Global Structured Products **Merrill Lynch**

March 2005

Huntington CDO, Ltd.

THE OFFERING:

$705.0 million Collateralized Debt Obligation ("CDO") Notes and Preferred Shares issued by Huntington CDO, Ltd.

INVESTMENT ADVISOR:

Western Asset Management Company ("Western Asset")

	CLASS A-1A NOTES [1]	CLASS A-1B NOTES [1]	CLASS A-2 NOTES [1]	CLASS B NOTES [1]	CLASS C1 NOTES [1]	CLASS C2 NOTES [1]	PREFERRED SHARES [1]	PPN NOTES SERIES I [3]	PPN NOTES SERIES II [4]
Principal	$461,750,000	$250,000	$112,000,000	$70,000,000	$26,500,000	$5,000,000	$29,500,000	$11,250,000	$35,000,000
Percentage	65.5%	- %	15.9%	9.9%	3.8%	0.7%	4.2%	1.6%	5.0%
Coupon Type	Floating	Floating	Floating	Floating	Floating	Fixed	-	-	-
Coupon	3mL + 0.27%	3mL + 0.27%	3mL + 0.50%	3mL + 0.67%	3mL + 2.65%	7.17%	Residual	NA	NA
Expected Rating	Aaa/AAA/AAA	Aaa/AAA/AAA	Aaa/AAA/AAA	Aa2/AA/AA	Baa2/BBB/BBB	Baa2/BBB/BBB	NR	Aaa/AAA/AAA	Aaa/AAA/AAA
Rating Agency	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	NA	Moody's/S&P/Fitch	Moody's/S&P/Fitch
Average Life[2]	5.7 yrs.	5.7 yrs.	8.1 yrs.	8.1 yrs.	6.2 yrs.	8.1 yrs.	-	-	-
Stated Maturity	November 2040	November 2040	November 2040	November 2040	November 2040	November 2040	November 2040	November 2040	November 2040
Denomination	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments	$250,000 minimum $1,000 increments

(1) Payments on the Notes and Preferred Shares will be made quarterly.
(2) Based on a 8 year auction call. Assumes a Weighted Average Spread of 1.80% and a Weighted Average Coupon of 6.05%.
(3) Principal Protected Notes Series I – Protected with 11.25MM face 15yr Treasury Strip
(4) Principal Protected Notes Series II – Protected with 35.0MM face 10yr Treasury Strip

STRUCTURE

Issuer: Huntington CDO, Ltd.
Investment Advisor: Western Asset Management Company
Closing Date: March 29, 2005
Coupon Payment Dates: Quarterly, beginning in August 5, 2005
Ramp-Up Period: 85% of the Collateral Portfolio has been purchased or identified at closing.
Non-Call Period: 3 years (thereafter, all of the Notes and Preferred Shares may be called by a majority vote of the Preferred Shares)
Reinvestment Period: 3 years.
"RAPID" Features:
I. Principal amortization will be used to pay down the Notes on a sequential basis after the completion of the Reinvestment Period.
II. From the initial distribution date, after the preference shares have achieved a cash-on-cash return of 13%, the Class C1 Notes will be amortized based on specified turbo amount.

Mandatory Auction Call: 8 years

COVERAGE TESTS

	O/C Tests	Initial O/C	I/C Tests	Initial I/C
Class A/B	103.7%	108.7%	110.0%	139.0%
Class C	101.4%	103.6%	105.0%	128.2%

FEES AND EXPENSES

Senior Management Fee:	23 bps per annum
Subordinated Management Fee: *(payable after interest on the Class C Notes)*	25 bps per annum
Incentive Fee	10% once an IRR of 15% is achieved
Closing Fees and Expenses [1]	

(1) There will be certain up-front closing fees associated with this transaction including Merrill Lynch structuring and placement fees, legal, agency, and other fees.

COLLATERAL CHARACTERISTICS

- Minimum Weighted Average Coupon: 5.95%
- Minimum Weighted Average Spread: 1.69%
- Maximum Average Rating Score[1] 450
- Minimum Diversity Score[1] 17
- Maximum Fixed Rate Collateral 33.0%
- Maximum Single Servicer Concentration[2] 7.50%
- Maximum Single Issuer Concentration[2] 1.50%
- Maximum Weighted Average Life 5.1 Years
- Closing Fees and Expenses[3]

(1) Based on a WARF/Diversity Matrix
(2) With some exceptions
(3) On the Closing Date, the Co-Issuers will use a portion of the gross proceeds from the offering to pay various fees and expenses, including expenses, fees and commissions incurred in connection with the acquisition of the Collateral, structuring and placement agency fees payable to Merrill Lynch and legal, accounting, rating agency and other fees

Global Structured Products	CDO Marketing/Global Structured Products		ABS Trading and Syndicate
	Institution Clients	***Global Private Clients***	
Christopher Ricciardi (212) 449-9638	**US:** Doug Mallach (212) 449-6190	Cliff Lanier (212) 449-5383	Scott Soltas (212) 449-3659
Lars Norell (212) 449-9822	**Canada:** Barry Dennis (212) 449-0394	Marie Walsh (212) 449-5383	Andrew Phelps (212) 449-3660
Sharon Eliran (212) 449-7802	**Europe:** Bill Berry 44-20-7995-4678	Marco Pavoncelli +44-207-996-3743	
Zach Smith (212) 449-0192	**Asia:** Taro Masuyama 81-3-3213-7473	***Institutional Advisory Division***	
Prabu Soundararajan (212) 449-5937		Mike Foggia (212) 449-6190	

This term sheet may only be distributed along with the Confidential Discussion Materials to pre-qualified Merrill Lynch clients who are Qualified Purchasers within the meaning of Investment Company Act of 1940.

Global Structured Products

Merrill Lynch

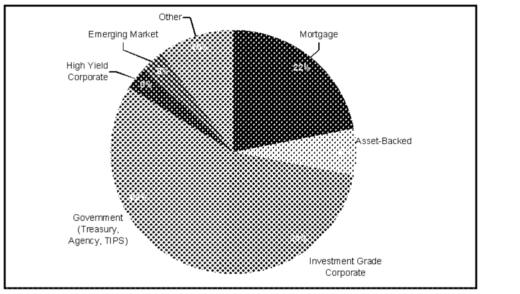
Why Invest in Structured Finance Securities?

Structured Finance Securities (including ABS, RMBS and CMBS) and CDOs have historically exhibited lower default rates, higher recovery upon default and better rating stability than comparably rated corporate bonds. Consequently, CDOs consisting of Structured Finance Securities and CDOs have outperformed other CDO types.[1]

- According to a recent Moody's study, the long-term historical average (1983–2003) of unchanged ratings of Structured Finance Securities and CDOs was 92.3%, which compares favorably to the 76.6% average of unchanged ratings of corporate bonds for the same period. [2]
- Structured Finance Securities have historically had lower recovery rates compared to corporate bonds. [3]

(1) *"Structured Finance Rating Transitions: 1983-2003", Moody's Investors Service, February 2004.*
(2) *Moody's Investor Service, "Measuring Loss Severity Rates of Defaulted Residential Mortgage Backed Securities", April 2004.*
(3) *Moody's Investors Service, "Corporate Bond Issuers", January 2004, and Moody's Investors Service, "Payment Defaults and Material Impairments of U.S. Structured Finance Securities: 1993-2002", December 2003.*

Western Asset's Firm Wide Fixed Income Holdings*



* *For illustrative purposes only. Subject to change.*

About WESTERN ASSET [1][2]

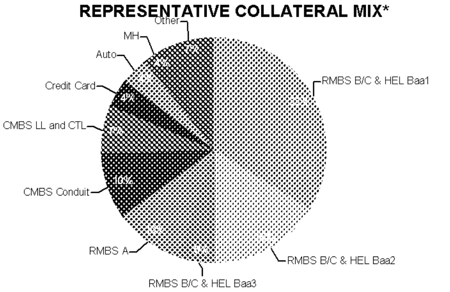
- Established in 1971, Western Asset is a subsidiary of Legg Mason and has approximately $177 billion in assets under management, over 28% of which are invested in the structured product market.
- Western Asset has a staff of 446 individuals, including 154 professionals, and has 440 client relationships located in 24 countries.
- Western Asset was recently named the Morningstar's Fixed-Income Manager of the Year in 2004

ABS CDO Experience

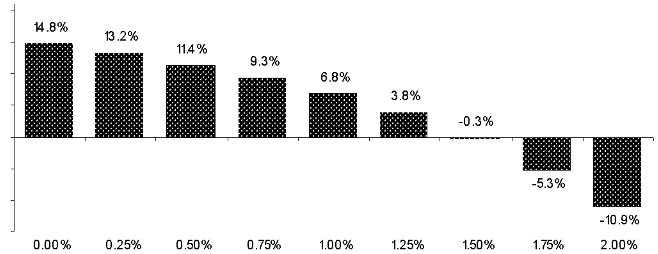
- Western Asset currently manages 10 CDOs representing $6.27 billion of aggregate credit risk, including 7 structured product CDOs totaling $4.27 billion.
  - Arroyo CDO I, Ltd.: A $400MM ABS CDO which closed in August 2001
  - Pasadena CDO, Ltd.: A $500MM ABS CDO which closed in June 2002
  - Diversified Asset Securitization Holdings II (DASH II): A $500MM ABS CDO which Western Asset assumed management of in November 2002[3]
  - Beacon Hill CBO, Ltd.: A $270MM ABS CDO which Western Asset assumed management of in April 2003[3]
  - Coronado CDO, Ltd.: A $500MM ABS CDO which closed in September 2003
  - Palisades CDO, Ltd.: $600 MM ABS CDO which closed in July 2004
  - Sierra Madre Funding, Ltd.: A $1,500 MM ABS CDO which closed in July 2004

(1) ***Source: Western Asset. As of September 30, 2004***
(2) ***Figures may include Western Asset Management Company Limited and Western Asset Management Company (Asia)***
(3) ***Western Asset was selected by the note holders to assume the replacement collateral manager responsibilities for this transaction***

REPRESENTATIVE COLLATERAL MIX*



PROJECTED IRR ON EQUITY**



BREAKEVEN DEFAULT RATES [1]

	Based on a Break in Yield		Based on 0% Yield	
Class Description (Moody's/S&P/Fitch)	**Annual Default Rate**	**Cumulative Gross Defaults**	**Annual Default Rate**	**Cumulative Gross Defaults**
Class A-1A First Priority Senior Floating Rate Notes (Aaa/AAA/AAA)	29.6%	71.4%	47.6%	83.5%
Class A-1B First Priority Senior Floating Rate Notes (Aaa/AAA/AAA)	29.6%	71.4%	47.6%	83.5%
Class A-2 Second Priority Senior Floating Rate Notes (Aaa/AAA/AAA)	12.7%	44.9%	17.5%	55.0%
Class B Third Priority Senior Floating Rate Notes (Aa2/AA/AA)	5.8%	24.6%	8.8%	34.5%
Class C1 Fourth Priority Mezzanine Floating Rate Notes (Baa2/BBB/BBB)	2.8%	13.1%	4.1%	18.3%
Class C2 Fourth Priority Mezzanine Fixed Rate Notes (Baa2/BBB/BBB)	2.8%	13.1%	4.1%	18.3%

** ***Preference Shares will be capped at a per annum dividend yield of 13% and the excess cashflows will be used to pay down the Class C1 Notes.***
(1) ***Assumes 60% recoveries, forward LIBOR, 8 year auction call, and immediate recoveries. Assumes a WA spread of 1.80% and an initial coupon of 6.02%.***
(2) ***All information shown in these materials is for illustrative purposes only. The actual structure of the final transaction, including the composition of the collateral to be acquired, will be determined at or around the time of pricing of the Notes based upon market conditions and other factors applicable at that time. Consequently the actual structure of the final transaction including the composition of the collateral may vary from those illustrated and the variation may be material. See Important Notice below.***

Important Notice: