

EXHIBIT 1:

CUSTODY AND RELATED SERVICES/SCOPE OF SERVICES

NYSIF is seeking proposals from qualified providers for trust, custody and securities lending support services. The service functions required and other areas to be evaluated include:

Organizational Resources, Client Service Team, & Client Profile

1. The custodian will have a significant industry presence with numerous complex client relationships – experience servicing large public and insurance funds;
2. The organization must have a demonstrated commitment to the custodial and asset-servicing business indicative of a philosophy of client service and dedication to industry excellence;
3. Client turnover (including both new and terminated client relationships) rates will be reviewed as there is a strong preference for a stable account base;
4. An experienced and dedicated client service team will be provided commensurate with the complexity of NYSIF's portfolio and associated requirements;
5. A coherent relationship management protocol will be implemented and maintained which provides for the appropriate escalation of issues and special projects within the context of the overall NYSIF relationship;
6. Professional staff turnover rates will be reviewed;
7. Broad and comprehensive global market coverage will be provided either through proprietary custody networks or a regularly maintained and appropriately documented network of qualified sub-custodians in local markets; and
8. The custodian will implement a communications tracking system to monitor all service delivery components, formal requests, associated agreements, and measure the performance of contractual obligations.

Core Custodial Services

1. Establish and maintain accounts in the name of NYSIF for Financial Assets, for any and all cash received for NYSIF;
2. Fully accrued, trade-date accounting will be provided for all assets;
3. Segregation of Assets – All assets credited to the accounts shall be segregated at all times from the custodian;
4. Access to vault facilities will be provided for the safekeeping and physical delivery of all securities not eligible for depositories;
5. Securities will be cleared on-line at the DTC, Federal Reserve, and via other clearing agents;

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6. Settlement will be performed on a delivery versus payment basis;
7. The custodian is expected to process trades in a straight-through-processing (STP) environment to the greatest extent possible, inclusive of providing enabling linkages and technologies to eliminate manual settlement process;
8. Collect information and income from assets (dividends, interests, etc.) and administer related tax withholding documents and foreign tax reclamation;
9. Provide daily positions with ability to post both accrued trades and settled trades and cash equivalents;
10. A comprehensive pricing protocol and system will be in place to independently ensure the accuracy of the prices received from various external sources on a daily basis. This system will employ procedures to verify the primary price to a secondary pricing source, compare prior day's prices to current day's prices, and investigate changes outside established tolerances as well as changes from prior month that appear unreasonable in relation to current market trends;
11. All indicated daily-priced portfolios (where daily information is available) will be priced daily and have daily accounting for the purpose of computing daily net asset values. Where daily pricing is not available, pricing direction will be provided by NYSIF;
12. In all markets, the custodian will use multiple and/or reliable sources/vendors for corporate action information collection and class action litigation. Notification of corporate action and class action litigation of the security will be provided within a 24-hour period. A system to retrieve corporate action letters and submit responses electronically must be provided;
13. Reports must be provided under the following schedule:
 - Certain accounting and performance information will be delivered on a daily basis in formats and timing to be specified in greater detail in the contract entered into with the successful vendor;
 - Addendum I contains the current volume of daily accounts and delivery timelines for accounting and performance information;
 - Monthly audited accounting reports (hard copy, electronic, and on-line at the discretion of NYSIF) will be provided no later than 3 business days after month-end for all accounts custodied at the custodian; and
 - Daily, monthly, and yearly accounting and performance reports will be available.
14. An accurate report of all holdings, yearly transactions, and other pertinent investment data, will be provided no later than thirty (30) days after the end of each fiscal year in a

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format to be agreed upon by both parties;

15. Custodian's automated systems will be able to interface with NYSIF's investment accounting systems (CAMRA) to fully comply with requirements for reconciliations, pricing, tolerance audits, data quality, research of unpriced securities, and for variance resolution;
16. Custodian will provide technical expertise and assistance to NYSIF investment accounting and portfolio administration personnel including, but not limited to:
 - Providing direct access to designated individuals to assist with technical questions; and
 - Providing an account administrator(s) available by telephone between the hours of 6 AM and 6 PM Eastern Standard Time.
17. Electronic access to trade data will be provided to NYSIF, consultants, investment managers, and any other third party approved in advance by NYSIF;
18. Assurances will be provided through a third-party letter that internal controls reviews are being conducted in compliance with SSAE 16 and any successor disclosures; and
19. Custodian shall provide ongoing on-site training to NYSIF's staff of their online tools and systems in addition to periodic structured educational sessions regarding relevant issues to members of NYSIF's staff. NYSIF's staff will be invited to any and all general client conferences and education sessions.

Cash Management

1. Daily cash flow projections and other cash management reports will be provided;
2. Overnight investment management services for funds left in account at the end of the day must be provided. Any fees or costs associated with these services must be disclosed;
3. Provide for same day settlement of cash trades, such as physical, DTC, and FED purchases;
4. Client-directed fund transfers (in U.S. \$ and foreign currencies) will be provided – these transfers will also occur within our various investment accounts. Any fees or costs associated with these services must be disclosed; and
5. Custodian can transmit foreign and domestic wires on behalf of our fund as well as receive foreign and domestic wires. Processes for authenticating wire transfers and maintaining security over wire transfers are in place.

Technology/Systems Support

1. Systems in use can interface with NYSIF's Local Area Network (LAN) for the purposes

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of downloading reports and extracting data for analysis using software products such as Microsoft Excel, and support “inquiry only” access by various internal and external users;

2. Interfaces will be provided for NYSIF’s internal and external managers as well as other authorized parties at NYSIF’s direction;
3. Custodian must be able to interface with all current and future third party alternative asset class management systems;
4. A monthly file of all transactions in all NYSIF accounts will be provided to NYSIF’s investment and accounting systems for the purpose of custodial reconciliation and verification by the 4th business day of the month for all accounts maintained by the custodian;
5. Complete histories of investment activities of all NYSIF holdings shall be maintained throughout the term of the custodial relationship and as subject to NYSIF Records Retention Requirements which require at least 8 years of retention.
6. Standard reports will be provided as requested by NYSIF and included in the fixed core custodial fee;
7. Ad hoc query and reporting functions will be available and the custodian shall, by mutual agreement, and in a timely manner, be provided at no additional charge;
8. Additional custom reports that require creation from sources other than currently available, online data (to comply with industry-standard report formats developed in the future) as requested by NYSIF will be negotiated at the time of the request;
9. On-site training will be provided to NYSIF staff during the initial conversion process and is expected to be provided on an ongoing basis with an annual periodicity;
10. Adequate protection will be provided against unauthorized access to NYSIF records under the custodian’s control;
11. The custodian must be capable of transmitting encrypted data files following generally acceptable standards such as either SSH (known as Secure Shell /Secure Socket Shell) or PGP (Pretty Good Privacy);
12. Records will be safeguarded against potential loss or destruction by fire, theft, vandalism, storm, earthquake, or any other hazard, by retaining backup data in a secure location so that records (current at least to the prior month-end and the end of the preceding day) can be re-created within a 24-hour period;
13. An established and proven business continuity plan for emergency situations is in place

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which provides for record re-creation and operations resumption within twenty-four (24) hours of any occurrence of any major disaster or other cause which destroys records and/or disrupts normal operation of the custodian's systems (the continuation of such service is furthermore guaranteed within twenty-four (24) hours);

14. Computer records of all audited investment transactions and month-end positions will be maintained on electronically readable storage media for eight (8) years (these records will be checked for viability on an annual basis and migrated, if necessary, to more current technology in order to maintain accessibility during the entire retention period); and
15. The custodian's on-line systems must report the same information as their audited accounting systems once audited values are available.

Transition Planning & Support (if applicable)

All non-incumbent institutions have prepared a detailed transition plan that includes: timing of transition phases, staffing levels (including those of client), resource commitments (including those of client), and other considerations.

Securities Lending Custodial Lending

1. Custodian will provide a qualified and high-quality risk-managed securities lending program with indemnification provided for borrower default;
2. A clear marking-to-market policy shall be in place and collateralization levels for all securities and currencies will be actively monitored;
3. A daily report of collateral, identifying daily collateral required and pledged, and a monthly report on securities lending activity and outstanding loans, including amounts by borrowers can be provided;
4. A breakdown of securities lending income between income accruing to lending activities and reinvestment activities can be provided;
5. A wide range of detailed reporting for both assets and liabilities will be provided, to include on-line reporting in an accessible format suitable for more detailed analysis; and
6. A risk management reporting system is utilized and ideally offered directly or via output reports to clients.

• Third-Party/Principal Securities Lending Program Support

1. Third-party lender activities will be reported and the overall custodial operational relationship managed in the presence or absence of such relationships;
2. Custodian will supply customized daily availability feeds in a mutually agreeable electronic format to multiple agents;

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3. The custodian will abide by a third-party lending operational support agreement and terms contained therein.

• Investment Performance Measurement and Analytics

1. Monthly flat files will be provided containing daily and monthly performance data and attribution, including returns by country and industry, and value-added information, for all accounts, composites and benchmarks in a format prescribed by NYSIF to populate a risk measurement system;
2. An updated listing of all NYSIF's accounts/composites and their assigned benchmarks will be provided in a centralized location and will be updated monthly as necessary;
3. Reports will be provided in the following terms: gross of fees, net of management fees, and net of all fees (to include fees reported to custodian by NYSIF) using CFA Institute-compliant calculation methods;
4. Raw performance data, transactions data, rates of return, and/or any other information concerning NYSIF's accounts will be submitted on a monthly and daily basis to vendor(s) selected by NYSIF;
5. Performance analytics and attribution data will be provided for NYSIF accounts versus relevant agreed-upon benchmarks according to timelines detailed in Addendum I of this RFP (a schedule to be incorporated in and potentially subsequently revised in the service contract);
6. Monthly performance reports detailing market performance and portfolio performance, at any level of detail or any aggregate deemed necessary by NYSIF, will be provided including both current and historical data;
7. If a transition of plan providers occurs, successful non-incumbent Bidder will back-load performance data for all accounts (both open and closed), composites (both open and closed), and benchmarks (both standard and custom);
8. Monthly analytic reports will be prepared in formats acceptable to NYSIF;
9. Daily rates of return will be delivered on the next business day for all public market investments, asset classes, and other composites at the direction of NYSIF; and
10. Monthly performance rate of return tolerances for public market manager reconciliations will be performed based on contract terms in effect with each manager.