SURF CPDO

A Breakthrough in Synthetic Credit Investments

Structure of the Year
CPDO – Surf
Credit Magazine
Review of the Year
December 2006

Deal of the Year
CPDO – Surf
Risk Magazine
Review of the Year
December 2006

Innovation of the Year
CPDO – Surf
IFR Review of the Year
December 2006

Six Deals That Changed the Market in 2006
CPDO – Surf
Euromoney Poll
December 2006

Most Innovative Structured Deal
CPDO – Surf
The Asset magazine
Derivatives and Structured Products Awards
January 2007

Structured Products Forum - Tokyo
April, 2007
Topics

- Overview
- Surf Structural Mechanics
- Note Performance
- Rating & Sensitivity Analysis
- Managed CPDO
Overview – Constant Proportion Debt Obligations (CPDO)

- Why was CPDO developed?
  - Limitations with CPPI

- What is CPDO?
  - is a new form of synthetic credit investment that carries a [AAA/Aaa] rating from S&P and Moody’s on both principal and coupons
  - Combines aspects of CPPI and a Debt Obligations
  - CPDO is designed to have a stable rating with a high likelihood of “cashing-in”
  - It is NOT principal protected structure

- CPDO to pay high coupons by taking leveraged exposure to a basket of credit indices. CPDO utilises variable leverage in order to control risk

- Price of the CPDO is not directly impacted by movements in correlation
What is the CPDO?

- A CPDO is a fixed income instrument with cashflows that are rated.
- A CPDO aims to pay the stated coupons by taking leveraged exposure to a notional portfolio of credit indices.
- The Credit Index Portfolio aims to generate sufficient returns to enable the coupon payments to be made.
- The Target Portfolio Size of the Credit Index Portfolio is set such that the present value of the expected income from the Credit Index Portfolio is linked to the difference between the present value of the coupons and principal due under the Note and Note NAV.
- Once the current Note NAV equals the present value of the payments due under the Note, the Credit Index Portfolio will be unwound and no further credit exposure taken “a Cash-In.”
A CPDO accrues spread by selling protection on the credit indices on a leveraged notional.

The Cash Deposit collects the proceeds from the sale of the CPDO and spread income from the Indices.

Periodically, coupons, expenses and fees are paid from the cash deposit.

Any excess cash accumulates in the cash deposit, bringing it closer to the “cash-in” level over time.

Example:
- Spread Income (32bps*11): +352 bps
- Strategy Fee: -38.5 bps
- Administrative & Operating Expenses: -20 bps
- CPDO Coupon Spread: -150 bps
- Excess Income (into Cash Deposit) 143.5bps
Cash-in

- Target Bond is the PV of the Liabilities, Shortfall is the Difference between the Target Bond and the NAV.
- Once the NAV becomes equal to the Target Bond (Shortfall is equal to zero), the CPDO “Cashes-In”
Dynamic Leverage Control

- The Portfolio Size is dynamically adjusted in order to actively target payment of the stated coupon and repayment of the principal at maturity.

- In addition, if at any time the Current Portfolio Size differs from the Target Portfolio Size by more than 25%, then the Current Portfolio Size is adjusted to equal the Target Portfolio Size.

- The Current Portfolio Size cannot be larger than the Maximum Portfolio Size.

- Taking leverage in this controlled manner means that there is no potential upside from over-leveraging, however investors are rewarded with a very tight distribution of returns and the potential to reduce the risk in the later years of the transaction.

NAV = Cash Deposit +/− MtM of Credit Index Portfolio
Latest Innovation – Step-up Maximum Leverage

- ABN Amro developed the Surf Step-up CPDO; where the Maximum Leverage is dependent on the level of the Index spreads

- Surf Step-Up benefits investors by creating additional excess spread through adjustment of the maximum leverage when the credit portfolio rolls into pre-defined wider credit spreads on roll dates

- Surf Step-Up is ideal for investors concerned about market volatility, showing reduced volatility due to the variable limit on the maximum leverage taken, whilst paying a high coupon

<table>
<thead>
<tr>
<th>Portfolio Spread</th>
<th>Maximum Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 bps</td>
<td>9 times</td>
</tr>
<tr>
<td>30 - 45 bps</td>
<td>11 times</td>
</tr>
<tr>
<td>45 - 60 bps</td>
<td>13 times</td>
</tr>
<tr>
<td>&gt; 60 bps</td>
<td>15 times</td>
</tr>
</tbody>
</table>
Behaviour of the Target and Maximum Portfolio Size

**Dynamic Leverage.** The current Credit Portfolio is dynamically adjusted in order to actively target payment of the stated coupon and repayment of the principal at maturity. It is calculated in reference to the Target Portfolio Size and limited by the Maximum Portfolio Size

- The **Target Portfolio Size** is a dynamic measure designed to increase and decrease risk in a controlled manner
  - The Target Portfolio Size calculation has been designed such that the coupon and principal can achieve a high and stable rating, comparable to a CDO
  - The Target Portfolio Size is set such that the present value of the expected income from the Index Portfolio is linked to the difference between the present value of the scheduled coupons and principal amounts and the current net asset value

- The **Maximum Portfolio Size** limits the total amount of leverage that the transaction can have
  - The Maximum Portfolio Size is calculated so that the assumed 1-day loss on the Credit Portfolio cannot be more than the Note NAV

- The Maximum Portfolio size is subject to an absolute limit ranging from 9 to 15 times
  - Surf Step-Up has variable maximum leverage, depending on the spread of the indices on each roll date

In essence, the CPDO only uses the leverage it needs to make the scheduled principal and interest payments
Index Portfolio Benefits

- The credit portfolio is comprised of credit swaps on 5 year DJ CDX and iTraxx indices
  - DJ CDX and iTraxx are liquid indices and provide broad diversified exposure to the credit market

- Every six months, current index positions are unwound and new index swaps are entered into
  - Default protection
    Rolling the index swaps ensures that the credit portfolio always references the latest index series and benefits from the index selection rules, i.e. entities downgraded to below investment grade and less liquid credits are removed and replaced by investment grade and more liquid entities
  - Quick illiquidity of the older series
    Rolling the index swaps each 6 months ensures greater liquidity in the credit portfolio and help to keep rebalancing costs low
  - Ability to capture gains
    Under normal market conditions income from extra premium and mark-to-market gains may be generated by extending the maturity of the index swaps to 5.25 yrs from 4.75 yrs at each index roll date
Hypothetical Historical Cash-In Analysis

- A hypothetical CPDO issued on any date between Feb 1996 and Sep 2003 should have already cashed in – investors would have no exposure to further credit risk.

Company | Default date
--- | ---
Daewoo Corp | Jul-99
Comdisco | Jul-01
Swiss Air | Oct-01
Enron | Dec-01
World Com | Jul-02
Marconi | Aug-02
British Energy | Jun-03
Parmalat | Dec-03

A pro-forma spread history derived from MSCI Euro Credit Index (sourced from Bloomberg) with 1% AAA, 8% AA, 39% A and 52% BBB weighting has been produced as a proxy for the spread history for a 50%iTraxx/50%CDX basket (the weightings are the actual rating weightings in a current 50%iTraxx/50%CDX basket). Applied interest rates are actual corresponding interest rates derived from historical interest rate curves (sourced from Bloomberg). These parameters are run through the CPDO model (which has certain other modelling assumptions, including roll cost and curve shape as per base case assumptions). This analysis is based on a theoretical analysis of the past and no assurance can be given with respect to future returns. The assumptions illustrated above are unlikely to be consistent with actual experience.
Rating CPDO’s

There are three issues that are paramount for rating agencies in assessing the risks at a given rating level:

- **Credit Spread Movements**
  - The quantitative analysis of the rated return must assess the income and mark-to-market gains and losses due to the reconfiguring and rebalancing of the CDS indices over the life of the transaction. Spread changes may also trigger a cash-out event.

- **Credit Defaults**
  - Credit defaults are generated by CPDO Evaluator by S&P and CDOROM by Moody’s.

- **Structural Considerations**
  - Rebalancing rules, treatment of index rolls, bid/offer spread effects, running fees, payment of coupons, in addition to the market and credit risk of the index portfolio, are taken into account in the rating modelling process.
Representative Sensitivity Analysis

- The performance of CPDO is analysed for various credit spread scenarios
- The related strategy value and credit DV01 of the notes are illustrated for a Step-Up CPDO that pays $L+150bps

Spreads are flat at 32bps for the life of the note

Spreads linearly widening from 32bps to 100bps over 10 years

An assumed number of defaults of 0.497 per year are assumed to occur, based on S&P historical 1 year default rates from 1981 to 2006 for a basket with a rating distribution of 1% AAA, 9% AA, 39% A and 51% BBB (current distribution of a 50% iTraxx / 50% CDX basket). This and the illustrated spread paths are run through the CPDO model (includes roll cost and curve shape as per S&P’s base case assumptions). No assurance can be given with respect to future performance. The assumptions underlying the analysis illustrated above are unlikely to be consistent with actual experience.

1. Fees as per indicative terms in page 5
2. Bid/offer is 3% of spread level and is capped at 2bps and floored at 0.5 bps
3. S&P curve shape assumption: 7% roll down benefit
Representative Sensitivity Analysis (cont’d)

- The performance of CPDO is analysed for various credit spread scenarios
- The related strategy value and credit DV01 of the notes are illustrated for a CPDO that pays $L+150bps

**Spreads are flat at 32bps for the first 3 years, in one day widens to 60bps and thereafter constant**

<table>
<thead>
<tr>
<th>Credit Spread</th>
<th>Strategy Value</th>
<th>Credit DV01</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>76</td>
<td>0.8</td>
</tr>
<tr>
<td>40</td>
<td>82</td>
<td>0.7</td>
</tr>
<tr>
<td>60</td>
<td>88</td>
<td>0.6</td>
</tr>
<tr>
<td>80</td>
<td>94</td>
<td>0.5</td>
</tr>
<tr>
<td>100</td>
<td>100</td>
<td>0.4</td>
</tr>
<tr>
<td>120</td>
<td>106</td>
<td>0.3</td>
</tr>
<tr>
<td>140</td>
<td>112</td>
<td>0.2</td>
</tr>
<tr>
<td>160</td>
<td>118</td>
<td>0.1</td>
</tr>
</tbody>
</table>

**Spreads widen to 65bps from 32bp and returning to 32bp by Year 4**

<table>
<thead>
<tr>
<th>Credit Spread</th>
<th>Strategy Value</th>
<th>Credit DV01</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>76</td>
<td>0.8</td>
</tr>
<tr>
<td>40</td>
<td>82</td>
<td>0.7</td>
</tr>
<tr>
<td>60</td>
<td>88</td>
<td>0.6</td>
</tr>
<tr>
<td>80</td>
<td>94</td>
<td>0.5</td>
</tr>
<tr>
<td>100</td>
<td>100</td>
<td>0.4</td>
</tr>
<tr>
<td>120</td>
<td>106</td>
<td>0.3</td>
</tr>
<tr>
<td>140</td>
<td>112</td>
<td>0.2</td>
</tr>
<tr>
<td>160</td>
<td>118</td>
<td>0.1</td>
</tr>
</tbody>
</table>

An assumed number of defaults of 0.497 per year are assumed to occur, based on S&P historical 1 year default rates from 1981 to 2006 for a basket with a rating distribution of 1% AAA, 9% AA, 39% A and 51% BBB (current distribution of a 50% iTraxx / 50% CDX basket). This and the illustrated spread paths are run through the CPDO model (includes roll cost and curve shape as per S&P’s base case assumptions). No assurance can be given with respect to future performance. The assumptions underlying the analysis illustrated above are unlikely to be consistent with actual experience.

1. Fees as per indicative terms in page 5
2. Bid/offer is 3% of spread level and is capped at 2bps and floored at 0.5 bps
3. S&P curve shape assumption: 7% roll down benefit
Degas
CPDO Managed by Fortis Investment Management France S.A.
10 Year [Aaa] and [Aa2] rated Notes

- **Degas** is an innovative **managed** Constant Proportion Debt Obligation (CPDO) – a new form of **fully-rated, dynamically-leveraged**, synthetic credit investment.

- Investors will be offered **tranches rated [Aaa] and [Aa2] by Moody’s** for both principal and coupons, in major currencies.

- **Degas** takes leveraged exposure to a **bespoke credit portfolio** selected and managed by Fortis Investment Management France S.A.

- **Degas** is a CPDO that enables the Manager to use the breadth of its **credit and structured products capabilities** to implement the optimal strategy for the transaction.
## Main Modelling Assumptions

<table>
<thead>
<tr>
<th>Item</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>S&amp;P Base Case Assumptions</td>
</tr>
<tr>
<td>(2)</td>
<td>Moody's Base Case Assumptions</td>
</tr>
</tbody>
</table>
Disclaimer

This presentation has been prepared by ABN AMRO Bank N.V. and its affiliates (“ABN AMRO”) for information and discussion purposes only and shall not be construed as and does not form part of an offer, nor invitation to offer, nor a solicitation or advice or recommendation to buy, subscribe for, issue or sell any financial instrument, investment or derivative thereof referred to in this presentation or as any form of commitment to enter into any transaction in relation to the subject matter hereof, nor is it an official or unofficial confirmation of terms. No representation, warranty or assurance of any kind, express or implied, is made as to the accuracy or completeness of the information contained herein. ABN AMRO accepts no obligation to any recipient to update or correct any such information. No act or omission of ABN AMRO or any of its directors, officers, employees or agents in relation to the information contained herein shall constitute, or be deemed to constitute, a representation, warranty or undertaking of or by ABN AMRO or any such person. This presentation may contain forward-looking information. Such information may include, among other things, projections, forecasts or estimates of cashflows, returns, scenario analyses and proposed or expected portfolio composition. The forward-looking information contained herein is based upon certain assumptions about future events or conditions and is intended only to illustrate simulated results under those assumptions (not all of which are specified herein). Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition, not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary and the variations may be material. Further, the information in this presentation reflects ABN AMRO’s opinions or views prevailing as of this date, which are accordingly subject to change without prior notice to you. The information in this presentation does not take into account the effects of a possible transaction or transactions or any other event, including with limitation an actual or potential change of control in the relevant entity, which may have significant valuation and/or other effects on the proposed transaction or transactions. The analyses in this presentation are not and do not purport to be appraisals or valuations of the assets, stocks or businesses of the relevant entities). Even if this presentation consists of an appraisal or valuation, it should be considered preliminary, suitable only for the purpose described herein and not to be disclosed or otherwise used without the prior written consent of ABN AMRO. Prospective investors should understand such assumptions and evaluate whether they are appropriate for their purposes. This presentation does not purport to identify or suggest all the risks (direct or indirect) or material considerations which may be associated with any transaction or investment.

ABN AMRO may act or have acted as market-maker in the securities or other financial instruments discussed in this material. ABN AMRO or its officers, directors, employee benefit programs or employees, including persons involved in the preparation or issuance of this material, may from time to time have long or short positions in securities, warrants, futures, options, derivatives or other financial instruments referred to in this material. ABN AMRO may, at any time solicit or provide investment banking, commercial banking, credit, advisory or other services to the companies mentioned in this material. ABN AMRO is not acting as a financial adviser nor in a fiduciary capacity in respect of any transaction or the securities or other obligations referred to herein. ABN AMRO makes no representation and gives no advice in respect of any financial, investment, tax, legal or accounting matters in any applicable jurisdiction. By accessing this presentation and before entering into any transaction each recipient represents, warrants and agrees that (i) they are considering this investment for their own account, (ii) they are a professional/institutional/accredited/expert investor with sufficient knowledge, experience and professional advice to make their own evaluation of the merits and risks of making a complex investment of this type (iii) they shall, at all times, be solely responsible for making their own independent appraisal of the reference entity(ies) and investigation into the business, financial condition and creditworthiness thereof (iv) they are fully aware that they may lose a significant amount or all of their investment (v) they are responsible for making their own independent investigation and appraisal of the risks, benefits and suitability of any investments envisaged by this document, and for obtaining their own independent financial advice, and (vi) ABN AMRO shall not incur any responsibility or liability whatsoever to any recipient in respect thereof.

This presentation should be read in conjunction with any subsequent marketing documentation prepared by ABN AMRO in relation to the transactions discussed herein. Copies of such documentation can be obtained from ABN AMRO. All such marketing documentation, including this presentation, shall be subject to amendment and completion without notice and shall in any case be qualified in its entirety by the final Terms and Conditions document to be prepared in connection with the transactions discussed in this presentation. The definitive terms of such transactions will be described in the final Terms and Conditions documentation. Clients wishing to enter into transactions should contact their local ABN AMRO sales representatives.

This presentation is not intended for distribution to, or use by private customers or any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. The information contained herein is proprietary to ABN AMRO and is provided to selected recipients and may not be given (in whole or in part) or otherwise distributed to any other third party without the written permission of ABN AMRO. The information contained herein is not for publication or distribution to persons in the United States, and this presentation does not constitute an offer of securities for sale in the United States. The Securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom.

ABN AMRO does not accept any liability whatsoever for any direct or consequential loss arising from any use of this presentation and the information, opinions and materials contained herein.

The contents of this document have not been reviewed by any regulatory authority in the countries in which it is distributed. Investors are advised to exercise caution in relation to the contents of this document. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

The Notes may not be sold, offered or issued in Taiwan unless they are made available for purchase through the non discretionary trust services of licensed Taiwan banks or the brokerage services of licensed Taiwan brokers acting as trustees or agents, as applicable, of their customers and not as agent of the Issuer or any other party.

India. The Notes may not be sold or delivered in India.
Disclaimer

Dow Jones® and CDX™ are service marks of Dow Jones & Company, Inc. and the Index Sponsor, respectively, and have been licensed for use by ABN AMRO Bank N.V.

The DJ CDX.IG 5 year (the “Index”) referenced herein is the property of CDS IndexCo LLC (“Index Sponsor”). Each potential investor in the Notes acknowledges and agrees that the Notes are not sponsored, endorsed or promoted by Dow Jones & Company, Inc. ("Dow Jones"), the Index Sponsor or any members of the Index Sponsor (Dow Jones, the Index Sponsor, together with its members, the “Index Parties”). The Index Parties make no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise. The Index Parties shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Parties are under no obligation to advise the parties or any person of any error therein. The Index Parties make no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Notes, the ability of the Index to track relevant markets’ performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Parties have no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling the Notes, nor any Index Party, shall have any liability to any party for any act or failure to act by the Index Parties in connection with the determination, adjustment, calculation or maintenance of the Index. Each party acknowledges that the other party or one of its affiliates may be, or may be affiliated with, an Index Party and, as such, may be able to affect or influence the determination, adjustment or maintenance of the Index. Each of the Index Parties and its affiliates may deal in any obligations of any of the companies that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, such companies or affiliates of such companies, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or the Notes. Each of the Index Parties and its affiliates may be in possession of information in relation to companies that compose the Index that may or may not be publicly available or known to any other party, and each party purchasing or selling the Notes agrees that the Notes do not create any obligation on the part of any Index Party or its affiliates to disclose such information.
Disclaimer

Dow Jones and iTraxx® are registered trade marks of Dow Jones & Company, Inc. and International Index Company Limited.

Dow Jones and iTraxx® are trade marks of Dow Jones & Company, Inc. and International Index Company Limited and have been licensed for use by [Name of Customer]. Neither Dow Jones & Company, Inc. nor International Index Company Limited approves, endorses or recommends [Name of Customer] or Dow Jones iTraxx® derivatives products.

Dow Jones iTraxx® derivatives products are derived from a source considered reliable, but neither Dow Jones & Company, Inc. nor International Index Company Limited or any of their respective employees, suppliers, subcontractors and agents (together Dow Jones iTraxx Associates) guarantees the veracity, completeness or accuracy of Dow Jones iTraxx® derivatives products or other information furnished in connection with Dow Jones iTraxx® derivatives products. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by Dow Jones & Company, Inc. or International Index Company Limited or any of the Dow Jones iTraxx Associates in respect of Dow Jones iTraxx® derivatives products or any data included in such Dow Jones iTraxx® derivatives products or the use by any person or entity of Dow Jones iTraxx® derivatives products or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law.

None of Dow Jones & Company, Inc., International Index Company Limited nor any of the Dow Jones iTraxx Associates shall have any liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of Dow Jones & Company, Inc., International Index Company Limited or any of the Dow Jones iTraxx Associates or otherwise, arising in connection with the use of Dow Jones iTraxx® derivatives products or the Dow Jones iTraxx® indices.

NEITHER DOW JONES NOR ANY AFFILIATE OF DOW JONES NOR ANY OTHER PARTY CONNECTED WITH THE DEVELOPMENT OR CALCULATION OF DOW JONES ITRAXX INDEXES (COLLECTIVELY THE DOW JONES PARTIES) IS A PARTY TO THIS TRANSACTION UNLESS EXPRESSLY NAMED AS A PARTY. NONE OF THE DOW JONES PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE PARTIES TO THIS FINANCIAL PRODUCT OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF TRANSACTING OR INVESTING IN FINANCIAL PRODUCTS GENERALLY OR IN THIS FINANCIAL PRODUCT PARTICULARLY. THE FINANCIAL PRODUCT IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY DOW JONES. NONE OF THE DOW JONES PARTIES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE DOW JONES ITRAXX INDEXES OR ANY DATA RELATED THERETO AND NONE OF THE DOW JONES PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NONE OF THE DOW JONES PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY PARTIES TO THIS FINANCIAL PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DOW JONES ITRAXX INDEX OR ANY DATA RELATED THERETO. EACH OF THE DOW JONES PARTIES HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THIS FINANCIAL PRODUCT AND THE DOW JONES ITRAXX INDICES REFERENCE BY THIS FINANCIAL PRODUCT. WITHOUT LIMITING ANY OF THE FOREGOING, NONE OF THE DOW JONES PARTIES HAS ANY OBLIGATION OR LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES TO THE PARTIES TO THIS TRANSACTION. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN DOW JONES AND THE PARTY LICENSING THE DOW JONES ITRAXX INDEX FOR USE AS THE BASIS OF A FINANCIAL PRODUCT.