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### Independence VI CDO Term Sheet

Merrill Lynch International

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## Final Information

**THE OFFERING:** \$956.0 million  
Collateralized Debt Obligation ("CDO")  
Notes and Preference Shares issued by  
Independence VI CDO, Ltd.


  
Declaration

**COLLATERAL MANAGER:**  
Declaration Management & Research  
LLC, a wholly owned subsidiary of John  
Hancock Financial Services and  
Manulife Financial Corporation

	CLASS A-1 NOTES <sup>(1)</sup> <sup>(2)</sup>	CLASS A-2 NOTES <sup>(2)</sup>	CLASS B NOTES <sup>(2)</sup>	CLASS C NOTES <sup>(2)</sup>	CLASS D NOTES <sup>(2)</sup>	CLASS E NOTES <sup>(2)</sup>	PREFERENCE SHARES <sup>(2)</sup>
Principal	\$675,000,000	\$94,500,000	\$92,000,000	\$15,950,000	\$21,250,000	\$19,000,000	\$38,300,000
Percentage	70.6%	9.9%	9.6%	1.7%	2.2%	2.0%	4.0%
Coupon Type	Floating	Floating	Floating	Floating	Floating	Floating	Residual
Expected Rating	Aaa/AAA/AAA	Aaa/AAA/AAA	Aa2/AA/AA	A2/A/A	Baa2/BBB/BBB	Baa3/BBB-/BBB-	NR
Rating Agency	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)	NR
Spread	L+0.27%	L+0.45%	L+0.60%	L+1.40%	L+2.60%	L+3.20%	N/A
Issued Currency	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Average Life <sup>(3)</sup>	5.6 yrs.	5.9 yrs.	5.9 yrs.	5.9 yrs.	5.9 yrs.	5.9 yrs.	N/A
Stated Maturity	May 5, 2041	May 5, 2041	May 5, 2041	May 5, 2041	May 5, 2041	May 5, 2041	May 5, 2041
Denomination	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments	\$250,000 minimum \$1,000 increments <sup>(4)</sup>

(1) Part or all of which may be issued in unfunded form.

(2) Payments on the Notes and Preference Shares will be made quarterly.

(3) Based on an 8 year auction call

(4) Subject to some limited exceptions

## STRUCTURE

Issuer:	Independence VI CDO, Ltd.
Collateral Manager:	Declaration Management & Research LLC, a wholly owned subsidiary of John Hancock Financial Services and Manulife Financial Corporation
Closing Date:	June 30, 2005
Coupon Payment Dates:	Quarterly, beginning November 5, 2005
Ramp-up Period:	At least 90% of the Collateral Portfolio is expected to be purchased or identified at Closing.
Non Call Period:	3 years (thereafter, all of the Notes and Preference Shares may be called by a majority vote of the Preference Shares)
Reinvestment Period:	None. Immediate principal amortization
Substitution Period:	3 years. The Manager may substitute up to 15% of the collateral per annum to improve the portfolio.
Deleveraging Structure:	Principal amortization will be used to pay down the Notes on a pro rata basis until either 50% of the collateral has amortized, the Class A Sequential Pay Test is not in compliance or a coverage test is not in compliance. <sup>(1)</sup>
Mandatory Auction Call:	8 years

(1) Please see "Confidential Discussion Material – Transaction Highlights – Priority of Payments" for more detail.

## COLLATERAL CHARACTERISTICS

## Portfolio Target

Minimum Weighted Average Coupon <sup>(6)</sup>	5.70%
Minimum Weighted Average Spread <sup>(6)</sup>	1.65%
Maximum % Fixed	20%
Maximum Weighted Average Rating Factor <sup>(1)(2)</sup>	450 (Baa2/Baa3)
Minimum Diversity Score <sup>(3)</sup>	14
Below Investment Grade Bucket <sup>(5)</sup>	10%
Maximum Weighted Average Life	5.75 Years
Maximum Single Issuer Concentration <sup>(5)</sup>	1.0%
Maximum Single Servicer Concentration <sup>(4)</sup>	7.5%

(1) For purposes of calculating the Moody's rating factor, any Collateral Debt Security 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.

(2) Based on a Ratings Matrix to be provided in the Offering Circular

(3) Solely for ratings migration purposes.

(4) With some exceptions (yet to be determined).

(5) With some exceptions up to 1.50%

(6) The expected WAC will be approximately 5.75%. The expected WAS will be approximately 1.80%.

O/C COVERAGE TESTS	Test Level <sup>(1)</sup>	Initial <sup>(2)</sup>	I/C COVERAGE TESTS	Test Level <sup>(1)</sup>	Initial <sup>(2)</sup>
Class A/B Overcollateralization Test	102.9%	110.3%	Class A/B Interest Coverage Test	115.0%	137.7%
Class C Overcollateralization Test	101.8%	108.3%	Class C Interest Coverage Test	112.0%	134.5%
Class D Overcollateralization Test	101.2%	105.7%	Class D Interest Coverage Test	108.0%	129.4%
Class E Overcollateralization Test	101.5%	103.5%	Class E Interest Coverage Test	104.0%	124.8%

(1) Test Level represents the levels that must be passed in order not to cause accelerated redemption of the Notes.

(2) Initial represents expected characteristics of target portfolio.

## MANAGEMENT FEE STRUCTURE

Senior Management Fee:	20.0 bps per annum
Subordinated Management Fee	25.0 bps per annum
Closing Fees and Expenses <sup>(1)</sup>	

(1) On the Closing Date, a portion of the gross proceeds from the offering will be used to pay various fees and expenses, including expenses, fees and commissions incurred in connection with the acquisition of the Collateral, structuring and placement agency fees payable to Merrill Lynch and legal, accounting, rating agency and other fees. Closing fees and expenses reduce the amount of the gross proceeds of the offering available to purchase Collateral and, therefore, the return to purchasers of the Securities. Rating agencies will consider the amount of net proceeds available to purchase Collateral in determining any ratings assigned by them to the Securities. For information about the amount of such fees and expenses, please review the final Offering Circular before investing.

## For Further Information, Please Contact:

Global Structured Products	CDO Marketing/Global Structured Products	ABS Trading and Syndicate
	<i>Institutional Clients</i>	<i>Global Private Clients</i>
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# Global Structured Credit Products

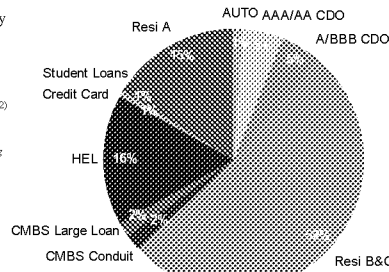


## WHY INVEST IN STRUCTURED FINANCE SECURITIES?

Structured Finance Securities (including ABS, RMBS and CMB) and CDOs 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 and CDOs have outperformed other CDO types.<sup>(1)</sup>

- According to a recent Moody's study, the long-term historical average (1983-2004) of unchanged ratings of Structured Finance Securities and CDOs was 92.3%, which compares favorably to the 77.6% average of unchanged ratings of corporate bonds for the same period.<sup>(2)</sup>
  - Moody's estimates that the recovery rate for Baa-Rated RMBS/HEL Securities is 65%.<sup>(3)</sup>
- (1) Standard and Poor's, "Rating Transitions 2004: Global CDO Rating Trends Show Improvement", January 21, 2005; "Rating Transitions 2004: U.S. CMBs Upgrade Overwhelm Downgrades Amid Improved Real Estate Fundamentals", January 13, 2005; "Rating Transitions 2004: U.S. ABS Rating Stability Improves Despite Adverse Behavior of Manufactured Housing Securities", January 20, 2005; "Rating Transitions 2004: U.S. RMBS Stellar Performance Continues to Set Records", January 21, 2005.  
 (2) "Structural Finance Rating Transitions: 1983-2004", Moody's Investors Service, February 2005.  
 (3) Moody's Investors Service, "Default & Loss Rates of Structured Finance Securities: 1993 - 2003", September 2004. Recovery rate determined by loss severity based on rating at origination and loss based on original balance.

## REPRESENTATIVE PORTFOLIO\*



\* For illustrative purposes only. Subject to change.

## COLLATERAL MANAGEMENT

### Declaration Management & Research LLC

- Established in 1989
- Wholly-owned subsidiary of John Hancock Financial Services and Manulife Financial Corporation
- Assets Under Management: \$9.3 Billion, \$6.9 Billion in Structured Bonds<sup>(1)</sup>
- Has Completed over \$5 Billion in Actively Managed Structured Finance Transactions<sup>(1)</sup>

Year	Declaration Funding <sup>(1)</sup>	Market Value CDO	Value	Structure
May 1999	Declaration Funding I	Market Value CDO	\$1,000 MM	High Quality ABS & MS
December 2000	Independence I CDO	Cash Flow CDO	\$300.5 MM	Subordinate ABS
July 2001	Independence II CDO	Cash Flow CDO	\$400.2 MM	Subordinate ABS
November 2001	EPOCH 2001-4 <sup>(2)</sup>	Synthetic CDO	\$400 MM	Credit Default Swaps
May 2002	Independence III CDO	Cash Flow CDO	\$300 MM	Subordinate ABS
December 2002	DESIGN I, II, III <sup>(3)</sup>	Synthetic CDO/ Credit Linked Note	\$1,200 MM	Credit Default Swaps
June 2003	Independence IV CDO	Cash Flow CDO	\$400 MM	Subordinate ABS
February 2004	Independence V CDO	Cash Flow CDO	\$602 MM	Subordinate ABS
October 2004	Straits Global CDO	Cash Flow CDO	\$402 MM	Subordinate ABS
April 2005	Kent Funding	Cash Flow CDO	\$1,009.8 MM	High Grade ABS

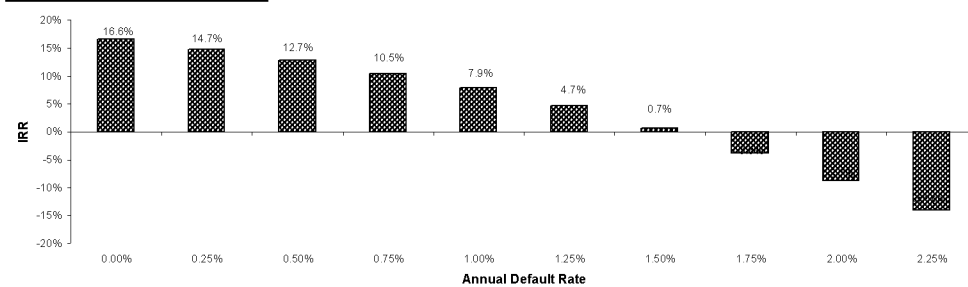
(1) As of 4/15/05

(2) Declaration Funding I matured 5/04. The risk tranches of EPOCH 2001-4 was sold by an investor as of 3/04. The risk tranches of Design I, II, & III were sold by an investor as of 8/04.

## BREAKEVEN DEFAULT RATES<sup>(1)</sup>

Class Description (Moody's/S&P/Fitch)	Based on a Break in Yield		Based on 0% Yield	
	Annual Default Rate	Cumulative Gross Defaults	Annual Default Rate	Cumulative Gross Defaults
Class A1 First Priority Senior Secured Floating Rate Notes Aaa/AAA/AAA	20.1%	65.5%	34.0%	81.6%
Class A2 Second Priority Senior Secured Floating Rate Notes Aaa/AAA/AAA	12.6%	49.6%	15.1%	55.7%
Class B Third Priority Senior Secured Floating Rate Notes Aa2/AA/AA	6.5%	30.4%	8.9%	38.7%
Class C Fourth Priority Mezzanine Floating Rate Notes A2/A/A	5.4%	25.8%	6.0%	28.2%
Class D Fifth Priority Mezzanine Floating Rate Notes Baa2/BBB/BBB	4.0%	20.0%	4.8%	23.4%
Class E Sixth Priority Mezzanine Floating Rate Notes Baa3/BBB-/BBB-	2.9%	15.1%	3.9%	17.9%

## IRR OF PREFERENCE SHARES<sup>(1)</sup>



(1) Assumes constant annual default rate, defaults beginning immediately, 60% immediate recoveries, forward LIBOR, WAC of 1.80% and WAC of 3.75%.

**Figure, market and economic conditions are impossible to predict. Future market or economic conditions that materially differ from those on which the assumptions are based may have a negative impact on the performance of the CDO. Ltd. For this and other reasons, there are limitations on the value of any hypothetical illustration. This information is not intended to be used as a basis for implied business or investment performance.**

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