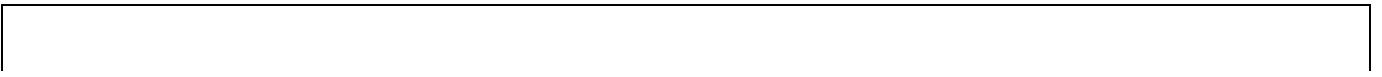


Purposes and Procedures Manual of the NAIC Investment Analysis Office

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| | <p>Initial filing: Audited Financial Statements (typically 3 years preferred, if available) Pro forma or projected financial information (as appropriate)</p> <p>Annual filing: Recent Audited Financial Statement Interim financial statement (if a material change has occurred)</p> <p>Municipal only: For general obligation bonds not rated by an NAIC CRP, the SVO will assess the transaction one grade lower than would otherwise be justified by the issuer's credit rating, if the reporting insurance company cannot provide the SVO with a copy of the Audited Financial Statement. However, the SVO shall accept the unaudited financial statement of an issuer without grade reduction, if such unaudited financial statement has been submitted to and is certified by the appropriate state controller's office. Revenue Bonds will be subject to the same rules applicable to corporate debt.</p> |

Includes summary of the transaction and key terms; key industry drivers/competitive landscape; issuer information andscape; issuer



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| | |
| Completed RTAS Application. | |

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All funds are subject to look-through and credit risk assessment and to speculative characteristics analysis.

The documentation provided must enable the SVO to conduct the analysis described below. Applicants are free to provide any supplemental material they believe will assist the SVO to:

- Verify that the fund has adopted a fundamental (stated) policy to predominantly hold bonds (or preferred stock).

- Evaluate the fund's use of leverage in relation to the management of portfolio risk and in relation to other purposes relevant to the speculative characteristics analysis.

- Understand the fund's policy and approaches to coverage of obligations arising from the use of leverage, in relation to SEC guidance on the subject.

- Schedules of the fund's portfolio securities and assets with a description of the security, the CUSIP or other security identifier and NRSRO credit ratings for the last four quarters of the fund's existence.

- A description of likely changes in the fund's composition under normal market conditions given the fund's investment objective and the strategies to be employed to attain it.