



Bear Stearns & Co.
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New York, NY 10179
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AUG 29 2006

August 25, 2006

Financial Trust Company, Inc.
Rubin/Lutz/Hersch Group
6100 Red Hook Quarter, Suite B-3
St. Thomas, Virgin Islands 00802

Re: Financial Trust Company, Inc.

Dear Investor,

Thank you for your participation in the Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage Fund, L.P. We would like to inform you that we have received your Subscription and Interest Exchange Agreements.

Due to the pricing and transfer of securities involved in the roll-over, an official confirmation notice will not be mailed to you for another three weeks. We can confirm that 100% of your current holdings will roll-over from the Bear Stearns High-Grade Structured Credit Strategies to the High-Grade Structured Credit Strategies Enhanced Leverage Fund.

We appreciate your understanding. Please do not hesitate to contact your Bear Stearns Account representative or Alternative Fund Services at Bear Stearns Asset Management should you have any questions.

Sincerely,

Bear Stearns Asset Management
Alternative Fund Services
383 Madison Avenue
30th Floor
New York, New York 10179
(212) 272-1630 (phone)
(917) 849-3018 (fax)

Schedule K-1
(Form 1065)

2006

Department of the Treasury
Internal Revenue Service

For calendar year 2006, or tax
year beginning _____
ending _____

**Partner's Share of Income, Deductions,
Credits, etc.** ▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-0215684

B Partnership's name, address, city, state, and ZIP code
Bear Stearns High-Grade Structured Credit Strategies, L.P.
c/o Bear Stearns Asset Management, Inc.
383 Madison Avenue, 27th Floor
New York, NY 10179

C IRS Center where partnership filed return
Ogden

D Check if this is a publicly traded partnership (PTP)

E Tax shelter registration number, if any

F Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number
66-0567418

H Partner's name, address, city, state, and ZIP code
Financial Trust Company, Inc.
6100 Red Hook Quarter
Suite B-3
St. Thomas, Virgin Islands, 00802

I General partner or LLC member-manager Limited partner or other LLC member

J Domestic partner Foreign partner

K What type of entity is this partner? Corporation

L Partner's share of profit, loss, and capital:

| | Beginning | Ending |
|---------|-----------|--------|
| Profit | VARIOUS % | NONE % |
| Loss | VARIOUS % | NONE % |
| Capital | VARIOUS % | NONE % |

M Partner's share of liabilities at year end

| | | |
|---------------------------------|----|---|
| Nonrecourse | \$ | - |
| Qualified nonrecourse financing | \$ | - |
| Recourse | \$ | - |

N Partner's capital account analysis:

| | | |
|-------------------------------------|-----|-------------|
| Beginning capital account | \$ | 19,141,963 |
| Capital contributed during the year | \$ | - |
| Current year increase (decrease) | \$ | 1,013,381 |
| Withdrawals & distributions | \$(| 20,155,344) |
| Ending capital account | \$ | - |

Tax basis GAAP Section 704(b) book
 Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

| | |
|---|--|
| 1 Ordinary business income (loss) | 15 Credits |
| 2 Net rental real estate income (loss) | |
| 3 Other net rental income (loss) | 16 Foreign transactions |
| 4 Guaranteed payments | A Various |
| 5 Interest income | B 2,591,062 |
| 6a Ordinary dividends | C - |
| 6b Qualified dividends | G 1,218,123 |
| 7 Royalties | I - |
| 8 Net short-term capital gain (loss) | |
| 9a Net long-term capital gain (loss) | 17 Alternative minimum tax (AMT) items |
| 9b Collectibles (28%) gain (loss) | |
| 9c Unrecaptured section 1250 gain | |
| 10 Net section 1231 gain (loss) | 18 Tax-exempt income and nondeductible expenses |
| 11 Other income (loss) | |
| F* 1,149,578 | |
| 12 Section 179 deduction | 19 Distributions |
| 13 Other deductions | A 20,155,344 |
| 14 Self-employment earnings (loss) | 20 Other information |

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

2006

Department of the Treasury
Internal Revenue Service

For calendar year, or tax
year beginning 8/1/2006
ending 12/31/2006

Partner's Share of Income, Deductions,
Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
20-5054414

B Partnership's name, address, city, state, and ZIP code
Bear Stearns High-Grade Structured Credit Strategies Enhanced
Leverage Fund, L.P.
c/o Bear Stearns Asset Management Inc
383 Madison Avenue
New York, NY 10179

C IRS Center where partnership filed return
Ogden

D Check if this is a publicly traded partnership (PTP)

E Tax shelter registration number, if any

F Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number
66-0567418

H Partner's name, address, city, state, and ZIP code
Financial Trust Company, Inc
6100 Red Hook Quarter
Suite B-3
St. Thomas, Virgin Islands 00802

I General partner or LLC member-manager Limited partner or other LLC member

J Domestic partner Foreign partner

K What type of entity is this partner? Corporation

L Partner's share of profit, loss, and capital:

| | Beginning | Ending |
|---------|-----------|-------------|
| Profit | NONE % | VARIOUS % |
| Loss | NONE % | VARIOUS % |
| Capital | NONE % | 12.186048 % |

M Partner's share of liabilities at year end:

Nonrecourse \$ 0

Qualified nonrecourse financing \$ 0

Recourse \$ 0

N Partner's capital account analysis:

| | |
|-------------------------------------|---------------|
| Beginning capital account | \$ 0 |
| Capital contributed during the year | \$ 20,155,344 |
| Current year increase (decrease) | \$ 1,277,934 |
| Withdrawals & distributions | \$ () |
| Ending capital account | \$ 21,433,278 |

Tax basis GAAP Section 704(b) book

Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

| | | | |
|----|--------------------------------------|----|--|
| 1 | Ordinary business income (loss) | 15 | Credits |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | 16 | Foreign transactions |
| | | B | 5,123,611 |
| 4 | Guaranteed payments | G | (3,161,741) |
| 5 | Interest income | | |
| 6a | Ordinary dividends | | |
| 6b | Qualified dividends | | |
| 7 | Royalties | | |
| 8 | Net short-term capital gain (loss) | | |
| 9a | Net long-term capital gain (loss) | 17 | Alternative minimum tax (AMT) items |
| 9b | Collectibles (28%) gain (loss) | | |
| 9c | Unrecaptured section 1250 gain | | |
| 10 | Net section 1231 gain (loss) | 18 | Tax-exempt income and nondeductible expenses |
| 11 | Other income (loss) | | |
| F* | STMT | | |
| | | | |
| | | 19 | Distributions |
| 12 | Section 179 deduction | A | |
| 13 | Other deductions | | |
| | | 20 | Other information |
| 14 | Self-employment earnings (loss) | | |

*See attached statement for additional information.

For IRS Use Only