

MOODY'S RATING SYMBOLS & DEFINITIONS

August 2003

RATINGS MEDIUM-TERM NOTE RATINGS SHORT-TERM RA

ISSUER RATINGS SECTOR SPECIFIC US MUNICIPAL AND

RATINGS US MUNICIPAL SHORT-TERM DEBT AND DEMAND

RATINGS SENIOR IMPLIED RATINGS SPECULATIVE GRAD

RATINGS BANK DEPOSIT RATINGS US BANK OTHER SEN

TION RATINGS BANK FINANCIAL STRENGTH RATINGS IN

FINANCIAL STRENGTH RATINGS MONEY MARKET AND BO

INGS NATIONAL SCALE RATINGS COUNTRY CEILINGS AN

COUNTRY CEILINGS FOR FOREIGN CURRENCY OBLIGATIONS

CEILINGS FOR FOREIGN CURRENCY BANK DEPOSITS COU

CREDIT RATINGS GENERAL LONG-TERM OBLIGATION

M-TERM NOTE RATINGS SHORT-TERM RATINGS ISSUER

CTOR SPECIFIC US MUNICIPAL AND TAX-EXEMPT RATINGS

AL SHORT-TERM DEBT AND DEMAND OBLIGATION RATINGS

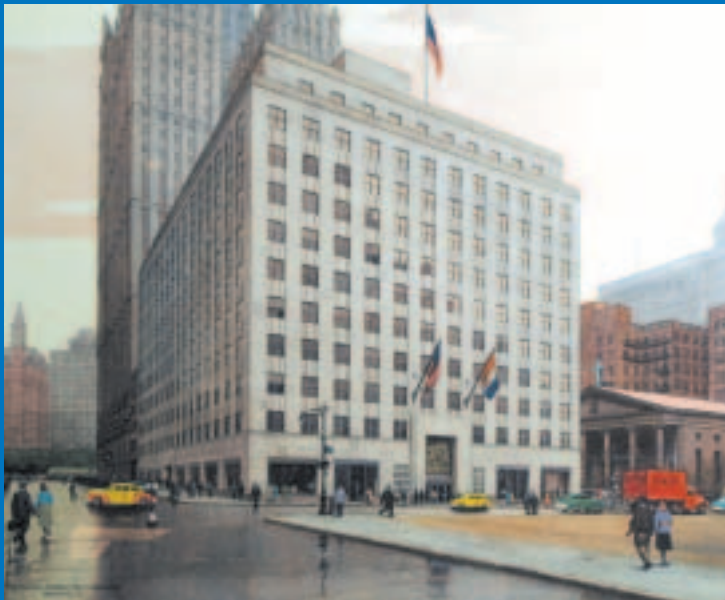
PLIED RATINGS SPECULATIVE GRADE LIQUIDITY RATINGS

RATINGS US BANK OTHER SENIOR OBLIGATION RATINGS

L STRENGTH RATINGS INSURANCE FINANCIAL STRENGTH

EY MARKET AND BOND FUND RATINGS NATIONAL SCALE

TRY CEILINGS AND GUIDELINES COUNTRY CEILINGS FOR



Moody's Investors Service

© Copyright 2003, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved. **ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.** All information contained herein is obtained by **MOODY'S** from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and **MOODY'S**, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall **MOODY'S** have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of **MOODY'S** or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if **MOODY'S** is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. **NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.** Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. **MOODY'S** hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by **MOODY'S** have, prior to assignment of any rating, agreed to pay to **MOODY'S** for appraisal and rating services rendered by it fees ranging from \$1,500 to \$1,800,000. PRINTED IN U.S.A.

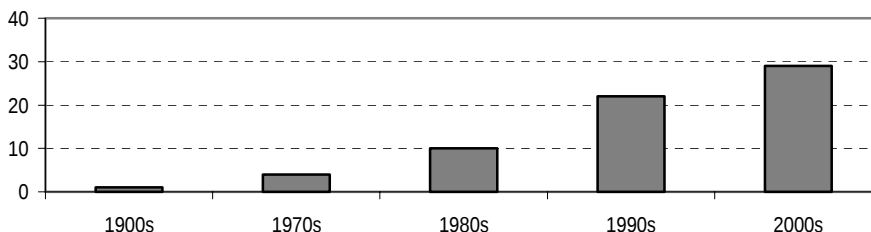
Preface

In the spirit of promoting transparency and clarity of meaning, Moody's Standing Committee on Symbols and Definitions offers this reference guide which defines Moody's various symbols and rating scales.

Moody's ratings system has grown increasingly sophisticated. Since John Moody devised the first bond ratings almost a century ago, our rating system has matured in keeping with the increasing depth of the financial marketplace. And, as issuers have developed new types of securities, Moody's has created new types of ratings to better calibrate risks for various classes of financial instruments.

From the original 1909 bond rating definitions, Moody's ratings have expanded to the extent that today we maintain 28 systems, with the number growing every year.

Rating Systems Outstanding by Decade



It should be noted that Moody's long-term ratings are intended to be measures of expected loss, and therefore incorporate elements of both probability of default and severity of loss in the event of default.

Consequently there will be trade-offs between these two elements, such that defaulted obligations with low expected severity of loss may be assigned ratings in the upper speculative grade ranges.

In its simplest terms, Moody's assigns and publishes two kinds of ratings:

1) Credit ratings

Moody's credit ratings are opinions of the credit quality of individual obligations or of an issuer's general creditworthiness, without respect to individual debt obligations or other specific securities. Examples include our long-term obligation ratings, syndicated loan ratings, bank deposit ratings and insurance financial strength ratings.

2) Non-credit ratings

In addition, Moody's has designed other rating systems to address other aspects of risk, including investment quality ratings, management quality ratings, market-risk ratings, and Lloyd's syndicate volatility ratings.

Moody's offers special ratings, both published and unpublished, and maintains a variety of rating notations that cover refunded debt and provisional issues, among others.

The Symbols and Definitions Standing Committee, one of several at Moody's that focus on credit policy issues, is comprised of structured finance, corporate finance, public finance, financial institutions and sovereign credit analysts. The names, direct telephone numbers and e-mail addresses of the members of the Standing Committee are listed below. I invite you to contact us with your comments.

Jerome S. Fons
Chair, Symbols & Definitions Committee

SYMBOLS AND DEFINITIONS STANDING COMMITTEE

Jerome S. Fons – Chair +1-212-553-4131
Managing Director, Credit Policy
jerome.fons@moodys.com

Daniel Curry +44-20-7772-5491
Group Managing Director, International Structured Finance
daniel.curry@moodys.com

Linda Hird Lipnick +1-212-553-1617
Team Managing Director, U.S. Public Finance
linda.lipnick@moodys.com

Mary O'Donnell +1-212-553-7890
Analyst, Sovereign Risk
mary.odonnell@moodys.com

Michael Rowan +1-212-553-4465
Group Managing Director, Corporate Finance
michael.rowan@moodys.com

Farisa Zarin +1-212-553-3716
Senior Vice President, Credit Policy & Regulation
farisa.zarin@moodys.com

Table of Contents

Introduction	1
Credit Ratings.....	5
General	6
Long-Term Obligation Ratings	6
Medium-Term Note Ratings	7
Short-Term Ratings.....	7
Issuer Ratings	8
Sector Specific	9
US Municipal and Tax-Exempt Ratings	9
US Municipal Short-Term Debt and Demand Obligation Ratings	10
Senior Implied Ratings	11
Speculative Grade Liquidity Ratings.....	12
Bank Deposit Ratings	12
US Bank Other Senior Obligation Ratings.....	14
Bank Financial Strength Ratings.....	15
Insurance Financial Strength Ratings.....	16
Money Market and Bond Fund Ratings	18
National Scale Ratings	20
Country Ceilings and Guidelines.....	23
Country Ceilings for Foreign Currency Obligations	23
Country Ceilings for Foreign Currency Bank Deposits	23
Country Guidelines for Local Currency Obligations	23
Non-Credit Ratings.....	25
Mutual Funds	26
Market Risk Ratings	26
Other Non-Credit Ratings.....	27
Management Quality Ratings.....	27
Portfolio Investment Quality Ratings	28
Servicer Quality Ratings	29
Lloyd's Syndicate Performance and Volatility Ratings	30

Table of Contents (cont'd)

Other Ratings, Policies and Procedures	33
Other Published Ratings	34
Provisional Ratings	34
Underlying Ratings	34
Withdrawn	34
Not Rated	34
Unpublished Ratings	35
Estimated Ratings	35
Indicative Ratings	35
Internal Ratings	35
Not Available	35
Terminated Without Rating	35
Policies and Procedures	36
Rating Outlooks	36
Watchlist	36
Confirmation of a Rating	36
Affirmation of a Rating	36
Corporate Equivalent Ratings	37
Refunded	37
Conditional Rating (*)	37

Introduction

Purpose

The system of rating securities was originated by John Moody in 1909. The purpose of Moody's ratings is to provide investors with a simple system of gradation by which relative creditworthiness of securities may be noted.

Rating Symbols

Gradations of creditworthiness are indicated by rating symbols, with each symbol representing a group in which the credit characteristics are broadly the same. There are nine symbols as shown below, from that used to designate least credit risk to that denoting greatest credit risk:

Aaa Aa A

Baa Ba B

Caa Ca C

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa.

Absence of a Rating

Where no rating has been assigned or where a rating has been withdrawn, it may be for reasons unrelated to the creditworthiness of the issue.

Should no rating be assigned, the reason may be one of the following:

1. An application was not received or accepted.
2. The issue or issuer belongs to a group of securities or entities that are not rated as a matter of policy.
3. There is a lack of essential data pertaining to the issue or issuer.
4. The issue was privately placed, in which case the rating is not published in Moody's publications.

Withdrawal may occur if new and material circumstances arise, the effects of which preclude satisfactory analysis; if there is no longer available reasonable up-to-date data to permit a judgment to be formed; if a bond is called for redemption; or for other reasons.

Changes in Rating

The credit quality of most issuers and their obligations is not fixed and steady over a period of time, but tends to undergo change. For this reason changes in ratings occur so as to reflect variations in the intrinsic relative position of issuers and their obligations.

A change in rating may thus occur at any time in the case of an individual issue. Such rating change should serve notice that Moody's observes some alteration in creditworthiness, or that the previous rating did not fully reflect the quality of the bond as now seen. While because of their very nature, changes are to be expected more frequently among bonds of lower ratings than among bonds of higher ratings. Nevertheless, the user of bond ratings should keep close and constant check on all ratings — both high and low — to be able to note promptly any signs of change in status that may occur.

Limitations to Uses of Ratings*

Obligations carrying the same rating are not claimed to be of absolutely equal credit quality. In a broad sense, they are alike in position, but since there are a limited number of rating classes used in grading thousands of bonds, the symbols cannot reflect the same shadings of risk which actually exist.

As ratings are designed exclusively for the purpose of grading obligations according to their credit quality, they should not be used alone as a basis for investment operations. For example, they have no value in forecasting the direction of future trends of market price. Market price movements in bonds are influenced not only by the credit quality of individual issues but also by changes in money rates and general economic trends, as well as by the length of maturity, etc. During its life even the highest rated bond may have wide price movements, while its high rating status remains unchanged.

The matter of market price has no bearing whatsoever on the determination of ratings, which are not to be construed as recommendations with respect to “attractiveness”. The attractiveness of a given bond may depend on its yield, its maturity date or other factors for which the investor may search, as well as on its credit quality, the only characteristic to which the rating refers.

Since ratings involve judgements about the future, on the one hand, and since they are used by investors as a means of protection, on the other, the effort is made when assigning ratings to look at “worst” possibilities in the “visible” future, rather than solely at the past record and the status of the present. Therefore, investors using the rating should not expect to find in them a reflection of statistical factors alone, since they are an appraisal of long-term risks, including the recognition of many non-statistical factors.

Though ratings may be used by the banking authorities to classify bonds in their bank examination procedure, Moody's ratings are not made with these bank regulations in mind. Moody's Investors Service's own judgement as to the desirability or non-desirability of a bond for bank investment purposes is not indicated by Moody's ratings.

Moody's ratings represent the opinion of Moody's Investors Service as to the relative creditworthiness of securities. As such, they should be used in conjunction with the descriptions and statistics appearing in Moody's publications. Reference should be made to these statements for information regarding the issuer. Moody's ratings are not commercial credit ratings. In no case is default or receivership to be imputed unless expressly stated.

* As set forth more fully on the inside cover of this handbook, credit ratings are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, selling or holding.

PAGE INTENTIONALLY LEFT BLANK

Credit Ratings

General

LONG-TERM OBLIGATION RATINGS

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Moody's Long-Term Rating Definitions:

Aaa	Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A	Obligations rated A are considered upper-medium grade and are subject to low credit risk.
Baa	Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.
Ba	Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.
B	Obligations rated B are considered speculative and are subject to high credit risk.
Caa	Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.
Ca	Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C	Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

MEDIUM-TERM NOTE RATINGS

Moody's assigns long-term ratings to individual debt securities issued from medium-term note (MTN) programs, in addition to indicating ratings to MTN programs themselves. Notes issued under MTN programs with such indicated ratings are rated at issuance at the rating applicable to all *pari passu* notes issued under the same program, at the program's relevant indicated rating, provided such notes do not exhibit any of the characteristics listed below:

- Notes containing features that link interest or principal to the credit performance of any third party or parties
- Notes allowing for negative coupons, or negative principal
- Notes containing any provision that could obligate the investor to make any additional payments
- Notes containing provisions that subordinate the claim.

For notes with any of these characteristics, the rating of the individual note may differ from the indicated rating of the program.

Market participants must determine whether any particular note is rated, and if so, at what rating level. Moody's encourages market participants to contact Moody's Ratings Desks or visit www.moody's.com directly if they have questions regarding ratings for specific notes issued under a medium-term note program. Unrated notes issued under an MTN program may be assigned an NR symbol.

SHORT-TERM RATINGS

Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs or to individual short-term debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

Moody's employs the following designations to indicate the relative repayment ability of rated issuers:

P-1	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
P-2	Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
P-3	Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.
NP	Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Note: Canadian issuers rated P-1 or P-2 have their short-term ratings enhanced by the senior-most long-term rating of the issuer, its guarantor or support-provider.

ISSUER RATINGS

Issuer Ratings are opinions of the ability of entities to honor senior unsecured financial obligations and contracts. Moody's rating symbols for Issuer Ratings are identical to those used to indicate the credit quality of long-term obligations.

Counterparty Ratings

Issuer ratings assigned to derivative product companies and clearinghouses are opinions of the financial capacity of an obligor to honor its senior obligations under financial contracts, given appropriate documentation and authorizations.

US MUNICIPAL AND TAX-EXEMPT RATINGS

Municipal Ratings are opinions of the investment quality of issuers and issues in the US municipal and tax-exempt markets. As such, these ratings incorporate Moody's assessment of the default probability and loss severity of these issuers and issues. The default and loss content for Moody's municipal long-term rating scale differs from Moody's general long-term rating scale. (Please refer to Corporate Equivalent Ratings under Policies and Procedures.)

Municipal Ratings are based upon the analysis of four primary factors relating to municipal finance: economy, debt, finances, and administration/management strategies. Each of the factors is evaluated individually and for its effect on the other factors in the context of the municipality's ability to repay its debt.

Municipal Long-Term Rating Definitions:

Aaa	Issuers or issues rated Aaa demonstrate the strongest creditworthiness relative to other US municipal or tax-exempt issuers or issues.
Aa	Issuers or issues rated Aa demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.
A	Issuers or issues rated A present above-average creditworthiness relative to other US municipal or tax-exempt issuers or issues.
Baa	Issuers or issues rated Baa represent average creditworthiness relative to other US municipal or tax- exempt issuers or issues.
Ba	Issuers or issues rated Ba demonstrate below-average creditworthiness relative to other US municipal or tax-exempt issuers or issues.
B	Issuers or issues rated B demonstrate weak creditworthiness relative to other US municipal or tax- exempt issuers or issues.
Caa	Issuers or issues rated Caa demonstrate very weak creditworthiness relative to other US municipal or tax-exempt issuers or issues.

Ca	Issuers or issues rated Ca demonstrate extremely weak creditworthiness relative to other US municipal or tax-exempt issuers or issues.
C	Issuers or issues rated C demonstrate the weakest creditworthiness relative to other US municipal or tax-exempt issuers or issues.

***Note:** Moody's appends numerical modifiers 1, 2, and 3 to each generic rating category from Aa through Caa. The modifier 1 indicates that the issuer or obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

US MUNICIPAL SHORT-TERM DEBT AND DEMAND OBLIGATION RATINGS

Short-Term Debt Ratings

There are three rating categories for short-term municipal obligations that are considered investment grade. These ratings are designated as Municipal Investment Grade (MIG) and are divided into three levels — MIG 1 through MIG 3. In addition, those short-term obligations that are of speculative quality are designated SG, or speculative grade. MIG ratings expire at the maturity of the obligation.

MIG 1	This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.
MIG 2	This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.
MIG 3	This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.
SG	This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Demand Obligation Ratings

In the case of variable rate demand obligations (VRDOs), a two-component rating is assigned; a long or short-term debt rating and a demand obligation rating. The first element represents Moody's evaluation of the degree of risk associated with scheduled principal and interest payments. The second element represents Moody's evaluation of the degree of risk associated with the ability to receive purchase price upon demand ("demand feature"), using a variation of the MIG rating scale, the Variable Municipal Investment Grade or VMIG rating.

When either the long- or short-term aspect of a VRDO is not rated, that piece is designated NR, e.g., Aaa/NR or NR/VMIG 1.

VMIG rating expirations are a function of each issue's specific structural or credit features.

VMIG 1	This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.
VMIG 2	This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.
VMIG 3	This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.
SG	This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have an investment grade short-term rating or may lack the structural and/or legal protections necessary to ensure the timely payment of purchase price upon demand.

SENIOR IMPLIED RATINGS

Moody's Senior Implied Ratings are generally employed for speculative grade corporate issuers. The Senior Implied Rating is an opinion of a corporate family's ability to honor its financial obligations and is assigned to a corporate family as if it had:

- a single class of debt;
- a single consolidated legal entity structure.

The Senior Implied Rating differs from Moody's Issuer Rating, which references an obligor's senior unsecured obligations (that may be junior in its capital structure) and which also reflects the obligor's actual corporate structure. By contrast, the Senior Implied Rating assumes away such structural and legal complexities.

Moody's employs the general long-term rating scale for Senior Implied Ratings.

SPECULATIVE GRADE LIQUIDITY RATINGS

Moody's Speculative Grade Liquidity Ratings are opinions of an issuer's relative ability to generate cash from internal resources and the availability of external sources of committed financing, in relation to its cash obligations over the coming 12 months. Speculative Grade Liquidity Ratings will consider the likelihood that committed sources of financing will remain available. Other forms of liquidity support will be evaluated and consideration will be given to the likelihood that these sources will be available during the coming 12 months. Speculative Grade Liquidity Ratings are assigned to speculative grade issuers that are by definition Not Prime issuers.

SGL-1	Issuers rated SGL-1 possess very good liquidity. They are most likely to have the capacity to meet their obligations over the coming 12 months through internal resources without relying on external sources of committed financing.
SGL-2	Issuers rated SGL-2 possess good liquidity. They are likely to meet their obligations over the coming 12 months through internal resources but may rely on external sources of committed financing. The issuer's ability to access committed sources of financing is highly likely based on Moody's evaluation of near-term covenant compliance.
SGL-3	Issuers rated SGL-3 possess adequate liquidity. They are expected to rely on external sources of committed financing. Based on its evaluation of near-term covenant compliance, Moody's believes there is only a modest cushion, and the issuer may require covenant relief in order to maintain orderly access to funding lines.
SGL-4	Issuers rated SGL-4 possess weak liquidity. They rely on external sources of financing and the availability of that financing is, in Moody's opinion, highly uncertain.

BANK DEPOSIT RATINGS

Moody's Bank Deposit Ratings are opinions of a bank's ability to repay punctually its foreign and/or domestic currency deposit obligations. Foreign currency deposit ratings are subject to Moody's country ceilings for foreign currency deposits. This may result in the assignment of a different (and typically lower) rating for the foreign currency deposits relative to the bank's rating for domestic currency obligations.

Unless otherwise indicated, Moody's Bank Deposit Ratings apply to a bank's foreign and domestic currency deposit obligations. A bank may also be assigned different (typically higher) domestic currency deposit ratings that are unconstrained by the respective country ceilings for foreign currency deposits.

Foreign currency deposit ratings are applicable only to banks and branches located in countries that have been assigned a country ceiling for foreign currency for bank deposits.

Such obligations are rated at the lower of the bank's deposit rating or Moody's country ceiling for bank deposits for the country in which the branch is located.

Moody's Bank Deposit Ratings are intended to incorporate those aspects of credit risk that are relevant to the prospective payment performance of the rated bank with respect to its foreign and/or domestic currency deposit obligations. Included are factors such as intrinsic financial strength, sovereign transfer risk (for foreign currency deposits), and both implicit and explicit external support elements.

Moody's Bank Deposit Ratings do not take into account the benefit of deposit insurance schemes that make payments to depositors, but they do recognize the potential support from schemes that may provide direct assistance to banks.

In addition to its Bank Deposit Ratings, Moody's also publishes Bank Financial Strength Ratings, which exclude certain of these external risk and support elements (i.e., sovereign risk and external support). Such ratings are intended to elaborate and explain Moody's Bank Deposit Ratings, which incorporate and reflect such elements of credit risk.

Long-Term Bank Deposit Ratings

Moody's long-term bank deposit ratings employ the same alphanumeric rating system as that for long-term issuer ratings.

Aaa	Banks rated Aaa for deposits offer exceptional credit quality and have the smallest degree of risk. While the credit quality of these banks may change, such changes as can be visualized are most unlikely to materially impair the banks' strong positions.
Aa	Banks rated Aa for deposits offer excellent credit quality, but are rated lower than Aaa banks because their susceptibility to long-term risks appears somewhat greater. The margins of protection may not be as great as with Aaa-rated banks, or fluctuations of protective elements may be of greater amplitude.
A	Banks rated A for deposits offer good credit quality. However, elements may be present that suggest a susceptibility to impairment over the long term.
Baa	Banks rated Baa for deposits offer adequate credit quality. However, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.
Ba	Banks rated Ba for deposits offer questionable credit quality. Often the ability of these banks to meet punctually deposit obligations may be uncertain and therefore not well safeguarded in the future.
B	Banks rated B for deposits offer generally poor credit quality. Assurance of punctual payment of deposit obligations over any long period of time is small.

Caa	Banks rated Caa for deposits offer extremely poor credit quality. Such banks may be in default, or there may be present elements of danger with regard to financial capacity.
Ca	Banks rated Ca for deposits are usually in default on their deposit obligations.
C	Banks rated C for deposits are usually in default on their deposit obligations, and potential recovery values are low.

Note: Moody's appends the numerical modifiers 1, 2, and 3 to each generic rating category from Aa to Caa. The modifier 1 indicates that the bank is in the higher end of its letter-rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the bank is in the lower end of its letter-rating category.

Short-Term Bank Deposit Ratings

Moody's employs the following designations to indicate the relative repayment ability for bank deposits:

P-1	Banks rated Prime-1 for deposits offer superior credit quality and a very strong capacity for timely payment of short-term deposit obligations.
P-2	Banks rated Prime-2 for deposits offer strong credit quality and a strong capacity for timely payment of short-term deposit obligations.
P-3	Banks rated Prime-3 for deposits offer acceptable credit quality and an adequate capacity for timely payment of short-term deposit obligations.
NP	Banks rated Not Prime for deposits offer questionable to poor credit quality and an uncertain capacity for timely payment of short-term deposit obligations.

US BANK OTHER SENIOR OBLIGATION RATINGS

Deposit notes, bank notes and bank subordinated notes are bank obligations that are structured to be sold and traded as securities similar to corporate bonds or medium-term notes. As bank obligations, such instruments are exempt from SEC registration (if issued by a US bank or by the US branch of a foreign bank). Deposit notes have the legal status of deposits and will rank *pari passu* in liquidation with certificates of deposit and other domestic deposit obligations. Bank notes, although nominally senior, are not deposit obligations. US law provides that foreign deposits and senior unsecured obligations, including bank notes, will rank behind domestic deposit obligations of US banks in the event of liquidation.

Moody's Other Senior Obligations (OSO) rating definitions parallel those for long-term and short-term obligations, and may be assigned to foreign deposits and International Banking Facility deposits, as well as to other senior non-depository obligations, including bank notes, letter-of-credit supported obligations, federal funds and financial contracts. A rating distinction between domestic deposits and OSOs will be reflected in those cases where there

is a material susceptibility for impairment at a future time. Bank subordinated notes will rank behind both domestic deposits and OSOs in a failed bank liquidation. Therefore, Moody's will generally rate the subordinated debt of US banks substantially below the comparable deposit rating.

BANK FINANCIAL STRENGTH RATINGS

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings. In addition to commercial banks, Moody's BFSRs may also be assigned to other types of financial institutions such as multilateral development banks, government-sponsored financial institutions and national development financial institutions.

Unlike Moody's Bank Deposit Ratings, Bank Financial Strength Ratings do not address the probability of timely payment. Instead, Bank Financial Strength Ratings are a measure of the likelihood that a bank will require assistance from third parties such as its owners, its industry group, or official institutions.

Bank Financial Strength Ratings do not take into account the probability that the bank will receive such external support, nor do they address risks arising from sovereign actions that may interfere with a bank's ability to honor its domestic or foreign currency obligations.

Factors considered in the assignment of Bank Financial Strength Ratings include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although Bank Financial Strength Ratings exclude the external factors specified above, they do take into account other risk factors in the bank's operating environment, including the strength and prospective performance of the economy, as well as the structure and relative fragility of the financial system, and the quality of banking regulation and supervision.

Bank Financial Strength Rating Definitions

A	Banks rated A possess superior intrinsic financial strength. Typically, they will be institutions with highly valuable and defensible business franchises, strong financial fundamentals, and a very predictable and stable operating environment.
B	Banks rated B possess strong intrinsic financial strength. Typically, they will be institutions with valuable and defensible business franchises, good financial fundamentals, and a predictable and stable operating environment.
C	Banks rated C possess adequate intrinsic financial strength. Typically, they will be institutions with more limited but still valuable business franchises. These banks will display either acceptable financial fundamentals within a predictable and stable operating environment, or good financial fundamentals within a less predictable and stable operating environment.

D

Banks rated D display modest intrinsic financial strength, potentially requiring some outside support at times. Such institutions may be limited by one or more of the following factors: a weak business franchise; financial fundamentals that are deficient in one or more respects; or an unpredictable and unstable operating environment.

E

Banks rated E display very modest intrinsic financial strength, with a higher likelihood of periodic outside support or an eventual need for outside assistance. Such institutions may be limited by one or more of the following factors: a weak and limited business franchise; financial fundamentals that are materially deficient in one or more respects; or a highly unpredictable or unstable operating environment.

***Note:** Where appropriate, a "+" modifier will be appended to ratings below the "A" category and a "-" modifier will be appended to ratings above the "E" category to distinguish those banks that fall in intermediate categories.*

INSURANCE FINANCIAL STRENGTH RATINGS

Moody's Insurance Financial Strength Ratings are opinions of the ability of insurance companies to repay punctually senior policyholder claims and obligations. Specific obligations are considered unrated unless they are individually rated because the standing of a particular insurance obligation would depend on an assessment of its relative standing under those laws governing both the obligation and the insurance company.

Insurance Financial Strength Ratings, shown in connection with property/casualty groups, represent the ratings of individual companies within those groups, as displayed in Moody's insurance industry ratings list. The rating of an individual property/casualty company may be based on the benefit of its participation in an intercompany pooling agreement. Pooling agreements may or may not provide for continuation of in-force policyholder obligations by pool members in the event that the property/casualty insurer is sold to a third party or otherwise removed from the pooling agreement.

Moody's assumes in these ratings that the pooling agreement will not be modified by the members of the pool to reduce the benefits of pool participation, and that the insurer will remain in the pool. Moody's makes no representation or warranty that such pooling agreement will not be modified over time, nor does Moody's opine on the probability that the rated entity may be sold or otherwise removed from the pooling agreement.

Long-Term Insurance Financial Strength Ratings

Moody's rating symbols for Insurance Financial Strength Ratings are identical to those used to indicate the credit quality of long-term obligations. These rating gradations provide investors with a system for measuring an insurance company's ability to meet its senior policyholder claims and obligations.

Aaa	Insurance companies rated Aaa offer exceptional financial security. While the credit profile of these companies is likely to change, such changes as can be visualized are most unlikely to impair their fundamentally strong position.
Aa	Insurance companies rated Aa offer excellent financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies. They are rated lower than Aaa companies because long-term risks appear somewhat larger.
A	Insurance companies rated A offer good financial security. However, elements may be present which suggest a susceptibility to impairment sometime in the future.
Baa	Insurance companies rated Baa offer adequate financial security. However, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.
Ba	Insurance companies rated Ba offer questionable financial security. Often the ability of these companies to meet policyholder obligations may be very moderate and thereby not well safeguarded in the future.
B	Insurance companies rated B offer poor financial security. Assurance of punctual payment of policyholder obligations over any long period of time is small.
Caa	Insurance companies rated Caa offer very poor financial security. They may be in default on their policyholder obligations or there may be present elements of danger with respect to punctual payment of policyholder obligations and claims.
Ca	Insurance companies rated Ca offer extremely poor financial security. Such companies are often in default on their policyholder obligations or have other marked shortcomings.
C	Insurance companies rated C are the lowest-rated class of insurance company and can be regarded as having extremely poor prospects of ever offering financial security.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. Numeric modifiers are used to refer to the ranking within a group — with 1 being the highest and 3 being the lowest. However, the financial strength of companies within a generic rating symbol (Aa, for example) is broadly the same.

Short-Term Insurance Financial Strength Ratings

Short-Term Insurance Financial Strength Ratings are opinions of the ability of the insurance company to repay punctually its short-term senior policyholder claims and obligations. The ratings apply to senior policyholder obligations that mature or are payable within one year or less.

Specific obligations are considered unrated unless individually rated because the standing of a particular insurance obligation would depend on an assessment of its relative standing under those laws governing both the obligation and the insurance company.

P-1	Insurers (or supporting institutions) rated Prime-1 have a superior ability for repayment of senior short-term policyholder claims and obligations.
P-2	Insurers (or supporting institutions) rated Prime-2 have a strong ability for repayment of senior short-term policyholder claims and obligations.
P-3	Insurers (or supporting institutions) rated Prime-3 have an acceptable ability for repayment of senior short-term policyholder claims and obligations.
NP	Insurers (or supporting institutions) rated Not Prime (NP) do not fall within any of the Prime rating categories.

When ratings are supported by the credit of another entity or entities, then the name or names of such supporting entity or entities are listed within parenthesis beneath the name of the insurer, or there is a footnote referring to the name or names of the supporting entity or entities.

In assigning ratings to such insurers, Moody's evaluates the financial strength of the affiliated insurance companies, commercial banks, corporations, foreign governments, or other entities, but only as one factor in the total rating assessment. Moody's makes no representation and gives no opinion on the legal validity or enforceability of any support arrangement.

MONEY MARKET AND BOND FUND RATINGS

Moody's Money Market and Bond Fund Ratings are opinions of the investment quality of shares in mutual funds and similar investment vehicles which principally invest in short-term and long-term fixed income obligations, respectively. As such, these ratings incorporate Moody's assessment of a fund's published investment objectives and policies, the creditworthiness of the assets held by the fund, as well as the management characteristics of the fund. The ratings are not intended to consider the prospective performance of a fund with respect to appreciation, volatility of net asset value, or yield.

Aaa	Money Market Funds and Bond Funds rated Aaa are judged to be of an investment quality similar to Aaa-rated fixed income obligations — that is, they are judged to be of the best quality.
Aa	Money Market Funds and Bond Funds rated Aa are judged to be of an investment quality similar to Aa-rated fixed income obligations — that is, they are judged to be of high quality by all standards.
A	Money Market Funds and Bond Funds rated A are judged to be of an investment quality similar to A-rated fixed income obligations — that is, they are judged to possess many favorable investment attributes and are considered as upper-medium-grade investment vehicles.
Baa	Money Market Funds and Bond Funds rated Baa are judged to be of an investment quality similar to Baa-rated fixed income obligations — that is, they are considered as medium-grade investment vehicles.
Ba	Money Market Funds and Bond Funds rated Ba are judged to be of an investment quality similar to Ba-rated fixed income obligations — that is, they are judged to have speculative elements.
B	Money Market Funds and Bond Funds rated B are judged to be of an investment quality similar to B-rated fixed income obligations — that is, they generally lack characteristics of a desirable investment.
Caa	Money Market Funds and Bond Funds rated Caa are judged to be of an investment quality similar to Caa-rated fixed income obligations — that is, they are of poor standing.
Ca	Money Market Funds and Bond Funds rated Ca are judged to be of an investment quality similar to Ca-rated fixed income obligations — that is, they represent obligations that are speculative in a high degree.
C	Money Market Funds and Bond Funds rated C are judged to be of an investment quality similar to C-rated fixed income obligations — that is, they are the lowest-rated class of bonds.

Note: Numerical modifiers 1, 2 and 3 may be appended to each rating classification from Aa to Caa. The modifier 1 indicates that the fund or similar investment vehicle ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the fund or similar investment vehicle ranks in the lower end of its letter rating category.

NATIONAL SCALE RATINGS

Moody's assigns national scale ratings in certain local capital markets in which investors have found the global rating scale provides inadequate differentiation among credits or is inconsistent with a rating scale already in common use in the country.

Moody's currently maintains national scale ratings for the following countries:

- Bolivia (.bo)
- Brazil (.br)
- Chile (.cl)
- Mexico (.mx)
- South Africa (.za)
- Taiwan (.tw)
- Uruguay (.uy)

Relative Rankings

Moody's National Scale Ratings are opinions of the relative creditworthiness of issuers and issues within a particular country. While loss expectation will be an important differentiating factor in the ultimate rating assignment, it should be noted that loss expectation associated with National Scale Ratings can be expected to be significantly higher than apparently similar rating levels on Moody's global scale.

Moody's National Scale Ratings rank issuers and issues in order of relative creditworthiness: higher ratings are associated with lower expected credit loss.

Not Globally Comparable

National Scale Ratings can be understood as a relative ranking of creditworthiness (including relevant external support) within a particular country. National Scale Ratings are not designed to be compared among countries; rather, they address relative credit risk within a given country. Use of National Scale Ratings by investors is only appropriate within that portion of a portfolio that is exposed to a given country's local market, taking into consideration the various risks implied by that country's foreign and local currency ratings.

Rating Criteria

National Scale Ratings take into account the intrinsic financial strength of the obligor, including such traditional credit factors as management quality, market position and diversity, financial flexibility, transparency, the regulatory environment, and the issuer's ability to meet its financial obligations through the course of normal local business cycles. Issuer segments subject to an abrupt decline in creditworthiness will generally be rated lower than segments less exposed. Certain external support factors may be taken into consideration, including instrument-specific guarantees and indentures, and parent company or government support (if any).

Treatment of Sovereign Risk

National Scale Ratings take into account all credit risks that bear on timely and full payment of a debt obligation, including sovereign related risks such as relative vulnerability to political developments, national monetary and fiscal policies, and, in rare cases, foreign currency convertibility and transfer risk.

Certain extreme events, such as a local currency payment system disruption, are largely extraneous to the analysis (at least as a differentiating factor) since all issuers would probably be equally affected by such a failure. In other extreme cases, such as a government rescheduling or moratorium on local or foreign currency debt obligations, issuers or issues with higher ratings should be relatively more insulated from such an event; nonetheless, in such a situation, even the highest-rated entities may be at risk of temporary default.

For this reason, the traditional concept of “investment grade” that is applied in the international markets cannot necessarily be applied even to the highest national ratings. Although national governments are often in a position to receive the highest national credit ratings, it cannot, in Moody’s view, be taken for granted that a country’s national government is necessarily the best credit on a domestic scale, since it is possible for a government to default on its local currency obligations while other issuers continue to perform.

National Scale Long-Term Rating Definitions

The rating definitions are as follows, with an “n” modifier signifying the relevant country, for example, Aaa.br for Brazil, or Aaa.tw for Taiwan.

Aaa.n	Issuers or issues rated Aaa.n demonstrate the strongest creditworthiness relative to other domestic issuers.
Aa.n	Issuers or issues rated Aa.n demonstrate very strong creditworthiness relative to other domestic issuers.
A.n	Issuers or issues rated A.n present above-average creditworthiness relative to other domestic issuers.
Baa.n	Issuers or issues rated Baa.n represent average creditworthiness relative to other domestic issuers.
Ba.n	Issuers or issues rated Ba.n demonstrate below-average creditworthiness relative to other domestic issuers.
B.n	Issuers or issues rated B.n demonstrate weak creditworthiness relative to other domestic issuers.
Caa.n	Issuers or issues rated Caa.n are speculative and demonstrate very weak creditworthiness relative to other domestic issuers.

Ca.n Issuers or issues rated Ca.n are highly speculative and demonstrate extremely weak creditworthiness relative to other domestic issuers.

C.n Issuers or issues rated C.n are extremely speculative and demonstrate the weakest creditworthiness relative to other domestic issuers.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

National Scale Short-Term Ratings

Moody's short-term national scale debt ratings are opinions of the ability of issuers in a given country, relative to other domestic issuers, to repay debt obligations that have an original maturity not exceeding one year. Moody's short-term national scale ratings are a measure of relative risk within a single market. National scale ratings in one country should not be compared with national scale ratings in another, or with Moody's global ratings. Loss expectations for a given national scale rating will generally be higher than for its global scale equivalent.

There are four categories of short-term national scale ratings, generically denoted N-1 through N-4. In each specific country, the first two letters will change to indicate the country in which the issuer is located, i.e. BR-1 through BR-4 for Brazil and TW-1 through TW-4 for Taiwan.

N-1 Issuers rated N-1 have the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

N-2 Issuers rated N-2 have an above average ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

N-3 Issuers rated N-3 have an average ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

N-4 Issuers rated N-4 have a below average ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

Note: The short-term rating symbols P-1.za, P-2.za, P-3.za and NP.za are used in South Africa.

Country Ceilings and Guidelines

COUNTRY CEILINGS FOR FOREIGN CURRENCY OBLIGATIONS

Moody's assigns a ceiling for foreign-currency bonds and notes to every country (or separate monetary area) in which there are rated obligors. The ceiling generally indicates the highest rating that can be assigned to a foreign-currency denominated security issued by an entity subject to the monetary sovereignty of that country or area. In most cases, the ceiling will be equivalent to the rating that is (or would be) assigned to foreign-currency denominated bonds of the government. Ratings that pierce the country ceiling may be permitted, however, for foreign-currency denominated securities benefiting from special characteristics that are judged to give them a lower risk of default than is indicated by the ceiling. Such characteristics may be intrinsic to the issuer and/or related to Moody's view regarding the government's likely policy actions during a foreign currency crisis.

COUNTRY CEILINGS FOR FOREIGN CURRENCY BANK DEPOSITS

Moody's assigns a ceiling for foreign-currency bank deposits and loans to every country (or distinct monetary area) in which there are rated obligors. The ceiling specifies the highest rating that can be assigned to foreign-currency denominated deposit obligations of 1) domestic and foreign branches of banks headquartered in that domicile (even if subsidiaries of foreign banks); and 2) domestic branches of foreign banks. In addition, this ceiling applies to foreign-currency denominated syndicated loans and other non-bond obligations of issuers subject to the authority of the government of that domicile.

COUNTRY GUIDELINES FOR LOCAL CURRENCY OBLIGATIONS

Moody's assigns local currency guidelines for many countries (or distinct monetary areas) in order to facilitate the assignment of local currency ratings to issues and/or issuers. Local currency ratings measure the credit performance of obligations denominated in the local currency and therefore exclude the transfer risk relevant for foreign-currency obligations. They are intended to be globally comparable.

The country guidelines summarize the general country-level risks (excluding foreign-currency transfer risk) that should be taken into account in assigning local currency ratings to locally-domiciled obligors or locally-originated structured transactions. They indicate the rating level that will generally be assigned to the financially strongest obligations in the country, with the proviso that obligations benefiting from support mechanisms based outside the country (or area) may on occasion be rated higher.

PAGE INTENTIONALLY LEFT BLANK

Non-Credit Ratings

Mutual Funds

MARKET RISK RATINGS

Moody's Mutual Fund Market Risk (MR) ratings are opinions of the relative degree of volatility of a rated fund's net asset value (NAV). In forming an opinion on the fund's future price volatility, Moody's analysts consider risk elements that may have an effect on a fund's net asset value, such as interest rate risk, prepayment and extension risk, liquidity and concentration risks, currency risk, and derivatives risk. The ratings are not intended to reflect the prospective performance of a fund with respect to price appreciation or yield.

MR1	Money Market Funds and Bond Funds rated MR1 are judged to have very low sensitivity to changing interest rates and other market conditions.
MR2	Money Market Funds and Bond Funds rated MR2 are judged to have low sensitivity to changing interest rates and other market conditions.
MR3	Money Market Funds and Bond Funds rated MR3 are judged to have moderate sensitivity to changing interest rates and other market conditions.
MR4	Money Market Funds and Bond Funds rated MR4 are judged to have high sensitivity to changing interest rates and other market conditions.
MR5	Money Market Funds and Bond Funds rated MR5 are judged to have very high sensitivity to changing interest rates and other market conditions.

Note: A "+" modifier appended to the MR1 rating category denotes constant NAV money market funds and other qualifying funds.

Other Non-Credit Ratings

MANAGEMENT QUALITY RATINGS

Moody's Management Quality Ratings are opinions regarding an organization's management characteristics and operational practices.

The ratings incorporate Moody's assessment of an entity's organizational structure and other management characteristics, including, as applicable, its financial profile, risk management and controls, information technology, operational controls and procedures, regulatory and internal/external compliance activities and client servicing performance. The scope of Moody's assessment applies to an entity's sphere of operations and may vary somewhat from one operational unit to another.

Moody's Management Quality Ratings are different from traditional credit ratings, which assess the ability of the issuer to fulfill its long-term obligations with respect to principal and interest payments. These ratings do not apply to a company's ability to repay a fixed financial obligation, or satisfy contractual financial obligations either in its own right or any that may have been entered into through actively managed portfolios.

The ratings are not intended to consider the prospective performance of a portfolio, mutual fund or other investment vehicle with respect to appreciation, volatility of net asset value, or yield.

Asset Management Companies, Custodian Banks and Service Providers

Management Quality Ratings may be assigned to asset management companies whose principal activity involves the management of institutional and/or retail assets; custodian banks whose principal activity involves the processing and safekeeping of securities; or administrative service providers whose principal activity involves the pricing and accounting of securities, funds and other pooled investments.

Real Estate Entities

Management Quality Ratings may be assigned to real estate investment advisors, general partners, or other entities engaged in the management of commingled open-ended and close-ended funds, unit trusts, partnerships, joint ventures and similar funds that invest in real property and/or mortgages on real property.

US Affordable Housing Providers

Management Quality Ratings may be assigned to public housing authorities whose principle activity involves administering US Department of Housing and Urban Development (HUD) funds and managing public housing; or not-for-profit organizations whose principal activity involves administering government funds and managing low income housing.

Management Quality Rating Definitions:

Aaa(MQ)	Entities rated Aaa(MQ) are judged to exhibit an excellent management and control environment.
Aa(MQ)	Entities rated Aa(MQ) are judged to exhibit a very good management and control environment.
A(MQ)	Entities rated A(MQ) are judged to exhibit a good management and control environment.
Baa(MQ)	Entities rated Baa(MQ) are judged to exhibit an adequate management and control environment.
Ba(MQ)	Entities rated Ba(MQ) are judged to exhibit a questionable management and control environment.
B(MQ)	Entities rated B(MQ) are judged to exhibit a poor management and control environment.

***Note:** Numerical modifiers 1, 2 and 3 may be appended to each rating classification from Aa(MQ) to B(MQ). The modifier 1 indicates that the entity ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the entity ranks in the lower end of its letter rating category.*

PORTFOLIO INVESTMENT QUALITY RATINGS

Moody's Portfolio Investment Quality Ratings reflect diverse quantitative and qualitative factors affecting a fund's portfolio. These include evaluating the impact of economic trends, assessing asset quality, portfolio diversification and performance, and liquidity management.

Moody's employs a "top down and bottom up approach" when assigning Portfolio Investment Quality Ratings. Moody's will first start with a macro analysis — examining broad economic trends — before assessing both the supply and demand fundamentals as well as the competitive position of the assets in the fund.

The "bottom up" approach involves evaluating asset quality and moving to an examination of portfolio characteristics before drawing conclusions about overall risk profile and returns.

The ratings are not intended to consider the prospective performance of a portfolio, mutual fund or other investment vehicle with respect to appreciation, volatility of net asset value, or yield.

When used in conjunction with Management Quality Ratings, the two ratings will be separated by a fraction bar (" / ").

Aaa(IQ)	Portfolios rated Aaa(IQ) are judged to have excellent investment quality.
----------------	---

Aa(IQ)	Portfolios rated Aa(IQ) are judged to have very good investment quality.
---------------	--

A(IQ)	Portfolios rated A(IQ) are judged to have good investment quality.
--------------	--

Baa(IQ)	Portfolios rated Baa(IQ) are judged to have adequate investment quality.
----------------	--

Ba(IQ)	Portfolios rated Ba(IQ) are judged to have questionable investment quality.
---------------	---

B(IQ)	Portfolios rated B(IQ) are judged to have poor investment quality.
--------------	--

Note: Numerical modifiers 1, 2 and 3 may be appended to each rating classification from Aa(IQ) to B(IQ). The modifier 1 indicates that the portfolio ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the portfolio ranks in the lower end of its letter rating category.

SERVICER QUALITY RATINGS

Moody's Servicer Quality (SQ) Ratings are opinions regarding the ability of a loan servicer to effectively prevent or mitigate losses in a securitization. SQ Ratings are provided for servicers who act as the primary servicer (servicing the loans from beginning to end), special servicer (servicing only the more delinquent loans), or master servicer (overseeing the performance and reporting from all of the servicers). For Primary Servicers, the rating will apply only to the loan types identified in the Servicer Quality Opinion.

A Moody's SQ Rating represents Moody's assessment of a servicer's ability to affect losses based on the factors under its control. The SQ approach works by separating a servicer's performance from the credit quality of the loans being serviced. This is accomplished by measuring actual performance against expected results based on the credit quality of the portfolio being serviced. The approach evaluates how effective a servicer is at either preventing defaults in the first place or maximizing the recoveries to a transaction when defaults do occur.

The SQ Rating also considers the operational and financial stability of a servicer as well as its ability to respond to changing market conditions. This assessment is based on the company's organizational structure and management characteristics, its financial profile, operational controls and procedures as well as its strategic goals.

Moody's SQ Ratings are different from traditional debt ratings which are opinions as to the credit quality of a specific instrument. SQ Ratings do not apply to a company's ability to repay a fixed financial obligation or satisfy contractual financial obligations other than, in

limited circumstances, the obligation to advance on delinquent loans it services, when such amounts are believed to be recoverable.

SQ1	Servicers rated SQ1 exhibit strong servicing ability and financial and operational stability. The servicer anticipates and makes modifications in advance of changing market conditions.
SQ2	Servicers rated SQ2 exhibit above average servicing ability. The company is judged to have good financial and operational stability. The servicer is responsive to changing market conditions.
SQ3	Servicers rated SQ3 exhibit average servicing ability. The company is judged to have average financial and operational stability. The servicer is prepared for changing market conditions.
SQ4	Servicers rated SQ4 exhibit elements of weakness in servicing ability and financial and operational stability.
SQ5	Servicers rated SQ5 exhibit weak servicing ability and poor financial and operational stability.

LLOYD'S SYNDICATE PERFORMANCE AND VOLATILITY RATINGS

Moody's Lloyd's Syndicate Performance and Volatility Ratings have been developed in response to the needs of capital providers and insurance purchasers involved with the Lloyd's Market to compare the relative attraction of individual syndicates. The desire to identify those syndicates with the potential to outperform over the medium to long term is coupled with the requirement to identify syndicates with whom insurance purchasers are content to build long-term business relationships. Moody's Lloyd's Syndicate Performance and Volatility Ratings aim to address these needs.

Lloyd's Syndicate Ratings

Qualitative ratings for each syndicate, based on an assessment of both quantitative and qualitative information, indicate Moody's view of the syndicate's relative long-run potential performance based on currently known factors. The ratings are relative to the rest of the syndicates operating in the Lloyd's market. It should be stressed that the ratings do not attempt to assess the security underlying Lloyd's policies.

The syndicate rating is forward looking, only using historical data as a basis for the assessment of the syndicate's future potential. The emphasis is therefore on a given syndicate's potential future performance rather than claims-paying ability.

A+	Lloyd's syndicates rated A+ for performance offer excellent performance and continuity characteristics, with a very high degree of likelihood that their potential future returns will significantly outperform the market average result over the cycle, and a very limited likelihood that their fundamentally strong position will be impaired.
A	Lloyd's syndicates rated A for performance offer very good performance and continuity characteristics, with a high degree of likelihood that their potential future returns will significantly outperform the market average result over the cycle. They are rated lower than A+ because longer-term risks appear somewhat larger.
A-	Lloyd's syndicates rated A- for performance offer good performance and continuity characteristics, with a high degree of likelihood that their potential future returns will outperform the market average result over the cycle.
B+	Lloyd's syndicates rated B+ for performance offer above-average performance and continuity characteristics, with a good degree of likelihood that their potential future returns will outperform the market average result over the cycle.
B	Lloyd's syndicates rated B for performance offer average performance and continuity characteristics, with the likelihood that their potential future returns will be in line with the market average result over the cycle.
B-	Lloyd's syndicates rated B- for performance offer below average performance and continuity characteristics, with it being questionable whether their potential future returns will be in line with the market average result and the likelihood that they will perform below the market average result over the cycle and that they will offer below average continuity prospects to policyholders.
C+	Lloyd's syndicates rated C+ for performance offer below-average performance and continuity characteristics, with a good degree of likelihood that their potential future returns will be below the market average result over the cycle and that they will offer below-average continuity prospects to policyholders.
C	Lloyd's syndicates rated C for performance offer below-average performance and continuity characteristics, with a good degree of likelihood that their potential future returns will be significantly below the market average result over the cycle and that they will offer significantly below-average continuity prospects to policyholders.
C-	Lloyd's syndicates rated C- for performance offer below-average performance and continuity characteristics, with a high degree of likelihood that their potential future returns will be significantly below the market average result over the cycle and that they will offer significantly below-average continuity prospects to policyholders.

Lloyd's Volatility Ratings

The volatility rating indicates Moody's view of the potential variability of a syndicate's underwriting returns over the insurance cycle based on the historical variability of pure year underwriting returns and the potential for catastrophe losses in the book currently underwritten, the ratings being relative to the rest of the syndicates operating in the Lloyd's market.

Extremely High	Lloyd's syndicates rated Extremely High for volatility demonstrate the potential for returns to vary significantly from their mean due to the nature of the book of business written. Syndicates in the Extremely High rating category include all those syndicates demonstrating potential volatility in their returns that is in excess of the six relative rating categories of Low to Very High, this category not being relative on an absolute basis to the underlying rating categories.
Very High, High, Above Average, Average, Below Average	Lloyd's syndicates rated in these categories are considered to demonstrate the potential for their returns to be respectively up to two, three, four, five and six times more variable than those syndicates in the Low rating category, due to the nature of the book of business written.
Low	Lloyd's syndicates rated Low for volatility demonstrate the lowest potential for returns to vary from their mean, relative to the other syndicates trading at Lloyd's, due to the nature of the book of business written.

Other Ratings, Policies and Procedures

Other Published Ratings

PROVISIONAL RATINGS

As a service to the market and typically at the request of an issuer, Moody's will assign a provisional rating when it is highly likely that the rating will become final after all documents are received, or an obligation is issued into the market. A provisional rating is denoted by placing a (P) in front of the rating. Such ratings may be assigned to shelf registrations under SEC rule 415.

UNDERLYING RATINGS

An underlying rating is Moody's published assessment of a particular debt issue's credit quality absent credit enhancement. Moody's will assign and publicly release an underlying rating requested by an issuer for debt that is entirely credit enhanced. The rating scale is identical to the one used for Moody's long-term obligation ratings.

WITHDRAWN

When Moody's no longer rates an obligation on which it previously maintained a rating, the symbol WR is employed.

NOT RATED

The symbol NR is assigned to unrated obligations, issuers and/or programs.

Unpublished Ratings

ESTIMATED RATINGS

Estimated ratings are one-time opinions of the approximate credit quality of individual securities or financial contracts. They are opinions about overall credit quality and are generally used in conjunction with a securitization and as a precursor to indicative ratings.

INDICATIVE RATINGS

Indicative ratings are one-time opinions of the credit quality of individual securities or financial contracts that may be issued in the future, based on draft documentation and discussions early in the rating process. These ratings consider the general credit quality of the issuer as well as the specific attributes of the instrument. Indicators are communicated to the requesting party as a narrow range of ratings with the degree of specificity defined by the requesting party.

INTERNAL RATINGS

Moody's internal ratings are unpublished credit assessments assigned to certain securities and issuers where the underlying credit components are not publicly rated but need to be evaluated to support other published ratings.

NOT AVAILABLE

An issue that Moody's has not yet rated is denoted by the NAV symbol.

TERMINATED WITHOUT RATING

The symbol TWR applies primarily to issues that mature or are redeemed without having been rated.

Policies and Procedures

RATING OUTLOOKS

A Moody's rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV — contingent upon an event). In the few instances where an issuer has multiple outlooks of differing directions, an "(m)" modifier (indicating multiple, differing outlooks) will be displayed, and Moody's written research will describe any differences and provide the rationale for these differences. A RUR (Rating(s) Under Review) designation indicates that the issuer has one or more ratings under review for possible change, and thus overrides the outlook designation. When an outlook has not been assigned to an eligible entity, NOO (No Outlook) may be displayed.

WATCHLIST

Moody's uses the Watchlist to indicate that a rating is under review for possible change in the short-term. A rating can be placed on review for possible upgrade (UPG), on review for possible downgrade (DNG), or more rarely with direction uncertain (UNC). A credit is removed from the Watchlist when the rating is upgraded, downgraded or confirmed.

CONFIRMATION OF A RATING

A confirmation occurs when a rating is removed from Watchlist.

Rating confirmations are formally entered in Moody's databases and rating action lists (rating release sheets), and are communicated via a press release.

AFFIRMATION OF A RATING

Affirmations are used to indicate that the current rating remains in force. Affirmations are communicated through a press release and may occur:

- following an informal review
- following the release of new information by the issuer
- following a major market event (such as regulatory changes, a major acquisition, and/or market turbulence, etc.)
- in conjunction with an Outlook change

There may be other situations in which ratings are affirmed.

CORPORATE EQUIVALENT RATINGS

Corporate Equivalent Ratings may be assigned to municipal bond obligations issued into taxable bond markets. Such ratings represent an assessment of creditworthiness as measured against Moody's General Long-term Obligation rating scale and provide a translation between the municipal and general rating scales.

REFUNDED

Issues that are secured by escrowed funds held in trust, reinvested in direct, non-callable US government obligations or non-callable obligations unconditionally guaranteed by the US Government or Resolution Funding Corporation are identified with a # (hatch mark) symbol, e.g., #Aaa.

CONDITIONAL RATING (*)

Bonds for which the security depends on the completion of some act, or the fulfillment of some condition, are rated conditionally. These are bonds secured by a) earnings of projects under construction, b) earnings of projects unseasoned in operation experience, c) rentals which begin when facilities are completed, or d) payments to which some other limiting condition attaches. The parenthetical rating denotes probable credit stature upon completion of construction or elimination of the basis of the condition.



Moody's Investors Service

New York • Tokyo • London • Paris • Sydney • San Francisco • Frankfurt
Madrid • Dallas • Toronto • Hong Kong • Singapore • Limassol • São Paulo
Milan • Mexico City • Beijing • Buenos Aires • Taipei • Chicago • Johannesburg