

5. Applicants submit that brokerage or similar transactions by Dresdner Entities for the Other Lending Funds raise no possibility of self-dealing or any concern that the Other Lending Funds would be managed in the interest of the Dresdner Entities. Applicants believe that each transaction between an Other Lending Fund and a Dresdner Entity would be the product of arm's length bargaining because each investment adviser to an Other Lending Fund would have no interest in benefiting a Dresdner Entity at the expense of an Other Lending Fund.

#### **Applicants' Conditions**

Applicants agree that any order of the Commission granting the requested relief will be subject to the following conditions:

##### *General*

1. The securities lending program of each Registered Lending Fund will comply with all present and future applicable guidelines of the Commission and its staff regarding securities lending arrangements.

2. The approval of an Affiliated Lending Fund's Board, including a majority of the Independent Directors, shall be required for the initial and subsequent approvals of the Bank's service as lending agent for the Affiliated Lending Fund pursuant to the Program, for the institution of all procedures relating to the Program as it relates to the Affiliated Lending Fund, and for any periodic review of loan transactions for which the Bank acted as lending agent pursuant to the Program.

3. No Registered Lending Fund will purchase Shares of any Investment Fund unless participation in the Program has been approved by a majority of the Independent Directors of the Registered Lending Fund. The Independent Directors will evaluate the Program no less frequently than annually and determine that investing Cash Collateral in the Investment Funds is in the best interests of the shareholders of the Registered Lending Fund.

##### *Investment of Cash Collateral*

4. Investment in Shares of an Investment Fund by a particular Registered Lending Fund will be consistent with the Registered Lending Fund's investment objectives and policies. A Registered Lending Fund that complies with rule 2a-7 under the Act will not invest its Cash Collateral in an Investment Fund that does not comply with the requirements of rule 2a-7 under the Act.

5. Investment in Shares of an Investment Fund by a particular Registered Lending Fund will be in accordance with the guidelines regarding the investment of Cash Collateral specified by the Registered Lending Fund in the Lending Agreement. A Registered Lending Fund's Cash Collateral will be invested in a particular Investment Fund only if that Investment Fund has been approved for investment by the Registered Lending Fund and if that Investment Fund invests in the types of instruments that the Registered Lending Fund has authorized for the investment of its Cash Collateral.

6. An Investment Fund will not acquire securities of any investment company in excess of the limits in Section 12(d)(1)(A).

7. Shares will not be subject to a sales load, redemption fee, asset-based sales charge or service fee (as defined in rule 2830(b)(9) of the NASD Conduct Rules).

##### *Private Investment Funds*

8. Each Registered Lending Fund will purchase and redeem Shares of a Private Investment Fund as of the same time and at the same price, and will receive dividends and bear its proportionate share of expenses on the same basis as other shareholders of the Private Investment Fund. A separate account will be established in the shareholder records of the Private Investment Fund for the account of each Registered Lending Fund.

9. Each Private Investment Fund in which a Registered Lending Fund invests will comply with the requirements of sections 17(a), (d), and (e), and 18 of the Act as if the Private Investment Fund were a registered open-end investment company. With respect to all redemption requests made by a Registered Lending Fund, the Private Investment Fund will comply with section 22(e) of the Act. The Dresdner Entity serving as investment adviser, trustee, general partner or managing member of a Private Investment Fund will adopt procedures designed to ensure that the Private Investment Fund will comply with the requirements of sections 17(a), (d), and (e), 18, and 22(e) of the Act, will periodically review and periodically update as appropriate such procedures, will maintain books and records describing such procedures, and will maintain the records required by rules 31a-1(b)(1), 31a-1(b)(2)(ii), and 31a-1(b)(9) under the Act. All books and records required to be maintained pursuant to this condition will be maintained and preserved for a period of not less than six years from the end

of the fiscal year in which any transaction occurred, the first two years in an easily accessible place, and will be subject to examination by the Commission and its staff.

10. The net asset value per Share with respect to Shares of the Private Investment Funds will be determined separately for each Private Investment Fund by dividing the value of the assets belonging to that Private Investment Fund, less the liabilities of that Private Investment Fund, by the number of Shares outstanding with respect to that Private Investment Fund.

11. Any Private Investment Fund that operates as a money market fund and uses the amortized cost method of valuation, as defined in rule 2a-7 under the Act, will comply with rule 2a-7. With respect to each such Private Investment Fund, the Dresdner Entity serving as investment adviser, trustee, general partner or managing member shall adopt and monitor the procedures described in rule 2a-7(c)(7) under the Act and will take such other actions as are required to be taken pursuant to these procedures. The Registered Lending Funds may only purchase Shares of such Private Investment Fund if the Dresdner Entity serving as investment adviser, trustee, general partner or managing member determines on an ongoing basis that the Private Investment Fund is in compliance with rule 2a-7. Such investment adviser, trustee, general partner or managing member shall preserve for a period not less than six years from the date of determination, the first two years in an easily accessible place, a record of such determination and the basis upon which the determination was made. This record will be subject to examination by the Commission and its staff.

##### *Loans to Affiliated Borrowers*

12. The Affiliated Lending Funds, on an aggregate basis, will make at least 50% of their portfolio securities loans to unaffiliated Borrowers.

13. An Affiliated Lending Fund will not make any loan to an Affiliated Borrower unless the income attributable to such loan fully covers the transaction costs incurred in making the loan.

14. a. All loans will be made with spreads no lower than those set forth in a schedule of spreads which will be established and may be modified from time to time by each Affiliated Lending Fund's Board and by a majority of the Independent Directors (the "Schedule of Spreads").

b. The Schedule of Spreads will set forth rates of compensation to the Affiliated Lending Funds that are reasonable and fair and that are