

AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT

This Amended and Restated Investment Management Agreement (“Agreement”) is entered into as of the 12th day of August, 2009, between the Federal Reserve Bank of New York (“FRB-NY”) and Wellington Management Company, LLP (“Manager”), with reference to the following facts:

WHEREAS, the Federal Open Market Committee (“FOMC”) has approved the purchase by the System Open Market Account (“SOMA”) of Federal National Mortgage Association (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”), and Government National Mortgage Association (“Ginnie Mae”) agency fixed rate pass-through mortgage backed securities (“Agency MBS”) as part of its domestic policy directive provided for the avoidance of doubt, that Agency MBS shall not include any CMOs, Interest Only or Principal Only Strips Trusts or REMICS that are backed by Agency MBS, or MBS derivatives;

WHEREAS, the FRB-NY is the Reserve Bank authorized by the FOMC to carry out the domestic policy objective through its management of the SOMA;

WHEREAS, the FRB-NY, after consultation and approval by the FOMC, determined that the purchase and management of the SOMA Agency MBS would be done through the use of one or more investment managers;

WHEREAS, as a result of a competitive bidding process Manager was selected as one of several investment managers to support the FRB-NY in its implementation of the FOMC’s directive;

WHEREAS, the purchasing phase of the FOMC Agency MBS program is nearing completion and the FRB-NY has determined that it is no longer necessary to retain multiple managers for the program;

WHEREAS, the Manager has been asked by the FRB-NY to remain as the sole purchasing and settlement agent and a secondary portfolio analytics provider for the Agency MBS program based on, among other things, the Manager’s performance to date, its documented capacity to accommodate the entirety of the volume of the program and its all in costs;

WHEREAS, the Manager has expressed its interest in remaining as the sole manager under the Agency MBS program;

NOW, THEREFORE, it is agreed as follows:

1. Appointment as Manager

The FRB-NY hereby appoints the Manager to manage, supervise and direct the investment of a portion of the SOMA account as specified by the FRB-NY (“Account”) under the terms and conditions set forth herein. By execution of this Agreement, the Manager hereby accepts said appointment, agrees to manage, supervise and direct the investment of the Account pursuant to the provisions of this Agreement.

2. Management of Assets

Commencing on the date hereof and continuing until the date upon which this Agreement is terminated as provided in Section 14, the Manager shall have delegated authority to manage, supervise and direct the investment and reinvestment of assets in the Account and any additions thereto, subject to the specific directions of the FRB-NY and the specific limitations made part of this Agreement, including the investment objectives and guidelines attached to the Agreement as Exhibit A. Subject to this Agreement, including its Exhibit A, the Manager is hereby appointed as the FRB-NY's agent in fact and shall have full power and authority to act on behalf of the Account with respect to the purchase, sale, exchange, conversion or other transactions in any and all stocks, bonds, other securities, or cash held for investment subject to the Agreement.

The Manager further shall have authority to instruct the custodian bank duly appointed by the FRB-NY ("Custodian") to: (i) pay cash for securities and other property delivered to the Custodian for the Account, (ii) deliver or accept delivery of, upon receipt of payment or payment upon receipt of, securities and other property purchased or sold in the Account, and (iii) deposit margin or collateral which shall include the transfer of money, securities or other property to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the investment policies and guidelines attached hereto as Exhibit A. The Manager shall not act as custodian of the assets held in the Account. No cash or securities due to or held for the Account shall be paid or delivered to the Manager.

Except as expressly provided in this Agreement, the investment authority granted to the Manager shall include the sole authority to exercise whatever powers the FRB-NY may possess with respect to any of the assets held in the Account, including, but not limited to, the right to vote proxies, the power to exercise rights, options, warrants, conversion privileges, and redemption privileges, and to tender securities pursuant to a tender offer. The Manager shall not incur any liability to FRB-NY by reason of exercising or failing to exercise the powers set out in this paragraph in the absence of its gross negligence, willful misconduct or bad faith. The Manager shall review, evaluate and make a determination with respect to such actions, in good faith, as they arise. When exercising this authority, the Manager will be guided by this Agreement.

FRB-NY shall execute such documents, including without limitation the powers of attorney attached hereto as Exhibit B confirming the appointment of Manager as investment manager, as may be required to evidence the powers, duties and responsibilities delegated hereby. In no event shall Exhibit B be read to confer any greater authority on Manager than is set forth in the Agreement and any amendments hereto. For the avoidance of doubt, unless otherwise agreed, the Manager shall not execute officer certificates on behalf of the FRB-NY.

If requested, the Manager shall aid the FRB-NY in transitioning trading and portfolio management in-house to the FRB-NY, including potentially providing authorized FRB-NY staff the ability to place trades on the FRB-NY's behalf using the Manager's systems on the Manager's premises (if necessary, under the direct supervision of Manager's personnel), working with the FRB-NY to implement similarly accommodative trading arrangements on the FRB-NY premises, should the need arise, and/or supplying access to the Manager to the FRB-NY for the purpose of providing training and support to relevant FRB-NY staff.

3. Servicing and Administration of Assets Under Management.

The Manager and its affiliates, meaning other entities under the control of Manager within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (“Affiliates”) shall in no event be responsible in any way for the mechanics of payment or collection of principal, interest, dividends or other amounts due on any assets included in the Account. The Manager is not responsible for the servicing or administration of any assets included in the Account.

Upon request, the Manager shall provide advice to the FRB-NY with respect to residential loan modification and servicing policies and, if requested, will assist the FRB-NY in its efforts to influence the residential loan modification and servicing policies of the servicers of the residential mortgage loans backing the Agency MBS in connection with managing the Account. FRB-NY acknowledges the foregoing provision shall not require Manager to allocate personnel beyond those identified on Exhibit F.

4. Use of Affiliates and Third Parties

Except as provided in the Manager’s policy with respect to management of the Account, which policy is attached hereto as Exhibit G (the “FRB-NY Policy”), the Manager may not delegate portfolio management or administrative duties, including back office operations or proxy voting services, to its Affiliates or any third party agent without the express written consent of the FRB-NY which consent may be withheld for any reason. In addition to the requirements in Section 16, if the FRB-NY consents to the use of an Affiliate or third party agent, the Manager shall remain liable as if such services were provided directly. Moreover, no additional fees shall be imposed for such services.

5. Investment Guidelines

The investment guidelines established by FRB-NY as of the date of this Agreement are set forth on Exhibit A, as such exhibit may be amended from time to time in accordance with Section 28 (the “Investment Guidelines”). The Manager is authorized on behalf of the Account to (i) enter into agreements and execute any documents required or deemed advisable to make investments or dispositions pursuant to the Investment Guidelines, which shall include any market and/or industry standard documentation and the standard representations contained therein; and (ii) acknowledge the receipt of brokers’ risk disclosure statements, electronic trading disclosure statements and similar disclosures.

The Manager shall be entitled to rely upon oral and written clarifications, supplements guidance and modifications to the Investment Guidelines from persons designated as representatives of the FRB-NY in Exhibit E attached hereto and make reasonable interpretations thereof. The FRB-NY understands and agrees that the Manager does not guarantee or represent that any investment objectives will be achieved.

The Manager shall not engage in securities lending transactions on behalf of the Account. If the Custodian enters into securities lending transactions on behalf of the FRB-NY, the FRB-NY or the Custodian shall be responsible for ensuring that the securities or other assets in the Account are available for sale at all times. The Manager shall not be liable for any loss resulting from the sale by

the Manager of a security that is not available in the Account for settlement as a result of such securities lending transactions.

The FRB-NY will establish a policy for managing counterparty credit exposure arising from the forward settlement of Agency MBS trades undertaken for the Account, and will communicate such policy to the Manager. The Manager will be responsible for adhering to the policy, as amended from time to time by the FRB-NY, in respect of the forward settlements that it undertakes on behalf of the Account. The FRB-NY shall direct the Manager as to actions to undertake in the event of a counterparty failure. The FRB-NY may direct the Manager to obtain collateral on behalf of the Account as margin for forward exposure from time to time, and, if the FRB-NY so directs the Manager, the FRB-NY shall specify the form of documentation and procedures for such exercise.

6. Title and Use of Custodian Bank

Title to all investments shall be held in the name of the SOMA, provided that for convenience in buying, selling and exchanging securities (stocks, bonds, commercial paper, etc.), title to such securities may be held in the name of the Custodian, or its nominee. All cash and the indicia of ownership of all other investments shall be held by the Custodian. Sole responsibility for physical possession and safekeeping of the assets in the Account shall rest with the Custodian. The Manager shall not be liable for any act or omission of the Custodian.

The Manager shall deliver to the Custodian such information, authorizations and documentation as the Custodian shall reasonably request in order to discharge the Custodian's duties with respect to the Account. The FRB-NY shall instruct the Custodian to (a) provide the Manager with periodic information concerning the status of the Account as reasonably requested by the Manager; (b) carry out all investment transactions as may be directed by the Manager; and (c) confirm all completed transactions, in writing, to the Manager. Absent the consent of the FRB-NY, to the extent that it is within the control of the Manager, the Manager shall communicate trade instructions to the Custodian in a commercially reasonable and secure manner to the extent otherwise used by the Manager in its business. Use of Tradeweb, SWIFT, or Bloomberg are acceptable means of communicating trade instructions.

7. Use of Broker

The Manager shall only trade with brokers or dealers who are listed on Exhibit C, which may be amended from time to time by the FRB-NY. The Manager shall not be liable for any act or omission of any brokerage firm or firms listed on Exhibit C (in effect at the time the Manager initiates a trade or other transaction with such brokerage firm or firms).

FRB-NY hereby delegates to the Manager sole and exclusive authority to determine through which broker dealers on Exhibit C transactions for the Account will be made. The Manager will determine the rate or rates, if any, to be paid for execution services. The Manager agrees that it will seek to buy and sell assets through such intermediaries as, in the Manager's judgment, shall offer the best execution of the brokers or dealers on Exhibit C. The Manager, in seeking to obtain best execution of Account transactions, may consider the quality and reliability of execution services, as well as research and investment information provided by brokers or dealers. Accordingly, the Manager's selection of a broker or dealer for transactions may take into account all relevant factors,

including (i) price, (ii) the broker's or dealer's facilities, reliability and financial responsibility, (iii) the broker's or dealer's ability to maintain confidentiality and avoid disruption of the marketplace, (iv) the broker's or dealer's ability and willingness to commit capital and handle large transactions, (v) the level of compensation charged by the broker or dealer, (vi) the broker's or dealer's recordkeeping capabilities and (vii) the research related to the Account provided by such broker or dealer to the Manager (collectively, "Research"), notwithstanding that the Account may not be the exclusive beneficiary of such Research.

8. Access to Records and Documents

Books and Records The Manager shall maintain appropriate books of account and records relating to services performed hereunder including appropriate documentation of issues arising under the Manager's conflict of interest policies. The Manager shall either retain such records for as long as it is performing services under this Agreement or provide the records (or copies of such records) to the FRB-NY prior to destruction of the records under the Manager's normal record retention policy.

Audit Rights The FRB-NY shall have the right, at any time during the term of this Agreement, to audit the Manager's performance to determine whether the Manager is acting in compliance with all of the requirements of this Agreement as well as its valuation methodology (as set forth in the Manager's valuation policies). Upon five business days' prior written notice to the Manager, the Manager shall grant access to its premises to FRB-NY's internal auditors or the auditors selected by the FRB-NY to conduct such audit. Audits will be conducted during the Manager's normal business hours at the FRB-NY's sole expense. The Manager will cooperate fully in making its premises and all relevant information related to its performance pursuant to this Agreement and personnel available to such auditors as is reasonably requested and does not interfere with the Manager's performance of its obligations under this Agreement and the conduct of its other business in the ordinary course. FRB-NY's board of directors or its audit committee may share audit reports with whomever it deems appropriate.

Audit and Review Rights of Others In addition to the FRB-NY's right to audit the Manager, the Manager agrees that, with prior notice from the FRB-NY, the FOMC, or the Board of Governors of the Federal Reserve System, may conduct audits and ad-hoc reviews of the services provided by the Manager under this Agreement, provided that the FRB-NY will use its best efforts to ensure that such audits and ad-hoc reviews are made on a similar basis to the audits described in the preceding paragraph.

Effective Internal Controls The Manager shall provide its relevant SAS-70 (type II) reports to the FRB-NY no less than annually. In addition, if requested by the FRB-NY, the Manager will provide additional documentary evidence to the FRB-NY to support the assertion that the Manager maintains effective internal controls over financial reporting; the nature of such documentation to be agreed to by the parties at the time of the request.

9. Reports

At such intervals as shall be mutually agreed upon between the Manager and FRB-NY, but not less than monthly, the Manager shall furnish the FRB-NY with a written report with respect to the

Account. The first determination date for any such report shall be January 31, 2009. Each report shall be sent not later than 15 business days following the relevant determination date, and shall set forth (so long as the Manager has received or been given access in a timely manner to any required information from the Custodian): (i) all Agency MBS purchased or sold since the date of the previous report with the cost or net proceeds of such purchases and sales; (ii) a maturity distribution by product and total holdings as of the determination date; (iii) (a) a per CUSIP estimated market value for each Agency MBS as of the determination date, and (b) aggregated cash flows for the Agency MBS as of the determination date. The Manager shall inform the FRB-NY as soon as practicable if the Manager is not able to obtain the timely information from the Custodian.

The Manager shall provide up to daily market updates and trade overviews in a form agreed to by the Manager and FRB-NY. The Manager shall also provide (subject to FRBNY design input) a suite of portfolio analytics, including scenario analysis and stress testing, using an industry standard prepayment model. In this context, the Manager may need to make customized system adjustments to accommodate the FRBNY's management reporting needs.

The Manager will provide additional reports as reasonably requested by the FRB-NY. The Manager shall also provide additional reporting as reasonably requested to satisfy FRB-NY's internal and external auditors. Notwithstanding the foregoing, the FRB-NY acknowledges and agrees that (i) the Manager shall not be deemed to be the pricing or valuation agent for the Account, (ii) none of the information which the Manager provides the FRB-NY hereunder shall be deemed to be the official books and records of the Account for tax, accounting or any other purpose; and (iii) the FRB-NY will not publish, reproduce (except for internal or archival purposes) or disseminate any pricing information provided by the Manager without the Manager's consent. The FRB-NY or the FRB-NY's pricing or valuation agent, not the Manager, shall be responsible for ultimately determining the value of specific securities in the Account.

For the purposes of all reports made by the Manager to the FRB-NY, assets will be valued at fair value as determined in good faith by the Manager; provided that the valuation methods used by the Manager shall be described in writing to the FRB-NY. The Manager and FRB-NY agree to cooperate, in good faith, to reach resolution to the extent that the FRB-NY has concerns about the Manager's pricing methodology.

Each of the above referenced reports will be delivered to the FRB-NY via messenger, registered mail or FedEx or other overnight delivery service until such time as FRB-NY and the Manager agree on an electronic means of delivery that satisfies the information security policies of FRB-NY.

Settlement and Reconciliation The Manager shall reconcile transactions and cash flows daily and calculation of net asset value monthly (so long as, in each case, the Manager has received or been given access in a timely manner to any required information from the Custodian) with the Custodian and shall communicate with and seek to resolve any significant discrepancies with the Custodian.

As part of its settlement activities the Manager shall track and maintain records of (a) trades executed, including all pertinent financial and settlement information; (b) assignments of pools to TBA trades; (c) notifications of P&I payments; and (iv) cash flow projections, encompassing

settlement of new trades and P&I payments. The Manager shall also track, maintain records of, and promptly resolve notification and settlement fails with counterparties and the Custodian, the later in accordance with the policies set forth by the FRB-NY. Records associated with these activities must be made available by the Manager to the FRB-NY for insertion into the FRB-NY's own database (e.g., online via download, excel, txt file, etc.) and reporting purposes.

The Manager is generally expected to maintain settlement tolerance thresholds for cash and securities that are consistent with best practices and/or the guidelines determined by the FRB-NY.

Over time, accommodate the settlement of any and all MBS trades conducted by the FRB-NY. This may require work by both the Manager and the FRB-NY in order to interface systems and will need to be done in a manner that satisfies the information security standards of both the Manager and the FRB-NY.

10. Attendance at Meetings

The Manager shall initially meet daily with the FRB-NY to discuss strategy. Absent agreement from the FRB-NY, these meetings should be attended only by individuals at the Manager who are behind the ethical wall.

The Manager will meet daily with the FRB-NY to review the Account, current market conditions and investment strategy. Upon reasonable notice, at the request of the FRB-NY, the Manager shall also meet with one or more members of FRB-NY's board of directors or the SOMA manager at a time mutually agreeable.

The FRB-NY may also request a meeting with the Manager to discuss matters relating to possible modifications to the guidelines set forth in Exhibit A or to request an ad-hoc update on the portfolio strategy review.

The Manager may attend any of the foregoing meetings telephonically. Meetings to discuss strategy or execution issues conducted by telephone shall be conducted on recorded lines. The FRB-NY shall disclose the fact that the meeting is being recorded to the Manager. The use of periodic beeps on the recorded line shall satisfy this disclosure obligation of the FRB-NY.

11. Fees

For the services specified in this Agreement, the FRB-NY agrees to pay fees as set forth in Exhibit D. The FRB-NY agrees to remit payment promptly following the end of each calendar quarter. If Manager shall serve for less than the whole of any quarterly period, its compensation determined as provided in Exhibit D shall be calculated and shall be payable on a pro rata basis by month for the period of the calendar quarter for which it has served as Manager under the Agreement. The FRB-NY shall not pay any penalty or unaccrued fees in the event this Agreement is terminated by FRB-NY or the Manager.

For the avoidance of doubt, the FRB-NY shall not pay any unapproved out of pocket or other expenses incurred by the Manager in connection with its provision of services under this Agreement. The Manager is not authorized to obligate the FRB-NY to pay for or incur any other

expenses, including but not limited to hiring lawyers, accountants or other experts, or the use of third party pricing and valuation services without the express written consent of the FRB-NY.

Disputes If FRB-NY disputes all or a portion of any invoice, FRB-NY will pay the undisputed amount. The FRB-NY will notify the Manager in writing of the specific reason and amount of any dispute. The Manager and the FRB-NY will work together, in good faith, to resolve any disputes as soon as reasonably practicable, and FRB-NY will pay the amount, if any, agreed to by the parties based on the resolution.

Additional Compensation The Manager shall not agree to accept compensation from any entity other than the FRB-NY in connection with the services provided by the Manager to the Account under this Agreement.

12. Assignment

In accordance with Sections 205(a)(2) and 205(a)(3) of the Investment Advisers Act of 1940, no assignment (as defined under such Act) of this Agreement shall be made by the Manager without the consent of the FRB-NY.

13. Notices

Any written notice required by or pertaining to this Agreement shall be personally delivered to the party for whom it is intended, at the address stated below, or shall be sent to such party by messenger, overnight mail, or e-mail (and more specifically secure e-mail if the notice pertains to the assets in the Account, or the Portfolio or trading strategy). Any notices shall be deemed given only upon actual receipt.

If to the FRB-NY:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Attention:

[@ny.frb.org](mailto:ny.frb.org)

or if to FRB-NY's Chief Compliance Officer:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Attention:

[@ny.frb.org](mailto:ny.frb.org)

with copy to:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001
Attention:

@ny.frb.org

If to the Manager:

Wellington Management Company, LLP
75 State Street
Boston, MA 02109
Phone:
Fax:
E-Mail: 1

with copy to:

Wellington Management Company, LLP
75 State Street
Boston, MA 02109
Phone:
Fax:
Email:

14. Term

This Agreement shall be effective as of the date hereof, and shall continue until terminated. Either party may terminate this Agreement at the end of a particular month by giving thirty (30) days' advance notice, in writing, to the other party. Notwithstanding the foregoing, the FRB-NY may terminate the authority of the Manager at any time, for any reason.

On the termination date of the Agreement or as close to such date as is reasonably practicable, the Manager shall provide the FRB-NY with a final report containing the same information determined as of the determination date as in the reports contemplated by Section 9. Upon termination of the Agreement, the Manager and FRB-NY agree to cooperate to identify any ongoing record retention requirements.

15. Liability

Standard of Care The Manager shall not be liable to the FRB-NY for:

- (a) the acts or omissions of any other fiduciary or other person respecting the Account; or
- (b) for anything done or omitted by the Manager under the terms of this Agreement;

provided that the Manager shall have acted in good faith and shall have exercised the degree of prudence, competence and expertise customarily exhibited by managers of national standing of institutional portfolios, and in any case, a degree of skill and attention no less than that which the Manager exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions. The Manager's aggregate liability hereunder (for any act or omission, or combination of acts or omissions), regardless of the nature or form of the FRB-NY's claim or claims, will be limited to the aggregate fees paid by the FRB-NY to the Manager (since December 2008) provided that the Manager's liability hereunder shall not be so limited if arising out of the Manager's fraud, willful misconduct, bad faith or breach of its confidentiality obligations hereunder. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law. Without limiting the generality of the foregoing, the Manager will not be liable for any indirect, special, incidental or consequential damages.

The Manager is expressly authorized to rely upon any and all instructions, approvals interpretations and notices given on behalf of the FRB-NY by any one or more of those persons designated as representatives of the FRB-NY whose names, titles and specimen signatures appear in Exhibit E attached hereto. All such instructions, guidance, approvals and notices shall be communicated by e-mail (and more specifically secure e-mail if the instruction, guidance, approval, or notice pertains to the assets in the Account, or the Portfolio or trading strategy), telephone (on a recorded line) or in writing. The FRB-NY shall provide a Secretary Certificate, Incumbency Certificate, or similar document indicating that the persons designated as representatives have the authority to bind the FRB-NY. The FRB-NY may amend such Exhibit E from time to time by written notice to the Manager. The Manager shall continue to rely upon these instructions until notified by the FRB-NY to the contrary

Except for those individuals identified on Exhibit E, or unless specifically instructed by an individual listed on Exhibit E, the Manager shall not knowingly communicate with any officers or employees of the FRB-NY regarding this Agreement or the services rendered hereunder. Such communications may be a breach of the Manager's confidentiality obligations under Section 16.

The Manager shall not be deemed to have breached this Agreement or the Investment Guidelines in connection with fluctuations arising from market movements and other events outside the control of the Manager.

Force Majeure The Manager shall be responsible for maintaining and preserving its operations, facilities and systems (including its computer and communication systems) in a manner consistent with commercial and supervisory standards prevalent in its industry. So long as the Manager shall have complied with the foregoing maintenance or preservation requirements and provided that any delay or failure to take such action as may be required under this Agreement could not be prevented by the exercise of reasonable diligence by the Manager, the Manager shall not be liable for any delay or failure to take any action as may be required under this Agreement, to the extent that any such delay or failure is caused by an act of God or acts of declared or undeclared

war, acts of terrorism, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods or similar events or the interruption or suspension of any external communication or power systems. The preceding sentence shall not relieve the Manager from performing its obligations in a timely manner in accordance with the terms of this Agreement, and the Manager shall provide the FRB-NY with written notice of any material failure or delay resulting from force majeure, to the extent known to Manager.

Indemnity The FRB-NY shall indemnify and hold harmless the Manager, its Affiliates and its and their respective officers, directors, employees, partners, attorneys and agents from and against any losses, claims, damages or liabilities (including, but not limited to, reasonable attorneys' fees and litigation-related expenses) ("Losses") incurred in connection with any threatened or pending third party action, suit, proceeding or claim relating to, arising out of or in connection with this Agreement, except for any Losses arising out of the Manager's fraud, willful misconduct, bad faith or breach of its confidentiality obligations hereunder.

Requirements for Claiming Under the Indemnity In order to recover under this indemnity, the Manager: (a) must provide reasonably prompt notice to the FRB-NY of any claim for which indemnification is sought, provided that the failure to provide notice shall only limit the indemnification provided hereby to the extent of any incremental expense or actual prejudice as a result of such failure; and (b) must not make any admissions of liability after receiving actual notice of the claim or agree to any settlement without the written consent of the FRB-NY, which consent shall not be unreasonably withheld.

Rights of the FRB-NY The FRB-NY may, in its sole discretion, and at its sole expense, control the defense of the claim including, without limitation, designating counsel for the Manager and controlling all negotiations, litigation, arbitration, settlements, compromises and appeals of any claim; provided that (i) the FRB-NY will inform the Manager of any settlement offers which are made and the FRB-NY may not agree to any settlement involving any indemnified person that contains any element other than the payment of money and complete indemnification of the indemnified person without the prior written consent of the affected indemnified person, (ii) the FRB-NY shall engage and pay the expenses of separate counsel for the indemnified person to the extent that the interests of the Manager are in conflict with those of the FRB-NY, and (iii) the indemnified person shall have the right to approve the counsel designated by the FRB-NY, which consent shall not be unreasonably withheld.

16. Confidential Information

FOMC Information The Manager will not ask for, and except for information provided by an individual listed on Exhibit E, is not to be provided with confidential information regarding monetary policy, open market operations or the Federal Open Market Committee. In the event that the Manager believes that an individual not listed on Exhibit E has inadvertently disclosed such information to the Manager, the Manager will immediately report such disclosure by telephone to the Chief Compliance Officer of FRB-NY and will ensure that the Manager does not rely or act on such information.

Confidential Information Defined The Manager acknowledges that all information and material that comes into the possession or knowledge of the Manager on or after the date hereof,

whether provided directly by the FRB-NY or by another agent of the FRB-NY, in connection with the services provided under this Agreement, including but not limited to:

- the terms and conditions of this Agreement;
- information regarding the Account (or other accounts operated by a prior investment manager of the FRB-NY) including the identity and amount of the assets held in the Account (or other accounts operated by a prior investment manager of the FRB-NY) and the operations and investments of SOMA;
- information regarding the practices, policies, business affairs or other proprietary or commercial information of one of the FRB-NY's previous investment managers or other agents). (Each of the prior investment managers and any other FRB-NY agents shall be a third party beneficiary for purposes of enforcing this confidentiality requirement with respect to the proprietary or commercial information it provides in connection with the services provided under this Agreement);
- reports, briefing material, information and data, both written and oral, related to this Agreement;
- financial information, condition, processes and procedures of the FRB-NY or SOMA;
- material related to FRB-NY's data processing systems, applications, procedures, policies and standards;
- the physical security of FRB-NY; and
- financial, statistical, strategic planning and other similar information relating to the past, present or future activities of FRB-NY or the FOMC, which has or may come into the possession or knowledge of the Manager in connection with this engagement or its performance hereunder

(any and all of the above, "Confidential Information") shall be considered to be confidential and proprietary, the disclosure of which to, or use by, third parties will be damaging to the FRB-NY, to a prior FRB-NY investment manager, to a FRB-NY agent and/or the FOMC. Subject to the Exception paragraphs below, no such Confidential Information shall be duplicated for, used by or disclosed to third parties without the written consent of the FRB-NY or, with respect to Confidential Information provided by a prior investment manager or other FRB-NY agent, used to compete with any business to which the Confidential Information relates. The Manager shall use the same or greater effort to avoid publication or dissemination of such Confidential Information as it employs with respect to its own confidential information.

Exceptions The Manager shall have no obligation under this Agreement with respect to any information that: (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the Manager in violation of this Agreement; (2) is subsequently learned

from a third party that, to the knowledge of the Manager, is not under an obligation of confidentiality to the FRB-NY; (3) was known to the Manager at the time of disclosure other than from the FRB-NY or its provision of services under this Agreement; (4) is generated independently by the Manager without reference to the Confidential Information; or (5) is disclosed pursuant to applicable law, regulation, subpoena or other legal process, or in connection with the enforcement of the Manager's rights against the FRB-NY under this Agreement.

The Manager shall notify the General Counsel of FRB-NY, or his designee, promptly if disclosure is requested pursuant to any law, regulation, subpoena or other legal process other than routine regulatory examinations (e.g., by the Securities and Exchange Commission or the United Kingdom Financial Services Authority). The Manager further agrees that in the event that disclosure is requested under any such law, governmental or administrative rule, or regulation, it will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed, including but not limited to: (i) entertaining and considering any argument that the FRB-NY wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement; (ii) providing the FRB-NY, at the expense of the FRB-NY, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the Confidential Information is subject to the confidentiality provisions of this Agreement; and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality.

For the avoidance of doubt, the Manager shall be authorized to disclose Confidential Information to third parties, including (subject to the limited access provision below) its Affiliates and to the officers, directors, employees, attorneys, accountants, financial advisors and other agents of Manager and its Affiliates, to the limited extent required for it to fulfill its obligations under this Agreement, including in connection with: (i) effecting investment transactions or disposition and (ii) routine regulatory examinations. Furthermore, unless prohibited under another provision of this agreement, the Manager shall be authorized to communicate with brokers and dealers, the Custodian, and any other third party to the extent required for it to perform its obligations under this Agreement including, to the extent approved by the FRB-NY, for the purpose of obtaining advice or services from third party advisors or vendors.

Limited Access The Manager agrees to maintain Confidential Information in strictest confidence and to limit the access to information that is the subject of this Agreement to only those of its officers, directors, partners, and employees that are necessary to its performance under this Agreement and shall require all such employees, by means of a written acknowledgement (which may be in the form of an annual certification), to keep all such information obtained by them as strictly confidential.

Confidential Information may also be provided to the Affiliates and/or third party agents identified in Exhibit G but only in accordance with the restrictions and limitations set forth in the Exhibit G and Section 4. In addition, any such Affiliate or third party agent (other than outside counsel) must be bound by a written confidentiality obligation substantially similar to the Manager's confidentiality obligation under this Agreement. Manager assumes responsibility for maintaining the confidentiality of all Confidential Information disclosed to its Affiliates and third party agents under this Agreement. For the avoidance of doubt, this paragraph does not apply to, and does not limit, Manager's ability to transact with the brokers and dealers listed on Exhibit C in a manner consistent

with Manager's customary practices and such brokers and dealers shall not be deemed "third party agents" of the Manager for purposes of this paragraph.

Public Statements The Manager agrees, until the termination of this Agreement, not to originate or encourage any public written or oral statement, news release, or other public announcement or publication relating to this Agreement or to any Confidential Information, beyond a statement no more detailed than any public statement by the FRB-NY, without the express prior consent of the President, First Vice President or an Executive Vice President of the Markets Group of FRB-NY listed as such on Exhibit E.

Unless prohibited by law or regulation, the FRB-NY shall provide reasonable advance notice to the Manager before the FRB-NY, its agents or its employees publicly disclose, or cause to be publicly disclosed, information regarding the Manager's role in providing services under this Agreement.

Confidential Information of the Manager The FRB-NY agrees that confidential information and advice furnished by the Manager to the FRB-NY (including without limitation information evidencing the Manager's expertise, investment strategies or trading activities) has been developed by the Manager through the application of methods and standards of judgment and through the expenditure of considerable work, time and money and is the exclusive and proprietary intellectual property of the Manager which (i) shall be treated as confidential by the FRB-NY, (ii) shall not be used for any purpose other than FRB-NY's or the FOMC's analysis of the performance of the Manager, and (iii) shall not be disclosed, directly or indirectly, to third parties by the FRB-NY except that the FRB-NY shall be permitted to share confidential information provided by the Manager on a need to know basis with: (i) its officers, employees, Board of Directors and auditors; (ii) the Board of Governors of the Federal Reserve System; (iii) the FOMC, (iv) other investment managers and agents hired by the FRB-NY for purposes of this initiative, to the extent such managers or agents are required to keep such Confidential Information confidential and (iv) any other party with the prior written consent of the Manager or as required by law.

17. Non-Exclusive Management

FRB-NY understands that the Manager will continue to furnish investment management and advisory services to others and that the Manager shall at all times be free, in its discretion, to make recommendations to others which may be the same as, or may be different from, those concerning the Account or act with discretion for others. Subject to Section 18, FRB-NY further understands that the Manager, its Affiliates, and any officer, director, partners, stockholder, employee or any member of their families may or may not have a conflict of interest with the Account. In this regard, the Manager has disclosed to FRB-NY potential conflicts, which it has identified in good faith, as well as its plan to mitigate any such conflicts. Subject to Section 18, actions with respect to assets of the same kind or class may be the same as or different from the action which the Manager, or any of its Affiliates, or any officer, director, stockholder, employee or any member of their families, or other investors may take with respect to the Account.

18. Conflicts of Interest

General Policies The Manager agrees to abide by and has provided the FRB-NY with its internal conflict of interest policies and procedures. Such policies and procedures are designed to, among other things:

- (i) identify any material financial conflicts of interest between the Manager and the FRB-NY;
- (ii) require reporting of any conflicts of interest between the Manager and the FRB-NY that develop during the course of this Agreement; and
- (iii) prevent the use of Confidential Information to enter into a trade or transaction unrelated to this Agreement.

The Manager shall disclose potential conflicts of interest to the FRB-NY as they arise and, at the request of the FRB-NY the Manager will recuse itself from decisions relating to the management of any portion of the Account if the FRB-NY determines that a conflict of interest exists that cannot be adequately addressed. Upon request, the Manager shall supply any and all audit/compliance work documentation generated during any internal inspection relating conflict of interest concerns as a result of this Agreement.

Specific Prohibitions

The Manager acknowledges that it would breach its duties to FRB-NY hereunder for the Manager or an Affiliate of the Manager to use Confidential Information obtained in the course of this engagement to enter into a trade or other transaction unrelated to the Account except as authorized below as part of an aggregate sale or purchase.

The Manager shall not knowingly engage in any transaction that would require the FRB-NY's consent pursuant to Section 206(3) of the Advisers Act, as amended, and the rules and regulations promulgated thereunder unless such transaction is approved by FRB-NY.

The Manager shall not knowingly purchase any asset for inclusion in the Account from any account or portfolio for which the Manager or any of its Affiliates serves as investment adviser or knowingly sell any asset in the Account to any account portfolio for which the Manager or any such Affiliate serves as investment adviser unless such transaction is approved by the FRB-NY.

Trade Allocation Policy Absent consent of the FRB-NY, the Manager may not aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager.

If the FRB-NY provides consent, the Manager may aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager only if in the Manager's reasonable judgment such aggregation would result in an overall benefit to FRB-NY, taking into consideration the availability of purchasers or sellers, the selling or purchase price, brokerage commissions and other expenses. It is the policy of the Manager that investments may not be allocated to one client account over another based on any of the following considerations:

- (a) to favor one client account at the expense of another,
- (b) to generate higher fees paid by one client account over another or to produce greater performance compensation to the Manager,
- (c) to develop or enhance a relationship with a client or prospective client,
- (d) to compensate a client for past services or benefits rendered to the Manager or to induce future services or benefits to be rendered to the Manager, or
- (e) to manage or equalize investment performance among different client accounts.

In the event that a sale or purchase of any part of the Account occurs as part of any aggregate sales or purchase orders, (a) the objective of the Manager shall be to allocate the executions among the accounts in a manner reasonably believed by the Manager to be fair and equitable for all accounts involved; and (b) the Manager shall have delivered to FRB-NY its allocation policy, which further details the Manager's policies and procedures with respect to the aggregation of sale and purchase orders, and shall have in place oversight and review policies designed to ensure compliance with its allocation policy.

Ethical Wall Consistent with Section 16, the Manager's information barrier policies must be designed at a minimum to ensure that (a) personnel assigned to the management of the Account are adequately segregated from personnel involved with the Manager's general trading, brokerage, sales, or other activities that might be in conflict with the duty the Manager owes to FRB-NY under this Agreement, and (b) any information related to the management of the Account is not shared with personnel involved in activities that might be in conflict with the Manager's duty to FRB-NY under this Agreement without appropriate vetting and controls being put in place by the Manager's Legal and Compliance Department.

The Manager shall have policies in place that direct the individuals who participate on a regular basis in the manager daily calls to refrain from accessing non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts. Other communications or discussions with individuals responsible for the management of other client accounts are permitted, including communications and discussions on high level investment policy (which may include daily investment strategy meetings that are not client or account specific); macro economic and sector issues/trends; market environment, developments, and risk factors; and regulatory developments, in each case so long as they are not directly related to the specific holdings in other client accounts. Personnel who participate on a regular basis on the manager daily calls may also have access to and participate in discussions concerning research (including analytical tools and portfolio and risk management systems) produced by the Manager, as long as such research tools and systems do not provide information with respect to specific holdings in other client accounts or, if they do provide access to the information, the Manager has policies in place that direct such individuals to refrain from such activities with respect to non-public information regarding specific holdings in other client accounts. For any other personnel assigned to provide investment management, trading and/or advisory services to the FRB-NY in connection with this Agreement, the Manager shall have

policies in place that direct such personnel to ensure that their advice, guidance and direction concerning the Account and the FRB-NY trading strategy is not based on or influenced by non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts.

For the avoidance of doubt, individuals who sit atop of the ethical wall or straddle the wall must be especially vigilant to ensure that discussions with or advice, guidance or direction give to, individuals on the other side of the wall is not based on or influenced by Confidential Information concerning the Portfolio or trading strategy. The implementation of the ethical wall policy of the Manager shall be reviewed by internal audit or compliance at least once within the first six months of the engagement and thereafter in accordance with the Manager's own review policies.

In addition to following the Manager's information barrier policies, the Manager agrees that:

(a) to the extent not inconsistent with this Agreement, it will comply with its FRB-NY Policy as outlined in Exhibit G in respect of the activities of personnel assigned to this engagement

(b) a list of each of the individuals who has been assigned to this engagement and the dates of such assignment are maintained and can be reviewed by the FRB-NY; and

(c) any individual identified on Exhibit F or who is otherwise involved in providing investment management, trading and/or advisory services to the FRB-NY or managing the Account while such individual has access to Confidential Information concerning the Portfolio or trading strategy and, (x) if the Agreement has not been terminated, for a period of at least one full FOMC meeting cycle thereafter, (y) if the SOMA Agency MBS program has been terminated, for a period of two weeks thereafter, or (z) a shorter period identified in writing to the Manager by the FRB-NY; shall:

- be prohibited from providing investment management, trading or advisory services (in the case of advisory services, meaning providing advice that could be viewed as informed by the Confidential Information) to anyone other than the FRB-NY in Treasury (including Treasury futures) or agency securities or any Agency MBS; and
- refrain from purchasing for him or herself Treasury or agency securities, including Agency MBS, without prior consultation with the Chief Compliance Officer of FRB-NY.

FRB-NY acknowledges that the persons subject to the restrictions in (b) above shall be permitted to provide investment management, trading and/or advisory services to other clients with respect to securities other than Treasury or agency securities or any Agency MBS, including providing general market views and market views related to securities other than Treasury or agency securities or any Agency MBS except as noted in (d) below. The period set forth in (c) above shall commence at such time as an individual no longer has access to Confidential Information concerning the Portfolio or trading strategy.

(d) Individuals who participate on a regular basis in the manager daily calls shall be prohibited from providing investment management, trading and/or advisory services to anyone other

than the FRB-NY. The prohibition in this subsection (d) is limited to the provision of investment management, trading and advisory services. It does not extend to other non-investment management, trading or advisory matters, such as firm research, modeling, technology development and/or enhancement, or training provided that such matters do not require the use of Confidential Information. If a contingency situation arises and the Manager does not have anyone available to participate on a regular basis on the daily calls who is ordinarily subject to this subsection (d), the Manager should consult with the FRB-NY to discuss options (including the possibility that the Manager not be represented on the daily calls) and to determine whether and to what extent this section (d) applies in the context of the contingency.

The Manager may request a waiver to permit individuals who would otherwise be prohibited from providing investment management or advisory services to clients other than the FRB-NY to provide limited investment management, trading and advisory services where the Manager believes that there is no risk of an actual or apparent conflict of interest. Whether such a waiver request is granted shall be within the sole discretion of the FRB-NY. The FRB-NY may also opt to relax the prohibition in this subsection (d) without a waiver request if, in the FRB-NY's view, the prohibition is no longer required.

If an individual subject to the prohibition in this subsection (d) is reassigned such that he or she would no longer participate on a regular basis in the manager daily calls, the prohibition in this subsection (d) on providing investment management, trading and/or advisory services shall continue until the next FOMC meeting or for two weeks, whichever is longer, which period shall commence at such time as such individual is reassigned. For the avoidance of doubt, the individuals subject to the prohibition in this subsection in this subsection (d) are also subsection (c).

(e) If an individual assigned to provide services to FRB-NY under this Agreement provides notice of his or her resignation, the Manager shall use best efforts to ensure that the requirements of this Section 18 are followed.

19. Representations and Warranties

The parties agree that they shall provide prompt notice (i) of any material changes regarding the information about itself in this Agreement, or (ii) if any of the representations or warranties in this Section are no longer true or completely accurate in any material respects.

- (a) The FRB-NY represents, warrants and covenants, as of the date hereof, that:
- (i) the FRB-NY has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder;
 - (ii) the FRB-NY has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;
 - (iii) all transactions in Agency MBS authorized by the FRB-NY in the Investment Guidelines (collectively, "Obligations") are within the FRB-NY's power, are duly

authorized by the FOMC and, when duly entered into with a counterparty, will be the legal, valid and binding Obligations of the FRB-NY;

- (iv) the FRB-NY's execution, delivery and performance of this Agreement and all obligations required hereunder and the transactions and agreements which the Manager enters on behalf of the FRB-NY with a counterparty pursuant to this Agreement will not violate any applicable law, rule, regulation, governing document, contract or other material agreement binding upon the FRB-NY and no governmental or other notice or consent is required in connection with the execution, delivery or performance of this Agreement by the FRB-NY or of any agreements governing or relating to Obligations;
 - (v) represents, in connection with purchasing or selling Agency MBS for the Account, that the FRB-NY is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended.;
 - (vi) the FRB-NY represents that the assets of the Account do not constitute assets of (a) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA")), whether or not subject to Title I of ERISA; (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code; or, (c) an entity whose underlying assets are assets of a plan described in (a) or (b) by reason of such plan's investment in the entity; and
 - (vii) the assets in the Account are free from all liens and charges, and undertakes that no liens or charges will arise from the act or omissions of the FRB-NY which may prevent the Manager from giving a first priority lien or charge on the assets solely in connection with the Manager's authority to direct the deposit of margin or collateral to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the Investment Guidelines.
- (b) The Manager represents, warrants and covenants, as of the date hereof, that:
- (i) the Manager is a Massachusetts limited liability partnership and has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder and the Agreement constitutes a legal, valid and binding obligation of the Manager;
 - (ii) the Manager has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;
 - (iii) the Manager's execution, delivery and performance of this Agreement and all obligations required hereunder will not violate any applicable law, rule, regulation, governing document (*e.g.*, limited liability company agreement), contract or other material agreement binding upon the Manager;

- (iv) the Manager is not currently subject to any public or, to its knowledge, any non-public investigations, existing enforcement actions, or insolvency proceedings, or any pending enforcements actions that are material to its management of the Account. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute investigations. Unless prohibited by law or negotiation, the Manager shall immediately notify the FRB-NY if it becomes aware of any such investigations, actions or proceedings; and
- (v) the Manager is duly registered as an investment adviser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended, and that such registration is in full force and effect.

20. Delivery of Part II of Form ADV

The FRB-NY acknowledges it has received, at least 48 hours prior to the execution of this Agreement, a copy of Part II of the Manager's Form ADV, as amended.

21. Severable

Any term or provision of this Agreement that is invalid or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement in any jurisdiction.

22. Applicable Law and Submission to Jurisdiction

This Agreement and the rights and obligations herein shall be governed by Federal law, and in the absence of controlling Federal law, in accordance with the laws of the State of New York, notwithstanding New York's conflict of law rules. Any legal action, suit or proceeding arising out of or in connection with this Agreement shall only be brought in the United States District Court for the Southern District of New York. For these purposes, the FRB-NY and the Manager submit to the jurisdiction of such court.

23. Notices and Assertions

The Manager shall inform the FRB-NY concerning any possible change in control of the Manager as soon as such information is made available to the public.

The Manager shall certify to the FRB-NY on a quarterly basis in writing in the form provided in Exhibit H that the Manager complies in all material respects with this Agreement, including its Investment Guidelines, or identifies and provides a rationale for any exceptions. In addition, on an annual basis (with the first instance to occur no later than December 31, 2009), the Manager's General Auditor shall submit an attestation in the form of Exhibit I confirming the accuracy of the quarterly certification.

24. Staffing and Key Personnel

Exhibit F hereto sets forth the Manager's key personnel assigned to this engagement. The Manager agrees to consult with FRB-NY before removing any key personnel from this engagement. In addition, the Manager shall provide to FRB-NY, and update on a regular basis, a staffing plan for the services contemplated hereby, including detail of the employees involved and their responsibilities.

25. Survival

The following Sections shall survive any termination of this Agreement: 12, 13, 15, 16, 18 (cooling off periods), 19, 21, 22, 25, 27 – 30.

26. Compliance with Laws and Regulations

The Manager shall conduct the appointment at all times in accordance with all laws and regulations applicable to it, including anti-money laundering ("AML"), counter-terrorist financing ("CTF"), and U.S. Office of Foreign Assets Control ("OFAC") laws and regulations. The Manager shall provide the FRB-NY on request with summaries or copies of its policies and procedures to ensure compliance with laws, including applicable AML, CTF, and OFAC laws and regulations. Manager shall respond to reasonable inquiries from the FRB-NY's Chief Compliance Officer with respect to compliance with laws and regulations.

27. No Waiver

No failure on the part of the Manager or FRB-NY to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, privilege or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Manager or FRB-NY of any right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights, powers, privileges and remedies herein provided are cumulative and are not exclusive of any rights, powers, privileges and remedies provided by law.

28. Amendments

This Agreement may only be amended by a written instrument executed by the Manager and FRB-NY, except that the FRB-NY may, (a) in its sole discretion upon written notice to the Manager, amend Exhibit C or Exhibit E from time to time as it sees fit and (b) amend Exhibit A following reasonable notice to, and consultation with, the Manager. For the avoidance of doubt, provided that the FRB-NY satisfies the notice and consultation requirement, the FRB-NY may amend Exhibit A as it sees fit.

29. Integration

The following exhibits, each as amended from time to time, form an integral part of this Agreement as if set forth fully herein: Exhibit A, Investment Guidelines; Exhibit B, Power of Attorney; Exhibit C, Authorized Counterparties; Exhibit D, Fee Schedule and Payment Procedures; Exhibit E, Designated Representatives of the FRB-NY; Exhibit F, Key Personnel and Exhibit G,

FRB-NY Policy. The following shall be the order of primacy in the event of any inconsistencies: Exhibit A, Exhibit D, Exhibit C, the body of this Agreement, Exhibit G, Exhibit B, Exhibit E, Exhibit F, Exhibit H, and Exhibit I. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes in its entirety the Amended and Restated Investment Management Agreement dated April 17, 2009 and all prior agreements between the parties relating to the subject matter hereof except for the Confidentiality Agreement between the Manager and the FED-NY dated December 19, 2008.

30. Counterparts

This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one agreement.

EXECUTED on the date first above written.

WELLINGTON MANAGEMENT COMPANY, LLP

By:
Name:
Title:

FEDERAL RESERVE BANK OF NEW YORK

By: _____
Name: _____
Title: _____

30. Counterparts

This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one agreement.

EXECUTED on the date first above written.

WELLINGTON MANAGEMENT COMPANY, LLP

By: _____
Name: _____
Title: _____

FEDERAL RESERVE BANK OF NEW YORK

By: _____
Name: _____
Title: _____

Schedule of Exhibits:

Exhibit A	Investment Guidelines
Exhibit B	Power of Attorney
Exhibit C	Authorized Counterparties
Exhibit D	Fee Schedule and Payment Procedures
Exhibit E	Designated Representatives of the FRB-NY
Exhibit F	Key Personnel
Exhibit G	FRB-NY Policy
Exhibit H	Form of Investment Manager's Certification
Exhibit I	Form of Investment Manager's Legal/Compliance Attestation

EXHIBIT A
INVESTMENT GUIDELINES

I. Policy Objective

The policy objective is to provide support to mortgage and housing markets and to foster improved conditions in financial markets more generally.

EXHIBIT B
POWERS OF ATTORNEY

DATE:

RE: FEDERAL RESERVE BANK OF NEW YORK (THE "CLIENT")

ACCOUNT NUMBER:

ATTENTION: THIS IS TO CONFIRM THE APPOINTMENT OF, AND ACCEPTANCE BY, [] AS INVESTMENT MANAGER TO MANAGE, SUPERVISE AND DIRECT THE INVESTMENTS OF AND FOR THE ABOVE CAPTIONED ACCOUNT (THE "ACCOUNT"), WHICH APPOINTMENT INCLUDES THE AUTHORITY TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT WITH FULL AND COMPLETE AUTHORITY (I) TO PURCHASE, SELL, EXCHANGE, CONVERT AND OTHERWISE TRANACT IN ANY AND ALL STOCKS, BONDS, CASH HELD FOR INVESTMENT AND OTHER ASSETS AS [] MAY SELECT; AND (II) TO ESTABLISH ACCOUNTS AND EXECUTE SECURITIES TRANSACTIONS WITH ONE OR MORE SECURITIES BROKER/DEALER FIRMS AND OTHER FINANCIAL INTERMEDIARIES AS [] MAY SELECT. NO CASH OR SECURITIES DUE TO OR HELD FOR THE ACCOUNT SHALL BE PAID OR DELIVERED TO [], EXCEPT IF EXPRESSLY DIRECTED AND APPROVED BY THE CLIENT.

IT IS FURTHER UNDERSTOOD THAT [] MAY DELIVER TO ANY SECURITIES BROKER/DEALER FIRM EXECUTING TRANSACTIONS ON BEHALF OF THE ACCOUNT A COPY OF THIS DOCUMENT AS EVIDENCE OF THE AUTHORITY OF [] TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT.

VERY TRULY YOURS,

FEDERAL RESERVE BANK OF NEW YORK

BY:

NAME:

TITLE:

EXHIBIT C
AUTHORIZED COUNTERPARTIES
PRIMARY DEALERS

BNP Paribas Securities Corp.
Bank of America Securities LLC
Barclays Capital Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Daiwa Securities America Inc.
Deutsche Bank Securities Inc.
Goldman, Sachs & Co.
HSBC Securities (USA) Inc.
J. P. Morgan Securities Inc.
Jefferies & Company, Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. Incorporated
Nomura Securities International, Inc.
RBC Capital Markets Corp.
RBS Securities, Inc.
UBS Securities LLC.

EXHIBIT D
FEE SCHEDULE AND PAYMENT PROCEDURES

December 30, 2008

The FRB-NY will pay to Manager each calendar quarter, as full compensation for services rendered, a management fee based on the average quarterly notional value of the Agency MBS in the Portfolio (based on the records of the Custodian) calculated monthly as of the last day of each month and payable quarterly at the end of each such calendar quarter. The quarterly fee rate will be equal to 1/16th of the annual rate of 1.25 basis points. For purposes of this Exhibit D, notional amount shall mean the Current Face amount of the Agency MBS, including unsettled Trades and TBA's and not to be reduced by the unsettled Current Face sold as part of dollar roll transactions. For the avoidance of doubt, the notional amount will be based upon the average notional amount of the entire program, inclusive of assets from all investment managers.

Beginning September 15, 2009, the Manager's fees for its services under this Agreement shall be a flat monthly fee of \$1.3 million. Such fee shall accrue on a monthly basis but shall be paid quarterly on September 30th, December 31st, March 31st and June 30th.

EXHIBIT E
DESIGNATED REPRESENTATIVES OF THE FRB-NY

EXHIBIT F
KEY PERSONNEL

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EXHIBIT G

FRB-NY POLICY

Introduction

The following is a description of the “ethical wall” and related procedures that are unique to the Investment Management Agreement (“Agreement”) between Wellington Management Company, LLP (“Wellington”) and the Federal Reserve Bank of New York (“FRB-NY”) relating to the Systems Open Market Account (“SOMA” or the “Account”). Wellington’s compliance with these procedures is a critical element to our retention of the Account.

Please read these procedures carefully and contact the designated individuals in the Legal and Compliance Group if you have any questions. You will be asked periodically to confirm that you have read, understood and complied with these procedures.

Confidential Information

The Agreement defines confidential information to include, in substance, all of the following categories of information, unless publicly available (e.g., disclosed by the FED-NY):

- Investment strategy, trading activity and holdings of the Account (including strategy and trading discussions with the other managers relating to the management of the Account);
- Reports and other post-trade information related to the management of the Account;
- Terms of the Agreement; and
- Proprietary information related to FRB-NY’s operations, procedures or systems (collectively, the “Confidential Information”).

Ethical Wall

Structure

The Agreement requires Wellington to implement ethical wall procedures to ensure that the personnel assigned to the portfolio management and trading of the Account are segregated from Wellington’s general portfolio management and trading operations. The Agreement also requires, in substance, that Wellington restrict access to and the dissemination of the Confidential Information to those individuals reasonably necessary to service the Account and maintain a list of those individuals assigned to the Account.

Wellington’s ethical wall procedures rely on a three tier structure. The first, most secure tier applies to pre-trade information, including the investment strategy and timing and size of transactions. The second tier applies to post-trade information, including settlement, reporting and reconciliation. The third tier applies to the terms of the Agreement and the amount of assets under management in the Account.

Tier 1 Access - Pre-Trade Information (Appendix A)

The individuals listed in Appendix A are assigned to the Account and are authorized to have access to and receive pre-trade Confidential Information related to the Account, including the investment strategy and timing and size of transactions, to the extent necessary to perform their roles with respect to the Account. All individuals listed in Appendix A are prohibited from managing, trading or developing strategy for any other account in assets eligible for purchase in the Account (i.e., Treasury or agency securities, Treasury futures or Agency MBS) (“SOMA Eligible Assets”) while subject to the ethical wall.¹ The individuals listed in Appendix A should only share pre-trade (or Tier 1) Confidential Information with other individuals listed on Appendix A or parties designated by the FED-NY.

Wellington will place all trades for the Account in a designated trading area or backup location. Wellington will limit access to the designated trading area to the individuals listed in Appendix A.

Tier 2 Access - Post-Trade Information (Appendix B)

The individuals listed in Appendix B are assigned to the Account and are authorized to have access to and receive post-trade information related to the Account, including Account transaction, client reporting, operational requirements and capabilities of the FED-NY and its agents, and the terms of the Agreement, to the extent necessary to perform their roles with respect to the Account. The individuals listed in Appendix B should only share post-trade (or Tier 2) Confidential Information with other individuals listed on Appendix B or parties designated by the FED-NY.

Tier3 Access - Terms of the Agreement and AUM Only (Appendix C)

The individuals listed in Appendix C are authorized to have access to and receive information related to the terms of the Agreement and assets under management for the Account. The individuals listed in Appendix C should only share the terms of the Agreement or current AUM (or Tier 3) Confidential Information with other individuals listed on Appendices A, B and C, or parties designated by the FED-NY.

¹ The restriction on managing or trading other client accounts in SOMA Eligible Assets may extend for a period of up to approximately two months after the individual ceases to work on the Account.

Additions and Deletions to the Ethical Wall

Wellington's Legal and Compliance Group will maintain a list of Wellington personnel assigned to the Account and eligible to view the relevant categories of Confidential Information. The individuals that Wellington has assigned to the Account and their respective departments are set forth in Appendices A and B to this Memorandum, as may be amended from time to time.

, must approve additions or deletions to Appendices A, B, and C of this Memorandum.

Additional Restrictions on the Account's Portfolio Manager and Trader

The Portfolio Manager and Trader assigned to the Account are restricted from managing, trading or developing strategy for any other account at the firm. In addition, the Portfolio Manager and Trader are prohibited from intentionally accessing non-public security specific trade and holdings information for client accounts other than the Account.

Use of Alias Account Name

Wellington has given the Account an alias account name on its internal systems as a means of enhancing these ethical wall procedures. Wellington will divulge the FED-NY as the beneficial owner of the alias account name only to those Wellington personnel listed in Appendices A, B and C. Persons assigned to the account may discuss information related to the Account utilizing the alias account name to the extent necessary to perform their roles and responsibilities at the firm, but should not identify the alias account as the FED-NY or SOMA account.

Use of Third Party Agents and Affiliates

Wellington is permitted to use State Street Bank and Trust Company ("State Street") to perform certain administrative and accounting functions. However, Wellington requires that all communications with State Street use the alias account designation.

Pre-Trade Systems Controls

Only the individuals designated in Appendix A will have access to the order management and trading systems for the Account.

Post-Trade Systems Controls

As indicated above, Wellington will utilize an alias designation for the Account on Wellington's internal systems to mask the identity of the Account as SOMA assets. In addition, Wellington will suppress information relating to the Account from appearing on certain

internal reports that are broadly accessible within the firm. All other internal reporting will utilize the alias account designation.

Wellington will use the FED-NY or SOMA account name only on client reports intended to be provided to the FED-NY. Access to the FED-NY client reports is limited to the Wellington personnel listed on Appendix B. Wellington will also periodically monitor the access to these reporting systems to ensure that access is consistent with these ethical wall procedures.

Exception Reporting

If you become aware of any exceptions to these ethical wall procedures, you are required to contact promptly one of the designated members of the Legal and Compliance Group (identified at the end of this Memorandum), who will assess the matter and determine whether the firm is required to notify the FRB-NY of the exception.

Legal and Compliance Review

Legal and Compliance will conduct an assessment of the implementation of the ethical wall procedures within six months of the implementation date.

Personal Trading Information

Individuals with Access to Pre-Trade (Tier 1) Confidential (Appendix A)

Wellington personnel with pre-trade (Tier 1) access to Confidential Information (listed in Appendix A) are prohibited from trading in SOMA Eligible Assets (*i.e.*, Treasury and Agency securities, Treasury Futures and any Agency MBS) in their personal accounts while assigned to the Account and for a certain period following the termination of the Agreement or the date upon which they cease being assigned to the Account. The definition of personal accounts is the same as the definition under Wellington's Code of Ethics (*e.g.*, an account in which you have a beneficial interest or investment discretion, but excluding accounts qualifying under the "Managed Account Exemption"). This personal trading restriction supersedes the provisions of Wellington's Code of Ethics.²

Any request for exceptions to this rule must be approved by Wellington's Chief Compliance Officer or the General Counsel, and potentially the Chief Compliance Officer of the FED-NY.

² The Code exempts Treasury transactions from the pre-clearance provisions of the Code. The Code permits Wellington Personnel to transact in Agency and Agency MBS assets, subject to pre-clearance. The exemption from pre-clearance or approval through the firm's pre-clearance system does not constitute approval for any individuals listed on Appendix A from personal transaction in SOMA Eligible Assets.

Open-End Mutual Funds and ETFs

All Wellington personnel assigned to the account are permitted to transact in open-end mutual funds with holdings in SOMA Eligible Assets, such as the Vanguard GNMA Fund and the Vanguard Long-Term Treasury Fund. As set forth in the Code of Ethics (“Code”), transactions in ETFs listed in Appendix A to the Code are not required to be pre-cleared, but are required to be reported under the Code. All other ETFs are required to be pre-cleared as described in the Code. However, we remind the entire group to take special care to ensure that these transactions comply with the spirit and intent of the ethical wall procedures and our Code.

Authorized Instructions

Wellington is not permitted to knowingly communicate Confidential Information to individuals at the FED-NY other than those indicated in Appendix D (Exhibit E of the Agreement). In addition, Wellington is only authorized to take instructions, approvals, interpretations and notices from the representatives of the FED-NY identified in Appendix D. The Agreement requires that all instructions, approvals, interpretations and notices from the FED-NY must be made by secure e-mail, on a recorded telephone line or in writing to Wellington.

Wellington has consented in the Agreement to the use of recorded lines with the FED-NY. You should assume that phone conversations with the FED-NY are being recorded by the Fed-NY unless you receive affirmative confirmation that to the contrary.

FOMC Information

If you believe that you have inadvertently received confidential information regarding monetary policy, open market policy or the Federal Open Market Committee, other than from individuals identified on Appendix D (Exhibit E to the Agreement), contact one of the members of the Legal and Compliance Group listed in Appendix A. Legal and Compliance will assess the matter and determine whether the firm is required to notify the FRB-NY of the incident.

Questions

Please contact the following individuals with questions relating to the matters discussed in this Memorandum:



EXHIBIT H

FORM OF INVESTMENT MANAGER'S CERTIFICATION

The undersigned is responsible for overseeing the compliance of Wellington Management Company, LLP (the "Manager") with the provisions of the Amended and Restated Investment Management Agreement, dated as of August [___], 2009 (the "IMA"), between the Federal Reserve Bank of New York (the "FRBNY") and the Manager. I have evaluated the Manager's compliance with the terms of the IMA, including, without limitation, the Investment Guidelines attached as Exhibit A to the IMA, and have also evaluated the internal control policies and procedures for ensuring compliance and detecting non-compliance with such terms as applicable.

Based on this evaluation, in accordance with Section 23 of the IMA, I hereby certify that [, except as noted below,]³ the Manager was in compliance with the terms of the IMA in all material respects for the period beginning on [INSERT DATE], 20[___] and ending on [INSERT DATE], 20[___].

[SIGNATURE OF BUSINESS LEAD]
[TITLE]
[DATE]

³ Please identify and provide a rationale for any exceptions.

EXHIBIT I

FORM OF INVESTMENT MANAGER'S LEGAL/COMPLIANCE ATTESTATION

In accordance with Section 23 of the Amended and Restated Investment Management Agreement, dated as of August [], 2009 (the "IMA"), between the Federal Reserve Bank of New York (the "FRBNY") and Wellington Management Company, LLP (the "Manager"), we have reviewed the Manager's quarterly certifications of compliance with the terms of the IMA dated [INSERT DATE OF CERTIFICATIONS] (copies of which are attached hereto). Management is responsible for the Manager's compliance with these terms. Our responsibility is to express an opinion on management's certification about the Manager's compliance based on our review of the Manager's operations and internal controls.

Our review, which was consistent with the spirit and substantive elements of the Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors, included examining, on a test basis, evidence about the Manager's compliance with the terms of the IMA, and performing such other procedures as we considered necessary under the circumstances. We believe that our review provides a reasonable basis for our opinion. Our review does not provide a legal determination with respect to the Manager's compliance with the specified requirements.

In our opinion, and based on the results of the review performed, we attest that [, except as noted below,]⁴ the Manager complied in all material respects with the terms of the IMA for the period beginning on [INSERT DATE], 20[] and ending on [INSERT DATE], 20[].

[SIGNATURE OF HEAD OF
LEGAL AND COMPLIANCE GROUP]
[DATE]

⁴ Please identify and provide a rationale for any exceptions.

AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT

This Amended and Restated Investment Management Agreement ("Agreement") is entered into as of the 17th day of April, 2009, between the Federal Reserve Bank of New York ("FRB-NY") and Wellington Management Company, LLP ("Manager"), with reference to the following facts:

WHEREAS, the Federal Open Market Committee ("FOMC") has approved the purchase by the System Open Market Account ("SOMA") of Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), and Government National Mortgage Association ("Ginnie Mae") agency fixed rate pass-through mortgage backed securities ("Agency MBS") as part of its domestic policy directive provided for the avoidance of doubt, that Agency MBS shall not include any CMOs, Interest Only or Principal Only Strips Trusts or REMICS that are backed by Agency MBS, or MBS derivatives;

WHEREAS, the FRB-NY is the Reserve Bank authorized by the FOMC to carry out the domestic policy objective through its management of the SOMA;

WHEREAS, the FRB-NY, after consultation and approval by the FOMC, determined that the purchase and management of the SOMA Agency MBS would be done through the use of one or more investment managers;

WHEREAS, as a result of a competitive bidding process Manager has been selected as one of several investment managers to support the FRB-NY in its implementation of the FOMC's directive;

WHEREAS, the parties wish to further clarify the provisions of the Investment Management Agreement dated December 30, 2008 relating to conflicts of interests and the program parameters;

NOW, THEREFORE, it is agreed as follows:

1. Appointment as Manager

The FRB-NY hereby appoints the Manager to manage, supervise and direct the investment of a portion of the SOMA account as specified by the FRB-NY ("Account") under the terms and conditions set forth herein. By execution of this Agreement, the Manager hereby accepts said appointment, agrees to manage, supervise and direct the investment of the Account pursuant to the provisions of this Agreement.

2. Management of Assets

Commencing on the date hereof and continuing until the date upon which this Agreement is terminated as provided in Section 14, the Manager shall have delegated authority to manage, supervise and direct the investment and reinvestment of assets in the Account and any additions thereto, subject to the specific limitations made part of this Agreement, including the investment objectives and guidelines attached to the Agreement as Exhibit A. Subject to this Agreement, including its Exhibit A, the Manager is hereby appointed as the FRB-NY's agent in fact and shall have full power and authority to act on behalf of the Account with respect to the purchase, sale,

exchange, conversion or other transactions in any and all stocks, bonds, other securities, or cash held for investment subject to the Agreement.

The Manager further shall have authority to instruct the custodian bank duly appointed by the FRB-NY ("Custodian") to: (i) pay cash for securities and other property delivered to the Custodian for the Account, (ii) deliver or accept delivery of, upon receipt of payment or payment upon receipt of, securities and other property purchased or sold in the Account, and (iii) deposit margin or collateral which shall include the transfer of money, securities or other property to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the investment policies and guidelines attached hereto as Exhibit A. The Manager shall not act as custodian of the assets held in the Account. No cash or securities due to or held for the Account shall be paid or delivered to the Manager.

Except as expressly provided in this Agreement, the investment authority granted to the Manager shall include the sole authority to exercise whatever powers the FRB-NY may possess with respect to any of the assets held in the Account, including, but not limited to, the right to vote proxies, the power to exercise rights, options, warrants, conversion privileges, and redemption privileges, and to tender securities pursuant to a tender offer. The Manager shall not incur any liability to FRB-NY by reason of exercising or failing to exercise the powers set out in this paragraph in the absence of its gross negligence, willful misconduct or bad faith. The Manager shall review, evaluate and make a determination with respect to such actions, in good faith, as they arise. When exercising this authority, the Manager will be guided by this Agreement.

FRB-NY shall execute such documents, including without limitation the powers of attorney attached hereto as Exhibit B confirming the appointment of Manager as investment manager, as may be required to evidence the powers, duties and responsibilities delegated hereby. In no event shall Exhibit B be read to confer any greater authority on Manager than is set forth in the Agreement and any amendments hereto. For the avoidance of doubt, unless otherwise agreed, the Manager shall not execute officer certificates on behalf of the FRB-NY.

3. Servicing and Administration of Assets Under Management.

The Manager and its affiliates, meaning other entities under the control of Manager within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended ("Affiliates") shall in no event be responsible in any way for the mechanics of payment or collection of principal, interest, dividends or other amounts due on any assets included in the Account. The Manager is not responsible for the servicing or administration of any assets included in the Account.

Upon request, the Manager shall provide advice to the FRB-NY with respect to residential loan modification and servicing policies and, if requested, will assist the FRB-NY in its efforts to influence the residential loan modification and servicing policies of the servicers of the residential mortgage loans backing the Agency MBS in connection with managing the Account. FRB-NY acknowledges the foregoing provision shall not require Manager to allocate personnel beyond those identified on Exhibit F.

4. Use of Affiliates and Third Parties

Except as provided in the Manager's policy with respect to management of the Account, which policy is attached hereto as Exhibit G (the "FRB-NY Policy"), the Manager may not delegate portfolio management or administrative duties, including back office operations or proxy voting services, to its Affiliates or any third party agent without the express written consent of the FRB-NY which consent may be withheld for any reason. In addition to the requirements in Section 16, if the FRB-NY consents to the use of an Affiliate or third party agent, the Manager shall remain liable as if such services were provided directly. Moreover, no additional fees shall be imposed for such services.

5. Investment Guidelines

The investment guidelines established by FRB-NY as of the date of this Agreement are set forth on Exhibit A, as such exhibit may be amended from time to time in accordance with Section 28 (the "Investment Guidelines"). The Manager is authorized on behalf of the Account to (i) enter into agreements and execute any documents required or deemed advisable to make investments or dispositions pursuant to the Investment Guidelines, which shall include any market and/or industry standard documentation and the standard representations contained therein; and (ii) acknowledge the receipt of brokers' risk disclosure statements, electronic trading disclosure statements and similar disclosures.

The Manager shall be entitled to rely upon oral and written clarifications, supplements guidance and modifications to the Investment Guidelines from persons designated as representatives of the FRB-NY in Exhibit E attached hereto and make reasonable interpretations thereof. The FRB-NY understands and agrees that the Manager does not guarantee or represent that any investment objectives will be achieved.

The Manager shall not engage in securities lending transactions on behalf of the Account. If the Custodian enters into securities lending transactions on behalf of the FRB-NY, the FRB-NY or the Custodian shall be responsible for ensuring that the securities or other assets in the Account are available for sale at all times. The Manager shall not be liable for any loss resulting from the sale by the Manager of a security that is not available in the Account for settlement as a result of such securities lending transactions.

The FRB-NY will establish a policy for managing counterparty credit exposure arising from the forward settlement of Agency MBS trades undertaken for the Account, and will communicate such policy to the Manager and the other managers providing investment management services to the FRB-NY in respect of Agency MBS. The Manager will be responsible for adhering to the policy, as amended from time to time by the FRB-NY, in respect of the forward settlements that it undertakes on behalf of the Account. The FRB-NY shall direct the Manager as to actions to undertake in the event of a counterparty failure. The FRB-NY may direct the Manager to obtain collateral on behalf of the Account as margin for forward exposure from time to time, and, if the FRB-NY so directs the Manager, the FRB-NY shall specify the form of documentation and procedures for such exercise.

6. Title and Use of Custodian Bank

Title to all investments shall be held in the name of the SOMA, provided that for convenience in buying, selling and exchanging securities (stocks, bonds, commercial paper, etc.), title to such securities may be held in the name of the Custodian, or its nominee. All cash and the indicia of ownership of all other investments shall be held by the Custodian. Sole responsibility for physical possession and safekeeping of the assets in the Account shall rest with the Custodian. The Manager shall not be liable for any act or omission of the Custodian.

The Manager shall deliver to the Custodian such information, authorizations and documentation as the Custodian shall reasonably request in order to discharge the Custodian's duties with respect to the Account. The FRB-NY shall instruct the Custodian to (a) provide the Manager with periodic information concerning the status of the Account as reasonably requested by the Manager; (b) carry out all investment transactions as may be directed by the Manager; and (c) confirm all completed transactions, in writing, to the Manager. Absent the consent of the FRB-NY, to the extent that it is within the control of the Manager, the Manager shall communicate trade instructions to the Custodian in a commercially reasonable and secure manner to the extent otherwise used by the Manager in its business. Use of Tradeweb, SWIFT, or Bloomberg are acceptable means of communicating trade instructions.

7. Use of Broker

The Manager shall only trade with brokers or dealers who are listed on Exhibit C, which may be amended from time to time by the FRB-NY. The Manager shall not be liable for any act or omission of any brokerage firm or firms listed on Exhibit C (in effect at the time the Manager initiates a trade or other transaction with such brokerage firm or firms).

FRB-NY hereby delegates to the Manager sole and exclusive authority to determine through which broker dealers on Exhibit C transactions for the Account will be made. The Manager will determine the rate or rates, if any, to be paid for execution services. The Manager agrees that it will seek to buy and sell assets through such intermediaries as, in the Manager's judgment, shall offer the best execution of the brokers or dealers on Exhibit C. The Manager, in seeking to obtain best execution of Account transactions, may consider the quality and reliability of execution services, as well as research and investment information provided by brokers or dealers. Accordingly, the Manager's selection of a broker or dealer for transactions may take into account all relevant factors, including (i) price, (ii) the broker's or dealer's facilities, reliability and financial responsibility, (iii) the broker's or dealer's ability to maintain confidentiality and avoid disruption of the marketplace, (iv) the broker's or dealer's ability and willingness to commit capital and handle large transactions, (v) the level of compensation charged by the broker or dealer, (vi) the broker's or dealer's recordkeeping capabilities and (vii) the research related to the Account provided by such broker or dealer to the Manager (collectively, "Research"), notwithstanding that the Account may not be the exclusive beneficiary of such Research.

8. Access to Records and Documents

Books and Records The Manager shall maintain appropriate books of account and records relating to services performed hereunder including appropriate documentation of issues arising

under the Manager's conflict of interest policies. The Manager shall either retain such records for as long as it is performing services under this Agreement or provide the records (or copies of such records) to the FRB-NY prior to destruction of the records under the Manager's normal record retention policy.

Audit Rights The FRB-NY shall have the right, at any time during the term of this Agreement, to audit the Manager's performance to determine whether the Manager is acting in compliance with all of the requirements of this Agreement as well as its valuation methodology (as set forth in the Manager's valuation policies). Upon five business days' prior written notice to the Manager, the Manager shall grant access to its premises to FRB-NY's internal auditors or the auditors selected by the FRB-NY to conduct such audit. Audits will be conducted during the Manager's normal business hours at the FRB-NY's sole expense. The Manager will cooperate fully in making its premises and all relevant information related to its performance pursuant to this Agreement and personnel available to such auditors as is reasonably requested and does not interfere with the Manager's performance of its obligations under this Agreement and the conduct of its other business in the ordinary course. FRB-NY's board of directors or its audit committee may share audit reports with whomever it deems appropriate.

Audit and Review Rights of Others In addition to the FRB-NY's right to audit the Manager, the Manager agrees that, with prior notice from the FRB-NY, the FOMC, or the Board of Governors of the Federal Reserve System, may conduct audits and ad-hoc reviews of the services provided by the Manager under this Agreement, provided that the FRB-NY will use its best efforts to ensure that such audits and ad-hoc reviews are made on a similar basis to the audits described in the preceding paragraph.

Effective Internal Controls The Manager shall provide its relevant SAS-70 reports to the FRB-NY no less than annually. In addition, if requested by the FRB-NY, the Manager will provide additional documentary evidence to the FRB-NY to support the assertion that the Manager maintains effective internal controls over financial reporting; the nature of such documentation to be agreed to by the parties at the time of the request.

9. Reports

At such intervals as shall be mutually agreed upon between the Manager and FRB-NY, but not less than monthly, the Manager shall furnish the FRB-NY with a written report with respect to the Account. The first determination date for any such report shall be January 31, 2009. Each report shall be sent not later than 15 business days following the relevant determination date, and shall set forth (so long as the Manager has received or been given access in a timely manner to any required information from the Custodian): (i) all Agency MBS purchased or sold since the date of the previous report with the cost or net proceeds of such purchases and sales; (ii) a maturity distribution by product and total holdings as of the determination date; (iii) (a) a per CUSIP estimated market value for each Agency MBS as of the determination date, and (b) aggregated cash flows for the Agency MBS as of the determination date. The Manager shall inform the FRB-NY as soon as practicable if the Manager is not able to obtain the timely information from the Custodian.

The Manager shall also provide weekly market updates and trade overviews in a form agreed to by the Manager and FRB-NY.

The Manager will provide additional reports as reasonably requested by the FRB-NY. The Manager shall also provide additional reporting as reasonably requested to satisfy FRB-NY's internal and external auditors. Notwithstanding the foregoing, the FRB-NY acknowledges and agrees that (i) the Manager shall not be deemed to be the pricing or valuation agent for the Account, (ii) none of the information which the Manager provides the FRB-NY hereunder shall be deemed to be the official books and records of the Account for tax, accounting or any other purpose; and (iii) the FRB-NY will not publish, reproduce (except for internal or archival purposes) or disseminate any pricing information provided by the Manager without the Manager's consent. The FRB-NY or the FRB-NY's pricing or valuation agent, not the Manager, shall be responsible for ultimately determining the value of specific securities in the Account.

For the purposes of all reports made by the Manager to the FRB-NY, assets will be valued at fair value as determined in good faith by the Manager; provided that the valuation methods used by the Manager shall be described in writing to the FRB-NY. The Manager and FRB-NY agree to cooperate, in good faith, to reach resolution to the extent that the FRB-NY has concerns about the Manager's pricing methodology.

Each of the above referenced reports will be delivered to the FRB-NY via messenger, registered mail or FedEx or other overnight delivery service until such time as FRB-NY and the Manager agree on an electronic means of delivery that satisfies the information security policies of FRB-NY.

Reconciliation The Manager shall reconcile transactions and cash flows daily and calculation of net asset value monthly (so long as, in each case, the Manager has received or been given access in a timely manner to any required information from the Custodian) with the Custodian and shall communicate with and seek to resolve any significant discrepancies with the Custodian.

10. Attendance at Meetings

The Manager shall initially meet at least weekly with the FRB-NY and the other investment managers participating in this FOMC initiative to discuss strategy. Absent agreement from the FRB-NY, these meetings should be attended only by individuals at the Manager who are behind the ethical wall.

The Manager will meet at least monthly with the FRB-NY to review the Account, current market conditions and investment strategy. Upon reasonable notice, at the request of the FRB-NY, the Manager shall also meet with one or more members of FRB-NY's board of directors or the SOMA manager at a time mutually agreeable.

The FRB-NY may also request a meeting with the Manager to discuss matters relating to possible modifications to the guidelines set forth in Exhibit A or to request an ad-hoc update on the portfolio strategy review.

The Manager may attend any of the foregoing meetings telephonically. Meetings to discuss strategy or execution issues conducted by telephone shall be conducted on recorded lines. The

FRB-NY shall disclose the fact that the meeting is being recorded to the Managers. The use of periodic beeps on the recorded line shall satisfy this disclosure obligation of the FRB-NY.

11. Fees

For the services specified in this Agreement, the FRB-NY agrees to pay fees as set forth in Exhibit D for each calendar quarter during the term hereof commencing on the date of execution of this Agreement, and continuing thereafter for each such calendar quarter. The FRB-NY agrees to remit payment promptly following the end of each calendar quarter. If Manager shall serve for less than the whole of any quarterly period, its compensation determined as provided in Exhibit D shall be calculated and shall be payable on a pro rata basis for the period of the calendar quarter for which it has served as Manager under the Agreement. The FRB-NY shall not pay any penalty or unaccrued fees in the event this Agreement is terminated by FRB-NY or the Manager.

For the avoidance of doubt, the FRB-NY shall not pay any unapproved out of pocket or other expenses incurred by the Manager in connection with its provision of services under this Agreement except that the FRB-NY shall pay investment execution expenses in connection with investments made on behalf of the Account, including third party commissions and other expenses incurred by, or in the name of, the FRB-NY. The Manager is not authorized to obligate the FRB-NY to pay for or incur any other expenses, including but not limited to hiring lawyers, accountants or other experts, or the use of third party pricing and valuation services without the express written consent of the FRB-NY.

Disputes If FRB-NY disputes all or a portion of any invoice, FRB-NY will pay the undisputed amount. The FRB-NY will notify the Manager in writing of the specific reason and amount of any dispute. The Manager and the FRB-NY will work together, in good faith, to resolve any disputes as soon as reasonably practicable, and FRB-NY will pay the amount, if any, agreed to by the parties based on the resolution.

Additional Compensation The Manager shall not agree to accept compensation from any entity other than the FRB-NY in connection with the services provided by the Manager to the Account under this Agreement.

12. Assignment

In accordance with Sections 205(a)(2) and 205(a)(3) of the Investment Advisers Act of 1940, no assignment (as defined under such Act) of this Agreement shall be made by the Manager without the consent of the FRB-NY.

13. Notices

Any written notice required by or pertaining to this Agreement shall be personally delivered to the party for whom it is intended, at the address stated below, or shall be sent to such party by messenger, overnight mail, or e-mail (and more specifically secure e-mail if the notice pertains to the assets in the Account, or the Portfolio or trading strategy). Any notices shall be deemed given only upon actual receipt.

If to the FRB-NY:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

or if to FRB-NY's Chief Compliance Officer:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

with copy to:

Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

If to the Manager:

Wellington Management Company, LLP
75 State Street
Boston, MA 02109

with copy to:

Wellington Management Company, LLP
75 State Street
Boston, MA 02109

14. Term

This Agreement shall be effective as of the date hereof, and shall continue until terminated. Either party may terminate this Agreement at the end of a particular month by giving thirty (30) days' advance notice, in writing, to the other party. Notwithstanding the foregoing, the FRB-NY may terminate the authority of the Manager at any time, for any reason.

On the termination date of the Agreement or as close to such date as is reasonably practicable, the Manager shall provide the FRB-NY with a final report containing the same information determined as of the determination date as in the reports contemplated by Section 9. Upon termination of the Agreement, the Manager and FRB-NY agree to cooperate to identify any ongoing record retention requirements.

15. Liability

Standard of Care The Manager shall not be liable to the FRB-NY for:

- (a) the acts or omissions of any other fiduciary or other person respecting the Account; or
- (b) for anything done or omitted by the Manager under the terms of this Agreement;

provided that the Manager shall have acted in good faith and shall have exercised the degree of prudence, competence and expertise customarily exhibited by managers of national standing of institutional portfolios, and in any case, a degree of skill and attention no less than that which the Manager exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions. Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law. Without limiting the generality of the foregoing, the Manager will not be liable for any indirect, special, incidental or consequential damages.

The Manager is expressly authorized to rely upon any and all instructions, approvals interpretations and notices given on behalf of the FRB-NY by any one or more of those persons designated as representatives of the FRB-NY whose names, titles and specimen signatures appear in Exhibit E attached hereto. All such instructions, guidance, approvals and notices shall be communicated by e-mail (and more specifically secure e-mail if the instruction, guidance, approval, or notice pertains to the assets in the Account, or the Portfolio or trading strategy), telephone (on a recorded line) or in writing. The FRB-NY shall provide a Secretary Certificate, Incumbency Certificate, or similar document indicating that the persons designated as representatives have the authority to bind the FRB-NY. The FRB-NY may amend such Exhibit E from time to time by written notice to the Manager. The Manager shall continue to rely upon these instructions until notified by the FRB-NY to the contrary.

Except for those individuals identified on Exhibit E, or unless specifically instructed by an individual listed on Exhibit E, the Manager shall not knowingly communicate with any officers or

employees of the FRB-NY regarding this Agreement or the services rendered hereunder. Such communications may be a breach of the Manager's confidentiality obligations under Section 16.

The Manager shall not be deemed to have breached this Agreement or the Investment Guidelines in connection with fluctuations arising from market movements and other events outside the control of the Manager.

Force Majeure The Manager shall be responsible for maintaining and preserving its operations, facilities and systems (including its computer and communication systems) in a manner consistent with commercial and supervisory standards prevalent in its industry. So long as the Manager shall have complied with the foregoing maintenance or preservation requirements and provided that any delay or failure to take such action as may be required under this Agreement could not be prevented by the exercise of reasonable diligence by the Manager, the Manager shall not be liable for any delay or failure to take any action as may be required under this Agreement, to the extent that any such delay or failure is caused by an act of God or acts of declared or undeclared war, acts of terrorism, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods or similar events or the interruption or suspension of any external communication or power systems. The preceding sentence shall not relieve the Manager from performing its obligations in a timely manner in accordance with the terms of this Agreement, and the Manager shall provide the FRB-NY with written notice of any material failure or delay resulting from force majeure, to the extent known to Manager.

Indemnity The FRB-NY shall indemnify and hold harmless the Manager, its Affiliates and its and their respective officers, directors, employees, partners, attorneys and agents from and against any losses, claims, damages or liabilities (including, but not limited to, reasonable attorneys' fees and litigation-related expenses) ("Losses") incurred in connection with any threatened or pending third party action, suit, proceeding or claim relating to, arising out of or in connection with this Agreement, except for any Losses arising out of the Manager's breach of its standard of care as set forth in this Section 15.

Requirements for Claiming Under the Indemnity In order to recover under this indemnity, the Manager: (a) must provide reasonably prompt notice to the FRB-NY of any claim for which indemnification is sought, provided that the failure to provide notice shall only limit the indemnification provided hereby to the extent of any incremental expense or actual prejudice as a result of such failure; and (b) must not make any admissions of liability after receiving actual notice of the claim or agree to any settlement without the written consent of the FRB-NY, which consent shall not be unreasonably withheld.

Rights of the FRB-NY The FRB-NY may, in its sole discretion, and at its sole expense, control the defense of the claim including, without limitation, designating counsel for the Manager and controlling all negotiations, litigation, arbitration, settlements, compromises and appeals of any claim; provided that (i) the FRB-NY will inform the Manager of any settlement offers which are made and the FRB-NY may not agree to any settlement involving any indemnified person that contains any element other than the payment of money and complete indemnification of the indemnified person without the prior written consent of the affected indemnified person, (ii) the FRB-NY shall engage and pay the expenses of separate counsel for the indemnified person to the extent that the interests of the Manager are in conflict with those of the FRB-NY, and (iii) the

indemnified person shall have the right to approve the counsel designated by the FRB-NY, which consent shall not be unreasonably withheld.

16. Confidential Information

FOMC Information The Manager will not ask for, and except for information provided by an individual listed on Exhibit E, is not to be provided with confidential information regarding monetary policy, open market operations or the Federal Open Market Committee. In the event that the Manager believes that an individual not listed on Exhibit E has inadvertently disclosed such information to the Manager, the Manager will immediately report such disclosure by telephone to the Chief Compliance Officer of FRB-NY and will ensure that the Manager does not rely or act on such information.

Confidential Information Defined The Manager acknowledges that all information and material that comes into the possession or knowledge of the Manager on or after the date hereof, whether provided directly by the FRB-NY or by another investment manager or agent of the FRB-NY, in connection with the services provided under this Agreement, including but not limited to:

- the terms and conditions of this Agreement;
- information regarding the Account (or other accounts operated by another investment manager of the FRB-NY) including the identity and amount of the assets held in the Account (or other accounts operated by another investment manager of the FRB-NY) and the operations and investments of SOMA;
- information regarding the practices, policies, business affairs or other proprietary or commercial information of one of the FRB-NY's other investment managers. (Each other investment manager shall be a third party beneficiary for purposes of enforcing this confidentiality requirement with respect to the proprietary or commercial information it provides in connection with the services provided under this Agreement);
- reports, briefing material, information and data, both written and oral, related to this Agreement;
- financial information, condition, processes and procedures of the FRB-NY or SOMA;
- material related to FRB-NY's data processing systems, applications, procedures, policies and standards;
- the physical security of FRB-NY; and
- financial, statistical, strategic planning and other similar information relating to the past, present or future activities of FRB-NY or the FOMC, which has or may come into the possession or knowledge of the Manager in connection with this engagement or its performance hereunder

(any and all of the above, "Confidential Information") shall be considered to be confidential and proprietary, the disclosure of which to, or use by, third parties will be damaging to the FRB-NY, to another of the FRB-NY's investment managers and/or the FOMC. Subject to the Exception paragraphs below, no such Confidential Information shall be duplicated for, used by or disclosed to third parties without the written consent of the FRB-NY or, with respect to Confidential Information provided by another investment manager, used to compete with any business to which the Confidential Information relates. The Manager shall use the same or greater effort to avoid publication or dissemination of such Confidential Information as it employs with respect to its own confidential information.

Exceptions The Manager shall have no obligation under this Agreement with respect to any information that: (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the Manager in violation of this Agreement; (2) is subsequently learned from a third party that, to the knowledge of the Manager, is not under an obligation of confidentiality to the FRB-NY; (3) was known to the Manager at the time of disclosure other than from the FRB-NY or its provision of services under this Agreement; (4) is generated independently by the Manager without reference to the Confidential Information; or (5) is disclosed pursuant to applicable law, regulation, subpoena or other legal process, or in connection with the enforcement of the Manager's rights against the FRB-NY under this Agreement.

The Manager shall notify the General Counsel of FRB-NY, or his designee, promptly if disclosure is requested pursuant to any law, regulation, subpoena or other legal process other than routine regulatory examinations (e.g., by the Securities and Exchange Commission or the United Kingdom Financial Services Authority). The Manager further agrees that in the event that disclosure is requested under any such law, governmental or administrative rule, or regulation, it will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed, including but not limited to: (i) entertaining and considering any argument that the FRB-NY wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Agreement; (ii) providing the FRB-NY, at the expense of the FRB-NY, with all reasonable assistance in resisting or limiting disclosure; (iii) advising the recipient that the Confidential Information is subject to the confidentiality provisions of this Agreement; and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality.

For the avoidance of doubt, the Manager shall be authorized to disclose Confidential Information to third parties, including (subject to the limited access provision below) its Affiliates and to the officers, directors, employees, attorneys, accountants, financial advisors and other agents of Manager and its Affiliates, to the limited extent required for it to fulfill its obligations under this Agreement, including in connection with: (i) effecting investment transactions or disposition and (ii) routine regulatory examinations. Furthermore, unless prohibited under another provision of this agreement, the Manager shall be authorized to communicate with brokers and dealers, the Custodian, and any other third party to the extent required for it to perform its obligations under this Agreement including, to the extent approved by the FRB-NY, for the purpose of obtaining advice or services from third party advisors or vendors.

Limited Access The Manager agrees to maintain Confidential Information in strictest confidence and to limit the access to information that is the subject of this Agreement to only those of its officers, directors, partners, and employees that are necessary to its performance under this

Agreement and shall require all such employees, by means of a written acknowledgement (which may be in the form of an annual certification), to keep all such information obtained by them as strictly confidential.

Confidential Information may also be provided to the Affiliates and/or third party agents identified in Exhibit G but only in accordance with the restrictions and limitations set forth in the Exhibit G and Section 4. In addition, any such Affiliate or third party agent (other than outside counsel) must be bound by a written confidentiality obligation substantially similar to the Manager's confidentiality obligation under this Agreement. Manager assumes responsibility for maintaining the confidentiality of all Confidential Information disclosed to its Affiliates and third party agents under this Agreement. For the avoidance of doubt, this paragraph does not apply to, and does not limit, Manager's ability to transact with the brokers and dealers listed on Exhibit C in a manner consistent with Manager's customary practices and such brokers and dealers shall not be deemed "third party agents" of the Manager for purposes of this paragraph.

Public Statements The Manager agrees, until the termination of this Agreement, not to originate or encourage any public written or oral statement, news release, or other public announcement or publication relating to this Agreement or to any Confidential Information, beyond a statement no more detailed than any public statement by the FRB-NY, without the express prior consent of the President, First Vice President or an Executive Vice President of the Markets Group of FRB-NY listed as such on Exhibit E.

Unless prohibited by law or regulation, the FRB-NY shall provide reasonable advance notice to the Manager before the FRB-NY, its agents or its employees publicly disclose, or cause to be publicly disclosed, information regarding the Manager's role in providing services under this Agreement.

Confidential Information of the Manager The FRB-NY agrees that confidential information and advice furnished by the Manager to the FRB-NY (including without limitation information evidencing the Manager's expertise, investment strategies or trading activities) has been developed by the Manager through the application of methods and standards of judgment and through the expenditure of considerable work, time and money and is the exclusive and proprietary intellectual property of the Manager which (i) shall be treated as confidential by the FRB-NY, (ii) shall not be used for any purpose other than FRB-NY's or the FOMC's analysis of the performance of the Manager, and (iii) shall not be disclosed, directly or indirectly, to third parties by the FRB-NY except that the FRB-NY shall be permitted to share confidential information provided by the Manager on a need to know basis with: (i) its officers, employees, Board of Directors and auditors; (ii) the Board of Governors of the Federal Reserve System; (iii) the FOMC, (iv) the other investment managers hired by the FRB-NY for purposes of this initiative, to the extent such managers are required to keep such Confidential Information confidential and (iv) any other party with the prior written consent of the Manager or as required by law.

17. Non-Exclusive Management

FRB-NY understands that the Manager will continue to furnish investment management and advisory services to others and that the Manager shall at all times be free, in its discretion, to make recommendations to others which may be the same as, or may be different from, those concerning the

Account or act with discretion for others. Subject to Section 18, FRB-NY further understands that the Manager, its Affiliates, and any officer, director, partners, stockholder, employee or any member of their families may or may not have a conflict of interest with the Account. In this regard, the Manager has disclosed to FRB-NY potential conflicts, which it has identified in good faith, as well as its plan to mitigate any such conflicts. Subject to Section 18, actions with respect to assets of the same kind or class may be the same as or different from the action which the Manager, or any of its Affiliates, or any officer, director, stockholder, employee or any member of their families, or other investors may take with respect to the Account.

18. Conflicts of Interest

General Policies The Manager agrees to abide by and has provided the FRB-NY with its internal conflict of interest policies and procedures. Such policies and procedures are designed to, among other things:

- (i) identify any material financial conflicts of interest between the Manager and the FRB-NY;
- (ii) require reporting of any conflicts of interest between the Manager and the FRB-NY that develop during the course of this Agreement; and
- (iii) prevent the use of Confidential Information to enter into a trade or transaction unrelated to this Agreement.

The Manager shall disclose potential conflicts of interest to the FRB-NY as they arise and, at the request of the FRB-NY the Manager will recuse itself from decisions relating to the management of any portion of the Account if the FRB-NY determines that a conflict of interest exists that cannot be adequately addressed.

Specific Prohibitions

The Manager acknowledges that it would breach its duties to FRB-NY hereunder for the Manager or an Affiliate of the Manager to use Confidential Information obtained in the course of this engagement to enter into a trade or other transaction unrelated to the Account except as authorized below as part of an aggregate sale or purchase.

The Manager shall not knowingly engage in any transaction that would require the FRB-NY's consent pursuant to Section 206(3) of the Advisers Act, as amended, and the rules and regulations promulgated thereunder unless such transaction is approved by FRB-NY.

The Manager shall not knowingly purchase any asset for inclusion in the Account from any account or portfolio for which the Manager or any of its Affiliates serves as investment adviser or knowingly sell any asset in the Account to any account portfolio for which the Manager or any such Affiliate serves as investment adviser unless such transaction is approved by the FRB-NY.

Trade Allocation Policy Absent consent of the FRB-NY, the Manager may not aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager.

If the FRB-NY provides consent, the Manager may aggregate sales and purchase orders of securities placed with respect to the Account with similar orders being made simultaneously for other accounts managed by the Manager only if in the Manager's reasonable judgment such aggregation would result in an overall benefit to FRB-NY, taking into consideration the availability of purchasers or sellers, the selling or purchase price, brokerage commissions and other expenses. It is the policy of the Manager that investments may not be allocated to one client account over another based on any of the following considerations:

- (a) to favor one client account at the expense of another,
- (b) to generate higher fees paid by one client account over another or to produce greater performance compensation to the Manager,
- (c) to develop or enhance a relationship with a client or prospective client,
- (d) to compensate a client for past services or benefits rendered to the Manager or to induce future services or benefits to be rendered to the Manager, or
- (e) to manage or equalize investment performance among different client accounts.

In the event that a sale or purchase of any part of the Account occurs as part of any aggregate sales or purchase orders, (a) the objective of the Manager shall be to allocate the executions among the accounts in a manner reasonably believed by the Manager to be fair and equitable for all accounts involved; and (b) the Manager shall have delivered to FRB-NY its allocation policy, which further details the Manager's policies and procedures with respect to the aggregation of sale and purchase orders, and shall have in place oversight and review policies designed to ensure compliance with its allocation policy.

Ethical Wall Consistent with Section 16, the Manager's information barrier policies must be designed at a minimum to ensure that (a) personnel assigned to the management of the Account are adequately segregated from personnel involved with the Manager's general trading, brokerage, sales, or other activities that might be in conflict with the duty the Manager owes to FRB-NY under this Agreement, and (b) any information related to the management of the Account is not shared with personnel involved in activities that might be in conflict with the Manager's duty to FRB-NY under this Agreement without appropriate vetting and controls being put in place by the Manager's Legal and Compliance Department.

The Manager shall have policies in place that direct the individuals who participate on a regular basis in the manager daily calls to refrain from accessing non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts. Other communications or discussions with individuals responsible for the management of other client accounts are permitted, including communications and discussions on high level investment policy (which may include daily investment strategy meetings that are not client or account specific); macro economic and sector issues/trends; market environment, developments, and risk factors; and regulatory developments, in each case so long as they are not directly related to the specific holdings in other client accounts. Personnel who participate on a regular basis on the manager daily calls may also have access to and

participate in discussions concerning research (including analytical tools and portfolio and risk management systems) produced by the Manager, as long as such research tools and systems do not provide information with respect to specific holdings in other client accounts or, if they do provide access to the information, the Manager has policies in place that direct such individuals to refrain from such activities with respect to non-public information regarding specific holdings in other client accounts. For any other personnel assigned to provide investment management, trading and/or advisory services to the FRB-NY in connection with this Agreement, the Manager shall have policies in place that direct such personnel to ensure that their advice, guidance and direction concerning the Account and the FRB-NY trading strategy is not based on or influenced by non-public information regarding specific securities in other client accounts, including the nature of specific client holdings or pending client trades and any non-public intention to direct, effect or recommend a transaction in a specific security in other specific client accounts.

For the avoidance of doubt, individuals who sit atop of the ethical wall or straddle the wall must be especially vigilant to ensure that discussions with or advice, guidance or direction give to, individuals on the other side of the wall is not based on or influenced by Confidential Information concerning the Portfolio or trading strategy. The implementation of the ethical wall policy of the Manager shall be reviewed by internal audit or compliance at least once within the first six months of the engagement and thereafter in accordance with the Manager's own review policies.

In addition to following the Manager's information barrier policies, the Manager agrees that:

(a) to the extent not inconsistent with this Agreement, it will comply with its FRB-NY Policy as outlined in Exhibit G in respect of the activities of personnel assigned to this engagement

(b) a list of each of the individuals who has been assigned to this engagement and the dates of such assignment are maintained and can be reviewed by the FRB-NY; and

(c) any individual identified on Exhibit F or who is otherwise involved in providing investment management, trading and/or advisory services to the FRB-NY or managing the Account while such individual has access to Confidential Information concerning the Portfolio or trading strategy and, (x) if the Agreement has not been terminated, for a period of at least one full FOMC meeting cycle thereafter, (y) if the SOMA Agency MBS program has been terminated, for a period of two weeks thereafter, or (z) a shorter period identified in writing to the Manager by the FRB-NY; shall:

- be prohibited from providing investment management, trading or advisory services (in the case of advisory services, meaning providing advice that could be viewed as informed by the Confidential Information) to anyone other than the FRB-NY in Treasury (including Treasury futures) or agency securities or any Agency MBS; and
- refrain from purchasing for him or herself Treasury or agency securities, including Agency MBS, without prior consultation with the Chief Compliance Officer of FRB-NY.

FRB-NY acknowledges that the persons subject to the restrictions in (b) above shall be permitted to provide investment management, trading and/or advisory services to other clients with

respect to securities other than Treasury or agency securities or any Agency MBS, including providing general market views and market views related to securities other than Treasury or agency securities or any Agency MBS except as noted in (d) below. The period set forth in (c) above shall commence at such time as an individual no longer has access to Confidential Information concerning the Portfolio or trading strategy.

(d) Individuals who participate on a regular basis in the manager daily calls shall be prohibited from providing investment management, trading and/or advisory services to anyone other than the FRB-NY. The prohibition in this subsection (d) is limited to the provision of investment management, trading and advisory services. It does not extend to other non-investment management, trading or advisory matters, such as firm research, modeling, technology development and/or enhancement, or training provided that such matters do not require the use of Confidential Information. If a contingency situation arises and the Manager does not have anyone available to participate on a regular basis on the daily calls who is ordinarily subject to this subsection (d), the Manager should consult with the FRB-NY to discuss options (including the possibility that the Manager not be represented on the daily calls) and to determine whether and to what extent this section (d) applies in the context of the contingency.

The Manager may request a waiver to permit individuals who would otherwise be prohibited from providing investment management or advisory services to clients other than the FRB-NY to provide limited investment management, trading and advisory services where the Manager believes that there is no risk of an actual or apparent conflict of interest. Whether such a waiver request is granted shall be within the sole discretion of the FRB-NY. The FRB-NY may also opt to relax the prohibition in this subsection (d) without a waiver request if, in the FRB-NY's view, the prohibition is no longer required.

If an individual subject to the prohibition in this subsection (d) is reassigned such that he or she would no longer participate on a regular basis in the manager daily calls, the prohibition in this subsection (d) on providing investment management, trading and/or advisory services shall continue until the next FOMC meeting or for two weeks, whichever is longer, which period shall commence at such time as such individual is reassigned. For the avoidance of doubt, the individuals subject to the prohibition in this subsection in this subsection (d) are also subsection (c).

19. Representations and Warranties

The parties agree that they shall provide prompt notice (i) of any material changes regarding the information about itself in this Agreement, or (ii) if any of the representations or warranties in this Section are no longer true or completely accurate in any material respects.

- (a) The FRB-NY represents, warrants and covenants, as of the date hereof, that:
- (i) the FRB-NY has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder;
 - (ii) the FRB-NY has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;

- (iii) all transactions in Agency MBS authorized by the FRB-NY in the Investment Guidelines (collectively, "Obligations") are within the FRB-NY's power, are duly authorized by the FOMC and, when duly entered into with a counterparty, will be the legal, valid and binding Obligations of the FRB-NY;
 - (iv) the FRB-NY's execution, delivery and performance of this Agreement and all obligations required hereunder and the transactions and agreements which the Manager enters on behalf of the FRB-NY with a counterparty pursuant to this Agreement will not violate any applicable law, rule, regulation, governing document, contract or other material agreement binding upon the FRB-NY and no governmental or other notice or consent is required in connection with the execution, delivery or performance of this Agreement by the FRB-NY or of any agreements governing or relating to Obligations;
 - (v) represents, in connection with purchasing or selling Agency MBS for the Account, that the FRB-NY is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended.;
 - (vi) the FRB-NY represents that the assets of the Account do not constitute assets of (a) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA")); whether or not subject to Title I of ERISA; (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code; or, (c) an entity whose underlying assets are assets of a plan described in (a) or (b) by reason of such plan's investment in the entity; and
 - (vii) the assets in the Account are free from all liens and charges, and undertakes that no liens or charges will arise from the act or omissions of the FRB-NY which may prevent the Manager from giving a first priority lien or charge on the assets solely in connection with the Manager's authority to direct the deposit of margin or collateral to the extent necessary to meet the obligations of the Account with respect to any investments made pursuant to the Investment Guidelines.
- (b) The Manager represents, warrants and covenants, as of the date hereof, that:
- (i) the Manager is a Massachusetts limited liability partnership and has the power and authority, and the legal right, to execute, deliver and perform this Agreement and all obligations required hereunder and the Agreement constitutes a legal, valid and binding obligation of the Manager;
 - (ii) the Manager has taken all necessary organizational action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and the performance of all obligations imposed upon it hereunder;
 - (iii) the Manager's execution, delivery and performance of this Agreement and all obligations required hereunder will not violate any applicable law, rule, regulation, governing document (e.g., limited liability company agreement), contract or other material agreement binding upon the Manager;

- (iv) the Manager is not currently subject to any public or, to its knowledge, any non-public investigations, existing enforcement actions, or insolvency proceedings, or any pending enforcements actions that are material to its management of the Account. For the avoidance of doubt, routine or sweep regulatory examinations do not constitute investigations. Unless prohibited by law or negotiation, the Manager shall immediately notify the FRB-NY if it becomes aware of any such investigations, actions or proceedings; and
- (v) the Manager is duly registered as an investment adviser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940, as amended, and that such registration is in full force and effect.

20. Delivery of Part II of Form ADV

The FRB-NY acknowledges it has received, at least 48 hours prior to the execution of this Agreement, a copy of Part II of the Manager's Form ADV, as amended.

21. Severable

Any term or provision of this Agreement that is invalid or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement in any jurisdiction.

22. Applicable Law and Submission to Jurisdiction

This Agreement and the rights and obligations herein shall be governed by Federal law, and in the absence of controlling Federal law, in accordance with the laws of the State of New York, notwithstanding New York's conflict of law rules. Any legal action, suit or proceeding arising out of or in connection with this Agreement shall only be brought in the United States District Court for the Southern District of New York. For these purposes, the FRB-NY and the Manager submit to the jurisdiction of such court.

23. Notices and Assertions

The Manager shall inform the FRB-NY concerning any possible change in control of the Manager as soon as such information is made available to the public.

The Manager shall certify to the FRB-NY on a quarterly basis in writing that the Manager complies in all material respects with this Agreement, including its Investment Guidelines, or identifies and provides a rationale for any exceptions.

24. Staffing and Key Personnel

Exhibit F hereto sets forth the Manager's key personnel assigned to this engagement. The Manager agrees to consult with FRB-NY before removing any key personnel from this engagement. In addition, the Manager shall provide to FRB-NY, and update on a regular basis, a staffing plan for

the services contemplated hereby, including detail of the employees involved and their responsibilities.

25. Survival

The following Sections shall survive any termination of this Agreement: 12, 13, 15, 16, 18 (cooling off periods), 19, 21, 22, 25, 27 – 30.

26. Compliance with Laws and Regulations

The Manager shall conduct the appointment at all times in accordance with all laws and regulations applicable to it, including anti-money laundering (“AML”), counter-terrorist financing (“CTF”), and U.S. Office of Foreign Assets Control (“OFAC”) laws and regulations. The Manager shall provide the FRB-NY on request with summaries or copies of its policies and procedures to ensure compliance with laws, including applicable AML, CTF, and OFAC laws and regulations. Manager shall respond to reasonable inquiries from the FRB-NY’s Chief Compliance Officer with respect to compliance with laws and regulations.

27. No Waiver

No failure on the part of the Manager or FRB-NY to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, privilege or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Manager or FRB-NY of any right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights, powers, privileges and remedies herein provided are cumulative and are not exclusive of any rights, powers, privileges and remedies provided by law.

28. Amendments

This Agreement may only be amended by a written instrument executed by the Manager and FRB-NY, except that the FRB-NY may, (a) in its sole discretion upon written notice to the Manager, amend Exhibit C or Exhibit E from time to time as it sees fit and (b) amend Exhibit A following reasonable notice to, and consultation with, the Manager. For the avoidance of doubt, provided that the FRB-NY satisfies the notice and consultation requirement, the FRB-NY may amend Exhibit A as it sees fit.

29. Integration

The following exhibits, each as amended from time to time, form an integral part of this Agreement as if set forth fully herein: Exhibit A, Investment Guidelines; Exhibit B, Power of Attorney; Exhibit C, Authorized Counterparties; Exhibit D, Fee Schedule and Payment Procedures; Exhibit E, Designated Representatives of the FRB-NY; Exhibit F, Key Personnel and Exhibit G, FRB-NY Policy. The following shall be the order of primacy in the event of any inconsistencies: Exhibit A, Exhibit D, Exhibit C, the body of this Agreement, Exhibit G, Exhibit B, Exhibit E, and Exhibit F. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes in its entirety the Investment Management Agreement dated December 30, 2008 and all prior agreements between the parties relating to the subject matter hereof

except for the Confidentiality Agreement between the Manager and the FED-NY dated December 19, 2008.

30. Counterparts

This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one agreement.

EXECUTED on the date first above written.

Schedule of Exhibits:

Exhibit A	Investment Guidelines
Exhibit B	Power of Attorney
Exhibit C	Authorized Counterparties
Exhibit D	Fee Schedule and Payment Procedures
Exhibit E	Designated Representatives of the FRB-NY
Exhibit F	Key Personnel
Exhibit G	FRB-NY Policy

EXHIBIT A
INVESTMENT GUIDELINES

I. Policy Objective

The policy objective is to provide support to mortgage and housing markets and to foster improved conditions in financial markets more generally.

EXHIBIT B
POWERS OF ATTORNEY

DATE:

RE: FEDERAL RESERVE BANK OF NEW YORK (THE "CLIENT")

ACCOUNT NUMBER:

ATTENTION: THIS IS TO CONFIRM THE APPOINTMENT OF, AND ACCEPTANCE BY, [] AS INVESTMENT MANAGER TO MANAGE, SUPERVISE AND DIRECT THE INVESTMENTS OF AND FOR THE ABOVE CAPTIONED ACCOUNT (THE "ACCOUNT"), WHICH APPOINTMENT INCLUDES THE AUTHORITY TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT WITH FULL AND COMPLETE AUTHORITY (I) TO PURCHASE, SELL, EXCHANGE, CONVERT AND OTHERWISE TRANACT IN ANY AND ALL STOCKS, BONDS, CASH HELD FOR INVESTMENT AND OTHER ASSETS AS [] MAY SELECT; AND (II) TO ESTABLISH ACCOUNTS AND EXECUTE SECURITIES TRANSACTIONS WITH ONE OR MORE SECURITIES BROKER/DEALER FIRMS AND OTHER FINANCIAL INTERMEDIARIES AS [] MAY SELECT. NO CASH OR SECURITIES DUE TO OR HELD FOR THE ACCOUNT SHALL BE PAID OR DELIVERED TO [], EXCEPT IF EXPRESSLY DIRECTED AND APPROVED BY THE CLIENT.

IT IS FURTHER UNDERSTOOD THAT [] MAY DELIVER TO ANY SECURITIES BROKER/DEALER FIRM EXECUTING TRANSACTIONS ON BEHALF OF THE ACCOUNT A COPY OF THIS DOCUMENT AS EVIDENCE OF THE AUTHORITY OF [] TO ACT AS AGENT AND ATTORNEY-IN-FACT FOR AND ON BEHALF OF THE ACCOUNT.

VERY TRULY YOURS,

EXHIBIT C
AUTHORIZED COUNTERPARTIES
PRIMARY DEALERS

BNP Paribas Securities Corp.
Banc of America Securities LLC
Barclays Capital Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Daiwa Securities America Inc.
Deutsche Bank Securities Inc.
Dresdner Kleinwort Securities LLC
Goldman, Sachs & Co.
HSBC Securities (USA) Inc.
J. P. Morgan Securities Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. Incorporated
RBS Securities, Inc.
UBS Securities LLC.

EXHIBIT D
FEE SCHEDULE AND PAYMENT PROCEDURES

December 30, 2008

The FRB-NY will pay to Manager each calendar quarter, as full compensation for services rendered, a management fee based on the average quarterly notional value of the Agency MBS in the Portfolio (based on the records of the Custodian) calculated monthly as of the last day of each month and payable quarterly at the end of each such calendar quarter. The quarterly fee rate will be equal to 1/16th of the annual rate of 1.25 basis points. For purposes of this Exhibit D, notional amount shall mean the Current Face amount of the Agency MBS, including unsettled Trades and TBA's and not to be reduced by the unsettled Current Face sold as part of dollar roll transactions. For the avoidance of doubt, the notional amount will be based upon the average notional amount of the entire program, inclusive of assets from all investment managers.

EXHIBIT E
DESIGNATED REPRESENTATIVES OF THE FRB-NY

EXHIBIT F

KEY PERSONNEL

EXHIBIT G
FRB-NY POLICY

Introduction

The following is a summary of how Wellington Management Company, ("Wellington") intends to meet the "ethical wall" provisions set forth in Section 18 of the Investment Management Agreement between Wellington and the Federal Reserve Bank of New York ("FRB-NY") dated on or about December 30, 2008 relating to the Systems Open Market Account ("SOMA" or the "Account"). We will notify the FRB-NY of any material changes to our ethical wall procedures relating to the Account.

As discussed below, Wellington will use an alias account name on its internal systems as a means of enhancing these ethical wall procedures. Wellington will divulge the FRB-NY as the beneficial owner of the alias account name only to those Wellington personnel that are reasonably necessary to provide the services described in the Agreement to the FRB-NY. The Wellington personnel assigned to the Account are set forth in Exhibit A.

Structure

The ethical wall procedures will rely on a three tier structure. The first, most secure tier will apply to pre-trade information, including the investment strategy and timing and size of transactions. The second tier will apply to post-trade information, including settlement, reporting and reconciliation. The third tier will apply to the terms of the Agreement and the amount of assets under management in the Account. All of the Wellington personnel listed in Exhibit A are subject to these ethical wall procedures.

Portfolio Management

Wellington will designate _____ of the Account. While _____ will have full access to the firm's investment resources, including debt and equity analysts and portfolio managers, he will be prohibited from sharing information about the Account's investment approach or trades, or discussions with the FRB-NY (or the other managers hired by the FRB-NY to manage the Account) with Wellington's investment personnel. _____ will not develop strategy for or place transactions for any other account in Treasury or agency securities or Agency MBS while subject to the ethical wall.

_____, will have access to the Confidential Information (as defined in the Agreement), but does not _____ and will not develop strategy for or place transactions for any accounts at Wellington. _____ and _____ may share Confidential Information only with Wellington personnel assigned to the Account.

The type of Confidential Information they may share with any given individual is reflected on Exhibit A.

Trading

Wellington will designate _____ for the Account. _____ will only trade Treasury or agency securities or Agency MBS for the Account. _____ will have full access to the firm's fixed income trading desk to assess market color across the fixed income asset classes, but he will be prohibited from sharing information about the investment approach, trades or discussions with the FRB-NY (or the other managers hired by the FRB-NY to manage the Account) with Wellington trading personnel. _____ will not trade for any other account in Treasury or agency securities or Agency MBS while subject to the ethical wall.

_____, will have access to the Confidential Information but will not place transactions for any account other than the FRB-NY's Account in Treasury or agency securities or AMBS during the term of the Agreement. _____ and _____ may share Confidential Information only with Wellington personnel assigned to the Account. The type of Confidential Information they may share with any given individual is reflected on Exhibit A.

Physical Separation

_____ will place trades and conduct confidential conversations in a designated trading room. The trading room will be physically separated from Wellington's main fixed income trading desk. The trading room will also be pass key protected, and permission will be limited to those individuals assigned to the Account and listed on Exhibit A as having access to Pre-Trade information.

Systems Controls

Pre-Trade

Only the individuals designated in Exhibit A will have access to the order management and trading systems for the Account. Wellington will restrict all other personnel, including other portfolio managers and traders, from viewing orders and trades for the Account.

Post-Trade

Wellington will utilize an alias designation for the Account on Wellington's internal systems to mask the identity of the Account as SOMA assets. Wellington will divulge the FRB-NY as the beneficial owner of the Account only to those Wellington personnel assigned to the Account and set forth in Exhibit A.

Wellington will not activate the Account for use on the firm's confidential client web site. In addition, Wellington will suppress information relating to the Account from appearing on certain

internal reports that are broadly accessible within the firm. All other internal reporting will utilize the alias account designation.

Wellington will use the FRB-NY or the SOMA account name only on client reports to the FRB-NY and will restrict access to those client reports to the Wellington personnel listed on Exhibit A as having access to post-trade Confidential Information. Wellington will also monitor the access to these reporting systems to ensure that access is consistent with these ethical wall procedures.

Wellington will utilize an alias designation when communicating post trade information about the Account to

Support Functions

Wellington will limit access to the Confidential Information about the Account to those individuals assigned to the Account as reflected on Exhibit A. In addition, to the extent practicable Wellington will limit the scope of Confidential Information available to any given individual to the information that is reasonably necessary for that person to perform his or her functions with respect to the Account.

Standard of Conduct*Firm-Wide Standard*

Wellington has a firm-wide Code of Ethics, which requires all personnel to keep information obtained in connection with their activities at the firm confidential. On an annual basis, all personnel are required to affirm that they have read and understood the written Code, and confirm that they have complied with the Code during the period.

Individuals Assigned to the Account

Wellington's Legal and Compliance Department will maintain a list of Wellington personnel assigned to the Account and eligible to view pre-trade and post-trade Confidential Information. The individuals that Wellington has assigned to the Account and their respective department are set forth in Exhibit A. General Counsel, _____, Chief Compliance Officer, or _____, Counsel, must approve any changes to these procedures, including any additions or deletions to Exhibit A. Wellington will provide prompt notice to the FRB-NY of any additions or deletions to Exhibit A, other than temporary changes needed to respond to emergency situations.

Wellington's Legal and Compliance Department will periodically distribute an internal memorandum to personnel assigned to the Account and listed in Exhibit A summarizing the confidentiality, conflict of interest and ethical wall obligations under the Agreement. Those individuals will be required to affirm that they have read and

understood the memorandum and have complied with its requirements. Any exceptions under these procedures will be escalated to senior members of the Legal and Compliance Department, who will assess the matter and determine whether the firm is required to notify the FRB-NY of the exception.

EXHIBIT A