



# NEWS RELEASE

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## State Treasurer's Office Enters Custody Agreement with BNY Mellon

**COLUMBIA, SC**—The South Carolina State Treasurer's Office has signed an updated, transparent, custody agreement with Bank of New York Mellon. Bank of New York Mellon has been the custodial agent for over 30 years, and the custody agreement with the Bank was last renewed in 2007. Bank of New York Mellon will continue to serve as the state's custody bank, with more than \$40 billion of the State's assets affect by the agreement.

With assistance from the State Procurement Office, the State Treasurer's Office issued a request for proposal from custodial banks, and an advisory panel consisting of employees of the State Treasurer's Office, the Retirement System Investment Commission and the Public Employee Benefit Authority reviewed the bids. In May, 2012, following a thorough review and numerous meetings with banks submitting proposals, the advisory panel and the State Treasurer Office's pension consultant recommended that the State Treasurer's Office negotiate a custody agreement with Bank of New York Mellon.

"We took personalities and politics out of the decision-making process as we looked for a custody agreement for more than \$40 billion dollars of the state's assets. I am pleased that we have signed an improved agreement with Bank of New York Mellon," said State Treasurer Curtis Loftis.

Loftis continued, "The improved agreement, achieved by a competitive process, has enhanced security, additional fee and training concessions, more transparency, accountability, and oversight for the funds of the State."

Bank of New York Mellon is the largest custody bank in the world with \$27.7 trillion in assets under custody and administration. Some of the improvements to the contract include:

- To increase transparency, fees will be invoiced and paid directly from the applicable Funds.
- State Funds and Trust Funds will get a larger share of securities lending revenue
- The Bank accepts more responsibility for reporting and accounting for assets not currently in-bank
- Additional confidentiality provision
- Comprehensive menu of ancillary services are made available to the trust funds
- New custody contract supports the global and diverse nature of the trust funds
- Increased staff training, valued at \$150,000 a year.

For more information, visit <http://www.treasurer.sc.gov/rsic>

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