



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

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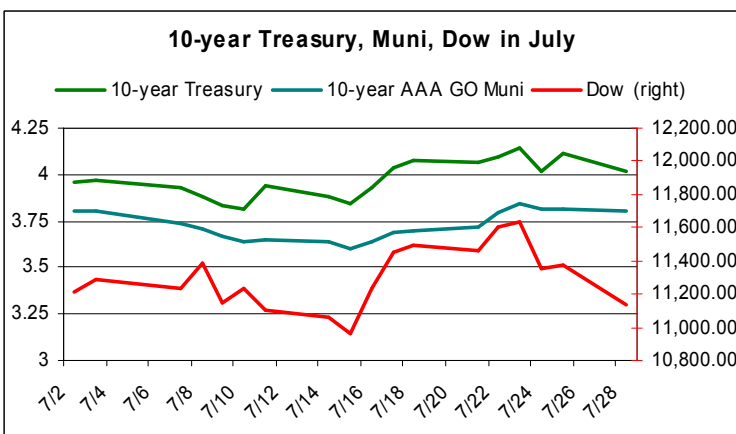
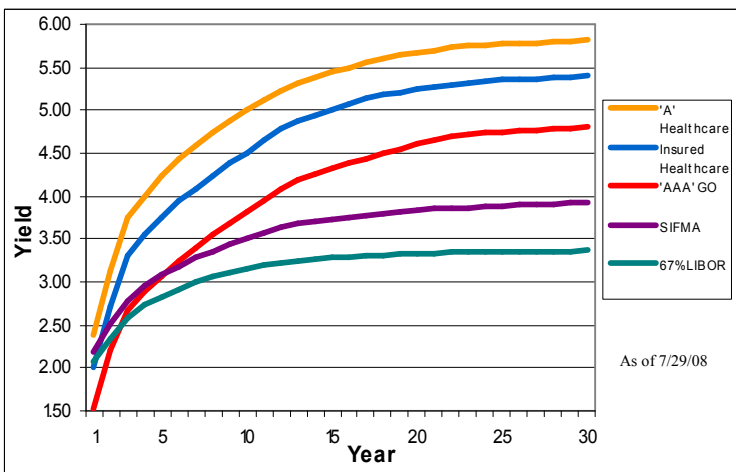
July 29th, 2008

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	2.21	2.72	3.14	2.52	2.35
5 Yr	3.07	3.76	4.23	3.08	2.83
10 Yr	3.81	4.50	5.00	3.52	3.15
20 Yr	4.60	5.24	5.68	3.84	3.34
30 Yr	4.80	5.40	5.82	3.93	3.36



Healthcare Market News

The Dow dropped 1.1% last week, closing at 11371, while the S&P 500 dropped only 0.2% to close at 1257.76. Yesterday (7/28/08), Merrill Lynch announced a \$5.7Bn write-down and said it plans to liquidate a large portion of its troubled assets. Today (7/29/08), Merrill sold \$8.55Bn of stock to shore up its capital position, and the markets have responded positively.

In an unexpected move, Moody's put the bond insurers FSA and Assured Guaranty on review for possible downgrade last Monday. The two guarantors accounted for 95% of the new-issue insured deals brought to market this year. While Berkshire Hathaway Assurance Corp is also rated AAA, it has remained a small player in the market since its inception late last year.

In fixed income, treasury yields increased slightly across the curve: 5 to 9 basis points in the 1-year to 5-year range, and 3 to 4 basis points on 7-year maturities and longer. AAA GO muni yields also rose 6 to 11 basis points across the curve.

On the new issuance calendar for healthcare, there is a moderate \$683MM scheduled this week. Highlights include: 1) \$237MM St. Joseph's Health Care, NJ, 2) \$221MM Park Nicollet Health Services, MN, and 3) \$128MM Highline Medical Center, WA.

On the general municipal calendar, there is a moderate \$7.2Bn scheduled this week. Highlights include: 1) \$1.97Bn Chicago Transit Authority (Taxable), 2) \$379MM Puerto Rico Housing Finance, and 3) \$250MM State of New Jersey Higher Education Student Assistance Authority.

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MuniMarket Pulse podcast - Joel Silva of Barclays Global Investors iShares Speaks on Role of Muni ETFs in the Marketplace
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
24-Jul	25.0	San Gorgonio Hlthcare		CA	GO	A3/---/---	13-31, 38	Fidelity	C
21-Jul	46.6	LaGrange-Troup Co Hosp		GA	GO	A1/A+/---	10-13, 18, 38	JPMorgan	N
21-Jul	47.9	North Carolina Med Care Deerfield		NC	Rev	---/---/BBB+	12-26, 28, 33, 38	BB&T Cap Mkts	N
21-Jul	252.5	New Jersey Hlth Care Fac		NJ	Rev	A1/AA-/A+	09-18, 23, 28, 38	Morgan Stanley	N
15-Jul	70.0	Tulare Local Hlthcare Dist		CA	GO	A3/---/---	13-31, 38	Raymond James	C
14-Jul	114.7	Oklahoma Dev Fin Auth	Integris	OK	Rev	Aa3/AA-/---	09-14, 38	Goldman Sachs	N
14-Jul	117.0	Oklahoma Dev Fin Auth	Integris	OK	Rev	Aa3/AA-/---	14-22, 24, 29	Goldman Sachs	N
14-Jul	118.1	City and County of San Francisco	Laguna Honda Hosp	CA	GO	Aa3/AA/AA-	22-30	Lehman Brothers	C
14-Jul	154.7	County of Scioto Hosp Fac	Southern Ohio Med Ctr	OH	Rev	A2/---/---	10-20, 28, 31, 38	Goldman Sachs	N
14-Jul	83.4	Wisconsin Hlth & Ed Fac Auth	Medical College of Wisconsin	WI	Rev	A1/A+/---	09-20, 28, 35	Goldman Sachs	N
14-Jul	223.7	Michigan State Hosp Auth	McLaren Healthcare	MI	Rev	A1/--/AA-	10-18, 28, 38	Citigroup	N
14-Jul	100.0	N Brevard Co Hosp Dist	Parish Medical Center	FL	Rev	A/A+/---	09-18, 28, 38, 43	Raymond James	N

Highlighted Unenhanced Healthcare Issue Details & Spread Analysis

North Carolina Med Care Deerfield	Maturity	Yield	+/- "AAA" GO
---/---/BBB+	2012	4.05	1.22
Pricing Date: 7/21/08	2013	4.24	1.22
\$47.9MM Negotiated	2014	4.41	1.23
	2015	4.56	1.23
	2016	4.71	1.24
	2017	4.85	1.25
	2018	5.00	1.28
	2019	5.15	1.29
	2020	5.28	1.29
	2021	5.39	1.30
	2022	5.46	1.30
	2023	5.52	1.30
	2024	5.58	1.30
	2025	5.64	1.30
	2026	5.68	1.28
	2028	5.93	1.43
	2033	6.09	1.41
	2038	6.15	1.41

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
28-Jul	96.5	California Hlth Facs Auth	Scripps Health	CA	Rev	A1/A+/---		Citigroup	N
28-Jul	237.0	NJ Health	St. Joseph's Health Care	NJ	Rev	Baa1/BBB-/---		Citigroup	N
28-Jul	221.0	City of St. Louis Park	Park Nicollet Hlth Svcs	MN	Rev	---/A/---		Morgan Stanley	N
29-Jul	128.5	Washington Hlth Care Auth	Highline Med Ctr	WA	Rev	Aaa/AAA/---		Banc of America	N

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