



DDJ CAPITAL MANAGEMENT, LLC

SPECIALISTS IN HIGH YIELD, DISTRESSED
& SPECIAL SITUATION INVESTING



|| DDJ CAPITAL MANAGEMENT, LLC ||

DDJ Capital Management, LLC, based in Waltham, Massachusetts, is an investment adviser registered with the Securities and Exchange Commission. We strive to produce consistently superior long-term investment returns for our clients while minimizing downside risk.

Since our inception in 1996, DDJ has excelled in identifying investment opportunities among financially stressed companies in the small to mid-cap arena. Our core investment strategies are:

- High-yield debt
- Distressed investing
- Non-traditional corporate loans
- Credit-focused hedge fund approach

David J. Breazzano, the President and Chief Investment Officer of DDJ, was a portfolio manager at Fidelity Investments, where he specialized in investing in high-yield debt, defaulted securities and turnaround situations. Mr. Breazzano's philosophy serves as the foundation of DDJ's investment process, which has been consistently applied since inception of the firm.

|| CLIENTELE ||

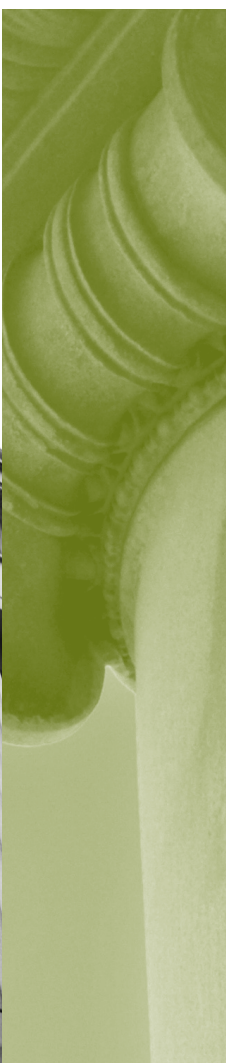
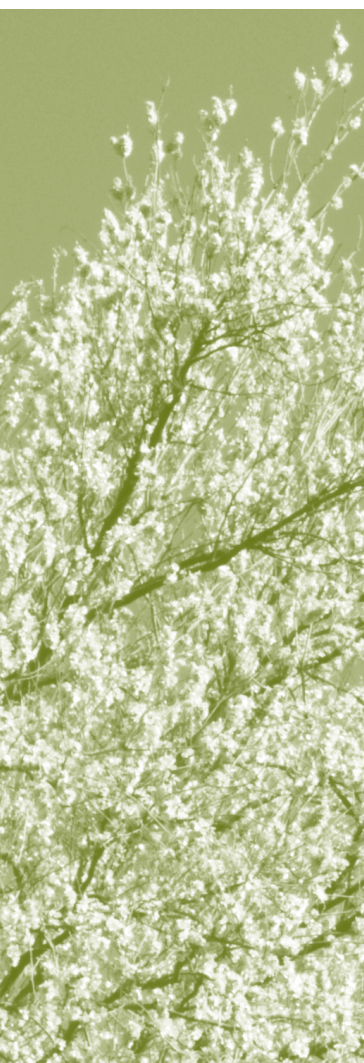
DDJ manages assets on behalf of:

- Corporate pension accounts and public retirement plans
- Endowments and foundations
- Insurance companies
- Other institutional clients

|| INVESTMENT PHILOSOPHY ||

Our belief is that non-investment grade, small to mid-market capitalization companies exist in an inefficient area of the market sector that is often overlooked by the market participants. Therefore, such companies present to DDJ a fertile source of investment opportunities.

Successfully uncovering these opportunities requires financial and credit expertise, extensive portfolio management experience and keen legal skills. DDJ calls on all of these strengths in employing a bottom-up, fundamental-oriented investment approach. By adhering to our investment philosophy, we believe that we are well-positioned to deliver attractive, risk-adjusted rates of return throughout various market cycles.



|| RESEARCH PROCESS ||

The DDJ research process is designed to generate superior risk/return investment ideas, both within our market and in line with our investment strategies. Our goal is to identify companies that have a solid core business and a “reason to exist,” but may be encountering financial and/or other difficulties.

Before choosing to invest in the securities or other obligations of a company, our analysts first perform extensive due diligence by seeking out information from various sources, including company filings as well as interviews with company management, customers, competitors and suppliers. We also:

- Perform periodic industry reviews to help us recognize the relative value of companies and their competition.
- Evaluate the company’s capital structure along with the trading price and relative value of each obligation.
- Analyze key financial considerations such as:
 - *Liquidity*: A company’s ability to service debt and other obligations over the short term.
 - *Free cash flow*: A company’s ability to service obligations over the long term.
 - *Asset coverage*: Overall asset value relative to liabilities, a critical measurement in gauging downside protection.

Through our exhaustive research process, we are able to assess both management’s capabilities and the company’s future prospects.



|| PORTFOLIO CONSTRUCTION ||

Investment opportunities that survive our rigorous research process enable DDJ to build portfolios designed to maximize long-term value for our clients. Our fully integrated (front and back-end) compliance process helps DDJ to adhere to specific client guidelines and restrictions.

|| AN ACTIVE INVESTMENT STYLE ||

DDJ is known for its “active” investment style. This approach means that when necessary, we leverage our network and experience to constructively and creatively work with management and other constituencies of portfolio companies to address liquidity and other challenges.

|| BROAD BREADTH OF EXPERIENCE ||

The seasoned investment professionals of DDJ bring significant experience in the areas of portfolio management, research analysis, legal analysis and trading. This range of capabilities allows us to take a proactive role in sourcing investment opportunities in businesses that are experiencing financial duress, but possess a competent management team, sustainable market position and/or adequate asset value. As a result, DDJ often discovers unique investment opportunities that our competitors do not.

PORTFOLIO MANAGERS

DDJ’s portfolio managers are responsible for constructing customized portfolios consistent with our clients’ investment objectives and guidelines. Using our thorough research process, we structure portfolios that are broadly diversified by issue, issuer and sector. Portfolio managers provide constant oversight of all investments as well as new opportunities to continuously optimize the value of our portfolios under management.

RESEARCH ANALYSTS

Fundamental analysis is the cornerstone of DDJ's investment process. Our approach enables us to create a comprehensive analytical overview of companies by focusing on their current and future business prospects. Areas for evaluation include the company's senior management, industry fundamentals, market share, pricing power, operations, and historical and projected financial performance.

Each of our research analysts concentrates on select industries rather than product lines. As a result, our analysts evaluate a company's entire capital structure in ranking possible investment opportunities for all of DDJ's strategies based on the anticipated return vs risk. We believe that this approach strengthens our analysts' ability to identify attractive investment opportunities and gives us a competitive advantage.

LEGAL PROFESSIONALS

Our in-house attorneys, who collaborate extensively with our analysts throughout the research process, provide DDJ with another key advantage relative to our competitors. Their ability to assess the various rights associated with particular debt obligations and related arrangements enables our investment professionals to properly gauge the potential upside and downside of an investment.

In addition, our experienced in-house attorneys select and supervise outside counsel, as appropriate, in connection with complex transactions.

DEDICATED TRADERS

Our dedicated trading team executes trades across all portfolios under management. We pride ourselves on our cost-effective and discrete approach to trade execution.



|| AN EXTENSIVE NETWORK ||

DDJ augments the talents of our in-house staff with the expertise of various members of the investment community, including senior operating executives, attorneys, management consultants and investment bankers. Access to these professionals improves our deal flow and research process. It also allows us to extend various forms of assistance to portfolio companies, including advice and participation on boards of directors, with the goal of maximizing value.

The combined experience of our portfolio managers, research analysts, in-house attorneys and traders, together with our extensive external network, enables DDJ to deliver unique value to a wide variety of clients.

|| WHY DDJ? ||

- Focus on identifying investment opportunities among financially stressed companies in the small to mid-cap arena since DDJ's founding in 1996.
- Strong, diverse and loyal client base, including corporate pension accounts and public retirement plans, endowments and foundations, insurance companies and other institutional clients.
- Established investment philosophy that helps DDJ to deliver attractive, risk-adjusted rates of return throughout various market cycles.
- Exhaustive research process designed to generate superior risk/return investment ideas.
- Broad breadth of experience across the areas of portfolio management, research analysis, legal analysis and trading.

FOR MORE INFORMATION, PLEASE CONTACT US AT:



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