



October 2, 2008

International Swaps and Derivatives Association, Inc.
Send to: FannieFreddieProtocol@isda.org

Dear Sirs,

2008 Fannie Mae and Freddie Mac CDS Protocol - Adherence

The purpose of this letter is to confirm our adherence to the 2008 Fannie Mae and Freddie Mac CDS Protocol, as published by the International Swaps and Derivatives Association, Inc. on September 29, 2008 (the "Protocol"). This letter constitutes an "Adherence Letter" as referred to in the Protocol.

The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Covered Transaction (now or in the future) between us and each other Adhering Party.

1. Specified Terms

The amendments in Section 1 and Schedule 1 of this Protocol shall apply to Covered Transactions to which we are a party.

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of, or in any way relating to, this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.

3. DTCC Account Number

For purposes of electronic matching and counterparty recognition, our DTCC Account Number is as follows, but you understand and agree that our failure to provide any such details pursuant to this letter will not affect the legal validity and binding nature of the Protocol with respect to us:

DTCC Account Number: To be provided

4. Contact Details

Our contact details for purposes of this Adherence Letter are:

Name: Legal Department
Address: 280 South Mangum St.
Telephone: (919) 967-7221
Fax: n/a
E-mail: Legal@smithbreeden.com

Smith Breeden-Fannie Mae/Freddie Mac CDS Protocol Adherence Letter 10-02008

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

Smith Breeden Associates, Inc. as agent on behalf of its clients, separately and not jointly, listed on the attached Annex I, and not in any individual capacity of Smith Breeden Associates, Inc.

By: Aimee Harmelink

Name: Aimee Harmelink
Title: V.P. and Assistant General Counsel
Signature: Aimee Harmelink

Annex I

- Metropolitan Life Insurance Company on behalf of its Separate Account No. 389, , but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- Retirement System of the Tennessee Valley Authority (for both its Tennessee ACWI portfolio and its Tennessee Valley portfolio), but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional International Trust, on behalf of its International Equity Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional Investments Trust, on behalf of its International Equity Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional Investments Trust, on behalf of its World Equity Ex-US Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional Managed Trust, on behalf of its Core Fixed Income Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional Managed Trust, on behalf of its Large Cap Diversified Alpha Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Institutional Managed Trust, on behalf of its Small/Mid Cap Diversified Alpha Fund, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.
- SEI Global Master Fund plc, on behalf of its sub-fund named The SEI Global Developed Markets Equity Fund; and, SEI Global Investments Fund plc, on behalf of its sub-fund named The SEI Global Developed Markets Equity Fund (collectively trading as "SEI Smith Breeden Global Developed Equity Pool"), but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of SEI Smith Breeden Global Developed Equity Pool
- Smith Breeden Alpha Strategies Master Ltd.
- Smith Breeden Credit Master Ltd.
- Smith Breeden Investment Grade Core Bond Master Ltd.
- Smith Breeden Mortgage Partners L.P.
- Underlying Funds Trust, on behalf of its series Fixed Income Arbitrage – 1, but solely in regard to Transactions entered into by Smith Breeden Associates, Inc. on behalf of this client.