Status Pending PolicyStat ID 20846467

San Bernardino County Employees' Retirement Association

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

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

Approval Signatures

Step Description	Approver	Date
Investment Services Review	Donald Pierce: Chief Investment Officer	Pending
Investment Services Review	Eydie Cox: Sr Investment Analyst	Pending

Applicability

SBCERA, SBCERA Internal

History

Sent for re-approval by Calicchio, Erin: Sr Executive Secretary on 6/17/2026, 1:04PM EDT

> No changes. NEPC reviewed - no changes.