performance of your professional staff in relations to providing Custody services?

What is the average turnover within "customer contact" unit over past three years?

Comment on the personnel turnover your organization has experienced in the Master Trust/Custody area in the past three years.

Please discuss briefly the bank's capital adequacy and insurance coverage for custody-related losses.

As of 12/31/09, what were the sizes of the bank's Stockholders' Equity and blanket bond coverage?

CONVERSION

Please describe your approach to the implementation and conversion process. Include an estimated conversion calendar, including actions required on the part of the Bradley Foundation, and the Master Custodian and the time frame to complete each task.

What dedicated resources (personnel, equipment, training of personnel, consultants, etc.), procedures, and controls will you provide or recommend in the conversion period to ensure that the conversion is completed successfully in both a timely and accurate manner?

How much time does a transition usually take? What is the relationship between the transition team and the permanent account administration staff? How do you handle transactions and claims which are in process during the transition/conversion period?

What costs are associated with the conversion?

Do you provide storage capabilities for historical records from previous custodian? Please describe.

FEES

Submit a copy of your current, proposed fee schedule and/or describe on what basis fees are calculated.

Indicate frequency with which you intend to submit invoices.

Do you offer a multi-year guarantee of current fee schedules?

Please provide a proforma fee analysis for the proposed services to the Bradley Foundation account.

When completing the analysis, fees for services should be quoted both as individual services and as a bundled package.

PORTFOLIO PERFORMANCE

Please provide sample performance evaluation reports and indicate whether the following can be produced routinely (if an extra charge is involved, please note). Also, indicate to what extent these reports can be customized at no additional cost.

Asset Allocation

Can you report summary asset allocation:

By asset class (equities, bonds, cash, etc. in \$ and %)	Yes _____	No _____
By manager (\$ and %)	Yes _____	No _____
By asset class for each manager (\$ and %)	Yes _____	No _____
Against target (policy) allocations (currency and %)	Yes _____	No _____

Performance Results

Can you provide rates of return over any designated combination of months for:

Total portfolio	Yes _____	No _____
Each asset class	Yes _____	No _____
Each manager	Yes _____	No _____
Any combination of managers or accounts	Yes _____	No _____
Each asset class within a manager	Yes _____	No _____
That are Time-Weighted	Yes _____	No _____
That are Dollar-Weighted	Yes _____	No _____
Gross of fees	Yes _____	No _____
Net of fees	Yes _____	No _____

Can you provide:

Comparisons with relevant market indices and customized combinations thereof	Yes _____	No _____
Comparisons with client-determined benchmarks (such as T-bills plus 6%)	Yes _____	No _____
Comparisons with same-style manager universe mean returns (please list and describe the universes)	Yes _____	No _____
Differences calculated between portfolio/manager returns and index/universe returns	Yes _____	No _____
Percentile rankings of manager returns within same-style universes?	Yes _____	No _____
"Floating bar graphs" showing various manager universe percentile rankings and portfolio managers' rankings within the universe?	Yes _____	No _____
Risk/return statistics such as sharpe ratio, information ratio, standard deviation, etc.	Yes _____	No _____

Describe your ability to provide customized benchmarks for different asset classes.

Performance Attribution

Can you provide performance attribution on:

Equity Managers - Portion of return attributable to:

- Asset Allocation
- Stock Market Index Return
- Beta
- Alpha
- Asset Allocation
- Stock Market Index Return
- Sector/Industry weightings
- In total
- By Sector
- Security Selection within a Sector

Bond Managers - Can you calculate the portion of return attributable to:

- Bond Market Index Return
- Maturity
- Sector
- Security Selection

PORTFOLIO ANALYSIS

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For Equity Managers

Can you provide equity managers' portfolio characteristics -- averages and, where appropriate, % of portfolio within ranges (i.e. % of portfolio in stocks with P/E's between 8 and 12) for the following:

Price/Earnings Ratio	Yes _____	No _____
Price/Book Ratio	Yes _____	No _____
Dividend Yield	Yes _____	No _____
Payout Rate	Yes _____	No _____
Earnings per Share Growth	Yes _____	No _____
Return on Equity	Yes _____	No _____
Return on Assets	Yes _____	No _____
Market Capitalization	Yes _____	No _____
Turnover	Yes _____	No _____
Beta	Yes _____	No _____
Number of Issues in Portfolio	Yes _____	No _____

Can you provide equity manager sector/industry analysis, including:

Sector and industry weights for each portfolio, with comparison to appropriate market index

Returns by sector

For Fixed Income Managers

Can you provide the following:

Quality analysis -- average quality and % of portfolio in each quality category

Maturity -- average maturity, duration and % of portfolio in various maturity ranges

Sector -- % of portfolio in various market sectors (e.g., treasuries, agencies, utilities, industrials, etc.)

Coupon -- average coupon and % of portfolio in various ranges

Security analysis -- quality, maturity, duration and coupon by security (organized by sector)

Non-Marketable Alternative Assets (Buyouts, Venture Capital)

Does the bank provide performance reporting for these partnerships?

Yes _____ No _____

If "yes", does the bank provide comparisons with relevant peer universes?

Yes _____ No _____

If "yes", what is the source of the comparative information?

Internal _____ External _____

If "external", who provides the data?

Brokerage Analysis

Can you calculate for each trade: number of shares traded, commissions, commissions per share, trading cost per share (difference between average price for the day and executed price), and total cost per share (including commissions)?

Is information organized by manager and by broker for each manager?

Do you have the capability to report brokerage commissions by account and by transaction?

Does your bank provide global custody?

What is the dollar volume of assets in global accounts (excluding U.S.-only accounts) on 12/31/09?

Briefly describe global custody network (branch offices, agent banks, number of countries handled).

Do you account for settlements on an actual date or contractual date basis?

Can foreign and global portfolios be included in accounting reports with U.S.-only portfolios?

If not, how similar are the formats of the reports?

Please describe your global performance evaluation reports. Do they include:

- Asset allocation (see page 2)

- Performance results (see page 2)

- Performance attribution (see page 3)

- Portfolio analysis (see page 3)

- Brokerage and other analysis (see page 4)

Is global performance evaluation provided before and after currency adjustments (realized and unrealized)? What is your method of calculating gains and losses on non--U.S. currency holdings? What global reporting is available on-line? When are monthly reports available?

Describe your bank's program to recover withheld taxes.

How are instructions for investment transactions relayed to you? What are the time restrictions? What procedures are in place to identify, follow-up and resolve failing trades? How and when are investment managers advised of failed trades both domestic and global?

What percentage of fails did you experience in the last two years for sales and for purchases? How frequently and why did the fails occur?

Briefly describe your securities settlement process. Describe your procedures and capabilities for settling and accounting for same day cash trades.

Describe your depository memberships (i.e., DTC, FRB, etc.) and the services you use at these depositories.

Describe your system for the registration and custody of global assets.

- Briefly describe your global custody service capabilities including those items which currently set you apart from your competition.

- How frequently do you reconcile your records with depositories and your sub-custodians – cash, securities, and corporate actions?

- How do you monitor the securities laws and regulations of foreign countries to ensure compliance with local trading and settlement practices?

- What enhancements have you recently made or plan to make to your custody services?

Describe where and how the receipt and delivery of "physical" securities occurs and how are they secured. Describe any involvement of second party banks in the clearing of such transactions.

How do you account for corrections/reversals (i.e., as adjustments or as offsetting purchases and sales)?

Corporate Actions

Provide an overview of your corporate action capabilities (including a list of sources the bank uses for corporate action announcements). How and when do you record corporate actions for accounting purposes?

How do you notify investment managers of voluntary corporate actions, and receive their affirmation on how to process the actions?

Foreign Currency Exchange

When a foreign currency trade is instructed through custody, how is the exchange rate determined?

How do you measure trade performance? Do you utilize a benchmark for trade execution?

What are the fees associated with foreign currency trades? How are the fees disclosed to clients?

Valuation

What is the source of your pricing data for stocks, bonds, convertibles, options and other derivatives, including how frequently prices are updated? What are your monthly pricing practices?

Do asset valuations include accrued income and pending transactions?

How are valuation differences resolved between the investment manager and the Master Custodian?

How do you price securities which are not available from pricing services, such as private placements?

What procedures do you have to detect and address unusual or significant pricing changes from the previous pricing period?

Proxy Voting

Provide details of your proxy voting program, both standard and premium services. What are your capabilities for accumulating the results of proxy voting by investment managers for reporting to clients?

Class Actions

Do you provide class action monitoring and processing services for clients? What reporting do you provide to clients to monitor pending actions and review what has been filed for their plans? How do you provide class action research and filings for historic issues, 1-7 years old?

CASH MANAGEMENT

What short term investment vehicles (describe in detail) are available to your Master Trust/Custody clients?

Include the following:

Fund Name

Investment philosophy and objectives

Types of allowable investments

Investment performance (current and historical)

Interest crediting

Minimum purchase unit

Management/administration fees and conditions

Is the client charged for overdrafts, or just above market claimable amounts?

What is the bank's policy and procedure?

Describe your system for monitoring and projecting cash balances.

Do you offer online cash processing or same-day projection reporting?

Do you provide at least one internally managed U.S. government securities only short-term investment fund (STIF) for use by investment managers? Yes _____ No _____

If yes:

Fund size (12/31/09): \$ _____

Minimum purchase unit: \$ _____

Do you provide automatic deposit ("sweep") at end of day?

To what balance: \$ _____

Management charges and other fees are:

Is fund internally or externally managed?

If external, name of fund managers:

If the fund is externally managed, indicate the fund's management fee:

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Performance (total return) for calendar years, net of all management fees:

2004	_____ %
2005	_____ %
2006	_____ %
2007	_____ %
2008	_____ %
2009	_____ %

Is interest credited to accounts daily? Yes _____ No _____

What is the composition of the STIF portfolio? Please provide types of assets and percentages for each STIF offered.

Are any other money market funds available as an alternative to the STIF? If so, will there be a transaction charge?

ACCOUNTING SYSTEM

Accounting is on what basis? Cash _____ Accrual _____

As of what date are trades posted?

Trade Date _____

Settlement Date _____

Sales are credited to account:

Contractual settlement date _____

Actual settlement date _____

Other (specify) _____

Purchases are charged to account:

Contractual settlement date _____

Actual settlement date _____

Other (specify) _____

Dividends are credited on:

Payable date _____

Date of receipt _____

Other (specify) _____

Dividends are investable on what date? _____

Interest from bonds is credited on:

Payable date _____

Date of receipt _____

Other (specify) _____

Interest is investable on what date? _____

If a purchase, sale, dividend or interest is posted on other than day of receipt, how is fund compensated for any loss of income?

What percentages of fails did you experience during 2006, 2007, 2008 and 2009 for sales and for purchases?

(Please calculate these purchases as the dollar volume of failed domestic stock and fixed income trades divided by the total dollar volume of all domestic stock and fixed income trades (both settled on schedule and failed). The dollar volumes should not include STIF transfers, repurchase agreement transactions, futures and options, or non-U.S. transactions. If you cannot provide the requested data using this definition, please provide the data available and the definition that you use.)

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Does the bank provide accounting information on non-marketable alternative assets? Yes _____ No _____
If "yes", does it consist of a line item entry provided by the partnerships, or is it calculated independently by the bank
based on underlying company data? Line Item _____ Calculated _____

Describe in detail your monthly reporting process and timelines including private equity estimates and the true up
procedures. Do you provide first call manager follow up for private equity and hedge funds?

When was your software developed and was it developed internally or externally? What enhancements are planned
now and over the next three years?

How much funding have you committed to systems and data processing during the past three years? How much has
been committed to enhancements over the next three years?

Are the Master Trust/Custody supported by a dedicated data processing, programming and application staff?
Do you anticipate having dedicated staff assigned to this particular client?

What are your security procedures that protect customer information, especially with respect to unauthorized access
to data? Please describe in detail all security measures.

Briefly describe your Trust/Custody disaster recovery plans. How often are they tested and to whom are results
communicated?

Taxes

Do you have full tax lot accounting? Please describe the tax-related services you provide to support E&Fs.
Do you assume any liability for tax penalties and/or interest resulting from an inaccurate filing?

ACCOUNTING/REPORTING

Accounting

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

- Processing cycles (cut-offs, etc.)
- Reconciliation reports and processes for all types of securities
- Interfaces with securities movement and performance measurement systems

Please provide a complete description of your accounting system's ability and features specifically related to:

- E&F accounts
- Private equity
- Hedge funds

Provide a proposal on what services you are prepared to provide the Bradley Foundation investments in private
equity, Hedge funds and other Alternative assets.

What is the lag time between trade execution, the posting of the transaction to your accounting system, and the
availability of on-line transaction data to the client?

What is your source and how do you account for pay down information?

Can you use written standing instructions for cash movement on private equities capital calls as a replacement for
instructions provided on a case by case basis?

How does your system account for derivatives (swaps, options, futures, etc.)?

Is accounting for these securities performed on your main accounting system?

If not, describe the offline system and capabilities.

Describe any other securities transactions that are accounted for with an offline system.

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Quality Control

Describe your practices to reconcile the Master account records with investment managers.
What items are reconciled, how are the reconciliations performed, and what is the frequency?

What steps are taken to ensure the accuracy of your reports?
Are reports audited before they are sent to clients?
If so, by whom?

What methods do you use to ensure proper accounting and categorization of client-directed cash flows?

Client Reporting

Describe your standard accounting reporting package. Provide a detailed list of all reports available with your standard client reporting package.

How soon after accounting periods are fully audited reports available?

Do you provide a consolidated report in addition to individual investment manager reports?

How soon after year-end is annual reporting available?

Which of your reports are not fully automated? Do you plan to automate these reports? When?

Are you willing to prepare custom reports from available data?
Is there an extra charge for this service?

Describe the level of audit support provided during clients' financial reporting periods.
Who do clients and their auditors correspond with (relationship manager, accounting/custody operations, etc.)?

Do you offer a regular monthly/quarterly management reporting package?
If so, please supply an example of the reporting package available.

Do you offer private equity/venture capital reporting? If so, please supply an example of the reports.

Do you offer audit reporting such as cash flow, FAS 157 and security impairment reports? What other services and support are available to assist the Bradley Foundation during our annual audit? Please supply an example of the reports.

Describe your existing capabilities to provide online client document storage.

Can client have on-line access to your system?

Via the internet	Yes _____	No _____
For cash management information	Yes _____	No _____
For accounting information	Yes _____	No _____
For a list of asset market values	Yes _____	No _____
For performance results	Yes _____	No _____
For portfolio analysis	Yes _____	No _____
For securities lending reports	Yes _____	No _____
Can on-line reports be modified by the user	Yes _____	No _____
Other (describe)	_____	

How current are on-line market values? _____

Will securities holdings and market values always be as of the same date? Yes _____ No _____

Can investment managers have on-line access to your system?

For pending trades	Yes _____	No _____
For cash management information	Yes _____	No _____

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For accounting information	Yes _____	No _____
For a list of asset market values	Yes _____	No _____
For performance results	Yes _____	No _____
For portfolio analysis	Yes _____	No _____
Can on-line reports be modified by the user	Yes _____	No _____
Other (describe) _____		

To what extent does your system have flexible hard copy report-formatting capabilities?

How frequently are transaction journals and cash statements available?

Do transaction journals include:

Trades in chronological order	Yes _____	No _____
Trade dates	Yes _____	No _____
Broker commissions	Yes _____	No _____
Broker's name	Yes _____	No _____
Market trade is executed on		
Settlement date	Yes _____	No _____

With respect to journals and statements:

What is the transaction cut-off date for monthly statements? _____

Does the journal or statement include all trades and other transactions within the month, including last day of month? Yes _____ No _____

Are income and principal tracked separately throughout the accounting system, including on-line reports? _____

How are realized gains/losses reported? Yes _____ No _____

How soon after the close of the period (monthly, quarterly, etc.) are transaction journals, cash statements and appraisals available?

What pricing services are used for: Stocks _____ Bonds _____

Other _____

How often are prices updated for: Stocks _____ Bonds _____

Other _____

SECURITIES LENDING

Does the bank provide securities lending? Yes _____ No _____

Is there a minimum required asset size to participate in securities lending? Yes _____ No _____

If "Yes", what is the minimum account size? _____

How many approved borrowers does the bank have? _____

Please include a copy of your securities lending contract.

What return could be expected on \$100 million of domestic securities available for securities lending?

Show your calculation, including the percentage loaned, the rate earned on loaned securities (based on average experience during calendar 2009) and the bank's share of the rate earned.

Overview

Provide an overview of your securities lending operation, including the systems utilized.

How long have you been engaged in securities lending?

How many clients currently participate in your securities lending program?

Please provide a breakdown by client type (corporations, E&Fs, etc.).

What protection is available for risk of loss? How is client indemnification offered?

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What is the proposed securities lending income split between the client and the Bank?

Borrowers

With how many borrowers do you have business relationships?

How many are active currently?

How are these borrowers selected?

Who are your primary borrowers?

How often is credit worthiness reviewed?

Can the client select or eliminate a given borrower for their account?

Can the client establish a limit for loans to a given borrower?

Has any borrower ever defaulted? (Please describe.)

Loan Processing & Monitoring

Explain in detail your security loan allocation system and the basis on which you make such allocations to all clients.

How do you provide equal opportunity to all participating clients to lend their securities?

Identify the advantages your bank has in dealing with the broker/dealer community, and the resulting benefit to clients.

How many traders are dedicated full time to securities lending, and how many years of experience do they have on average?

How do you coordinate your securities lending activities with the client's investment managers?

What type of automated system do you use? Describe the interface between your securities lending system and your custody system. Describe the type and frequency of the reconciliations performed between these two systems.

Collateral Management

Do you impose fees for the investment of collateral? Are any other fees or charges deducted from the earnings remitted to the client before or after the earnings split?

If so, specify the amount(s).

What are your collateral requirements (types and percentage)?

Do you allow for client directed parameters for collateral investment?

Describe your mark-to-market procedures.

Client Reporting

What is your reporting procedure? How often do you report and what is included?

Do you provide benchmark reporting? Describe your offering.

CUSTOMER SERVICE

Client Education

Describe any ongoing educational sessions, client conferences, publications or other means you have for keeping clients informed and for providing a forum for new ideas.

How do you monitor legislative and/or regulatory changes affecting Master Trust/Custody administration?

How are these changes communicated to clients?

Do you have in-house legal counsel dedicated to the Master Custody services?

To what extent is such counsel available to clients?

How do you monitor client satisfaction?

Do you provide your clients with the ability to participate in client user groups?

Do you establish Service Level Agreements with your clients that specify performance standards? Please provide a working example from an E&F Client.

System Capabilities and Online Communications

Describe your on-line systems for clients and their investment managers.

Describe the information available, i.e., pending trades, accounting information, asset lists by account including market value, transaction history, summary of account market values for the portfolio, and securities on loan.

How long is client data available online?

When was your current system rolled out to clients? What is the current version (i.e, 2.1 or 3.2 etc.)?

Does your online system have look-through or drilldown capabilities? Please describe.

How many hours per day is the on-line system available?

Can clients retrieve on-line information in a customized reporting format? If so, describe your custom reporting flexibility and limitations.

Does your system provide the user the ability to build reports by themselves? Do you provide report building support? Please describe.

What plans do you have to upgrade your online system over the next two years? Please describe significant features to be added or enhanced and how they will impact the Bradley Foundation.

What provisions are made for training of client personnel in the use of online applications?

Other

Can all performance and accounting reports be downloaded to EXCEL, or other spreadsheet software for data manipulation?

CONTROLS

Provide copies of your most recent annual report and SAS 70 Examination.

Provide copies of any Internal Control opinions issued by your independent auditors specifically related to your Master Trust/Custody services within the last three years.

Please provide copies of any significant control issues/items or process changes suggested to eliminate future discrepancies identified by your internal audit team.

How are control deficiencies, identified by your independent auditors, communicated to management?

What level of management receives the notification of any control deficiencies?

Who or what level of management is responsible for ensuring that any noted control deficiencies are adequately resolved?

PLANNED GIVING SERVICES

Describe how your bank is structured to provide investment management, administration, and custody services for planned giving assets. Highlight those units responsible for the specialized services required by planned giving clients. Describe the staffing (professionals and others) in the investment management, administration, and custody areas.

Complete the following summary (as of 12/31/09):

	<u>Investment Management</u>	<u>Custody</u>	<u>Trust Administration</u>
A. Charitable Gift Annuities (CGA) # of CGA Accounts	\$ _____	\$ _____	\$ _____
B. Charitable Remainder Trusts (CRT)* # of CRT Accounts	\$ _____	\$ _____	\$ _____
C. Pooled Income Funds (PIF) # of PIF Accounts	\$ _____	\$ _____	\$ _____
D. Charitable Lead Trusts (CLT) # of CLT Accounts	\$ _____	\$ _____	\$ _____
Total Assets	\$ _____	\$ _____	\$ _____
Total # of Accounts			

*Includes both annuity Trusts and unitrusts.

How many years have you provided investment management, administrative, and custody services for each of the indicated charitable asset categories (CGA, CRT, PIF, CLT)?

Please describe how your planned giving staffing has changed over the past three years. Include head counts for key functional areas.

Identify the person (including back-up personnel) who will be responsible for day-to-day administration of the account.

Detail each individual's qualifications to provide the required service.

How will your firm assure staff continuity in case of turnover on the account?

How many other relationships would the primary contact also manage?

BANKING SERVICESProducts

Please provide a list of banking products and services.

Do you provide imprest checking accounts that can be funded from custodial accounts? If so, please describe the process.

Do you provide check verification services? If so, please describe the process.

Security

Do you provide on-line access to review and initiate account transactions?

Please provide the security measures you have in place to protect client access and information, and approval process.

Fees

Submit a copy of your current, proposed fee schedule based on the following anticipated monthly activity:

- 150 cleared checks
- 15 ACH payments
- 2 stop payments

Do you provide a monthly account analysis report detailing the charges?

SUMMARY

Explain why the Bradley Foundation should select your organization to provide the needed services. Specifically describe your Master Trust/Custody service capabilities that set you apart from your competition. Please provide the name, asset size, contact person and phone number of three existing clients whom we may contact for references. These clients should be E&Fs of similar size, complexity and be receiving services similar to the scope of services required by the Bradley Foundation. *At least one of these references should be utilizing the same operations team that is proposed to service the Bradley Foundation account.*