# Global Structured Products

**Merrill Lynch**

**March 2005**

**THE OFFERING:**
$1000,000,000 Collateralized Debt Obligation ("CDO") Notes and Preferred Shares issued by Fort Sheridan ABS CDO, LTD

**COLLATERAL MANAGER:**
Vanderbilt Capital Advisors, LLC

## STRUCTURE

**Issuer:** Fort Sheridan ABS CDO, Ltd  
**Collateral Manager:** Vanderbilt Capital Advisors, LLC  
**Closing Date:** March 30, 2005  
**Coupon Payment Dates:** Quarterly, beginning August 5, 2006

### RATING

- **Expected Rating:** Aaa/AAA/AAA
- **Rating Agency:** Moody’s/S&P/Fitch
- **Rating:** Moody’s/S&P/Fitch
- **Presence of Credit增强:** Moody’s/S&P/Fitch

### Maturity

- **Stated Maturity:** 11/5/2041
- **Denomination:** $250,000 min

### INTEREST RATE FEATURES

- **Coupon Type:** Floating
- **Coupon Rate:** 7.5%

### COLLATERAL ASSUMPTIONS

<table>
<thead>
<tr>
<th>Portfolio Target</th>
<th>WAC</th>
<th>WAC WAC Residual Margin</th>
<th>Maximum % Fixed</th>
<th>Maximum Weighted Average Rating</th>
<th>Diversity Score</th>
<th>Minimum Rating</th>
<th>Minimum Average Life</th>
<th>Maximum Single Issuer Concentration</th>
<th>Maximum Single CDO Counterparty Concentration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weighed Average Coupon</strong></td>
<td>Sparrow+ 0.50%</td>
<td>0.78%</td>
<td>20%</td>
<td>50 (Aa3/A1)</td>
<td>&gt;= 15</td>
<td>A3</td>
<td>7.0 years</td>
<td>1.5%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

### COVERAGE TESTS

- **Class A Sequential Paydown Test:** 107.6%  
- **Class A/B Overcollateralization Test:** 100.1%  
- **Class C Overcollateralization Test:** 100.0%

### MANAGEMENT FEE STRUCTURE

- **Senior Management Fee:** 10.0 bps per annum  
- **Subordinated Management Fee:** 9.0 bps per annum

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**For Further Information, Please Contact:**

<table>
<thead>
<tr>
<th>Global Structured Products</th>
<th>CDO Marketing/Global Structured Products</th>
<th>ABS Trading and Syndicate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Grade</td>
<td>Global Private Equity</td>
<td>Trading</td>
</tr>
<tr>
<td>Christopher Rosen (212) 449-9506</td>
<td>Christopher Rosen (212) 449-5569</td>
<td>Christopher Rosen (212) 449-5569</td>
</tr>
<tr>
<td>Jean Desjardins (212) 449-4566</td>
<td>Jean Desjardins (212) 449-4566</td>
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<tr>
<td>Zachary Smith (212) 449-6162</td>
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This term sheet may be distributed only together with and as part of the Confidential Offering Materials to pre-qualified Merrill Lynch clients who are "Qualified Purchasers" and "Qualified Institutional Buyers" within the meaning of Rule 506(a) of the Securities Act of 1933, as amended (the "Securities Act") or (ii) "accredited investors" within the meaning of Rule 501(a) under the Securities Act.
Global Structured Products

INVESTMENT RISK

Structured Finance Securities including ABS, RMBS, and CMBS have historically exhibited lower default rates, higher recovery rates upon default and better stability when compared to corporate bonds with similar ratings.

> According to a recent Moody's study, the long-term historical average (1960-2003) of uncharged ratings of Structured Finance Securities and CDOs was 92.3%, which compares favorably to the 76.9% average of uncharged ratings of corporate bonds for the same period.

> RMBS have historically had an average recovery rate of 55%, CMBS 100%, and Other ABS 85% compared to approximately 35% for corporate bonds.

COLLABORATOR

Vanderbilt Capital Advisors ("VCA") is a registered investment adviser under the Investment Advisers Act of 1940. VCA is a research-driven firm with longstanding experience in structured finance products and asset backed securities.

Vanderbilt Capital Advisors manages an excess of $7 billion in fixed income assets for over 45 institutional clients.

> Fort Sherman ABS CDO will be sponsored by the VCA's eight ABS CDO.

> The seven previous ABS CDOs, Braidt CDO I, Ltd., Central CDO I, Ltd., Lakeside CDO I, Ltd., Lakeside CDO II, Ltd., Sky River CDO I, Ltd., Stetensville ABS CDO Ltd., and Sunbelt ABS CDO Ltd. were for $330MM, $302MM, $300MM, $100MM, $100MM, and $90MM respectively.

BREAKDOWN DEFAULT RATES

<table>
<thead>
<tr>
<th>Class Description (Moodys)</th>
<th>Based on 3 Breaks Yield</th>
<th>Based on 0% Breaks Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A1 First Priority Floating Rate</td>
<td>8.8%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Class A2 Second Priority Floating Rate</td>
<td>8.9%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Class B Third Priority Floating Rate</td>
<td>8.9%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Class C Fourth Priority Mezzanine Notes</td>
<td>8.9%</td>
<td>21.0%</td>
</tr>
</tbody>
</table>

Preferred Share Return Profile

<table>
<thead>
<tr>
<th>Annual Default Rate</th>
<th>Cumulative 3 Breaks Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>3.0%</td>
<td>3.0%</td>
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(1) Please see your "Tax Income" for full details. Your "Tax Income" is your net income after tax. Your net income after tax is the amount you actually receive, taking into account your income taxes.

(2) Please see your "Inflation Protection" for full details. Your "Inflation Protection" is your net income after tax, taking into account your income taxes and inflation.

(3) All information shown in the display is preliminary only, while actual results may vary. See "Special Report" on the "Inflation Protection" and "Net Income After Tax" for full details.