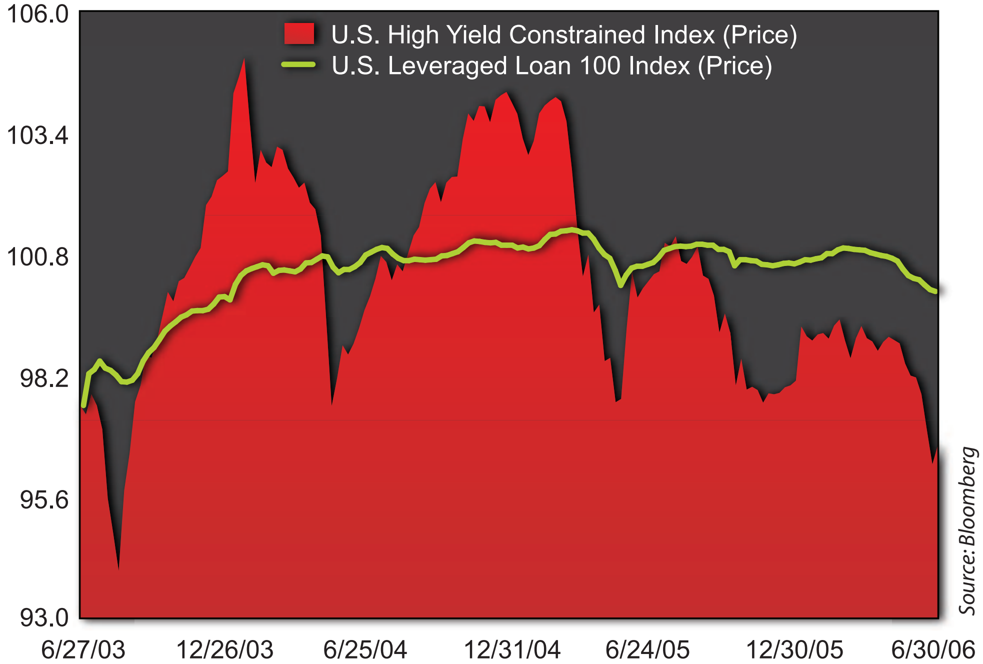
Looking A Bit Like 2003

BofA Merrill Lynch U.S. High Yield Constrained Index vs. S&P/LSTA U.S. Leveraged Loan 100 Index *(6/27/03-6/30/06)*



View from the Observation Deck

1. High yield corporate bonds and senior loans (leveraged loans) are both classified as speculative-grade debt securities, which means they are inherently more risky than investment-grade debt.
2. Both are cyclical in nature. High yield corporate bonds and senior loans tend to perform best during economic expansions, when corporate earnings are generally stronger.
3. With respect to a corporation's capital structure, however, senior loans, the vast majority of which are secured, actually have first claims on assets in bankruptcy proceedings.
4. The income distributed by senior loans fluctuates based on the direction of short-term interest rates. Loans are typically indexed to the 3-month Libor rate, which tends to track the U.S. federal funds rate over time.
5. This floating rate component usually adjusts within 30-90 days from any change in the benchmark lending rate. High yield corporate bonds, which tend to have fixed interest rates, do not have such flexibility.
6. The chart shows the price movement of both high yield corporate bonds and senior loans the last time the Federal Reserve tightened monetary policy (6/04-6/06).
7. The Fed raised the federal funds rate from 1.00% to 5.25% during that period.
8. In addition to the two-year span through 6/06, we included the prior 12-months (6/03-6/04) to paint a more complete picture.
9. Why? Because the yield on the 10-Yr. T-Note spiked by 100 basis points a year before the Fed started to tighten. Very similar to what we just witnessed in May and June of this year.
10. Investors looking for a potentially less volatile way to participate in the speculative-grade debt market may want to consider senior loans moving forward, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The BofA Merrill Lynch U.S. High Yield Constrained Index contains all securities in the BofA Merrill Lynch U.S. High Yield Index but caps issuer exposure at 2%. The S&P/LSTA U.S. Leveraged Loan 100 Index is designed to reflect the performance of the largest facilities in the leveraged loan market.