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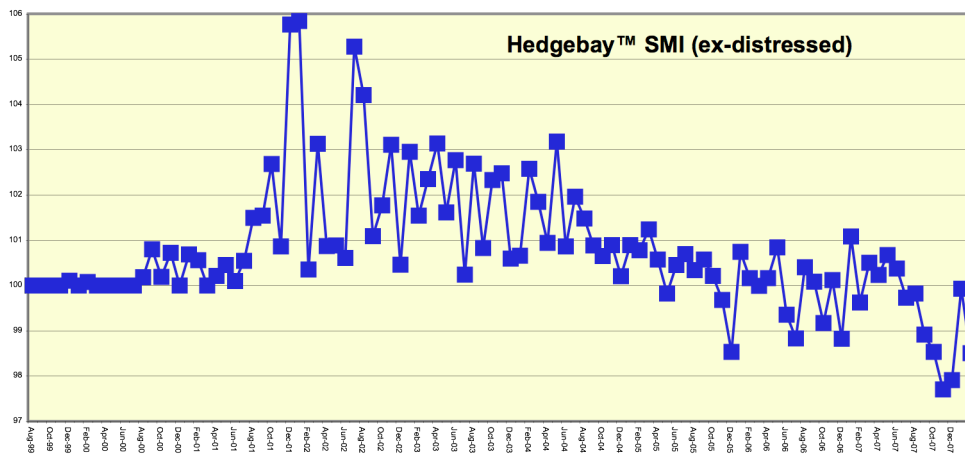
Secondary Market Activity Summary – February 2008

February continued January’s trend of investors selling their most liquid and most valuable positions at NAV or a slight premium to generate liquidity rather than selling less desirable names at less attractive prices. Fully 70% of all trades took place at these levels that ranged up to 2%.

On the discount side, prices ranged between 100bp and 800bp for funds with future liquidity dates ranging out to 12 months. With securities market volatility at extremely high levels, these prices appear to more accurately reflect the current cost of liquidity as well as increased market risk.

What will be interesting to see over the next 60 days is what amount of redemption requests actually get processed. A tremendous number must be in, from at least the “protective” angle, but the actual number that don’t get cancelled will determine whether many more funds suspend redemptions or enforce gates, which will ultimately have a huge impact on the demand for liquidity.

Secondary Market Liquidity Indices



Secondary Market Index Values (SMI)

Composite Value 98.50

Premium Index Values (SMPI)

Relative Value 100.00
 Security Selection 100.00
 Directional Trading 100.38
 Specialist Credit 101.71

Discount Index Values (SMDI)

< 3 Months n/a
 3 to 6 Months n/a
 6 to 12 Months 95.74
 12 to 24 Months n/a
 None and/or Distressed 60.00

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