



HIGH YIELD & DISTRESSED MARKET REVIEW

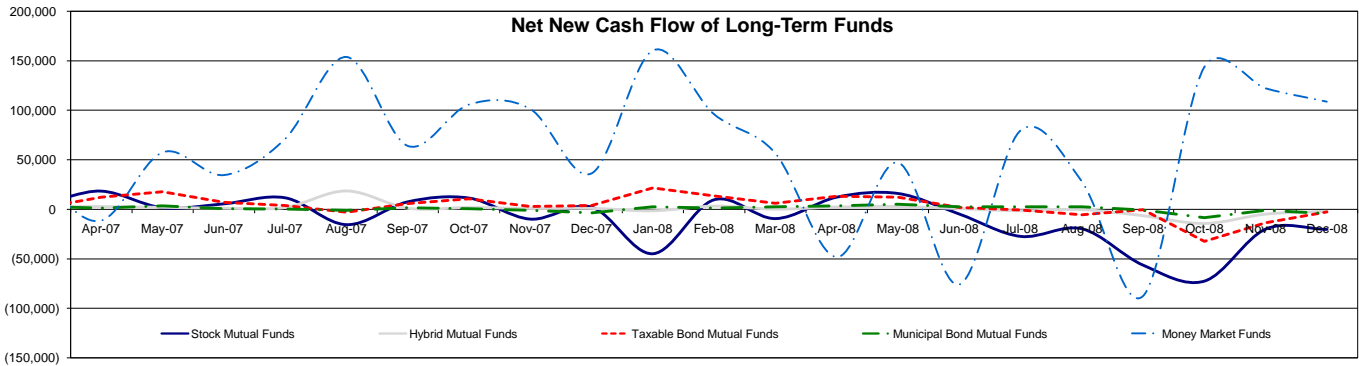
Issue 4 Week ending February 20, 2009

Key Market Indicators - Source: Bloomberg

	February 20, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	7,465.95	7,365.67	8,270.87	7,365.67	(914.92)	(11.05%)	(1,669.02)	(13.43%)
Nasdaq	1,442.82	1,441.23	1,591.56	1,441.23	(150.48)	(9.45%)	(190.98)	(11.70%)
S&P 500	778.94	770.05	869.89	770.05	(98.55)	(11.35%)	(161.75)	(17.36%)
Russell 2000	416.71	410.96	467.94	410.96	(59.74)	(12.69%)	(94.88)	(18.76%)
OEX Volatility Index	47.08	49.30	49.30	41.25	5.93	13.67%	10.11	25.80%
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.47%	1.25%	1.76%	2.08%				

Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)

	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	YTD
Stock Mutual Funds	(\$20,324)	(\$19,983)	(\$72,444)	(\$56,363)	(\$19,705)	(\$27,365)	(\$4,822)	(\$237,603)
Hybrid Mutual Funds	(\$1,986)	(\$4,900)	(\$14,389)	(\$6,486)	(\$302)	(\$1,456)	\$697	(\$21,672)
Taxable Bond Funds	(\$2,467)	(\$13,424)	(\$32,357)	(\$349)	(\$5,449)	(\$616)	\$1,942	\$14,528
Municipal Bond Funds	(\$4,301)	(\$1,171)	(\$8,358)	(\$624)	\$2,418	\$2,483	\$2,619	\$7,811
Money Market Funds	\$108,711	\$122,206	\$143,520	(\$87,568)	\$28,425	\$79,511	(\$75,889)	\$631,248



Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)

Index	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	103.1	111.7	116.2	144.0	165.5	176.3	178.7	(7.74%)
Altman-NYU Defaulted Public Bonds Index	80.1	75.9	77.2	93.1	111.6	127.0	128.5	5.49%
Combined Bank Loan-Public Bond Index	103.7	105.9	109.7	134.3	157.1	171.0	173.2	(2.04%)
S&P 500 (Dividends Reinvested)	159.3	174.0	172.1	185.4	222.9	244.7	241.2	(8.43%)
Citigroup High Yield Index	179.8	170.6	157.4	174.4	206.0	224.0	223.4	5.42%

Distressed News

Story Description	Size (\$mil)	Date	*Source
WL Homes Files For Bankruptcy As Housing Downturn Intensifies	\$977.0	2/19/2009	DBR
BearingPoint Enters Bankruptcy With Debt-For-Equity Swap Plan	\$2,230.0	2/18/2009	DBR
Foamex Heads Back To Bankruptcy To Restructure Its Debt Load	\$379.7	2/18/2009	DBR
Trump Entertainment Heads Back To Bankruptcy As Talks Collapse	\$1,740.0	2/17/2009	DBR
Liberty Media Inks \$530M Deal To Keep Sirius Out Of Bankruptcy	\$3,250.0	2/17/2009	DBR
Aleris International Files For Chapter 11 Bankruptcy	\$3,980.0	2/12/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



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Issue 4 Week ending February 20, 2009

M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Redbox Automated Retail	2/12/2009	Coinstar Inc.	151.0	Consumer Discretionary
Heartware International Inc.	2/12/2009	Thoratec Corp.	268.3	Healthcare
Ticketmaster Entertainment, Inc.	2/10/2009	Live Nation, Inc.	1,179.1	Consumer Discretionary
SIRF Technology Holdings, Inc.	2/9/2009	CSR plc	138.1	Technology
Centenario Copper Corporation	2/9/2009	Quadra Mining Ltd.	151.8	Mining
TUSK Energy Corporation	2/9/2009	Teachers Insurance and Annuity Association of America	206.4	Energy
OVATION Pharmaceuticals, Inc.	2/9/2009	Lundbeck, Inc.	900.0	Healthcare
Minera Andes, Inc.	2/6/2009	Hochschild Mining PLC	143.2	Mining
VeraSun Energy Corporation, VSE Group	2/6/2009	Valero Energy Corp.	280.0	Energy
Republic Services, Inc.	2/6/2009	Waste Connections Inc.	313.2	Services

High Yield Credit Rating Upgrades for Last 2 Weeks - Source: Bloomberg

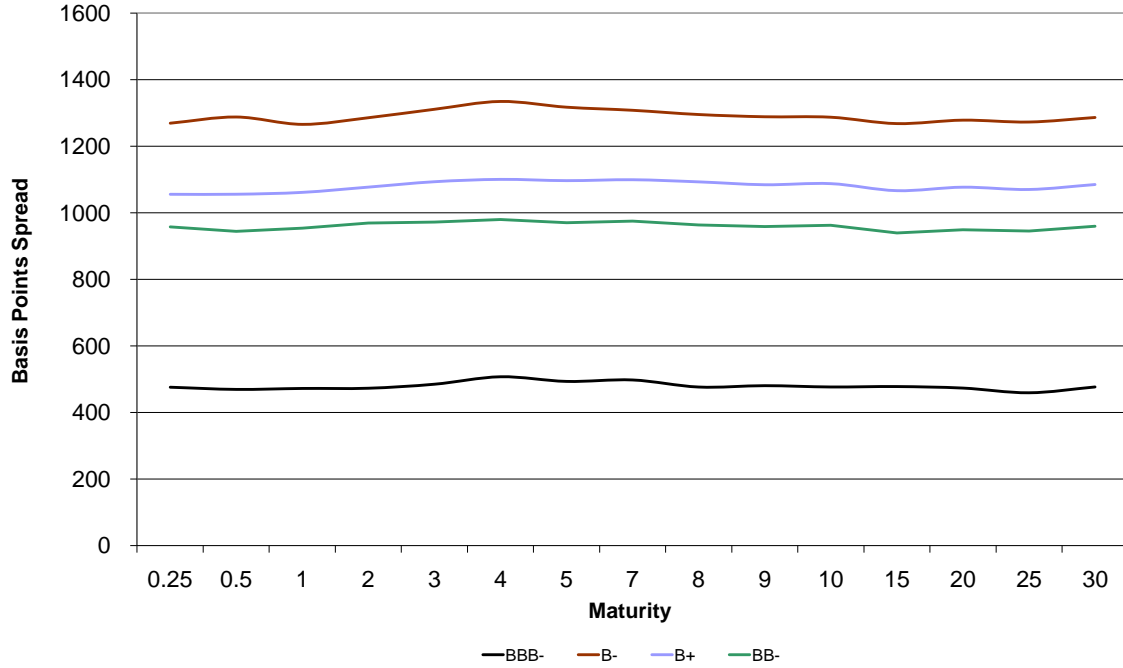
Company Name	Date	Rating Type	Agency	Current	Last	Industry
Triple-S Inc	2/19/2009	LT Local Issuer Credit	S&P	BBB+	BBB+ *	Medical-HMO
Axcan Intermediate Holdings Inc	2/18/2009	LT Local Issuer Credit	S&P	BB-	B+	Medical-Drugs
Golden Nugget Inc	2/17/2009	LT Local Issuer Credit	S&P	B-	B+ *	Casino Hotels
Landry's Restaurants Inc	2/17/2009	LT Local Issuer Credit	S&P	B	B *	Retail-Restaurants
Sirius XM Radio Inc	2/17/2009	LT Local Issuer Credit	S&P	CCC +*	CCC	Radio
XM Satellite Radio Holdings Inc	2/17/2009	LT Local Issuer Credit	S&P	CCC +*	CCC	Radio
YRC Worldwide Inc	2/17/2009	LT Local Issuer Credit	S&P	CCC +*	CCC *	Transport-Truck
Alpha Natural Resources Inc	2/13/2009	LT Local Issuer Credit	S&P	BB-	B+ +*	Coal
Amazon.com Inc	2/13/2009	LT Local Issuer Credit	S&P	BBB	BB+	E-Commerce/Products
CCH I Holdings Capital Corp	2/13/2009	LT Local Issuer Credit	S&P	CC	D	N.A.
Charter Communications Holdings LLC	2/13/2009	LT Local Issuer Credit	S&P	CC	D	Cable/Satellite TV
Warner Chilcott Corp	2/12/2009	LT Local Issuer Credit	S&P	BB-	B+	Medical-Drugs
Live Nation Inc	2/11/2009	LT Local Issuer Credit	S&P	B +*	B	Commercial Services
BCE Inc	2/10/2009	LT Local Issuer Credit	S&P	BBB+	BB+ +*	Telecom Services
Forbes Energy Services LLC	2/10/2009	LT Local Issuer Credit	S&P	B	B *	N.A.
Jacobs Entertainment Inc	2/9/2009	LT Local Issuer Credit	S&P	B-	B- *	Gambling (Non-Hotel)

High Yield Credit Rating Downgrades for Last 2 Weeks - Source: Bloomberg

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Camden Property Trust	2/20/2009	LT Local Issuer Credit	S&P	BBB	BBB+	REIT
Clear Channel Communications Inc	2/20/2009	LT Local Issuer Credit	S&P	B- *	B *	Broadcast Services
Novelis Inc	2/20/2009	LT Local Issuer Credit	S&P	BB- *	BB-	Metal-Aluminum
Standard Steel LLC	2/20/2009	LT Local Issuer Credit	S&P	B-	B+	Steel-Producers
Brookstone Inc	2/19/2009	LT Local Issuer Credit	S&P	CCC	B	Retail
Fisher Communications Inc	2/19/2009	LT Local Issuer Credit	S&P	B *	B	Broadcast Services
Principal Financial Services Inc	2/19/2009	LT Local Issuer Credit	S&P	A-	A *	Finance
BCBG Max Azria Group Inc	2/18/2009	LT Local Issuer Credit	S&P	CCC+	B-	Apparel
MBIA Inc	2/18/2009	LT Local Issuer Credit	S&P	BB+	A-	Financial Guarantee Ins
Neenah Foundry Co	2/18/2009	LT Local Issuer Credit	S&P	CCC+	B	Metal Processors
Swiss Re America Holding Corp	2/18/2009	LT Local Issuer Credit	S&P	A-	A+ *	Reinsurance
Welch Foods Inc	2/18/2009	LT Local Issuer Credit	S&P	A *	A	Food-Misc/Diversified
Harrah's Entertainment Inc	2/17/2009	LT Local Issuer Credit	S&P	CCC	B-	Casino Hotels
Prudential Financial Inc	2/17/2009	LT Local Issuer Credit	S&P	A	A+	Life/Health Insurance
Connacher Oil and Gas Ltd	2/13/2009	LT Local Issuer Credit	S&P	B *	BB- *	Oil Comp-Explor&Prodtn
Aleris International Inc	2/12/2009	LT Local Issuer Credit	S&P	D	CCC- *	Recycling
Ticketmaster Entertainment Inc	2/11/2009	LT Local Issuer Credit	S&P	BB+ *	BB+	Commercial Services
Gaylord Entertainment Co	2/10/2009	LT Local Issuer Credit	S&P	B	B+ *	Hotels&Motels
Unisys Corp	2/10/2009	LT Local Issuer Credit	S&P	B	B+	Computer Services
Ethan Allen Interiors Inc	2/9/2009	LT Local Issuer Credit	S&P	BBB- *	BBB-	Home Furnishings
Hartford Financial Services Group Inc	2/9/2009	LT Local Issuer Credit	S&P	A- *	A	Multi-line Insurance
Hayes Lemmerz International Inc	2/9/2009	LT Local Issuer Credit	S&P	CCC+	B- *	Auto/Trk Pnts&Equip-Orig
Pacific Insurance Co Ltd	2/9/2009	LT Local Issuer Credit	S&P	AA- *	AA-	Insurance
Twin City Fire Insurance Co	2/9/2009	LT Local Issuer Credit	S&P	AA- *	AA-	Insurance
Fenwal Inc	2/6/2009	LT Local Issuer Credit	S&P	B *	B	Bloodstock Services
Hit Entertainment Inc	2/6/2009	LT Local Issuer Credit	S&P	CCC+	B	Broadcast Serv/Program
Interactive Health LLC	2/6/2009	LT Local Issuer Credit	S&P	CC	CCC	Healthcare

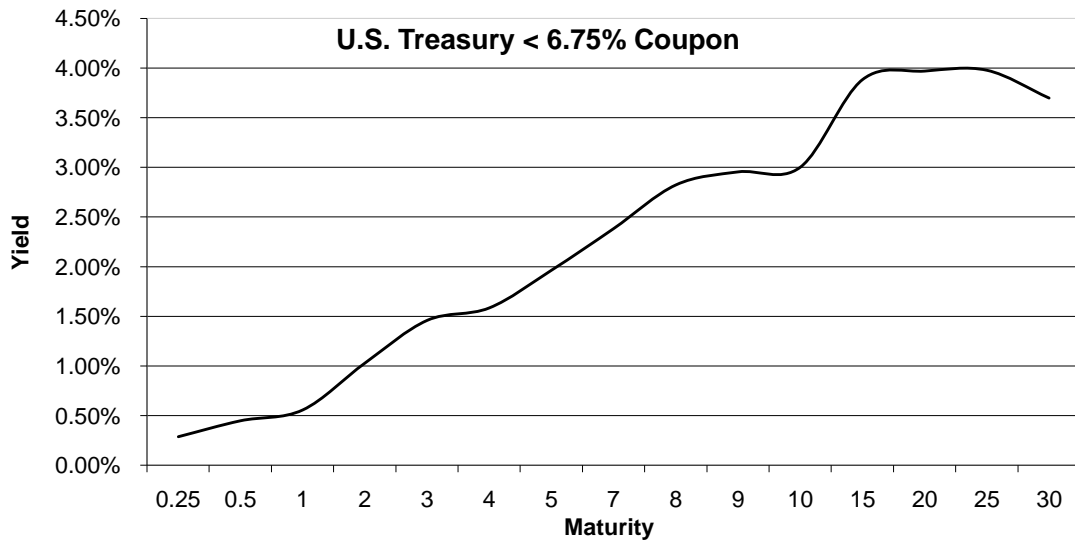


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Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B-	(16)	9	649	718
B+	(2)	84	573	580
BB-	(75)	44	453	506
BBB-	(11)	(20)	232	292





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Chanin Capital Partners, a Duff & Phelps company, is a distinguished leader in providing financial advisory services to companies, creditors and stakeholders in distressed situations. Chanin bankers structure each transaction with the most favorable financial terms – then add value beyond the numbers. Investment Banking services are provided by Duff & Phelps Securities, LLC.

ADDISON

a subsidiary of Fedders Corporation, has been acquired by Roberts-Gordon LLC, a portfolio company of Eastport Operating Partners

Financial advisor to Fedders Corporation

> RESTRUCTURING / SECTION 363 ASSET SALE

BHM Technologies

has completed a Chapter 11 reorganization \$375 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

DURA Automotive Systems

has completed a Chapter 11 reorganization \$1.5 billion

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Global Electrical Equipment Retailer
€ 5.5 billion revenue

Optimization of securitization contract performance

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Global Food Services Company
€ 250 million revenue

Evaluation of forecast processes
Process reliability improvement
Performance improvement planning

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Global Freight Company
€ 500 million revenue

Optimization of financial back office
DSO improvement
Business process improvement for invoicing

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

GLOBAL POWER EQUIPMENT GROUP

has completed a Chapter 11 reorganization \$256 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Institutional Catering Services Company
€ 3.3 billion revenue

Evaluation of working capital management
Implementation of the action plan
Ongoing executional advisory

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Netherlands-based Shipyard
€ 400 million revenue

Working capital management performance improvement

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

PALCO
and its subsidiary Scotia Pacific Company LLC

has completed a Chapter 11 reorganization \$950 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Pierre Foods

has completed a Chapter 11 reorganization \$380 million

Financial advisor to the plan sponsor

> RESTRUCTURING

THE WORNICK COMPANY

has completed a Chapter 11 reorganization \$224 million

Financial Advisor to the Ad-Hoc Committee of Senior Secured Noteholders

> RESTRUCTURING