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### Jupiter High-Grade II CDO Term Sheet

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## Global Structured Products



April 2005

## Final Information

## Jupiter High Grade CDO II, Ltd.

**THE OFFERING:**

\$1,004.5 million Collateralized Debt Obligation ("CDO") Notes and Preferred Shares issued by Jupiter High Grade CDO II, Ltd.

**COLLATERAL MANAGER:**

Maxim Advisory LLC ("Maxim"), a wholly-owned subsidiary of Maxim Partners LLC

	CLASS A-1 NOTES <sup>(1)(3)</sup>	CLASS A-2 NOTES <sup>(1)</sup>	CLASS B NOTES <sup>(1)</sup>	CLASS C-1A NOTES <sup>(1)</sup>	CLASS C-1B NOTES <sup>(1)</sup>	CLASS C-1C NOTES <sup>(1)</sup>	PREFERRED SHARES <sup>(1)</sup>
Principal	\$880,000,000	\$40,000,000	\$46,000,000	\$11,500,000	\$4,000,000	\$7,500,000	\$15,500,000
Percentage	87.6%	4.0%	4.6%	1.15%	0.4%	0.75%	1.5%
Coupon Type	Floating	Floating	Floating	Floating	Fixed	Fixed	Residual
Expected Rating	Aaa/AAA/AAA	Aaa/AAA/AAA	Aa2/AA/AA	Baa2/BBB/BBB	Baa2/BBB/BBB	Baa2/BBB/BBB	NR
Spread / Coupon	L + 0.27%	L + 0.50%	L + 0.73%	L + 2.95%	7.067%	7.265%	NR
Average Life <sup>(2)</sup>	5.9	6.1	6.1	5.7	5.7	6.0	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
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 <sup>(4)</sup> \$1,000 increments

- (1) Payments on the Notes and Preferred Shares will be made quarterly.  
(2) Based on a 8 year auction call, WAS of 0.73%, WAC of 5.5%, and Forward LIBOR  
(3) The Class A-1 Notes will not be fully funded at Closing  
(4) With some limited exceptions

**STRUCTURE**

<b>Issuer:</b>	Jupiter High Grade CDO II, Ltd.
<b>Collateral Manager:</b>	Maxim Advisory LLC, a wholly-owned subsidiary of Maxim Partners LLC
<b>Anticipated Closing Date:</b>	March 29, 2005
<b>Coupon Payment Dates:</b>	Quarterly, beginning August 5, 2005
<b>Ramp-Up Period:</b>	120 days. At least 70 % of the Collateral Portfolio is expected to be purchased or identified at closing.
<b>Non-Call Period:</b>	4 years (thereafter, all of the Notes and Preferred Shares may be called by a majority vote of the Preferred Shares)
<b>Reinvestment Period:</b>	None. Immediate Principal Amortization
<b>OC and IC Test Cures:</b>	If the Class A/B IC or Class A/B OC test is breached, interest will be used to pay down the principal of the Class A-1, Class A-2, and then the Class B Notes. If the Class C IC or Class C OC test is breached, interest will be used to pay down the principal of the Class C Notes on a pro rata basis.
<b>"RAPID" Features:</b>	I. Principal amortization will be used to pay down the Notes on a pro rata basis until either 50% of the collateral has amortized or if a coverage test is not in compliance. II. Until the Class C-1A and Class C-1B Notes are fully paid down, the dividend on the Preferred Shares payable on each payment date will be capped at an annualized dividend yield of 13.0% and the excess cashflows will be used to pay down the Class C-1A and Class C-1B Notes.
<b>Mandatory Auction Call:</b>	8 years

**COVERAGE TESTS**

	O/C Tests	Initial O/C	I/C Tests	Initial I/C
Class A/B	102.5%	103.5%	102.0%	109.4%
Class C	100.4%	101.1%	100.0%	104.7%

**FEES AND EXPENSES**

Senior Management Fee:	8 bps per annum
Subordinate Management Fee:	4 bps per annum
Closing Fees and Expenses <sup>(1)</sup>	***

- (1) On the Closing Date, the Co-Issuer will use a portion of the gross proceeds from the offering to pay various fees and expenses, including expenses, fees and commissions incurred in connection with the acquisition of the Collateral, structuring and placement agency fees payable to Merrill Lynch and legal, accounting, rating agency and other fees. Fees payable to Merrill Lynch and others will be determined on an arms' length basis. 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.

**COLLATERAL CHARACTERISTICS**

• Weighted Average Fixed Coupon:	5.45%	• Maximum CDOs: <sup>(3)</sup>	25%
• Weighted Average Floating Spread:	0.72%	• Maximum Weighted Average Life:	6.75 Years
• Maximum Weighted Average Rating: <sup>(1)</sup>	55 (Aa3/A1)	• Maximum Single Issuer Concentration:	2.00%
• Minimum Diversity Score: <sup>(1)</sup>	>=17	• Minimum Number of Obligors:	105
• Minimum Initial Rating at Purchase:	A3	• Maximum Obligations Rated Below Aaa:	65.0%
• Maximum Single Servicer Concentration:	7.5% <sup>(2)</sup>	• Maximum Fixed Collateral:	20.0%
• Maximum Obligations rated "A1", "A2", "A3":	30.0%	• Maximum "A" Rated Issuer Concentration:	1.00%

- (1) Based on a WARF-Diversity Score matrix  
(2) With some exceptions (yet to be determined)  
(3) Minimum CDO rating is Aa3

Global Structured Products	CDO Marketing/Global Structured Products		ABS Trading and Syndicate
	Institution Clients	Global Private Clients	
Christopher Ricciardi (212) 449-9638	US: Doug Mallach (212) 449-6190	Cliff Lanier (212) 449-5383	Scott Soltas (212) 449-3659
Harin De Silva (212) 449-9359	Canada: Barry Dennis (212) 449-0394	Marie Walsh (212) 449-5383	Andrew Phelps (212) 449-3659
Cecilia Pan (212) 449-0867	Europe: Bill Berry 44-20-7995-4678	Marco Pavoncelli +44-207-996-3743	
Zach Smith (212) 449-0192	Asia: Taro Masuyama 81-3-3213-7473	Institutional Advisory Division	
Josh Poislmeili (212) 449-8231		Mike Foggia (212) 449-6190	

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## Global Structured Products

### Why Invest in Structured Finance Securities?

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

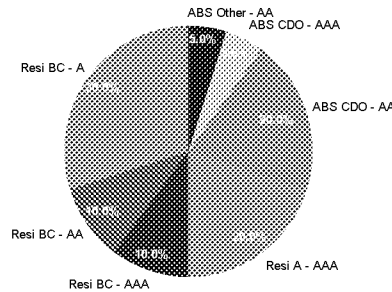
According to a recent Moody's study, the long-term historical average (1983-2003) of unchanged ratings of Structured Finance Securities and CDOs was 92.3%, which compares favorably to the 76.6% average of unchanged ratings of corporate bonds for the same period.<sup>(1)</sup>

A Moody's study on recovery rates of Structured Finance Securities (including ABS, RMBS and CDOs) has concluded the following.<sup>(2)(3)</sup>

- Aa and A rated Structured Finance Securities have historically had an average recovery rate of 91% for bonds that have not matured.<sup>(4)</sup>
- Aaa rated Structured Finance Securities have historically had an average recovery rate of 99% for bonds that have not matured.<sup>(4)</sup>

(1) Structured Finance Rating Transitions, 1983-2003, Moody's Investors Service, February 2004  
 (2) Moody's Investor Service, "Payment Defaults and Material Impairments of U.S. Structured Finance Securities, 1993-2002, December 2002."  
 (3) Because losses on defaulted structured finance securities accumulate gradually over time, complete information about lifetime losses on defaulted securities is available only for those few (84 in total) defaults in the sample that have caused making their payments (i.e. paid down or written down defaults). Among the 84 defaults that have had zero outstanding balances, four were from CDOs, all of which were cured before their last payment date, and hence suffered zero lifetime cumulative losses.  
 (4) Data for recovery rates as of December 31, 2002. Structured Finance Securities in this sample include securities that have not yet matured. These numbers are not intended to represent lifetime recovery rates. Cumulative recovery rates may decrease over time since losses on Structured Finance Securities accumulate gradually over time. Recovery rates computed by examining defaulted Structured Finance Securities that originated on or after January 1, 1993.

### REPRESENTATIVE PORTFOLIO\*



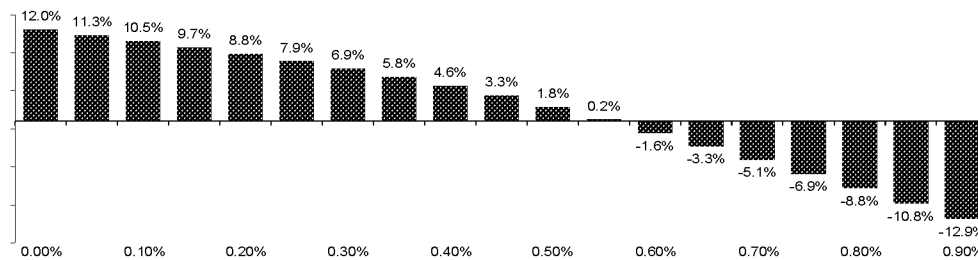
\* For illustrative purposes only. Subject to change.

### About Maxim Advisory LLC<sup>(1)</sup>

- Maxim Advisory LLC ("Maxim"), has recently entered the Structured Finance asset management business focusing on Mortgage-backed securities ("MBS"), Asset-backed securities ("ABS"), and Collateralized Debt Obligations ("CDO"). Maxim is a wholly-owned subsidiary of Maxim Partners LLC and is a registered investment advisor under the Investment Advisers Act of 1940.
- Maxim intends to become an industry leader in the management of structured finance CDOs.
- Maxim employs investment professionals with extensive backgrounds and experience in Structured Finance. Their portfolio management and credit experience includes investing in the ABS/MBS/CDO sectors.
  - Jupiter High Grade CDO, Maxim's first CDO closed in December of 2004 for \$750MM
  - Jupiter High Grade CDO II, the second CDO advised by Maxim, will benefit from the expertise afforded by the entire Maxim Family.
- Maxim Group LLC ("MG"), a sister affiliate of Maxim Advisory LLC, will provide a wide range of financial expertise and services to enhance Maxim's management capabilities.
- MG will provide support services to Maxim in a variety of areas including operations, systems, control, and risk management.

(1) Source: Maxim, As of January 2005

### PROJECTED IRR ON PREFERRED SHARES<sup>(2)(3)</sup>



### BREAKEVEN DEFAULT RATES<sup>(1)(2)(3)(4)</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 A-1 First Priority Senior Secured Floating Rate Delayed Draw Notes Aaa/AAA/AAA	8.6%	39.4%	24.8%	74.3%
Class A-2 Second Priority Senior Secured Floating Rate Notes Aaa/AAA/AAA	5.6%	27.9%	6.7%	32.7%
Class B Third Priority Senior Secured Floating Rate Notes Aa2/AJAA	2.9%	15.9%	4.0%	21.1%
Class C Fourth Priority Mezzanine Notes Baa2/BBB/BBB	1.1%	6.2%	1.8%	9.9%

(1) Break in yield is the default rate at which the first dollar loss occurs, and 0% yield is the default rate at which the cashflows over the life of the bond equal the initial investment.  
 (2) Assumes no default lockout, 70% immediate recoveries, 0.73% WAS, 5.5% WAC and forward LIBOR.  
 (3) Based on an auction call in 8 years.  
 (4) Definitions and other terms will be fully described in the Offering Circular

Future 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 Jupiter High Grade CDO II, Ltd. For these and other reasons, there are indications on the other of this or any hypothetical illustration.

THIS SUMMARY IS A SUMMARY OF THE "CONFIDENTIAL DISCUSSION MATERIAL - JUPITER HIGH GRADE CDO II, LTD." (THE "MATERIAL") AND SHOULD BE READ IN CONJUNCTION THEREWITH, INCLUDING "TRANSACTION HIGHLIGHTS - STRUCTURING ASSUMPTIONS" HERETO. THE MATERIAL OUTLINES CERTAIN CHARACTERISTICS OF A PROPOSED COLLATERALIZED DEBT OBLIGATION TRANSACTION (CONTRACTUAL DOCUMENTS) AND IS PRESENTED SOLELY FOR PURPOSES OF DISCUSSION TO ASSIST PROSPECTIVE INVESTORS IN DETERMINING WHETHER THEY HAVE A PRELIMINARY INTEREST IN INVESTING IN A TRANSACTION WITH THE GENERAL CHARACTERISTICS DESCRIBED HEREIN. THIS TRANSACTION IS IN A STRUCTURING PHASE AND THERE MAY BE MATERIAL CHANGES TO THE STRUCTURE, TERMS AND ASSETS PRIOR TO THE OFFERING OF ANY SECURITIES (THE "SECURITIES"). NEITHER THE MATERIAL NOR THIS SUMMARY IS AN OFFER TO SELL, OR A SOLICITATION TO BUY, THE SECURITIES OR ANY OTHER INVESTMENT. ANY SUCH OFFERING OF THE SECURITIES WILL ONLY BE MADE PURSUANT TO A FINAL OFFERING CIRCULAR RELATING TO THE SECURITIES (THE "OFFERING CIRCULAR"), WHICH WILL CONTAIN MATERIAL INFORMATION NOT CONTAINED IN THE MATERIAL AND TO WHICH THE PROSPECTIVE PURCHASERS ARE DIRECTED. IN THE EVENT OF ANY SUCH OFFERING, THE MATERIAL AND THIS SUMMARY WILL BE DEEMED SUPERSEDED, AMENDED AND SUPPLEMENTED IN THEIR ENTIRETY BY THE OFFERING CIRCULAR (INCLUDING ANY PRELIMINARY VERSION THEREOF). THIS SUMMARY IS CONFIDENTIAL AND PROPRIETARY TO MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED AND ITS AFFILIATES (COLLECTIVELY, "MERRILL LYNCH") AND, ACCORDINGLY, EXCEPT AS DESCRIBED BELOW, THIS SUMMARY IS TO BE TREATED AS STRICTLY CONFIDENTIAL AND NOT DISCLOSED DIRECTLY OR INDIRECTLY TO ANY PARTY OTHER THAN THE RECIPIENT AND ITS ADVISERS OR USED FOR ANY PURPOSE OTHER THAN TO MAKE A PRELIMINARY ANALYSIS OF THE SECURITIES. NOTWITHSTANDING THE FOREGOING, RECIPIENTS OF THIS SUMMARY AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF ANY SUCH RECIPIENT MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL INCOME TAX TREATMENT AND TAX STRUCTURE OF THIS TRANSACTION AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OF OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE SUCH TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING THIS TRANSACTION, THE INVESTMENT ADVISER, COLLATERAL MANAGER OR ANY OTHER PARTY OR THE PRICING (EXCEPT TO THE EXTENT PRICING IS RELEVANT TO TAX STRUCTURE OR TAX TREATMENT) OF THIS TRANSACTION.

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