4-1-2005

Class V Funding CDO Term Sheet

Merrill Lynch International

Global Structured Products

Merrill Lynch

April 2005

Class V Funding, Ltd.

THE OFFERING:

$205.0 million Collateralized Debt Obligation ("CDO") Notes and Preference Shares issued by Class V Funding, Ltd.

CREDIT SUISSE | First Boston Alternative Capital

INVESTMENT ADVISOR:

CSFB Alternative Capital ("CSFB-AC")

	CLASS A-1 NOTES (1)	CLASS A-2 NOTES (1)	CLASS B NOTES (1)	CLASS C NOTES (1)	CLASS D1 NOTES (1)	CLASS D2 NOTES (1)	PREFERENCE SHARES (1)
Principal	$100,000,000	$41,000,000	$30,000,000	$8,000,000	$9,000,000	2,000,000	$15,000,000
Percentage	48.8%	20.0%	14.6%	3.9%	4.4%	1.0%	7.3%
Coupon Type	NA	3mL + 60bps	3mL + 90bps	3mL + 160bps	3mL + 325bps	8.059%	Residual
Expected Rating	Aaa/AAA	Aaa/AAA	Aa2/AA	A2/A	Baa2/BBB	Baa2/BBB	Ba2/BB
Rating Agency	Moody's/S&P	Moody's/S&P	Moody's/S&P	Moody's/S&P	Moody's/S&P	Moody's/S&P	Moody's/S&P
Average Life(2)	6.3 yrs.	8.2 yrs.	8.2 yrs.	8.2 yrs.	6.0 yrs.	8.2 yrs.	
Stated Maturity	2045	2045	2045	2045	2045	2045	2045
Denomination (1)	$250,000 minimum	$250,000 minimum	$250,000 minimum	$250,000 minimum	$250,000 minimum	$250,000 minimum	$250,000 minimum
	$1,000 increments	$1,000 increments	$1,000 increments	$1,000 increments	$1,000 increments	$1,000 increments	$1,000 increments

(1) Payments on the Notes and Preferred Shares will be made quarterly.
(2) Based on a 8 year auction call. Assumes 0.0% Defaults.
**** Weighted Average Spread of Notes: 0.76%*

STRUCTURE

Issuer: Class V Funding, Ltd.

Investment Advisor: CSFB Alternative Capital, Inc.

Anticipated Closing Date: April 12, 2005

Coupon Payment Dates: Quarterly, beginning September 30, 2005

Ramp-Up Period: 4 month Ramp-Up Period—It is expected that 75% of the Collateral Portfolio will be purchased or identified at closing.

Substitution Period: 2 years; the manager may substitute collateral up to 10% per annum to improve the portfolio

Non-Call Period: 3 years

"RAPID" Features:
I. Principal amortization will be used to pay down the Notes on a sequential basis.
II. Until the Class D1 Notes are fully paid down, the Preference Shares will be capped at a per annum dividend yield of 16.25% and the excess cashflows will be used to pay down the Class D1 Notes.

Mandatory Auction Call: 8 years

O/C and I/C Test Cures: If the Class C Coverage Tests are breached, interest proceeds will be used to pay down the principal of the Class C Notes. If the Class D Coverage Tests are breached, interest proceeds will be used to pay down the principal of the Class D Notes.

COVERAGE TESTS

	O/C Tests	Initial O/C	I/C Tests	Initial I/C
Class A/B	113.4%	117.0%	115.0%	148.2%
Class C	109.5%	111.7%	112.0%	139.5%
Class D	103.5%	105.3%	110.0%	125.6%

FEES AND EXPENSES (1)

Senior Management Fees:	25.0 bps per annum
Subordinated Management Fee:	20.0 bps per annum
Trustee Fees:	3.0 bps per annum
Administrative Expenses:	5.0 bps per annum
Cashflow Swap on the A1, A2 and B Notes:	15.0 bps per annum on a $60MM notional *(amortizes)*
Incentive Fee:	25% of excess cash flows once an equity IRR of 12% is achieved

(1) Includes certain up-front closing fees associated with this transaction, including structuring and placement fees, legal, agency, and other fees.

COLLATERAL CHARACTERISTICS

- Minimum Weighted Average Spread(2) 2.65%
- Maximum Moody's Weighted Average Rating Score(3) 450
- Minimum Diversity Score 10
- Maximum Single Servicer Concentration(5) 7.50%
- Maximum Single Issuer Concentration(4) 2.0%
- Maximum Ba1/Ba2/Ba3 Assets 5.0%
- Maximum Weighted Average Life 7.5yrs

(2) Target Weighted Average Spread 2.70%
(3) For purposes of calculating the Moody's rating factor, any Collateral Obligation that has been placed and remains on positive/negative credit watch will be deemed to have a Moody's rating of the next higher/lower rating subcategory respectively.
(4) With 6 exceptions up to 2.5%
(5) With some exceptions (See Class V Funding, Ltd. Offering Circular).

Global Structured Products	CDO Marketing/Global Structured Products		ABS Trading and Syndicate
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This term sheet may only be distributed along with the Confidential Discussion Materials to pre-qualified Merrill Lynch clients who are Qualified Purchasers within the meaning of Investment Company Act of 1940.

Global Structured Products

Why Invest in Structured Finance Securities and Leveraged Loans?

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

- According to a recent Moody's study, the long-term historical average (1983–2003) of unchanged ratings of Structured Finance Securities and CDOs was 92.3%, which compares favorably to the 76.6% average of unchanged ratings of corporate bonds for the same period. (4)
- Structured Finance Securities have historically had an average recovery rate higher than that of corporate bonds. (5) (6)

The leveraged loan market is a large market with average annual issuance of over $170 billion over the past 5 years (7) Loans possess inherent structural and credit protections including, capital structure seniority, that make them well suited to supporting moderate leverage

- Loans possess certain long-term characteristics such as risk adjusted returns, low volatility, low total return correlation with other assets, and high recovery rates, with an average recovery of 85% from 1987 to 2004(7)

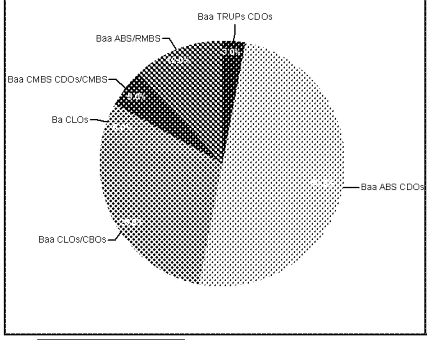
(4) Moody's Investors Service, "Structured Finance Rating Transitions: 1983-2003", February 2004.
(5) Moody's Investor Service, "Payment Defaults and Material Impairments of U.S. Structured Finance Securities: 1993-2002", December 2003.
(6) Moody's Investors Service, "Default & Recovery Rates of Corporate Bond Issuers", January 2004.
(7) S&P/PMD Leveraged Lending 3Q 2004. Industry breakout as of 9/24/04; Comprises all loans, including those not tracked in the LSTA/LPC mark–to-market service. Vast majority are institutional tranches. S&P' "U.S. LossStats Database", last updated Feb 2004; contains 2,365 defaulted loans and bonds that defaulted between 1987 – Feb 2004.

Credit Suisse First Boston Alternative Capital, Inc. – Leveraged Investments Group (LIG)(1)

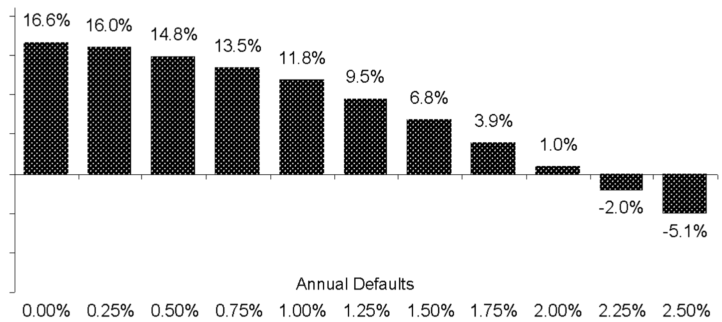
- The LIG team comprises a group of experienced investment professionals with a focus on the management of structured investment vehicles such as CDO Vehicles which are secured by leveraged loans and high yield bonds.
- The LIG team has extensive experience managing CDO Vehicles which invest primarily in leveraged loans and high yield bonds. Certain Senior LIG professionals are among the earliest managers of CDO Vehicles, having completed their first transaction in 1993.
- LIG currently manages 13 CDO Vehicles and a private fund with an aggregate initial capitalization of approximately $7.1 billion.

(1) Source: CSFB Alternative Capital, Inc. Information as of December, 2004

REPRESENTATIVE PORTFOLIO*



PREFERENCE SHARE TARGET RETURN (IRR)(1)(2)



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

BREAKEVEN DEFAULT RATES (1)(2)

Class Description (Moody's/S&P)	Based on a Break in Yield: Annual Default Rate	Based on a Break in Yield: Cumulative Gross Defaults	Based on 0% Yield: Annual Default Rate	Based on 0% Yield: Cumulative Gross Defaults
Class A-1 First Priority Senior Secured Floating Rate Notes (Aaa/AAA)	22.0%	80.1%	29.9%	88.2%
Class A-2 Second Priority Senior Secured Floating Rate Notes (Aaa/AAA)	11.8%	58.6%	15.6%	68.6%
Class B Third Priority Secured Floating Rate Notes (Aa2/AA)	7.1%	41.3%	9.2%	49.6%
Class C Fourth Priority Secured Floating Rate Notes (A2/A)	5.7%	34.6%	6.2%	37.4%
Class D1 Fifth Priority Mezzanine Secured Floating Rate Notes (Baa2/BBB)	3.6%	23.8%	4.5%	28.7%
Class D2 Fifth Priority Mezzanine Secured Fixed Rate Notes (Baa2/BBB)	3.6%	23.8%	4.5%	28.7%

(1) Scenario assumptions: Annual defaults begin immediately at "Stated Default Rate." Recovery Assumptions: 40%. 100% of the equity principal is returned at call date. There are no call premiums. Assumes all floating collateral and a [16.25]% equity cap for the life of the CDO, excess will be used to pay down Class D1 Notes. Assumes an target collateral spread of 2.70%.

(2) All information shown in these materials is for illustrative purposes only. The actual structure of the final transaction, including the composition of the collateral to be acquired, will be determined at or around the time of pricing of the Notes based upon market conditions and other factors applicable at that time. Consequently the actual structure of the final transaction including the composition of the collateral may vary from those illustrated and the variation may be material. See Important Notice below.

Important Notice