



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

www.soundcapital.com

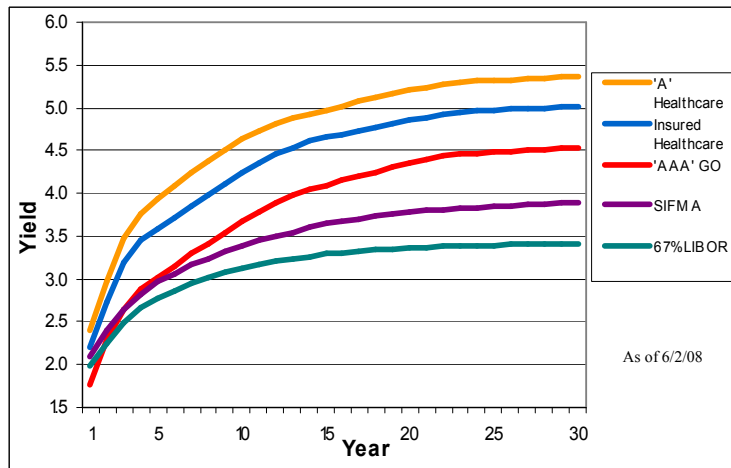
June 3rd, 2008

Talk to one of our Debt and Derivative Advisors:

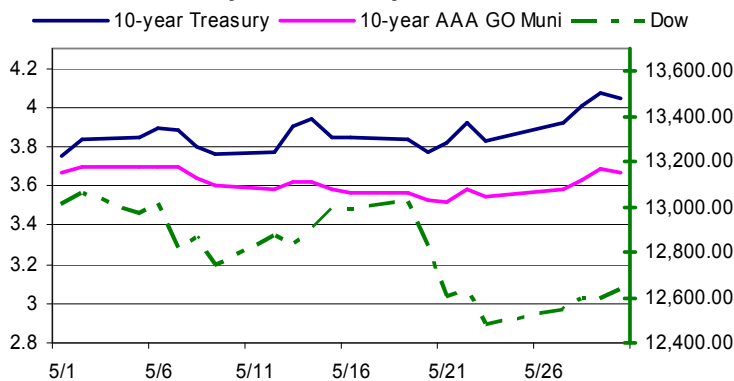
Johan Rosenberg (952) 746-6030	Farah Lotia (952) 746-6171	Steve Johnson (952) 746-6035	Josh Dooley (952) 746-6056
John Trefethen (952) 746-6040	Cynthia Heneage (952) 746-6045	Erik Kelly (952) 746-6055	

General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	Swaps	
				SIFMA	67% of LIBOR
2 Yr	2.28	2.73	2.98	2.39	2.26
5 Yr	3.01	3.58	3.93	2.96	2.77
10 Yr	3.67	4.24	4.63	3.39	3.12
20 Yr	4.35	4.85	5.20	3.79	3.37
30 Yr	4.53	5.02	5.37	3.89	3.41



10-year Treasury, Muni, Dow



Healthcare Market News

During the holiday-shortened week last week, the Dow closed up 1.3%, and the S&P 500 was up 1.8%. In economic news, the Conference Board's Consumer Confidence Index dropped to 57.2 on Tuesday, down from last month's 62.8. **The indicator's lowest reading in nearly 16 years** was likely affected by soaring gas prices and a weakening job outlook. In general market news, **Bear Stearns shareholders approved a JP Morgan takeover on Thursday**, and the deal closed on Friday, ending the existence of the 85-year old investment bank. Last year, Bear Stearns was the eighth largest municipal underwriter by principal amount, senior managing 138 deals totaling \$24.8Bn, according to Thomson Reuters.

In fixed income, the benchmark **10-year Treasury rose above 4% on Wednesday for the first time since Dec 31, 2007, closing at 4.05% on Friday**. AAA GO municipal yields were up 5 to 12 basis points in the short term, 11 to 12 basis points in the intermediate term, and 10 to 11 basis points on the long end for the week.

On the new issue calendar for healthcare, there is a heavy **\$1Bn scheduled this week**. Highlights include 1) \$305MM Charlotte-Mecklenburg Hospital Authority, NC, 2) \$250MM University of Pittsburgh Medical Center, and 3) \$175MM St. Luke's Hospital, PA.

On the general municipal calendar, there is a **moderate \$6.1Bn scheduled this week**. Highlights include 1) \$600MM Miami Dade International Airport, 2) \$499MM City of Chicago GO Refunding, and 3) \$400MM Clark County GO, NV.

Advertisement

MuniMarket Pulse podcast - Jim Evans Predicts Higher Volatility in the Near Term, Explains Municipal Arbitrage
Go to <http://podcast.derivactiv.com>.

 DerivActiv

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
26-May	30.0	Brazos County Fac Hlth	St. Joseph Reg Health Ctr	TX	Rev	---/A-/---	13, 18, 23, 28, 33, 38	Merrill Lynch	N
20-May	72.3	Lehigh County	Lehigh Valley Hosp	PA	Rev	AAA/AAA/---	09-28, 33, 38	Wachovia	C
19-May	96.8	Illinois Finance Auth	Rush Univ Med Ctr	IL	Rev	AAA/AAA/AA	12-18, 23, 28, 35	Morgan Stanley	N
19-May	144.3	Johnston Mem Hosp Auth		NC	Rev	AAA/AAA/---	11-18, 20, 24, 28, 36	Banc of America	N
19-May	47.0	Mass Health & Ed	Caregroup	MA	Rev	A3/BBB+/---	09-24	Citigroup	N
19-May	34.1	Mass Health & Ed	Caregroup	MA	Rev	A3/BBB+/---	18-28	Citigroup	N
19-May	40.0	Mass Health & Ed	Caregroup	MA	Rev	A3/BBB+/---	18-28	Citigroup	N

Highlighted Unenhanced Healthcare Issue Details & Spread Analysis

Massachusetts Health & Ed CareGroup	Maturity	Yield	+/- "AAA" GO
Pricing Date: 5/19/08 \$47.0MM Negotiated	2009	2.77	0.97
	2010	3.22	0.99
	2011	3.56	0.99
	2012	3.78	0.98
	2013	3.90	0.98
	2014	4.02	0.97
	2015	4.15	0.97
	2016	4.28	0.97
	2017	4.41	0.97
	2018	4.50	0.94
	2019	4.61	0.94
	2020	4.71	0.93
	2021	4.80	0.93
2022	4.86	0.92	
2023	4.93	0.92	
2024	4.98	0.92	

Highlighted Enhanced Healthcare Issue Details & Spread Analysis

Illinois Finance Auth Rush Univ Med Ctr	Maturity	Yield	+/- "AAA" GO
Pricing Date: 5/19/08 \$96.8MM Negotiated	2012	3.85	1.05
	2013	3.97	1.05
	2014	4.10	1.05
	2015	4.23	1.05
	2016	4.36	1.05
	2017	4.49	1.05
	2018	4.58	1.02
	2023	5.01	1.00
	2028	5.20	0.94
	2035	5.38	0.96

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
2-Jun	250.0	Allegheny County Hosp Dev	Univ of Pittsburgh Med Ctr	PA	Rev	---/---/---		RBC Capital Markets	N
2-Jun	100.0	Boone County Hosp Rev	Boone Hosp Ctr	MO	Rev	A3/A/---		Stern Brothers	N
2-Jun	121.0	California Statewide Comm Dev	Good Samaritan Hosp	CA	Rev	---/---/---		Shattuck Hammond	N
2-Jun	305.0	Charlotte-Mecklenburg Hosp Auth		NC	Rev	Aa3/AA-/---		Citigroup	N
2-Jun	83.3	Hillsborough County IDA	Univ Community Hosp	FL	Rev	---/---/---		Raymond James	N
2-Jun	175.0	Northampton Gen Auth	St. Luke's Hosp	PA	Rev	---/---/---		Merrill Lynch	N

The foregoing information and opinions are for general information use only and readers should not rely solely on this information, but should undertake their own inquiries and seek third-party advice before making any decisions. Sound Capital does not guarantee their accuracy or completeness, nor does Sound Capital assume any liability for any loss which may result from the reliance by any person upon such information or opinions. The information herein is not an offer or a solicitation to buy or sell any instrument or to participate in any particular trading strategy. No representation is made that any returns indicated will be achieved or that all relevant factors have been considered or stated. Past performance is not necessarily indicative of future results. Price and availability are subject to change without notice.