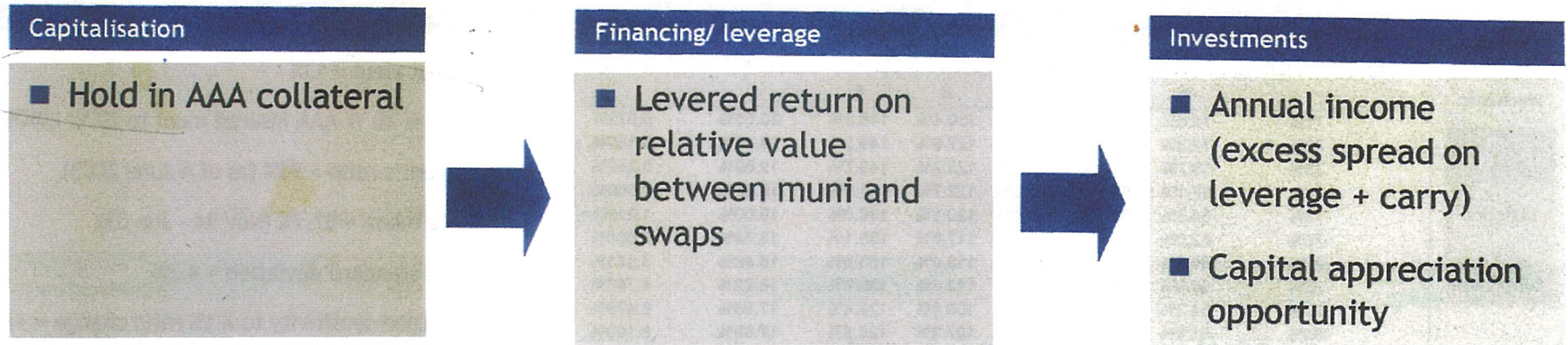


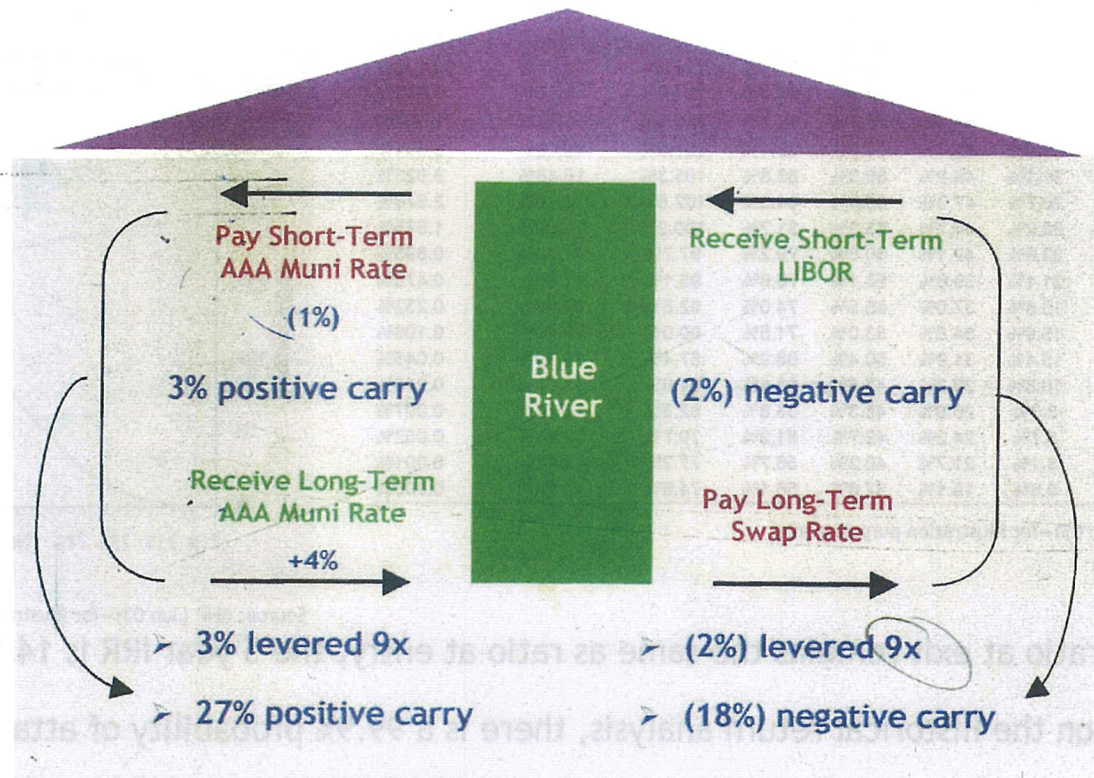
Structure Overview

Structure
Cash Flow
Fees



Case study:

- Blue River raised \$100 million capital
- \$900 million invested in muni bond portfolio via TOB program



- 9% Excess spread on leverage
- 4.5% Carry on initial capital
- (3.5%) Management fees, incentive fees and other expenses
- 10% Net annual income
- Capital appreciation opportunity

Source: BHP and JPM (Jun 03)—for illustration purposes only