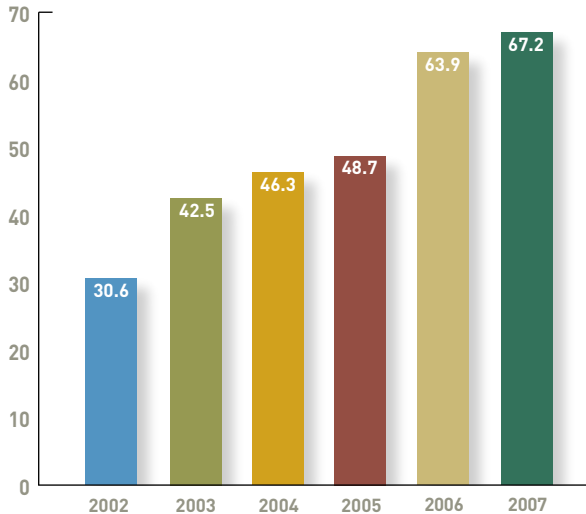




MBIA Asset Management provides specialized structured and fixed-income investment opportunities along with a broad range of services to help clients meet their investment objectives. MBIA's clients include state and local governments, academic institutions, unions and other non-profit investors. With over \$67 billion in fixed-income assets under management, MBIA Asset Management has a solid reputation and strong track record.

ASSETS UNDER MANAGEMENT

\$ in Billions, as of March 31, 2007



INVESTMENT PHILOSOPHY

MBIA Asset Management focuses on yield as a driver and carefully mitigates uncontrollable risks. MBIA brings together not only conservative investment strategies, but also sophisticated risk management tools to guide every investment decision with the goal of meeting clients' objectives for safety, liquidity and return.

INVESTMENT PROCESS

MBIA Asset Management's team uses a value driven, bottom-up investment selection process across the spectrum of structured and fixed-income securities and actively manages to a risk-controlled target duration based on client mandates and benchmarks. Its portfolio managers take a disciplined, relative value approach to investment selection, striving to outperform recognized industry benchmarks while maintaining the safety of each client's principal.

PEOPLE

MBIA Asset Management's team consists of highly respected and experienced portfolio managers and credit analysts. With 15 years of average experience, all key professionals have advanced degrees or hold the designation of Chartered Financial Analyst. The team conducts almost all of its own research and executes internal research through a dynamic process. Each credit analyst is charged with specific sector responsibility to develop in-depth expertise. In addition, MBIA Insurance Corp.'s staff of 130 fixed-income research analysts comprises a significant proprietary resource that supplements external research from top Wall Street firms.

STRUCTURED PRODUCTS

MBIA's structured products include collateralized debt obligations and customized investment products. Focusing on risk management and preserving principal, MBIA's investment products are customized for each client's needs and benchmarks.

MBIA has solid industry experience in all sectors of the **collateralized debt obligations** market. These include arbitrage CDOs, balance sheet CLOs and other applications employing cash flow CDO technology with a variety of assets, as well as transactions employing derivative and synthetic CDO structures.

MBIA's **customized investment products** consist of investment agreements, flexible repurchase agreements, put agreements and forward delivery agreements. These investments carry MBIA's Triple-A financial guarantee, which makes it possible for clients to minimize market risk through structured withdrawals, while investing to generate attractive returns until the funds are needed.

FIXED-INCOME ASSET MANAGEMENT

The highly respected asset management team at MBIA offers a variety of fixed income products from local government investment pools and customized asset management to total return products for public entities.

Many of MBIA's **local government investment pools** are marketed under the name CLASS, the Cooperative Liquid Assets Securities System. CLASS enables local governments to pool funds with other units of government, giving them the opportunity to obtain safety of principal, daily liquidity, competitive rates, and superior service on their short-term investments.

MBIA's **Customized Asset Management** (CAM) group has been working with public finance officials for more than 15 years to develop safe, effective non-discretionary investment programs that address the need to optimize return on short- and intermediate-term funds. CAM is an active-strategy management program that is ideal for public entities of all types and sizes for operating and reserve funds and bond proceeds.

MBIA's **total return portfolios** focus on preserving principal while earning a competitive rate of return relative to each client's benchmark. We offer:

- Intermediate Bond Portfolio
- Broad Market Bond Portfolio
- Discretionary Separate Accounts

The portfolios invest in high quality fixed-income securities and seek to maintain a portfolio average duration within +/-20 percent of the applicable benchmark. Emphasis is placed on spread sectors, such as corporates, asset-backed securities and mortgage-backed securities, to drive performance.

BENEFITS OF MBIA

- Experienced team with proven track record
- Sophisticated investment strategies
- Broad range of fixed-income products
- Consistent, strong risk-adjusted returns
- Superior, client-driven service

With \$67 billion in assets under management, MBIA Asset Management is ranked 75th out of 760 worldwide investment management firms by Pensions and Investments.

MBIA Inc., through its subsidiaries, is a leading financial guarantor and provider of specialized financial services. MBIA's innovative and cost-effective products and services meet the credit enhancement, financial and investment needs of its public and private sector clients, domestically and internationally. MBIA Inc.'s principal operating subsidiary, MBIA Insurance Corporation, has a financial strength rating of Triple-A from Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings, and Rating and Investment Information, Inc.

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