BABCOCK & BROWN

Bernoulli High Grade CDO I, Ltd.

A CDO Managed by:

Babcock & Brown Securities Pty Ltd

February 2006

Merrill Lynch

Global Markets & Investment Banking Group

CONFIDENTIAL

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Important Notice

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Bernoulli High Grade CDO I, Ltd.

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1. Transaction Summary

Transaction Summary

- Bernoulli High Grade CDO I, Ltd. ("Bernoulli I" or the "Issuer") plans to issue $[1,500.0] MM ABS CDO securities (the "Offered Securities" or the "Securities"). Bernoulli I is a newly formed collateralized debt obligation ("CDO") that will be managed by Babcock & Brown Securities Pty Ltd ("BBS") or the "Collateral Manager".

- Bernoulli I will issue the following classes of Securities to be backed by investments primarily in "AAA", "AA", and "A" rated Asset Backed Securities ("ABS"), Residential Mortgage Backed Securities ("RMBS")(1), Collateralized Debt Obligation Securities(2) ("CDO Securities"), and Synthetic Securities(3) (credit default swaps, credit linked notes and total return swaps referencing such securities):

Assets held by CDO	Securities to be issued by Bernoulli I	Securities to be offered
ABS, RMBS, & CDO Securities, and Synthetic Securities referencing ABS, RMBS and CDO Securities	[illegible]	[illegible]
	$[60.0]MM Class A-1B [Aaa/AAA/AAA](4) (Moody's/S&P/Fitch)	$[60.0]MM Class A-1B [Aaa/AAA/AAA](4) (Moody's/S&P/Fitch)
	$[90.0]MM Class A2 [Aaa/AAA/AAA](4) (Moody's/S&P/Fitch)	$[90.0]MM Class A2 [Aaa/AAA/AAA](4) (Moody's/S&P/Fitch)
	$[60.0]MM Class B [Aa2/AA/AA](4) (Moody's/S&P/Fitch)	$[60.0]MM Class B [Aa2/AA/AA](4) (Moody's/S&P/Fitch)
	$[15.00]MM Class C [A2/A/A](4) (Moody's/S&P/Fitch)	Securities retained by Babcock & Brown vehicle
	$[15.0]MM Class D [Baa2/BBB/BBB](4) (Moody's/S&P/Fitch)	
	$[15.0]MM Income Notes [Ba2] to principal only(4) (Moody's)	

- RMBS, CMBS, ABS, (collectively, "Structured Finance Securities"), and CDO Securities, as asset classes, have historically exhibited lower loss rates, higher recovery rates upon default and better stability when compared to corporate bonds with similar ratings.(5)

(1) *RMBS includes: "RMBS – Prime" which are securities that have a weighted average FICO above 700; "RMBS – Midprime" which are securities that have a weighted average FICO between 625 and 700; and "RMBS – Subprime" which are securities that have a weighted average FICO below 625*

(2) *These elements of underlying collateral already exist as investment vehicles. They should not be confused with the Securities.*

(3) *Please see "Risk Factors – Synthetic Security Risk Factor" for further information relating to the risks of investing in Synthetic Securities.*

(4) *A credit rating is not a recommendation to buy, hold or sell securities and is subject to revision at any time. Please see "Risk Factors – Credit Ratings."*

(5) *See Structured Finance Market Overview Section for details, or Standard and Poor's, "Rating Transitions 2004: Global CDO Rating Trends Show Improved", January 21, 2005; " Rating Transitions 2004: U.S. CMBS Upgrades Overwhelm Downgrades Amid Improved Real Estate Fundamentals", January 13, 2005; " Rating Transitions 2004: U.S. ABS Rating Stability Improves Despite Adverse Behavior of Manufactured Housing Securities", January 20, 2005; " Rating Transitions 2004: U.S. RMBS Stellar Performance Continues to Set Records", January 21, 2005; Moody's Investors Service, "Structured Finance Rating Transitions: 1983-2004," February 2005, "Default & Loss Rates of Structured Finance Securities: 1993-2004" July 2005.*

2. Asset Class Selection

A. Structured Finance Market Overview

Structured Finance Market Overview

Historical Defaults (1) (2) (6)

The Securities will be backed by a pool of assets that consists primarily of "Aaa," "Aa," and A-rated rated Structured Finance Securities

Historical default rates for Aaa-Rated Structured Finance Securities

- **RMBS 1-year cumulative impairment rate (1993 – 2004)** **~0.00%** (3)
- **CMBS 1-year cumulative impairment rate (1993 - 2004)** **~0.00%** (4)
- **ABS 1-year cumulative impairment rate (1993 – 2004)** **~0.00%** (5)

Historical default rates for Aa-Rated Structured Finance Securities

- **RMBS 1-year cumulative impairment rate (1993 – 2004)** **~0.00%** (3)
- **CMBS 1-year cumulative impairment rate (1993 - 2004)** **~0.00%** (4)
- **ABS 1-year cumulative impairment rate (1993 – 2004)** **~0.25%** (5)

Historical default rates for A-Rated Structured Finance Securities

- **RMBS 1-year cumulative impairment rate (1993 – 2004)** **~0.00%** (3)
- **CMBS 1-year cumulative impairment rate (1993 - 2004)** **~0.00%** (4)
- **ABS 1-year cumulative impairment rate (1993 – 2004)** **~0.03%** (5)

(1) *Source: Moody's Investors Service, "Default & Loss Rates of Structured Finance Securities: 1993-2004," July 2005. **"Impairments"** is defined in the study as uncured payment defaults or securities downgraded to Ca or C. Payment defaults include shortfalls of interest or losses of principal. Impairment rates calculated using original ratings.*

(2) *The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".*

(3) *This number denotes the cumulative percentage of material impairments of RMBS from 1993-2004. The total number of RMBS ratings outstanding in 2004 across all rating categories is 5,750.*

(4) *This number denotes the cumulative percentage of material impairments of CMBS from 1993-2004. The total number of CMBS ratings outstanding in 2004 across all rating categories is 3,496. **CMBS Securities are expected to constitute less than [1]% of the assets held by the CDO**.*

(5) *This number denotes the cumulative percentage of material impairments of ABS from 1993-2004. The total number of ABS ratings outstanding in 2004 across all rating categories is 9,993.*

(6) *Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral. Past performance is not a guarantee or indication of future performance.*

(7) *Published historical default information is currently unavailable for ABS CDO Securities.*

(8) *A default with respect to a Synthetic Security may be triggered even in situations where the corresponding cash asset has not experienced a payment default in the case of counterparty default, "soft" credit events, and ratings downgrades. See "Risk Factors – Synthetic Securities."*

Structured Finance Market Overview

Historical Recovery Rates of RMBS/Home Equity Loan ("HEL") Securities [1][2][3][6][7]

- A Moody's study on recovery rates of RMBS/HEL collateral has concluded the following:
  - Moody's estimates that the recovery rate for A-rated RMBS/HEL is 72%.[1][5]
  - Moody's estimates that the recovery rate for Aa-rated RMBS/HEL is 93%.[1][5]
  - Moody's estimates that the recovery rate for Aaa-rated RMBS/HEL is 98%.[1][5]
- Structured Finance Securities, including RMBS/HEL securities, may receive more substantial cashflow in respect of interest and principal after a default than comparable corporate securities would.
- Moody's assumes that "commercial mortgage-backed securities (CMBS) and non-HEL ABS would, on average, sustain the same level of loss severity by rating category as those in RMBS and HEL. This assumption is based on Moody's research on loss severity rates to date for defaulted CMBS and non-HEL ABS securities over different seasoning horizons and Moody's study of final loss severity rates for defaulted RMBS and HEL securities."[4][7]

(1) *Source: Moody's Investors Service, "Default & Loss Rates of Structured Finance Securities: 1993-2004," July 2005.*
(2) *The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".*
(3) *Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral.*
(4) *Source: Moody's Investors Service, "Default & Loss Rates of Structured Finance Securities: 1993 - 2003", September 2004, p. 3. The reference cited in footnote (1) does not reiterate this assumption.*
(5) *Data is based on a limited number of defaults. Moody's records the number of defaulted RMBS/HEL Securities that originated as Aaa, Aa, and A as 11, 29, and 16, respectively. Data for recovery rates is updated through January 2005, with defaults identified as of December 31, 2004. Information includes both matured and non-matured tranches.*
(6) *Note: Published data on ABS CDO recovery rates is not currently available*
(7) *The recovery value with respect to a Synthetic Security referencing a Structured Finance Security or CDO Security is dependent on settlement mechanics set forth in the terms and conditions of such Synthetic Security which may be substantially different from the manner in which recovery is paid on the corresponding cash asset. The recovery value with respect to a Synthetic Security referencing a Structured Finance Security or CDO Security may therefore not be the same as, and may be less than, the recovery value with respect to such Structured Finance Security or CDO Security. See "Risk Factors – Synthetic Securities."*

Structured Finance Market Overview

Rating Stability (1) (2)

According to a recent Moody's study, the long-term historical average (1991-2004) of unchanged ratings of Structured Finance Securities [3] was 92.3%.

Structured Finance Securities (2004 only)

Rating from:	Rating to: Aaa	Aa	A	Baa	Ba	B	Caa or below
Aaa	99.15%	0.33%	0.22%	0.09%	0.11%	0.08%	0.03%
Aa	6.67%	90.52%	1.46%	0.39%	0.18%	0.30%	0.48%
A	1.45%	4.56%	91.30%	1.55%	0.52%	0.17%	0.45%

Structured Finance Securities (1983 – 2004)

Rating from:	Rating to: Aaa	Aa	A	Baa	Ba	B	Caa or below
Aaa	98.97%	.69%	0.20%	0.07%	0.03%	0.02%	0.03%
Aa	5.70%	91.01%	2.12%	0.71%	0.19%	0.13%	0.15%
A	1.12%	2.85%	93.83%	2.05%	0.66%	0.24%	0.25%

(1) *Source: "Structured Finance Rating Transitions: 1983-2004", Moody's Investors Service, February 2005.*

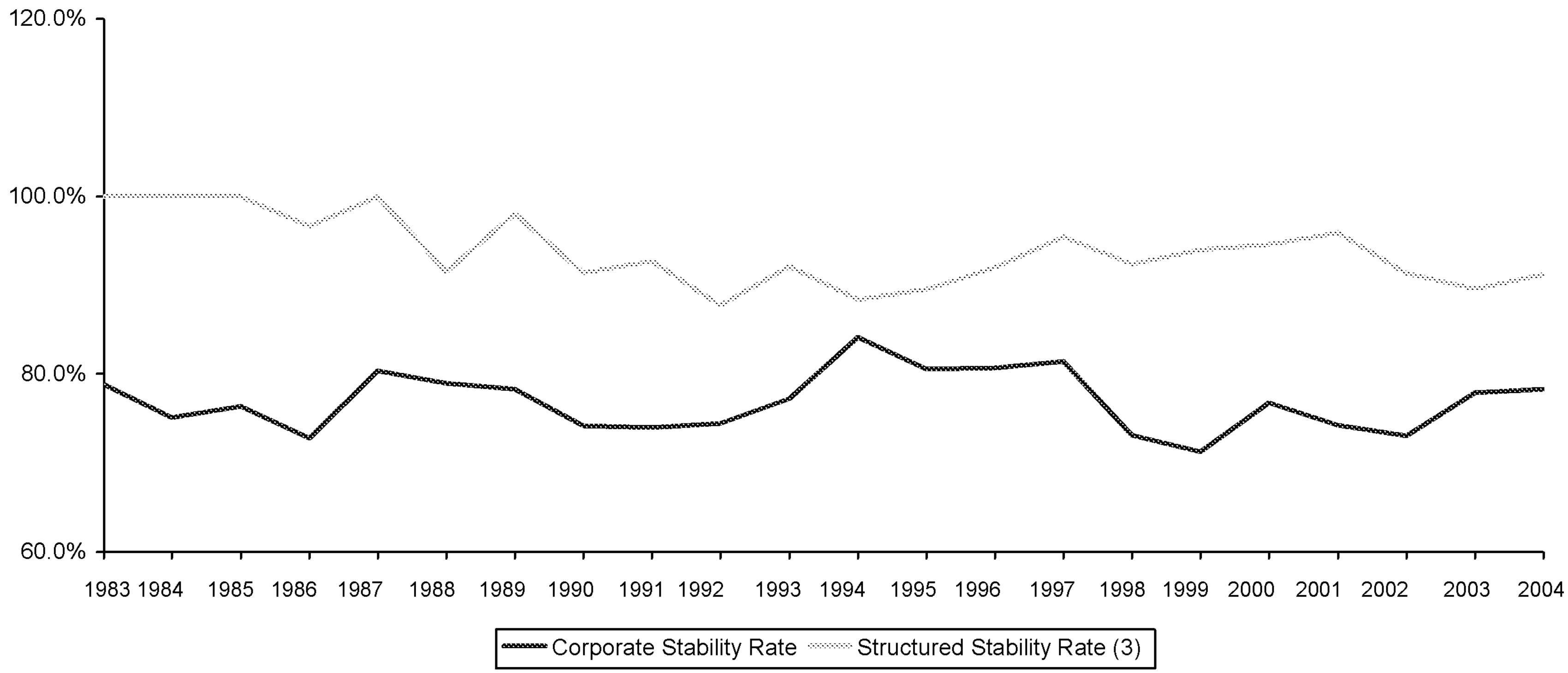
(2) *Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral. The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".*

(3) *For the purposes of this study, "Structured Finance Securities" includes ABS, CMBS, RMBS and CDO Securities of all ratings. Because the investment portfolio of Bernoulli I is expected to include only a relatively small proportion of CMBS (see "Asset Class Selection – Bernoulli High Grade CDO I Portfolio"), the historical rating stability of a portfolio of assets allocated similarly to that of the investment portfolio of Bernoulli I may be less stable than the structured finance securities which were the subject of the Moody's study. Synthetic Securities referencing Structured Finance Securities are subject to additional risk. See "Risk Factors – Synthetic Securities."*

Structured Finance Market Overview

Rating Stability (cont'd) (1) (2)

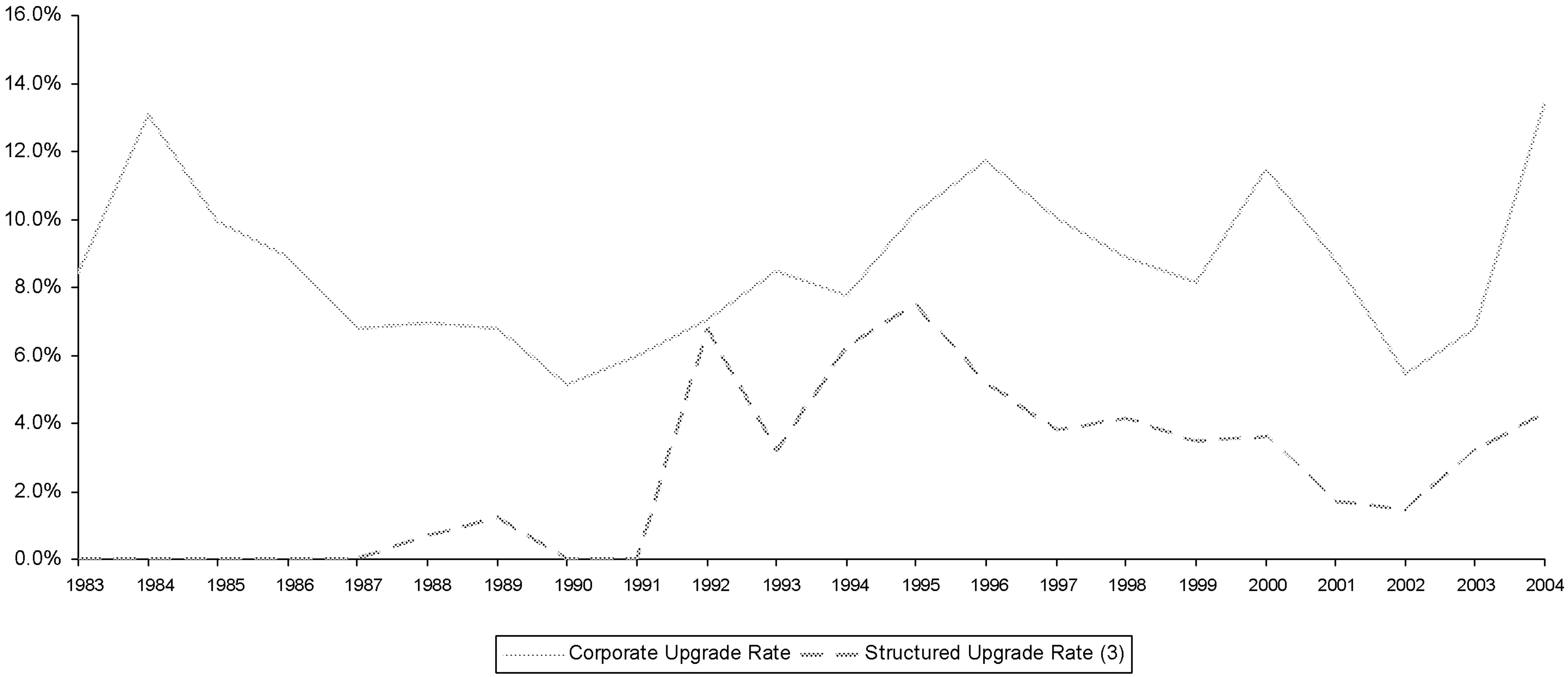
Rating stability in Structured Finance Securities and CDO Securities has been higher than in corporate bonds every year from 1983 to 2004, and was more than 10 percentage points higher than in corporate bonds in 2004.



(1) Source: "Structured Finance Rating Transitions: 1983-2004", Moody's Investors Service, February 2005.
(2) Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral. The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".
(3) "Structured Stability Rate" refers to the rating Stability for Structured Finance Securities including CDO Securities

Structured Finance Market Overview

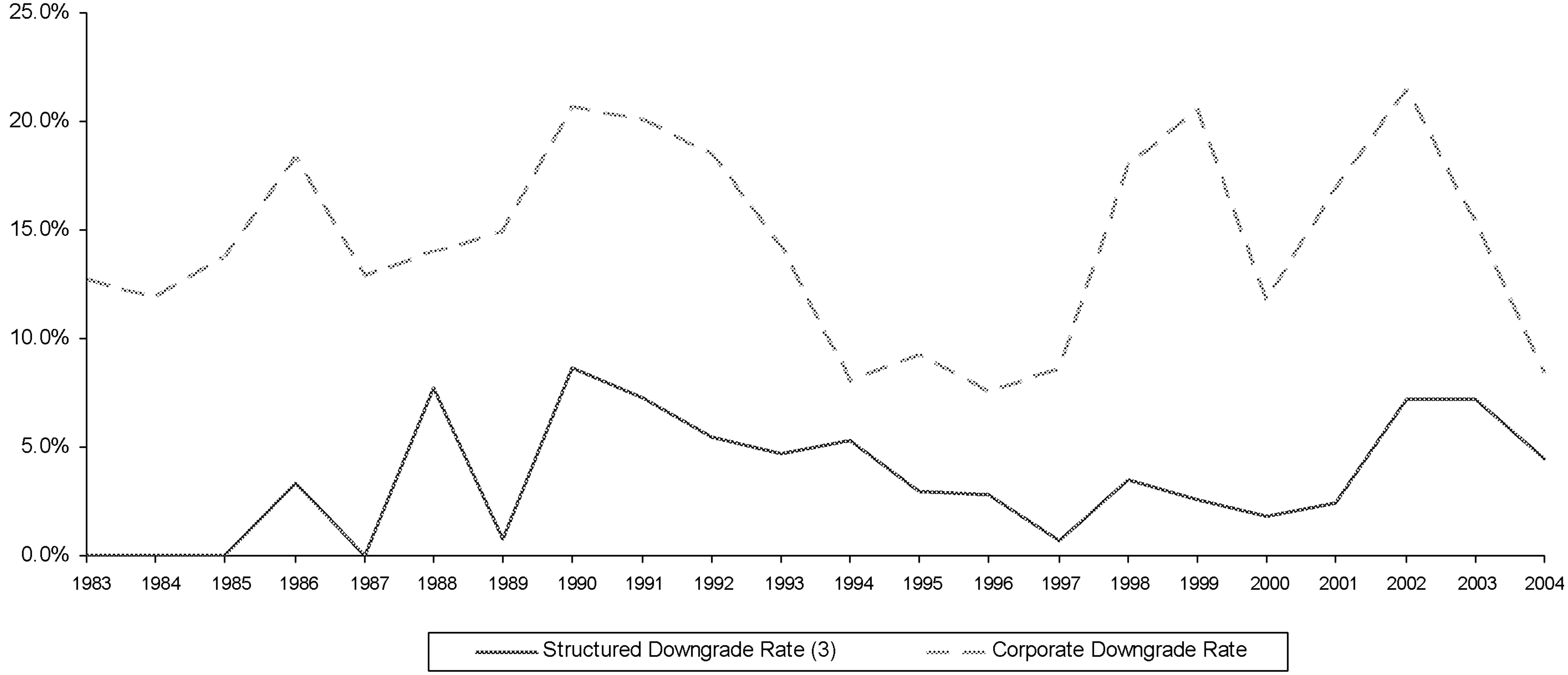
Ratings Volatility - Upgrade Rates (1) (2)



(1) Source: "Structured Finance Rating Transitions: 1983-2004", Moody's Investors Service, February 2005.
(2) Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral. The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".
(3) "Structured Upgrade Rate" refers to the upgrade rates for Structured Finance Securities including CDO Securities

Structured Finance Market Overview

Ratings Volatility - Downgrade Rates (1) (2)



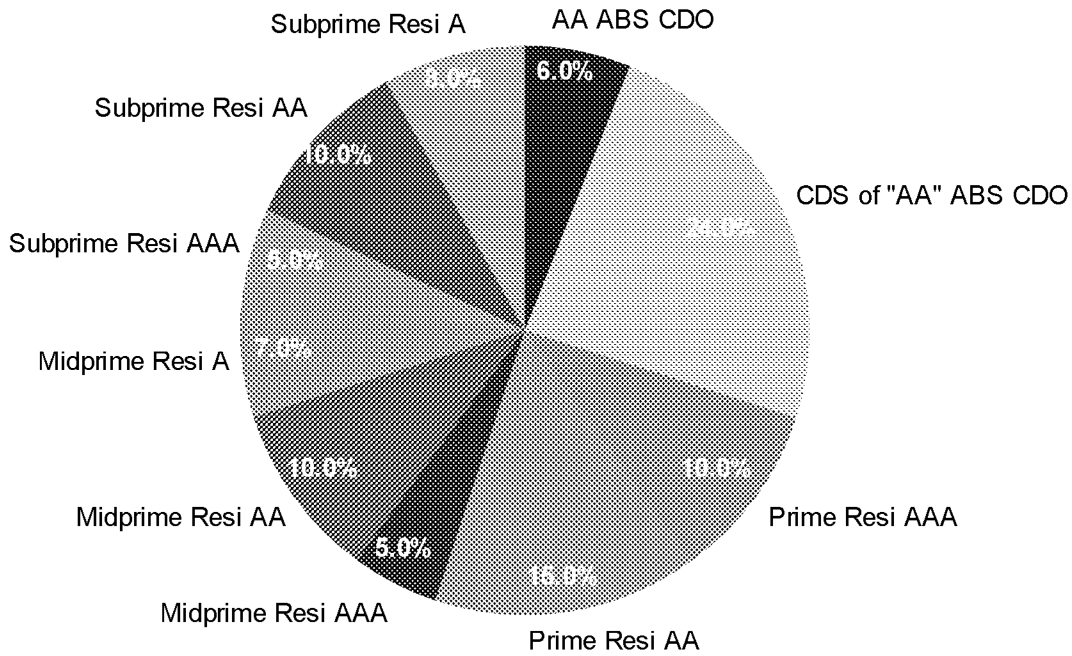
(1) *Source: "Structured Finance Rating Transitions: 1983-2004", Moody's Investors Service, February 2005.*
(2) *Potential Investors are urged to conduct their own investigation regarding the underlying asset class including reviewing any sources cited herein and obtaining additional information regarding the underlying collateral. The data discussed in this Overview relates only to historical investment performance. Past performance is no guarantee of future performance or success. See "Important Notice".*
(3) *"Structured Downgrade Rate" refers to the downgrade rate for Structured Finance Securities including CDO Securities*

B. Bernoulli High Grade CDO I Portfolio

Bernoulli High Grade CDO I Portfolio

Portfolio Composition for Illustrative Purposes

Representative Portfolio (1)(2)



Up to [25]% of the portfolio may consist of Synthetic Securities. Synthetic Securities may reference obligations in any of these asset classes but are expected to reference ABS CDO Securities. Please see "Risk Factors" for additional risks relating to Synthetic Securities.

(1) *The Representative Portfolio is an indicative target portfolio assumed for modeling purposes, and therefore the actual portfolio of the Issuer is expected to vary from the Representative Portfolio. 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. The actual portfolio on the ramp-up completion date may therefore be materially different from the one presented above and the portfolio may change over time.*

(2) *It is expected that the assets held by Bernoulli High Grade CDO I, Ltd. ("Bernoulli I") which back the Securities will consist of [Aaa], [Aa] and [A] rated (i) Asset Backed Securities including RMBS and (ii) ABS CDOs. It is anticipated that up to [35.0]% of the assets held by Bernoulli I may consist of such CDO securities; provided that the securities issued by any one CDO may not exceed [1.0]% of Bernoulli I's portfolio. As a result, potential investors in the Securities must understand that if they hold debt or equity issued by other CDOs, their credit exposure to such CDO Securities will increase to the extent securities issued by those CDO Securities are also included in the assets of Bernoulli I. It is expected that [30]% of the assets held by Bernoulli I will consist of [Aa1], [Aa2], or [Aa3] rated CDO securities.*

3. Transaction Highlights

Transaction Highlights(1)(5)

Summary of Terms

Type ABS CDO Cash Flow Transaction
Issuer Bernoulli High Grade CDO I, Ltd.
Manager Babcock & Brown Securities Pty Ltd.
Total Size $[1,500.0]MM

	CLASS A-1A NOTES (2)(3)	CLASS A-1B NOTES (2)(7)	CLASS A-2 NOTES (2)	CLASS B NOTES (2)	CLASS C DEFERRABLE NOTES (2)	CLASS D DEFFERABLE NOTES (2)	INCOME NOTES(2)
Principal	$[945,000,000]	$[360,000,000]	$[90,000,000]	$[60,000,000]	$[15,000,000]	$[15,000,000]	$[15,000,000]
% of Liabilities	[63.0]%	[24.0]%	[6.0]%	[4.0]%	[1.0]%	[1.0]%	[1.0]%
Coupon Type	[Floating]	[Floating]	[Floating]	[Floating]	[Floating]	[Floating]	[Residual]
Expected Rating	[Aaa/AAA/AAA](8)	[Aaa/AAA/AAA](8)	[Aaa/AAA/AAA](8)	[Aa2/AA/AA](8)	[A2/A/A](8)	[Baa2/BBB/BBB](8)	[Ba2] to principal only(8)
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]	[Moody's]
Average Life(4)	[6.1] yrs	[6.1] yrs	[6.2] yrs	[6.2] yrs	[6.2] yrs	[6.2] yrs	N/A
Stated Maturity	[2042]	[2042]	[2042]	[2042]	[2042]	[2042]	[2042]
Denomination	[$250,000 min $1,000 increments]	[$250,000 min $1,000 increments]	[$250,000 min $1,000 increments]	[$250,000 min $1,000 increments]	Securities retained by Babcock & Brown vehicle		

Closing Date:	[March 2006]
Coupon Payment Dates:	Payments on the A-1A Notes will be made monthly and payments on the remaining Notes and the Income Notes will be made quarterly, beginning [July 2006]
Ramp-up Period	At least [80]% of the portfolio has been purchased or will be identified by closing; ramp-up period will be [120] days
Non Call Period:	[4] years (thereafter, all of the Notes and Income Notes may be called by a majority vote of the Income Notes)
Mandatory Auction Call:	[8] years; if the auction call is not successful after year [10], Preferred Share cashflows will be diverted to pay down principal of the Notes in reverse sequential order beginning with the Class D Notes
Reinvestment of Fixed Rate Collateral:	Only principal proceeds resulting from amortization of fixed rate assets or sales of credit risk fixed rate assets may be reinvested, and only to purchase additional fixed rate assets.
Pro rata Paydown:	Principal amortization will be used to pay down the Notes on a pro rata basis until either [50]% of the collateral has amortized or the Sequential Pay Test is triggered. If any other coverage test is not in compliance, it must be cured before pro rata paydowns can continue.(6)
Tax Treatment:	U.S. investors in the Securities should apprise themselves of the information and forms necessary to report any "phantom income" and of the other tax consequences often arising from this type of investment. U.S. investors in the Securities will need to file certain tax disclosure forms in order to avoid the imposition of penalties associated with an undisclosed investment in a foreign entity (see Tax Considerations).

(1) *Merrill Lynch may, but is under no obligation to make a market in the Securities. Even if Merrill Lynch does make a market in a Security, it may be withdrawn at any time.*
(2) *Payments on the A-1A Notes will be made monthly; payments on the remaining Notes and Income Notes will be made quarterly.*
(3) *The Class A-1A Notes may not be fully funded at Closing.*
(4) *Please see "Transaction Highlights – Structuring Assumptions" for a description of modeling assumptions.*
(5) *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 Securities based upon market conditions and other factors applicable at that time and may differ from those presented above.*
(6) *Please see the description of Sequential Pay Ratio and Sequential Pay Test on page 20, footnote 6.*
(7) *The Class A-1B Notes will be unfunded.*
(8) *A credit rating is not a recommendation to buy, hold or sell securities and is subject to revision at any time. Please see "Risk Factors – Credit Ratings."*

Transaction Highlights

Structuring Assumptions(1)

Collateral Assumptions

Minimum Weighted Average Coupon(4)	[5.68]%
Minimum Weighted Average Floating Spread(5)	[0.54]%
Maximum % Fixed	[25.0]%
Expected Moody's Weighted Average Rating Factor	<[40] (Aa3)(2)(6)
Maximum Asset Correlation	[0.25] (2)
Minimum Rating at Original Purchase	[A3]
Maximum Weighted Average Life	[7.00] Years
Maximum Single Issuer Concentration(7)	[1.0]%

Maximum CDOs	[35]%
Maximum Single Servicer Concentration	[7.5]%(3)
Maximum Amount of Collateral Obligations Rated Below Aa3	[15.0]%
Maximum Synthetic Securities	[25.0]%
Minimum Number of Obligors	[100]

(1) *These assumptions are general and are not conclusive or exhaustive. None of the assumptions contained herein are meant to be historical descriptions nor predictors of future performance. No representation or warranty is made by Merrill Lynch or the Collateral Manager as to the reasonableness of such assumptions or as to any other financial information contained in such models (including the assumptions on which they are based). These assumptions have certain inherent limitations, and will be affected by any changes in the structure or assets for this transaction. As a sophisticated investor, you should review each assumption carefully and make your own determination as to its accuracy or reasonableness. Actual collateral characteristics may be different from those assumed and even if they are the same on a weighted average basis, the use of individual securities in the actual CDO structure may substantially change the results indicated. No representation is made that such assumptions are accurate or complete or do not contain errors, or that alternative modeling techniques or assumptions would not be more appropriate or produce significantly different results. The attached material is provided to you on the understanding that as a sophisticated investor, you will understand and accept its inherent limitations, will not rely on it in making any investment decision with respect to any securities that may be issued, and will use it only for the purpose of discussing with Merrill Lynch your preliminary interest in investing in a transaction of the type described. Any investor should rely only upon the final offering materials for the definitive conditions and terms of the offering. Neither Merrill Lynch nor the Collateral Manager assumes any responsibility for the accuracy or validity of the results of such models.*

(2) *The expected Moody's Weighted Average Rating Factor and maximum Asset Correlation are included as structuring assumptions, however it is expected that the actual Moody's Weighted Average Rating Factor test and Asset Correlation test will be established at different combinations of values which may be satisfied together for both tests to be passed.*

(3) *With a limited number of exceptions.*

(4) *This WAC includes the blended IO. The expected weighted average coupon is [5.71]%.*

(5) *The expected Weighted Average Spread is [0.56]%*

(6) *The maximum Moody's weighted average rating factor will be [55]*

(7) *With a maximum of [5] obligors greater than [1.5]% and up to [2.0]% and [10] obligors greater than [1.0]% and up to [1.5]%.*

Transaction Highlights

Structuring Assumptions[1]

Benchmark Assumptions[7]

First Period 3mL LIBOR	[4.62]%
First Period 1mL LIBOR	[4.57]%

Coverage Tests

	Test Level[2]	Initial[3]
Class A/B Overcollateralization Ratio[4]	[101.69]%	[103.09]%
Class C/D Overcollateralization Ratio[5]	[100.41]%	[101.01]%
Sequential Pay Ratio[6]	[105.38]%	[107.53]%

Annual Fees and Expenses

Senior Management Fees during Non-Call Period	[5.0] bps per annum
Senior Management Fees after Non-Call Period	[10.0] bps per annum
Trustee Fees	[0.5] bps per annum
Admin Fees	[1.75] bps per annum
Administrative Fee Cap	$[400,000] yr
Closing Fees	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. Closing fees and expenses reduce the amount of the gross proceeds of the offering available to purchase Collateral and, therefore, the return to purchasers of the Securities. Rating agencies will consider the amount of net proceeds available to purchase Collateral in determining any ratings assigned by them to the Securities. For information about the amount of such fees and expenses, please review the final Offering Circular before investing.

(1) *See important information set forth in footnote (1) of p. 20.*
(2) *Test Level represents the levels that must be passed in order not to cause accelerated redemption of the Notes.*
(3) *Initial represents expected characteristics of target initial portfolio.*
(4) *In the event that the Class A/B O/C Test is breached in the interest waterfall, interest will be used first to pay down the Class A-1 Notes, followed by the Class A-2 Notes, and finally the Class B Notes. In the event that the Class A/B O/C Test is breached in the principal waterfall, principal will be used first to pay down the Class A-1 Notes, followed by the Class A-2 Notes, and finally the Class B Notes.*
(5) *In the event that the Class C/D O/C Test is breached in the interest waterfall, interest will be used to pay down the Class C Notes and the Class D Notes, on a pro rata basis, until the test is cured. In the event that the Class C/D O/C Test is breached in the principal waterfall, principal will be used to pay down the Notes on a sequential basis beginning with the most senior outstanding Notes.*
(6) ***"Sequential Pay Ratio"*** *is calculated as the number (expressed as a percentage) calculated by dividing the net outstanding portfolio collateral balance by the sum of (i) the aggregate outstanding amount of the Class A-1 Notes including any commitments plus (ii) the aggregate outstanding amount of the Class A-2 Notes. If the ratio drops below the test level on a measurement date, the Notes will be paid down sequentially from that point forward.*
(7) *As of 1/22/06*

Transaction Highlights

Structuring Assumptions (1)(2)

Structuring Assumptions

- **Distribution Dates** - Distribution Dates occur quarterly.
- **Ramp-Up** - It is assumed that [80]% of the Collateral Debt Securities will be purchased at closing and that the deal will be fully ramped within [120] days after closing.
- **Mandatory Auction Call**: [8] years.
- **Minimum Income Note IRR for Successful Auction Call:** [8]% from [April 2014] through [January 2016]; [6]% from [April 2016] through [January 2018]; and [4]% thereafter.
- **Default and Recoveries** - Defaults are stated as constant immediate annual rates and are applied on the outstanding collateral balance at the beginning of each quarterly Distribution Date. Defaulted assets are assumed to be sold immediately after default at a price equal to the applicable recovery rate.
- **Interest Rates** - Floating rate collateral accrues interest at the 3M LIBOR curve plus its applicable spreads. The Notes accrue interest at the 3M LIBOR curve plus applicable spreads. The 3M LIBOR curve is the forward curve as of [1]/[22]/[2006].(4)
- **Intraperiod Reinvestment** - Principal and interest proceeds are assumed to be reinvested and accrue interest at the 3M LIBOR curve minus [0.10]%.
- **Reset Frequency** - CDO assets and liabilities are assumed to reset based on the same quarterly LIBOR rates.
- **First Period Interest Calculation** – First period interest is assumed to be [93.5]% of a full quarterly period's assumed interest.
- **Yield Calculations** – Income Notes (and Income Note combination security) yields are calculated using annual compounding.

(1) *See important information set forth in footnote (1) of p. 19.*
(2) *Definitions and other terms will be fully described in the Offering Circular.*
(3) *Please see "Important Notice – Forward Looking Statements" for important information on hypothetical illustrations, forecasts, and estimates.*
(4) *Forward LIBOR curve refers to the curve containing the expected rates that investors in the market are willing to pay to borrow money for fixed periods (e.g., 3 months) at some given point in the future.*

Priority of Payments

Interest Waterfall

Interest Proceeds Payment Waterfall (Monthly)

- Interest Proceeds
- Taxes Paid by the Co-Issuers
- Senior Expenses (capped)
- Senior Collateral Management Fee
- Senior Hedge Counterparty Payments
- Class A-1A Note Interest
- Interest Proceeds

Interest Proceeds Payment Waterfall (Quarterly)

- Interest Proceeds
- Taxes Paid by the Co-Issuers
- Senior Expenses (capped)
- Senior Collateral Management Fee
- Senior Hedge Counterparty Payments
- Class A-1A and A-1BF Note Interest and A-1BUF Commitment Fee on a prorata basis
- Class A-2 and B Note Interest in sequential order
- Class A/B Coverage Test Payments
- Class C Note Interest
- Class D Note Interest
- Class C/D Coverage Test Payments
- Class C and D Note Deferred Interest
- Subordinated Expenses, Subordinated Management Fee, Hedge Payments
- After the Distribution Date occurring in [March 2016], [ ]% of the remaining cashflows to the Class D, then the Class C, then the Class B, then the Class A Notes
- Income Note Payments

Cash Principal Waterfall (1)

Priority of Payments

Principal Proceeds Payment Waterfall (Monthly)

- Monthly Principal Proceeds
- Payment to Cover Certain Interest Proceeds Shortfall
- During a Sequential Pay Period[10], Payment of the principal on the Class A-1A Notes up to the Class A-1A Sequential Principal Payment Cap[3]
- During a Sequential Pay Period, Payment to the A-1BF Principal Collection Account up to the Class A-1BF Sequential Principal Payment Cap[5]
- During a Pro Rata Pay Period[9], Payment of the principal on the Class A-1A Notes up to the Class A-1A Pro Rata Principal Payment Cap[2]
- During a Pro Rata Pay Period, Payment to the A-1BF Principal Collection Account up to the Class A-1BF Pro Rata Principal Payment Cap[4]
- Payment to the Non- A-1 Notes Principal Collection Account

Principal Proceeds Payment Waterfall (Quarterly)

- Principal Proceeds
- Payment to Cover Certain Interest Proceeds Shortfall
- Payment of the principal on the A-1BF Notes up to the amount of proceeds in the Class A-1BF Principal Collection Account
- Class A/B Overcollateralization Test Payments to Class A-1A and Class A-1BF prorata, then to the CCA as payment of principal on the Class A-1BUF Notes and then the Class B Notes in sequential order
- If during a Sequential Pay Period, payment of the principal on the Class A-1A and A-1BF, prorata, then to the CCA as payment of principal on the Class A-1BUF Notes and B Notes in sequential order until fully paid
- If during a Pro Rata Pay Period, payment of the principal on the Class A-1A and A-1BF, prorata up to the Class A-1 Funded Principal Payment Cap[6]. Payment of the principal on the Class A-2 and B notes on a prorata basis up to the Class A-2/B Pro Rata Principal Payment Cap [7]
- Class C Note Interest current and deferred, Class C/D Overcollateralization Test Payment to Class C Notes
- Class C Note Principal until fully paid if during a Sequential Pay Period. If during a Pro Rata Pay Period, payment up to the Class C Pro Rata Principal Payment Cap.[8]
- Class D Note Interest current and deferred
- Class D Note Principal
- Subordinated Expenses, Subordinated Management Fee, Hedge Payments
- Income Note Payments

(1) *All information on this slide is for illustrative purposes only. This transaction is at a structuring phase and the actual structure of the transaction may differ from those presented herein.*
(2) *The* ***"Class A-1A Pro Rata Principal Payment Cap"*** *is the Class A-1 Funded Principal Payment Cap multiplied by the Class A-1A Funded Pro Rata Allocation.*
(3) *The* ***"Class A-1A Sequential Principal Payment Cap"*** *is the amount of Monthly Principal Proceeds available for distribution multiplied by the sum of the outstanding balance of the Class A-1A Notes divided by the sum of the outstanding balances of the Class A-1A and Class A-1BF Notes.*
(4) *The* ***"Class A-1BF Pro Rata Principal Payment Cap"*** *is the Class A-1 Funded Principal Payment Cap multiplied by the Class A-1BF Funded Pro Rata Allocation.*
(5) *The* ***"Class A-1BF Sequential Principal Payment Cap"*** *is the amount of Monthly Principal Proceeds available for distribution multiplied by the sum of the outstanding balance of the Class A-1BF Notes divided by the sum of the outstanding balances of the Class A-1A and Class A-1BF Notes.*
(6) *The* ***"Class A-1 Funded Principal Payment Cap"*** *is the amount of Monthly Principal Proceeds available for distribution multiplied by the sum of the outstanding balance of the Class A-1 Notes divided by the sum of the outstanding balances of the Class A-1, Class A-2, Class B, Class C Notes, and Class D Notes.*
(7) *The* ***"Class A-2/B Pro Rata Principal Payment Cap"*** *is the amount of Principal Proceeds available for distribution multiplied by the sum of the outstanding balances of the Class A2 and Class B Notes divided by the sum of the outstanding balances of the Class A-2, Class B, Class C Notes, and Class D Notes.*
(8) *The* ***"Class C Pro Rata Principal Payment Cap"*** *is the amount of Principal Proceeds available for distribution multiplied by the sum of the outstanding balances of the Class C Notes divided by the sum of the outstanding balances of the Class C and Class D Notes.*
(9) ***"Pro Rata Pay Period"*** *means any Distribution Date for which the Determination Date does not occur during a Sequential Pay Period.*
(10) ***"Sequential Pay Period"*** *means the period commencing on the earliest to occur of (a) any determination date on which the Issuer does not satisfy any applicable Coverage Test, (b) the first date on which the aggregate principal balance of all pledged collateral debt securities held by the Issuer is less than [50]% of the Net Outstanding Portfolio Collateral Balance on the Ramp-Up Completion Date, (c) the first measurement date on which the Sequential Pay Test is not satisfied, (d) the first determination date on which an Event of Default has occurred and is continuing and (e) the first date on which the rating of any Outstanding Class of Notes by Standard & Poor's has been reduced or withdrawn, provided, that if a Sequential Pay Period has commenced as a result of a breach of a Coverage Test, such Sequential Pay Period shall cease on the first measurement date that such breach of a Coverage Test has been cured, and a Pro Rata Period shall commence on the immediately succeeding distribution date, but if such Sequential Pay Period has commenced for any other reason, a Pro Rata Pay Period may not commence on any future date.*

Note: The ***"Class A-1A Funded Pro Rata Allocation"*** *is the outstanding balance of the Class A-1A Notes divided by the sum of the outstanding balances of the Class A-1A and Class A-1BF Notes. The* ***"Class A-1BF Funded Pro Rata Allocation"*** *is the outstanding balance of the Class A-1BF Notes divided by the sum of the outstanding balances of the Class A-1A and Class A-1BF Notes*

CDS Principal Waterfall (1)

Priority of Payments

- Principal Proceeds from CDS
- Payment to Cover Certain Interest Proceeds Shortfall
- Class A/B Overcollateralization Test Payments to Class A-1BUF, then Class A-1A and Class A-1BF prorata, then Class B in sequential order
- If during a Sequential Pay Period, payment of the principal on the Class A-1BUF, then the Class A-1A and A-1BF, prorata, then Class B Notes in sequential order until fully paid
- If during a Pro Rata Pay Period, payment of the principal on the Class A-1BUF up to the Class A-1 Unfunded Principal Payment Cap[2]. Payment of the principal on the Class A-2 and Class B Notes on a pro rata basis up to the Class A-2/B Pro Rata CDS Principal Payment Cap.[3]
- Class C Note Interest current and deferred, Class C Overcollateralization Test Payment to Class C Notes
- Class C Note Principal until fully paid if during a Sequential Pay Period. If during a Pro Rata Pay Period, payment up to the Class C Pro Rata CDS Principal Payment Cap.[4]
- Class D Note Interest current and deferred
- Class D Note Principal
- Subordinated Expenses, Subordinated Management Fee, Hedge Payments
- Income Note Payments

(1) *All information on this slide is for illustrative purposes only. This transaction is at a structuring phase and the actual structure of the transaction may differ from those presented herein.*
(2) *The **"Class A-1 Unfunded Principal Payment Cap"** is the amount of CDS Principal Proceeds available for distribution multiplied by the sum of the outstanding balance of the Class A-1 Notes divided by the sum of the outstanding balances of the Class A-1, Class A-2, Class B, Class C Notes, and Class D Notes*
(3) *The **"Class A-2/B Pro Rata CDS Principal Payment Cap"** is the amount of CDS Principal Proceeds available for distribution multiplied by the sum of the outstanding balances of the Class A2 and Class B Notes divided by the sum of the outstanding balances of the Class A-2, Class B, Class C Notes, and Class D Notes.*
(4) *The **"Class C Pro Rata CDS Principal Payment Cap"** is the amount of CDS Principal Proceeds available for distribution multiplied by the sum of the outstanding balances of the Class C Notes divided by the sum of the outstanding balances of the Class C and Class D Notes.*

Transaction Highlights

Break Even Default Rates (1)(2)(3)(4)

BREAKEVEN DEFAULT RATES	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-1 First Priority Senior Floating Rate Delayed Draw Notes (Aaa/AAA/AAA)	[9.3%]	[42.3%]	[32.4%]	[82.7%]
Class A-2 Second Priority Senior Floating Rate Notes (Aaa/AAA/AAA)	[4.9%]	[25.4%]	[6.6%]	[32.8%]
Class B Third Priority Senior Floating Rate Notes (Aa2/AA/AA)	[2.2%]	[12.7%]	[3.4%]	[18.6%]

(1) ***"Break in yield"*** *is the default rate at which the first dollar loss in principal occurs, and* ***"0% Yield"*** *is the default rate at which total cashflow received does not equal initial investment. Please see Appendix A for a description of Collateral Cashflow Formulas.*

(2) *Assuming annual constant defaults beginning immediately, [75]% recovery rate, forward LIBOR. Please see "Transaction Details – Structuring Assumptions" for a description of modeling assumptions. Assumes a weighted average spread of [0.56]% and a weighted average coupon of [5.71]%.*

(3) *All the information shown on this page is for illustrative purposes only. The transaction is at a structuring phase, and the actual structure of the transaction and characteristics of the Securities may differ from those presented herein. It is contemplated that the "Collateral Profile" would apply on and after the ramp-up completion date.*

(4) *Defaults are stated as constant immediate annual rates and are applied on the outstanding collateral balance at the beginning of each quarterly Distribution Date. Defaulted assets are assumed to be sold immediately at a price equal to the applicable recovery rate.*

Transaction Highlights

Key Dates(1)

Beginning of Warehouse(2)	[May 2005]
Debt Pricing	[February 2006]
Closing Date	[March 2006]
End of Non-Call Period	[April 2010]
First Auction Call Date	[April 2014]
Stated Maturity	[2042]

(1) This transaction is in a structuring phase and there may be material changes to the structure, terms and assets prior to the offering of any securities.
(2) At least [80]% of the Collateral Portfolio is expected to be purchased or identified by the closing date.

Transaction Highlights
Form of Offering

Form of Offering

Form of Securities	Rated Notes: DTC/Euroclear Preferred Shares: Physical/Euroclear
U.S. Investors	Rated Notes: Qualified Purchasers/QIBs Preferred Shares: Qualified Purchasers /Accredited Investors or QIBs
SEC Registration Exemption	4(2) / Rule 144A / Regulation S
Investment Company Act Exemption	3(c)(7)
Domicile/Form of Issuer	Cayman Islands Exempted Company
Domicile/Form of Co-Issuer	Delaware Corporation
Listed	[Irish Stock Exchange](1)

(1) *There can be no assurance that the listing of the Notes on the Irish Stock Exchange will be granted.*

4. Risk Factors

Risk Factors

An investment in the Securities described in this Material, if the offering thereof is consummated, will involve certain risks. Set forth below is a description of certain of the risks to which an investor in the Securities would be subject. A complete presentation of risk factors will be included in the Offering Circular (including the preliminary and final versions thereof). An investor should not make any decision to invest in the Securities until after such investor has had an opportunity to read and review carefully the Offering Circular.

Limited Liquidity. There is currently no market for the Securities. Although Merrill Lynch may from time to time make a market in any class of Securities, it is under no obligation to do so. In the event that Merrill Lynch commences any market-making, it may discontinue the same at any time. There can be no assurance that a secondary market for any of the Securities will develop, or if a secondary market does develop, that it will provide the holders of such Securities with liquidity of investment or that it will continue for the life of the Securities. In addition, the Securities are subject to transfer restrictions and can only be transferred to certain transferees. Consequently, an investor in the Securities must be prepared to hold its Securities for an indefinite period of time.

Limited-Recourse Obligations. The Notes will be limited-recourse obligations of the issuer, payable solely from the collateral pledged by the issuer to secure the Notes. None of the security holders, members, officers, directors, managers or incorporators of the issuer, the co-issuer, the trustee, the administrator of the issuer, the Collateral Manager, Merrill Lynch, any of their respective affiliates and any other person or entity will be obligated to make payments on the Notes. Consequently, the holders of the Notes must rely solely on amounts received in respect of the collateral for the payment of principal thereof and interest thereon. There can be no assurance that the distributions on the collateral pledged by the issuer to secure the Notes will be sufficient to make payments on any class of Notes, in particular after making payments on more senior classes of Notes and certain other required amounts ranking senior to such Notes. The issuer's ability to make payments in respect of any class of Notes will be constrained by the terms of the Notes of classes more senior to such class and the indenture. If distributions on the collateral are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and, following liquidation of all the collateral, the obligations of the co-Issuer to pay such deficiencies will be extinguished.

Subordination of Each Class of Subordinate Notes. No payment of interest on any class of Notes will be made until all accrued and unpaid interest on the Notes of each class that is senior to such class and that remain outstanding has been paid in full. If an event of default occurs, so long as any Notes are outstanding, the holders of the most senior class of Notes then outstanding (or until the Commitment Period Termination Date (as defined in the Offering Circular)) will be entitled to determine the remedies to be exercised under the indenture. It is anticipated that so long as any Class A Notes, Class B Notes or Class C Notes are outstanding, the failure on any payment date to make payment in respect of interest on the Class D or Class E Notes will not constitute an event of default under the indenture and such interest will be deferred and capitalized. Remedies pursued by the holders of the class or classes of Notes entitled to determine the exercise of such remedies could be adverse to the interest of the holders of the other classes of Notes. It is anticipated that, to the extent that any losses are suffered by any of the holders of any Securities, such losses will be borne, first, by the holders of the Income Notes, second, by the holders of the Class E Notes, third by the holders of the Class D Notes, fourth by the holders of the Class C Notes, fifth by the holders of the Class B Notes and sixth, by the holders of the Class A Notes.
Ongoing Commitments—the Class A-1 Notes. The Class A-1 Notes may not be fully drawn at closing. If this is the case, it is anticipated that holders of the Class A-1 Notes will be obligated during a commitment period expected to run from the closing date to [4] months following the closing date, subject to compliance by the issuer with certain borrowing conditions, to advance funds to the issuer until the aggregate principal amount advanced under the Class A-1 Notes equals the aggregate amount of commitments to make such advances.

Nature of Collateral. The collateral will be subject to credit, liquidity, interest rate, market, fraud, operations and structural risk. The amount and nature of the collateral securing the Notes will be established with a view to withstanding certain assumed deficiencies in payment occasioned by defaults in respect of the securities included in the collateral. If any deficiencies exceed such assumed levels, however, payments on the Notes could be adversely affected. To the extent that a default occurs with respect to any security included in the collateral, it is not likely that the issuer will receive the full amount of principal and interest owing to the issuer in respect of such security. The market value of the collateral generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the securities included in the collateral, the remaining term thereof to maturity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

It is currently anticipated that [80]% of the collateral will have been purchased by the closing date. The issuer expects that it will have purchased 100% of the collateral by the ramp-up completion date, and that the collateral will satisfy the coverage tests. However, there can be no assurance that this will occur. Failure to satisfy the coverage tests may result in repayment or redemption of all or a portion of the Notes (in accordance with the priority of payments to be specified in the Offering Circular).

IN ADDITION TO THE RISK FACTORS PRESENTED ABOVE, THE ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS WHICH ARE DESCRIBED IN THE OFFERING CIRCULAR TO BE PROVIDED

Risk Factors

Average Life of the Securities. The average life of each class of Securities is expected to be shorter than the number of years until their stated maturity. Such average lives will be affected by numerous factors described in the Offering Circular.

Early Redemption of the Notes. The Notes may be subject to early redemption [4] years after the closing date at the election of a majority in interest of the holders of the Income Notes. It is anticipated that if a coverage test is breached, interest proceeds and then principal proceeds will be applied to pay principal on the Notes until the applicable coverage test is met. In the case of a breach of the interest coverage test, it is anticipated that principal on the Notes will be paid in order of seniority, beginning with the Class A-1 Notes. In addition, it is anticipated that if the Notes have not been paid in full prior to [April 2014] an auction of the collateral will be conducted and subject to satisfaction of certain conditions, will be sold and used to redeem the Notes. The Notes may also be subject to early redemption on the occurrence of certain adverse tax events to be described in the Offering Circular.

Certain Conflicts of Interest. The activities of the Collateral Manager, Merrill Lynch and their respective affiliates may result in certain conflicts of interest.

Conflicts of Interest Involving the Collateral Manager. Various potential and actual conflicts of interest may arise from the overall investment activities of the Collateral Manager and its affiliates for their own accounts or for the accounts of others. The Collateral Manager and its affiliates may invest for their own accounts or for the accounts of others in debt obligations that would be appropriate investments for the issuer and they have no duty, in making such investments, to act in a way that is favorable to the issuer or the holders of the Securities. Such investments may be different from those made on behalf of the issuer. The Collateral Manager and its affiliates may have economic interests in or other relationships with issuers in whose obligations or securities the issuer may invest. In particular, such persons may make and/or hold an investment in an securities that may be *pari passu*, senior or junior in ranking to an investment in securities of the same issuer that are held by the issuer or in which partners, security holders, officers, directors, agents or employees of such persons serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in securities laws restrictions on transactions in such securities by the issuer and otherwise create conflicts of interest for the Issuer. In such instances, the Collateral Manager and its affiliates may in their discretion, subject to certain restrictions, make investment recommendations and decisions that may be the same as or different from those made with respect to the issuer's investments.

Although the officers and employees of the Collateral Manager will devote as much time to the issuer as the Collateral Manager deems appropriate, the principals and employees may have conflicts in allocating their time and services among the issuer and other accounts advised by the Collateral Manager and/or its affiliates. In addition, the Collateral Manager and its affiliates, in connection with their other business activities, may acquire material non-public confidential information that may restrict the Collateral Manager from purchasing securities or selling securities for itself or its clients (including the Issuer) or otherwise using such information for the benefit of its clients or itself.

The Collateral Manager and any of its affiliates may engage in any other business and furnish investment management and advisory services to others, which may include, without limitation, serving as collateral manager or investment manager for, investing in, lending to, or being affiliated with, other entities organized to issue collateralized bond obligations secured by securities such as those included in the collateral and other trusts and pooled investment vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by issuers that would be suitable for inclusion in the collateral. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the issuer, and the Collateral Manager may furnish investment management and advisory services to others who may have investment policies similar to those followed by the Collateral Manager with respect to the issuer and who may own securities of the same class, or which are the same type as, the securities included in the Collateral.

Although the Collateral Manager or one of its affiliates may at times be a holder of the Securities, its interests and incentives will not necessarily be completely aligned with those of the other holders of the Securities (or of the holders of any particular class of the Notes or of the Income Notes). Furthermore, although the Collateral Manager is expected to purchase Income Notes and Class C and D Notes, it is not required to maintain minimum holdings in the Income Notes.

IN ADDITION TO THE RISK FACTORS PRESENTED ABOVE, THE ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS WHICH ARE DESCRIBED IN THE OFFERING CIRCULAR TO BE PROVIDED

Risk Factors

Conflicts of Interest Involving Merrill Lynch. Certain of the Collateral Debt Securities acquired or to be acquired by the Issuer will consist of obligations of issuers or obligors, or obligations sponsored or serviced by companies, for which Merrill Lynch or an affiliate thereof has acted as underwriter, agent, placement agent or dealer or for which Merrill Lynch or an affiliate thereof has acted as lender or provided other commercial or investment banking services. Merrill Lynch or an affiliate thereof may structure issuers of Collateral Debt Securities and arrange to place such Collateral Debt Securities with the Issuer. Merrill Lynch or an affiliate thereof may also act as counterparty with respect to one or more Synthetic Securities. In its role as counterparty with respect to Synthetic Securities, Merrill Lynch or one of more of its affiliates may manage a pool of Reference Obligations with respect to the Synthetic Securities and make determinations regarding those Reference Obligations. In addition, an affiliate of Merrill Lynch may act as Hedge Counterparty under one or more Hedge Agreements with the Issuer. Moreover, Merrill Lynch or its affiliates may from time to time enter into derivative transactions with third parties with respect to the Securities or with respect to Collateral Debt Securities acquired by the Issuer, and Merrill Lynch or its affiliates may, in connection therewith, acquire (or establish long, short or derivative financial positions with respect to) Securities, Collateral Debt Securities or one or more portfolios of financial assets similar to the portfolio of Collateral Debt Securities acquired by (or intended to be acquired by) the Issuer. Merrill Lynch, its employees, affiliates and employees of affiliates will receive compensation in connection with the structuring of the CDO and/or distribution of the Securities. These activities may create certain conflicts of interest, and there can be no assurance that the terms on which the Issuer entered into (or enters into) any of the foregoing transactions with Merrill Lynch (or an affiliate thereof) were or are the most favorable terms available in the market at the time from other potential counterparties.

It is anticipated that, in the event that the transaction will include an administrative agency agreement, an affiliate of Merrill Lynch, as administrative agent, would become successor collateral manager, if the Collateral Manager were removed pursuant to the collateral management agreement. If this occurs, such affiliate could experience conflicts of interest similar to those described above with respect to the collateral manager.

Significant Fees Reduce Proceeds Available for Purchase of Collateral Debt Securities. 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, upfront fees to the Collateral Manager, and legal, accounting, rating agency and other fees. Closing fees and expenses reduce the amount of the gross proceeds of the offering available to purchase Collateral and, therefore, the return to purchasers of the Securities. Rating agencies will consider the amount of net proceeds available to purchase Collateral in determining any ratings assigned by them to the Securities. For information about the amount of such fees and expenses, please review the final Offering Circular before investing.

Purchase of Collateral Debt Securities. It is anticipated that many of the securities that will be purchased by the issuer on the date on which the Securities are issued will be purchased from one or more portfolios of securities held by affiliates of Merrill Lynch pursuant to separate warehousing agreements between such affiliates of Merrill Lynch and the Collateral Manager. Some of the securities subject to such warehousing agreements may have been originally acquired by Merrill Lynch from the Collateral Manager or one of its Affiliates. The issuer will purchase securities included in such warehouse portfolios only to the extent that such purchases are consistent with the investment guidelines of the issuer, the restrictions contained in the indenture and the collateral management agreement and applicable law. The purchase price payable by the issuer for such securities will be based on the purchase price paid when such securities were acquired under the warehousing agreements, accrued and unpaid interest on such securities as of the date they are acquired by the issuer and gains or losses incurred in connection with hedging arrangements entered into with respect to such securities. Accordingly, it is likely that the issuer will bear the risk of market changes subsequent to the acquisition of such securities and related hedging arrangements pursuant to the warehousing agreements as if it had acquired such securities directly.

Reinvestment Risk. The issuer may find that, as a practical matter, investment opportunities are not available following the closing of the offering of the Securities for a variety of reasons, including the limitations imposed by the eligibility criteria to be set forth in the indenture. At any time there may be a limited universe of investments that would satisfy the eligibility criteria given the other investments in the issuer's portfolio. As a result, the issuer may at times find it difficult to purchase suitable investments. If the issuer is unable to purchase sufficient suitable investments, the Notes will amortize more quickly than would be the case if the issuer were able to purchase such investments. Although the issuer expects that it will be able to purchase sufficient Collateral satisfying the eligibility criteria to be set forth in the indenture, there is no assurance that such criteria will be satisfied on any date. Failure to satisfy such tests by such date may result in the repayment or redemption of a portion of the Notes.

IN ADDITION TO THE RISK FACTORS PRESENTED ABOVE, THE ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS WHICH ARE DESCRIBED IN THE OFFERING CIRCULAR TO BE PROVIDED

Risk Factors

Redemption and Diversion of Interest Proceeds. The Securities will be subject to redemption under certain circumstances described in the Offering Circular (including, under certain circumstances, upon the failure of certain financial coverage tests to be satisfied). Any such redemption may cause the economic return from an investment in the Securities to vary from the economic returns that may be modeled in this Information. In addition, the failure to satisfy certain financial coverage tests could result in an elimination, deferral or reduction in the payments to be made to holders of one or more classes of Notes or equity securities, which could adversely impact the economic return realized by such holders.

Application of Principal Proceeds. Principal Proceeds from the Collateral Debt Securities, except for sales proceeds that are reinvested in substitute Collateral Debt Securities, will be used to pay principal on the Notes beginning with the first Payment Date. The timing of receipts of principal of the Collateral Debt Securities will depend on, among other factors, the rate of prepayments on Collateral Debt Securities which may be influenced by the level of interest rates and economic conditions. The Issuers cannot predict the actual rate of principal payments that will be experienced on the Collateral Debt Securities.

CDO of CDO Securities. The assets held by Bernoulli High Grade CDO I, Ltd. ("Bernoulli I") which back the Securities consist of [Aaa], [Aa] and [A] rated (i) Structured Finance Securities including RMBS and (ii) CDO Securities. It is anticipated that up to [35]% of the assets held by Bernoulli I may consist of such CDO securities; provided that the securities issued by any one CDO may not exceed [1.0]% of Bernoulli I's portfolio. As a result, purchasers of the Securities must understand that if they hold debt or equity issued by other CDOs, their credit exposure to such CDO Securities will increase to the extent securities issued by those CDOs are also included in the assets of Bernoulli I. It is expected that [30]% of the assets held by Bernoulli I will consist of [Aa1], [Aa2], or [Aa3] rated CDO securities.

Relation to Prior Investment Results. Any prior investment results of any person or entity described herein will not be indicative of the CDO issuer's future investment results. Such results are intended only to give potential investors information concerning the general experience of the relevant person or entity as an asset manager or adviser and is not intended as a representation or warranty by Merrill Lynch or any other person or entity as to the actual composition of or performance of any future investments that would be made by the CDO issuer. The nature of, and risks associated with, the CDO issuer's future investments may differ substantially from (and will be subject to constraints that were not applicable to) those investments and strategies undertaken historically by such persons and entities. There can be no assurance that the CDO issuer's investments will perform as well as, or in a manner similar to, the past investments of any such persons or entities.

Hypothetical Illustrations, Forecasts and Estimates. Any hypothetical illustrations, forecasts and estimates contained herein are forward looking statements and are based upon assumptions that are disclosed herein. Hypothetical Illustrations are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the hypothetical illustrations will not materialize or will vary significantly from actual results. Accordingly, the hypothetical illustrations are only an estimate. Actual results may vary from the hypothetical illustrations, and the variations may be material.

Certain hypothetical performance analyses are based on assumptions that may prove to be incorrect. Prospective investors should understand those assumptions and evaluate whether they are appropriate for their purposes. Certain analyses are based on mathematical models that use hypothetical inputs to calculate results. As with all models, results may vary significantly depending upon the values of the inputs used. Models used in any analysis may be proprietary, making the results difficult for any third party to reproduce. Moreover, hypothetical performance analyses will address only certain aspects of the characteristics of the Securities and will not provide a complete assessment of the results that may follow from all possible contingencies (including default, interest rate and other scenarios and certain economic features of the Securities, including call features and cash flow diversion events). Prospective investors should consider whether the behavior of these securities should be tested based on assumptions different from those used to prepare these analyses.

IN ADDITION TO THE RISK FACTORS PRESENTED ABOVE, THE ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS WHICH ARE DESCRIBED IN THE OFFERING CIRCULAR TO BE PROVIDED

Risk Factors

Synthetic Securities. A portion of the Collateral Debt Securities may consist of Synthetic Securities the reference obligations of which are Asset-Backed Securities or a specified pool of financial assets (including credit default swaps), either static or revolving, that by their terms convert into cash within a finite period of time. Synthetic Securities may consist of credit default swaps, total return swaps, and credit linked Notes or a combination of the foregoing. Investments in such types of assets through the purchase of (or entry into) Synthetic Securities present risks in addition to those resulting from direct purchases of such Collateral Debt Securities. Each Synthetic Security which is funded at the time it is entered into by the Issuer ("Defeased Synthetic Securities") will require the Issuer to purchase collateral ("Synthetic Security Collateral") to secure its obligations thereunder, which will expose the Issuer to the risk of loss on the Synthetic Security Collateral. With respect to Synthetic Securities, the Issuer will usually have a contractual relationship only with the counterparty of such Synthetic Security, and not the reference obligor(s) on the reference obligation(s). The Issuer generally will have no right directly to enforce compliance by the reference obligor(s) with the terms of either the reference obligation(s) or any rights of set off against the reference obligor(s), nor will the Issuer generally have any voting or other consensual rights of ownership with respect to the reference obligation(s). The Issuer will not directly benefit from any collateral supporting the reference obligation(s) and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation(s). In addition, in the event of the insolvency of the counterparty, the Issuer will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the reference obligation(s). Consequently, the Issuer will be subject to the credit risk of the Synthetic Security Counterparty as well as that of the reference obligor(s). As a result, concentrations of Synthetic Securities entered into with any one Synthetic Security Counterparty will subject the Securities to an additional degree of risk with respect to defaults by such Synthetic Security Counterparty as well as by the reference obligor(s). One or more affiliates of Merrill Lynch may act as counterparty with respect to all or a portion of the Synthetic Securities purchased by the Issuer, which relationship may create certain conflicts of interest. Furthermore, such affiliates may, in their role as Synthetic Security Counterparty to all or a portion of the Synthetic Securities, make determinations regarding reference obligations and approve or designate the Synthetic Security Collateral to be purchased by the Issuer.

Mandatory Repayment of the Notes. If any coverage test applicable to a class of Notes is not met, first, interest proceeds, then, to the extent that the application of interest proceeds is insufficient, principal proceeds, then, to the extent that the application of interest proceeds and principal proceeds is insufficient, uninvested proceeds, will be used to the extent that funds are available in accordance with the priority of payments and to the extent necessary to restore the relevant coverage tests to certain minimum required levels, will be used to repay principal of one or more classes of Notes.

In addition, if the issuer is unable to obtain confirmation of the ratings of the Notes from each of the rating agencies rating the Notes by the 30th day following the ramp-up completion date, first uninvested proceeds, then, to the extent that the application of uninvested proceeds is insufficient, interest proceeds, then, to the extent that the application of uninvested proceeds and interest proceeds is insufficient, principal proceeds, will be applied on the first distribution date following such 30th day to redeem first, the Class A-1 Notes, then the Class A-2 Notes, then the Class B Notes, then, the Class C Notes, then, the Class D Notes, then, the Class E Notes, in each case to the extent necessary to obtain such rating confirmation from each of the rating agencies.

Either of the foregoing could result in an elimination, deferral or reduction in the payments in respect of interest or commitment fee or the principal repayments made to the holders of one or more classes of Notes that are subordinate to any other outstanding class of Notes, which could adversely impact the returns of such holders.

IN ADDITION TO THE RISK FACTORS PRESENTED ABOVE, THE ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS WHICH ARE DESCRIBED IN THE OFFERING CIRCULAR TO BE PROVIDED

Risk Factors

Currency Risk. The Notes will be denominated in U.S. dollars. The eligibility criteria will permit collateral debt securities (and, with respect to synthetic securities, reference obligations) to be denominated in U.S. dollars, in sterling or in euros which, in each case, are not convertible into or payable in any other currency. Notwithstanding the fact each such collateral debt security will be required, upon acquisition thereof by the CDO issuer, to have an associated hedge agreement and will include currency protection provisions with respect to scheduled payments thereunder, losses may be incurred due to fluctuations in the U.S. dollar/sterling or U.S. dollar/euro exchange rates in the event of (i) a default under any such hedge agreement, (ii) certain termination events under any such hedge agreement or (iii) any increase in the scheduled coupon or interest payment in respect of such security related to such hedge agreement.

Interest Rate Risk. The Notes will bear interest at a rate based on three-month LIBOR. Certain of the collateral debt securities included in the collateral will include obligations that bear interest at fixed rates. Accordingly, the Notes are subject to interest rate risk to the extent that there is an interest rate mismatch between the floating rate at which interest accrues on the Notes and the rates at which interest accrues on fixed rate securities included in the collateral. A portion of such interest rate mismatch will be mitigated by one or more hedge agreements which the CDO issuer will enter into in connection with the transaction. There can be no assurance that the collateral debt securities and eligible investments, together with such hedge agreements, will in all circumstances generate sufficient interest proceeds to make timely payments of interest on the Notes.

Credit Ratings. Credit ratings of debt securities (including any securities issued by the Issuer or any collateral debt security comprising the investment portfolio of the Issuer) represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, and therefore, credit ratings do not fully reflect all risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, and the credit quality of a debt security may be worse than a rating indicates.

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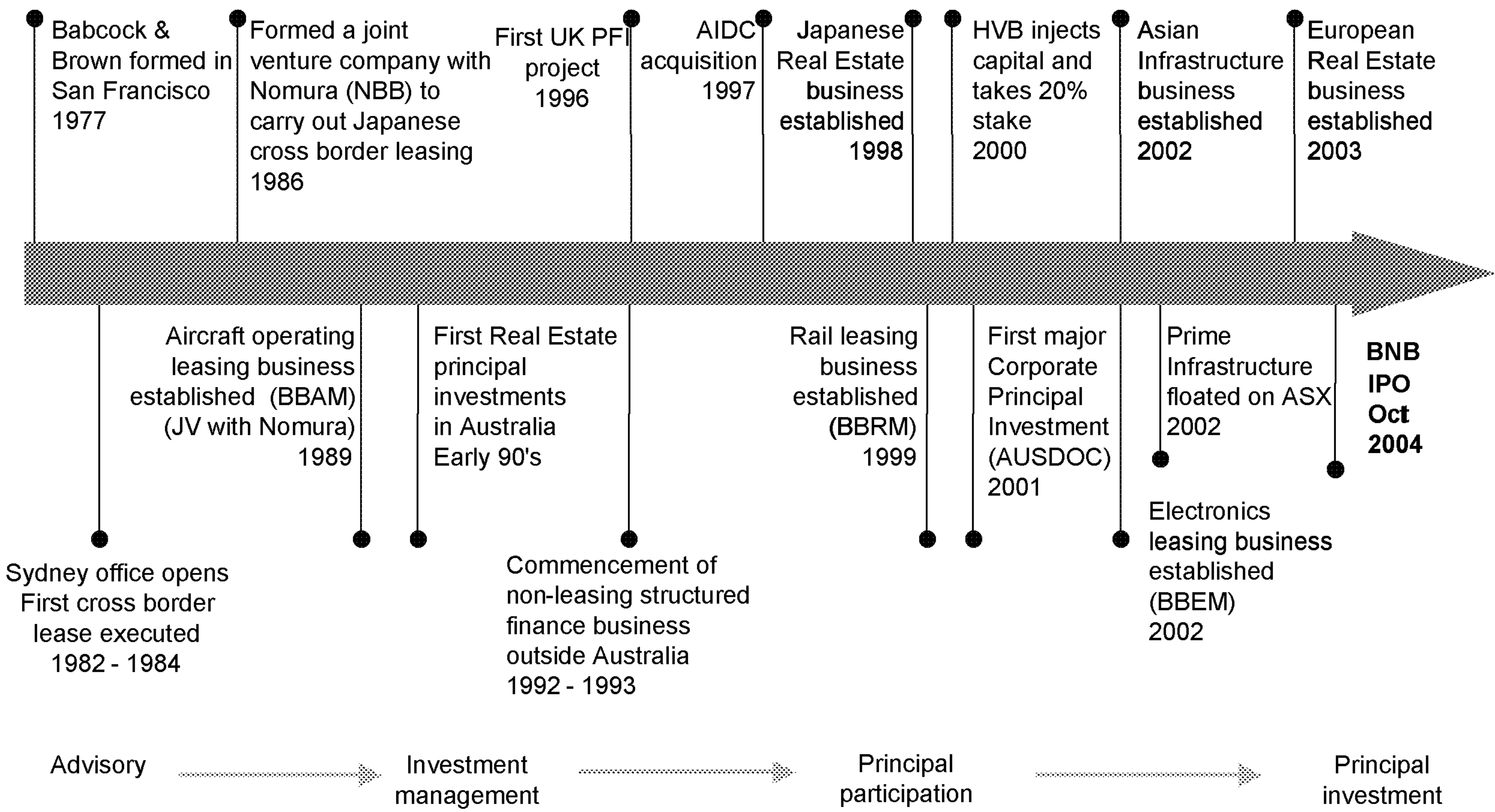
5. The Collateral Manager

All information in this section 5 has been supplied herein by Babcock & Brown unless otherwise indicated. Information is as of 1/2006 unless otherwise indicated.

A. Overview of Babcock & Brown

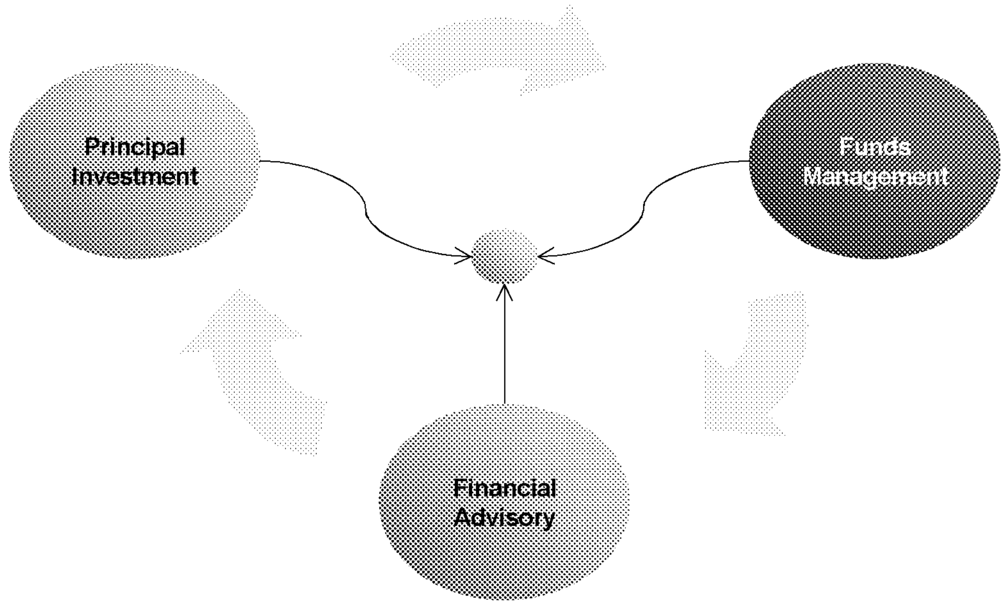
Background of Babcock and Brown

- Listed on ASX October 2004. Equity capitalisation of approximately AUD$6 billion[(1)]



(1) *As of January 24, 2006, shares in Babcock & Brown and shares held in BBIPL (other than by Babcock & Brown) have materially equivalent rights and hence are aggregated for the purposes of the Group equity capitalisation figure.*

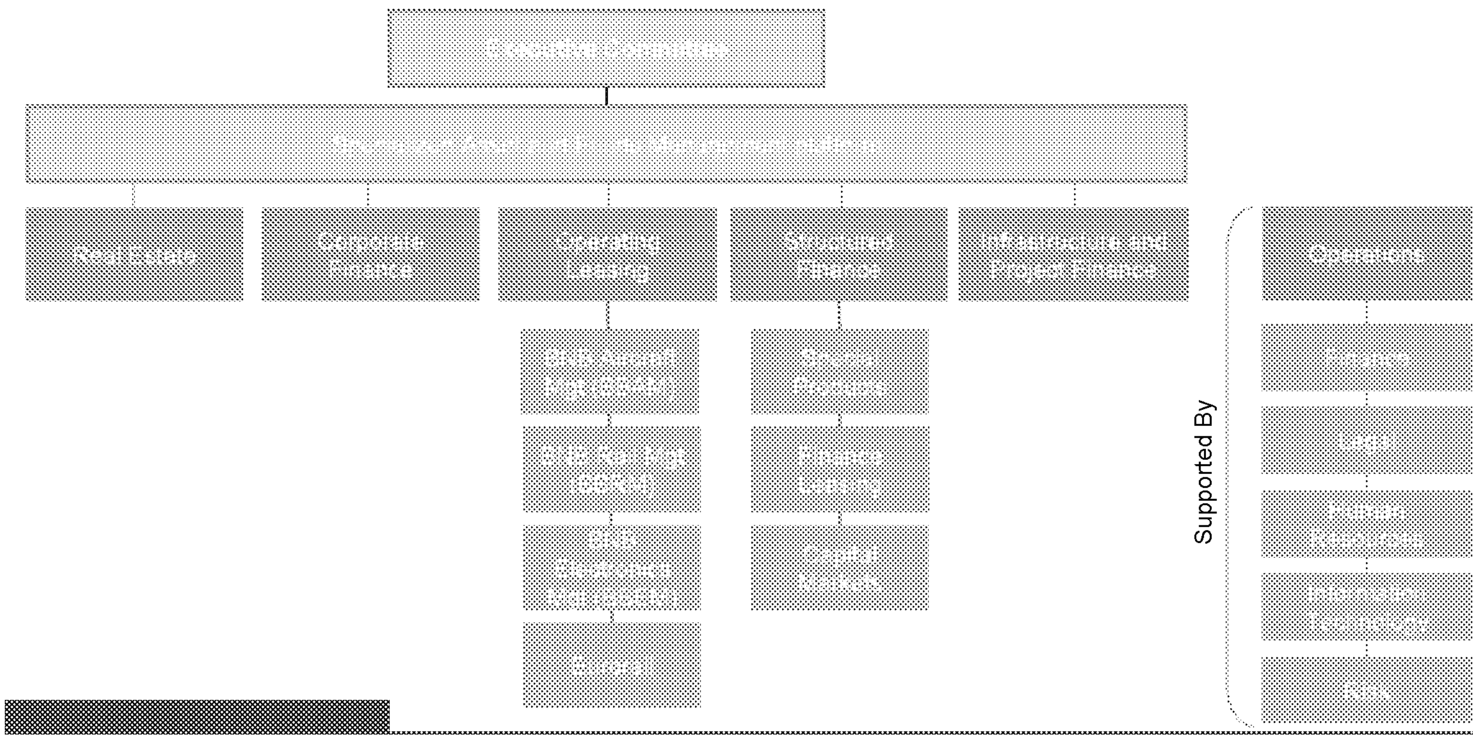
Business model



- Three principal business activities
  - Financial advisory
  - Principal investment
  - Funds management
- Focus on maximising revenue and ROE through integrated model
  - Origination through advisory and/or development including greenfield development
  - Securing/profiting from opportunity through principal investment
  - Recycling capital through Specialised Asset and Funds Management platform
  - Generating passive and recurring management fee income through Specialised Asset and Funds Management platform
  - Recurring transaction and investment banking fees from managed funds
  - Funds and assets under management provide a platform for further origination activity

Operating divisions

- BNB operates through five business groups
  - Real Estate, Corporate Finance and Infrastructure and Project Finance groups are focused on advisory, investment management and principal investment
  - Operating Leasing group, operates in aircraft, rail and electrical equipment. Includes investment management and principal investment
  - Structured Finance group, traditionally advisory in nature. Increasingly focused on the underwriting, structuring and distribution of investment transactions
- Specialised Asset and Funds Management platform sits across the five business groups



Funds and asset management platform

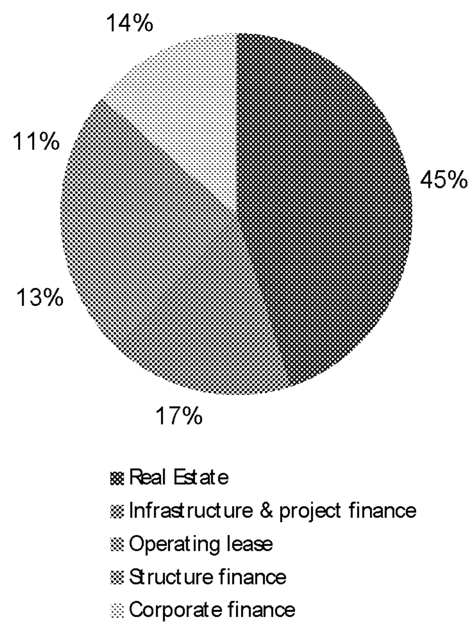
- AUD$ 17.4 billion of total specialised funds and assets under management as at 4 November 2005

As at 4 November 2005	Ownership %	FUM/AUM (AUD$m)	Mkt Cap (AUD$m)
Listed			
Babcock & Brown Capital Limited (BCMCA)	6%	1,000	446
Babcock & Brown Infrastructure Group (BBI)	7%	4,500	1,608
Babcock & Brown Environmental Investments (BEI)	32%	100	178
Babcock & Brown Japan Property Trust (BJT)	5%	610	465
Babcock & Brown Wind Partners (BBW)	15%	1,153	840
Everest Babcock & Brown Alternative Investments (EBB)	5%	300	270
Total Listed Funds		7,663	3,807
Unlisted			
Babcock & Brown Global Partners	7%	598	
BGP Investment Sarl (GPT JV)	50%	2,300	
UK Retail Syndicates	-	34	
Total Unlisted Funds		2,932	
Private equity			
Babcock & Brown Direct Investment Fund	15%	66	
Total Private Equity Funds		66	
Specialised Assets Under Management			
Operating Leases		6,100	
PPPs		609	
Total Specialized AUM		6,709	

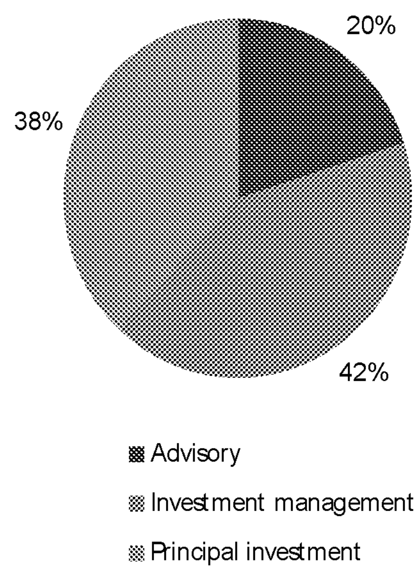
Earnings composition(1)

- Result for six months to 30 June 2005 represents 80% of the 2005 full year IPO forecast
- Reflects success in deploying and recycling new capital and converting opportunities that have emerged following 2004 listing
- Result reflects the scalability of BNB cost structure

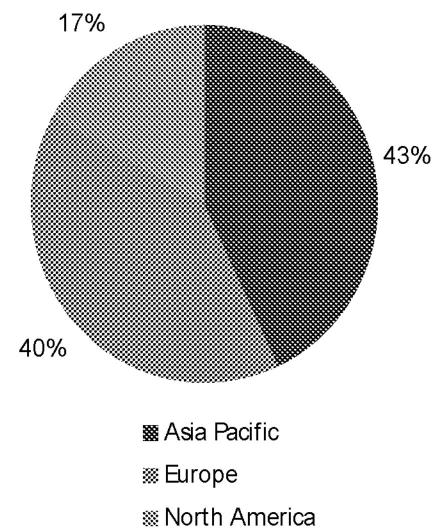
Net revenue by division for six months ended 30 June 2005



Net revenue by type for six months ended 30 June 2005



Net revenue by region for six months ended 30 June 2005



(1) See "Important Notice – Note to Historical Data."

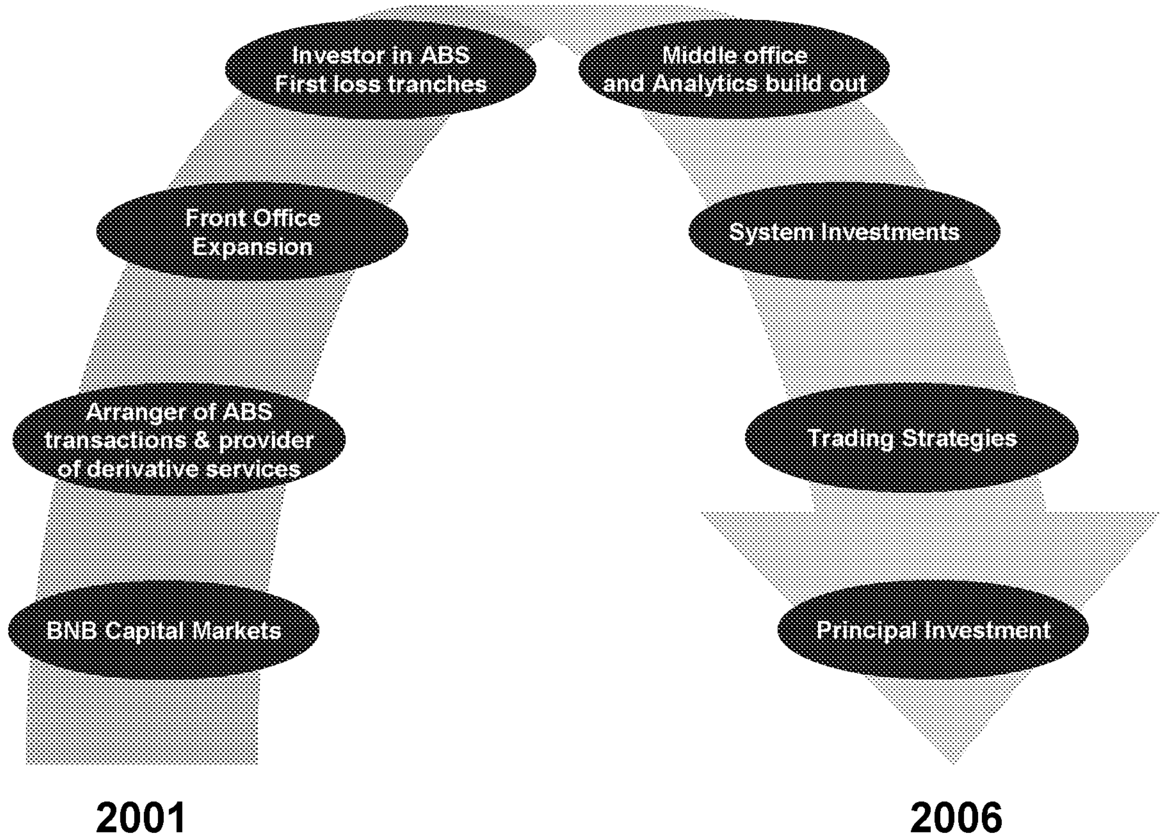
B. Overview of BNB Capital Markets

Overview of BNB Capital Markets

- The Collateral Manager will be Babcock & Brown Securities Pty Ltd, a wholly owned subsidiary of the Babcock & Brown International Pty Ltd.
- The investment professionals who will manage the Bernoulli High Grade CDO 1 are part of the Capital Markets group of Babcock & Brown ("BNB Capital Markets").
- BNB Capital Markets began in 2001 with a primary focus on arranging ABS transactions and providing derivative and debt capital market services
- Shortly thereafter BNB Capital Markets expanded it's front office capabilities and developed the necessary infrastructure to invest in ABS first loss tranches as principal
- BNB Capital Markets has further expanded to encompass a CDO platform again with a principal investment focus
- The current High Grade CDO transaction reflects this principal investment focus with a BNB vehicle retaining the CDO equity and lowest investment grade Notes
- BNB Capital Markets has on-going plans for further CDO issuance and investment in structured credit products

Overview of BNB Capital Markets

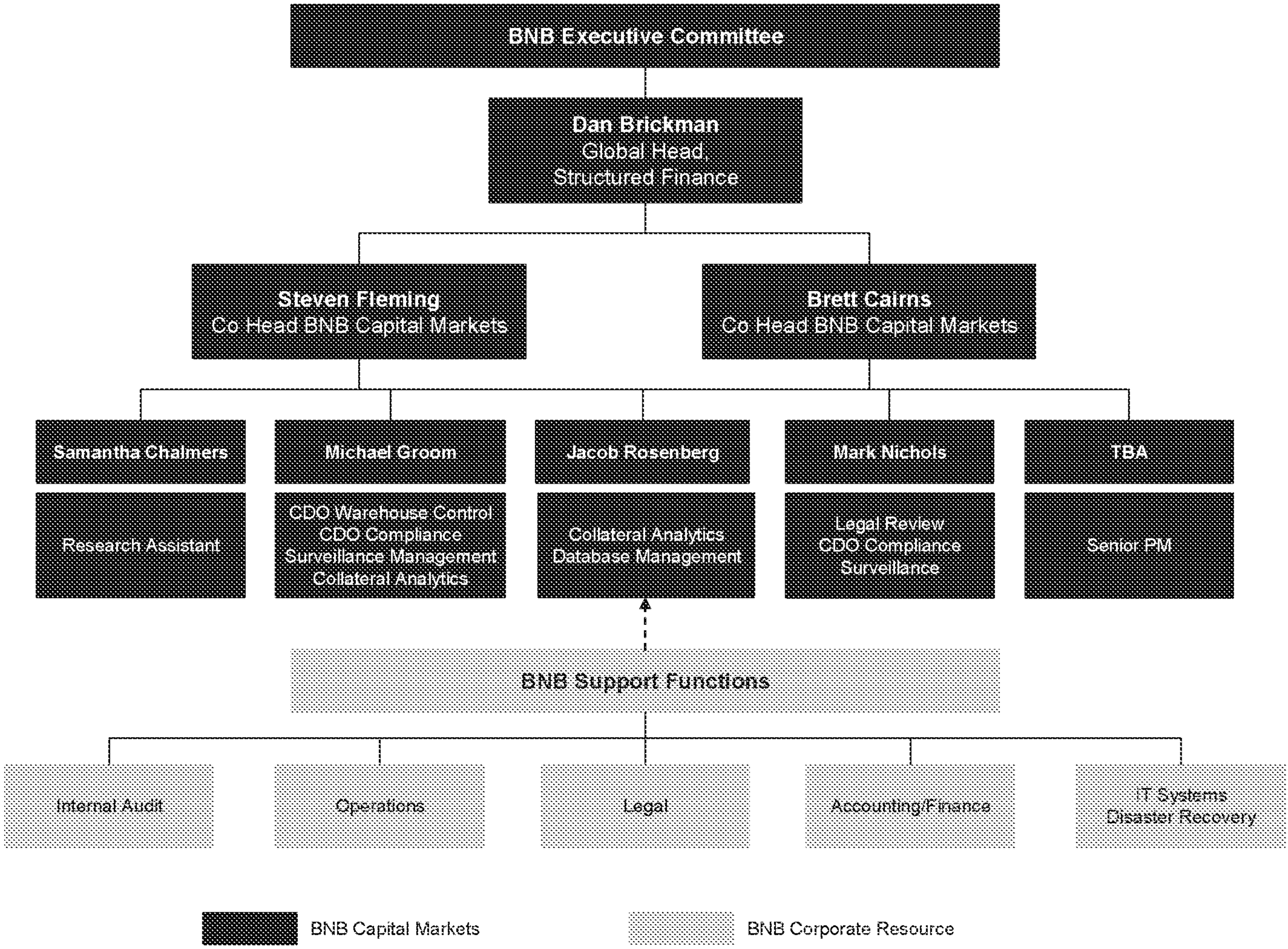
Evolution of BNB Capital Markets Business Plan



In 2005, BNB Capital Markets has been building the platform for next stage of its business strategy

Overview of BNB Capital Markets

BNB Capital Markets Organization[1]



(1) *There can be no assurance that the professionals currently employed by Babcock and Brown will continue to be employed by the Manager or that the past performance or success of any such professional serves an indicator of such professional's future performance or success.*

C. BNB Structured Finance Investment Process

BNB Structured Finance Investment Process

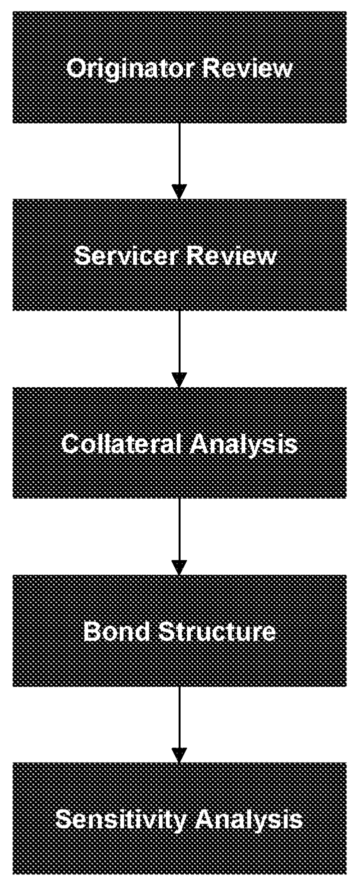
Structured Finance Investment Strategy

- Conservative investment methodology specifically designed from the perspective of a first loss investor
- BNB performs a Top/Down analysis together, with a sub-sector relative value analysis, to determine sector allocation
- Strong preference for robust, stable sectors which have the following characteristics:
  - Stable and predictable performance across the economic cycle (default, recovery, rating stability)
  - Hard asset support
- BNB avoids sectors outside of its expertise (i.e., Corporate / off the run ABS)
- Portfolio is compiled with a granular focus
- Fundamental and thorough analysis of all securities (credit and market risks) based on an underlying assumption BNB will be long the credit until the securities' maturity
- BNB places enormous emphasis on surveillance with the objective of forecasting performance and rating transition

BNB Structured Finance Investment Process

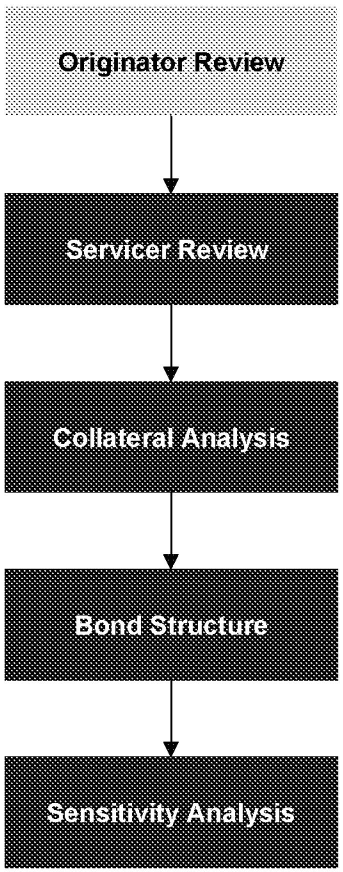
Sub Prime Investment Process

- Sub Prime process is based on quantitative and qualitative analysis for each transaction



BNB Structured Finance Investment Process

Sub Prime Underwriting Process

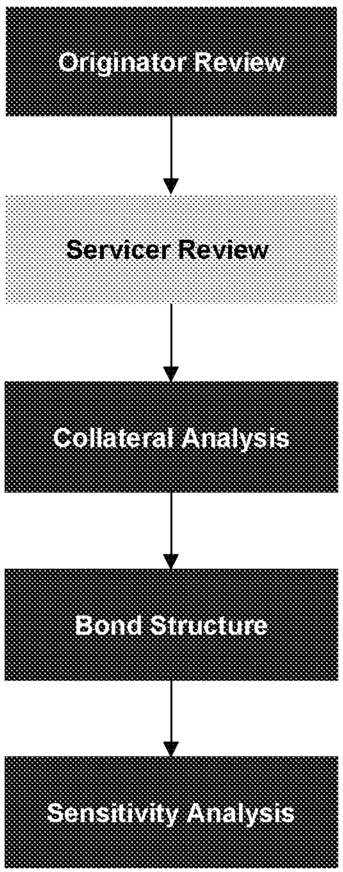


Originator Review

- Periodic on-site and one-on-one due diligence
- Continuous surveillance of originators
- Company review including:
  - senior management experience
  - financial capacity and viability
  - technology
- Origination channels
- Underwriting processes with a focus on exceptions and appraisal evaluation
- Quality control and fraud detection
- Origination trends/collateral consistency
- Performance history – prepayments, delinquency, losses

BNB Structured Finance Investment Process

Sub Prime Underwriting Process

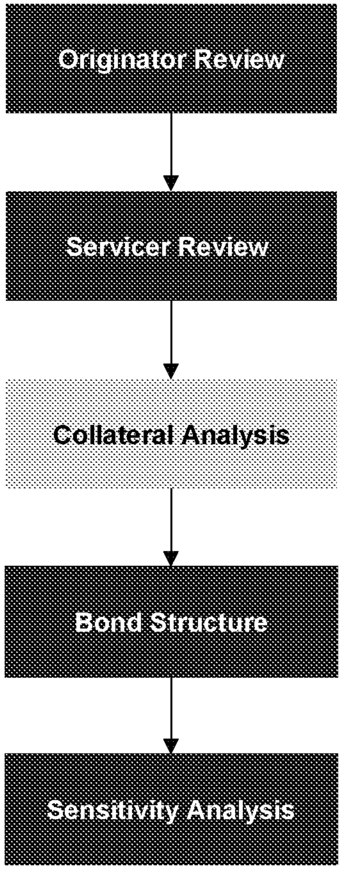


Servicer Review

- BNB conducts ongoing reviews of the various servicers of the loans backing the securities it recommends for purchase
- Servicer review focuses on:
  - management experience
  - technology
  - staffing
  - financial condition
  - loss mitigation strategies
- For lower rated securities, BNB targets more highly rated servicers

BNB Structured Finance Investment Process

Sub Prime Underwriting Process

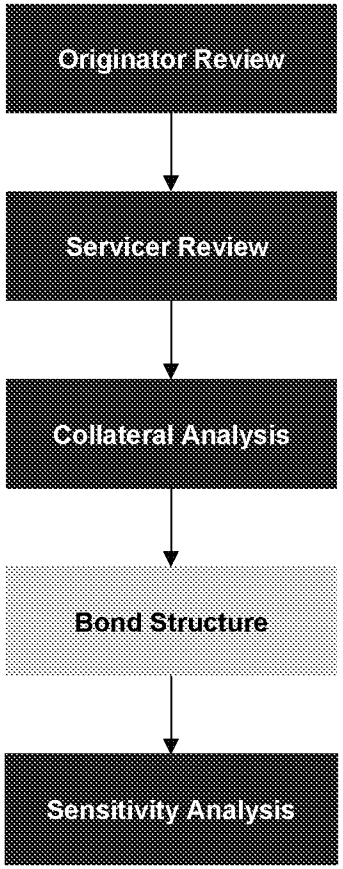


Collateral Analysis

- BNB stratifies each loan pool in order to evaluate the distributions of:
  - FICO
  - LTV
  - DTI
  - Purpose
  - Occupancy Status
  - Property Type
  - Principal Balance
  - Geographic distribution
  - Product Type
  - I/O concentrations and reset term
  - Prepayment Penalties
  - MI Stratification
- Compares pool characteristics and distributions to originators other pools
- Performs originator vintage analysis of delinquency, loss and recovery trends
- Forecasts Expected Loss Curve

BNB Structured Finance Investment Process

Sub Prime Underwriting Process

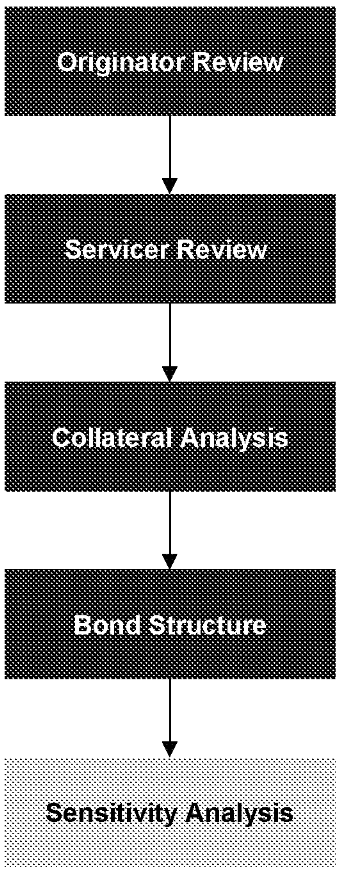


Bond Structure

- Review of deal waterfalls
- Delinquency and loss performance triggers
- Hedging of Available Funds Cap Risk
- Use of hedge cashflow as credit enhancement
- Absolute Initial Credit Enhancement levels compared to originator's prior transactions and pools with similar characteristics

BNB Structured Finance Investment Process

Sub Prime Underwriting Process



Sensitivity Analysis

- The focus of BNB's stress testing is on:
  - expected loss compared to the security's ability to withstand loss; and
  - robustness of the security's interest rate hedging across various prepayment speeds and Libor stresses
- For each transaction, BNB develops an Expected Cumulative Loss Curve ("BNB Loss Curve")
- Using the BNB Loss Curve and BNB's Libor Curve, the hedging of the transaction is stressed, through varying speed and Libor
- BNB generates the "Break Multiple", comparing the BNB Expected Loss vs 1st Dollar of Loss
- BNB requires minimum break multiples for each rating category

BNB Structured Finance Investment Process

Summary of BNB Sub Prime Underwriting Process

MBS UNDERWRITING PROCESS

BNB Deal Database

- Issuer recent deals
- Credit Enhancement
- Loan Characteristics
- Borrower Characteristics
- Property Characteristics
- Regional factors

BNB Issuer Files

- Underwriting overview
- Historical performance
- Prepayments, defaults, recoveries

New Issue Information

- Termsheet
- BNB Collateral Stratifications
- Intex Net
- Performance triggers
- Loss Coverage

BNB Research Database

- Structural Consideration
- Regional

→

- Expected Cumulative Loss Timing of Loss (Prepay, Default, Recovery Curve)
- BNB Libor Curve

→

Security Structures

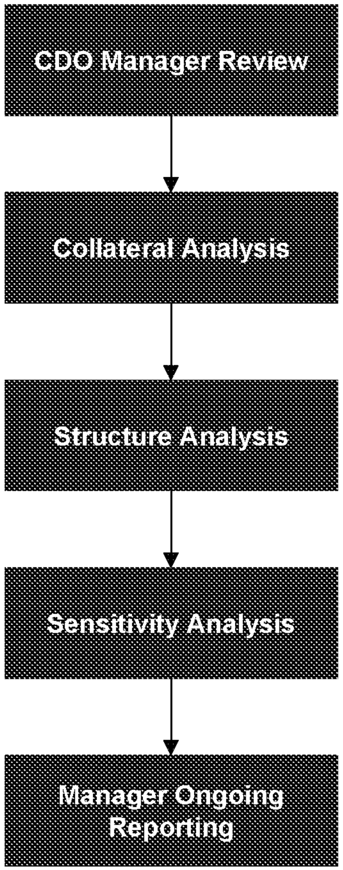
- Cashflow Triggers
- Hedging
- Credit Enhancement

Intex

- Interest Rate Hedging performance
- First Dollar Loss
  "Expected loss vs Ability to withstand loss"
- Cumulative loss multiples
  Expected vs 1st Dollar of Loss
- Base Rating Multiples

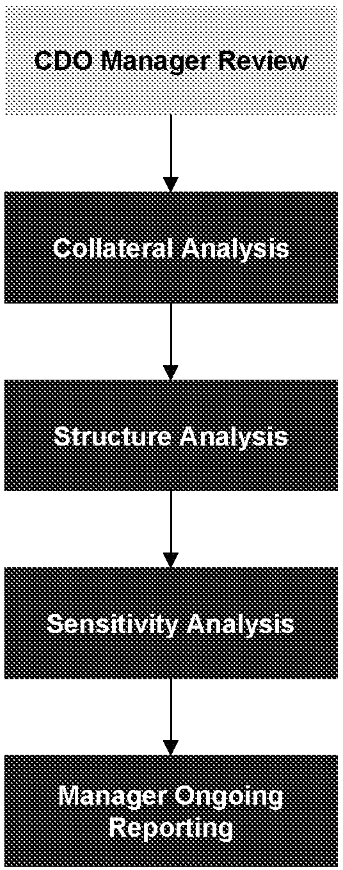
BNB Structured Finance Investment Process

CDO Underwriting Process



BNB Structured Finance Investment Process

CDO Underwriting Process

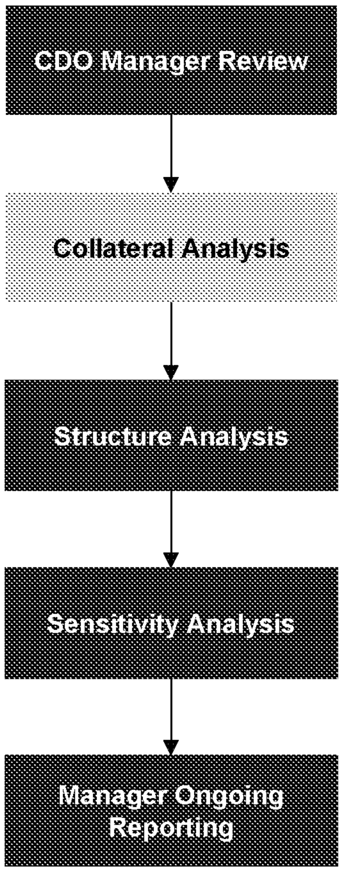


CDO Manager Review

- BNB would typically either meet or have a conference call with the CDO Manager in order to evaluate the manager's capacity to select, manage and monitor the CDO assets
- BNB focuses on the CDO:
  - organisation
  - key personnel experience
  - underwriting processes including sensitivity analysis
  - historical performances
  - systems and use of data
  - ongoing reporting

BNB Structured Finance Investment Process

CDO Underwriting Process



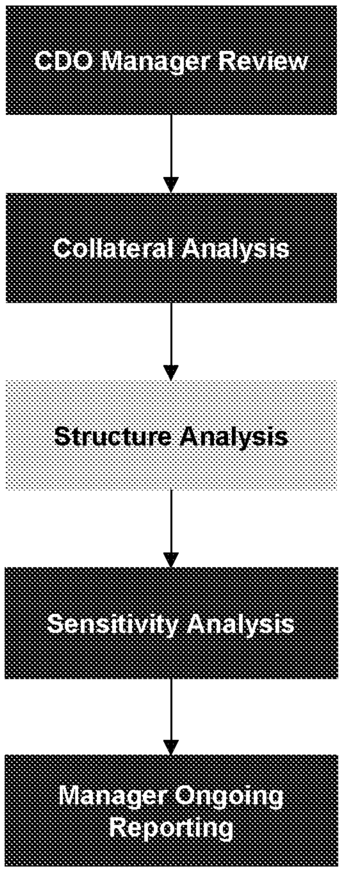
Collateral Analysis

- BNB stratifies CDO assets into asset sectors
- For off the run sectors, BNB will perform 100% due diligence on the underlying collateral
- For on the run stresses, BNB will stratify the pool based on collateral characteristics/ performance/ credit enhancement/ ratings
- For Sub Prime bonds, utilising its database, BNB will review:
  - initial collateral stratifications
  - initial and current credit enhancement
  - current delinquency buckets
  - 'BBB Credit Enhancement'
  - mortgage pool exposure to hurricane affected MSA's
  - forecast cumulative loss

Based on this review, BNB performs further due diligence on high risk positions.

BNB Structured Finance Investment Process

CDO Underwriting Process

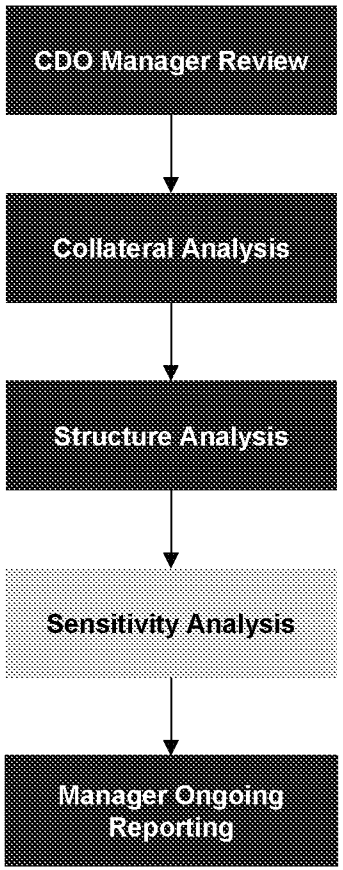


Structure Analysis

- BNB will review deal documentation and evaluate:
  - principal and interest waterfalls
  - O/C and I/C tests
  - Credit enhancement
  - if applicable, terms of any PAYG CDS contracts
  - terms of the Collateral Auction and highlight extension risks
  - bankruptcy remoteness and other legal issues
  - hedging and downgrade protection

BNB Structured Finance Investment Process

CDO Underwriting Process

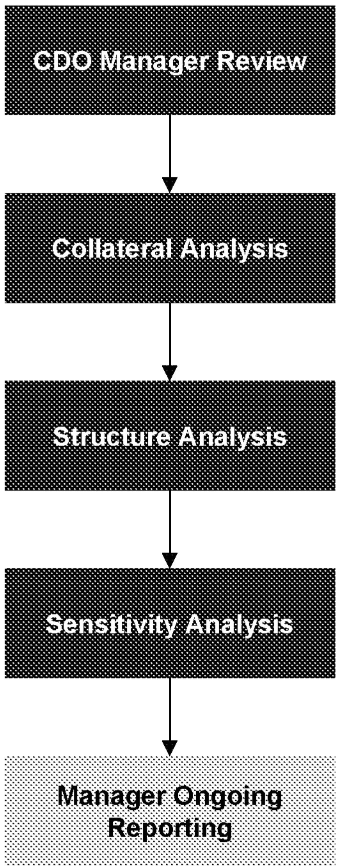


Sensitivity Analysis

- Objective of the BNB Sensitivity Analysis is to isolate and calculate sensitivity for the key market and structure risks for the tranche of BNB's potential investment
- BNB provides stress scenarios detailed per asset class (eg sub prime, stress Libor, slow speed) with the output being performance of the I/C tests
- For O/C tests, BNB generates assumed default scenarios based on results of collateral analysis to determine Expected Loss Multiples
- BNB calculates Loss Multiples based on Moody's Expected Loss (Ratings/Asset Class/Duration)

BNB Structured Finance Investment Process

CDO Underwriting Process



Manager Ongoing Reporting

- Ongoing manager reporting is very important for the ongoing surveillance of CDO's
- BNB prefers to invest in CDO's that are modeled on Intex

D. Biographical Information(1)

(1) There can be no assurance that the professionals currently employed by Babcock and Brown will continue to be employed by the Manager or that the past performance or success of any such professional serves an indicator of such professional's future performance or success.

Biographical Information

Investment Professionals

Steven Fleming

Mr Fleming has over 14 years experience in the industry and is co-head of Babcock & Brown Capital Markets. Mr Fleming joined Babcock & Brown in its Sydney office in 2001 and since this time has arranged and executed a number of securitisations across different asset classes including a Credit Tennant Lease transaction, a securitisation of a future instalment due on a Initial Public Offering and a Corporate Securitisation.

Prior to joining Babcock & Brown, Mr Fleming was Director, Trading for the Capital Company of America ("CCA"), based in New York. CCA was Nomura's Commercial Mortgage conduit. Prior to CCA, Mr Fleming was based in London for five years and was an Associate Director in Nomura's Principal Finance Group ("PFG"). At PFG, Mr Fleming was responsible for managing the interest rate risk of PFG transactions as well as structuring and trading Asset Backed Securities across multiple asset classes including sub prime mortgages, pub securitisation and corporate securitisations.

Prior to joining Nomura in London in 1995, Mr Fleming worked for Credit Suisse First Boston in London and Price Waterhouse in Sydney.

Mr Fleming holds a Masters of Economics from Macquarie University, Bachelor of Commerce from the University of Queensland and was a Member of the Institute of Chartered Accountants, Australia. Mr Fleming is based in the Brisbane office of Babcock & Brown.

Brett Cairns

Mr Cairns has over 14 years experience in the industry and is co-head of Babcock & Brown Capital Markets. Mr Cairns joined Babcock & Brown in 2002 from Merrill Lynch where he worked for 8 years and was a Managing Director, member of the Executive Management Committee and Head of Debt Markets for Australia and New Zealand. During this time Mr Cairns originated, structured and executed a range of debt related transactions for a number of leading Australian and New Zealand corporations and financial institutions. These transactions involved issuance across a variety of markets, including the public and private US, European, Japanese and Australian capital markets. The scope of these transactions ranged from the raising of senior and subordinated funds to hybrid capital and structured debt securities. He has extensive experience in analysing capital structures, ratings and assessing the optimal market in which to raise capital.

Prior to joining Merrill Lynch, Mr Cairns worked for three and a half years at Credit Suisse Financial Products, the derivates affiliate of the Credit Suisse/ CSFB group. During this time he gained broad experience in developing hedging structures across the foreign exchange, interest rate, equity and commodity derivative markets.

Mr Cairns has a B.E (Hon1), PhD and MBA all from the University of Sydney. Mr Cairns is based in the Sydney office of Babcock & Brown.

Biographical Information

Investment Professionals

Michael Groom

Mr Groom joined Babcock & Brown in February 2001. During this time, Mr Groom has been a senior member of the Investment Management team and recently joined the Capital Markets team, providing both middle office and analytical support. Prior to joining Babcock & Brown, Mr Groom spent two years working in Brisbane for a stockbroking firm before moving to London where he gained valuable industry experience with several major investment banks. Mr Groom is a member of the Australian Society of Certified Practising Accountants.

Mark Nichols

Mr Nichols joined Babcock & Brown in August 2005, bringing with him legal knowledge and experience gained in Sydney and London from both major international law firms and in house roles. He has been involved in a broad range of transactions ranging from corporate finance and acquisition finance to structured finance (including securitisation), project finance and debt capital markets. Mr Nichols is admitted as a solicitor in New South Wales, England and Wales.

Jacob Rosenberg

Mr Rosenberg joined Babcock & Brown in September 2005. He was previously employed at BT Financial Group for two years where he was involved in quantitative analysis and systems development for the trading of debt securities within the Fixed Interest team as well as the assessment and selection of external fund managers.

Biographical Information

Babcock & Brown Resources

Dan Brickman

Mr Brickman coordinates the Group's Structured Finance activities worldwide. He joined Babcock & Brown in 1986. Prior to joining Babcock & Brown, Mr Brickman was Vice President and Manager of leveraged leasing for the Chrysler Capital Corporation. Mr Brickman is a graduate of Denison University. He is based in the Greenwich office (USA) of Babcock & Brown.

Richard Umbrecht

Mr Umbrecht manages the US Special Products team and coordinates the Group's Special Products activities worldwide. He joined Babcock & Brown in 1995. Prior to joining Babcock & Brown, Mr Umbrecht was a tax partner at Morgan, Lewis & Bockius where he specialised in domestic and international leasing and asset based finance transactions. Mr Umbrecht received his B.S. in Economics and Management from Widener University and J.D from Villanova University Law School where he also held a position as an adjunct professor in the Graduate Tax Program. Mr Umbrecht is based in the United States.

Michael Larkin

Mr Larkin is the Group Chief Financial Officer, joining Babcock & Brown in 2004. Prior to joining Babcock & Brown, Mr Larkin was Group Financial Controller for Lend Lease Corporation. Michael holds a Bachelor of Commerce degree from the University of New South Wales and is a member of the Institute of Chartered Accountants and the Taxation Institute of Australia. He is based in the Sydney office of Babcock & Brown.

Margaret Cole

Ms Cole is the Group General Counsel of Babcock & Brown. Ms Cole joined Babcock & Brown at the beginning of 2005. Prior to joining Babcock & Brown she was a partner in an international law firm. Ms Cole has more than 20 years experience in financing transactions, including structured transactions. She has an LLB from Sydney University and an LLM from Harvard.

6. Tax Considerations

Tax Considerations

CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a general discussion of the US federal income tax consequences of investment in securities issued by CDO issuers. The precise tax consequences of investment in the Securities may vary based on the terms thereof and the circumstances of particular prospective investors.

U.S. Federal Income Tax Considerations

- Noteholders will be required to treat the Notes as debt for U.S. Federal income tax purposes. It is expected that the Class A Notes and the Class B Notes will, and the Class C and the Class D Notes should, be treated as debt for U.S. Federal income tax purposes. No opinion will be rendered with respect to the Class E Notes.[1]
- The Class D and Class E Notes are expected to be issued with original issue discount ("OID").[2] A U.S. holder of a Note issued with OID generally must accrue OID into income on a constant yield to maturity basis without regard to cash payments actually received from the Issuer which could result in such U.S. holder owing tax on "phantom income."
- U.S. holders of Income Notes (and Notes that are treated as equity interests for U.S. Federal income tax purposes) will be treated as owning an interest in a "passive foreign investment company" ("PFIC") and are strongly urged to consult their tax advisors on the advisability of electing to treat the Issuer as a "Qualifying Electing Fund" ("QEF").
  - Upon such election, a U.S. holder will be required to currently include its pro rata share of the Issuer's ordinary income and net capital gains without regard to the cash distributions actually received from the Issuer which could result in a U.S. holder owing tax on significant amounts of "phantom income."
  - In the absence of such an election, a U.S. holder will be subject to potentially significant tax charges on gains on disposition and certain "excess" distributions (generally, distributions in any year exceeding 125% of the average amount received during the three preceding years or, if shorter, the U.S. holder's holding period). QEF inclusions or distributions from a PFIC are not eligible for either (i) the dividends received deduction or (ii) the preferential rate on dividend income.
- The Issuer could also be a controlled foreign corporation if U.S. persons that each own at least 10% of the Issuer's voting equity (for U.S. Federal income tax purposes) together own more than 50% of the Issuer's equity. If the Issuer were a CFC, a U.S. holder that owned 10% or more of the Issuer's voting equity (for U.S. Federal income tax purposes) (i) would not be subject to the PFIC rules described above and (ii) would recognize each year as ordinary income its pro rata share of the Issuer's "subpart F income" (which in the case of the Issuer would be its net earnings) without regard to the cash distributions actually received from the Issuer which could result in such 10% U.S. holder owing tax on significant amounts of "phantom income." Subpart F inclusions are generally not eligible for either (i) the dividends received deduction or (ii) the preferential rate on dividend income.
- U.S. investors that acquire Income Notes (and/or Notes that are treated as equity interests for U.S. Federal income tax purposes) at issuance will be required to file a Form 926 or a similar form with the U.S. Internal Revenue Service. **In the event that such U.S. holder fails to file any such required form, such U.S. holder could be subject to a penalty (generally up to a maximum of $100,000), computed in the amount of 10% of the fair market value of the securities purchased by such U.S. holder.** Certain tax shelter reporting requirements may also apply to such a U.S. holder.
- A U.S. tax-exempt investor should generally not be subject to unrelated business income tax ("UBIT") as a result of an investment in the Notes or the Income Notes unless such investor either (i) holds more than 50% of the Income Notes and also holds Notes or (ii) holds Notes or Income Notes that are debt-financed property.
- The Issuer expects to conduct its affairs so that it will not be treated as engaged in a trade or business within the United States for U.S. Federal income tax purposes, and accordingly, its income will not be subject to U.S. Federal income tax on a net income basis. The Issuer also expects that interest income from Collateral Debt Securities generally will not be subject to withholding tax imposed by the United States or other countries.
- If the assets of the Issuer were insufficient to repay the U.S. holders of the Income Notes or Notes in full, such holders would generally recognize a capital loss on their investment for U.S. Federal income tax purposes. In addition, a U.S. holder may be limited in its ability to use such capital losses to offset income previously recognized with respect to the Income Notes or Notes.

PROSPECTIVE INVESTORS SHOULD READ THE DISCUSSION OF U.S. TAX CONSIDERATIONS IN THE OFFERING CIRCULAR TO BE PROVIDED, WHICH WILL INCLUDE MORE DETAILED INFORMATION REGARDING THE MATTERS ABOVE. NEITHER THIS OUTLINE NOR THE DISCUSSION OF U.S. TAX CONSIDERATIONS IN THE OFFERING CIRCULAR CONSIDERS THE CIRCUMSTANCES OF PARTICULAR INVESTORS. THEY ARE NOT SUBSTITUTES FOR TAX ADVICE. AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS.

(1) *This expected treatment is based on transaction numbers as of the date of this document and may be subject to change.*
(2) *As of the closing date, based on final transaction numbers, it is possible that other Note classes could be issued with OID.*

Appendix A: Collateral Cashflow Formulas

Appendix A
Collateral Cashflow Formulas

Calculation of Collateral Defaults in each Period

Defaults = B * D / PPY

where:

B= Beginning performing collateral balance (w/o reduction for current amortization or prepayments)

D = Annual Default rate (%)

PPY = number of payments per year (e.g 4 for quarterly)

Calculation of Interest Payments in each Period

Interest = (B - Defaults) * C * DCF

where:

B= Beginning performing collateral balance (w/o reduction for current amortization or prepayments)

Defaults = defaults in the current period

C = collateral interest rate for the period

DCF = collateral daycount fraction for the period (expressed in years)

Appendix B: Additional Definition

Appendix B
Additional Definition[(1)(2)]

Overcollateralization Ratio:

As of any Measurement Date, the number (expressed as a percentage) calculated by dividing (a) the Net Outstanding Portfolio Collateral Balance on such Measurement Date by the sum of (b) the aggregate outstanding principal amount of such class of Notes and any Notes senior to such class.

(1) *Each Class of Notes shall, on any Distribution Date, be subject to mandatory redemption in the event that any Coverage Test applicable to any Class of Notes is not satisfied on the related Determination Date. Any such redemption will be effected, first, from Interest Proceeds and, second (to the extent that the application of Interest Proceeds pursuant to the Priority of Payments would be insufficient to cause such tests to be satisfied), from Principal Proceeds, in each case to the extent necessary to cause each applicable Coverage Test to be satisfied. Any such redemption will be applied to each outstanding Class of Notes in accordance with its relative Seniority and will otherwise be effected as described under "Description of the Notes – Priority of Payments" in the relevant offering circular. In some circumstances in certain transactions, redemption will be applied to each outstanding Class of Notes in reverse order of seniority.*
Definitions vary from transaction to transaction. For the definition in any given transaction, see the relevant documents for that transaction.

(2) *OC test levels are not a definitive indicator of transaction performance. Potential investors are urged to conduct their own investigation regarding the underlying asset classes, including reviewing relevant documents for the transactions noted and obtaining additional information regarding the underlying collateral. A review of the structure of each transaction is necessary in order to fully evaluate that transaction's performance.*

Appendix C: Surveillance[1]

(1) *This sample research report is included for illustrative purposes only and does not address the specific investment objectives, financial situation and the particular needs of any specific person or investor and should not be relied upon. Neither the information nor any opinion expressed in the report constitutes a solicitation or recommendation by Merrill Lynch or the Collateral Manager of the purchase or sale of any securities or investment.*

Appendix C
Surveillance

ABS Surveillance

- BNB Surveillance systems have been established from a "First Loss" investor's perspective rather than a high investment grade investors perspective
- BNB Surveillance Reports utilises loan level data in order to identify trends which may lead to rating transition. BNB surveillance is focused on early detention of rating transition

<u>**Overview of Key Information on Surveillance Reports**</u>

- **Loan Level Data & Monthly Trustee Report**
  - BNB have outsourced production of tailored Surveillance Report to a highly regarded Trustee, who obtains loan level information in order to produce reports
- **Time Series analysis of delinquency rolls**
  - This analysis is included in the monthly Surveillance Reports with appropriate triggers established to highlight negative trends
- **Estimate future losses based on aging of Delinquency buckets**
  - Using loan level data, delinquent loans are bucked by number of days the individual loans have been delinquent. BNB applies default assumptions based on the delinquent aging and loss severity assumptions to forecast expected pool losses

Appendix C
Surveillance

ABS Surveillance

- **Monitoring of Pool Losses to BNB Underwritten "Base Case"**
  - In addition to using current delinquent loan information to forecast pool losses, BNB monitors actual pool losses against the loss curve which BNB used when underwriting the transaction
- **Credit Enhancement "BBB" Forecast**
  - It is important to normalise the performance of a pool relative to the credit enhancement levels for that pool. As an "early warning" sign we calculate a BBB CE test (FC + REO) / (BBB Sub + Excess Spread) with a BNB Credit Watch Trigger set at 1.00
- **Watch List**
  - BNB establish "Triggers" which if breached will result in further investigation concerning the position. The Triggers cover the main delinquency buckets, excess spread relative to losses, OC, total CE and the BBB test described above
  - Watch list triggers have been established as forward looking tests to provide a system of predicting negative trends and rating migration

Appendix C
Surveillance

BNB Surveillance Report

SURF 2005-BC2
Specialty Underwriting & Residential Finance

As of: 26-Sep-2005
Period: 4

Surveillance Report

Deal Summary

Date:	26 September 2005
Issue:	Series 2005-BC2
Servicer:	Wilshire Servicing Corp.
Originator:	SURF Program
Issue Date:	19 May 2005
Trustee:	J.P. Morgan Chase & Co.
Bloomberg:	SURF 2005-BC2 A2C
Cusip:	84751PFT1

Exposure Summary

Tranche	Current	Vehicle
A2C	14,256,000	HG1

Collateral

Date	Outstanding Collateral Balance	WAC	WAL	CPR 1mth	CPR 3mth	CPR Life	Delinquencies 30	Delinquencies 60	Delinquencies 90	F/C	REO	DLQ 60+Day +F/C +REO	Losses Mo. Loss/ Outst. Prin Bal	Losses Cum Loss/ Orig Amt	Losses Cum. Loss Base Case	Losses Forecast Losses
Sep 05	751,302,462	7.34%	339	37.90%	32.90%	31.52%	2.799%	0.819%	0.216%	1.236%	0.071%	2.145%	0.028%	0.027%	0.000%	0.562%
Aug 05	777,158,284	7.31%	340	31.30%	29.40%	26.40%	2.428%	0.734%	0.367%	0.854%	0.009%	1.734%	0.000%	0.000%	0.000%	0.460%
Jul 05	799,445,122	7.31%	341	29.90%	0.00%	28.40%	2.098%	0.792%	0.102%	0.217%	0.002%	1.110%	0.000%	0.000%	0.000%	0.275%
Jun 05	819,537,002	7.31%	342	27.80%	0.00%	27.80%	2.022%	0.381%	0.002%	0.000%	0.002%	0.381%	0.002%	0.000%	0.000%	0.069%

Tranche Information

Tranche	Balance Original	Balance Factor	Balance Outstanding	Subordination (1) Orig	Subordination (1) Curr.	Original Ratings Fitch	Original Ratings Mdy	Original Ratings S&P	Current Ratings Fitch	Current Ratings Mdy	Current Ratings S&P	Watch List
A1A	410,851,000	0.8691802	357,104,033	20.40%	23.61%	-	Aaa	AAA	-	Aaa	AAA	neutral
A2A	155,721,000	0.7270525	113,217,343	20.40%	23.61%	-	Aaa	AAA	-	Aaa	AAA	neutral
A2B	57,802,000	1.0000000	57,802,000	20.40%	23.61%	-	Aaa	AAA	-	Aaa	AAA	neutral
A2C	14,256,000	1.0000000	14,256,000	20.40%	23.61%	-	Aaa	AAA	-	Aaa	AAA	neutral
M1	39,480,000	1.0000000	39,480,000	15.70%	18.55%	-	Aa1	AA+	-	Aa1	AA+	neutral
M2	28,980,000	1.0000000	28,980,000	12.25%	14.72%	-	Aa2	AA	-	Aa2	AA	neutral
M3	49,980,000	1.0000000	49,980,000	6.30%	8.05%	-	A2	A	-	A2	A	neutral
M4	13,650,000	1.0000000	13,650,000	4.65%	6.21%	-	A3	A-	-	A3	A-	neutral
B1	12,600,000	1.0000000	12,600,000	3.15%	4.53%	-	Baa1	BBB+	-	Baa1	BBB+	neutral
B2	9,660,000	1.0000000	9,660,000	2.00%	3.24%	-	Baa2	BBB	-	Baa2	BBB	neutral
B3	8,400,000	1.0000000	8,400,000	1.00%	2.12%	-	Baa3	BBB-	-	Baa3	BBB-	neutral
B4	8,400,000	1.0000000	8,400,000	-	1.01%	-	Ba1	BB+	-	Ba1	BB+	neutral
R	100	1.0000000	100	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-	-	-
P	-	-	-	-	-	-	-	-	-	-	-	-
Totals:	840,000,100		743,739,475									
Pool:	840,001,419		751,300,462									
O/C:	0.00		7,561,087									

(1) Excludes O/C and Excess Spread

(2) CE includes Subordination and O/C, but excludes Excess Spread

Deal Triggers

Description	Threshold	Actual	Cushion	Pass/ Fail
60 Day Dlq	8.216%	0.782%	7.434%	Pass
Cum. Loss	0.000%	0.027%		
Step Down Date	Jun-25-2008			
Step Down Senior CE	45.5%	23.61%		

BNB Triggers

Description	Threshold	M-O-M Actual	M-O-M Change	Pass/ Fail
60 Day Dlq	> 10%	0.216%	-0.170%	Pass
Foreclosure	> 10%	1.236%	0.432%	Pass
REO	> 10%	0.071%	0.062%	Pass
Cum. Loss	> 10%	0.027%	0.027%	Pass
BBB CE	> 1	0.190	0.000	Pass

Credit Enhancement

Description	Curr	Prior	Target
Excess Spread	2.693%	2.997%	N/A
Overcollateralization	1.006%	0.755%	2.350%

CE (2)	Orig	Prior	Curr	Curr > Orig	Curr > Prior
Tranche A2C	20.40%	23.58%	24.62%	Yes	Yes

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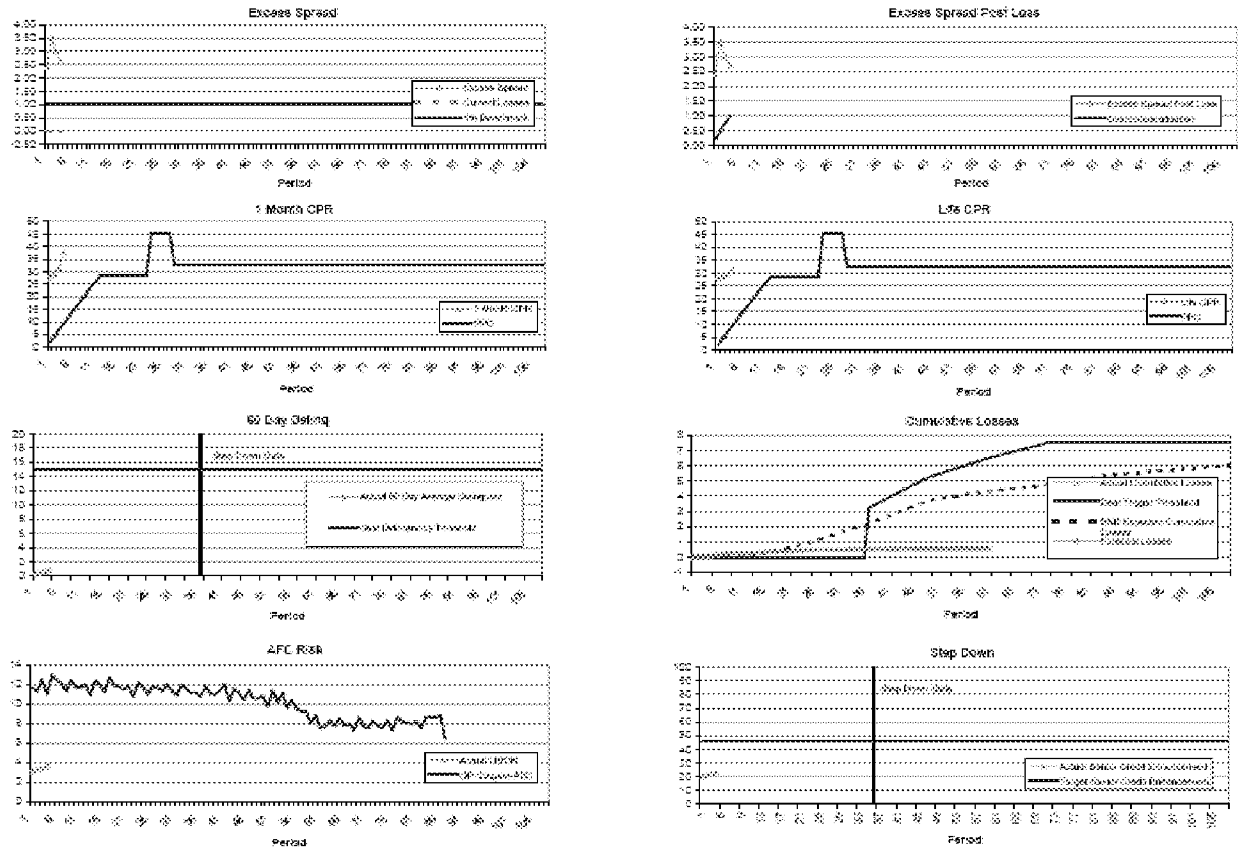
Appendix C
Surveillance

BNB Surveillance Report

SURF 2005-BC2
Specialty Underwriting & Residential Finance

As of: 25-Sep-2005
Period: 4

Surveillance Report



Page 2 of 2

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Appendix C
Surveillance

ABS CDO Surveillance

- In addition to the extensive surveillance BNB conducts on the underlying collateral, BNB utilises a wide array of tools to monitor the performance of ABS CDO's:
  - Intex: Portfolio composition, Stress Testing
  - ABS Net: ABS delinquency and performance surveillance
  - Bloomberg
  - S&P/Moody's/Fitch for credit trends, performance and surveillance
  - CDO manager reports and conference calls
  - Trustee Reports
  - Factiva: all major U.S. and International news and business publications

Appendix D: Collateral Analysis[1]

(1) This sample research report is included for illustrative purposes only and does not address the specific investment objectives, financial situation and the particular needs of any specific person or investor and should not be relied upon. Neither the information nor any opinion expressed in the report constitutes a solicitation or recommendation by Merrill Lynch or the Collateral Manager of the purchase or sale of any securities or investment.

Appendix D
Collateral Analysis

Example of Originator Review Write Up

WMC MORTGAGE

WMC Mortgage – A GE Consumer Finance Company

Bloomberg Ticker	N/A
Website	www.wmcmortgage.com

Key Contacts	*Todd Wallace* *Executive Vice President* *Capital Markets (promoted 5th August 2005)* *Greg [illegible]* *VP Applied Analytics* *Capital Markets* *(any data request)*	*Most recent contact:* • Steven Fleming met with Amy Brandt (CEO), Todd Wallace, Ray Park (VP, Capital Markets) and Greg [illegible] on Thursday 18th August 2005 at WMC's premises in Burbank. *Follow Up:* • January 2006

Overview

In June 2004, GE Consumer Finance acquired WMC Mortgage. WMC is a low cost (argues lowest cost) producer with a leading edge technology platform. Founded as Pacific western Mortgage in 1984, WMC entered the Sub Prime Residential Mortgage business in 1996. The company weathered the liquidity crunch of 1998 (in 1998 1000 people to < 200 in 2000) through dramatically reengineering its business model from the ground up. The output of this reinvention, WMCDirect was launched in 1999. GE retained the whole WMC management team and supplemented the management team with new GE management including Head of Risk, CIO etc.

WMC sells all of their production as whole loans and currently do not have a servicing platform. It is their intention that in future all loans will be service released but to 2 identified servicers. Since they have relaunched WMC Direct they have been including all in all their transactions the right to receive pool specific performance data from the servicers, hence they are in a good position to evaluate the performance of different servicers. WMC talk of a risk based approach to pricing and unlike others I believe the technology platform provides them a vehicle to implement more accurate pricing for risk.

Origination tends – August 2005

- 40 year term with 30 year bullet
- Full documentation = 2 year tax returns or 2 years W2's (no use of bank statements). Limited Doc = 12 months, Light Doc = 6 months. Streamline = Stated Income and Verified Asset. Stated Income / Stated Asset = no documentation
- Appraisal policy – WMC argue their kick out for value on whole loan sales is the lowest in the industry

Cost of Production		1.80% - 2.10%	
Broker Rebate	1.00%		Variable
Sales Comp	0.30% – 0.50%		Variable
Operational	0.50% - 0.60%		Fixed
Total Cost of production		1.80% - 2.10%	

Appendix D
Collateral Analysis

Example of Originator Review Write Up

HEL ISSUER PROFILE	WMC MORTGAGE

Research Links / Servicer information	Corporate Debt Rating (GE)			
• Company Presentation June 2005		Rating	Outlook	Last Update
• HEL Folder 1, HEL General # 9	Moody's	Aaa	Stable	
	S&P	AAA	Stable	
	Fitch	N/A		

WMC Shelf Overview

Shelf	Credit	Description
N/A		

WMC Collateral Characteristics Overview

	Total Asset Pool			Purpose					Full Doc		
	Balance			(%)					(%)		
Deal/Vintage	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	4,022	24,676	4	22%	72%	3%	6%	0%	52%	51%	59%
[illegible]	12,302	71,044	12	26%	68%	3%	6%	0%	53%	53%	55%
[illegible]	2,449	14,912	3	22%	59%	6%	7%	0%	52%	52%	52%
[illegible]	457	2,347	1	55%	74%	6%	0%	0%	47%	47%	44%

	FICO				Avg Balance ($000)			LTV			CLTV		
				NO	1st Lien		2nd Lien	(%)			(%)		
Deal/Vintage	ALL	ARM	FRM	ALL	ARM	FRM		ALL	ARM	FRM	ALL	ARM	FRM
[illegible]	641	636	658	16	240	194	61	82.7	81.2	86.5	95.6	95.4	57.5
[illegible]	641	636	654	11	220	198	57	82.2	81.4	84.7	93.7	93.6	56.2
[illegible]	638	635	650	0	206	172	54	83.3	82.4	56.5	60.3	82.4	92.5
[illegible]	640	637	650	0	193	161	49	82.9	81.6	37.5	90.5	90.7	56.2

	WAC		Margin	[illegible]			Occupancy	Property Type				
	(%)		(%)	(%)			Primary	(%)				
Deal/Vintage	ARM	FRM		First	Second	[illegible]	(%)	Condo	MF	MH	SF	PUD
[illegible]	6.53	8.25	0%	2%	1%	6.60	95%	9%	5.3	0.4	71.3	13.3
[illegible]	6.74	7.26	0%	2%	1%	6.42	94%	2%	8.1	0.4	71.9	13.0
[illegible]	7.54	8.74	0%	2%	1%	6.49	95%	7%	11.2	0.1	72.9	5.8
[illegible]	8.19	9.63	0%	1%	1%	6.49	95%	9%	5.8	0.1	70.9	13.8

	DTI			State Distribution				[illegible]
				(%)				(%)
Deal/Vintage	ALL	ARM	FRM	Top 1	Top 2	Top 3	[illegible]	
[illegible]	40	40	40	CA (50)	NY (8)	FL (4)	12	9.1
[illegible]	40	40	39	CA (50)	NY (4)	FL (4)	10	9.4
[illegible]	40	41	40	CA (52)	NY (5)	AZ (4)	10	6
[illegible]	39	40	39	CA (52)	AZ (4)	FL (4)	15	6.5

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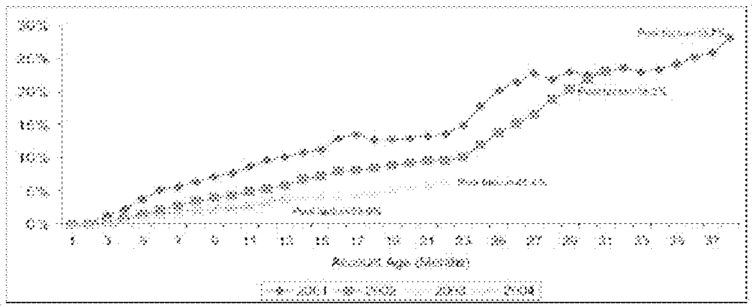
Appendix D
Collateral Analysis

Example of Originator Review Write Up

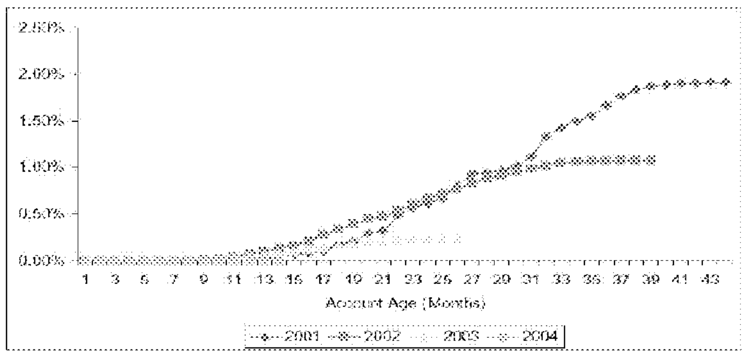
WMC MORTGAGE

WMC Collateral Characteristics Overview

WMC Loan Performance
60+ Day Delinquency by Vintage 2001-2004



WMC Loan Performance
Cumulative Net Loss by Vintage



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Appendix D
Collateral Analysis

Example of Originator Review Write Up

FULL ISSUER PROFILE | WMC MORTGAGE

WMC Collateral Characteristics Overview

Summary Deals

Summary of Public Market Deals

Summary of Public Market Deals

Security	Lead U/W	Date	Servicer	Total Deal Size ($ Millions)	$ Amt	WMC Collateral Characteristics: W/A Coupon	W/A FICO	W/A LTV	% Credit Grade AA or A
Completed Transactions									
ABSC 2001-HE3	CSFB	Sep-01	Option One	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 2002-WMC1	Salomon	Jun-02	Litton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABSC 2002-HE1	CSFB	Jun-02	Fairbanks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 2002-BC2	Lehman	Jul-02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABSC 2003-HE2	CSFB	May-03	Fairbanks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 2003-WMC[illegible]	Salomon	Sep-03	Litton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Trust 2002-WMC1 &	[illegible]	Nov-02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2003-WMC1	Merrill	Mar-03	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2003-WMC2	Merrill	Apr-03	Litton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSSTR 2003-WMC1	UBS	May-03	Chase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2003-WMC3	Merrill	[illegible]	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] 2003-WMC2	UBS	Sep-03	Chase	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABFC 2003-WMC1	[illegible]	Q4-03	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2004-WMC1	Merrill	Q1-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSSTR 2004-WMC1	UBS	Mar-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2004-WMC2	Merrill	Q1-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2004-WMC3	Merrill	Q2-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2004-WMC4	Merrill	Q3-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MLMI 2004-WMC5	Merrill	Q3-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MASTR 2004-[illegible]	UBS	Q3-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABSC 2004-HE[illegible]	CSFB	Q3-04	Saxon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABSC 2004-HE[illegible]	CSFB	Q4-04	Saxon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Greenwich 2004-WMC1	Greenwich	Q4-04	Saxon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSAC Trust 2004-WMC1	Morgan	Q4-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSAC Trust 2004-WMC2	Morgan	Q4-04	HomEq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSAC Trust 2004-WMC3	Morgan	Q4-04	Countrywide	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSAC Trust 2005-WMC1	Morgan	Q1-05	Countrywide	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABSC 2005-HE[illegible]	CSFB	Q1-05	Saxon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28 Public Deals Completed					[illegible]				

Appendix D
Collateral Analysis

Example of BNB Sub Prime Collateral Analysis

BNB Collateral Information	
Deal Name:	CWABS 2005-12
Bloomberg Ticker:	
Asset Class:	
Issuer:	
Trustee:	
Lead Manager(s)	
Issue Date:	

Originators	% Name
1	100% - Countrywide
2	
3	

Master Servicer	
1	100% - Countrywide
2	

FICO	# Loans	Principal Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
NA			0.00%	0							
below 500	11	1159642	0.17%	163578	0.0931	488	77.54%	36.21%	0.0000	0.0001	0.0009
500 to 520	128	19061477	2.72%	183422	0.0817	511	72.37%	39.97%	0.0000	0.0022	0.0251
520 to 540	202	31866676	4.54%	199902	0.0812	530	75.11%	39.20%	0.0000	0.0017	0.0349
540 to 560	309	51762547	7.38%	209614	0.0786	550	79.26%	39.27%	0.0000	0.0047	0.0519
560 to 580	548	96589492	13.77%	225475	0.0768	571	81.33%	39.52%	0.0000	0.0142	0.0763
580 to 600	684	123952745	17.68%	234118	0.0732	591	83.49%	39.71%	0.0000	0.0116	0.0919
600 to 620	690	136200856	19.42%	259950	0.0703	611	84.11%	39.53%	0.0000	0.0163	0.1145
620 to 640	538	113241377	16.15%	269027	0.0679	630	83.71%	39.60%	0.0000	0.0122	0.0868
640 to 660	262	46697984	6.66%	254693	0.0691	649	81.73%	37.01%	0.0000	0.0064	0.0382
660 to 680	171	33291193	4.75%	271497	0.0668	669	80.97%	40.32%	0.0000	0.0042	0.0286
680 to 700	106	21038100	3.00%	316080	0.0661	691	82.74%	36.70%	0.0000	0.0024	0.0160
700 to 750	106	20257606	2.89%	265105	0.0648	724	83.35%	38.95%	0.0000	0.0039	0.0133
750 plus	28	6146770	0.88%	314977	0.0639	772	86.02%	39.10%	0.0000	0.0021	0.0044
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828
FICO Mean:	606		Median:	601	Std Dev:	48.26895132					

LTV	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
Below 50	129	22435529	3.20%	260688	0.0658	602	42.13%	37.45%	0.0000	0.0054	0.0305
50 to 55	45	9593584	1.37%	255903	0.0651	589	52.89%	36.21%	0.0000	0.0020	0.0134
55 to 60	98	18710531	2.67%	236256	0.0667	600	57.83%	36.14%	0.0000	0.0031	0.0241
60 to 65	117	22256689	3.17%	238956	0.0668	596	63.12%	36.43%	0.0000	0.0036	0.0304
65 to 70	179	32920600	4.69%	239145	0.0684	594	68.40%	38.70%	0.0000	0.0030	0.0426
70 to 75	267	49644049	7.08%	253895	0.0700	599	73.68%	37.72%	0.0000	0.0061	0.0624
75 yo 80	1147	202775106	28.92%	237690	0.0702	609	79.52%	39.49%	0.0000	0.0204	0.1576
80 yo 85	423	80497102	11.48%	263344	0.0729	595	84.18%	39.30%	0.0000	0.0071	0.0875
85 yo 90	540	110236356	15.72%	271793	0.0740	605	89.53%	40.00%	0.0000	0.0101	0.1086
90 to 95	256	48644012	6.94%	242038	0.0806	602	94.77%	40.44%	0.0000	0.0054	0.0169
95 to 100	29	4954877	0.71%	195143	0.0801	622	98.35%	41.38%	0.0000	0.0000	0.0013
100 plus	553	98598031	14.06%	223834	0.0758	627	100.00%	40.49%	0.0000	0.0157	0.0077
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828
LTV Mean:	82		Median	80	Std Dev	13.5052					

DTI	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
below 20	182	26574001	3.79%	251358	0.0722	618	79.22%	15.44%	0.0000	0.0030	0.0236
20 t0 25	219	33345800	4.76%	204155	0.0719	607	77.28%	23.00%	0.0000	0.0027	0.0342
25 to 30	334	54459349	7.77%	213630	0.0723	605	80.15%	27.70%	0.0000	0.0044	0.0512
30 to 35	559	97053776	13.84%	227052	0.0718	606	80.57%	32.66%	0.0000	0.0088	0.0805
35 to 40	671	123734916	17.64%	246096	0.0725	605	82.31%	37.69%	0.0000	0.0162	0.1039
40 to 45	735	141466538	20.17%	248764	0.0725	609	83.50%	42.56%	0.0000	0.0154	0.1097
45 to 50	892	184040079	26.24%	264920	0.0725	604	84.08%	47.72%	0.0000	0.0252	0.1438
50 to 55	191	40592007	5.79%	269700	0.0691	608	79.80%	52.20%	0.0000	0.0061	0.0358
55 to 60			0.00%	0							
60 plus			0.00%	0							
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.13%	0.0000	0.0820	0.5828
DTI Mean:	39		Median	39	Std Dev	10.0249					

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Appendix D
Collateral Analysis

Example of BNB Sub Prime Collateral Analysis

Purpose	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
					Weighted Average Collateral Characteristics						
Purchase	1528	268318324	38.26%	229181	0.0754	613	89.84%	40.24%	0.0000	0.0361	0.0000
Refinance (no Cash)	161	24264416	3.46%	185160	0.0740	606	83.33%	37.93%	0.0000	0.0023	0.0000
Refinance (Rate Term)			0.00%	0							
Cash Out Refinance Below 70% LTV	510	98837531	14.09%	247901	0.0664	597	58.30%	37.38%	0.0000	0.0159	0.1409
Cash Out Refinance with LTV 70.1% - 75%	227	43764272	6.24%	260877	0.0693	595	73.58%	37.49%	0.0000	0.0047	0.0624
Cash Out Refinance with LTV 75.1% - 80%	597	110510218	15.76%	254440	0.0692	604	79.22%	38.68%	0.0000	0.0103	0.1576
Cash Out Refinance with LTV 80.1% - 85%	313	61346385	8.75%	274284	0.0715	599	84.11%	39.31%	0.0000	0.0051	0.0875
Cash Out Refinance with LTV 85.1% - 90%	358	76131700	10.86%	278032	0.0725	607	89.42%	40.32%	0.0000	0.0061	0.1086
Cash Out Refinance with LTV > 90%	89	18093620	2.58%	245734	0.0791	625	96.44%	41.92%	0.0000	0.0015	0.0258
			0.00%	0							
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Occupancy Status	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
					Weighted Average Collateral Characteristics						
Owner Occupied	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828
Investment											
2nd / Vacation / other											
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Documentation Type	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
					Weighted Average Collateral Characteristics						
Full Documentation	3317	607313783	86.60%	242654	0.0719	604	83.16%	39.45%	0.0000	0.0677	0.5011
Limited Documentation	1	102913	0.01%	102913	0.0688	636	81.91%	49.95%	0.0000	0.0000	0.0000
Stated Documentation with LTV < 70%	126	24338737	3.47%	270884	0.0692	611	57.08%	36.47%	0.0000	0.0048	0.0324
Stated Documentation with LTV 70.1% - 75%	52	11415508	1.63%	320527	0.0739	621	73.69%	38.61%	0.0000	0.0021	0.0125
Stated Documentation with LTV 75.1% - 80%	172	32592081	4.65%	245382	0.0723	635	79.58%	38.82%	0.0000	0.0030	0.0200
Stated Documentation with LTV 80.1% - 85%	52	11161265	1.59%	263213	0.0776	593	84.49%	39.91%	0.0000	0.0014	0.0083
Stated Documentation with LTV 85.1% - 90%	53	12188757	1.74%	277152	0.0799	622	89.63%	39.40%	0.0000	0.0021	0.0082
Stated Documentation with LTV > 90%	10	2153421	0.31%	243740	0.0861	641	95.54%	39.72%	0.0000	0.0008	0.0004
No Ratio			0.00%	0							
NINA			0.00%	0							
No Doc			0.00%	0							
Other			0.00%	0							
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Property Type	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
					Weighted Average Collateral Characteristics						
Single Family	2943	531655733	75.81%	241175	0.0722	605	81.97%	39.03%	0.0000	0.0000	0.4673
Planned Unit Development (PUD)	539	112111274	15.99%	266864	0.0720	608	83.53%	39.93%	0.0000	0.0000	0.0720
2-4 Unit	61	13902192	1.98%	279642	0.0698	626	73.21%	42.01%	0.0000	0.0198	0.0130
Townhouse											
Condo	218	41989069	5.99%	245180	0.0721	611	83.44%	40.47%	0.0000	0.0599	0.0290
MH	22	1608198	0.23%	86967	0.0925	595	70.30%	36.06%	0.0000	0.0023	0.0015
Other											
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

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Appendix D
Collateral Analysis

Example of BNB Sub Prime Collateral Analysis

UPB :	# Loans	Balance $	%	WA Loan Balance $	WAC	FICO	%LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
below $50,000	69	2511027	0.36%	36195	0.1043	611	74.46%	28.85%	0.0000	0.0005	0.0018
$50,001 to $75,000	172	11258004	1.61%	66220	0.0865	604	81.71%	31.91%	0.0000	0.0015	0.0088
$75,001 to $100,000	478	42642562	6.08%	89794	0.0794	599	82.32%	36.61%	0.0000	0.0040	0.0290
$100,001 to $125,000	600	67951056	9.69%	113709	0.0765	598	82.06%	36.99%	0.0000	0.0052	0.0487
$125,001 to $150,000	436	59981448	8.55%	137965	0.0758	597	82.38%	38.57%	0.0000	0.0075	0.0449
$150,001 to $200,000	757	130863217	18.66%	174076	0.0728	602	82.11%	39.13%	0.0000	0.0154	0.1063
$200,001 to $250,000	436	97207845	13.86%	223862	0.0712	604	82.25%	39.97%	0.0000	0.0118	0.0779
$250,001 to $300,000	328	89484292	12.76%	273626	0.0691	609	81.35%	40.00%	0.0000	0.0132	0.0805
$300,001 to $350,000	199	64412005	9.19%	324317	0.0696	608	82.51%	41.35%	0.0000	0.0069	0.0589
$350,001 to $400,000	137	51609863	7.36%	377282	0.0685	612	82.85%	41.33%	0.0000	0.0071	0.0420
$400,001 to $450,000	72	30516176	4.35%	424257	0.0691	617	81.26%	41.71%	0.0000	0.0018	0.0297
$450,000 to $500,000	56	26292310	3.75%	469870	0.0679	618	82.17%	39.55%	0.0000	0.0046	0.0255
$500,001 to $600,000	30	16394784	2.34%	548435	0.0653	635	84.63%	38.58%	0.0000	0.0015	0.0163
$600,001 to $700,000	4	2651800	0.38%	663038	0.0644	611	87.27%	45.94%	0.0000	0.0000	0.0028
$700 001 plus	9	7490078	1.07%	847798	0.0605	661	76.30%	40.04%	0.0000	0.0010	0.0096
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Min	1649	Max	1000000

State :	# Loans	Balance $	%	WA Loan Balance $	WAC	FICO	%LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
CA	626	180558296	25.75%	339722	0.0653	615	76.85%	39.47%	0.0000	0.0279	0.1935
FL	299	49457194	7.05%	203371	0.0728	606	82.03%	39.13%	0.0000	0.0083	0.0401
TX	283	34921394	4.98%	148952	0.0776	604	85.58%	38.90%	0.0000	0.0002	0.0123
IL	179	29922197	4.27%	206151	0.0741	616	84.98%	40.04%	0.0000	0.0065	0.0234
GA	168	23822642	3.40%	174093	0.0798	596	86.23%	39.47%	0.0000	0.0004	0.0160
AZ	151	25536522	3.64%	197734	0.0705	603	79.63%	37.90%	0.0000	0.0012	0.0226
MD	125	27146987	3.87%	261692	0.0724	590	80.86%	40.74%	0.0000	0.0023	0.0290
NJ	124	27770497	3.96%	264767	0.0747	600	81.23%	41.49%	0.0000	0.0048	0.0238
WA	117	23696582	3.38%	259638	0.0704	610	86.17%	39.10%	0.0000	0.0014	0.0203
NC	116	14578524	2.08%	154214	0.0806	588	87.18%	38.52%	0.0000	0.0008	0.0088
MI	115	16084756	2.29%	159160	0.0777	600	87.19%	38.04%	0.0000	0.0015	0.0107
NY	110	28529816	4.07%	306753	0.0697	607	76.33%	40.99%	0.0000	0.0055	0.0254
OH	110	12564296	1.79%	148818	0.0814	588	86.32%	37.03%	0.0000	0.0007	0.0079
MN	99	19642784	2.80%	227552	0.0745	611	88.14%	40.53%	0.0000	0.0010	0.0133
PA	82	11523212	1.64%	187661	0.0748	601	86.14%	38.16%	0.0000	0.0004	0.0096
Total	2704	525755699	74.97%	256081	0.0713	607	81.23%	39.48%	0.0000	0.0631	0.4567

California Breakdown :	# Loans	Balance $	%	WA Loan Balance $	WAC	FICO	%LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
CA North	210	64086256	9.14%	357109	0.0655	617	79.65%	39.75%	0.0000	0.0046	0.0692
CA South	416	116472040	16.61%	330155	0.0652	614	75.31%	39.32%	0.0000	0.0233	0.1243
Other	3157	520708170	74.25%	213408	0.0746	603	83.92%	39.25%	0.0000	0.0541	0.3893
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Fixed/Floating :	# Loans	Balance $	%	WA Loan Balance $	WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cashout
2 Year ARM	644	101681089	14.50%	208255	0.0748	602	81.87%	38.28%	0.0000	0.0124	0.0776
2 Year ARM IO	422	107226450	15.29%	303962	0.0696	607	85.78%	40.46%	0.0000	0.0165	0.0737
Fixed	708	132984478	18.96%	264142	0.0679	629	76.70%	37.73%	0.0000	0.0129	0.1529
3 Year ARM	1433	225817297	32.20%	199653	0.0760	595	82.36%	39.47%	0.0000	0.0279	0.1748
3 Year ARM IO	561	130890143	18.66%	289749	0.0702	607	84.47%	40.51%	0.0000	0.0120	0.1007
5 Year ARM											
Other	15	2667009	0.38%	209122	0.0639	570	74.99%	39.05%	0.0000	0.0003	0.0032
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Appendix D
Collateral Analysis

Example of BNB Sub Prime Collateral Analysis

Months to Rate Reset:	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
< 13	128	9565969	1.36%	115199	0.0931	587	77.62%	32.29%	0.0000	0.0018	0.0088
13 - 24	979	203578510	29.03%	262099	0.0712	604	83.97%	39.59%	0.0000	0.0277	0.1475
25 - 36	1968	355137509	50.64%	233365	0.0738	599	83.18%	39.92%	0.0000	0.0396	0.2736
37 - 49											
N/A	708	132984478	18.96%	264142	0.0679	629	76.70%	37.73%	0.0000	0.0129	0.1529
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Interest Only Periods (months)	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
0	2748	447850560	63.86%	213802	0.0737	604	80.62%	38.64%	0.0000	0.0519	0.3915
1 - 24	402	102244272	14.58%	305177	0.0695	607	85.83%	40.39%	0.0000	0.0160	0.0698
25 - 36	532	124415897	17.74%	291129	0.0701	607	84.62%	40.49%	0.0000	0.0116	0.0960
37 - 60	101	26755737	3.82%	347140	0.0666	630	81.03%	40.98%	0.0000	0.0025	0.0255
61 +											
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Lien:	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
1st Lien	3783	701266466	100.00%	245931	606.2500	1	39.31%	0.00%	0.0820	0.5828	0.0002
Second Liens with LTV below 85%			0.00%	0							
Second Liens with LTV 85.1% - 90%			0.00%	0							
Second Liens with LTV 90.1% - 95%			0.00%	0							
Second Liens with LTV above 95%			0.00%	0							
Other			0.00%	0							
Total	3783	701266466	100.00%	245931	606.2500	1	39.31%	0.00%	0.0820	0.5828	0.0002

Prepayment:	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
None	1203	210491074	30.02%	227714	0.0765	600	84.04%	40.02%	0.0000	0.0259	0.1643
6 Months	3	198877	0.03%	87286	0.0861	602	85.79%	17.90%	0.0000	0.0000	0.0003
1 Year	174	37658446	5.37%	287924	0.0713	610	78.56%	38.43%	0.0000	0.0031	0.0355
2 Year	1056	207970930	29.66%	254397	0.0709	605	83.38%	39.38%	0.0000	0.0291	0.1549
3 Year	1011	180212251	25.70%	233527	0.0710	603	80.92%	39.00%	0.0000	0.0161	0.1544
5 Year	334	64401185	9.18%	289181	0.0656	637	76.94%	38.19%	0.0000	0.0078	0.0734
Other	2	333703	0.05%	167599	0.0839	595	97.33%	42.39%	0.0000	0.0000	0.0000
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Index:	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
Libor - 6 Month	3075	568281988	81.04%	241669	0.0732	601	83.37%	39.68%	0.0000	0.0691	0.4299
Libor - 1 Month											
Fixed Rate	708	132984478	18.96%	264142	0.0679	629	76.70%	37.73%	0.0000	0.0129	0.1529
Other											
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

Mortgage Insurance:	# Loans	Balance $	%	WA Loan Balance $	Weighted Average Collateral Characteristics						
					WAC	WA Ave FICO	WA %LTV	% DTI	Non - Prim	Non SF/PUD	Refi Cachout
80 plus LTV with MI	2	125926	0.02%	63749	0.1039	567	84.68%	34.11%	0.0000	0.0000	0.0002
80 plus LTV without MI	2704	494315089	70.49%	241750	0.0740	609	88.43%	39.85%	0.0000	0.0552	0.3204
below 80 LTV with MI											
Not covered by MI	1077	206825451	29.49%	256034	0.0678	600	66.98%	38.00%	0.0000	0.0268	0.2622
Other											
Total	3783	701266466	100.00%	245931	0.0722	606	82.10%	39.31%	0.0000	0.0820	0.5828

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