

Current Status: *Pending*

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San Bernardino County Employees'
Retirement Association

Origination: 8/9/2010
 Effective: 9/7/2023
 Last Approved: N/A
 Last Revised: 12/7/2017
 Next Review: 3 years after approval
 Area: Investments
 References:
 Applicability: SBCERA systemwide

International Swap Dealer Association Agreements and Prime Broker Agreements

POLICY NO. 018

Background

Unlike public equity which is traded on a stock exchange, derivatives and other alternative investments are traded by means of an International Swap Dealer Association Agreement (ISDA). Similarly, securities borrowing through a credit facility for investments that use hedge and short strategies are accomplished through a Prime Broker Agreement (PB). SBCERA's alternative investment and securities borrowing strategies are often accomplished through the ISDAs and PBs that SBCERA's managers have negotiated for themselves with investment banks. SBCERA has determined that there are advantages to negotiating its own ISDAs and PBs with investment banks for the purpose of executing these strategies. This policy codifies the Board's decision of January 7, 2010, to negotiate its own ISDAs and PBs.

Policy

Where SBCERA's interests in derivatives, alternative investments, and securities borrowing strategies are not adequately protected by investment managers, where SBCERA would have greater control over documentation of the investment and disputes with managers, or where significant legal fees and other expenses can be minimized, the Board directs staff to use ISDAs and PBs that SBCERA has separately negotiated with investment banks

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
Chief Counsel Review	Barbara Hannah: Chief Counsel	pending
Investment Services Review	Donald Pierce: Chief Investment Officer	7/26/2023

Exhibit A: Page 2

Step Description	Approver	Date
Investment Services Review	Eydie Cox: Sr Investment Analyst	7/25/2023
Applicability		
SBCERA, SBCERA Internal		

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