AMENDMENT NUMBER 4
TO THE
AMENDED AND RESTATED MASTER CUSTODY AGREEMENT
Between
EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS
And
THE NORTHERN TRUST COMPANY

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

THIS AMENDMENT NUMBER 4 ("Amendment"), effective as of the ___ day of ~~November~~December, 2016, is made by and between the **EMPLOYEES' RETIREMENT FUND** ~~of the~~**OF THE CITY OF DALLAS** (the "Fund") and **THE NORTHERN TRUST COMPANY** ("Custodian").

RECITALS

WHEREAS, the Fund and Custodian entered into an Amended and Restated Master Custody Agreement, dated May 1, 2008, as amended from time to time (the "Agreement"); and

WHEREAS, the Fund represents that its enabling and governing document having long been embodied in Dallas City Code 40A was recently amended to permit the Fund to engage and authorize certain of its Investment Managers, by an amendment of such Investment Managers written investment management agreements and contractual guidelines, to permit such Investment Mangers to use derivatives under certain contractually permitted circumstances and restraints, and

WHEREAS, to facilitate any of the Fund's Investment Managers whom the Fund authorizes to invest in and use derivatives, the Fund and Custodian desire to modify the Agreement to specifically provide for investments of Fund assets in futures, options on futures, options, swaps, short sales and any other transactions that involve the pledging of or transfer of assets as margin, collateral, or otherwise, on the terms and conditions set forth herein;

WHEREAS, the Fund and Custodian desire to modify Exhibit 2, FEES FOR GLOBAL CUSTODY SERVICES AND ASSOCIATED APPLICATIONS SYSTEMS SOFTWARE, with the updated Exhibit 2 attached hereto;

NOW, THEREFORE, pursuant to Section 33.18 of the Agreement, the Fund and Custodian agree as follows:

1. Article 5 of the Agreement is hereby modified by adding a new section 5.6, containing the language as follows:

5.6. Derivatives. (a) In the event the Fund engages, or authorizes any Investment Manager to engage, in transactions involving financial futures, options on futures, options (including but not limited to put and call options), swaps, short sales, or any other transactions that involve the pledging of or transfer of assets to or from a Sub-Account as margin, collateral, or otherwise, Custodian shall:

(i) transfer assets from such Sub-Account to a futures commission merchant, safekeeping bank, broker or other third party as directed by the Fund or the Investment Manager;

(ii) pay or demand variation margin in accordance with industry practice to or from the designated futures commission merchant or other third party based on daily marking to market calculations;

(iii) pledge assets as collateral in accordance with industry practice or as directed by the Fund or the Investment Manager;

(iv) subject to Custodian's consent, enter into such additional procedural, safekeeping, custody, or other agreements with brokers, futures commission merchants, safekeeping banks or others as the Fund or the Investment Manager directs; the Fund or the Investment Manager shall approve the form and content of any such additional agreements, and the provisions of such agreements shall control in the event of a conflict with this Agreement; and

(v) establish such collateral accounts (which may be sub-accounts of a Sub-Account), and transfer assets to or from and invest assets held in such collateral accounts, as the Board or the ~~investment manager~~Investment Manager directs.

Except as otherwise agreed in writing, Custodian shall have no investment or custodial responsibility for any cash, securities or other assets transferred to or held by a futures commission merchant, safekeeping bank, broker or other third party in connection with any such transaction.

(b) In the event that the Fund engages, or authorizes any Investment Manager to engage, in listed option transactions issued by the Options Clearing Corporation with respect to any Sub-Account, the Fund hereby acknowledges and accepts that the execution of additional documentation shall be required to authorize Custodian to act as escrow bank in connection with deposits held in escrow for such options transactions.

(c) In the event that the Fund engages, or authorizes any Investment Manager to engage, in short sale transactions with respect to any Sub-Account, except as otherwise agreed in writing, Custodian's responsibilities shall be limited to putting the short positions on record, and accepting or transferring assets to or from the Sub-Account, as the Fund or the Investment Manager directs. Custodian shall have no responsibility to calculate realized gains or losses with respect to such transactions.

2. Pursuant to Section 7.2 and Section 33.18 of the Agreement, Exhibit 2, FEES FOR GLOBAL CUSTODY SERVICES AND ASSOCIATED APPLICATIONS SYSTEMS SOFTWARE, shall be modified and replaced with the attached updated Exhibit 2.

There are no changes to any other provisions of the ~~Contract~~Agreement which remain in full force and effect.

[Signature Page Follows]

APPROVED AS TO FORM:
~~Rafael Stone~~Gary B. Lawson
~~Foster Pepper PLLC~~
Strasburger & Price LLP

By _____
ERF Attorney

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

_____
Chair, Board of Trustees

THE NORTHERN TRUST COMPANY

By _____

Title _____

EXHIBIT 2
FEE SCHEDULE

DOMESTIC AND GLOBAL CUSTODY

$125,000 annually

Third Party Foreign Exchange $35

Global market-associated and execution costs such as stamp duty, re-registration and delivery and receipt charges will be passed through at cost, if and as applicable. These Charges are part of the normal and customary cost of doing business in global markets and do not apply to domestic accounts or transactions. These costs, as well as the third party charges listed above, are recorded monthly, by manager, as a transaction and are not separately invoiced.

INVESTMENT RISK AND ANALYTICAL SERVICES

Included in Custody Fees

COMPLIANCE ANALYST – ENHANCED SERVICE LEVEL

An amount equal to; $1,500 per Sub-Account per annum; prorated on the basis of the actual number of days in the period during which such Sub-Account was receiving Enhanced Compliance Analyst services.

The Fund will continue to be charged at the Core Compliance Analyst services rate of $25,000/annually, prorated until such time as the implementation to Enhanced Compliance Analyst Services is complete for all participating Sub-Accounts.

COLLECTIVE STIF

8 basis points

DERIVATIVES

1. Transaction Processing (applies to ETD & OTC)

Type	Per Trans Fee
For ETD derivatives a charge applies to both buy and sell transactions	
▪ All instruments	$20
For OTC derivatives a charge applies to both buy and sell transactions	
▪ Simple	$60
▪ Moderate	$75
▪ Exotic	Fees based on product complexity and agreed on a case by case basis.

This includes initial trade capture, set up and settlement of initial cash movement.

2. Position Maintenance (applies to OTC only)

Type	Per Trans Fee
▪ Simple	$250 per position per annum

▪ Moderate	$400 per position per annum
▪ Exotic	Fees based on product complexity and agreed on a case by case basis.

Where prices are supplied by the manager, the charge is $200 per position per annum regardless of instrument.
Daily independent valuations
Periodic position reconciliations
Lifecycle events, such as processing rate resets
Standard accounting and reporting

3. Collateral

Type	Per Movement
▪ Passive Collateral Processing or ETD margin / OTC collateral movement	$15 per movement

4. Active Collateral Management (outsourced service will not show up on invoices)

Active Collateral Management is an outsourcing activity where our client or their asset manager provides their credit agreements (between client and counterparty) and Northern Trust provides the following services.

Type	Annual Fee
▪ Outsourcing activity	Approximately $15,000 - $20,000 per credit support agreement per annum

Collateral Calls
Daily Collateral Calls are recorded and processed through the Collateral Dashboard
Respond to collateral demands made by counterparties
Instruct custodian to move funds (undisputed amount) or to expect to receive funds
Resolve disputes through reconciliations and valuation challenges

Reconciliations
Proactive reconciliations with counterparty
Periodic reconciliations with custodian

Corporate Actions
Corporate Action tool enables us to monitor and substitute Collateral before the Corporate Action takes place
Interest calculations on cash collateral

Reporting
Provide access to clients to view web-based collateral management system
Access to view live collateral management decision making activity
Northern Trust to provide daily/intra-day collateral reporting from Colline
Reports can be sent in Excel, PDF, and Text formats

SECURITIES LENDING (pursuant to separate agreement)

20%

TREASURY MANAGEMENT (per separate schedule)

The fee schedule reflects the accounts established at the time this schedule was prepared. The Schedule will be applicable to all accounts that may be added from time to time and without modification of the Schedule, unless warranted by the nature of the new accounts.

Employees' Retirement Fund of the City of Dallas and The Northern Trust Company established this Fee Schedule with the assumption that there will be no substantive changes in the account

structure, composition of assets, reporting requirements or in the mix of services delivered by Northern Trust. Further, ~~the~~this amended Schedule is predicated on the expectation that the client will use the products and services anticipated during its negotiation. Should there be any significant changes or the client elects not to use one of the anticipated products or services, Northern Trust reserves the right to re-evaluate the fees.

This Fee Schedule is guaranteed through April 30, 2017.

Document comparison by Workshare Compare on Friday, December 02, 2016 10:08:08 AM

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~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
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