



Informational Booklet and
Application for STAR SMA
Ohio Treasurer's Office

TABLE OF CONTENTS

Program Highlights	1
Onboarding Checklist	2
Application	3
Exhibit 1: STAR SMA Investment Policy Statement	
Exhibit 2: STAR SMA Participation Agreement	

PROGRAM HIGHLIGHTS

THE PROGRAM

The State Treasury Asset Reserve of Ohio Separately Managed Accounts (STAR SMA) is an investment option managed and administered by the Ohio Treasurer's office. In 2017, the General Assembly modified Ohio Revised Code (R.C.) Chapter 135 to authorize the Treasurer's office to invest an Ohio government entity's excess reserves in separately managed accounts that allow for a broader menu of investment options and a longer portfolio duration.

"Excess reserves" is defined as the amount of the entity's public monies that exceed the three-year average of the annual operating expenses as reported in its prior fiscal year's financial report.

STAR SMA funds are primarily invested in corporate bonds, municipal bonds and U.S. government agency securities.

STAR SMA INVESTMENT OBJECTIVES

- *Preservation of Capital* - Safety of capital over an intermediate investment horizon is a principal objective of the account.
- *Maintenance of Liquidity* - The account will remain sufficiently liquid to enable the account to meet the participant's needs. Because all possible cash demands cannot be anticipated, the portfolio shall consist largely of liquid securities with active secondary markets.
- *Maximize Return* - The account shall be structured with the objective of attaining a market rate of return, while also considering the risk constraints and the cash flow characteristics of the participants.

PARTICIPANT BENEFITS

- ✓ Broader menu of investment options including larger allocations to corporate and municipal bonds
- ✓ Longer portfolio duration to allow increased investment returns on cash not needed for short-term liquidity
- ✓ Quick and easy onboarding process

ELIGIBILITY

A government entity whose public monies exceed the 3-year average of its annual operating expenses as reported in its prior fiscal year's financial report is eligible to participate.

ONBOARDING CHECKLIST

Please ensure you review all the documents and submit all four parts of the application and participation agreement together.

REVIEW

- Program Highlights
- Investment Policy Statement
- Investment Manager ADV Part 1 - Click here: [AllianceBernstein Form ADV, Part 1](#)
- Investment Manager ADV Part 2A - Click here: [AllianceBernstein Form ADV, Part 2A](#)

COMPLETE & SUBMIT

- STAR SMA Application
- Participation Agreement
- United States IRS Tax Form (W-9)
* For the most current version, please click on this link: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

Submit to:
investments@tos.ohio.gov

Use the subject line:
“STAR SMA Application”

APPLICATION

I. ACCOUNT REGISTRATION

Name of Entity:			
Type of Entity:			
Attention of:			
Address (physical address, no PO Box):			
City:	State:	Zip Code:	County:
Phone:	Fax:	E-mail:	
Qualification As Public Funds: Client is a subdivision of the State of Ohio as defined under Ohio Revised Code, Section 135.45(G)(2)(a) Check Here: <input type="checkbox"/>			
Primary Contact Name (if different than above):			
Phone:	Fax:	E-mail:	

II. EXCESS RESERVES

To participate in STAR SMA, a subdivision must certify its excess reserves, defined as the amount of the subdivision’s public monies that exceed the three-year average of the subdivision’s annual operating expenses in the immediately preceding three fiscal years. Please provide financial statements or documentation for the preceding three fiscal years to substantiate your calculation.

Calculate your excess reserves and record the calculation in the box to the right.

\$ _____

III. SIGNATURE

By the execution of this Application, the undersigned represents and warrants that the participant has full right, power and authority, to make the investment applied for pursuant to this Application, that the information provided in this Application is accurate and complete, and the person or persons, if any, signing on behalf of the participant represent and warrant that they are duly authorized to sign this Application.

Name of Entity:			
Title of Account:			
Date	Authorized Officer of Subdivision	Signature	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT 1
STAR SMA INVESTMENT POLICY

SEE ATTACHED



State Treasury Asset Reserve of Ohio
Separately Managed Accounts

Robert Sprague
Ohio Treasurer

Statement of Investment Policy



As of February 18, 2021

STAR SMA
Statement of Investment Policy

Table of Contents

<i>Definitions</i>	<i>1</i>
<i>Purpose and Scope</i>	<i>2</i>
<i>Investment Objectives</i>	<i>2</i>
<i>Delegation of Authority</i>	<i>2</i>
<i>Standard of Prudence</i>	<i>3</i>
<i>Ethics and Conflict of Interest</i>	<i>3</i>
<i>Authorized Investments</i>	<i>3</i>
<i>Investment Diversification</i>	<i>6</i>
<i>Interest Rate Risk</i>	<i>6</i>
<i>Prohibited Investments and Investment Practices</i>	<i>6</i>
<i>Internal Controls</i>	<i>7</i>
<i>Safekeeping and Custody</i>	<i>7</i>
<i>Performance Standards</i>	<i>8</i>
<i>Reporting</i>	<i>8</i>
<i>Investment Policy Adoption</i>	<i>9</i>

Definitions

Book Value

For purposes of this Policy, the book value of the Account (as defined herein) shall mean the amortized cost balance of the Account.

Certificate of Deposit (CD)

An interest-bearing time deposit of fixed maturity at a public depository. Certain deposits are federally insured up to applicable limits.

Commercial Paper

An unsecured, short-term debt instrument issued at a discount by a corporation or other entity.

Nationally Recognized Statistical Rating Organization (NRSRO)

A credit rating agency that issues credit ratings that the United States Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. All references in this Policy to ratings by an NRSRO (including, but not limited to, Standard & Poor's) incorporate by reference the investment ratings standards set forth in Chapter 113-6 of the Ohio Administrative Code (OAC).

Repurchase Agreement

An agreement with a commitment by the seller of securities (Counterparty A) to buy the same securities back from the purchaser (Counterparty B) at a specified price at a designated future date.

Reverse Repurchase Agreement

The other side of a repurchase transaction where Counterparty B sells a group of securities to a Counterparty A under the terms that the Counterparty B will buy them back by a predetermined date for a specified price.

Total Average Portfolio (TAP)

For purposes of this Policy, TAP shall equal the sum of the market value of all holdings within a specific participant's separately managed account.

STAR SMA *Statement of Investment Policy*

Purpose and Scope

State Treasury Asset Reserve of Ohio Separately Managed Accounts (“STAR SMA” or the “Account”) is an investment offering managed by the Office of the Ohio Treasurer (the “Treasurer’s Office”). Participation in STAR SMA is offered to eligible subdivisions of the State of Ohio (the “State”), as defined in Section 135.45(G)(2)(a) of the Ohio Revised Code (“R.C.”).

The purpose of this Statement of Investment Policy (the “Policy”) is to identify and describe the policies and procedures governing the investment activities of the Treasurer’s Office in connection with the management of STAR SMA. This Policy is to be strictly followed by each individual with responsibility for managing or administering STAR SMA. This Policy has been adopted by, and is within the sole discretion of, the STAR SMA Investment Advisory Committee (the “Advisory Committee”). Exceptions to the Policy are permitted only if made pursuant to the investment compliance exception procedure.

This Policy is intended to ensure the prudent management of public funds; conformance to the Ohio Revised Code; the availability of funds when needed; and an investment return competitive with comparable funds and relevant benchmarks.

Investment Objectives

- *Preservation of Capital* – Safety of capital over an intermediate investment horizon is the primary objective of the Account.
- *Maintenance of Liquidity* – The Account will remain sufficiently liquid to enable the Account to meet the participant’s needs. Because all possible cash demands cannot be anticipated, the portfolio shall consist largely of liquid securities with active secondary markets.
- *Maximize Return* – The Account shall be structured with the objective of attaining a market rate of return, while also considering the risk constraints and the cash flow characteristics of the participants.

Delegation of Authority

The State Treasurer hereby delegates to the Advisory Committee responsibility for the implementation and management of the STAR SMA investment program and the establishment of procedures consistent with this Policy. The Advisory Committee shall be composed of senior staff at the Treasurer’s Office which may include the Deputy Treasurer, the Chief of Staff, the General Counsel, and/or the Chief Financial Officer, and the Chief of Finance or the Director of Investments..

The procedures established under this Policy shall include an explicit delegation of responsibility to the STAR SMA Investment Manager (“Investment Manager”) staff in connection with

investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established hereunder. The Advisory Committee shall be responsible for monitoring all transactions undertaken, shall establish a system of controls to regulate the activities of Investment Manager staff and shall exercise supervision and control over such personnel. Compliance with this Policy shall be monitored by the Trust Department within the Treasurer's Office. Investment Manager staff shall be bonded in amounts appropriate to levels of responsibility and portfolio characteristics.

The Treasurer's Office may engage one or more outside firms to assist with the administration and investment management of the Account. Should any firm be hired to provide advice or assistance with regard to the management of the Account, that firm shall be a registered investment advisor under the Investment Company Act of 1940 and have extensive experience in the investment management of fixed income and state and local government funds.

Standard of Prudence

All investment activities within the Account shall be conducted with judgment and care, under circumstances currently prevailing that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

All participants in the investment process for STAR SMA shall act responsibly as guardians of the public trust. The Investment Manager shall recognize that the investment portfolio is subject to public review and evaluation. The STAR SMA program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Ethics and Conflict of Interest

Investment Manager staff shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Further, no Investment Manager staff member shall use the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that would create an improper influence upon the public official or employee with respect to that person's duties.

Authorized Investments

Authorized investments for STAR SMA funds are defined in the laws and constitution of the State, and specifically, R.C. § 135.45(A) which broadly authorizes the investment of STAR SMA funds in the same type of financial instruments and securities that are permitted for the investment of state interim funds, with the exception of certain linked deposits. The Investment Manager staff is authorized to invest in the asset classes described in R.C. §§ 135.09, 135.143 and 135.144, subject to any additional conditions specifically set forth in this Policy:

1. U.S. Treasury bills, notes, bonds, or any other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal and

interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Bonds, notes, and other obligations of the State including, but not limited to, any obligations issued by the State Treasurer, the Ohio Public Facilities Commission, the Ohio Building Authority, the Ohio Housing Finance Agency, the Ohio Water Development Authority, and the Ohio Turnpike and Infrastructure Commission;
4. Bonds, notes, and other obligations of any state or political subdivision thereof rated in the three highest categories (A-/A3 or better) by at least one NRSRO and purchased through a registered securities broker or dealer, provided the Account is not the sole purchaser of the bonds, notes, or other obligations at original issuance.
 - a. The investments in the debt obligations of a single issuer described in division (3) and (4) of this section shall not exceed in the aggregate five percent (5%) of TAP.
5. Written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, or any registered U.S. government securities dealer, under the terms of which agreement the State Treasurer purchases and the eligible financial institution or dealer agrees unconditionally to repurchase any of the securities that are listed in division (1), (2), or (6) of this section. The market value of securities subject to these transactions must be greater than one hundred percent of the principal value of the repurchase agreement and the securities must be delivered into the custody of the Account or the qualified trustee or agent designated by the Account. The agreement shall contain the requirement that for each transaction pursuant to the agreement, the participating institution or dealer shall provide all the following information:
 - a. The par value of the securities;
 - b. The type, rate, and maturity date of the securities;
 - c. A numerical identifier generally accepted in the securities industry that designates the securities.

The Account also may sell any securities listed in division (1), (2), or (6) of this section, regardless of maturity or time of redemption of the securities, under the same terms and conditions for repurchase, provided that the securities have been fully paid for and are owned by the Account at the time of the sale.

6. Various forms of commercial paper issued by any entity that is organized under the laws of the United States or a state, which notes are rated in the two highest categories (A-1/P-1 or better) by two NRSROs, provided that the total amount invested under this section in commercial paper at any time shall not exceed forty percent (40%) of TAP;
7. Bankers acceptances maturing in two hundred seventy (270) days or less,

- provided that the total amount invested in bankers acceptances at any time shall not exceed ten percent (10%) of TAP;
8. The State Treasurer's investment pool, known as STAR Ohio, authorized under R.C. § 135.45;
 9. Debt interests, other than commercial paper described in division (6) of this section, rated in the three highest categories (A-/A3 or better) by two NRSROs and issued by entities that are organized under the laws of the United States or a state, or issued by foreign nations diplomatically recognized by the U.S. government, or any instrument based on, derived from, or related to such interests, provided that:
 - a. The investments in debt interests issued by foreign nations shall not exceed in the aggregate two percent (2%) of TAP.
 - b. The Account shall invest under division (9) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, and provided that all interest and principal shall be denominated and payable in U.S. funds.
 - c. When added to the investment in commercial paper, the investments in the debt interests of a single issuer shall not exceed in the aggregate five percent (5%) of TAP.

For purposes of division (9) of this section, a debt interest is rated in the three highest categories by two NRSROs if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, in the three highest categories (A-/A3 or better) by two NRSROs.

10. No-load money market mutual funds rated in the highest category (AAA/Aaa) by one NRSRO or consisting exclusively of obligations described in division (1), (2), or (6) of this section, and repurchase agreements secured by such obligations.
11. Bank deposits may be placed in one or both of the following types of deposit instruments purchased from an institution that meets all eligibility requirements set forth in R.C. §§ 135.03 and 135.04, and which is designated to hold state interim deposits pursuant to R.C. § 135.12:
 - a. Time CDs or savings or deposit accounts, all of which must be collateralized in accordance with R.C. § 135.18.
 - b. Federally insured CDs purchased in the manner set forth in R.C. § 135.144 by a public depository holding deposits of state interim funds.

Investment Diversification

The Account shall be structured to diversify investments, so as to reduce the risk of loss resulting from over-concentration of assets in a specific issuer, or a specific type of security. The maximum percentage for each security type as a percentage of TAP, at any time, is as follows:

A.	United States Treasury Obligations	100% maximum
B.	Federal Agency Obligations (including fixed rate, callable and floating rate obligations)	100% maximum
C.	Repurchase Agreements with terms to maturity of 5 days or less	100% maximum
D.	Repurchase Agreements with terms to maturity of 5 days or more	50% maximum
E.	Reverse Repurchase Agreements	25% maximum
F.	Municipal Bonds	100% maximum
G.	Collateralized Bank Deposits (including CDs)	100% maximum
H.	Money Market Mutual Funds	100% maximum
I.	Commercial Paper	40% maximum
J.	Banker's Acceptances	10% maximum
K.	Corporate Obligations	100% maximum
L.	Foreign Debt	2% maximum

Interest Rate Risk

The duration of the Account, under normal market conditions, shall remain within twenty percent (+/-20%) of duration of the Bloomberg Barclays U.S. Intermediate Government/Credit A or Higher Total Return Index.

Prohibited Investments and Investment Practices

The Account is expressly prohibited from the following investments and investment practices (this is not an exclusive list):

1. Short sales (selling a specific security before it has been legally purchased);
2. Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and leveraged notes or notes linked to lagging indices or to long-term indices;
3. Mortgage-backed securities (MBS);
4. Securities issued by any entity domiciled in:
 - a. a state sponsor of terrorism as designated by the U.S. Department of State,
 - b. a nation with a sovereign rating below A-/A3, or
 - c. the People's Republic of China; and
5. Investing in any security not specifically permitted by this Policy.

If securities in the Account are not in compliance with this Policy, the Investment Manager will liquidate such securities as necessary to bring the Account into compliance. The timing of any such liquidations is subject to the business judgment of the Investment Manager.

Internal Controls

Internal controls are designed to prevent the loss of public funds arising from fraud, misrepresentation by third parties, unanticipated changes in the financial markets and errors or imprudent actions by employees. Everyone within the Treasurer's Office assumes a role with respect to internal controls. The roles vary depending upon an individual's level of responsibility and nature of involvement. The administration establishes the presence of integrity, ethics, competence, and a positive control environment. The directors have oversight responsibility for internal controls within their units. The supervisory personnel are responsible for executing control policies and procedures at the detail level within their specific unit. Each individual within a unit must be cognizant of the internal control procedures associated with their specific job responsibilities.

The Internal Audit Department of the Treasurer's Office (IAD) examines the adequacy and effectiveness of internal controls and makes recommendations as to where control improvements are warranted. The IAD performs independent, objective assurance and consulting activities to help improve management practices, identify operational improvements and reduce agency risk exposure.

The role of IAD includes the following activities:

1. Evaluating and improving the adequacy and effectiveness of risk management, control and governance processes;
2. Validating compliance with policies, standards, procedures and applicable laws and regulations;
3. Evaluating business processes to determine whether reasonable assurance exists that management objectives and operational goals are achieved; and
4. Providing process and managerial consulting to identify potential operational efficiencies and process improvements.

Safekeeping and Custody

All investment securities purchased by the Account or held as collateral on deposits or investments shall be held in third-party safekeeping at a public depository as required by R.C. § 135.03.

All securities in the Account shall be held in the name of the Account and shall be free and clear of any lien. Further, all investment transactions will be conducted on a delivery versus payment basis. The depository shall issue a safekeeping receipt to the Account listing the specific instrument, rate, maturity, and other pertinent information. The depository will also provide monthly reports that list all securities held for the Account, the book value of holdings and the market value as of month-end.

Appropriate Treasury officials and representatives of the depository responsible for, or in any manner involved with, the safekeeping and custody process of the Account shall be bonded in such a fashion as to protect the Account from losses due to malfeasance and misfeasance.

Performance Standards

The Account shall be designed and managed with the objective of obtaining a competitive market rate of return that considers the risk constraints and the cash flow characteristics of the participants. The portfolio shall be compared to the Bloomberg Barclays U.S. Intermediate Government/Credit A or Higher Total Return Index.

Reporting

The Investment Manager shall make records of investment activities and performance reporting available to participants.

Investment Policy Adoption

This Policy is adopted as of February 18, 2021.



Marjorie Kruse
Deputy Treasurer
Office of the Ohio Treasurer



Jonathan Azoff
Chief of Finance & Senior Counsel
Office of the Ohio Treasurer

EXHIBIT 2 PARTICIPATION AGREEMENT

This Participation Agreement (“Agreement”) is effective as of the date agreed and accepted below, by and between the Ohio Treasurer’s Office (“Administrator”) and _____ (“Client”).

In consideration of the mutual promises, covenants, and undertakings set forth herein, the parties hereby agree as follows:

1. STAR SMA. The State Treasury Asset Reserve of Ohio Separately Managed Accounts (“STAR SMA”) is a program by which the Ohio Treasurer invests public moneys of subdivisions of the State of Ohio (“Participants”) including excess reserves, in separately managed accounts. The development, documentation, and maintenance of the STAR SMA Statement of Investment Policy (“Investment Policy Statement”) may be revised by the Administrator from time to time.
2. Appointment of Administrator. Client appoints Administrator as its agent to open an Account with the Custodian and provide such other administrative services as may be reasonably requested and which are deemed necessary and beneficial to Clients participating in STAR SMA.
3. Administrator Duties. Administrator shall invest public moneys of Participants, including excess reserves, in separately managed accounts and pooled accounts in the same types of instruments in accordance with Ohio Revised Code §135.45, Ohio Administrative Code § 113-10-02, and all terms and conditions of this Agreement. The Administrator has selected Alliance Bernstein L.P. (“Investment Manager”) to manage the individual investment accounts to the requirements specified in Investment Policy Statement; maintain the accounts, books, and documentation of the underlying STAR SMAs; interface with and service the Participants; coordinate with the Administrator’s Custodian (“Custodian”); generate performance and other required reporting; and perform any other services necessary for the efficient investment management administration of STAR SMA.
4. Custody. Administrator will not take physical custody or control of assets at any time or under any circumstances.
5. Fees. Client will pay fees for participating in STAR SMA in accordance with the attached Fee Schedule. The Administrator may revise the Fee Schedule upon providing written notice to the Client.
6. Confidentiality. Except as agreed to in writing by Client or as required by law, all Client information shall be regarded as confidential and shall not be disclosed by Administrator to any other person, firm, corporation or entity; provided, however, that Administrator may disclose the information it collects regarding Client to Custodian, the Investment Manager, and affiliates of Administrator to the extent necessary for those entities to open, maintain and service the Account as set forth in this Agreement.
7. Risk Acknowledgment; Limitation of Liability. Administrator does not guarantee the yields earned on the Account.

Except in the case of negligence, malfeasance or violation of applicable law, neither Administrator nor its officers, directors or employees shall be liable to Client for any action performed or omitted to be performed, or for any errors of judgment in administering STAR SMA. Client agrees that neither Administrator nor any of its affiliates shall be liable for the acts or omissions of the Custodian, Investment Manager, or other service providers, nor shall Administrator be liable for any misrepresentations or omissions in the this Agreement, informational booklet, or application materials.

PARTICIPATION AGREEMENT (cont.)

8. Client Representations. Client represents and agrees that: (i) it has full power and authority to enter into this Agreement; (ii) any information provided to Administrator will, at all times, be substantially accurate and complete and Administrator may rely on such information in performing its obligations under this Agreement; (iii) it is a subdivision of the State of Ohio as defined under Ohio Revised Code Section 135.45(G)(2)(a), or is otherwise permitted to invest in STAR SMA; and (iv) it will annually provide Administrator with a calculation of Client's excess reserves.

9. Consent to Electronic Delivery. Client consents to electronic delivery of documents, including a copy of the executed Agreement, statements, confirmations, and the Investment Manager's Form ADV Part 2, and other general communications. The Investment Manager's Form ADV Part 2A can be accessed within the STAR SMA Onboarding Checklist.

10. Assignment; Amendment. Neither this Agreement nor any portion thereof shall be assigned or transferred to a successor without prior written approval from the Administrator. If approval is granted, then during the term of this Agreement, all successors and assigns shall be bound by the terms of this Agreement. This Agreement may be amended by Administrator on thirty (30) days prior written notice to Client and may be amended immediately upon notice to the extent reasonably required to satisfy federal or state regulatory requirements.

11. Governing Law. This Agreement and the rights of the parties hereunder shall be governed, construed, and interpreted in accordance with the laws of the State of Ohio and only Ohio courts shall have jurisdiction over any action or proceeding concerning the Agreement and/or performance thereunder. Venue for actions shall occur in Franklin County, Ohio.

12. Notices. All notices shall be in writing and deemed to have been given when personally delivered or sent by U.S. registered or certified mail. Notice to Administrator shall be sent to:

Ohio Treasurer's Office
ATTN: Investments Department
30 East Broad Street, 9th Floor
Columbus, Ohio 43215-3461

Notice to Client shall be sent to the address listed on the signature line. Any notice, demand, consent or communication given hereunder in the manner required above shall be deemed to have been affected and received as of the date personally delivered or, if so mailed, as of the date specified on the receipt.

13. Termination. This Agreement may be terminated upon 30 days written notice by either party. Termination of this Agreement will not affect the status, obligations or liabilities of the parties to this Agreement that arose prior to such termination.

14. Miscellaneous. If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect. No term or provision of this Agreement may be waived or changed except in writing signed by the party against whom such waiver or change is sought to be enforced. Neither Administrator's failure to insist at any time on strict compliance with this Agreement, nor the continued course of such conduct on its part, will constitute or be considered a waiver by Administrator of any of its rights or privileges. This Agreement contains the entire understanding between Client and Administrator concerning the subject matter of this Agreement. This Agreement may be executed in one or more counterparts, each of which when so executed will constitute an original and all of which together shall constitute one and the same agreement.

PARTICIPATION AGREEMENT (cont.)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or agents to become effective as of the day and year agreed and accepted hereto.

CLIENT

Signature: _____

Printed Name: _____

Title: _____

Address: _____

Federal Tax ID#: _____

AGREED & ACCEPTED

Ohio Treasurer's Office

By: _____

Title: _____

Date: _____

FEE SCHEDULE

ADMINISTRATIVE FEE

Client agrees to pay Administrator a quarterly Administrative Fee in arrears for its services of five basis points against market values as of the last business day of the month. In computing the market value of any investment in the STAR SMA Account, each security shall be valued to reflect the security's fair market value.

ADVISORY FEE

The Investment Manager will receive a fee per the fee schedule listed below:

0.250%	on the first	\$20,000,000.00
0.200%	on the next	\$80,000,000.00
0.150%	on the next	\$150,000,000.00
0.125%	on the next	\$250,000,000.00
0.100%	on the balance	

The Advisory Fee will be calculated in arrears of each quarter, will be based on the average of the aggregate values of the Investment Accounts on the last business day of each month during the quarter for which fees are being calculated, will be billed during the month following the end of the quarter, and is due and payable when billed. When an Investment Account is opened during a quarter, the value of such Investment Account used for purposes of calculating fees will be the value of such Investment Account on the last business day of the quarter prorated by the number of days that such Investment Account has been under management with the Investment Manager. When an Investment Account is closed during a quarter, the fee will be similarly prorated. Fees for an Investment Account will be adjusted for each cash flow that is in excess of 10% of the market value of such Investment Account on the last day of the previous quarter.

The fee charged for the assets of an Investment Account shall be determined by the Investment Manager calculating a fee based on the Custodian's valuation of the aggregated assets of the Investment Accounts in accordance with the methodology described above and multiplying such fee by a fraction, the numerator of which is the value of assets in the particular Investment Account for which the fee is being determined and the denominator of which is the value of the aggregated assets. As requested by the Administrator, the Investment Manager shall issue one quarterly invoice which itemizes the fee payable by each of the Investment Accounts and sets forth the method of calculation.

CUSTODIAL FEE

The Custodian of STAR SMA shall be entitled to receive a fee as set forth below. This will be charged quarterly in arrears.

Account Maintenance Charge (based on market value of assets in custody): 0.000125 basis points