

July 2004

Final Information
Cascade Funding CDO I, Ltd.

THE OFFERING:
\$402.7 million Collateralized Debt Obligation ("CDO") Notes and Preferred Shares issued by Cascade Funding I, Ltd.



COLLATERAL MANAGER:
Terwin Money Management LLC ("TMM"), a member of the Winter Group ("TWG")

	CLASS A-1 NOTES ⁽¹⁾⁽³⁾	CLASS A-2 NOTES ⁽¹⁾	CLASS B NOTES ⁽¹⁾	CLASS C NOTES ⁽¹⁾	PREFERRED SHARES ⁽¹⁾
Principal	\$328,000,000	\$46,000,000	\$14,000,000	\$7,000,000	\$7,700,000
Percentage	82.0%	11.5%	3.5%	1.75%	1.25%
Coupon Type	Floating	Floating	Floating	Floating	Residual
Price	3mL+0.37%		3mL+1.05%	3mL+3.15%	
Maximum Applicable Rate		L+[0.75]%			
Expected Rating	Aaa/AAA/AAA	Aaa/AAA/AAA	Aa3/ /	Baa2/ /BBB	Baa3 ⁽⁴⁾
Rating Agency	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	Moody's/S&P/Fitch	
Average Life ⁽²⁾	6.1 yrs.	8.0 yrs.	8.0 yrs.	7.3 yrs.	
Stated Maturity	March 2042	March 2042	March 2042	March 2042	March 2042
Denomination ⁽¹⁾	\$500,000 minimum \$1,000 increments	\$250,000 minimum \$25,000 increments	\$500,000 minimum \$25,000 increments	\$500,000 minimum \$25,000 increments	\$100,000 minimum \$1,000 increments

(1) Payments on the Notes and Preferred Shares will be made quarterly.
(2) Based on a 8 year auction call.
(3) The Class A-1 Notes will not be fully funded at Closing
(4) Rated to principal only

STRUCTURE

Issuer: Cascade Funding I, Ltd.
Collateral Manager: Terwin Money Management LLC
Anticipated Closing Date: July 26, 2004
Coupon Payment Dates: Quarterly, beginning on December 3, 2004
Ramp-Up Period: 4 month ramp up
Non-Call Period: 3 years (thereafter, all of the Notes and Preferred Shares may be called by a majority vote of the Preferred Shares)
Reinvestment Period: None. Immediate Principal Amortization
Substitution Period 2 years. Manager may substitute up to 10% of the collateral per annum to improve the portfolio
OC and IC Test Cures: If the Class C IC test is breached interest will be used to pay down the principal of the Class A1, Class A2, Class B and then the Class C Notes. If the Class C OC test is breached, interest will be used to pay down the principal of the Class C, Class B, Class A2 and then the Class A1 Notes.
"RAPID" Features:
 I. Principal amortization will be used to pay down the Notes on a sequential basis.
 II. Until the Class C 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 [12]% and the excess cashflows will be used to pay down the Class C Notes.
Mandatory Auction Call: 8 years

COVERAGE TESTS

	O/C Tests	Initial O/C	I/C Tests	Initial I/C
Class C	100.50%	101.27%	103.85%	116.5%

FEES AND EXPENSES

Senior Management Fee: 10 bps per annum
 Closing Fees and Expenses ⁽¹⁾ ***

(1) There will be certain up-front closing fees associated with this transaction including Merrill Lynch structuring and placement fees, legal, agency, and other fees.

COLLATERAL CHARACTERISTICS

- Weighted Average Coupon: 5.37%
- Weighted Average Spread: 0.88%
- Maximum Average Rating Score: ⁽¹⁾ 43
- Minimum Diversity Score: ⁽¹⁾ 18
- Minimum Initial Rating at Purchase: A3
- Maximum Single Servicer Concentration: 7.5%⁽⁴⁾
- Maximum Obligations Rated Single A: 25%
- Maximum CDOs: 30%
- Maximum Weighted Average Life: 7.25 Years
- Maximum Single Issuer Concentration: 2.00%
- Minimum Number of Obligor: 95
- Maximum Obligations Rated Below Aaa: 57%
- Maximum CDOs rated Single A: 3%

(1) Based on a WARF-Diversity Score matrix
 (2) With some exceptions (not to be determined)

Global Structured Products	CDO Marketing/Global Structured Products	Global Private Clients	ABS Trading and Syndicate
Christopher Ricciardi (212) 449-9838	US: Diana Mallick (212) 449-8190	Joe Aquino (212) 449-5383	Scott Soltas (212) 449-3659
Harin De Silva (212) 449-3359	Canada: Barry Dennis (212) 449-0394	Cliff Lanier (212) 449-5383	Brian Stoker (212) 449-3659
Cecilia Pan (212) 449-0867	Europe: Bill Berry 44-20-7995-4878	Marie Walsh (212) 449-5383	Andrew Phelps (212) 449-3659
Julie Cutler (212) 449-0196	Asia: Taro Masuyama 81-3-3213-7473	Marco Pavoncelli +44-207-996-3743	
		Institutional Advisory Division	
		Mike Foglia (212) 449-8190	

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Global Structured Products

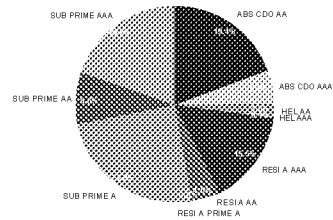
Why Invest in Structured Finance Securities?

Structured Finance Securities (including ABS, RMBS and CMBS) 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.⁽¹⁾

- 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.⁽¹⁾
- Structured Finance Securities have historically had an average recovery rate of 58%⁽²⁾ compared to approximately 35% for corporate bonds.⁽³⁾

(1) "Structured Finance Rating Transitions: 1983-2003", Moody's Investors Service, February 2004
 (2) Moody's Investor Service, "Measuring Loss Severity: Rates of Defaulted Residential Mortgage Backed Securities", April 2004
 (3) Moody's Investors Service, "Default & Recovery Rates of Corporate Bond Issuers", January 2004

REPRESENTATIVE PORTFOLIO*



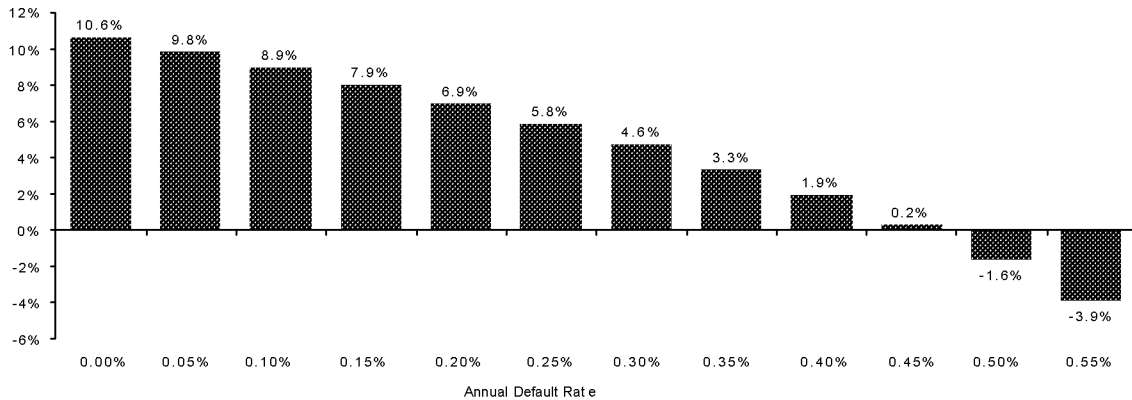
* For illustrative purposes only. Subject to change.

About Terwin Money Management and The Winter Group⁽¹⁾

- Terwin Asset Management LLC ("TAM") is a recently formed asset management business, which focuses on credit related mortgage backed securities investments. Terwin Money Management LLC ("TMM") is a wholly-owned subsidiary of TAM dedicated to the issuance and management of structured finance CDOs.
- TMM is comprised of individuals with extensive expertise in mortgage credit investing. Their portfolio management and credit experience includes managing mortgage credit for the largest publicly traded insurance group. TMM's objective is to insure delivery of the stated returns by purchasing high quality assets which have historically had excellent performance, and which form the core of the team's expertise.
- TMM receives considerable support from its parent, The Winter Group ("TWG"), which has built an integrated capital markets residential mortgage acquisition, securitization, trading and distribution platform
 - TWG's founders represent the core of an industry leading mortgage team that held the number one underwriting position of Whole-Loan Non-Agency CMOs for five consecutive years.
 - TWG's sourcing and distribution platform is well positioned to create attractive assets for TMM
- Significant financial commitment and alignment of interests
 - TMM or its affiliates expect to purchase up to 36% of the CDO Preferred Shares
- TMM closed its first mezzanine ABS CDO, "Glacier Funding CDO 1" in March 2004, and is currently ramping up its second mezzanine ABS CDO

(1) Source: TMM, As of March 31, 2004

PROJECTED IRR ON PREFERENCE SHARES



BREAKEVEN DEFAULT RATES

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 Delayed Draw Notes (Aaa/AAA/AAA)	[8.8]%	[40.8]%	[21.3]%	[70.7]%
Class A2 Second Priority Senior Secured Floating Rate Notes (Aaa/AAA /AAA)	[3.0]%	[16.5]%	[5.5]%	[28.1]%
Class B Third Priority Senior Secured Floating Rate Notes (Aa3/ /)	[1.3]%	[7.6]%	[2.1]%	[11.9]%
Class C Mezzanine Secured Floating Rate Notes (Baa2/ /BBB)	[1.0]%	[5.9]%	[1.4]%	[8.1]%

THIS SUMMARY OUTLINES CERTAIN CHARACTERISTICS OF A PROPOSED COLLATERALIZED DEBT OBLIGATION TRANSACTION ("CDO"). THIS SUMMARY IS A SUMMARY OF THE "CONFIDENTIAL DISCUSSION MATERIAL - CASCADE FUNDING CDO 1, LTD." (THE "CONFIDENTIAL DISCUSSION MATERIAL") AND SHOULD BE READ IN CONJUNCTION THEREWITH, INCLUDING "SECTION 3 - TRANSACTION HIGHLIGHTS" THERETO. THIS MATERIAL IS PRESENTED SOLELY FOR PURPOSES OF DISCUSSION, TO DETERMINE PRELIMINARY INTEREST IN INVESTING IN A TRANSACTION WITH THE GENERAL CHARACTERISTICS DESCRIBED. THIS TRANSACTION IS AT A STRUCTURING PHASE AND THERE MAY BE MATERIAL CHANGES TO THE STRUCTURE AND COLLATERAL PRIOR TO THE SECURITIES BEING OFFERED (SUCH SECURITIES, THE "OFFERED SECURITIES"). UNDER NO CIRCUMSTANCES IS THIS PRESENTATION TO BE USED OR CONSIDERED AS AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, ANY SECURITY. ANY SUCH OFFERING MAY BE MADE ONLY BY THE OFFERING CIRCULAR. 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INVESTING IN COLLATERALIZED DEBT OBLIGATIONS INVOLVES RISKS THAT ARE MORE FULLY DESCRIBED IN THE OFFERING CIRCULAR.