

Auction Rate Securities

Our Policies and Procedures for Auction Rate Securities (ARS)

Understanding the typical terms and descriptions of Auction Rate Securities (ARS) practices used is crucial when you invest in Auction Rate Securities through Wachovia Securities. Because each security is different, it is important to review the offering documents of each specific security in which you invest.

The market for Auction Rate Securities (ARS) has recently experienced turmoil. If you own Auction Rate Securities (ARS) they currently continue to be priced at par. However, based on market conditions these securities may be valued more or less than par. You can tell whether you own Auction Rate Securities (ARS) by the security description on your account statement that may reflect references to “Var” or ‘Auction Rate’].

For further information regarding the current market conditions surrounding Auction Rate Securities please review the Fixed Income reports available on this website. For further general information on ARS and auction practices see the Wachovia Securities ARS Considerations and Disclosures document.

Information on auction rate securities may be found at www.dacbond.com.

Securities and Insurance Products:

Not Insured by FDIC or any Federal Government Agency	May Lose Value	Not a Deposit or Guaranteed by the Bank or any Bank Affiliate
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