



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

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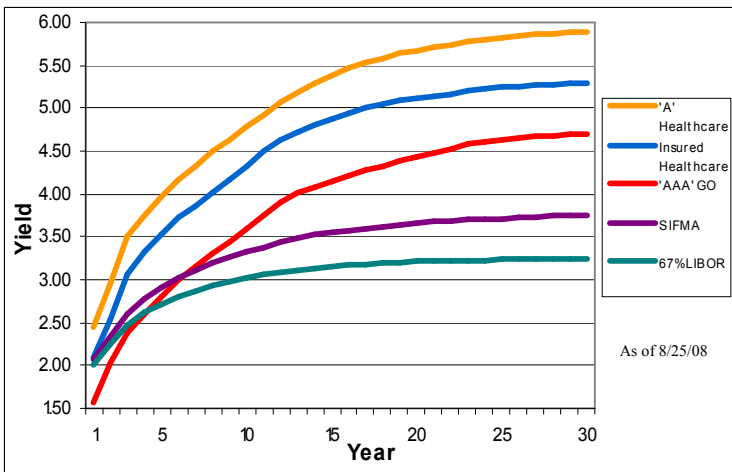
August 25th, 2008

Talk to one of our Debt and Derivative Advisors:

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General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	Swaps	
				SIFMA	67% of LIBOR
2 Yr	2.04	2.54	2.95	2.34	2.24
5 Yr	2.81	3.53	3.98	2.91	2.72
10 Yr	3.60	4.32	4.79	3.34	3.03
20 Yr	4.43	5.12	5.68	3.67	3.21
30 Yr	4.70	5.30	5.89	3.76	3.24



Healthcare Market News

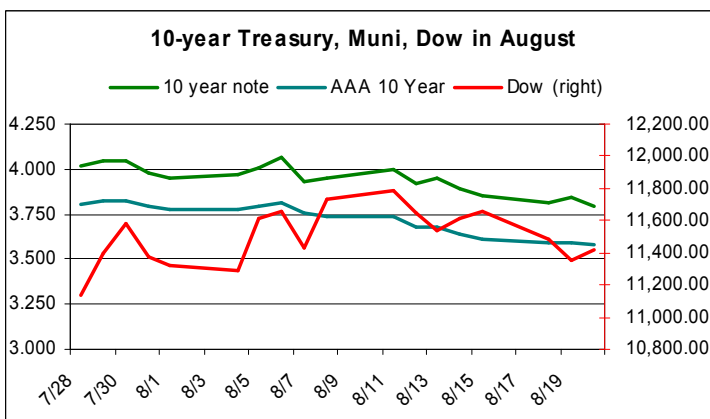
The Dow last week rebounded to close at 11628, just 0.3% below the prior week, after dipping 2.7% earlier in the week. The S&P 500 lost 0.5% to close at 1292.2. Energy prices gained slightly despite ending the week on a downward turn, and the producer price index came in much higher than expected, at a 1.2% increase, for the largest year-over-year gain (9.8%) since 1981.

JPMorgan Chase & Co., Morgan Stanley, and Wachovia followed UBS AG, Citigroup and Merrill Lynch in agreeing to buy back ARS from investors in settlements with federal and state regulators. SEC Chairman Christopher Cox said that while major firms were the regulatory agencies' top priority, all firms that sold ARS to investors are being investigated.

In fixed income, results were mixed, as Treasuries gained one to two basis points through the mid-range maturities, and lost one basis point on the long end. AAA GO muni yields gained two basis points on the short end, lost one to two basis points in the mid-term, and gained two to four basis points on the long end.

On the new issuance calendar for healthcare, there is a moderate \$551MM scheduled this week. Highlights include: 1) \$200MM Baylor College of Medicine, 2) \$154MM Northwest Community Hospital, IL, and 3) \$126MM Baptist Medical Center, FL.

On the general municipal calendar, there is a light \$3.5Bn scheduled this week. Highlights include: 1) \$400MM New York State Thruway Authority, 2) \$344MM Louisville Arena Project, KY, and 3) \$339MM City of Charlotte, NC Water and Sewer.



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MuniMarket Pulse podcast - Tim Mackin of NatCity Predicts Wider Muni Credit Spreads.

Go to <http://podcast.derivactiv.com>.



New Issue Summary

Recent Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
18-Aug	917.9	Arizona Hlth Facs Auth	Banner Health	AZ	Rev	---/AA-/AA-	09-27, 29-32, 38	Morgan Stanley	N
18-Aug	290.0	Bexar Co Hosp		TX	GO	Aa2/AA/AA+	09-22, 24-28, 32, 38	Merrill Lynch	N
18-Aug	106.7	Glynn-Brunswick Hosp Auth		GA	Rev	A2/A/---	17-21, 23, 28, 34	BB&T Cap Markets	N
18-Aug	319.0	Jackson Hosp Rev		TN	Rev	A1/A+/---	09-18, 23, 28, 33, 38, 41	Citigroup	N
11-Aug	166.7	California Statewide Cmnty	Enloe Med Center	CA	Rev	---/A+/---	12-20, 23, 28, 33, 38	Merrill Lynch	N
11-Aug	63.7	Illinois Finance Authority	Kish Health System	IL	Rev	---/A-/---	13-18, 22, 28, 35	JPMorgan Securities	N
11-Aug	292.9	Indiana Finance Authority	Sisters of St. Francis Hlth Svcs	IN	Rev	Aa3/---/AA	09-28, 32	Citigroup	N
11-Aug	268.9	New York City Hlth & Hosp		NY	Rev	A1/A+/A+	09-26	Morgan Stanley	N
11-Aug	44.0	Oklahoma Indl Auth	OK Med Research	OK	Rev	A1/---/---	09-18, 23, 29, 34	BOSC Inc.	N
11-Aug	172.4	Tarrant Co Cult Ed Fin Corp	Scott & White Mem Hosp	TX	Rev	Aa3/AA-/---	09-19, 23, 28, 31	JPMorgan Securities	N

Highlighted 'A' Healthcare Issue Details & Spread Analysis

Illinois Finance Authority Kish Health System	Maturity	Yield	+/- "AAA" GO
---/A-/---	2013	4.25	1.25
	2014	4.44	1.26
Pricing Date: 8/11/08	2015	4.59	1.26
\$63.7MM Negotiated	2016	4.74	1.26
	2017	4.89	1.27
	2018	5.03	1.29
	2022	5.45	1.25
	2028	5.75	1.23
	2035	5.92	1.15

Highlighted 'AA' Healthcare Issue Details & Spread Analysis

Arizona Health Facs Auth Banner Health	Maturity	Yield	+/- "AAA" GO
---/AA-/AA-	2009	2.16	0.60
	2010	2.78	0.75
Pricing Date: 8/18/08	2011	3.24	0.84
\$917.9MM Negotiated	2012	3.56	0.94
	2013	3.79	0.97
	2014	3.98	0.98
	2015	4.13	0.98
	2016	4.30	1.00
	2017	4.45	1.00
	2018	4.59	1.00
	2019	4.74	1.00
	2020	4.88	1.00
	2021	4.99	1.00
	2022	5.07	1.00
	2023	5.13	1.00
	2024	5.19	1.00
	2025	5.25	1.00
	2026	5.30	1.00
	2027	5.35	1.00
	2029	5.45	1.00
	2030	5.50	1.00
	2031	5.50	0.96
	2032	5.59	1.01
	2038	5.67	1.02

Issuers and borrowers may request SCM to perform a spread analysis on any issue. Call 952-996-0180.

Upcoming Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
25-Aug	125.7	Jacksonville Hlth Facs	Baptist Medical Center	FL	Rev	---/AAA/AAA		Banc of America	N
25-Aug	154.1	Illinois Finance Authority	Northwest Community Hosp	IL	Rev	Aa3/AA-/---		Goldman Sachs	N
25-Aug	200.0	Harris Co Cult Ed Fac Fin Corp	Baylor College of Medicine	TX	Rev	---/A/---		Citigroup	N
25-Aug	70.9	Brd of Ref of the Univ of OK	OU Cancer Institute	OK	Rev	---/---/---		Citigroup	N
1-Sep	138.4	Ross County Hosp Facs		OH	Rev	A3/A/---		Cain Brothers	N

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