BANCO CENTRAL DO BRASIL

Accounts

The External Asset Management Program is funded by Brazilian government foreign reserves. Therefore, there is no underlying participant/plan.

Each investment manager has a separate account. Currently, there are five managers, responsible for accounts with USD as a base currency. The current managers for the External Asset Management Program of Banco Central do Brasil are: BlackRock Financial Management, Inc.; Pacific Investment Management Company LLC (PIMCO); Schroder Investment Management Limited; State Street Global Advisors; Wellington Management Company, LLP.

Services

Banco Central do Brasil does not expect the custodian to provide cash management *per se.* We deem cash management is part of the investment strategy, and therefore it is under the investment manager´s responsibilities. Investments in sweep vehicles or money market funds are not allowed.

Accounting and custody are seen as a combined service. Monthly audited portfolio statements, including the NAVs in USD, are requested. Daily transactions and positions reports are required. Online data must be available. Custom downloads to update internal systems are not required.

Performance & manager attribution, risk and compliance reports aren´t required.

Performance Attribution is not currently requested by Banco Central do Brasil. The custodian is neither responsible for monitoring asset allocation nor for rebalancing the portfolios.

There aren´t any Brazilian regulatory reporting requirements.

The question related to securities lending aims to improve Banco Central do Brasil knowledge on the service that could be provided in the future whether demanded or not. Any clarification in this sense is welcome. There´s no need to send a securities lending revenue proposal.

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Agreement

In regards to the agreement Banco Central do Brasil has some specific requests related to sovereign immunity and arbitration, with some leeway on the negotiation.

Fee Schedule

The 15% withholding tax mentioned in Section K is related to the Brazilian income tax.

Know-how and Technology Transfer

The Knowledge transfer is one of the main objectives of the External Asset Management Program, and it includes the negotiations with investment managers and custodians. It is in accordance with Central Banks´ best practices and it was implemented in Banco Central do Brasil back in 2000.

General Question(s)

One set of hardcopy document is required and there is no page limit to the responses.

Annex 1

Benchmark and Investment Guidelines

This document must be used as a reference for the custodian to better understand the current investments of the investment managers. The asset classes as well as the instruments currently allowed are presented in Annex 1. All the accounts have the same benchmark.

No commingled funds or mutual funds are held in the accounts.

Safekeeping – Custody – Market Value

Please disregard the Safekeeping – custody positions of Annex 1 of the RFP and substitute it for the information below.

SAFEKEEPING - CUSTODY - MARKET VALUE - END OF MONTH POSITIONS

AUSTRALIA	410,000,000.00	USD
CANADA	360,000,000.00	USD
EUROPE	810,000,000.00	USD
JAPAN	250,000,000.00	USD
UK	300,000,000.00	USD
USA	3,600,000,000.00	USD

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The total value of the accounts is US$ 6 billion as informed in the letter. The cash positions held in DDA accounts are not included in the table above.

Safekeeping – Custody – Market Value

The positions in Europe are held both at Euroclear and local agent bank in country.

Ten different ETFs were bought in the past four years.

Cash Transactions

The volume showed in Annex 1 is related to FX transactions

OTC Transactions (average annual volume)

FX spot – 540 (8% traded with the custodian bank)

Currency forwards – 6300

Futures – 4900

OTC swaps - 100

OTC Positions

The following OTC swaps have been traded: interest rate swaps, commodities total return swaps.

Average Daily Cash Balances

AVERAGE DAILY CASH BALANCES (in USD)

AUD	10,000,000.00
EUR	26,000,000.00
GBP	20,000,000.00
JPY	6,000,000.00
USD	200,000,000.00
OTHER	8,000,000.00