



INSTRUCTIONS FOR PREPARATION OF SCHEDULE T
FIDUCIARY AND RELATED SERVICES
(To be completed quarterly.)

Beginning March 31, 2010, all schedules of the Schedule T – Fiduciary and Related Services submitted by each reporting Licensee, will be made available to the public on an individual basis from the Department of Financial Protection and Innovation.

Fiduciary and Related Assets General Instructions

Institutions should generally report fiduciary and related assets using their market value as of the report date. While market value quotations are readily available for marketable securities, many financial and physical assets held in fiduciary accounts are not widely traded or easily valued. If the methodology for determining market values is not set or governed by applicable law (including the terms of the prevailing fiduciary agreement), the institution may use any reasonable method to establish values for fiduciary and related assets for purposes of reporting on this schedule. Reasonable methods include appraised values, book values, or reliable estimates. Valuation methods should be consistent from reporting period to reporting period. This "reasonable method" approach to reporting market values applies both to financial assets that are not marketable and to physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods.

Only those Individual Retirement Accounts, Keogh Plan accounts, Health Savings Accounts, and similar accounts offered through a fiduciary business unit of the reporting institution should be reported in Schedule T. When such accounts are not offered through an institution's fiduciary business unit, they should not be reported in Schedule T. Accounts that consist solely of deposits in the institution itself should not be reported in Schedule T.

If two institutions are named co-fiduciary in the governing instrument, both institutions should report the account. In addition, where one institution contracts with another for fiduciary or related services (i.e., Institution A provides custody services to the trust accounts of Institution B, or Institution A provides investment management services to the trust accounts of Institution B) both institutions should report the accounts in their respective capacities.

Exclude unfunded insurance trusts, testamentary executor appointments, and any other arrangements representing potential future fiduciary accounts.

Asset values reported on this schedule should generally exclude liabilities. For example, an employee benefit account with associated loans against account assets should be reported gross of the outstanding loan balances. As another example, an account with a real estate asset and corresponding mortgage loan should be reported gross of the mortgage liability. However, there are two exceptions. First, for purposes of this schedule, overdrafts should be netted against gross fiduciary assets. Second, the fair value of derivative instruments, as defined in FASB Statement No. 133, should be included in (i.e., netted against) gross assets even if the fair value is negative.

DFPI 505 INSTRUCTIONS

Securities borrowing/lending transactions should be reflected as sales or as secured borrowings according to FASB Statement No. 140. A transferee ("borrower") of securities generally is required to provide "collateral" to the transferor ("lender") of securities. When such transactions do not qualify as sales, securities "lenders" and "borrowers" should account for the transactions as secured borrowings in which cash (or securities that the holder is permitted by contract or custom to sell or repledge) received as "collateral" by the securities "lender" is considered the amount borrowed and the securities "loaned" are considered pledged against the amount borrowed. For purposes of this schedule, securities held in fiduciary accounts that are "loaned" in securities lending transactions (that are accounted for as secured borrowings) should be reported as an asset of the fiduciary account that "loaned" the securities, but the "collateral" received should not also be reported as an asset of this fiduciary account.

In the Fiduciary and Related Assets section, the market value of Collective Investment Fund (CIF) units should be reported along with individual participant accounts in the Column and Item that corresponds to each participant. The aggregate amount of a CIF that is operated by an institution should NOT also be reported as a separate, additional account in the Fiduciary and Related Assets section of this schedule.

Managed Assets – Column A

Report the total market value of assets held in managed fiduciary accounts. An account should be categorized as managed if the institution has investment discretion over the assets of the account. Investment discretion is defined as the sole or shared authority (whether or not that authority is exercised) to determine what securities or other assets to purchase or sell on behalf of the fiduciary related account. An institution that delegates its authority over investments and an institution that receives delegated authority over investments are BOTH deemed to have investment discretion.

Therefore, whether an account where investment discretion has been delegated to a registered investment adviser, whether affiliated or unaffiliated with the reporting institution, should be reported as a managed account depends on whether the delegation of investment authority to the registered investment adviser was made pursuant to the exercise of investment discretion by the reporting institution. If so, the account is deemed to be a managed account by the reporting institution. Otherwise, the account would be a non-managed account for purposes of Schedule T.

An entire account should be reported as either managed or non-managed based on the predominant responsibility of the reporting institution.

Non-Managed Assets – Column B

Report the total market value of assets held in non-managed fiduciary accounts. An account should be categorized as non-managed if the institution does not have investment discretion. Those accounts for which the institution provides a menu of investment options but the ultimate selection authority remains with the account holder or an external manager should be categorized as non-managed. For example, an institution that offers a choice of sweep vehicles is not necessarily exercising investment discretion. The process of narrowing investment options from a range of alternatives does not create a managed fiduciary account for the purposes of this schedule. For example, a 401(k) employee benefit plan where the participants select investments from a list of investment options should be reported as non-managed for the purposes of this schedule.

DFPI 505 INSTRUCTIONS

Number of Managed Accounts – Column C

Report the total number of managed fiduciary accounts.

Number of Non-Managed Accounts – Column D

Report the total number of non-managed fiduciary accounts.

Fiduciary and Related Assets Specific Instructions

Item No. Caption and Instructions

1. **License Number** Provide the license number of the institution as designated by the Department of Business Oversight.
2. **Name of Institution** Provide the full legal name of the institution.
3. **Internet Information:**
 3. a. **Primary Internet Web Address of Institution** Provide the primary internet Web address (Home Page) of the institution, if any.
 3. b. **Type of Web-site** Indicate if the web-site currently allows transactional activities.
4. **Personal trust and agency accounts.** Report the market value and number of accounts for all testamentary trusts, revocable and irrevocable living trusts, other personal trusts, and non-managed personal agency accounts. Include accounts in which the institution serves as executor, administrator, guardian, or conservator. Exclude personal investment management and investment advisory agency accounts, which should be reported in Schedule T, item 7. Also exclude Keogh Plan Accounts, Individual Retirement Accounts (IRAs), Health Savings Accounts, and other pension or profit-sharing plans for self-employed individuals, which should be reported in Schedule T, item 5. Personal accounts that are solely custody or safekeeping should be reported in item 11 of this schedule.
5. **Employee benefit and retirement-related trust and agency accounts:**
 5. a. **Employee benefit – defined contribution.** Report the market value and number of accounts for all employee benefit defined contribution accounts in which the institution serves as either trustee or agent. Include 401(k) plans, 403(b) plans, profit-sharing plans, money purchase plans, target benefit plans, stock bonus plans, employee stock ownership plans, and thrift savings plans. Employee benefit accounts for which the institution serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee benefit accounts that are solely custody and safekeeping accounts should be reported in Schedule T, item 11.

DFPI 505 INSTRUCTIONS

- 5. b. Employee benefit – defined benefit.** Report the market value and number of accounts for all employee benefit defined benefit plans in which the institution serves as either trustee or agent. Employee benefit accounts for which the institution serves as a directed trustee should be reported as non-managed. The number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Employee benefit accounts that are solely custody and safekeeping accounts should be reported in Schedule T, item 11.
- 5. c. Other employee benefit and retirement-related accounts.** Report the market value and number of accounts for all other employee benefit and retirement-related fiduciary accounts in which the institution serves as trustee or agent. Include Keogh Plan accounts, Individual Retirement Accounts, Health Savings Accounts, Medical Savings Accounts, and other pension or profit-sharing plans for self-employed individuals. Also report the market value of assets and the number of accounts for employee welfare benefit trusts and agencies. Employee welfare benefit plans include plans, funds, or programs that provide medical, surgical, or hospital care benefits; benefits in the event of sickness, accident, disability, death, or unemployment; vacation benefits; apprenticeship or other training programs; day care centers; scholarship funds; or prepaid legal services. Employee benefit accounts for which the institution serves as a directed trustee should be reported as non-managed. Exclude accounts, originated by fiduciary or non-fiduciary personnel that are only permitted to be invested in own-bank deposits. The number of accounts reported should reflect the total number of plans or accounts administered rather than the number of plan participants. Other retirement accounts that are solely custody and safekeeping accounts should be reported in Schedule T, item 11. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts should also be reported in Schedule T, item 13.
- 6. Corporate trust and agency accounts.** Report the market value of assets held by the institution for all corporate trust and agency accounts. Report assets that are the responsibility of the institution to manage or administer in accordance with the corporate trust agreement. Include assets relating to unrepresented bonds or coupons relating to issues that have been called or matured. Do NOT report the entire market value of the associated securities or the outstanding principal of associated debt issues. Include accounts for which the institution is trustee for corporate securities, tax-exempt and other municipal securities, and other debt securities including unit investment trusts. Also include accounts for which the institution is dividend or interest paying agent, and any other type of corporate trustee or agent appointment. Accounts that are solely custodial or safekeeping should be reported in Schedule T, item 11.
- 7. Investment management and investment advisory agency accounts.** Report the market value and number of accounts for all individual and institutional investment management and investment advisory agency accounts that are administered within the fiduciary area of the institution. Investment management accounts are those agency accounts for which the institution has investment discretion; however, title to the assets remains with the client. Include accounts for which the institution serves as a sub-advisor. Investment advisory accounts are those agency accounts for which the institution provides investment advice for a fee, but for which some other person is responsible for investment decisions. Investment management agency accounts should be reported as managed. Investment advisory agency

DFPI 505 INSTRUCTIONS

accounts should be reported as non-managed. Investment management and investment advisory agency accounts maintained for foundations and endowments should be reported in Schedule T, item 8. Exclude investment management and investment advisory agency accounts that are administered in SEC- registered investment advisory subsidiaries of the institution. Include those mutual funds that are advised by the fiduciary area that is a separately identifiable department or division (as defined in Section 217 of the Gramm-Leach-Bliley Act). Classes of the same mutual fund should be combined and reported as a single account.

8. **Foundation and endowment trust and agency accounts.** Report the market value and number of accounts for all foundations and endowments (whether established by individuals, families, corporations, or other entities) that file any version of Form 990 with the Internal Revenue Service and for which the institution serves as either trustee or agent. Also include those foundations and endowments that do not file Form 990, 990EZ, or 990PF solely because the organization's gross receipts or total assets fall below reporting thresholds, but would otherwise be required to file. Foundations and endowments established by churches, which are exempt from filing Form 990, should also be included in this item. Employee benefit accounts maintained for a foundation's or endowment's employees should be reported in Schedule T, item 5. Accounts that are solely custodial or safekeeping should be reported in Schedule T, item 11.
9. **Other fiduciary accounts.** Report the market value and number of accounts for all other trusts and agencies not reported in Schedule T, items 4 through 8. Custody and safekeeping accounts should be reported in Schedule T, item 11.
10. **Total fiduciary accounts.** Report the sum of items 4 through 9.
11. **Custody and safekeeping accounts.** Report the market value and the number of accounts for all personal and institutional custody and safekeeping accounts held by the institution. Safekeeping and custody accounts are a type of agency account in which the reporting institution performs one or more specified agency functions but the institution is not a trustee and also is not responsible for managing the asset selection for account assets. These agency services may include holding assets, processing income and redemptions, and other recordkeeping and customer reporting services. For employee benefit custody or safekeeping accounts, the number of accounts reported should reflect the total number of plans administered rather than the number of plan participants. Include accounts in which the institution serves in a sub-custodian capacity. For example, where one institution contracts with another for custody services, both institutions should report the accounts in their respective capacity. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts should also be reported in Schedule T, item 13. Accounts in which the institution serves as trustee or in an agency capacity in addition to being custodian should be reported in the category of the primary relationship. For example, personal trust accounts in which the institution also serves as custodian should be reported as personal trust accounts and not as custodian accounts. An institution should report an account only once in Schedule T, items 4 through 9 and 11. Report custodian accounts that are incidental to fiduciary services. Include those custody and safekeeping accounts that are administered by the licensee, and those that are administered in

DFPI 505 INSTRUCTIONS

other areas of the institution through an identifiable business unit that focuses on offering fiduciary related custodial services to institutional clients. Exclude those custodial and escrow activities related to commercial bank services such as hold-in- custody repurchase assets, securities safekeeping services for correspondent banks, escrow assets held for the benefit of third parties, safety deposit box assets, and any other similar commercial arrangement.

12. Not applicable.

13. **Individual Retirement Accounts, Health Savings Accounts, and other similar accounts.**

Report the market value and number of Individual Retirement Accounts, Health Savings Accounts, and other similar accounts included in Schedule T, items 5.c and 11. Other similar accounts include Roth IRAs, Coverdell Education Savings Accounts, and Archer Medical Savings Accounts. Exclude Keogh Plan accounts.

SCHEDULE T – FIDUCIARY AND RELATED SERVICES - INCOME

For report dates through December 31, 2009, the information reported in Schedule T – Fiduciary and Related Services - CONFIDENTIAL SECTION – Fiduciary and Related Services Income, comprised of items 14 through 26 and all of Memorandum item 4 on fiduciary settlements, surcharges, and other losses, will not be made available to the public on an individual institution basis. Beginning with the March 31, 2010 report date, all of the information reported in Schedule T for each licensee will be publicly available.

Fiduciary and Related Services Income

Report in accordance with these instructions all fiduciary and related services income and expense for the calendar year-to-date.

The following income categories correspond to the fiduciary asset categories described in Schedule T – Fiduciary and Related Assets, items 4 through 11, above. For a detailed definition of the categories, please refer to the corresponding account descriptions. Income and expenses should be reported on an accrual basis. Institutions may report income and expense accounts on a cash basis if the results would not materially differ from those obtained using an accrual basis.

Item No. Caption and Instructions

14. **Personal trust and agency accounts.** Report gross income generated from personal trust and agency accounts as defined for item 4 of this schedule.

15. **Employee benefit and retirement-related trust and agency accounts:**

15. a. **Employee benefit – defined contribution.** Report gross income generated from defined contribution employee benefit trust and agency accounts as defined for item 5.a of this schedule.

15. b. **Employee benefit – defined benefit.** Report gross income generated from defined benefit employee benefit trust and agency accounts as defined for item 5.b of this schedule.

DFPI 505 INSTRUCTIONS

15. c. **Other employee benefit and retirement-related accounts.** Report gross income generated from other employee benefit and retirement-related accounts as defined for item 5.c of this schedule.
16. **Corporate trust and agency accounts.** Report gross income generated from corporate trust and agency relationships as defined for item 6 of this schedule.
17. **Investment management and investment advisory agency accounts.** Report gross income generated from investment management and investment advisory agency accounts as defined for item 7 of this schedule. Also include income generated from investment advisory activities when the assets are not held by the institution.
18. **Foundation and endowment trust and agency accounts.** Report gross income generated from foundation and endowment trust and agency accounts as defined for item 8 of this schedule.
19. **Other fiduciary accounts.** Report gross income generated from other trust and agency accounts as defined for item 9 of this schedule.
20. **Custody and safekeeping accounts.** Report gross income generated from custody and safekeeping agency accounts as defined for item 11 of this schedule.
21. **Other fiduciary and related services income.** Report all other gross fiduciary related income that cannot properly be reported in Schedule T, items 14 through item 20, above. Include income received from others (including affiliates) for fiduciary and related services provided by the institution. Income received from investment advisory services in which the account assets are held in a custody or safekeeping account at the reporting institution should be reported in item 17 of this schedule. Also include net income generated from securities lending activities (i.e., after broker rebates and income paid to lending accounts). Include income from custodial activities for land trusts and mortgage-backed securities. Exclude allocations of income to the trust department or trust company from other areas of the institution such as credits for fiduciary cash held as a deposit in the commercial bank, if applicable.
22. **Total gross fiduciary and related services income.** Report the sum of items 14 through 21.
23. **Less: Expenses.** Report total direct and indirect expenses attributable to the fiduciary and related services reported in this schedule. Include salaries, wages, bonuses, incentive pay, and employee benefits for employees assigned to reportable activities. If only a portion of their time is allocated to reportable activities, report that proportional share of their salaries and employee benefits. Include direct expenses related to the use of premises, furniture, fixtures and equipment, as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the reportable activities. Income taxes attributable to reportable activity earnings should not be included. Also exclude settlements, surcharges, and other losses, which are to be reported in Schedule T,

DFPI 505 INSTRUCTIONS

item 24. Include indirect expenses charged to the department or function offering reportable activities by other departments or functions of the institution as reflected in the institution's internal management accounting system. Include proportional shares of corporate expenses that cannot be directly charged to particular departments or functions. Examples of indirect expenses include such items as audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, proportional share of building rent or depreciation, utilities, real estate taxes, insurance, human resources, corporate planning, and corporate financial staff. Reporting methods for indirect expenses should remain consistent from period to period.

- 24. Less: Net losses from fiduciary and related services.** Report net losses resulting from fiduciary and related services. Net losses are gross losses less recoveries. Gross losses include settlements, surcharges, and other losses that are realized in the reporting period attributable to the fiduciary and related services. Recoveries should include those that are attributable to prior and current period losses. This item must equal Schedule T, Memorandum item 4.e, sum of Columns A and B minus Column C. For further information, see the instruction to Schedule T, Memorandum item 4.
- 25. Plus: Intracompany income credits for fiduciary and related services.** If applicable to the reporting institution, report credits from other areas of the institution for activities reportable in this schedule. Include intracompany income credit made available to the fiduciary area for fiduciary account holdings of own-bank deposits. Also include credits for other intracompany services and transactions.
- 26. Net fiduciary and related services income.** Report the total from item 22 less the amounts reported in item 23 and item 24 plus the amount reported in item 25.

Memoranda**Item No. Caption and Instructions**

- 4. Fiduciary settlements, surcharges, and other losses.** Report aggregate gross settlements, surcharges, and other losses arising from errors, misfeasance, or malfeasance on managed accounts in Column A and on non-managed accounts in Column B. For the definitions of managed and non-managed accounts, refer to the instructions for the Fiduciary and Related Assets section of this schedule. Gross losses should reflect losses recognized on an accrual basis before recoveries or insurance payments. Exclude contingent liabilities for fiduciary-related loss contingencies, including pending or threatened litigation, for which a loss has not yet been recognized in accordance with FASB Statement No. 5.

Report recoveries in Column C. Recoveries may be for current or prior years' losses and should be reported when payment is actually realized. The filing of an insurance claim does not serve as support for a recovery.

For report dates through December 31, 2009, the information reported on fiduciary settlements, surcharges, and other losses will not be made available to the public on an individual institution basis. Beginning with the March 31, 2010 report date, all of the information reported in Schedule T for each licensee will be publicly available.

DFPI 505 INSTRUCTIONS

- 4. a. **Personal trust and agency accounts.** Report gross losses and recoveries for personal trust and agency accounts as defined for item 4 of this schedule.
- 4. b. **Employee benefit and retirement-related trust and agency accounts.** Report gross losses and recoveries for employee benefit and retirement- related trust and agency accounts as defined for item 5 of this schedule.
- 4. c. **Investment management and investment advisory agency accounts.** Report gross losses and recoveries for investment management and investment advisory agency accounts as defined for item 7 of this schedule.
- 4. d. **Other fiduciary accounts and related services.** Report gross losses and recoveries for all other fiduciary accounts and related services that are not included in Schedule T, Memorandum items 4.a, 4.b, and 4.c, above. Include losses and recoveries from corporate trust and agency accounts, foundation and endowment trust and agency accounts, other fiduciary accounts, custody and safekeeping accounts, and other fiduciary related services.
- 4. e. **Total fiduciary settlements, surcharges, and other losses.** Report the sum of Memorandum items 4.a through 4.d. The sum of Columns A and B minus Column C must equal Schedule T, item 24, above.

Memoranda

Item No. Caption and Instructions

- 1. **Managed assets held in fiduciary accounts.**

Column Instructions for Memorandum items 1.a through 1.p:

Column A, Personal Trust and Agency and Investment Management Agency Accounts: Report the market value of managed assets held in (a) personal trust and agency accounts as defined for item 4 of this schedule and (b) investment management agency accounts as defined for item 7 of this schedule.

Column B, Employee Benefit and Retirement-Related Trust and Agency Accounts: Report the market value of managed assets held in employee benefit and retirement-related trust and agency accounts as defined for items 5.a, 5.b, and 5.c of this schedule.

Column C, All Other Accounts: Report the market value of managed assets held in (a) corporate trust and agency accounts as defined for item 6 of this schedule, (b) foundation and endowment trust and agency accounts as defined for item 8 of this schedule, and (c) other fiduciary accounts as defined for item 9 of this schedule.

Report in the appropriate column and in the appropriate sub-item the market value of all managed assets held in the fiduciary accounts included in Schedule T, items 4 through 9, Column A. For units in common trust funds and collective investment funds that are held by a managed fiduciary account, report the market value of the units in Schedule T, Memorandum item 1.h.

DFPI 505 INSTRUCTIONS

DFPI-505 INSTRUCTIONS (Rev. 10-20) Page 10 of 15

Do not allocate the underlying assets of each common trust fund and collective investment fund attributable to managed accounts to the individual sub-items for the various types of assets reported in Schedule T, Memorandum item 1.

Securities held in fiduciary accounts that are “loaned” in securities lending transactions (that are accounted for as secured borrowings) should be reported as an asset of the fiduciary account that “loaned” the securities, but the “collateral” received should not also be reported as an asset of this fiduciary account.

1. a. **Noninterest-bearing deposits.** Report all noninterest-bearing deposits. Report noninterest-bearing deposits of both principal and income cash.
1. b. **Interest-bearing deposits.** Report all interest-bearing savings and time deposits. Include NOW accounts, MMDA accounts, "BICs" (bank investment contracts) that are insured by the FDIC, and certificates of deposit. Report interest-bearing deposits of both principal and income cash.
1. c. **U.S. Treasury and U.S. Government agency obligations.** Report all securities of and/or loans to the U.S. Government and U.S. Government corporations and agencies. Include certificates or other obligations, however named, that represent pass-through participations in pools of real estate loans when the participation instruments: (1) are issued by FHA- approved mortgagees and guaranteed by the Government National Mortgage Association, or (2) are issued, insured, or guaranteed by a U.S. Government agency or corporation (e.g., the Federal Home Loan Mortgage Corporation's Mortgage Participation Certificates). Collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be included.
1. d. **State, county, and municipal obligations.** Report all short and long-term obligations of state and local governments, and political subdivisions of the United States. Include obligations of U.S. territories and insular possessions and their political subdivisions and all Federal income tax exempt obligations of authorities such as local housing and industrial development authorities that derive their tax-exempt status from relationships with State or local governments. Tax-exempt money market mutual funds should be reported with money market mutual funds in Schedule T, Memorandum item 1.e.
1. e. **Money market mutual funds.** Report all holdings of mutual funds registered under the Investment Company Act of 1940 that attempt to maintain net asset values at \$1.00 per share. Include taxable and tax- exempt money market mutual funds. Exclude short-term collective investment funds.
1. f. **Equity mutual funds.** Report all holdings of mutual funds registered under the Investment Company Act of 1940, exchange traded funds (ETFs), and unit investment trusts (UITs) that invest primarily in equity securities. For purposes of Memorandum item 1, institutions should categorize these investments on the basis of either the fund's investment objective as stated in its prospectus or the fund's classification by a company that tracks information on

DFPI 505 INSTRUCTIONS

these funds such as Morningstar and Lipper. An institution's methodology for categorizing mutual fund, ETF, and UIT investments should be consistently applied.

1. g. **Other mutual funds.** Report all holdings of all other mutual funds registered under the Investment Company Act of 1940, ETFs and UITs. For purposes of Memorandum item 1, institutions should categorize these investments on the basis of either the fund's investment objective as stated in its prospectus or the fund's classification by a company that tracks information on these funds such as Morningstar and Lipper. An institution's methodology for categorizing mutual fund, ETF, and UIT investments should be consistently applied.
1. h. **Common trust funds and collective investment funds.** Report all holdings of all common trust funds and collective investment funds. Common trust funds and collective investment funds are funds that licensees are authorized to administer by Section 9.18 of the Office of the Comptroller of the Currency's regulations or comparable state regulations.
1. i. **Other short-term obligations.** Report all short-term obligations (i.e., original maturities of less than 1 year, or 13 months in the case of the time portion of master notes). In addition to short-term notes, include in this item such money market instruments as master note arrangements, commercial paper, bankers acceptances, securities repurchase agreements, and other short-term liquidity investments. Exclude state, county, and municipal obligations.
1. j. **Other notes and bonds.** Report all other bonds, notes (except personal notes), and debentures. Include corporate debt, insurance annuity contracts, "GICs" (guaranteed investment contracts), "BICs" (bank investment contracts) that are not insured by the FDIC, and obligations of foreign governments. Also include certificates or other obligations, however named, representing pass-through participations in pools of real estate loans when the participation instruments are issued by financial institutions and guaranteed in whole or in part by private guarantors. Collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) that are *not* issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported here, even if the collateral consists of GNMA ("Ginnie Mae") or FNMA pass-throughs or FHLMC participation certificates. Exclude short-term obligations which should be reported in Schedule T, Memorandum item 1.i, above.
1. k. **Investments in unregistered funds and private equity investments.** Report all holdings of funds exempt from registration under Sections 3(c) (1) or 3(c) (7) of the Investment Company Act of 1940, for example, "hedge funds." Report all holdings of private equity investments exempt from registration under Securities Act of 1933 Regulation D. Private equity investments is an asset class consisting of purchased equity securities in operating companies that are not publicly traded on a stock exchange or otherwise registered with the SEC under federal securities laws. Private equity-related funds are funds that invest primarily in private equity investments. Unregistered private equity funds should be reported in this item.

Investments in family businesses that are associated with the grantors or beneficiaries of a fiduciary account should not be reported in this Memorandum item as a "private equity

DFPI 505 INSTRUCTIONS

investment”. Such investments may arise, for example, from an in-kind transfer to a fiduciary account of securities in a closely-held family business or an increase in a fiduciary account’s percentage ownership of an existing closely-held family business whose securities are held in the account. Such investments should be reported in Schedule T, Memorandum item 1.o, “Miscellaneous assets.”

1. l. **Other common and preferred stocks.** Report all holdings of domestic and foreign common and preferred equities, including warrants and options, but excluding investments in unregistered funds and private equity investments (which should be reported in Schedule T, Memorandum item 1.k, above).
1. m. **Real estate mortgages.** Report real estate mortgages, real estate contracts, land trust certificates, and ground rents. These assets may be reported at their unpaid balance if that figure is a fair approximation of market value.
1. n. **Real estate.** Report real estate, mineral interests, royalty interests, leaseholds, and other similar assets. Land and buildings associated with farm management accounts should be reported in this item. Also include investments in limited partnerships that are solely or primarily invested in real estate.
1. o. **Miscellaneous assets.** Report personal notes, tangible personal property, and other miscellaneous assets that cannot properly be reported in Schedule T, Memorandum items 1.a through 1.n, above. Crops, equipment and livestock associated with farm management accounts should be reported in this Memorandum item. Also include investments in closely-held family businesses if such investments represent in-kind transfers to a fiduciary account of securities in a closely-held family business or an increase in a fiduciary account’s percentage ownership of an existing closely-held family business whose securities are held in the account.
1. p. **Total managed asset held in fiduciary accounts.** Report the sum of Memorandum items 1.a through 1.o. The total reported in Column A must equal the sum of Schedule T, items 4 and 7, Column A. The total reported in Column B must equal the sum of Schedule T, items 5.a, 5.b, and 5.c, Column A. The total reported in Column C must equal the sum of Schedule T, items 6, 8, and 9, Column A.
1. q. **Investments of managed fiduciary accounts in advised or sponsored mutual funds.** Report in Column A the market value of all managed fiduciary assets invested in mutual funds that are sponsored by the institution or a subsidiary or affiliate of the institution or where the institution or a subsidiary or affiliate of the institution serves as investment advisor to the fund. Report the number of managed fiduciary accounts with assets invested in advised or sponsored mutual funds in Column B. The term “affiliate” means any company that controls, is controlled by, or is under common control with another company, as set forth in the Bank Holding Company Act of 1956.
2. **Corporate trust and agency accounts:**

DFPI 505 INSTRUCTIONS

2.a. Corporate and municipal trusteeships. Report in Column A the total number of corporate and municipal issues, including equities such as trust preferred securities, and asset-backed securities for which the institution serves as trustee. Also report other debt issues, such as unit investment trusts and private placement leases, for which the institution serves as trustee. If more than one institution is trustee for an issue, each institution should report the issue. Securities with different CUSIP numbers should be considered separate issues; however, serial bond issues should be considered as a single issue. When an institution serves as trustee of a bond issue, it may also perform agency functions for the issue such as registrar (transfer agent) or interest and principal paying agent. In those cases, report the issue only in Memorandum item 2.a, “Corporate and Municipal Trusteeships,” as the trustee appointment is considered the primary function. Consider the primary function of the appointment when selecting the item in which to report the appointment. Exclude issues that have been called in their entirety or have matured even if there are unrepresented bonds or coupons for which funds are being held.

Report in Column B the unpaid principal balance of the outstanding securities for the issues reported in Column A for which the institution serves as trustee. For zero coupon bonds, report the final maturity amount. For trust preferred securities, report the redemption price. Exclude assets (i.e., cash, deposits, and investments) that are being held for corporate trust purposes; they should be reported in Schedule T, item 6, above.

2. a. 1. Issues reported in Memorandum item 2.a that are in default. Report the total number and unpaid principal balance (final maturity amount for zero coupon bonds; redemption price for trust preferred securities) of the issues reported in Schedule T, Memorandum item 2.a, above, that are in substantive default. A substantive default occurs when the issuer (a) fails to make a required payment of principal or interest, defaults on a required payment into a sinking fund, files for bankruptcy, or is declared bankrupt or insolvent, and (b) default has been declared by the trustee. Issues should not be reported as being in substantive default during a cure period, provided the indenture for the issue provides for a cure period. Private placement leases where the trustee is required to delay or waive the declaration of an event of default, unless requested in writing to make such declaration, should not be reported as being in substantive default, provided such written request has not been made. Once a trustee’s duties with respect to an issue in substantive default have been completed, the issue should no longer be reported as being in default.

Do not report issues that are in technical default, for instance, if the obligor failed to provide information or documentation to the trustee within specified time periods.

2. b. Transfer agent, registrar, paying agent, and other corporate agency. Report in Column A the total number of issues for which the institution acts in a corporate agency capacity. Include the total number of equity, debt, and mutual fund issues for which the institution acts as transfer agent or registrar, regardless of whether the transfer agent is registered with its appropriate regulatory agency. Separate classes of a mutual fund should be consolidated and reflected as a single issue. Include the total number of stock or bond issues for which the institution disburses dividend or interest payments. Also include the total number of issues of any other corporate appointments that are performed by the institution through its fiduciary capacity. Issues for which the institution serves in a dual capacity should be reported once.

DFPI 505 INSTRUCTIONS

Corporate and municipal trusteeships reported in Schedule T, Memorandum item 2.a, above, in which the institution also serves as transfer agent, registrar, paying agent, or other corporate agency capacity should not be included in Memorandum item 2.b. Include only those agency appointments that do not relate to issues reported in Schedule T, Memorandum item 2.a, above.

- 3 Collective investment funds and common trust funds.** Report in the appropriate sub-item the number of funds and market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting institution. CIFs and CTFs are funds that banks are authorized to administer by Section 9.18 of the Office of the Comptroller of the Currency's regulations or comparable state regulations. If an institution operates a CIF that is used by more than one institution, the entire CIF should be reported in this section only by the institution that operates the CIF. Exclude mutual funds from this section. Each CIF and CTF should be reported in the sub-item that best fits the fund type.
- 3. a. Domestic equity.** Report funds investing primarily in U.S. equities. Include funds seeking growth, income, growth and income; U.S. index funds; and funds concentrating on small, mid, or large cap domestic stocks. Exclude funds specializing in a particular sector (e.g., technology, health care, financial, and real estate), which should be reported in Schedule T, Memorandum item 3.g, "Specialty/Other."
- 3. b. International/Global equity.** Report funds investing exclusively in equities of issuers located outside the U.S. and those funds representing a combination of U.S. and foreign issuers. Include funds that specialize in a particular country, region, or emerging market.
- 3. c. Stock/Bond blend.** Report funds investing in a combination of equity and bond investments. Include funds with a fixed allocation along with those having the flexibility to shift assets between stocks, bonds, and cash.
- 3. d. Taxable bond.** Report funds investing in taxable debt securities. Include funds that specialize in U.S. Treasury and U.S. Government agency debt, investment grade corporate bonds, high-yield debt securities, mortgage- related securities, and global, international, and emerging market debt funds. Exclude funds that invest in municipal bonds, which should be reported in Schedule T, Memorandum item 3.e, and funds that qualify as short-term investments, which should be reported in Schedule T, Memorandum item 3.f.
- 3. e. Municipal bond.** Report funds investing in debt securities issued by states and political subdivisions in the U.S. Such securities may be taxable or tax-exempt. Include funds that invest in municipal debt issues from a single state. Exclude funds that qualify as short-term investments, which should be reported in Schedule T, Memorandum item 3.f.
- 3. f. Short term investments/Money market.** Report funds subject to the provisions of Section 9.18(b) (4) (ii) (B) of the Office of the Comptroller of the Currency's regulations or comparable state regulations that invest in short-term money market instruments. Money market instruments may include U.S. Treasury bills, commercial paper, bankers acceptances, and repurchase agreements. Include taxable and nontaxable funds.

DFPI 505 INSTRUCTIONS

3. g. Specialty/Other. Include funds that specialize in equity securities of particular sectors (e.g., technology, health care, financial, and real estate). Also include funds that do not fit into any of the above categories.

3. h. Total collective investment funds. Report the sum of Memorandum items 3.a. through 3.g.

P. Trust Business for Which Securities Are on Deposit with the State Treasurer

“Court trusts” and “private trusts” are defined in Financial Code Section 1581 as follows: “A ‘court trust’ is one in which a trust company acts under appointment, order, or decree of any court, as executor, administrator, guardian, conservator, assignee, receiver, depository, or trustee, or in which it receives on deposit money or property from a public administrator, under any provision of this code, or from any executor, administrator, guardian, assignee, receiver, depository, or trustee, under any order or decree of any court. A ‘private trust’ is every other trust, agency, fiduciary relationship, or representative capacity.”

Item No. Caption and Instructions

- P. 1. Trust business for which securities are on deposit with the State Treasurer.** Report the amount of fiduciary assets held in court trusts in Column A. Report the amount of fiduciary assets held in private trusts in Column B.
- P. 2. Less: real estate.** Report the amount of real property held in court trusts in Column A.
- P. 3. Trust business on which security is required.** In Column A, report the difference between the amounts in item P.1. and item P.2. In Column B, report the amount in item P.1.
- P. 4. Amount of security required by Sections 1540 and 1541 of the Financial Code.** In Column A, report the amount of security required by Financial Code Sections 1540 and 1541 for court trusts. In Column B, report the amount of security required by Financial Code Section 1540 for private trusts.
- P. 5. Market value of securities on deposit with the State Treasurer.** In Column A, report the market value of securities on deposit with the State Treasurer for court trusts. In Column B, report the amount of security on deposit with the State Treasurer for private trusts.
- P. 6. Excess or deficiency.** In each column, subtract item P.4. from P.5. Report the difference in item P.6. A positive amount reflects an excess in the required pledge; a negative amount reflects a deficiency in the required pledge. Denote a negative amount in parentheses ().