

EXHIBIT B

Office of the Washington State Treasurer SEPARATELY MANAGED ACCOUNT PROCEDURES

Deposits

Deposits into Investor's Separately Managed Account (SMA) will take place via a transfer of funds from Investor's primary LGIP account to an account at US Bank. Funds will then be invested (pending purchase of securities) in a separate OST-managed LGIP account (the OST-SMA _____ account). The OST-SMA _____ account will serve as a sweep account, or short-term investment fund, for any residual cash in the Investor SMA.

Withdrawals

Withdrawals from the Investor SMA account will take place via a transfer of funds into Investor's primary LGIP account from the OST SMA account at US Bank.

Investment Activity

Purchases

When the Portfolio Manager purchases a security, a trade ticket will be printed and the investment will be entered into OST's system (TM\$). OST will upload trade information to the custodian. Securities will be held in a separate SMA account that does not commingle securities with Treasury Trust or LGIP holdings. On the settlement date, funds needed for the purchase will be transferred to the custody account from the SMA account at US Bank.

Sales

When the Portfolio Manager sells a security, a trade ticket will be printed and the investment will be entered into TM\$. OST will upload trade information to the custodian. On the settlement date, proceeds from the sale will be transferred from the custody account to the SMA account at US Bank.

Daily Reconciliation

Each business day, OST will determine the net amount to be transferred to or from the custodian for all settlements and maturities for that day, as well as any other amounts to be wired. Funds needed will come from the SMA account at US Bank. The Portfolio Manager will deposit to, or withdraw from, the OST-SMA _____ account in the LGIP, as needed each day in order to end the day with a zero balance in the US Bank and custody accounts after all transactions are complete.

Fee

During the five business days following the end of each month, OST's Investment Accounting group will calculate the fee for that month using the agreed rate applied to the average book value of the Account during the month. OST will transfer the fee amount to a separate service account, reducing the OST-SMA _____ account balance.