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# **G L O B A L   ♦   D I G I T II**

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## **GLOBAL DIVERSIFIED INVESTMENT GRADE INCOME TRUST II**

### **MANAGEMENT REPORT OF FUND PERFORMANCE**

**June 30, 2009**

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements by visiting the website of National Bank Financial Inc. at [www.nbfinancial.com](http://www.nbfinancial.com) or SEDAR at [www.sedar.com](http://www.sedar.com) or, at your request, and at no cost, by calling toll-free 1-800-361-8838 (extension 5592), or by writing to us at 800 Victoria Square, Suite 3400, Montréal, Québec H4Z 1E9.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's quarterly portfolio disclosure.

# Management Report of Fund Performance

## *Forward-Looking Statements*

*This interim management report of fund performance contains “forward-looking” statements within the meaning of securities legislation which are based on certain estimations and expectations. Statements that are not historical facts, including statements about assumptions and expectations from management of the Trustee (as hereinafter defined), are forward-looking statements. Forward looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust’s control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statement. Consequently, even if the forward-looking information contained in this report is based upon what the Trust believes are reasonable assumptions, investors are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. The Trustee’s management does not undertake to publicly update any forward-looking statements to account for any new information, future events or other factors.*

Global DIGIT II Management Inc. (the “**Trustee**”) is the trustee for the issuer, Global Diversified Investment Grade Income Trust II (“**Global DIGIT II**”).

## **1. Investment Objectives and Strategies**

Following the Disengagement Transaction on January 20, 2009 (see section **2. Risks, Counterparty Risk**), Global DIGIT II’s principal objectives are:

- (i) to provide holders of units (the “**Unitholders**”) with a fixed rate stream of monthly distributions equal to \$0.0687 per Unit (\$0.8244 per annum) (8.244% per annum compounded monthly or an effective annual rate of 8.56%) up to on or about March 9, 2010 and, thereafter, a fixed rate stream of monthly distributions reset every five calendar years (the date of every such reset, including March 9, 2010, being a “**Reset Date**”) intended to equal the five-year Government of Canada bond rate plus 4% to 4.5%; the distributions consist of capital reimbursements which reduce the adjusted cost base, until such cost base is equal to zero and, thereafter, of income payments; and
- (ii) to repay to Unitholders on a Reset Date falling on or after March 9, 2010 but no later than March 9, 2045 on which date the credit default swaps (as described below) are terminated by Winchester Capital, a unit of Deutsche Bank AG (“**Deutsche Bank**”) (such date being the “**Maturity Date**”), an amount equal to the residual value, that is, an amount of \$9.35 per unit or less.

To meet its objectives, Global DIGIT II originally entered into three credit default swap agreements (the “**Financial Contracts**”) with Silverstone Trust (“**Silverstone**”). Silverstone, in turn, entered into three mirror credit default swaps with Deutsche Bank. The Financial Contracts provide Unitholders with an exposure to three global diversified portfolios (“**Credit Exposures A, B and C**”) of mortgage-backed securities, asset-backed securities, structured finance securities and synthetic corporate exposures (collectively, the “**reference obligations**”). Global DIGIT II’s obligations under the Financial Contracts are collateralized by a term deposit note funded by the proceeds from the initial public offering of Global DIGIT II. To the extent that any losses,

net of any recoveries, are incurred as a result of credit events in the portfolios, the notional amount of the Credit Exposures A, B and C, and therefore the amount that will be repaid to Unitholders by Global DIGIT II on the Maturity Date, will decline, as will monthly distributions on the units. These amounts will decline to zero if the cumulative losses equal or exceed the initial notional amount of Credit Exposures A, B and C.

Silverstone also entered into a AAA Swap (the “**Silverstone AAA Swap**” also referred to as “**Credit Exposure D**”) with Deutsche Bank, in respect of which, and in order to purchase the necessary collateral, Silverstone issued asset-backed commercial paper (“**ABCP**”) and floating rate notes.

Following the Disengagement Transaction on January 20, 2009 (see section **2. Risks, Counterparty Risk**), Global DIGIT II’s swap counterparty for the Financial Contracts is now Deutsche Bank instead of Silverstone; funds now flow directly from Deutsche Bank and are no longer dependant on Silverstone’s ability to renew or replace its outstanding indebtedness or otherwise be subject to any claim by Silverstone to withhold payments to Global DIGIT II.

### *Management of the Portfolio*

Deutsche Bank, acting through Winchester Capital, which specializes in structured finance and assets, makes all decisions concerning the composition of the portfolio of reference obligations and the addition and removal of reference obligations to or from the portfolio, subject to certain investment restrictions. Any changes to the composition of the portfolio made by Winchester Capital may be made solely in furtherance of Deutsche Bank’s trading strategy and may have a positive or negative impact on the credit performance of the portfolio of reference obligations and the Financial Contracts. Any such changes in the composition of the portfolio or other actions undertaken by Winchester Capital does not require the approval of or consultation with the Trustee or the Unitholders. Moreover, irrespective of the amount of losses sustained in respect of the Credit Exposures, at no time will Deutsche Bank or Winchester Capital have any obligation to act in, or take into account of, the interests of Global DIGIT II or the Unitholders.

Winchester Capital is required to maintain a 25% unhedged exposure to the portfolio of reference obligations. Consequently, the Winchester Capital unit of Deutsche Bank is exposed, along with Unitholders, to losses arising from credit events occurring with respect to reference obligations in the portfolio during the term of the Financial Contracts.

The Trustee has no obligation, and no ability without the consent of Winchester Capital, to replace, modify, sell or terminate the Credit Exposures. Subject to the consent of Winchester Capital, the Trustee may request an amendment to certain of the Credit Exposures when, in its judgment, such amendment is advisable. Such amendment may result in a reduction in the monthly distribution and in the value of the Financial Contracts at the Maturity Date. Any amendment to the Credit Exposures is not subject to the approval of the Unitholders and are at the sole discretion of the Trustee.

Since January 1, 2009, Deutsche Bank cannot add or replace securities to the portfolios. Therefore, the principal amount of the portfolios will decline as maturing securities will not be replaced. As a consequence of this change, the principal amount of the assets in the portfolios will start to decline after January 1, 2009 as maturing portfolio assets will not be replaced, decreasing the likelihood that the transaction will reach the 2045 maturity date.

The following chart is provided as additional information and shows the expected average life of the portfolios as of June 2009. This data is provided by Winchester Capital and is based on multiple assumptions.

Years		Portfolio 1			Portfolio 2			Portfolio 3		
From	To	Incremental	Cumulative	S&P Equivalent Average Rating	Incremental	Cumulative	S&P Equivalent Average Rating	Incremental	Cumulative	S&P Equivalent Average Rating
0	1	9.17%	9.17%	BB+ / BB	11.14%	11.14%	B- / CCC+	4.73%	4.73%	BB / BB-
1	2	20.20%	29.37%	BBB / BBB-	21.26%	32.40%	BBB- / BB+	9.81%	14.53%	CCC+ / CCC
2	3	19.19%	48.55%	BBB / BBB-	15.18%	47.59%	BBB- / BB+	15.42%	29.96%	BB / BB-
3	4	17.75%	66.30%	BB- / B+	21.21%	68.80%	BB- / B+	20.70%	50.66%	B+ / B
4	5	13.24%	79.54%	BB- / B+	11.91%	80.71%	BB+ / BB	15.51%	66.17%	BBB- / BB+
5	6	6.57%	86.11%	BBB+ / BBB	10.12%	90.84%	BBB / BBB-	12.87%	79.04%	BBB / BBB-
6	7	12.54%	98.65%	BBB / BBB-	7.21%	98.05%	BBB- / BB+	12.36%	91.40%	BBB- / BB+
7	8	0.75%	99.40%	BB / BB-	1.61%	99.65%	BB+ / BB	6.09%	97.48%	A- / BBB+
8	9	0.00%	99.40%		0.00%	99.65%		0.68%	98.16%	A / A-
9	10	0.00%	99.40%		0.00%	99.65%		0.26%	98.43%	A- / BBB+
10	11	0.00%	99.40%		0.00%	99.65%		0.29%	98.72%	CC
11	12	0.00%	99.40%		0.00%	99.65%		0.12%	98.84%	CCC
12	20	0.60%	100.00%	CC	0.35%	100.00%	CC	1.16%	100.00%	CCC / CCC-
<b>Total</b>		100%		BB+ / BB	100%		BB / BB-	100%		BB / BB-

## 2. Risks

### *Counterparty Risk*

Global DIGIT II was affected by the involvement of Silverstone, as its counterparty, in the Third Party ABCP crisis that began on August 14, 2007, when Global DIGIT II was notified by Silverstone that it was withholding payments to Global DIGIT II and would not be providing Global DIGIT II with the necessary funding to pay the distribution of August 15, 2007. As a result, Global DIGIT II announced the suspension of the distribution of \$0.0687 per unit declared on July 18, 2007 and otherwise payable on August 15, 2007 as well as the quarterly and annual redemption privileges. This followed an announcement of a market disruption in the ABCP and the inability by Silverstone to roll its maturing ABCP.

In the following days, a number of major participants in Canada's financial markets (the "Investors Committee") outlined a possible solution to this disruption of the Third Party ABCP market and signed a standstill agreement for the concerned ABCP trusts including Silverstone. Further to this development, Global DIGIT II entered into a standstill agreement with Silverstone in order to formalize arrangements between them and preserve their respective rights and entitlements. Pursuant to the standstill agreement between Global DIGIT II and Silverstone, all amounts normally paid to Global DIGIT II since August 2007 were deposited in a segregated account with an escrow agent.

On December 21, 2007, Global DIGIT II entered into an Agreement in Principle with Silverstone in order to negotiate in good faith a transaction pursuant to which Silverstone would effectively be replaced by Deutsche Bank as counterparty to the three credit default swaps (Credit Exposures A, B and C) that were initially between Global DIGIT II and Silverstone (the "Disengagement Transaction").

On March 17, 2008, a plan of compromise and arrangement (the "Plan") for Third Party ABCP trusts (including Silverstone) was filed pursuant to the Companies' Creditors Arrangement Act and, on April 25, 2008, the noteholders approved such Plan.

On January 20, 2009, the Disengagement Transaction was completed, followed by the implementation of the Plan on January 21, 2009. Consequently, since January 20, 2009, Global DIGIT II's swap counterparty for the Financial Contracts is Deutsche Bank instead of Silverstone and funds now flow directly from Deutsche Bank

and are no longer dependant on Silverstone's ability to renew or replace its outstanding indebtedness or otherwise be subject to any claim by Silverstone to withhold payments to Global DIGIT II. Also on January 20, 2009, funds held in escrow under the standstill agreement between Global DIGIT II and Silverstone were released to Global DIGIT II.

In itself, the fact that Global DIGIT II now has Deutsche Bank as a direct counterparty under the Financial Contracts, is reducing the counterparty risk. As of July 31, 2009, Deutsche Bank was rated A+ by Standard & Poor's Rating Services ("S&P") and Aa1 ("Negative Outlook") by Moody's Investors Services, Inc. ("Moody's"). Moreover, because credit market conditions have severely deteriorated over the last year and a half, the Financial Contracts have become much more valuable for Deutsche Bank than for Global DIGIT II, thus mitigating the counterparty risk.

### *Credit Risk*

The Unitholders assume losses on the reference obligations up to the notional amount of the Credit Exposures A, B and C. Any loss resulting from a credit event will lead to a settlement that will decrease the notional amount of the affected Credit Exposure. A decrease in the notional amount will decrease the monthly distributions of Global DIGIT II and the redemption price of the units at the Maturity Date. The occurrence of several credit events could reduce the notional amount to zero resulting in a reduction to zero of the monthly distributions and payment on the Maturity Date. A credit event is, for a given credit exposure, the occurrence of one of the following events in respect of a reference obligation in the portfolio: bankruptcy, failure to pay and any other loss event in respect of such reference obligation.

The credit protection provided under Credit Exposures A, B and C is a relatively small percentage in relation to the size of the three portfolios, being 0.95%, 1.25% and 1.50%, respectively. Therefore, a relatively small percentage of losses on the portfolios will result in a proportionally larger percentage of losses for Unitholders.

As of June 30, 2009, no reference obligation to which Global DIGIT II is exposed to has been subject to a credit event. However, as shown in the table below, due to the ongoing turmoil in the US sub-prime mortgage market (to which market Global DIGIT II is exposed), several reference obligations were downgraded and the percentage of the non-investment grade category increased significantly (from 15% as of year end 2008 to 30.3% as of June 30, 2009):

<b>Ratings Distribution of the Reference Obligations</b>				
<b>S&amp;P Equivalent Rating</b>	<b>December 31, 2006</b>	<b>December 31, 2007</b>	<b>December 31, 2008</b>	<b>June 30, 2009</b>
AAA	67.3%	62.4%	46.5%	32.3%
AA	9.3%	9.5%	10.2%	8.3%
A	22.7%	25.2%	22.7%	19.5%
BBB	0.7%	2.0%	5.6%	9.7%
Below BBB-	0.1%	0.9%	15.0%	30.3%
TOTAL	100.0%	100.0%	100.0%	100.0%

Risks and uncertainties associated with investing in Global DIGIT II units are also discussed in Schedule A of the current report.



The weighted average assigned Moody's rating factor of the mortgage-backed securities, asset-backed securities and synthetic corporate exposures comprised in Credit Exposure A was 18 at inception (between Aa1 and Aa2), 19 as of December 31, 2005 and 2006 (between Aa1 and Aa2), 27 as of December 31, 2007 (between Aa2 and Aa3), 544 as of December 31, 2008 (between Baa2 and Baa3) and 1833 as of June 30, 2009 (between Ba3 and B1). The weighted average assigned Moody's rating factor is calculated by (i) adding the product of the notional amount of each reference obligation and its assigned Moody's rating factor and (ii) dividing such amount determined under (i) by the notional amount and converting the result to its equivalent Moody's rating factor determined as follows: a Moody's rating of Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3, Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2 and Caa3 or lower is assigned a rating factor of respectively 1, 10, 20, 40, 70, 120, 180, 260, 360, 610, 940, 1350, 1780, 2220, 2720, 3490, 4770, 6500 and 8070. The reference obligations comprised in Credit Exposure A had initially a weighted average rating factor equivalent to a rating of AA by S&P, between AA+ and AA as of December 31, 2005, 2006 and 2007, between BBB- and BB+ as of December 31, 2008 and between BB+ and BB as of June 30, 2009.

Portfolio A's composition by asset classes at inception, December 31, 2005, 2006, 2007, 2008 and June 30, 2009 was as follows:

<b>Asset Class<sup>(1)</sup></b>	<b>Inception</b>	<b>Dec. 31, 2005</b>	<b>Dec. 31, 2006</b>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2008</b>	<b>Jun. 30, 2009</b>
Commercial asset-backed securities	3.4%	4.4%	5.9%	3.4%	3.4%	3.4%
Consumer asset-backed securities	8.1%	5.6%	3.4%	2.1%	2.2%	2.2%
Residential mortgage-backed securities	31.7%	34.6%	31.7%	32.6%	28.7%	28.2%
Commercial mortgage-backed securities	15.5%	9.6%	10.2%	15.7%	16.4%	16.8%
Synthetic corporate exposures	41.3%	45.8%	48.8%	46.2%	49.3%	49.4%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Based on S&P Industry Classification.

The exposure of Global DIGIT II to Credit Exposure A is limited to an amount of \$23,634,614. Further, the exposure of Global DIGIT II to each of the 205 obligations included in Credit Exposure A is shown in the right-most column of the table showing Portfolio A in Schedule B.

### ***Credit Exposure B***

As of June 30, 2009, Credit Exposure B comprised 144 reference obligations, including mortgage-backed securities, asset-backed securities, structured finance securities and synthetic corporate exposures. (December 31, 2008 – 148 reference obligations).

The S&P ratings of the mortgage-backed securities, asset-backed securities, structured finance securities and synthetic corporate exposures comprised in Credit Exposure B were distributed as follows at inception (by notched S&P rating category), December 31, 2005, 2006, 2007, 2008 and June 30, 2009 (by equivalent S&P rating category):

Rating	Inception	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Jun. 30, 2009
AAA	72.9%	79.4%	83.7%	73.0%	49.4%	38.7%
AA	16.2%	8.6%	3.2%	3.1%	8.0%	3.0%
A	10.9%	11.9%	13.1%	22.2%	21.3%	19.6%
BBB	0.0%	0.0%	0.0%	1.7%	5.1%	9.8%
BB	0.0%	0.0%	0.0%	0.0%	0.9%	11.9%
B	0.0%	0.0%	0.0%	0.0%	3.2%	1.6%
CCC	0.0%	0.0%	0.0%	0.0%	4.2%	1.2%
CC	0.0%	0.0%	0.0%	0.0%	7.2%	8.5%
C	0.0%	0.0%	0.0%	0.0%	0.7%	3.7%
D	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The weighted average assigned Moody's rating factor of the mortgage-backed securities, asset-backed securities and synthetic corporate exposures comprised in Credit Exposure B was 21 initially (between Aa2 and Aa3), 19 both as of December 31, 2005 and 2006 (between Aa1 and Aa2), 40 as of December 31, 2007 (between Aa2 and Aa3), 1048 as of December 31, 2008 (between and Ba1 and Ba2) and 1606 as of June 30, 2009 (between and Ba2 and Ba3). The reference obligations comprised in Credit Exposure B had a weighted average rating factor equivalent to a rating of AA by S&P at inception, between AA+ and AA as of December 31, 2005 and 2006, between AA and AA- as of December 31, 2007, between BB+ and BB as of December 31, 2008 and between BB and BB- as of June 30, 2009.

Credit Exposure B's composition by asset classes at inception, December 31, 2005, 2006, 2007, 2008 and June 30, 2009 was as follows:

Asset Class <sup>(1)</sup>	Inception	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Jun. 30, 2009
Commercial asset-backed securities	5.0%	9.1%	10.8%	9.4%	8.4%	6.6%
Consumer asset-backed securities	0.5%	0.5%	2.6%	2.1%	2.3%	2.4%
Residential mortgage-backed securities	38.8%	31.5%	22.2%	23.0%	21.6%	21.7%
Commercial mortgage-backed securities	10.2%	8.3%	10.6%	15.4%	15.7%	15.6%
Synthetic corporate exposures	45.5%	50.7%	53.8%	50.1%	52.0%	53.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Based on S&P Industry Classification.

The exposure of Global DIGIT II to Credit Exposure B is limited to an amount of \$31,976,243. Further, the exposure of Global DIGIT II to each of the 144 obligations included in Credit Exposure B is shown in the right-most column of the table showing Portfolio B in Schedule B.

### ***Credit Exposure C***

As of June 30, 2009, Credit Exposure C comprised 237 reference obligations, including mortgage-backed securities, asset-backed securities, structured finance securities and synthetic corporate exposures (December 31, 2007 – 238 reference obligations).

The S&P ratings of the mortgage-backed securities, asset-backed securities, structured finance securities and synthetic corporate exposures comprised in Portfolio C were distributed as follows at inception (by notched S&P rating category), December 31, 2005, 2006, 2007, 2008 and June 30, 2009 (by equivalent S&P rating):

Rating	Inception	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Jun. 30, 2009
AAA	66.1%	50.2%	49.5%	46.6%	35.5%	17.8%
AA	9.7%	12.6%	13.5%	13.4%	12.0%	11.4%
A	24.2%	35.0%	35.5%	34.7%	29.0%	24.0%
BBB	0.0%	2.3%	1.5%	3.2%	7.7%	12.2%
BB	0.0%	0.0%	0.0%	2.1%	2.3%	13.5%
B	0.0%	0.0%	0.0%	0.0%	0.6%	3.1%
CCC	0.0%	0.0%	0.0%	0.0%	3.4%	2.0%
CC	0.0%	0.0%	0.0%	0.0%	9.4%	14.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
D	0.0%	0.0%	0.0%	0.0%	0.1%	1.2%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The weighted average assigned Moody's rating factor of the mortgage-backed securities, asset-backed securities and synthetic corporate exposures comprised in Credit Exposure C was 39 initially (between Aa2 and Aa3), 63 as of December 31, 2005 (between Aa3 and A1), 57 as of December 31, 2006 (between Aa3 and A1), 75 as of December 31, 2007 (between A1 and A2), 1128 as of December 31, 2008 (between Ba1 and Ba2) and 2086 as of June 30, 2009 (between Ba3 and B1). The reference obligations comprised in Credit Exposure C had a weighted average rating factor equivalent to a rating of AA- by S&P at inception, between AA- and A+ as of December 31, 2005 and 2006, between A+ and A as of December 31, 2007, between BB+ and BB as of December 31, 2008 and between BB and BB- as of June 30, 2009.

Credit Exposure C's composition by asset classes at inception, December 31, 2005, 2006, 2007, 2008 and June 30, 2009 was as follows:

Asset Class <sup>(1)</sup>	Inception	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Jun. 30, 2009
Commercial asset-backed securities	0.9%	10.8%	7.8%	4.7%	4.7%	4.8%
Consumer asset-backed securities	0.5%	0.5%	0.0%	0.2%	0.2%	0.2%
Residential mortgage-backed securities	41.4%	32.3%	24.5%	22.6%	20.7%	19.8%
Commercial mortgage-backed securities	7.9%	7.6%	14.4%	22.9%	23.5%	23.3%
Synthetic corporate exposures	49.3%	48.8%	53.3%	49.6%	50.9%	51.9%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Based on S&P Industry Classification.

The exposure of Global DIGIT II to Credit Exposure C is limited to an amount of \$41,708,143. Further, the exposure of Global DIGIT II to each of the 237 obligations included in Credit Exposure C is shown in the right-most column of the table showing Portfolio C in Schedule B.

### *Determination of the Net Asset Value of the Units*

The net asset value (“NAV”) is calculated by NBC, as administrative agent (the “**Administrative Agent**”), as of the last business day of each month and approved by the Trustee before its publication.

The NAV on a particular date is equal to the aggregate value of the assets of Global DIGIT II, less the aggregate value of its liabilities (including any operating expenses payable) and the underlying income taxes (if any) on income earned. Substantially all of the assets of Global DIGIT II consist of the Financial Contracts and the related term deposit. The “NAV per unit” on any day is obtained by dividing the NAV of Global DIGIT II on that day by the number of units outstanding on the same day. The NAV is posted on the Web site of National Bank Financial Inc. at [www.nbfinc.com](http://www.nbfinc.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) and is published monthly by Global DIGIT II.

The NAV is calculated in accordance with Generally Accepted Accounting Principles (“GAAP”) – for a detailed description of the rules underlying the calculation of the Global DIGIT II NAV, please refer to the latest **Annual Information Form**.

### *Net Asset Value*

The exposure of Global DIGIT II to reference obligations related to the US sub-prime or home equity mortgage market and the general lack of liquidity for residential mortgage-backed securities resulted in a severe decrease of the value of the Financial Contracts in 2007: from December 31, 2006 to December 31, 2007, the value of the Financial Contracts went from 90.5% to 5%, thus triggering an unrealized loss of \$80,034,175 in the net asset value of Global DIGIT II. In 2008, the value of the Financial Contracts was further eroded: from 5% to 2.75% for an additional unrealized loss of \$2,189,678.

The value of the Financial Contracts essentially remained the same over the last 6 months: from 2.75% as of December 31, 2008 to 1.75% as of June 30, 2009 (an additional unrealized loss of \$973,190). As shown in the table below, after a precipitous fall in 2007 and 2008, the value of “A” rated indices backed by residential US sub-prime mortgages have also stabilized at a very low level since December 31, 2008:

Index <sup>(1)</sup>	Market Price <sup>(2)</sup>		
	December 31, 2007	December 31, 2008	June 30, 2009
ABX.HE.AAA 2006-I	93.91%	80.00%	69.11%
ABX.HE.AAA 2006-II	87.5%	49.5%	33.165%
ABX.HE.AA 2006-I	84.625%	32.9%	22.895%
ABX.HE.AA 2006-II	61.5%	12.535%	7.505%
ABX.HE.A 2006-I	60.5%	12.17%	8.33%
ABX.HE.A 2006-II	39.5%	5.44%	3.5%

(1) ABX.HE.Rating 2006-I or II refers to the Market index composed of securities backed by US home equity loans, rated AAA, AA or A, and belonging to year 2006 and semester I or II.

(2) Source: Bloomberg

The NAV of Global DIGIT II was \$4,880,234 as at June 30, 2009 (\$0.47 per unit based on 10,392,283 units outstanding), as compared to \$22,287,073 as at December 31, 2008 (\$2.14 per unit based on 10,392,283 units outstanding). The NAV reflects a complete write-off, at inception, of the \$9,786,499 (\$0.65 per unit) issue expense incurred with the initial public offering of Global DIGIT II and the distributions that were declared during the interim period, that is \$22,522,156. The NAV also reflects differences between the fair value of

Financial Contracts and its nominal value (an unrealized loss of \$95,615,918 or \$9.20 per unit) and, since January 1, 2007 the difference between the fair value of the investments, together with the interest-bearing CDS receivable, and their nominal value (an unrealized gain of \$1,956,112 or \$0.19 per unit).

From year end 2008 to June 30, 2009, the market price of Global DIGIT II units increased from \$1.09 from \$1.53 and Unitholders were entitled to total distributions of \$2.1672 per unit.

### *Income and Distributions*

During the interim period ended June 30, 2009, Global DIGIT II had a net income of \$5,115,317 (\$0.49 per unit based on 10,392,283 units outstanding) as compared to a net income of \$4,374,149 (\$0.42 per unit based on 10,392,283 units outstanding). The net income was reduced by an unrealized loss of \$973,190 (\$0.09 per unit) in the fair value of the Financial Contracts (unrealized loss of \$1,946,380 and \$0.19 per unit respectively during the corresponding period the 2008) and by an unrealized gain of \$807,748 (\$0.08 per unit) in the fair value of the investment together with the interest-bearing CDS receivable (unrealized loss of \$1,605,764 and \$0.15 per unit respectively during the 2008 corresponding period).

Following the closing of the Disengagement Transaction, funds held in escrow under the standstill agreement between Global DIGIT II and Silverstone were released to Global DIGIT II – such funds totaled \$13,273,736. Therefore, on January 30, 2009, Global DIGIT II paid the distribution of \$0.0687 per unit declared on July 18, 2007 but suspended due to the ABCP crisis. Also, on February 13, 2009, Global DIGIT II paid an extraordinary distribution of \$1.07 per unit and retained the equivalent of approximately \$0.10 per unit, representing an aggregate amount of about \$1 million or less than 1% of Global DIGIT II's assets. The Trustee of Global DIGIT II has decided to keep this cash amount as a reserve to meet future obligations which may arise from time to time until the Maturity Date.

Also following closing of the Disengagement Transaction, Global DIGIT II received from Silverstone a one-time payment of \$0.635 per unit, representing the amounts accreted (the “**Accreted Amount**”) in respect of the residual amount that would otherwise have been payable to Global DIGIT II at the maturity date of the Financial Contracts. This payment of \$0.635 per unit was part of amounts accruing at the Silverstone level which were destined to recover over the term of Global DIGIT II duration its initial public offering costs of \$0.65 per unit. Since Global DIGIT II received payment of the Accreted Amount prior to the Maturity Date, Global DIGIT II announced on January 28, 2009 that such Accreted Amount would be distributed on March 13, 2009 by way of a one-time distribution of \$0.635 per unit.

The Trustee changed the calculation of the servicing fees payable to the investment advisors for the period between August 2007 and February 2009. The savings realized by this change were passed on to Unitholders on April 16, 2009 through a special payment of \$0.05 per unit. In addition, since March 2009, Global DIGIT II is no longer paying any service fee to the investment advisors.

In summary, during the interim period ended June 30, 2009, Global DIGIT II has therefore declared three special distributions totaling \$1.755 per unit. Also during the interim period ended June 30, 2009, Global DIGIT II declared six monthly distributions totaling \$0.4122 per unit. Total distributions declared during the interim period therefore amounted to \$2.1672 per unit. No distributions were declared during the corresponding period in 2008.

The distributions made by Global DIGIT II were entirely made of return of capital and have resulted in a reduction in the amount of the investments held by the Global DIGIT II. The notional amount of investments held by Global DIGIT II decreased by \$15,403,443 as a result of the distributions and this reduction was compensated by the accrual of an interest-bearing credit swap receivable of the same amount.

### *Redemptions*

There were no redemptions of units during the interim period ended June 30, 2009.

## **4. Recent Developments**

### *Portfolio Changes*

While Deutsche Bank actively manages the portfolios, during the interim period ended June 30, 2009, the Trustee has not requested any change in the portfolio of securities included in the credit exposures. Also during the interim period ended June 30, 2009, due to the continued turmoil in the US credit market, there were several downgrades but no reference obligation included in the portfolios was subject to a credit event.

### *Subsequent Events*

They were no material subsequent events.

### *Future Accounting Changes*

In February 2008, the Canadian Accounting Standards Board confirmed that all publicly accountable enterprises will be required to report under IFRS in 2011. IFRS will replace Canadian GAAP. Consequently, starting on January 1, 2011, these standards will apply to Global DIGIT II. Global DIGIT II is evaluating the impact of the initial application of these standards on the financial statements.

## **5. Related Party Transactions**

The Trustee is responsible for the management of Global DIGIT II and NBC is the Administrative Agent for Global DIGIT II. Natcan Trust Company, a subsidiary of NBC, acts as custodian of the assets of Global DIGIT II. Natcan Trust Company will also act as investment advisor of Global DIGIT II if so required by the Trustee. The promoter is National Bank Financial (“**NBF**”), a subsidiary of NBC. During the interim period ended June 30, 2009 and the corresponding period in 2008, fees earned by such related parties were the following:

<b>Related Party</b>	<b>Type of fees</b>	<b>2009</b>	<b>2008</b>
Trustee	Management fees <sup>(1)</sup>	\$81,619	84,761
National Bank of Canada	Administrative Agent fees	\$14,175	\$10,348
National Bank Financial	Servicing fees <sup>(2)</sup>	(\$83,886)	\$34,931
Natcan Trust	Custodial fees	<u>\$1,023</u>	<u>(\$180)</u>
<b>TOTAL</b>		<b>\$12,931</b>	<b>\$129,860</b>

(1) These fees are paid by the Trustee to its directors as attendance and director fees.

(2) These fees are paid to the investment advisors of NBF's clients.

As mentioned above (see section **3. Results of Operations, Investments**) Global DIGIT II has a term deposit note with NBC, such term deposit being pledged as collateral under the Financial Contracts. The term deposit bears interest at a rate of 3.922%, payable monthly until March 2010.

All related party transactions occurred in the normal course of business and were measured at the exchange value, which is the amount established and agreed between the related parties.

## 6. Independent Review Committee

In 2007, the Trustee established an Independent Review Committee (“**IRC**”) to review the conflict of interest matters that it is required to submit to such committee pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds*.

The members of the IRC are:

<b>Name</b>	<b>Residence</b>	<b>First appointment date</b>
Yves Julien (Chair)	Montreal, Quebec	November 1, 2007
Jean Durivage	Lac Brome, Quebec	November 1, 2007
Jacques Valotaire	Longueuil, Quebec	November 1, 2007

All members of the IRC are independent within the meaning of National Instrument 81-107.

During the reporting period, the Trustee as manager has relied upon the following recommendations granted by the IRC in accordance with National Instrument 81-107:

The IRC provided its positive recommendation in regards to the Disengagement Transaction whereby Silverstone was effectively replaced by Deutsche Bank, with the transaction taking place on January 20, 2009. Global DIGIT II respected all the conditions imposed by the IRC such as the Court’s approval for the Third Party ABCP Plan, that the Disengagement Transaction be implemented without changes and within a determined delay and that a copy of the final document be delivered to the IRC.

Each member of the IRC receives an annual fee as well as a meeting fee and is reimbursed for his expenses incurred in connection with attending meetings of the IRC.

## 7. Financial Highlights

The following tables show selected key financial information about Global DIGIT II and are intended to help explain Global DIGIT II's financial performance since inception. This information presented below is derived from Global DIGIT II's financial statements with necessary adjustments to reflect changes in accounting guidelines.

### Net Asset Value per unit:

	June 30, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005 (10 1/3 months)	March 11, 2005 <sup>(1)</sup>
<b>Weighted average number of outstanding units</b> .....	10,392,283	10,392,283	11,496,004	14,124,646	14,950,000	14,950,000
<b>Net Asset Value, beginning of period</b> <sup>(2)</sup> .....	<b>\$2.14</b>	<b>\$1.03</b>	<b>\$8.73</b>	<b>\$9.51</b>	<b>\$9.35</b>	<b>\$10.00</b>
<b>Increase (decrease) in net assets from operations</b> <sup>(2)</sup> .....						
Total revenues.....	\$0.97	\$2.04	\$2.11	\$2.00	\$1.67	-
Total expenses.....	(\$0.47)	(\$1.09)	(\$1.10)	(\$1.06)	(\$0.85)	-
Adoption of Financial Instruments Standards..	-	-	(\$0.16)	-	-	-
Realized gains (losses) for the period .....	-	-	(\$0.69)	(\$0.04)	-	-
Unrealized gains (losses).....	(\$0.02)	\$0.16	(\$7.04)	(\$0.88)	-	-
<b>Total increase (decrease) in net assets from operations</b> <sup>(2)</sup> .....	<b>\$0.49</b>	<b>\$1.11</b>	<b>(\$6.88)</b>	<b>\$0.02</b>	<b>\$0.82</b>	<b>-</b>
Issue expenses <sup>(3)</sup> .....	-	-	-	-	-	(\$0.65)
<b>Declared Distributions</b> <sup>(2)</sup> :						
Return of capital <sup>(4)</sup> .....	(\$2.17)	-	(\$0.48)	(\$0.82)	(\$0.66)	-
<b>Total Distributions</b> <sup>(2)</sup> .....	<b>(\$2.17)</b>	<b>-</b>	<b>(\$0.48)</b>	<b>(\$0.82)</b>	<b>(\$0.66)</b>	<b>-</b>
<b>Net Asset Value, end of period</b> <sup>(2)</sup> .....	<b>\$0.47</b>	<b>\$2.14</b>	<b>\$1.03</b>	<b>\$8.73</b>	<b>\$9.51</b>	<b>\$9.35</b>

(1) At inception.

(2) Net asset value is based on the actual number of units outstanding at the relevant time. The increase / decrease from operations and distributions are based on the weighted average number of units outstanding over the financial period.

(3) Issue expense of \$9,786,499 incurred in connection with the initial public offering, principally consisting of agents' fees and other offering expenses, which has been charged to retained earnings prior to calculating the opening net asset value of \$9.35.

(4) All declared distributions were paid on their scheduled payment dates except for the July 2007 distribution whose payment was delayed until February 2009 due to the Third Party ABCP crisis (see section 2. Risks, Counterparty Risk).

### Ratios and Supplemental Data:

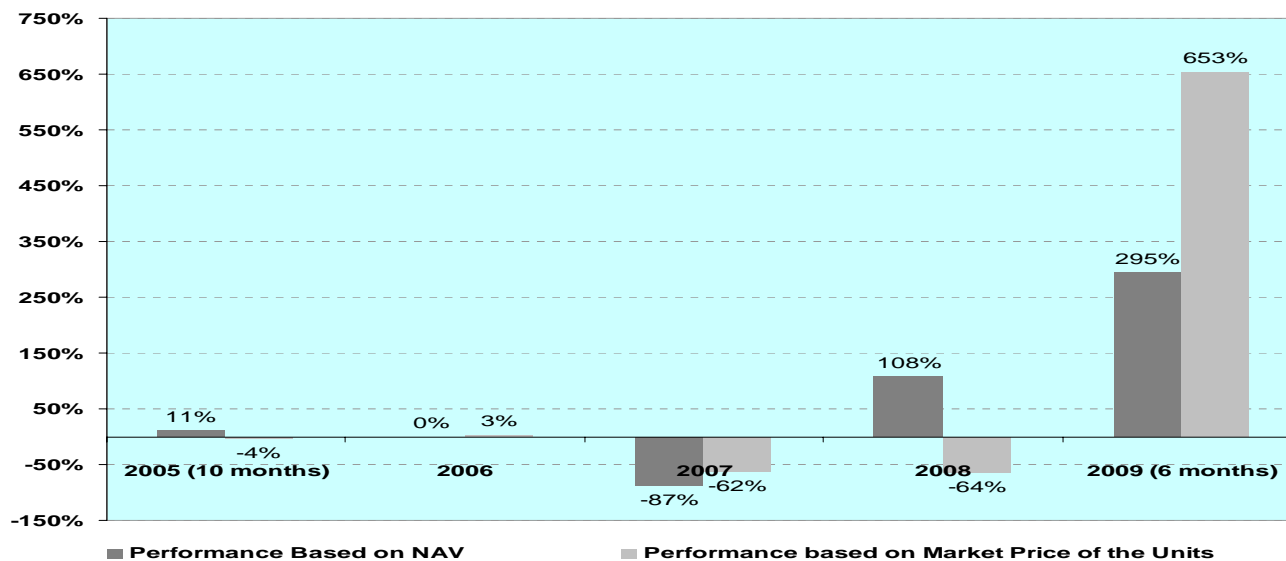
	June 30, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005	March 11, 2005 (at inception)
Net Asset Value (\$000).....	\$4,880	\$22,287	\$10,726	\$121,868	\$142,148	\$139,714
Number of units outstanding.....	10,392,283	10,392,283	10,392,283	13,959,575	14,950,000	14,950,000
Net Asset Value per unit.....	\$0.47	\$2.14	\$1.03	\$8.73	\$9.51	\$9.35
Management expenses.....	(\$194,640)	\$1,119,723	\$1,330,395	\$1,123,654	\$787,537 <sup>(1)</sup>	-
Management expense ratio.....	(4.18)%	6.69%	2.59%	0.85%	0.56%	-
Portfolio turnover rate.....	-%	-%	-%	-%	-%	-%
Trading expenses ratio.....	-%	-%	-%	-%	-%	-%
Market price of the units.....	\$1.53	\$1.09	\$3.00	\$8.47	\$9.06	\$10.00

(1) Expenses for 9.7 months of operations.

## 8. Past Performance

The following bar chart and table indicate the performance of the units by showing for the period the return by fiscal year and compound returns from inception assuming all the distributions by Global DIGIT II in the periods shown were reinvested at the NAV or at the market price of the units, as the case may be. Past performance is not an indication of future performance and the exceptionally strong performance of the interim period ended on June 30, 2009 reflects a combination of very volatile NAV and market prices together with large distributions.

### Annualized Performance of Global DIGIT II based on NAV and based on Market Price of the Units



### Annual Compound Returns

	<u>1 Year</u>	<u>3 Year</u>	<u>Since inception</u>
Based on NAV <sup>(1)</sup>	482.2%	1.7%	2.9%
Based on Market Price of the Units <sup>(2)</sup>	512.3%	1.2%	0.7%

(1) Calculated from initial net asset value of \$9.35 and June 30, 2009 net asset value of \$0.47 assuming all distributions reinvested at the NAV.

(2) Calculated from issue price of \$10.00 and June 30, 2009 market price of \$1.53 per unit assuming all distributions reinvested at the market price of the units.

## 9. Summary of the Investment Portfolio

### Portfolio Breakdown:

<u>Investment type</u>	<u>June 30, 2009</u>		<u>December 31, 2008</u>	
NBC term deposit note	\$63 186 055	1294.7%	\$78 257 146	351.1%
Interest bearing CDS receivable	\$36 089 057	739.5%	\$20 210 218	90.7%
Short-term investments	\$1 189 772	24.4%	-	-
Financial Contracts*	(\$95 615 918)	(1959.2)%	(\$94 642 728)	(424.7)%
Other net assets	<u>\$31 268</u>	<u>0.6%</u>	<u>\$18 462 437</u>	<u>82.8%</u>
Total net assets	\$4 880 234	100.0%	\$22 287 073	100.0%

\* See Schedules B for a detailed description of the underlying Credit Exposures A, B and C.

## **SCHEDULE A RISKS AND UNCERTAINTIES**

Global DIGIT II is subject to various risks and uncertainties. Global DIGIT II's investment objectives could thus be adversely affected by each of the factors described below. Those are not the only ones faced by Global DIGIT II. Additional risks and uncertainties currently unknown to management of the Trustee or deemed rather unimportant could potentially have an impact on its business.

### ***Credit Risk***

As a result of entering into the Financial Contracts, Global DIGIT II is exposed to a levered credit exposure in the sense that the credit protection provided under Credit Exposures A, B and C is a relatively small amount in relation to the size of the portfolio in respect of which such credit protection is being provided. Relatively small percentage losses on the portfolio will result in proportionally larger tranche percentages being deducted from the outstanding amount in satisfaction of credit protection obligations under Credit Exposures A, B and C. Any credit event triggered by a reference obligation would result in a net loss for Global DIGIT II.

The credit performance of the Credit Exposures A, B and C, and therefore the credit performance of the units, will be directly related to the credit performance of the reference obligations in the portfolio. If any losses, net of recoveries, are incurred as a result of credit events in the portfolio, the notional amount of Credit Exposures A, B and C, and therefore the amount that will be repaid to Unitholders by Global DIGIT II on the Maturity Date, will decline, as will monthly distributions on the units. These amounts will decline to zero if such losses equal or exceed, in aggregate, the initial amount of Credit Exposures A, B and C (the maximum loss on each of Credit Exposures A, B and C being limited to the notional amount of each such credit exposure).

### ***Ratings of the Reference Obligations***

Credit ratings on the reference obligations are not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agencies. The units are not rated by any rating agencies. Although some information with respect to reference obligations may be available from publicly available sources, no representation is made with respect thereto by Global DIGIT II, the Trustee or any of their respective affiliates as to the accuracy or completeness of any such information.

### ***Creditworthiness of Deutsche Bank***

Because the capacity of Global DIGIT II to redeem Units on the Expected Maturity Date or to make distributions during the duration of the transaction depends on the receipt of a payment from Deutsche Bank at that date under the Financial Contracts, whether Unitholders will receive the targeted distribution and subscription price repayment is dependent upon the financial health and creditworthiness of Deutsche Bank.

### ***Fluctuations in the Unwind Price and the Market Price of the Units***

The market price of the units will fluctuate based on a number of factors such as general market conditions, interest rates, credit spreads, the credit performance of Credit Exposures A, B and C, the reference obligations and the permitted Investments, the aggregate loss determination amount and the unwind price.

The unwind price of the units may fluctuate due to a number of factors such as a reduction in the monthly payments, interest rates, the performance of the Credit Exposures A, B and C, the reference obligations and of the permitted investments (which may not necessarily be valued at par), the aggregate loss determination

amount, the costs and expenses of Deutsche Bank (including hedge termination costs) under the unwind agreement upon a redemption of units, and the existence or lack of a secondary market for Credit Exposures A, B and C,

***Fluctuations in the NAV of the Units***

The NAV of the units will vary according to a number of factors that are not within the control of Global DIGIT II, including general market conditions, the performance and creditworthiness of the reference obligations, Credit Exposures A, B and C and the permitted investments.

***No Recourse to the Reference Obligations, Portfolio and Credit Exposures***

Unitholders do not have, and the units do not represent, any proprietary interest whatsoever in the portfolio, the reference obligations or Credit Exposures A, B and C. Accordingly, Unitholders have no recourse whatsoever, directly or indirectly, to the portfolio, the reference obligations or Credit Exposures A, B and C to satisfy amounts owing to them by Global DIGIT II.

None of the Trustee, Deutsche Bank or any of their respective affiliates, any Unitholders or any of their respective owners, beneficiaries, agents, officers, directors, employees, affiliates, successors or assigns are personally liable for the obligations of Global DIGIT II in respect of the units.

***Disqualification as a Mutual Fund Trust***

If Global DIGIT II does not qualify as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”), the amount received by the Unitholders from the distributions made by Global DIGIT II could be treated differently under the Tax Act and, accordingly, be considered taxable income. In addition, there could be other adverse material tax effect on the Unitholders.

***Fluctuations in Monthly Distributions***

There can be no assurance that Global DIGIT II will be able to maintain the monthly distributions to the Unitholders should credit events occur. The eventual occurrence of credit events may decrease the monthly distributions to be paid to Unitholders.

**SCHEDULE B  
PORTFOLIO A**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
A4 Funding LP	2003-A	US008275AA74	1.39	AAA	Aaa	NR	0.43%	10 716 726
ABACUS Ltd	2006-10	US00257AAA51	6.38	AA	Baa3	NR	1.64%	23 634 614
Access Group Inc	2002-A	US00432CAQ42	1.03	AAA	Aaa	AAA	0.19%	4 807 240
ACCREDITED MORTGAGE LOAN TRUST	2005-2	US004375DH15	3.04	A	C	NR	0.19%	4 693 476
Ace Securities Corp	2004-FM1	US004421DL47	1.52	A+	A2	NR	0.04%	894 358
Ace Securities Corp	2004-HE3	US004421HT37	0.10	AA	Baa2	NR	0.19%	4 833 118
Ace Securities Corp	2004-HE3	US004421HU00	0.09	BBB	Baa3	NR	0.10%	2 482 885
Ace Securities Corp	2004-HE4	US004421JL82	2.24	AA	Baa3	NR	0.22%	5 359 147
Alrcastle Aircraft Lease Backed Trust	2006-1	US00505HAA05	1.90	A-	A2	NR	0.78%	19 520 240
Alesco Preferred Funding , Ltd	14A	US014498AB56	6.86	BBB+	A3	A	1.18%	23 634 614
Alesco Preferred Funding , Ltd	10A	US01449WAB28	6.78	NR	Ba1	BBB	1.10%	23 634 614
Alesco Preferred Funding I, Ltd	1	US01447YAA29	3.34	BB+	Aa3	AAA	0.35%	8 745 362
ALESCO PREFERRED FUNDING, LTD.	7A	US01448YAB92	5.78	BBB-	A3	AA	0.80%	19 896 862
Alpine III	III	US021059AA87	2.18	AAA	Aaa	NR	0.50%	12 461 309
ALPSTAR CLO 1 PLC	1	XS0249393595	5.37	AAA	Aaa	NR	0.93%	23 195 737
Annington finance no. 4 plc	B3	XS0198259813	5.34	A	A1	A	0.70%	17 413 433
Anthracite CDO II Ltd	2002	US03702SAA15	1.30	AAA	Aaa	AAA	0.23%	5 607 556
Anthracite CDO Ltd	1	US03702WAA27	3.18	AA+	Aa1	AA	0.34%	8 484 101
Anthracite CDO, Ltd.	2002-CIBA	US03702LAA61	1.98	AAA	Aaa	AAA	0.27%	6 813 379
ANTHRACITE CDO, LTD.	2006-HY3A	US03703FAA84	5.60	BBB	A1	BB	0.27%	6 654 553
Arbor Realty Mortgage Securities Series 2005-1, Ltd	2005-1A	US038927AA73	2.47	AAA	Aaa	AAA	0.40%	9 969 047
Arcap REIT, Inc	2004-1	US039279AD64	2.94	A	Ba1	BBB-	0.10%	2 492 262
Archimedes Funding IV (Cayman) Ltd.	4X	USG04532AA82	0.83	AAA	Aaa	NR	0.10%	2 597 945
Ares Commercial Loan Trust 2006-1	2006-1	US002043AG23	4.77	A	Ba1	NR	0.16%	3 987 619
ARTS Ltd	2005	US00971VAB27	1.76	BBB	Baa2	NR	0.20%	5 084 214
Asset Backed Securities Corporation	2004-HE8	US04541GMP45	1.60	A	Baa3	B	0.53%	13 302 395
Atrium CDO	1	US04963JAA34	1.20	AAA	Aaa	NR	0.86%	21 292 378
ATTENTUS CDO LTD.	2006-1A	US049730AC83	6.91	CCC+	Ca	CCC	0.48%	11 962 857
Aviation Capital Group Trust	2003-2	US004448AA42	1.20	A	Aa2	NR	0.86%	21 341 656
BALLYROCK CDO LIMITED	2	US058739AA12	2.19	AAA	Aaa	NR	1.18%	23 634 614
Bamburgh Finance No. 1 Plc	1	XS0159966844	1.64	AA	NR	AAA	0.49%	12 280 562
Bayview Commercial Asset Trust	2006-4A	US07325BAC28	1.87	AAA	Aaa	AAA	0.38%	9 500 541
BAYview commercial Asset Trust	2005-3A	US07324SCB60	3.91	AAA	Aaa	AAA	0.13%	3 330 898
BAYview commercial Asset Trust	2005-3A	US07324SCC44	5.45	NR	Aaa	AAA	0.67%	16 769 093
Bayview commercial Asset Trust 2005-4	2005-4A	US07324SCS95	3.23	AAA	Aaa	AAA	0.70%	17 407 985
Bear Stearns Alt-A Trust	2004-13	US07386HPY17	0.20	AAA	Aa1	NR	0.16%	4 066 120
Bear Stearns Asset Backed Securities I LLC	2004-HE11	US073879NZ74	1.89	A	A2	NR	0.24%	5 981 428
BELLA VISTA MORTGAGE TRUST	2005-1	US07820QBM69	1.17	AAA	Ba1	NR	0.19%	4 732 912
BELLA VISTA MORTGAGE TRUST	2005-2	US07820QCE35	0.28	AAA	B1	NR	0.14%	3 435 882

PORTFOLIO A (continued)

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
BL Super Finance		XS0244892054	3.81	AA	NR	AA	0.60%	14 961 625
BLACK Diamond CLO 2005-1 Ltd	2005-1	US09202EAE68	5.53	A-	Ba1	NR	0.24%	5 981 428
Brascan Real Estate Financial Partners LLC	2004-1	US10550TAA79	1.36	AAA	Aaa	NR	0.16%	3 992 838
Brascan Structured Notes 2005-2 Ltd	2005-2A	US10550YAA64	2.30	AAA	Aaa	AAA	0.20%	4 984 524
BROADWICK FUNDING, LTD.	2006-1A	US11161RAD44	0.84	CC	C	NR	0.27%	6 726 419
CAPITALSOURCE COMMERCIAL LOAN TRUST	2006-2A	US14056GAC24	2.55	AAA	Aaa	AAA	0.44%	10 965 952
CAPITALSOURCE COMMERCIAL LOAN TRUST	2006-2A	US14056GAE89	2.77	A	Ba1	A	0.31%	7 601 398
CAPITALSOURCE REAL ESTATE LOAN TRUST	2006-1A	US140560AD50	4.36	A+	Ba2	A+	0.40%	9 969 047
CapMark VII-CRE Ltd	2006-7	US14068XAB38	5.19	AAA	Baa3	A	0.28%	6 978 333
Carbon Capital II Real Estate CDO 2005-1, Ltd	2005-1	US140818AA38	2.18	AAA	Aaa	NR	0.12%	3 092 881
Castle Hill II - Ingots , Ltd	2	US14845TAA43	0.61	AAA	Aaa	AAA	0.80%	19 942 028
Castle Trust	2003-1	US14852MAF86	4.10	AA	Aa2	NR	0.30%	7 497 668
C-Bass Ltd	16A	US12498YAE95	4.24	CC	C	C	0.52%	12 959 761
CCCIT	2002-A4	US17305EAZ88	5.24	AAA	Aaa	AAA	0.60%	14 953 571
CDC Mortgage Capital Trust	2004-HE4	US45071KAF12	0.10	CCC	Baa2	BBB+	0.15%	3 676 589
CHL Mortgage Pass-Through Trust 2004-25	2004-25	US12669GKJ93	2.33	AAA	B3	NR	0.18%	4 468 865
CHL Mortgage Pass-Through Trust 2004-29	2004-29	US12669GJC69	3.65	AAA	B2	NR	0.33%	8 203 311
Citigroup Mortgage Loan Trust, Inc	2004-RES1	US17307GKP27	3.04	AA-	Baa2	NR	0.04%	1 080 058
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-J2	US12667F6A87	4.78	AAA	NR	AAA	0.60%	14 924 065
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-45	US12667G6R94	6.20	AA	C	NR	0.44%	10 929 220
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-59	US12668AFA88	4.36	CC	C	NR	0.56%	13 879 276
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-56	US12668AMB88	3.04	CC	C	NR	0.13%	3 292 054
Countrywide Asset Backed Certificates	2004-5	US1266716H42	2.82	AAA	Aaa	AAA	0.10%	2 401 965
Countrywide Asset Backed Certificates	2004-8	US126673EU25	2.26	AAA	NR	AAA	0.17%	4 239 322
Countrywide Asset Backed Certificates	2004-11	US126673LQ30	2.58	AAA	NR	AAA	0.20%	5 033 624
COUNTRYWIDE ASSET-BACKED CERTIFICATES	2004-13	US126673RQ75	0.99	A	A2	NR	0.10%	2 492 262
COUNTRYWIDE HOME LOANS	2005-7	US12669GNQ00	3.43	AAA	Ba1	NR	0.09%	2 208 300
COUNTRYWIDE HOME LOANS	2005-3	US12669GTT84	1.81	B	Caa1	NR	0.73%	18 048 403
CREST 2002-1 Ltd	2002-IG	USG2550JAA90	1.67	AAA	Aaa	AAA	0.10%	2 522 129
DECO		XS0235683736	6.12	AA	Baa3	AA-	0.49%	12 095 636
DECO		XS0235684114	6.37	A	B1	A-	0.49%	12 095 636
Dow Jones CDX.EM.Diversified 7years	3	EMDJCDX7YAAA	4.02	AAA	Aaa	NR	1.00%	23 634 614
Dow Jones CDX.NA.IG.2 2009	NA.IG.2	DJ_CD_X_10-15	0.28	AAA	Aaa	NR	1.00%	23 634 614
Downey Savings and Loan Association, FA	2004-AR1	US23332UAA25	3.44	AAA	Baa3	NR	0.10%	2 544 154
Downey Savings and Loan Association, FA	2004-AR1	US23332UAC80	3.26	AAA	A1	NR	0.48%	11 913 717

PORTFOLIO A (continued)

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
DRYDEN LEVERAGED LOAN CDO	2003-5A	US26243WAA99	1.95	AAA	Aa3	NR	0.49%	12 256 875
DSLA MORTGAGE LOAN TRUST	2004-AR2	US23332UAR59	2.87	AAA	Baa3	NR	0.37%	9 199 630
DSLA MORTGAGE LOAN TRUST	2005-AR1	US23332UCN28	2.63	AAA	B3	NR	0.10%	2 517 990
DSLA MORTGAGE LOAN TRUST	2005-AR1	US23332UCP75	4.07	AAA	B3	NR	0.12%	2 951 356
DSLA MORTGAGE LOAN TRUST	2205-AR3	US23332UDX90	3.51	AAA	Caa3	NR	0.63%	15 575 783
Duke Weeks Industrial Trust	2000-DW1	US36228CHK27	1.33	AAA	Aaa	AAA	1.68%	23 634 614
Eagle Creek CLO Ltd	2006-1	US269491AE68	6.97	A	Ba1	NR	0.35%	8 722 916
Exum Ridge	IV	US76129SAB07	2.53	AAA	Aaa	NR	0.80%	19 838 404
FAXTOR ABS BV	2004-1X	XS0191002780	3.87	AAA	Aa3	NR	0.20%	5 078 282
Fort Point CDO Ltd	2003-2A	US348522AA18	1.63	CC	Caa2	BB	0.19%	4 637 806
Fortius Funding, Ltd	2006-1	US34958CAB00	2.17	CCC-	C	NR	0.15%	3 749 153
FORTRESS CREDIT INVESTMENTS LTD	2006-1A	US34957TAD00	5.53	A	A2	NR	0.16%	3 987 619
Four Corners CLO	1A	US35083VAL18	7.04	A-	Ba1	NR	0.16%	4 062 387
Franklin CLO	4A	US352504AA20	2.03	AAA	Aaa	NR	1.04%	23 634 614
GALL 2005-1A A1L	2005-1A	US363631AA07	1.44	AAA	Aaa	NR	1.18%	23 634 614
GLACIER FUNDING CDO	2006-4A	US37638NAB73	1.83	CC	C	NR	0.18%	4 390 653
Global Leveraged Capital Credit	2006-1A	US379372AA30	5.11	AAA	Aaa	NR	1.70%	23 634 614
GRAPHITE MORTGAGES PLC	2006-1	GRAPH_LSS	4.17	AAA	Aaa	AAA	0.90%	22 430 356
GRAPHITE MORTGAGES PLC		XS0258744555	2.16	AA-	Aa2	AA-	0.80%	20 009 108
GREENPOINT MORTGAGE FUNDING TRUST	2006-AR1	US39538WFM55	2.32	A	Caa2	NR	0.56%	13 977 739
GREENPOINT MORTGAGE FUNDING TRUST	2007-AR1	US39539KAJ25	3.04	AA+	C	NR	0.70%	17 445 833
GreenPoint Mortgage Funding Trust 2006-AR3	2006-AR3	US39538WHP68	0.00	D	C	NR	0.22%	5 482 976
GreenPoint MTA Trust 2005-AR2	2006-AR6	US39538BAK08	1.46	B	C	NR	0.50%	12 461 309
GreenPoint MTA Trust 2005-AR2	2005-AR2	US39538RBD08	2.81	B	Ca	NR	0.12%	3 052 362
GreenPoint MTA Trust 2006-AR7	2006-AR7	US39538CAK80	1.30	B	C	NR	0.80%	19 938 094
GreenPoint MTA Trust 2006-AR8	2006-AR8	US39539HAG56	3.04	B	C	NR	0.50%	12 461 309
GSC Partners CDO Fund, Limited	2006-7	US36298AAD46	6.95	AA	Aa2	NR	0.60%	14 953 571
GSR Mortgage Loan Trust	2006-OA1	US362631AD55	2.46	BB	Ca	NR	0.50%	12 369 712
HARBORVIEW MORTGAGE LOAN TRUST	2004-9	US41161PHV85	3.11	AAA	Ba1	NR	0.12%	2 920 364
Harborview Mortgage Loan Trust Series 2006-12	2006-12	US41162DAN93	3.19	CC	C	NR	0.30%	7 476 785
Harborview Mortgage Loan Trust Series 2006-9	2006-9	US41161XAH98	3.52	NR	C	NR	0.60%	14 953 571
INDYMAC INDX MORTGAGE LOAN TRUST	2004-AR14	US45660LAB53	3.36	B	Ba3	NR	0.13%	3 219 773
INDYMAC INDX Mortgage Loan Trust	2005-Ar14	US45660LSD28	3.04	AA+	C	NR	0.44%	11 060 763
INDYMAC INDX Mortgage Loan Trust	2004-AR8	US45660N2K06	0.54	B	B3	NR	0.07%	1 663 384
INDYMAC INDX MORTGAGE LOAN TRUST	2004-AR12	US45660N5J06	2.62	AAA	B1	NR	0.08%	2 020 104
IXIS ABS CDO LTD.	2006-3A	US46603EAA10	0.00	NR	C	NR	0.23%	5 696 598
JER CDO	2005-1A	US46614KAA43	4.36	AAA	A2	BBB	1.40%	23 634 614
JER CDO	2005-1A	US46614KAC09	6.03	A	Ba2	BB	0.40%	9 969 047
JETBLUE AIRWAYS PTC 2004-2	2004-1	US47714RAB42	4.77	BBB+	Baa1	NR	0.57%	14 156 047

PORTFOLIO A (continued)

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
Katonah III, Ltd	III	USG52177AA32	1.30	AAA	Aaa	NR	0.57%	14 244 457
Katonah IV, Ltd.	IV	USG52168AA25	1.73	AAA	A2	NR	0.69%	17 074 079
Landmark CDO, LLC	2003-3	US51507JAA79	1.07	AAA	Aaa	NR	0.64%	15 957 132
LEHMAN XS TRUST	2005-9N	US525221GN14	0.78	AAA	Ca	NR	0.22%	5 404 176
LEHMAN XS TRUST	2006-2N	US525221HB66	0.78	B	Ca	NR	0.80%	19 886 542
LEHMAN XS TRUST		US52522CAD56	0.37	AAA	Ca	NR	0.43%	10 724 085
LEHMAN XS TRUST		US52522DAP69	3.04	AA	Ca	NR	0.66%	16 411 379
LNR	2002-1A	US50211NAA72	1.78	AAA	Aa2	AA	0.80%	19 976 475
LNR CDO LTD.	2003-1A	US50211MAA99	1.65	AAA	Aa1	AAA	0.14%	3 367 807
Long Beach Mortgage Loan Trust	2004-2	US542514FZ20	2.04	A	Baa2	BBB	0.04%	999 190
MARATHON FINANCING, B.V.	2006-1A	US56580TAA43	6.06	AAA	Aaa	NR	1.71%	23 634 614
Marquette Park CLO Ltd	2005-1A	US57160RAB24	6.83	A	Baa3	NR	0.28%	6 978 333
MCG Commercial Loan Trust 2006-1	2006-1A	US55271KAM36	2.35	AAA	Aaa	NR	0.33%	8 224 464
MCG Commercial Loan Trust 2006-1	2006-1A	US55271KAQ40	3.10	AA	Aa2	NR	0.40%	9 969 047
MERRILL LYNCH MORTGAGE INVESTORS, INC.	2004-W2	US59020UQX62	0.86	A	A2	NR	0.56%	13 956 666
Merrill Lynch Mortgage Investors, Inc.	2005-NC1	US59020URQ03	2.54	A+	A2	NR	0.34%	8 473 690
Midgaard Finance Ltd	1	XS0190303189	2.12	A+	Aa1	AA-	0.67%	16 690 650
ML AAA Financials 10_15%		AAAFIN10-15	3.81	AAA	Aaa	NR	1.41%	23 634 614
Morgan Stanley ABS Capital I	2004-NC4	US61744CCJ36	1.13	A	Baa2	A	0.31%	7 694 304
MORGAN STANLEY ABS CAPITAL I	2004-HE8	US61744CHE93	0.36	A	A2	BB	0.39%	9 747 734
Morgan Stanley ABS Capital I	2004-NC5	US61746RFW60	1.04	A	Baa2	BBB	0.21%	5 248 430
MORGAN STANLEY Capital I	2006-SRR1	BCC0SU391	2.29	AAA	Aaa	NR	1.08%	23 634 614
Morgan Stanley Dean Witter Capital I Inc. Series 2003-NC2	2003-NC2	US61746WA750	2.01	AA+	Aa2	AA	0.27%	6 652 851
MPS Assets Securitisation S.p.A	1	IT0003366314	0.40	AAA	Aaa	NR	0.10%	2 496 217
NOMURA CRE CDO LTD	2007-2A	US65537HAA59	4.45	AAA	Aaa	AAA	0.46%	11 464 404
Northwoods Capital Limited	2004-4A	USG66661AA01	2.27	AAA	Aaa	NR	0.60%	14 953 571
N-star Real Estate CDO LTD	2006-6A	US62940PAC14	3.63	A+	A1	A+	0.22%	5 358 363
NYLIM FLATIRON CLO LTD.	2003-1A	US62948MAA45	1.23	AAA	Aaa	NR	0.44%	10 943 904
NYLIM FLATIRON CLO LTD.	2004-1	US67073MAC64	6.61	A	Baa3	NR	0.24%	5 981 428
Oak Hill Credit Partners II, Limited	II	US67133UAA07	1.77	AAA	Aaa	NR	0.66%	16 426 489
Octagon Investment Partners V, Ltd.	V	US67571MAA71	2.29	AAA	Aaa	NR	0.88%	21 931 904
Pan-European Industrial Properties	3	XS0163580961	0.90	AA	A2	NR	0.40%	9 856 198
Permanent Custodians Limited	2002-1A	AU000CRU3025	0.42	AAA	Aaa	NR	0.28%	6 895 444
Phoenix Funding Ltd	2001-1	XS0125438670	1.76	AA	Aa2	NR	0.25%	6 331 166
PREFERRED TERM SECS XVI	XVI	US74041EAA38	6.53	BB-	A2	A	1.76%	23 634 614
Preferred Term Securities 20 Ltd	XX	US74042DAA46	4.99	BB-	Baa1	A	1.31%	23 634 614
Preferred Term Securities 22 Ltd	XXII	US74042MAA45	4.03	BB	A2	A	0.97%	23 634 614
Preferred Term Securities 23 Ltd	XXIII	US74043AAE10	7.28	BB-	Baa1	BBB	0.59%	14 650 549
Preferred Term XIX	XIX	US74042HAA59	4.34	BB+	A3	AA	1.28%	23 634 614
Project Funding Corporation I	I	US74338PAA03	1.60	B	Ba2	B	0.02%	610 032
Puma MasterFund P8	P8	AU000PT10403	0.32	AAA	Aaa	NR	0.46%	11 513 807

PORTFOLIO A (continued)

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
RACE POINT CLO	2A	US74981SAA42	1.69	AAA	Aaa	AAA	0.41%	10 254 134
RAMS MORTGAGE SECURITIES PTY LIMITED	2004-1E	AU300RMM1016	1.10	AAA	Aaa	NR	0.14%	3 399 726
Residential Asset Securities Corporation	2004-KS5	US76110WYN00	3.04	A+	A2	CCC	0.05%	1 260 565
RMAC	2003-NS2X	XS0171105439	0.75	AAA	A1	AA+	0.00%	22
RMAC	2003-NS3X	XS0177532743	0.38	AAA	A1	AA+	0.92%	22 867 644
RMAC 2003-NS1 Plc.	2003-NS1	XS0163011165	0.51	AAA	Aa3	NR	0.56%	13 927 179
RMS Trust 2002-1	2002-1	AU000RM00033	0.61	AAA	Aaa	NR	0.23%	5 726 841
Rosetta SA	I	XS0156925967	1.26	AAA	B1	NR	0.48%	11 908 794
Rosetta SA	I	XS0156926007	2.55	AA	Caa1	NR	0.39%	9 632 976
Securitized Asset Backed Receivables LLC	2004-OP1	US81375WAC01	2.04	A	A2	BBB	0.08%	2 012 472
Securitized Asset Backed Receivables LLC	2004-NC1	US81375WAL00	2.04	A	A3	A	0.36%	8 843 482
SECURITIZED ASSET BACKED RECEIVABLES LLC TRUST	2005-HE1	US81375WGG50	3.04	CCC	C	C	0.30%	7 476 785
SHerwood ABS CDO		US82437RAC51	3.73	CC	C	NR	0.74%	18 442 737
SLM Private Credit Student Loan Trust 2002-A	2004-A	US78443CBH60	6.76	AAA	Aaa	AAA	0.74%	18 442 737
SLM Student Loan Trust	2003-C	US78443CAZ77	2.54	AAA	Aaa	AAA	0.56%	13 956 666
SoundView Home Equity Loan Trust	2006-WF2	US83612MAJ62	3.04	NR	C	C	0.60%	14 953 571
SoundView Home Equity Loan Trust	2006-WF2	US83612MAK36	3.04	NR	C	C	0.12%	2 990 714
STatic repackaging trust, ltd	2004-1A	US85233VAA98	0.16	AAA	A1	NR	0.05%	1 208 995
STATIC RESIDENTIAL CDO (START) 2006-A Ltd	2006-A	US85768VAC81	16.68	CC	C	NR	0.60%	14 878 093
STATIC RESIDENTIAL CDO (START) 2006-B Ltd	2006-B	US85768XAB64	3.00	CC	C	NR	1.00%	23 634 614
Sterlingmax MBS Ltd	I	XS0177867255	2.44	AAA	NR	AAA	0.67%	16 601 742
Straits Global ABS CDO 2004-1	2004-1	US86258PAB85	4.41	BB	Caa2	CC	1.40%	23 634 614
STRUCTURED ASSET MORTGAGE INVESTMENTS INC	2006-AR5	US86360JAW18	3.04	CCC	C	NR	0.10%	2 490 459
STRUCTURED ASSET MORTGAGE INVESTMENTS INC	2006-AR5	US86360JAX90	3.04	CCC	C	NR	0.10%	2 490 601
STRuctured Asset Mortgage Investments, Inc	2005-AR7	US86359LQV44	3.04	AAA	Caa1	NR	0.10%	2 554 726
STRUCTURED ASSET SECURITIES CORPORATION	2005-WF4	US863576DK73	3.04	A	Ba1	CC	0.20%	4 984 524
Tourmaline CDO	2005-1	US89155XAB91	4.33	CC	C	NR	1.28%	23 634 614
Trapeza CDO I, LLC	2002-1	US894127AA77	3.47	AAA	Aa3	AAA	0.08%	1 929 815
Trapeza CDO II, LLC	2003-2	US894128AA50	3.08	AAA	Aaa	AAA	0.15%	3 716 759
Trapeza CDO LLC	2003-4A	US894126AA94	3.46	BBB	Aa3	AAA	0.60%	15 008 755
TRAPEZA CDO LLC	2003-3A	US89412MAA45	1.61	BBB-	Aa3	AAA	1.15%	23 634 614
TRAPEZA CDO LLC	2005-9A	US89413AAB70	6.37	NR	Baa3	A	0.40%	9 969 047
UNION SQUARE CDO, LTD	2003-1A	US908393AA98	2.06	AAA	Aaa	NR	0.75%	18 696 143
Venture CBO III CDO Ltd.	2003-1A	US92327WAA09	3.22	AAA	Aa2	NR	0.40%	9 863 489
Vermeer Funding Ltd	2004-1A	US92344VAA17	0.22	AAA	Aa2	AAA	0.23%	5 807 511
VICTORIA FALLS CLO, LTD.	2005-1A	US926244AC81	1.93	AAA	Aaa	NR	0.98%	23 634 614
VICTORIA FALLS CLO, LTD.	2005-HE1	US926244AE48	6.68	A-	Baa3	NR	0.24%	5 981 428

**PORTFOLIO A (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
WACHOVIA CRE CDO 2006-1	2006-1	US92978CAA62	3.13	AAA	A2	AAA	1.04%	23 634 614
WAMu MOrtgage Passthrough Certificates, Series 2005-AR17	2005- AR17	US92922F7X08	1.89	AAA	B2	NR	0.60%	15 018 160
WAMu MOrtgage Passthrough Certificates, Series 2005-AR19	2005- AR19	US92925CBL54	2.79	B	Ba3	NR	0.35%	8 758 385
WAMu MOrtgage Passthrough Certificates, Series 2005-AR19	2005- AR19	US92925CBN11	5.54	CCC	Caa2	NR	0.21%	5 255 031
WASHINGTON MUTUAL	2005- AR13	US92922F5B06	2.14	CCC	C	NR	0.27%	6 662 817
WASHINGTON MUTUAL	2004- AR10	US92922FXJ29	2.13	AAA	Baa2	NR	0.27%	6 797 561
WASHINGTON MUTUAL	2005- AR19	US92925CBJ09	2.47	A	B2	NR	0.17%	4 156 641
WASHINGTON MUTUAL	2006-AR9	US93363DAN75	2.81	CCC	C	NR	0.20%	4 981 518
WASHINGTON MUTUAL	2006-AR9	US93363DAP24	2.81	CCC	C	NR	0.16%	3 985 214
WASHINGTON MUTUAL	2007-OA3	US93364AAF93	3.04	BB	Ca	NR	1.17%	23 634 614
WASHINGTON MUTUAL	2005-AR1	US939336X573	2.45	AAA	A1	NR	0.38%	9 384 010
WILLIAM STREET FUNDING CORPORATION		US969285AL98	2.87	AAA	Aaa	NR	1.73%	23 634 614
WILLIAM STREET FUNDING CORPORATION	2006-2	US969285AN54	3.62	AAA	Aaa	NR	0.60%	14 953 571
WMALT MORTGAGE PASS- THROUGH CERTIFICATES	2006-AR1	US93934FJS20	3.36	CCC	Ca	NR	0.59%	14 648 308

**PORTFOLIO B**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
Ace Securities Corp	2004-FM2	US004421GK37	1.73	AA	Baa1	NR	0.15%	3 958 755
ACE SECURITIES CORP.	2006-HE1	US004421WX73	0.00	D	C	D	0.63%	16 003 478
ACT 2005-RR Depositor Corp.	2005-RR	US00503NAA90	2.14	BB+	NR	B	0.94%	24 144 684
Aegis Asset Backed Securities Trust	2004-6	US00764MCU99	1.70	A	Baa1	A	0.12%	3 078 989
Alrcastle Aircraft Lease Backed Trust	2006-1	US00505HAA05	1.86	A-	A2	NR	1.73%	31 976 243
Alesco Preferred Funding , Ltd	13	US014495AA35	4.48	AAA	Baa1	A	0.30%	7 620 704
Alesco Preferred Funding III, Ltd	III	US01448MAA71	3.48	BBB+	A1	AA	0.81%	20 743 865
Alesco Preferred Funding V, Ltd	V	US01448TAA25	5.23	BBB-	A3	A	1.94%	31 976 243
ALESCO PREFERRED FUNDING, LTD.	6	US01448XAA37	4.48	BBB-	Baa1	A	1.28%	31 976 243
Aleutian Investments LLC		US01446EAF60	0.40	A	Ba3	NR	0.57%	14 479 338
Altius Funding Ltd	2005-2	US02149WAD92	1.52	CC	C	NR	0.64%	16 259 796
Annington finance no. 4 plc	B3	XS0198259813	5.29	A	A1	A	0.27%	6 884 141
Archimedes Funding IV (Cayman) Ltd.	4	US039549AA87	0.75	AAA	Aaa	NR	0.13%	3 234 927
Asset Backed Securities Corp Home Equity	2005-HE2	US04541GQD78	2.49	A	B2	CC	0.01%	209 569
Avalon Capital Ltd 3	3	US05342RAD89	5.52	A	Ba2	NR	0.30%	7 620 704
Aviation Capital Group Trust	2003-2	US004448AA42	1.24	A	Aa2	0	1.06%	27 184 499
BAYview commercial Asset Trust	2005-2A	US07324SBN18	5.37	AAA	Aaa	AAA	0.78%	19 870 398
Bayview commercial Asset Trust 2005-4	2005-4A	US07324SCR13	3.21	AAA	Aaa	AAA	1.26%	31 976 243
BEAR STEARNS ASSET BACKED SECURITIES, INC.	2006-HE3	US07387UHW45	7.32	B	C	NR	0.27%	6 858 634
BLACKROCK SENIOR INCOME SERIES CORP.	2004-2	US09250FAG90	5.90	A	Baa3	NR	0.39%	9 887 863
BROADWICK FUNDING, LTD.	2006-1A	US11161RAF91	1.76	CC	C	NR	0.43%	11 065 884
CAPITAL ONE MULTI-ASSET EXECUTION TRUST		XS0203199509	5.56	A	A2	A	0.15%	3 810 352
CAPITAL TRUST RE CDO LTD.	2004-1A	US140574AA24	0.24	AAA	Aaa	AAA	0.78%	19 850 993
CAPITALSOURCE REAL ESTATE LOAN TRUST	2006-1A	US140560AC77	4.31	AA	Baa3	AA	0.15%	3 810 352
CAPITALSOURCE REAL ESTATE LOAN TRUST	2006-1A	US140560AN33	3.31	AAA	A3	AAA	1.19%	30 482 816
Citius Funding Ltd	2006-1	US17305CAD11	2.01	CC	C	NR	0.22%	5 637 712
Clare Island B.V.	1	XS0143891132	2.62	AAA	Aaa	NR	1.63%	31 976 243
COUNTRYWIDE ALTERNATIVE LOAN TRUST		US12667FU603	1.99	AAA	Baa3	NR	2.35%	31 976 243
Countrywide Asset Backed Certificates	2004-AB1	US126673HG04	4.24	AAA	Aaa	NR	0.28%	7 082 849
CREST 2003-1, Ltd.	2003-1	US22608SAE81	1.91	AAA	Aaa	AAA	1.47%	31 976 243
Dekania CDO	2003-1A	US244882AB20	5.78	A+	NR	BBB	1.12%	28 707 192
Dekania CDO	2004-2A	US24488RAA95	3.98	AAA	Aa3	AA	0.55%	14 157 907
Denali Capital CLO IV Ltd	IV	US24821PAB76	4.97	A	Ba1	NR	1.19%	30 482 816
Downey Savings and Loan Association, FA	2004-AR1	US23332UAC80	0.05	AAA	A1	NR	0.11%	2 734 079
Dryden IX - Senior Loan Fund 2005 plc	2005-9A	US262483AB66	5.72	A	Baa2	NR	0.60%	15 241 408
DRYDEN LEVERAGED LOAN CDO	2003-5A	US26243WAA99	2.10	AAA	Aa3	NR	1.80%	31 976 243
DSLA Mortgage Loan Trust 2006-AR1	2006-AR1	US23332UGU25	2.89	CCC	C	NR	0.09%	2 286 211
DUKE FUNDING, LTD.	2006-11	XS0261421480	4.11	CC	C	NR	1.19%	30 482 816
FAirHazel Street	1	CEDAR26_28	3.23	A	A2	0	1.04%	26 672 464
Fairway Loan Funding Limited	2006-1A	US30605KAE10	6.80	A	Ba1	NR	0.45%	11 431 056

**PORTFOLIO B (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
FIRST CLO Ltd	2004-1A1	US33736EAD31	4.58	A	Ba1	NR	0.54%	13 717 267
Frans 2003 plc		XS0171588055	1.62	NR	Baa1	A-	0.67%	17 090 936
FREMONT HOME LOAN TRUST	2004-D	US35729PGG90	0.33	BBB	B1	NR	0.04%	1 032 924
GALL 2005-1A A1L	2005-1A	US363631AA07	1.39	AAA	Aaa	NR	1.94%	31 976 243
GErnstone CDO Ltd	2004-1	US36867KAE10	2.46	BBB-	Ca	NR	0.45%	11 431 056
GEMSTONE CDO LTD		US36867VAE74	1.86	BB	C	NR	0.15%	3 810 352
Global Leveraged Capital Credit	2006-1A	US379372AA30	5.06	AAA	Aaa	NR	0.63%	16 003 478
GOLDENTREE CAPITAL OPPORTUNITIES LP	2006-1A	US38136CAA80	4.65	AAA	Aaa	NR	1.25%	31 976 243
GREENPOINT MORTGAGE FUNDING TRUST	2005-AR4	US39538WCN65	0.00	D	C	NR	0.78%	20 076 634
GREENPOINT MORTGAGE FUNDING TRUST	2006-Ar4	US39539FAU84	0.00	NR	C	NR	0.54%	13 717 267
GreenPoint MTA Trust 2006-AR6	2006-AR6	US39538BAP94	0.00	NR	C	NR	1.19%	30 482 816
GreenPoint MTA Trust 2006-AR6	2006-AR6	US39538BAQ77	0.00	NR	C	NR	0.30%	7 620 704
GSA A Trust	2004-11	US36242DQF32	1.88	AAA	Aa1	NR	0.16%	4 191 445
GSC PARTNERS CDO FUND, LIMITED	2006-7A	US36298AAC62	6.90	A	Ba1	NR	0.36%	9 144 845
Harborview Mortgage Loan Trust Series 2006-12	2006-12	US41162DAN93	3.14	CC	C	NR	1.34%	31 976 243
Harborview Mortgage Loan Trust Series 2006-7	2006-7	US41161VAK61	3.05	CC	C	NR	0.36%	9 144 845
Harborview Mortgage Loan Trust Series 2006-9	2006-9	US41161XAJ54	3.30	CC	C	NR	0.69%	17 527 619
Harvest CLO SA	II	XS0216227370	4.54	AAA	Aaa	NR	0.62%	15 930 882
HERTZ VEHICLE FINANCING LLC	2005-2A	US42805RAS85	1.20	A	Baa2	0	1.79%	31 976 243
Home Equity Asset Trust	2006-4	US437084VV50	1.07	CCC	C	C	0.15%	3 810 352
ICG Mezzanine Fund 2003 No.1 Funding limited	2003-1	XS0207113530	2.96	BBB+	NR	A-	1.19%	30 482 816
INDEPENDENCE IV CDO, LTD	4	US453433AP90	0.82	NR	C	B	0.92%	23 555 534
INDYMAC INDX Mortgage Loan Trust	2004-AR8	US45660N2L88	0.66	B	B3	NR	0.20%	4 999 333
INDYMAC INDX MORTGAGE LOAN TRUST	2006-AR2	US45661EAD67	0.15	B-	Ca	NR	0.44%	11 303 495
INDYMAC INDX MORTGAGE LOAN TRUST	2006-Ar4	US45661EBC75	2.82	CCC	C	NR	0.24%	6 096 563
Ivy Lane CDO 2006-1	2006-1	US46601QAC24	3.61	CC	Ca	NR	1.61%	31 976 243
JETBLUE AIRWAYS CORP	2004-2	US47714NAA54	3.82	BBB+	Baa1	NR	1.04%	26 554 494
Katonah Capital LLC	6	US48601QAD60	5.98	A	Ba1	NR	0.18%	4 572 422
Katonah IV, Ltd.	4	US48600PAA57	1.96	AAA	A2	NR	0.54%	13 809 600
KNOLLWOOD CDO LTD.	2006-2A	US49916RAD26	1.79	CC	C	NR	0.29%	7 430 658
Lagonda 2006-2	2006-2	LAGONDA062A	4.47	AAA	Aaa	0	1.19%	30 482 816
Landmark CDO, LLC	2003-3	US51507JAE91	1.55	A-	Baa3	NR	0.15%	3 810 352
Landmark V CDO Ltd	2005-1A	US51506JAC45	3.93	A-	Baa3	NR	0.30%	7 620 704
LATITUDE CLO LTD.	2005-1A	US51829NAC56	6.21	A	Ba2	NR	1.19%	30 482 816
LEHMAN XS TRUST	2006-10N	US525229AF79	2.99	AAA	Ca	NR	0.54%	13 903 193
LNR CDO LTD.	2003-1A	US50211MAA99	1.61	AAA	Aa1	AAA	2.00%	31 976 243
Madison Park Funding I, Ltd	2005-1	US558176AD59	4.41	A	Ba1	NR	0.15%	3 810 352
MAGNETITE CLO, LIMITED	2003-5	US55952SAC44	4.78	A	Ba1	NR	0.18%	4 572 422
Merrill Lynch Mortgage Investors, Inc.	2006-HE1	US59020U3J29	6.53	B	C	NR	0.45%	11 431 056
Merrill Lynch Mortgage Investors, Inc.	2004-WMC5	US59020UMJ15	1.99	AA	Aa3	NR	0.56%	14 424 469
Merrill Lynch Mortgage Investors, Inc.	2004-WMC5	US59020UMK87	1.99	AA	A1	NR	0.49%	12 612 265

**PORTFOLIO B (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
Morgan Stanley ABS Capital I	2004-NC1	US61744CAX48	0.30	A	A2	A	0.19%	4 980 122
Morgan Stanley ABS Capital I	2004-HE6	US61744CFE12	1.99	A	A2	A	0.41%	10 374 312
Morgan Stanley ABS Capital I	2004-HE7	US61744CGG50	1.26	A	Baa2	BBB	0.33%	8 449 088
Morgan Stanley ABS Capital I	2004-HE8	US61744CHD11	0.60	A+	A1	BBB	0.62%	15 967 661
Morgan Stanley ABS Capital I	2004-HE9	US61744CJW73	1.59	A+	A3	BB	0.30%	7 716 046
MORGAN STANLEY Capital I	2006-SRR2	BCC0U7QW3	7.16	AAA	NR	AAA	1.19%	30 482 816
MORGAN STANLEY Capital I	2006-HE2	US617451FA24	7.57	CC	C	C	0.15%	3 810 352
Morgan Stanley Dean Witter Capital I Inc	2003-NC4	US61746WF544	2.04	AA+	Aa1	AA	0.57%	14 538 301
Nautilus CDO	2007-4	US63910JAD72	0.00	D	NR	0	0.35%	8 846 616
New Century Home Equity Loan Trust 2004-3	2004-3	US64352VHY02	1.46	A	A3	BBB+	0.32%	8 086 653
New Century Home Equity Loan Trust 2004-3	2004-3	US64352VHZ76	2.99	BBB	Baa2	BBB	0.09%	2 246 345
North Street Referenced Linked Notes	2005-9	USG66587AA77	3.59	AAA	Aa1	NR	2.09%	31 976 243
Northwoods Capital Limited	2004-4A	USG66661AA01	2.22	AAA	Aaa	NR	2.09%	31 976 243
NYLIM FLATIRON CLO LTD.	2003-1A	US62948MAA45	1.19	AAA	Aaa	NR	1.41%	31 976 243
NYLIM FLATIRON CLO LTD.	2004-1	US67073MAC64	6.56	A	Baa3	NR	0.15%	3 810 352
Octagon Investment Partners VI, Ltd	VI	US67571YAE32	5.29	A-	Baa3	NR	0.18%	4 572 422
OPTION ONE MASTER LOAN TRUST	2004-2	US68389FFF62	3.49	AAA	Aaa	AAA	0.00%	3 380
OPTION ONE MASTER LOAN TRUST	2005-1	US68389FGP36	2.49	B	NR	C	0.22%	5 677 782
OPTION ONE MORTGAGE LOAN TRUST	2004-2	US68389FFH29	0.22	AA	A2	BB	0.67%	17 089 958
Pan-European Industrial Properties	3	XS0163580458	0.85	AAA	Aaa	NR	0.72%	18 319 154
Pan-European Industrial Properties	3	XS0163580615	0.85	AAA	Aa2	NR	0.30%	7 620 704
Phoenix Funding Ltd	2001-1	XS0125438670	1.71	AA	Aa2	NR	0.43%	11 000 125
Preferred Term Secs XI	X	US74041WAA36	4.24	BBB-	A2	AA	1.11%	28 338 252
PREFERRED TERM SECS XVI	XVI	US74041EAA38	6.48	BB-	A2	A	2.01%	31 976 243
Preferred Term Securities 15 Ltd	15	US74041CAA71	5.23	BB	A2	A	1.44%	31 976 243
Preferred Term Securities 17 Ltd	XVII	US74042EAA29	5.08	BB	A2	A	1.72%	31 976 243
Preferred Term Securities XIV		US74041UAA79	3.49	BB+	A2	AA	1.72%	31 976 243
Preferred Term XIX	XIX	US74042HAA59	4.29	BB+	A3	AA	0.73%	18 622 717
Puma MasterFund P9	P9	AU300PUMA029	0.27	AAA	Aaa	NR	0.31%	7 886 923
Raspro Trust	2005-1	US75405RAA14	2.41	A	Aa3	NR	1.49%	31 976 243
RESIDENTIAL ASSET MORTGAGE PRODUCTS, INC.	2006-NC2	US75156TAH32	1.99	CCC	C	NR	0.15%	3 810 352
Residential Asset Securities Trust	2005-A5	US45660LJX82	0.84	AAA	Ba1	NR	1.17%	29 906 871
Securitized Asset Backed Receivables LLC	2004-OP1	US81375WAC01	1.99	A	A2	BBB	0.40%	10 270 591
Securitized Asset Backed Receivables LLC	2006-OP1	US81375WJM91	2.99	CCC	Caa2	CC	0.24%	6 096 563
Silverado CLO Ltd	2006-1	US82834WAJ80	6.80	A	Ba1	NR	0.45%	11 431 056
SLM Student Loan Trust	2003-C	US78443CAZ77	2.53	AAA	Aaa	AAA	0.50%	12 706 229
SMART HOME REINSURANCE LIMITED	2006-1X	US83170GAE44	4.01	BB	A1	NR	0.60%	15 241 408
SoundView Home Equity Loan Trust	2006-WF2	US83612MAL19	2.99	NR	C	C	0.74%	19 051 760
STATIC RESIDENTIAL CDO (START) 2006-A Ltd	2006-A	US85768VAE48	1.28	CC	C	NR	0.44%	11 203 652
STATIC RESIDENTIAL CDO (START) 2006-B Ltd	2006-B	US85768XAB64	3.20	CC	C	NR	0.74%	19 051 760

**PORTFOLIO B (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
STAtic reSIDENTIAL TRUST	2005-A	US85768PAC14	3.29	CC	C	NR	0.07%	1 905 176
STAtic reSIDENTIAL TRUST	2005-C	US85768TAG40	16.07	CC	Ca	NR	0.35%	8 853 260
Sterlingmax MBS Ltd	I	XS0177867255	2.39	AAA	NR	AAA	0.57%	14 648 060
Stone Tower CLO Ltd	2005-3	US86175NAD93	6.17	A	Baa3	NR	0.27%	6 858 634
STRUCTURED ADJUSTABLE RATE MORTGAGE LOAN TRUST		US863579WU83	5.57	AAA	A1	NR	0.20%	4 990 542
STRUCTURED ASSET MORTGAGE INVESTMENTS INC	2006-Ar4	US86360QAV77	0.00	D	C	NR	0.21%	5 334 493
Terwin Mortgage Trust	2004-9HE	US881561JW56	3.02	AAA	Aaa	NR	0.49%	12 600 061
Terwin Mortgage Trust 2003-8, LLC	2003-8HE	US881561CX03	3.24	AAA	Aaa	NR	0.06%	1 545 889
TITAN EUROPE PLC	2006-5A	XS0277726500	6.06	AAA	NR	AAA	1.45%	31 976 243
Trapeza CDO I, LLC	2002-1	US894127AA77	3.42	AAA	Aa3	AAA	0.19%	4 960 367
Trapeza CDO II, LLC	2003-2	US894128AA50	3.04	AAA	Aaa	AAA	0.07%	1 704 736
TRAPEZA CDO LLC	2003-3A	US89412MAA45	1.56	BBB-	Aa3	AAA	0.23%	5 858 211
Trapeza CDO LLC	2003-5A	US89412RAA32	3.55	BBB-	Aa3	AAA	0.94%	23 979 707
Trapeza CDO VI, LLC	6	US89412UAA60	4.88	BB+	Aa3	AA	0.83%	21 270 720
US Capital Funding III	III	US90342BAA17	3.43	BB	Aa3	AAA	1.72%	31 976 243
Velocity CLO Ltd	2004-1A	US92257GAB77	5.40	A	Ba1	NR	0.25%	6 477 598
Venture CBO III CDO Ltd.	2003-1A	US92327WAA09	3.17	AAA	Aa2	NR	1.14%	29 255 244
Vitesse CLO Ltd	2006-1	US928496AD08	6.88	A	Ba1	NR	0.45%	11 431 056
WASHINGTON MUTUAL	2005-AR8	US92922FS583	2.07	AAA	Baa1	NR	0.32%	8 174 821
WASHINGTON MUTUAL		US92922FZV39	2.61	AAA	Baa1	NR	0.26%	6 610 110
WASHINGTON MUTUAL	2005-AR19	US92925CBQ42	4.58	CCC	C	NR	0.33%	8 477 523
WRIGHTWOOD CAPITAL REAL ESTATE CDO LTD	2005-1A	US982512AA32	3.65	AAA	Aa3	NR	1.79%	31 976 243
Zing Investment Grade Limited V	5	US98885YAA73	2.54	AAA	A1	BBB-	0.99%	25 379 246

PORTFOLIO C

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
ABACUS Ltd	2005-4	US00256GAA31	2.06	AAA	Aa2	NR	0.20%	5 454 772
ABACUS Ltd	2006-NS1	US002573AA19	7.14	A+	B1	NR	0.61%	17 046 163
ABACUS Ltd	2006-NS1	US002573AC74	8.39	BBB+	Caa1	NR	0.22%	6 136 619
ABACUS Ltd	2006-NS1	US002573AD57	8.39	BBB	Caa2	NR	0.15%	4 091 079
Accredited Mortgage Loan Trust	2004-3	US004375BP58	0.88	AAA	Aaa	AAA	0.11%	3 145 194
Ace Securities Corp	2004-OP1	US004421EZ24	3.05	B-	Baa2	BB	0.04%	1 117 925
Ace Securities Corp	2004-FM2	US004421GL10	3.05	A-	Baa3	NR	0.04%	1 043 155
Ace Securities Corp	2004-HE2	US004421GU19	2.05	AA	Baa1	NR	0.08%	2 204 609
Ace Securities Corp	2004-HE3	US004421HV82	0.13	B	B1	NR	0.12%	3 444 836
Ace Securities Corp	2004-HE4	US004421JH70	6.81	AA+	Aa1	NR	1.25%	34 765 419
Ace Securities Corp	2004-HE4	US004421JJ37	2.51	AA+	Aa2	NR	1.05%	29 281 218
Ace Securities Corp	2004-HE4	US004421JM65	3.05	BBB	B3	NR	0.26%	7 283 355
Ace Securities Corp	2004-HE4	US004421JN49	3.05	B	Ca	NR	0.19%	5 311 440
Ace Securities Corp	2004-RM2	US004421KA09	2.05	A	Baa2	NR	0.03%	704 542
Ace Securities Corp	2005-RM2	US004421NY57	2.55	A	Caa2	CC	0.25%	6 818 465
Ace Securities Corp	2005-HE6	US004421ST18	1.05	D	C	D	0.49%	13 636 931
ACE SECURITIES CORP.	2005-HE4	US004421PV90	3.05	A	B2	CC	0.44%	12 230 963
Alesco Preferred Funding , Ltd	11A	US01450AAB61	7.30	NR	Ba1	BBB	0.98%	27 273 862
ALESCO PREFERRED FUNDING, LTD.	7A	US01448YAB92	5.79	BBB-	A3	AA	0.65%	18 144 973
Alexander Park CDO, Ltd	2004-1A	US014684AD66	4.77	CC	C	NR	0.05%	1 363 693
Annington finance no. 4 plc	B3	XS0198259813	5.35	A	A1	A	0.88%	24 493 484
Anthracite CDO II Ltd	2002	US03702SAA15	1.31	AAA	Aaa	AAA	0.11%	3 066 186
Anthracite CDO Ltd	2006-HY3A	US03703FAL40	6.07	BB	Ba3	CCC	0.11%	3 034 315
ANTHRACITE CDO, LTD.	2006-HY3A	US03703FAC41	2.54	BBB-	Baa1	B+	0.19%	5 274 175
Anthracite Euro CRE CDO	1	XS0276697272	3.54	NR	Aa3	B+	0.35%	9 679 718
Arbor Realty Mortgage Securities Series 2004-1, Ltd	2004-1	US03877VAA35	0.87	AAA	Aa1	AAA	1.15%	32 046 691
Asset Backed Securities Corporation	2003-HE3	US04541GEM06	1.52	BB CCC	Ba1	B	0.05%	1 322 208
ATTENTUS CDO LTD.	2006-1A	US049730AC83	6.92	+	Ca	CCC	0.44%	12 273 238
Avalon Capital Ltd 3	3	US05342RAD89	5.58	A	Ba2	NR	0.18%	5 113 849
AVERY STREET CLO	2006-1A	US053643AG79	7.83	A	Ba2	NR	0.22%	6 136 619
BANC OF AMERICA COMMERCIAL MORTGAGE INC	2005-2	US05947UM471	5.92	AAA	Aaa	NR	0.65%	18 068 933
Bayberry Funding, Ltd	2006-1A	US07272PAA84	0.00	D	C	NR	0.24%	6 775 946
Bayberry Funding, Ltd	2006-1A	US07272PAC41	2.02	D	C	NR	0.18%	5 081 960
BAYview commercial Asset Trust	2004-2	US07324SAR31	1.22	AAA	Aaa	AAA	0.04%	1 019 874
BAYview commercial Asset Trust		US07324SAX09	1.47	AAA	Aaa	AAA	0.40%	11 182 443
BAYVIEW COMMERCIAL ASSET TRUST	2005-1	US07324SBF83	3.48	NR	Aaa	AAA	0.09%	2 567 433
BAYview commercial Asset Trust	2005-3A	US07324SCC44	5.46	NR	Aaa	AAA	0.40%	11 243 892
Bear Stearns Asset Backed Securities I LLC	2004-HE11	US073879PA06	0.98	A-	Baa2	NR	0.44%	12 273 238
Bear Stearns Asset Backed Securities I LLC	2005-HE1	US073879PS14	1.29	A	Baa1	NR	0.33%	9 204 928
BEAR STEARNS ASSET BACKED SECURITIES, INC.		US073879X453	2.75	BBB	NR	C	0.12%	3 409 233
Bear Stearns Commercial Mortgage Securities Inc.	2005-T18	US07383F5M69	6.02	NR	Aaa	AAA	0.18%	5 113 849

PORTFOLIO C (continued)

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
Bear Stearns Commercial Mortgage Securities Inc.	2005-T18	US07383F5M69	6.02	NR	Aaa	AAA	0.49%	13 636 931
Bear Stearns Commercial Mortgage Securities Inc.	2005-PWR8	US07383F7Y89	6.01	NR	Aaa	AAA	0.74%	20 455 396
BLACK Diamond CLO 2005-1 Ltd	2005-1	US09202EAE68	5.54	A-	Ba1	NR	0.22%	6 136 619
Brascan Real Estate Financial Partners LLC	2004-1	US10550TAA79	1.37	AAA	Aaa	NR	0.37%	10 318 222
Brascan Real Estate Financial Partners LLC	2004-1	US10550TAC36	1.37	A-	A3	NR	0.25%	6 818 465
BROADWICK FUNDING, LTD.	2006-1A	US11161RAF91	1.76	CC	C	NR	0.20%	5 657 696
Capital ONE MULTI ASSET EXECUTION TRUST	2004-B3	US14041NBL47	9.77	A	A2	A	0.20%	5 454 772
Capital Trust RE CDO Ltd.	2005-1A	US140558AA57	2.65	AAA	NR	AAA	0.43%	12 052 785
Capital Trust RE CDO Ltd.	2005-1A	US140558AB31	3.44	AA	NR	A	0.18%	4 983 616
Capital Trust RE CDO Ltd.	2005-1A	US140558AC14	3.54	A	NR	BBB	0.10%	2 727 386
CAPITALSOURCE REAL ESTATE LOAN TRUST	2006-1A	US140560AD50	4.37	A+	Ba2	A+	0.29%	8 182 158
C-BASS LTD	15A	US124670AC45	4.19	CC	C	C	0.27%	7 500 312
C-Bass Ltd	9A	US12497LAD01	2.84	AA	Caa1	BB	0.25%	6 818 465
CHL Mortgage Pass-Through Trust 2004-25	2004-25	US12669GKJ93	2.34	AAA	B3	NR	0.27%	7 529 839
Citigroup Mortgage Loan Trust, Inc	2004-OPT1	US17307GJM15	2.05	A+	A1	BBB	0.48%	13 432 377
Citigroup Mortgage Loan Trust, Inc	2004-OPT1	US17307GJQ29	0.89	A-	Baa1	BB	0.03%	757 962
Citigroup Mortgage Loan Trust, Inc	2004-RES1	US17307GKQ00	3.47	A	Ba1	NR	0.02%	659 594
CITIGROUP MORTGAGE LOAN TRUST, INC.	2004-RES1	US17307GKR82	2.05	BBB	Ba3	NR	0.03%	841 115
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2006-OA11	US02147DAK72	10.35	CC	C	NR	0.15%	4 091 079
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2006-OA11	US02147DAL55	11.00	CC	C	NR	0.15%	4 091 079
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-51	US12668ADE29	2.70	CC	C	NR	0.46%	12 866 607
COUNTRYWIDE ALTERNATIVE LOAN TRUST	2005-56	US12668AMB88	3.05	CC	C	NR	0.09%	2 450 104
Countrywide Asset Backed Certificates	2004-10	US126673JX19	2.05	BB	A2	NR	0.06%	1 566 012
Countrywide Asset Backed Certificates	2004-11	US126673LT78	2.55	AA	NR	BBB	0.20%	5 492 274
COUNTRYWIDE ASSET-BACKED CERTIFICATES		US126673LD27	2.05	A	NR	B	0.24%	6 778 836
Dekania CDO	2003-1A	US244882AB20	5.84	A+	NR	BBB	0.86%	23 864 629
Dekania CDO	2004-2A	US24488RAA95	4.21	AAA	Aa3	AA	0.16%	4 433 622
Dryden VIII-Leveraged Loan CDO 2005	2005-8A	US26243YAC12	5.46	A	Ba1	NR	0.28%	7 773 051
Duchess CDO SA	1X	XS0131194226	2.63	AAA	Aa3	NR	0.61%	17 068 780
Duke Funding IX	2005-9	US26450AAC18	1.92	CC	C	C	1.66%	41 708 143
Duke Funding VI Ltd	2004-1	US264407AF46	2.84	CC	C	NR	0.86%	23 864 629
Duke Funding VII Ltd	2004-1A	US264403AC01	2.50	CC	C	NR	0.49%	13 631 179
DUNHILL ABS CDO, LTD.	2004-1	US26545QAE98	3.58	B	Ca	BB	0.99%	27 614 785
E*Trade ABS CDO III, Ltd.	2004-1	US26925JAB17	3.34	AA	B2	CCC	0.58%	16 193 855
E*Trade ABS CDO III, Ltd.	2006-5A	US26925WAC01	4.08	CC	C	NR	0.37%	10 227 698
Encore Credit Receivables Trust 2005-2	2005-2	US126673J605	4.13	A	C	NR	0.24%	6 733 662
EPIC PLC	MLDN	XS0251156435	5.11	A	NR	A	0.37%	10 203 784
FAirHazel Street	1	CEDAR26_28	3.29	A	A2	NR	1.23%	34 092 327
FIRST CLO Ltd	2004-1A1	US33736EAD31	4.64	A	Ba1	NR	0.21%	5 795 696

**PORTFOLIO C (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
FIRST FRANKLIN MTG LOAN ASSET BACKED CERTIFICATES	2006-FF17	US32028KAJ51	17.91	CCC	C	C	0.25%	6 818 465
Fort Point CDO Ltd	2003-2A	US348522AA18	1.64	CC	Caa2	BB	1.39%	38 593 767
Fortius Funding, Ltd	2006-1	US34958CAD65	2.60	CC	C	NR	0.11%	3 181 706
FORTRESS CREDIT FUNDING LP	2005-1A	US34957LAD73	5.23	A	A2	NR	0.49%	13 636 931
FORTRESS CREDIT FUNDING LP	2006-3A	US34957RAG74	7.23	NR	Aa2	NR	0.49%	13 636 931
FORTRESS CREDIT FUNDING LP	2006-3A	US34957RAJ14	7.23	NR	A2	NR	0.96%	26 592 015
FORTRESS CREDIT FUNDING LP	2006-4A	US34957XAE94	7.23	NR	A2	NR	0.29%	8 182 158
Four Corners CLO	1A	US35083VAL18	7.05	A-	Ba1	NR	0.20%	5 557 049
Franklin CLO	4A	US352504AB03	4.53	AA	Aa2	NR	0.25%	6 818 465
Fremont Home Loan Trust	2004-C	US35729PEV85	2.05	AA-	Baa2	NR	0.09%	2 469 337
Fund America Investors III Ltd	2004-3A	US80410JAD63	1.91	CCC	Ca	NR	0.33%	9 191 990
Gallatin Funding Ltd	2005-1	US363631AC62	4.44	A-	Baa3	NR	0.49%	13 636 931
GEMSTONE CDO LTD		US36867VAE74	1.92	BB	C	NR	0.25%	6 818 465
GEMSTONE CDO LTD	2005-3A	US36868AAJ16	1.94	CC	C	NR	0.51%	14 318 777
GEMSTONE CDO LTD		US36868BAE02	3.18	CC	C	NR	0.25%	6 818 465
Glacier Funding CDO	2004-2A	US37638VAB99	3.06	BBB	Caa3	BBB-	0.15%	4 091 079
GOLDENTREE CAPITAL OPPORTUNITIES LP	2006-1A	US38136CAD20	6.46	AA	Aa2	NR	0.12%	3 409 233
GRAPHITE MORTGAGES PLC	2006-1	GRAPH_LSS	4.18	AAA	Aaa	AAA	0.73%	20 376 229
GREENPOINT MORTGAGE FUNDING TRUST	2006-AR5	US39538AAS50	0.00	NR	C	NR	0.17%	4 772 926
GREENPOINT MORTGAGE FUNDING TRUST	2006-AR5	US39538AAV89	0.00	NR	C	NR	0.15%	4 091 079
GREENPOINT MORTGAGE FUNDING TRUST	2005-AR4	US39538WCN65	0.00	D	C	NR	0.14%	3 833 218
GREENPOINT MORTGAGE FUNDING TRUST	2006-AR1	US39538WFM55	2.33	A	Caa2	NR	0.11%	3 185 647
GREENPOINT MORTGAGE FUNDING TRUST	2007-AR2	US39539LAQ41	1.79	NR	C	NR	0.52%	14 591 516
GSAMP TRUST	2004-NC2	US36242DHC02	2.05	A-	NR	BBB+	0.06%	1 736 187
GSAMP TRUST	2004-AHL	US36242DHS53	2.05	A	Ba1	NR	0.06%	1 651 517
GSAMP TRUST	2004-OPT	US36242DNV19	0.64	AA	Baa2	BB	0.37%	10 227 698
GSC ABS CDO Ltd.	2005-1A	US362470AC01	2.18	CC	C	C	0.37%	10 227 698
GSC Partners CDO Fund, Limited	2006-7	US36298AAD46	6.96	AA	Aa2	NR	0.49%	13 636 931
G-Star Ltd	2004-4	US36242CAF23	3.26	B+	NR	B	0.49%	13 636 931
Harborview Mortgage Loan Trust Series 2006-12	2006-12	US41162DAM11	3.36	CC	C	NR	0.98%	27 273 862
Harborview Mortgage Loan Trust Series 2006-12	2006-12	US41162DAN93	3.20	CC	C	NR	0.25%	6 818 465
Harborview Mortgage Loan Trust Series 2006-7	2006-7	US41161VAK61	3.11	CC	C	NR	0.12%	3 409 233
Harborview Mortgage Loan Trust Series 2006-9	2006-9	US41161XAJ54	3.36	CC	C	NR	0.17%	4 772 926
Harvest CLO SA	II	XS0216228428	0.95	A	Baa3	NR	0.29%	8 182 158
Home Equity Asset Trust	2004-7	US437084FW18	3.05	BBB-	Ba1	BB	0.05%	1 290 932
Hudson Straits CLO Ltd	2004-1A	US44413QAC50	5.35	AA	Aa2	NR	0.25%	6 818 465
Hudson Straits CLO Ltd	2004-1A	US44413QAD34	6.10	A	Baa3	NR	0.30%	8 352 620
ICG Mezzanine Fund 2003 No.1 Funding limited	2003-1	XS0207113530	3.02	BBB+	NR	A-	1.64%	41 708 143
INDYMAC RESIDENTIAL ASSET BACKED TRUST	2005-A	US43708AAX00	2.55	BBB	Ca	CC	0.12%	3 409 233
I-Preferred Term Securities IV, Ltd	IV	US44984RAA68	4.79	AA+	Aa2	AA	1.36%	37 937 706

**PORTFOLIO C (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
JER CDO	2005-1A	US46614KAA43	4.37	AAA	A2	BBB	0.49%	13 570 743
JETBLUE AIRWAYS CORP	2004-2	US47714NAA54	3.94	BBB+	Baa1	NR	0.57%	15 817 696
JETBLUE AIRWAYS CORP	2004-2	US47714NAB38	7.44	BBB+	Baa1	NR	0.49%	13 636 931
JP MORGAN Chase Commercial Mortgage Securities 2006-RR1	2006-RR1	US48123HAE36	6.86	A-	B2	NR	0.34%	9 545 852
Katonah Capital LLC	6	US48601QAD60	6.04	A	Ba1	NR	0.25%	6 818 465
KNOLLWOOD CDO LTD.	2006-2A	US49916RAE09	3.10	CC	C	NR	0.48%	13 265 230
Landmark CDO, LLC	2004-3	US51506DAE31	4.77	A-	Baa3	NR	0.12%	3 409 233
LATITUDE CLO LTD.	2006-2A	US51829TAL26	7.02	AAA	A2	NR	0.49%	13 636 931
LCM Limited Partnership	3A	US50182CAC29	5.99	A	Baa3	NR	0.17%	4 772 926
LEHMAN XS TRUST	2005-9N	US525221GN14	0.79	AAA	Ca	NR	0.20%	5 475 167
LNR CDO LTD.	2006-1A	US53944MAA71	4.80	AA	Ba1	BB-	0.12%	3 409 233
LNR CDO LTD.	2006-1A	US53944MAB54	6.39	BBB+	B1	B	0.25%	6 818 465
LNR CDO LTD.	2006-1A	US53944MAD11	6.39	BBB-	Caa1	CCC	0.96%	26 592 015
LNR CDO LTD.	2005-1A	US53944PAD42	5.53	BBB	Caa1	B	0.32%	8 847 397
Long Beach Mortgage Loan Trust	2004-4	US542514HY37	0.46	A+	Ba1	BB	0.09%	2 471 679
LONG BEACH MORTGAGE LOAN TRUST	2004-4	US542514HZ02	2.05	A	Ba3	B	0.03%	897 291
Long Beach Mortgage Loan Trust	2005-1	US542514KD52	1.30	A	B3	C	0.12%	3 419 692
LONG HILL, LTD.	2006-1A	US54266TAE29	3.34	CC	C	NR	0.20%	5 454 772
MAGNETITE CLO, LIMITED	2003-5	US55952SAC44	4.84	A	Ba1	NR	0.25%	6 818 465
MARATHON REAL ESTATE CDO LTD	2006-1A	US565853AA65	4.97	AAA	Aaa	AAA	0.74%	20 455 396
MASTR ASSET BACKED SECURITIES TRUST	2005-OPT1	US57643LHU35	2.55	BBB	NR	CC	0.13%	3 547 693
MASTR ASSET BACKED SECURITIES TRUST	2005-OPT1	US57643LHV18	1.47	BB	NR	C	0.16%	4 334 025
MASTR ASSET BACKED SECURITIES TRUST	2005-OPT1	US57643LHW90	3.05	CCC	NR	C	0.18%	5 086 449
MCG Commercial Loan Trust 2006-1	2006-1A	US55271KAQ40	3.12	AA	Aa2	NR	0.37%	10 227 698
Merrill Lynch Mortgage Investors, Inc.	2004-OPT1	US59020UKP92	2.05	AA+	NR	A	0.07%	2 015 946
Merrill Lynch Mortgage Investors, Inc.	2004-OPT1	US59020UKQ75	3.05	AA	NR	BBB	0.04%	984 144
Merrill Lynch Mortgage Investors, Inc.	2004-WMC5	US59020UMJ15	2.05	AA	Aa3	NR	0.46%	12 905 991
Merrill Lynch Mortgage Investors, Inc.	2004-WMC5	US59020UMK87	2.05	AA	A1	NR	0.49%	13 636 931
ML AAA CMBS Portfolio		AAA_CMBSPORT	6.78	A+	Aa2	NR	0.29%	8 182 158
ML AAA Financials 10_15%		AAAFIN10-15	3.82	AAA	Aaa	NR	1.10%	30 666 216
ML AJ CMBS Portfolio		AJ_CMBSPORT	6.78	AAA	Aaa	NR	0.74%	20 455 396
MM COMMUNITY FUNDING CORP.	2003-9X	US606867AA79	3.15	BBB+	Aa2	AAA	0.10%	2 769 215
Morgan Stanley ABS Capital I	2004-NC6	US61744CEV46	2.05	A	A2	A	0.30%	8 462 211
Morgan Stanley ABS Capital I	2004-NC7	US61744CFS08	1.47	A	A2	A	0.37%	10 227 698
Morgan Stanley ABS Capital I	2004-NC8	US61744CHS89	2.05	A+	A1	A+	0.27%	7 482 584
Morgan Stanley ABS Capital I	2004-NC8	US61744CHT62	2.05	A	A2	BBB	0.13%	3 543 044
Morgan Stanley ABS Capital I	2004-HE9	US61744CJX56	2.05	A	Baa3	BB	0.07%	1 922 506
Morgan Stanley ABS Capital I	2004-HE9	US61744CJY30	2.05	A-	Ba3	B	0.04%	1 101 457
MORGAN STANLEY ABS CAPITAL I	2005-NC1	US61744CKS43	1.30	BBB-	Ba3	CC	0.16%	4 507 914
MORGAN STANLEY Capital	2005-T17	US61745MW666	5.93	AAA	NR	AAA	0.72%	20 148 565
MORGAN STANLEY Capital I	2006-SRR2	BCC0U7QW3	7.22	AAA	NR	AAA	0.98%	27 273 862

**PORTFOLIO C (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
MORGAN STANLEY Capital I	2005-IQ9	US61745M2H50	5.93	AAA	NR	AAA	1.23%	34 092 327
Morgan Stanley Home Equity Loans 2005-1	2005-1	US61744CLH78	2.80	A	Ba3	NR	0.12%	3 409 233
Morgan Stanley Investment Management Corp	2005-1	US61748RAE99	6.73	A	Baa3	NR	0.74%	20 455 396
Nautilus CDO	2006-3	US639099AD28	0.00	D	NR	NR	0.12%	3 280 765
Nautilus CDO	2005-2	US639103AD22	1.77	CC	NR	C	0.44%	12 153 808
NEW CENTURY HOME EQUITY LOAN TRUST	2004-4	US64352VJN29	9.05	BBB	Baa3	NR	0.07%	1 878 041
New Century Home Equity Loan Trust 2004-3	2004-3	US64352VHY02	1.49	A	A3	BBB+	0.28%	7 740 174
New Century Home Equity Loan Trust 2004-3	2004-3	US64352VJA08	2.05	BB	Baa3	BB+	0.08%	2 110 218
New Century Home Equity Loan Trust 2004-3	2005-3	US64352VLP49	2.05	A-	Caa2	CCC	0.60%	16 715 468
Newcastle CDO IV, Limited	2004-4A	US65105YAA01	2.20	AA	A2	BBB+	1.15%	32 074 528
North Street Referenced Linked Notes	2005-9	USG66587AA77	3.65	AAA	Aa1	NR	1.59%	41 708 143
Northwesterly CDO II	II	XS0199037531	4.76	A	Baa2	NR	0.49%	13 684 882
N-Star Real Estate CDO 2006-8	2006-8A	US62940FAC32	4.73	NR	Aa3	AAA	0.61%	17 046 163
N-Star Real Estate CDO 2006-8	2006-8A	US62940FAD15	4.66	NR	Baa2	AA+	0.54%	15 000 624
N-star Real Estate CDO LTD	2005-3A	US629387AG68	5.85	BBB	NR	BBB-	0.59%	16 287 238
N-star Real Estate CDO LTD		US62939WAA36	3.72	AAA	Aaa	NR	0.66%	18 409 857
N-star Real Estate CDO LTD		US62939WAC91	3.97	A	Baa3	NR	0.37%	10 227 698
N-star Real Estate CDO LTD	2005-5	US62940HAE53	8.17	AA	NR	BB+	0.31%	8 636 405
N-star Real Estate CDO LTD	2006-6A	US62940PAD96	3.78	A-	A3	A-	0.25%	6 818 465
NYLIM FLATIRON CLO LTD.	2003-1A	US62948MAB28	3.86	AA	Aa2	NR	0.25%	6 818 465
NYLIM FLATIRON CLO LTD.	2004-1	US67073MAC64	6.62	A	Baa3	NR	0.49%	13 636 931
Octagon Investment Partners VI, Ltd	VI	US67571YAE32	5.35	A-	Baa3	NR	0.27%	7 500 312
OPTION ONE MASTER LOAN TRUST	2004-3	US68389FFX78	2.05	A+	Baa1	BBB	0.21%	5 795 696
OPTION ONE MASTER LOAN TRUST	2005-1	US68389FGP36	2.55	B	NR	C	0.05%	1 270 019
PARK PLACE SECURITIES INC	2005-WCW2	US70069FLK11	2.55	AA-	Caa2	CC	0.22%	6 136 619
People's Choice Home Loan Trust	2004-2	US71085PAX15	2.05	A+	A3	B	0.32%	8 864 005
Preferred Term Secs XI	X	US74041WAA36	4.30	BBB-	A2	AA	0.13%	3 733 996
PREFERRED TERM SECS XIV	XIV	US74041UAB52	5.04	BB-	Ba2	A	0.12%	3 409 233
PREFERRED TERM SECS XVI	XVI	US74041EAA38	6.54	BB-	A2	A	1.31%	36 355 847
Preferred Term Securities 15 Ltd	15	US74041CAB54	5.30	B-	Ba2	BBB	0.21%	5 795 696
Preferred Term Securities 20 Ltd	XX	US74042DAC02	6.54	B-	Ba2	BB	0.48%	13 338 462
Preferred Term Securities VI Ltd	A-2	US74040YAB83	4.32	BB+	Ba1	A	0.98%	27 273 862
Preferred Term Securities XIII	13	US74041AAA16	4.79	BB	A1	AA	0.81%	22 465 059
Preferred Term Securities XIV		US74041UAA79	3.55	BB+	A2	AA	0.71%	19 779 924
Preferred Term XVIII	XVIII	US74042WAA27	3.55	BB+	A2	AA	0.48%	13 472 538
PULS CDO 2006-1 PLC	2006-1	XS0260584148	4.64	AAA	A1	NR	0.12%	3 396 038
RACE POINT CLO	2A	US74981SAA42	1.70	AAA	Aaa	AAA	0.29%	8 131 542
Raspro Trust	2005-1	US75405RAA14	2.47	A	Aa3	NR	0.99%	27 460 472
Regional Diversified Funding	2004-1	US75902XAA63	4.93	BB+	Baa1	AA	0.31%	8 531 120
Resource Real Estate Funding	2007-1A	US76121BAK52	4.38	NR	A3	AA-	0.79%	22 090 881
SAXON ASSET SECURITIES TRUST	2005-1	US805564RQ68	1.72	BB	Ba3	CC	0.14%	3 866 188
Securitized Asset Backed Receivables LLC	2004-OP2	US81375WBP05	1.12	A+	A2	BB	0.44%	12 273 238
Securitized Asset Backed Receivables	2004-OP2	US81375WBR60	2.05	A-	Baa1	B	0.01%	399 556

**PORTFOLIO C (continued)**

Issuer	Series	ISIN	Expected Average Life as of June 30, 2009	Rating as of June 30, 2009			Weighting	Exposure \$
				S&P	Moody's	Fitch		
LLC								
Silverado CLO Ltd	2006-2A	US82835AAJ51	7.58	A	Ba1	NR	0.37%	10 227 698
STAtic repackaging trust, Ltd	2004-1	US85233VAC54	0.92	BBB	Ba2	NR	0.49%	13 636 931
STATIC RESIDENTIAL CDO (START) 2006-A Ltd	2006-A	US85768VAD64	18.47	CC	C	NR	0.73%	20 407 251
STATIC RESIDENTIAL CDO (START) 2006-A Ltd	2006-A	US85768VAE48	1.34	CC	C	NR	0.12%	3 341 411
STATIC RESIDENTIAL CDO (START) 2006-B Ltd	2006-B	US85768XAF78	3.01	CC	C	NR	0.56%	15 682 470
STAtic reSIDENTIAL TRUST	2005-A	US85768PAC14	3.35	CC	C	NR	0.56%	15 682 470
STAtic reSIDENTIAL TRUST	2005-BA	US85768QAF28	6.18	CC	C	NR	0.47%	13 068 442
STAtic reSIDENTIAL TRUST	2005-C	US85768TAG40	16.13	CC	Ca	NR	0.18%	4 938 149
Stone Tower CLO Ltd	2005-3	US86175NAD93	6.01	A	Baa3	NR	0.17%	4 772 926
SUMMIT RMBS CDO, LTD	2005-1	US866244AB23	2.64	A	NR	BB	0.42%	11 718 422
SUMMIT RMBS CDO, LTD	2005-1	US866244AC06	2.64	BB+	NR	B-	0.64%	17 677 240
TITAN EUROPE 2006-3 PLC	2006-3A	XS0257769769	3.88	BBB	Baa1	A-	0.14%	3 958 683
TRAFFORD CENTRE FIN LTD	A3	XS0222488396	6.14	AAA	Aaa	AAA	1.22%	34 060 179
TRAINER WORTHAM FIRST REPUBLIC CBO	3A	US892881AA10	2.53	A-	Ba1	BBB-	0.50%	13 864 961
TRAINER WORTHAM FIRST REPUBLIC CBO	3	US892881AD58	3.73	CC	C	C	0.83%	23 182 782
Trapeza CDO I, LLC	2002-1	US894127AA77	3.48	AAA	Aa3	AAA	0.05%	1 272 241
TRAPEZA EDGE CDO LTD		US89412LAB45	6.42	NR	Ba1	BBB	0.24%	6 779 230
TROPIC CDO CORP.	2004-4	US89707YAA29	5.62	BBB-	A3	AA	0.91%	25 273 704
UNITED CAPITAL AVIATION TRUST		US90264FAE88	4.83	BBB	Baa1	NR	2.76%	41 708 143
US Capital Funding I	I	US903329AA80	4.88	BB-	Aa2	AA	1.18%	32 712 984
US Capital Funding II	II	US90390KAA25	5.15	BB	A1	AA	2.83%	41 708 143
US Capital Funding III	III	US90342BAA17	3.49	BB	Aa3	AAA	1.54%	41 708 143
US Capital Funding III	III	US90342BAC72	3.49	B+	Baa2	AA	0.56%	15 682 470
Velocity CLO Ltd	2004-1A	US92257GAB77	5.46	A	Ba1	NR	0.27%	7 500 312
VERTICAL CDO LTD.	2A	US925338AC98	11.89	CC	C	CC	0.12%	3 409 233
VERTICAL CDO LTD.		US925345AE06	1.92	CC	C	C	0.39%	10 909 545
VICTORIA FALLS CLO, LTD.	2005-HE1	US926244AE48	6.69	A-	Baa3	NR	0.29%	8 182 158
WACHOVIA CRE CDO 2006-1	2006-1	US92978CAE84	4.55	A-	Caa2	A-	0.49%	13 636 931
WAMu MOrtgage Passthrough Certificates, Series 2005-AR19	2005-AR19	US92925CBP68	3.41	CCC	C	NR	0.41%	11 502 662
WASHINGTON MUTUAL	2005-AR13	US92922F4W51	2.47	BB	Ba1	NR	0.49%	13 754 460
WASHINGTON MUTUAL	2005-AR13	US92922F5B06	2.15	CCC	C	NR	0.22%	6 068 276
WASHINGTON MUTUAL	2005-AR19	US92925CBQ42	4.64	CCC	C	NR	0.16%	4 362 478
WELLS FARGO HOME EQUITY TRUST		US9497ERAH70	0.84	A-	Ba3	CC	0.61%	17 046 163