Global Structured Products

Merrill Lynch

June 2006
Pricing Information
Subject to Completion

This Preliminary Information outlines certain characteristics of a proposed collateralized debt obligation transaction ("CDO"). This material is presented solely for purposes of discussion, to determine preliminary interest in investing in a transaction with the general characteristics described. This transaction is in a structuring phase and there may be material changes to the structure and collateral prior to the securities being offered (such securities, the "Offered Securities").

THE OFFERING:

$1,704.9 million Collateralized Debt Obligation ("Ipswich") Notes and Preferred Shares issued by Ipswich Street CDO, Ltd.

MFS INVESTMENT MANAGEMENT

COLLATERAL MANAGER:

Massachusetts Financial Services Investment Management.

	CLASS A-1 NOTES (1)(2)(3)	CLASS A-2 NOTES (1)(2)	CLASS B NOTES (1)(2)	CLASS C NOTES (1)(2)	CLASS D NOTES (1)(2)	CLASS E NOTES (1)(2)	PREFERRED SHARES (1)(2)
Principal	$1,530,000,000	$60,000,000	$62,000,000	$25,000,000	$10,000,000	$7,900,000	$10,000,000
% of Liabilities	89.7%	3.5%	3.6%	1.5%	0.6%	0.5%	0.5%
Coupon	1m L + .22%	3m L + .42%	3m L + .53%	3m L + 1.35%	3m L + 3.25%	3m L + 6.25%	3m L + .42%
Expected Rating	Aaa/AAA/AAA (6)	Aaa/AAA/AAA (6)	Aa2/AA/AA (6)	A2/A/A (6)	Baa2/BBB/BBB (6)	Ba1/BB+/BB+ (6)	Not Rated
Rating Agency	Moodys/S&P/Fitch	Moodys/S&P/Fitch	Moodys/S&P/Fitch	Moodys/S&P/Fitch	Moodys/S&P/Fitch	Moodys/S&P/Fitch	N/A
Average Life (4)	7.3	7.3	7.3	7.3	6.9	6.9	N/A
Stated Maturity	August 4, 2046	August 4, 2046	August 4, 2046	August 4, 2046	August 4, 2046	August 4, 2046	August 4, 2046
Denomination	$250,000 min $1,000 incr	$250,000 min $1,000 incr	$250,000 min $1,000 incr	$250,000 min $1,000 incr	$250,000 min $1,000 incr	$250,000 min $1,000 incr	$250,000 min $1,000 incr (5)

(1) The transaction is at a structuring phase, the actual characteristics of the offered securities may differ from those presented herein. Definitions and other terms will be fully described in the Offering Circular. Please see [18-22] for further information on the structure.
(2) Payments on the Notes and Preferred Shares will be made quarterly.
(3) The Class A-1 Notes will not be fully funded at Closing—they will be Delayed Draw.
(4) Based on an [8] year auction call. See "Transaction Highlights" in the Confidential Discussion Material for a description on modeling assumptions.
(5) With some limited exceptions.
(6) 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."

For further important information, please see "Ipswich Street - Transaction Highlights" page [18].

STRUCTURE

Issuer:	Ipswich Street CDO, Ltd.
Collateral Manager:	Massachusetts Financial Services Investment Management
Closing Date:	June 27, 2006
Coupon Payment Dates:	Quarterly, except for Class A-1, which is paid Monthly
Ramp Up Period:	At least 70% of the portfolio has been purchased or identified by closing; 4 month ramp up period
Non Call Period:	5 years (thereafter, all of the Notes and Preferred Shares may be called by a supermajority ($66\frac{2}{3}$%) vote of the Preferred Shares)
OC Test Cures:	In the event that the Class A/B Coverage Test is breached in the interest waterfall, interest will be used first to pay down the Class A-1 Notes, then the Class A-2 Notes, and then the Class B Notes. In the event that a Class A/B Coverage Test is breached in the principal waterfall, principal will be used to pay down the most senior outstanding Class of Notes. In the event that a Class C Coverage Test is breached in the interest waterfall, interest will be used first to pay down the Class C Notes, then the Class B Notes, then the Class A-2 Notes and finally the Class A-1 Notes. In the event that a Class C Coverage Test is breached in the principal waterfall, principal will be used to pay down the most senior outstanding Class of Notes. In the event that a Class D Coverage Test is breached in the interest waterfall, interest will be used first to pay down the Class D Notes, then the Class C Notes, then the Class B Notes, then the Class A-2 Notes and finally the Class A-1 Notes. In the event that a Class D Coverage Test is breached in the principal waterfall, principal will be used to pay down the most senior outstanding Class of Notes. In the event that a Class E Coverage Test is breached in the interest waterfall, interest will be used first to pay down the Class E Notes.
Reinvestment Period:	5 years – subject to manager discretion. Discretionary trading of 15% of the portfolio per annum is also permitted during this period.
Auction Call:	[8] years - Equity IRR for successful auction call: 6% in years [8-9]; no hurdle thereafter
Deleveraging Structure:	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 Ratio is triggered, or if any overcollateralization test is not satisfied. If pro rata paydowns have been stopped due to non-compliance with an overcollateralization test, pro rata paydowns may commence when compliance with such overcollateralization test has been restored. In the event that either 50% of the collateral has amortized or the Sequential Pay Ratio is breached, the deal will permanently pay down the Notes in Sequential order. If the Class A/B, Class C, Class D, or Class E OC Coverage Test fails it will cure sequentially and once cured the deal will return to a pro rata paydown structure. In addition, 10% during the first 3 years and thereafter 20% of all Preferred Share cashflows are diverted to paydown Class D and Class E Notes prorata.

For further important information, please see "Ipswich Street – Transaction Highlights" pages [19-21].

COLLATERAL ASSUMPTIONS	Portfolio Target	COLLATERAL ASSUMPTIONS	Portfolio Target
Minimum Weighted Average Coupon	5.90%	Max Weighted Average Life	7.0 Years
Minimum Weighted Average Floating Spread	0.52%	Maximum Single Issuer Concentration	2.5% (2)
Maximum % Fixed	10%	Maximum CDOs	30.0%
Maximum Weighted Average Rating	60 (Aa3/A1) (1)	Maximum Single Servicer Concentration	7.5% (6)
Maximum Correlation	0.165 (1)	Maximum "A1", "A2", or "A3" Rated	40%
Minimum Collateral Rating	A3		
Maximum Synthetic Assets	25%		

COVERAGE TESTS	Test Level (3)	Initial (4)
Sequential Pay Ratio	[104.42]%	[106.92]%
Class A/B Overcollateralization Test	[101.41]%	[102.91]%
Class C Overcollateralization Test	[100.27]%	[101.37]%
Class D Overcollateralization Test	[100.37]%	[100.77]%
Class E Overcollateralization Test	[100.00]%	[100.30]%

(1) 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.
(2) With a limited number of exceptions.
(3) Test Level represents the levels that must be passed in order not to cause accelerated redemption of the Notes.
(4) Initial represents expected characteristics of target portfolio.

For further information on the Collateral Assumptions and the Coverage Tests, please see "Ipswich Street – Transaction Highlights" page [19].

MANAGEMENT FEE STRUCTURE	
Senior Management Fee:	10.0 bps per annum
Incentive Management Fee	20.0% of excess cash flows once an Equity IRR of 15.0% is acchieved
Closing Fees (5)	****

(5) 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, upfront fees to the Collateral Manager, 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 Offered Securities. Rating agencies will consider the amount of net proceeds available to purchase Collateral in determining any ratings assigned by them to the Offered Securities. For information about the amount of such fees and expenses, please review the final Offering Circular before investing.
(6) With certain exceptions.

For further important information, please see "Ipswich Street – Transaction Highlights" page [20].

For Further Information, Please Contact:

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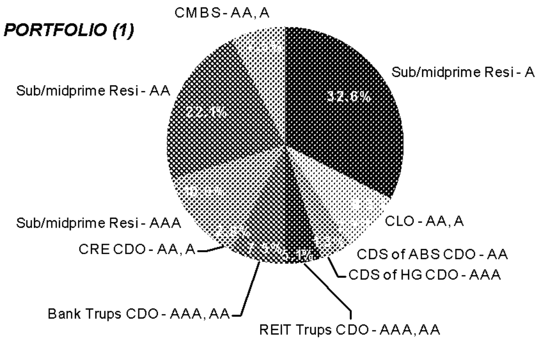
REPRESENTATIVE PORTFOLIO (1)



NOTE: This is an indicative portfolio. All information shown on this page is for illustrative purposes only. The actual structure of the final transaction, including the composition of the collateral to be acquired, will be determined at or around the time of pricing of the Notes based upon market conditions and other factors applicable at that time.

Please see "Ipswich Street Portfolio – Portfolio Composition for Illustrative Purposes" (p 16) for further information on the representative portfolio.

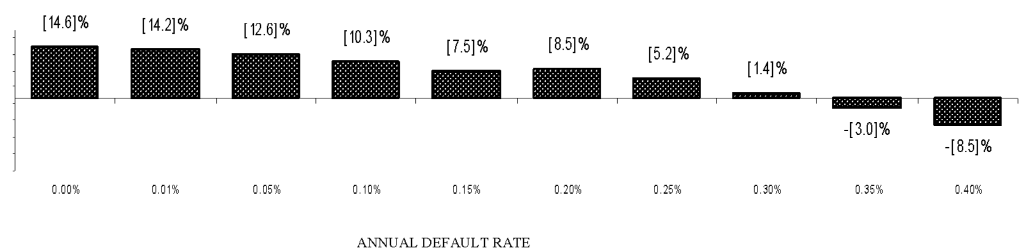
About Massachusetts Financial Services Investment Management [1]

- Massachusetts Financial Services Company d//b/a MFS Investment Management ("MFS") invented the mutual fund with the introduction of America's first mutual fund in 1924
- MFS is a significant investor and has been a long time participant in the structured products area with $13 billion of structured products under management
- Integrated fundamental collateral credit analysis with structural expertise enables MFS to identify the optimal point in the capital structure in which to invest
- Focus on long-term steady income generation rather than short-term trading gains
- Conservative portfolio construction focused on bonds with asymmetric upside potential through positive rating actions
- Daily CDO compliance testing and reporting on each quality and coverage test
- MFS Structured Products Group leverages resources throughout MFS for overall market perspective, credit underwriting, economic analysis, quantitative analysis, risk management, and reporting

(1) Source: MFS, as of December 31, 2005

Please see "About the Collateral Manager – Introduction to MFS Investment Management" (p. [37-62]) for further information on the Collateral Manager.

HYPOTHETICAL ILLUSTRATION IRR ON PREFERRED SHARES [2]



Please see "Transaction Highlights – Preferred Share IRR" (p. [24]) for further information on Preferred Share IRR.

BREAK IN YIELD AND 0% YIELD DEFAULT RATES [(1)(2)(3)(4)(5)]	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 Delayed Draw Senior Floating Rate Notes (Aaa/AAA/AAA)	[6.2%]	[30.5%]	[34.3%]	[83.2%]
Class A-2 Second Priority Senior Floating Rate Notes (Aaa/AAA/AAA)	[4.2%]	[22.0%]	[5.7%]	[28.4%]
Class B Third Priority Senior Floating Rate Notes (Aa2/AA/AA)	[2.3%]	[12.7%]	[3.8%]	[20.1%]
Class C Fourth Priority Senior Deferrable Floating Rate Notes (A2/A/A)	[0.8%]	[4.6%]	[1.7%]	[9.7%]
Class D Fifth Priority Mezzanine Floating Rate Notes (Baa2/BBB/BBB)	[0.7%]	[4.3%]	[0.9%]	[5.4%]
Class E Sixth Priority Mezzanine Floating Rate Notes (Ba1/BB+/BB+)	[0.4%]	[2.5%]	[0.7%]	[4.0%]

*(1) **"Break in yield"** is the default rate at which the first dollar loss in promised coupon or 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 [0.54]% and weighted average coupon of [5.90]%.

(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 offered securities may differ from those presented herein.

(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.

(5) Future market and economic conditions are impossible to predict. Future market or historical economic conditions that materially differ from those on which the assumptions are based may have a negative impact on the performance of Ipswich Street CDO. For these reasons, there are limitations on the value of this or any hypothetical illustration. This information is not intended to be either an express or implied guaranty of investment performance. See "Important Notice" at the beginning of the Material.

Please see "Transaction Highlights – Structuring Assumptions" (p. [23]) for further information on Break in Yield and 0% Yield Default Rates.

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

Please review "Section 4 – Risk Factors" and "Section 5 – Tax Considerations." In addition, risks of investing in the Offered Securities will be described more fully in the preliminary and final offering circulars to be provided in connection with the offering of the Offered Securities.

Non-U.S. holders of preferred shares in a CDO including the ones being offered are likely to be treated as owning an interest in a "passive foreign investment company" and possibly also a "controlled foreign corporation". U.S. investors in CDO securities will need to consult their personal tax advisors and consider filing certain tax disclosure forms in order to avoid the potential imposition of penalties associated with an undisclosed investment in a foreign entity. Investors should direct their attention to the Tax Considerations section of the Confidential Discussion Material.