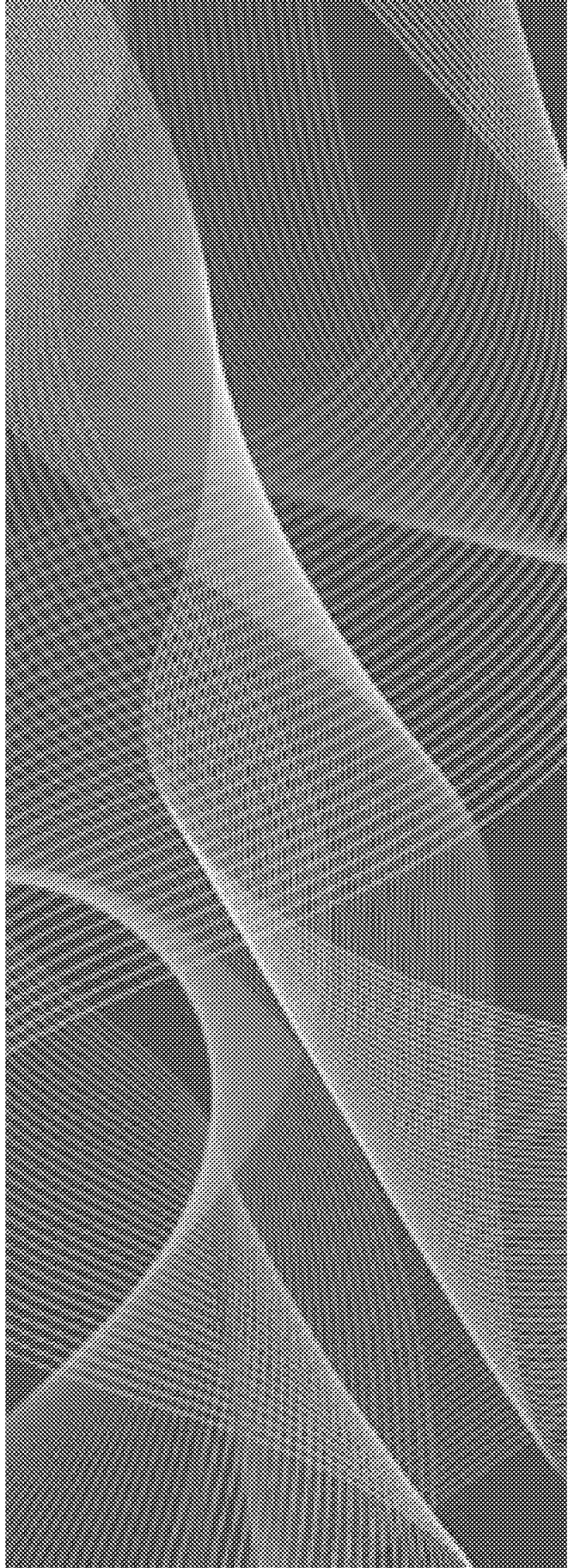


LEHMAN BROTHERS

FINAL VERSION

June 4, 2008

Private Equity Valuation Committee  
May 2008



Confidential Presentation

Private Equity Valuation Committee

Q2 2008

Index

	Page(s)
Meeting Minutes	3
Merchant Banking	4-5
Venture Capital	6-9
<i>Credit Related:</i>	
Euro Mezzanine	10-11
Global Mezzanine	12-18
Loan Opportunity Investments	19-23
Structured Credit Investments	24-32
<i>Infrastructure:</i>	
MLP	33-36
Infrastructure Fund	37
<i>Private Fund Investments:</i>	
Co-Invest	38
Public Positions	39-41

Private Equity Valuation Committee  
Q2 2008- Minutes of Meetings

Meeting Date	May 20, 2008	May 21, 2008
<b>Asset Class</b>	Euro Mezzanine Co-Invest	Merchant Banking Venture Capital MLP Loan Opportunity Fund Global Mezzanine Structured Credit Investments
<b>Committee Attendees</b>	Dan Colao John Lane Tony Tutrone	Mike Odrich Danny James Charles Ayres John Lane
<b>Points to Note</b>		
	All fair valuation changes are detailed in each respective asset class section	All fair valuation changes are detailed in each respective asset class section
	All valuation changes were approved by the Valuation Committee with no member disapproving.	All valuation changes were approved by the Valuation Committee with no member disapproving.
	None of the approved valuation changes involved contingencies.	None of the approved valuation changes involved contingencies.

**Merchant Banking**

Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
<b><u>MB - Fund IV</u></b>							
Antero (Global Fund only)	8/14/2007	47,966,250	33,896,150	14,070,100	-	47,966,250	
Clarion (Global & Europe Fund)	5/8/2008	33,344,337	-	33,344,337	304,465	33,648,802	<b>Effect of FX changes</b>
		81,310,587	33,896,150	47,414,437	304,465	81,615,052	
<b><u>MB - Fund III</u></b>							
Antero	11/9/2004	30,000,000	45,000,000			45,000,000	
Phoenix Brands	1/5/2004	100,500,000	86,550,000			86,550,000	
IIP	3/9/2004	10,821,101	16,200,000		820,056	17,020,056	<b>Effect of FX changes</b>
Enduring Resources	12/1/2004	75,243,243	75,243,243			75,243,243	
Spumador	10/20/2005	51,233,750	62,649,250		3,171,350	65,820,600	<b>Effect of FX changes</b>
Evergreen Copyright Acquisition	11/21/2005	36,000,000	50,000,000			50,000,000	
European Seafood (Heinz)	3/16/2006	119,311,250	147,410,000	78,750	55,340,375	202,829,125	<b>The value was written-up as a result of the company's favorable operating performance and effect of fx changes.</b>
Pegaso Transport Sarl (Talgo)	3/28/2006	62,040,888	100,800,000		5,102,568	105,902,568	<b>Effect of FX Changes</b>
Cross Holdings	5/3/2006	40,000,000	50,000,000			50,000,000	

**Merchant Banking (Continued)**

Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
Delos Insurance (Sirius)	8/1/2006	40,017,324	40,017,324	-	-	40,017,324	
McCarthy & Stone	4/13/2007	46,370,710	45,440,359	-	95,996	45,536,355	Effect of FX changes
Mediterranean Resources LLC	4/16/2007	26,247,417	22,497,417	3,750,000	-	26,247,417	
		637,785,684	741,807,593	3,828,750	64,530,345	810,166,688	
<b><u>Other Merchant Banking:</u></b>							
Sports Capital Partners I LP	3/31/2006	40,931,631	34,061,374	7,411,765	23,626,983	65,100,122	The value was written-up to reflect the current capital account balance
B. Seenaiah & Company Ltd.	2007	5,300,000	5,300,000	-	-	5,300,000	
Pannonia Insurance	2007	500,000	500,000	-	-	500,000	
Camelot Information Systems	2007	2,000,000	2,000,000	-	-	2,000,000	
Bivideon	11/14/2006	102,477,310	212,417,810	-	10,752,742	223,170,552	Effect of FX changes
		151,208,941	254,279,184	7,411,765	34,379,725	296,070,674	
<b>Total</b>			<b>1,029,982,927</b>	<b>58,654,952</b>	<b>99,214,535</b>	<b>1,187,852,414</b>	

**Venture Capital**

Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
<b><u>Venture - Fund V</u></b>							
ExaGrid Systems, Inc.	11/7/2007	9,585,000	9,585,000			9,585,000	
Qunar.com, Inc.	11/13/2007	4,000,000	4,000,000			4,000,000	
Kayak Software Corp.	12/20/2007	15,000,006	15,000,006			15,000,006	
Ubicom, Inc.	2/15/2008	5,000,000	5,000,000			5,000,000	
jaxtr, Inc.	3/14/2008	3,000,001		3,000,001		3,000,001	
Storwize, Inc.	3/28/2008	8,000,002		8,000,002		8,000,002	
NileGuide	Pending	2,625,001		2,625,001		2,625,001	May 2008 (Pending)
		47,210,010	33,585,006	13,625,004	-	47,210,010	
<b><u>Venture - Fund IV</u></b>							
Composite Software	8/25/2003	7,023,608	7,023,608			7,023,608	
Aspen Aerogels	12/9/2003	30,303,468	22,370,436	3,357,498	(5,544,142)	20,183,792	1
Infoblox, Inc.	2/9/2004	18,901,401	20,521,839			20,521,839	
Endeca Technologies, Inc.	2/19/2004	8,929,034	21,741,007			21,741,007	
Mark Logic Corp.	6/14/2004	10,000,000	15,702,057			15,702,057	
GameFly, Inc.	11/15/2004	3,999,999	3,999,999			3,999,999	
Mobilygen	4/14/2005	7,789,969	4,844,754			4,844,754	
Kodiak Networks	7/21/2005	9,488,382	9,049,154	439,228	(6,424,382)	3,064,000	2
Eltek Energy	1/17/2006	4,199,255	12,414,233			12,414,233	
TeleNav	1/27/2006	5,000,000	5,000,000		4,090,000	9,090,000	3

Venture Capital (continued)							
Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
Tira Wireless	2/6/2006	10,329,815	9,963,852	365,963		10,329,815	
Meru Networks	2/17/2006	11,000,023	14,355,548			14,355,548	
Kontera Technologies	5/31/2006	4,400,000	9,194,000			9,194,000	
Motosport	8/1/2006	9,500,000	12,922,000			12,922,000	
LifeSize	9/1/2006	10,333,002	10,000,002	333,000		10,333,002	
ForteMedia	9/25/2006	2,000,000	2,000,000			2,000,000	
Active Semiconductor	10/3/2006	8,999,999	8,999,999		4,759,001	13,759,000	4
Zappos.com	4/12/2007	5,810,000	4,680,000	1,130,000	4,906,000	10,716,000	5
Tumri, Inc.	5/18/2007	5,157,801	5,157,801			5,157,801	
Cast Iron, Inc.	6/15/2007	7,499,999	7,499,999			7,499,999	
GameStrata, Inc.	6/26/2007	300,000	300,000			300,000	
VeriSilicon	7/23/2007	3,750,000	3,750,000			3,750,000	
PowerReviews	8/27/2007	6,000,002	6,000,002			6,000,002	
Overture	10/1/2007	7,000,000	7,000,000			7,000,000	
Searchme	10/29/2007	5,500,003	5,500,003		6,496,997	11,997,000	6
		203,215,760	229,990,293	5,625,689	8,283,474	243,899,456	

Venture Capital (continued)							
Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
<b><u>Venture - Fund IV (continued)</u></b>							
<b><u>Venture - Fund III</u></b>							
Primarion	12/20/2001	-	10,758,206	(4,224,306)	(6,533,900)	-	7
Aoptix	2/27/2002	8,385,536	4,307,023			4,307,023	
Empirix	3/27/2002	10,001,661	10,001,661			10,001,661	
Egenera	6/14/2002	5,398,173	12,178,000			12,178,000	
Health Language	6/19/2002	4,792,799	4,792,799		1,198,201	5,991,000	8
		28,578,169	42,037,689	(4,224,306)	(5,335,699)	32,477,684	
<b><u>Venture - Fund II</u></b>							
Touchstone Health Partnership	7/30/1999	21,000,001	5,000,000		-	5,000,000	
Martin Dawes Systems, Inc.	6/30/2000	7,897,503	1,600,000			1,600,000	
		28,897,504	11,555,000	-	-	11,555,000	
<b><u>Venture - Healthcare</u></b>							
Fluidigm	10/24/2001	9,903,967	14,779,632			14,779,632	
TolerRx	11/7/2002	2,999,998	2,999,998			2,999,998	
Aerovance, Inc.	8/10/2004	10,648,259	8,022,503			8,022,503	
PEAK Surgical	1/23/2006	4,157,501	11,907,729	-	-	11,907,729	
		27,709,724	29,959,633	-	-	29,959,633	
<b><u>Venture - European</u></b>							
Negevtech	5/24/2002	2,500,000	-	-	-	-	
		2,500,000	-	-	-	-	
<b><u>Venture - Prop Fund</u></b>							
SearchMe	10/29/2007	5,500,000	5,500,000		6,496,997	11,996,997	6
Funny or Die	10/29/2007	4,000,004	4,000,004	-	-	4,000,004	
Adbrite	11/9/2007	5,000,000	5,000,000	-	-	5,000,000	
PEAK Surgical	1/23/2006	1,000,000	1,000,000	-	-	1,000,000	
		15,500,004	15,500,004	-	6,496,997	21,997,001	
<b><u>Other Venture Capital:</u></b>							
Verified Identity Card, Inc. (VIP)	10/17/2003	4,398,730	11,133,255	1,046,210	-	12,179,465	
<b>Total Venture Capital</b>		<b>358,009,901</b>	<b>373,760,880</b>	<b>16,072,597</b>	<b>9,444,772</b>	<b>399,278,249</b>	



Venture Capital (continued)							
Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New/Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
1- Aspen Aerogels							During Q2-08 Aspen Aerogels entered into a new round of financing with a third party investor, Arcapita, whereas the existing Series C and Series D shares held by VC Fund IV will be converted to a new class of Series A-1 and A-2 stock. The Senior Notes and remaining bridge loan will be converted into Series B shares, respectively. We propose to write-down the converted Series A shares to the Series B price of \$2.19 / share, down from the previous carrying value of \$10.18 and \$9.61 per share of Series C and Series D shares, respectively.
2- Kodiak Networks							Kodiak has secured a term sheet with a new lead investor, Northgate Capital. We recommend writing-down the value of the existing Series B shares to reflect the price in the Northgate Capital Term Sheet of \$0.97 / share (Total VC Fund IV write-down of \$6.4mm).
3- TeleNav							Menlo Ventures, the lead investor in the TeleNav Series E financing, purchased an additional \$4.0 million of shares from an existing investor at a price of \$0.50 / share. As a result of this third party transaction, we recommend writing-up the Series E shares, which are currently held at \$0.28 / share, to the purchase price above (total VC Fund IV write-up of \$4.0mm).
4- Active Semiconductor							Active Semiconductor is in negotiations with two third party investors, JAFCO and Mitsubishi Ventures, to purchase \$3.0 million of additional Series C shares. We recommend writing-up the Series B shares, which are currently held at \$2.28 / share, to the price paid by third party investors of \$4.45 / share (total VC Fund IV write-up of \$4.7mm).
5- Zappos							The Founder of Zappos, Nick Swinmum is in negotiations to sell his Common shares to third party investors. Morgan Stanly has offered to purchase a portion of his shares at \$12.0 / share and Goldman Sachs has indicated that indicated that they are willing to pay as much as \$13.00 / share for all shares held by Mr. Swinmum. We recommend writing-up the Common shares held by VC Fund IV, which are currently held at \$5.33 / share, to the \$12.00 / share offered by Morgan Stanley resulting in a total write-up of \$4.9mm.
6- Searchme							Searchme completed a Series E financing led by a third party investor - Deep Fork Capital. As a result of this financing, we recommend writing-up the existing Series D shares, which are currently held at \$5.33 / share, to the Series E price of \$12.27 / share (total VC Fund IV and VC Prop Fund write-up of \$6.6 mm each).
7 - Primarion							During Q2-08, Primarion agreed to be acquired by Infineon for up to \$80 million which is comprised of cash at closing, escrow and potential earn out payments. If both the full amount of the escrow and earn-out are paid, VC Fund III will receive a total of \$9.6 million (\$3.2mm of cash at closing, \$1.6mm of escrow payments and \$4.8 of earn-out proceeds) which represents a 0.47x return on invested capital of \$20.1 million. The escrow is comprised of a general escrow (VC Fund III - \$1.1mm) and a potential litigation escrow (VC Fund II - \$0.5mm). We propose valuing our share of the general escrow at 50% of proceeds (\$0.5 million) and not to assign any value to the litigation component. We also propose to value our portion of the earn-out at \$0.6 million, the low-end of the range based on the Company's revenue forecast. Estimated proceeds per the escrow & earn-out valuations above is equal to \$4.3 million.
8 - Health Language							In April 2008, one of the existing investors in Health Language's Series B round, Empire Partners, sold its remaining portfolio, including HLI, to Saints Capital. Saints Capital paid approximately \$0.94 per share for Empire Partners Series B shares. As a result, we recommend writing-up the Series B shares, which are currently held at \$0.75 / share, to the price paid by Saints Capital.

## Euro Mezzanine

Euro Mezz I							
Investment Name	Investment Type	Acquisition Cost	Fair Value February 29, 2008	(Sales)/ Purchases	P&L Activity	Fair Value May 30, 2008	Comments
HMY	Subordinated Bonds Warrants (Attached)	22,930,494	25,348,314		1,573,082	26,921,396	Foreign Currency Adjustment
		-	-		-	-	
Moeller	Mezzanine Loan	87,348,840	98,327,665	(106,692,394)	8,364,729	0	Loan Prepayment
Terreal II	Warrants - Class A & B	-	1,852,535		114,966	1,967,501	Foreign Currency Adjustment
Fitness First	Equity (L.P. Interest) Warrants - Class A1 &	10,689,891	10,825,132	523,587	671,793	12,020,512	Foreign Currency Adjustment
		-	-		-	-	
FCI	Warrants (Detached)	-	2,840,641		176,286	3,016,927	Foreign Currency Adjustment
Materis II	Mezzanine Bonds	21,339,230	22,329,950		2,473,725	24,803,675	Capitalized Loan (PIK) Interest
Iberostar	Mezzanine Loan	36,531,700	47,105,801		3,583,430	50,689,231	Capitalized Loan (PIK) Interest
Chorion	Mezzanine Loan	38,595,073	39,509,357		918,291	40,427,648	Capitalized Loan (PIK) Interest
	Mezzanine PIK Loan	43,040,655	47,457,446		1,818,728	49,276,174	Capitalized Loan (PIK) Interest
	Warrants (Attached)	-	-		-	-	
Caseama	Mezzanine Loan	102,009,495	108,131,299		8,020,578	116,151,877	Capitalized Loan (PIK) Interest
Ontex	Preferred Shares	-	-		-	-	
BAWAG	Mezzanine Loan	90,992,794	94,522,434		5,865,936	100,388,370	Foreign Currency Adjustment
	Equity (L.P. Interest) Warrants - Class A1 &	18,180,000	18,410,000		1,142,500	19,552,500	Foreign Currency Adjustment
		-	-		-	-	
SDU	Mezzanine Loan	22,077,110	22,092,000		2,375,021	24,467,021	Capitalized Loan (PIK) Interest
Finakabel Unity Media/Telecolumbus	Common Stock	-	308,017		19,115	327,132	Foreign Currency Adjustment
		-	-		-	-	
	<b>Subtotal USD</b>	<b>\$ 493,735,281</b>	<b>\$ 539,060,590</b>	<b>\$ (106,168,807)</b>	<b>\$ 37,118,180</b>	<b>\$ 470,009,963</b>	

**Euro Mezzanine (continued)**

**Euro Mezz II (warehoused)**

Investment Name	Investment Type	Acquisition Cost	Fair Value February 29, 2008	(Sales)/ Purchases	P&L Activity	Fair Value May 30, 2008	Comments
BAWAG	Mezzanine Loan	90,992,794	94,522,434	-	5,865,936	100,388,370	Foreign Currency Adjustment
	Equity (L.P. Interest)	18,180,000	18,410,000	-	1,142,500	19,552,500	Foreign Currency Adjustment
	Warrants - Class A1 &	-	-	-	-	-	
	<b>Subtotal USD</b>	<b>\$ 109,172,794</b>	<b>\$ 112,932,434</b>	<b>\$ -</b>	<b>\$ 7,008,436</b>	<b>\$ 119,940,870</b>	
<b>TOTAL EURO MEZZ</b>		<b>\$ 602,908,075</b>	<b>\$ 651,993,024</b>	<b>\$ (106,168,807)</b>	<b>\$ 44,126,616</b>	<b>\$ 589,950,833</b>	

**Euro Mezz Commentary**

Asset Name	Business Description	Fair Value	Commentary
<u>Detached Warrants</u>			
FCI	France / Electrical Conn	\$ 3,016,927	Warrants remain outstanding after the repayment of the loan in March 07. The warrant position has been valued at EUR 3.9m with a 50% market discount applied, based on market valuation of the equity.
Terreal	France / Construction P	\$ 1,967,501	Warrants remain outstanding after the repayment of the loan in June 07. The warrant position has been re-valued from EUR 9.4m to 2.6m with a 50% market discount applied due to declining multiples in the market and flat rate trading
Fitness First (Warrants)	UK / Fitness Centres		- Management Accounts received for October year end under the terms of the warrant agreement. The position has been fair valued at cost.
<u>Common Stock</u>			
Finakabel	Germany / Cable Opera		- Outstanding position following the sale of the Telecolumbus business in 2005.

Loan Positions

- \* All assets are performing in line, or ahead of expectation with the exception of HMY
- \* HMY continues to under perform as a result of a recent small acquisition impacting expected year-end results. The business is actively addressing this issues within its recent acquisitions. Performance has improved at the beginning of 2008 although margins will come under pressure with increased steel prices later in the year.
- \* Latest monthly management accounts have been reviewed
- \* Investment Managers view that all loans should be fair valued at par

Direct Equity investments

- Fitness First
- \* Fund has invested in a limited partnership ("Partnership") which owns the equity investment in Fitness First
- \* Audited annual accounts received by the Fund for October 2007 year end
- \* Position is valued at cost with no uplift in value within the audited Partnership accounts, the Fund has therefore decided to take the same approach and fair value the investment at cost.

- BAWAG
- \* Invested in May, 2007. Currently fair valued at cost

Global Mezzanine										
Warehoused Positions										
Investment Name	Investment Type	Acquisition Cost	Acquisition Price	Fair Value February 29, 2008	(Sales)/ Purchases	P&L Activity		Fair Value Price May 30, 2008	Fair Value May 30, 2008	Comments
						PIK Income & Gains/(Losses)	FX			
The Brickman Group, Ltd.	Senior Subordinated Notes	24,968,046	98.087	25,455,000	-	-	-	100.000	25,455,000	OID = USD 487k (pending amortization)
	Equity Co-Investment (Senior Units)	5,727,000	100.000	5,727,000	-	-	-	100.000	5,727,000	
	Free Equity (Senior Units)	487,000	100.000	487,000	-	-	-	100.000	487,000	
Firth Rixson Ltd.*	Second Lien Mezzanine Facility - USD	26,830,141	98.375	27,321,061	(6,748,302)	42,177	-	100.000	20,572,759	Partial Sale @ 99 Remaining OID = USD 334k (pending amortization) PIK Accrued (unpaid) as of 5/31 = USD 467k Partial Sale @ 99 Remaining OID = GBP 82k (pending amortization) PIK Accrued (unpaid) as of 5/31 = GBP 113k Period FX Loss Adjustment = USD 40k
	Second Lien Mezzanine Facility - GBP	13,037,966	98.375	13,158,004	(3,222,645)	20,142	(127,730)	100.000	9,827,769	
	Equity Co-Investment (Ordinary Shares) - GBP	4,971,250	100.000	4,925,750	-	-	(39,875)	100.000	4,885,875	
Frontier Drilling ASA*	Second Lien Term Loan	24,500,000	98.000	25,000,000	-	-	-	100.000	25,000,000	OID = USD 500k (pending amortization)
Pegasus International Inc. / Universal Enesco, Inc.	Senior Subordinated Notes	38,800,000	97.000	40,000,000	-	-	-	100.000	40,000,000	OID = USD 1.2m (pending amortization)
	Equity Co-Investment (Series A-1 Preferred)	4,998,160	100.000	4,998,160	-	-	-	100.000	4,998,160	
	Equity Co-Investment (Common Stock)	1,832	100.000	1,832	-	-	-	100.000	1,832	
Press Ganey	Senior Subordinated Notes	29,403,000	98.010	-	30,000,000	-	-	100.000	30,000,000	
	Equity - LLC Membership Units - Pref	2,000,000	100.000	-	2,000,000	-	-	100.000	2,000,000	
	Equity - LLC Membership Units - Common	1,000,000	100.000	-	1,000,000	-	-	100.000	1,000,000	
Regent Seven Seas*	Second Lien Term Loan	34,475,000	98.500	35,000,000	-	-	(0)	100.000	35,000,000	OID = USD 525k (pending amortization)
	Equity Co-Investment (Common Stock)	5,499,996	100.000	5,499,996	-	-	-	100.000	5,499,996	
Repco, Ltd.	Second Lien Term Loan - AUD	29,474,149	100.000	31,900,558	-	322,882	1,415,509	100.000	33,638,950	P&L from PIK capitalization during Q2 PIK Accrued (unpaid) as of 5/31 = AUD 129k
Varel International*	Senior Unsecured Notes	75,000,000	100.000	75,000,000	-	-	-	100.000	75,000,000	
	Equity Co-Investment (Common Stock)	10,000,000	100.000	10,000,000	-	-	-	100.000	10,000,000	
<b>Subtotal USD</b>		<b>\$ 331,173,540</b>		<b>\$ 304,474,361</b>	<b>\$ 23,029,052</b>	<b>\$ 385,201</b>	<b>\$ 1,247,903</b>		<b>\$ 329,094,341</b>	

Other Global Mezz (warehoused)										
Investment Name	Investment Type	Acquisition Cost	Acquisition Price	Fair Value February 29, 2008	(Sales)/ Purchases	P&L Activity		Fair Value Price May 30, 2008	Fair Value May 30, 2008	Comments
						PIK Income & Gains/(Losses)	FX			
R.J. O'Brien	Second Lien Term Loan	69,300,000	99.000	70,000,000	-	(4,000,000)	-	100.000	70,000,000	OID = USD 700k (pending amortization)
	Equity Co-Investment (LLC Membership Interest)	5,000,000	100.000	5,000,000	-	(1,000,000)	-	100.000	5,000,000	
<b>Subtotal USD</b>		<b>\$ 74,300,000</b>		<b>\$ 75,000,000</b>	<b>\$ -</b>	<b>\$ (5,000,000)</b>	<b>\$ -</b>		<b>\$ 75,000,000</b>	
<b>TOTAL GLOBAL MEZZ</b>		<b>\$ 405,473,540</b>		<b>\$ 379,474,361</b>	<b>\$ 23,029,052</b>	<b>\$ (4,614,799)</b>	<b>\$ 1,247,903</b>		<b>\$ 403,104,951</b>	

**NOTES:**  
 REPCO - Purchase FX Rate (Estimated) = 84  
 Current FX Rate (Estimate) = 94385  
 FX Change +12%  
 Firth Rixson - GBP - Purchase FX Rate (Estimated) = 1.988  
 Current FX Rate (Estimate) = 1.95435  
 FX Change -1.7%  
 \* Partial Sale possible in Q3

**Global Mezzanine Commentary**

Company name: **The Brickman Group, Ltd.**  
 Investment date: January-07  
 Business description: Provider of commercial landscape services  
 Invested capital (\$mm): 31.2  
 Short-term outlook: Stable  
 Long-term outlook: Stable

Commentary: LTM February revenues and EBITDA of \$610.7mm and \$106.2mm slightly behind budget due to lower than expected snow revenue vs. last year YTD. New maintenance contract sales were \$47.3mm compared to \$41.9 million in 2007. Management estimated FY08 EBITDA is \$124 million, Lehman estimated FY08 EBITDA is \$118 million so we think they will make up the budget throughout the year.

Company: <b>The Brickman Group, Ltd.</b>			
	Dec-06	Dec-07	Mar-08
LTM Revenues (\$mm)	493.1	608.7	627.3
LTM EBITDA (\$mm)	87.8	107.7	102.5
Net Debt / LTM EBITDA	6.50x	5.22x	5.54x
	YTD Feb-08	Budget Feb-08	% of YTD to Budget
YTD Revenues (\$mm)	144.9	159.3	91.0%
YTD EBITDA (\$mm)	5.5	12.9	42.5%

Company name: **RepcO Ltd.**  
 Investment date: June-07  
 Business description: Australia and New Zealand's leading retailer of automotive replacement parts & accessories  
 Invested capital (\$mm): 29.5  
 Short-term outlook: Stable  
 Long-term outlook: Stable

Commentary: Current financial performance continues to remain in line with expectations. YTD revenues and EBITDA slightly ahead of budget (Company's fiscal year-end is June 30). Net debt is well ahead of the projections at the time of the transaction.

Company: <b>RepcO Ltd.</b>			
	Jun-07	Dec-07	Jan-08
LTM Revenues (A\$mm)	908.6	926.4	929.3
LTM EBITDA (A\$mm)	71.2	74.0	74.8
Net Debt / LTM EBITDA	4.89x	4.38x	4.41x
	YTD Jan-08	Budget Jan-08	% of YTD to Budget
YTD Revenues (A\$mm)	555.9	547.9	101.5%
YTD EBITDA (A\$mm)	44.5	43.4	102.5%

**Global Mezz Commentary (continued)**

Company name: R.J. O'Brien  
Investment date: July-07  
Business description: Futures commissions merchant  
Invested capital (\$mm): 75.0  
Short-term outlook: Stable  
Long-term outlook: Stable  
Commentary: R.J. O'Brien's ("RJO" or the "Company") performance for the last several quarters has been adversely impacted by the credit crunch which has affected operating performance at most financial institutions. In particular, there are several reasons for RJO's underperformance, all of which have now been mitigated or have subsided, including (1) extreme volatility in the financial and commodity markets caused higher margin customers to shun trading; as volatility has decreased, certain customers who had been waiting on the sidelines have now started to trade again, resulting in commissions revenues being up almost 27% in Q1 2008 vs. Q4 2007, (2) two pieces of asset-backed commercial paper, \$50 mm total face value, was downgraded by the rating agencies in the late Summer resulting in a regulatory capital shortfall, forcing the company to draw down its entire \$50 million revolver; at this time, there are no longer any investments which are at risk, (3) overall interest income generated by RJO has been pressured by the relatively low interest rate environment in the wake of the recent Fed rate cuts, however, an interest rate floor program implemented by RJO earlier this year is expected to generate positive interest income beginning in Q2 2008 which should help to mitigate the lower rate environment; finally, (4) Due to the high level of volatility in the markets, futures exchanges (primarily the CME) imposed higher regulatory capital restrictions on its members, including RJO; due to this, in March the Sponsors infused into the business an additional \$25 million of equity (LBGMP funded is pro rata ownership share of 1% or ~\$250,000). We have been told that the Company is currently in the process of raising an additional \$50 million of liquidity to further bolster its balance sheet.

The Company believes that the worst is now over and that it has turned the corner. Sequentially, Q4 2007 performance was stronger than that of Q3 2007 (EBITDA for the quarter increased to \$14.4mm from \$12.6mm) and Q1 2008 showed further improvement (\$14.5mm EBITDA) as the Company capitalized on strong demand for hedging from ComAg institutional customers; additionally, RJO during Q1 2008 incurred approximately \$1.3 million of higher indirect expenses vs. Q4 2007, mainly due to the need for enhanced technology and financial reporting infrastructure - we have been told by management that there will be continued investment during Q2 2008, but that by Q3 2008 the indirect expense base would migrate back down to budgeted levels. The Company also continues to explore strategic initiatives which will be accretive to the enterprise if executed (acquisitions would be funded substantially with additional equity). RJO announced a small acquisition of Powerline Petroleum LLC into RJO's ComAg division earlier this year, as it gives RJO a platform in the higher margin OTC business.

Separately, there is the chance the Company might be in violation of its financial maintenance covenant, though the calculation of this leverage covenant is being disputed by the Company. If it is determined that there is in fact a covenant breach, the Sponsors would have the ability to cure such a breach with an equity infusion.

As it relates to our valuation, given the continued challenging environment for financial services businesses, we believe that it is prudent to begin the process of marking down our investment to appropriate levels. While the second lien debt in RJO has not traded, we would recommend a haircut of \$4 million or approximately 5.7% of face value. As it relates to our equity investment, we continue to have an active dialogue with the Sponsors (Spectrum and TCV). In March, we had been told that Spectrum planned to write down its investment by as much as 17.6% (this is a blended mark based on their original equity investment being marked down by 15% and then their follow-on equity infusion in March being marked down by 70% due to the nature by which that equity infusion was made, in which the Sponsors purchased a non-performing financial asset in exchange for the equity). Therefore, we would recommend a 20% markdown on our equity position, or \$1 million.

Company:		R.J. O'Brien		
		Closing Apr-07	Dec-07 <sup>1)</sup>	Mar-08 <sup>2)</sup>
LTM Revenues (\$mm)		333.4	302.8	304.6
LTM PF EBITDA (\$mm)		69.1	59.9	56.5
Net Debt/ LTM PF EBITDA		7.74x	9.31x	10.32x
		YTD Mar-08 <sup>3)</sup>	BUDGET Mar-08 <sup>3)</sup>	% of YTD to Budget
YTD Revenues (\$mm)		86.6	76.1	113.8%
YTD EBITDA (\$mm)		14.5	13.5	107.4%

1. Assumes \$14 mm of cash above early warning level at Opco and \$12mm of cash at Holdco.  
2. Assumes \$0 cash above 120% regulatory requirement; excludes one time commercial paper writeoffs.  
3. Represents revised budget for 2008 (released in April 2008).

**Global Mezz Commentary (continued)**

Company name: **Frontier Drilling ASA**  
 Investment date: August-07  
 Business description: Drillship Operator  
 Invested capital (\$mm): 25.0  
 Short-term outlook: Stable  
 Long-term outlook: Stable

Commentary: LBGMP's investment in the 2nd Lien Term Loan was used to fund cost overruns and early dry docking of vessels in the fleet. Current budget (4/08) outlook for the Deepwater refurbishment is \$353mm vs. \$263mm in December. Deepwater is scheduled to be delivered on August 25. This increase in the Deepwater budget will require the Company to raise additional liquidity. The Sponsors and the Company are currently discussing alternatives. We believe the Sponsors will inject additional equity (around \$125 million) by beginning of June.

The contract on the Duchess has recently expired, the Company has begun negotiations for a new contract and is confident that they can obtain day rates at \$225k or higher. However, signing a contract on the Duchess has taken longer than expected. Management believes they can sign a contract for this ship by the end of May.

FY 08 projections have decreased due to late delivery of the Deepwater, the delay re-contracting of the Duchess and increased corporate overhead to support the business. Liquidity for the business will be tight until the Deepwater is delivered. After the delivery of the Deepwater, we believe an IPO is a very likely event in 2009.

Despite the potential liquidity shortfall, we continue to support the current valuation on our 2nd lien investment at par given the sponsor's commitment to realize their equity. Fundamentals for deepwater drillships remain strong with day rates increasing to 500+/day.

at par given the sponsor's commitment to re <b>Frontier Drilling ASA</b>		
	Closing Jul-07 <sup>1</sup>	Dec-07 <sup>2</sup>
FY 08 LTM Revenues (\$mm)	199.9	206.2
FY 08 LTM EBITDA (\$mm)	97.7	79.6
Net Debt / LTM EBITDA	4.18x	5.62x

*1. FY08 expected data per the closing bank book*

*2. FY08 expected data based on December 2007 financial information*

**Global Mezz Commentary (continued)**

Company name: **Varel International**  
 Investment date: November-07  
 Business description: Drill Bit manufacturer for Oil, Gas, Mining and Industrial end markets  
 Invested capital (\$mm): 85.0  
 Short-term outlook: Stable  
 Long-term outlook: Stable  
 Commentary: LBGMP invested \$75.0mm in Senior Unsecured Notes along with a \$10.0mm equity co-investment on November 5, 2007.  
 Varel exceeded the lenders projections in all three segments M&I, O&G PDC, O&G RC, however was a bit shy of management's projections in the PDC and RC segments. LTM 1/31/08 EBITDA of \$50.8mm already exceeded the \$47.0mm FY 7/31/08 projection set out in the lenders presentation. Management's EBITDA projection for FY 7/31/08 is \$57.7mm which is an aggressive 35%+ increase over FY 7/31/07.

Company: <b>Varel International</b>				
	Jul-07	Jan-08		
LTM Revenues (\$mm)	192.4	218.6		
LTM EBITDA (\$mm)	42.6	50.8		
Net Debt / LTM EBITDA	5.02x	4.25x		
	MGMT			
	YTD -	BUDGET -	% of YTD	
	Jan-08	Jan-08	to Budget	
YTD Revenues (\$mm)	114.3	113.7	100.5%	
YTD EBITDA (\$mm)	27.2	28.2	96.5%	

*1. YTD and Budget numbers are management's budget however, underwrote off of bank case.*

Company name: **Firth Rixson Ltd.**  
 Investment date: December-07  
 Business description: Leading integrated provider of highly engineered rings, forgings, and specialist metal products for the aerospace and general industrial sectors  
 Invested capital (\$mm): 34.9  
 Short-term outlook: Stable  
 Long-term outlook: Stable  
 Commentary: LBGMP invested \$40.6mm in a Second Lien Mezzanine Facility (debt investment prorated 1/3 GBP and 2/3 USD) along with a \$5.0mm equity co-investment. On May 7, 2008 LBGMP sold \$10mm of debt (pro rata portion USD and GBP) and \$1mm equity to LBPE resulting in a profit of over \$62,000 (since the debt portion was sold at a price of 99 vs. the acquisition price of 98.375).

Since the time of acquisition the Company has performed above budget. Due to the outperformance, the Company has twice raised its budget for fiscal year 2008 (from £102.8 to £105.8). LBGMP was also told by management that 93% of fiscal year 2008 sales is now covered by the order book.

Company: <b>Firth Rixson Ltd.</b>					
	Sep-07	Mar-08			
LTM Revenues (\$mm)	290.2	299.5			
Adjusted LTM EBITDA (\$mm)-	94.9	102.1			
Adjusted PF LTM EBITDA-	95.4	105.3			
Net Debt / Adjusted LTM EBITDA	6.06x	5.61x			
Net Debt / Adjusted PF LTM EBITDA	5.78x	5.44x			
	YTD	Revised	Original	% of YTD	% of YTD
	Mar-08	Budget	Budget	to Revised	to Original
		Mar-08	Sep-07	Budget	Budget
YTD Estimated Revenues (\$mm)	265.6	282.5	257.5	101.0%	102.9%
YTD Estimated EBITDA (\$mm)-	89.6	95.6	88.9	100.1%	101.4%

*1. Pro forma for certain run rate/pro forma adjustments, but not for new contracts.  
 2. Includes pro forma adjustments for new contracts.  
 3. Not adjusted.*



**Global Mezz Commentary (continued)**

Company name: **Regent Seven Seas**  
 Investment date: January-08  
 Business description: Leading luxury cruise line serving over 300 ports across the globe  
 Invested capital (\$mm): 40.5  
 Short-term outlook: Stable  
 Long-term outlook: Stable  
 Commentary: LBGMP invested \$35.0mm in a Second Lien Term Loan along with a \$5.5mm equity co-investment. The transaction closed on January 31, 2008. As of May 12, 96.2% of the 2008 budget was booked at per diems that were 8% higher than at the same time in 2007. Total Cruise and Port revenue is 10% above where it was at the same time in 2007. Looking out into 2009, Regent already has 37.3% of its 2009 target revenues booked compared to 31.5% during the similar period for 2008 revenues.

Company: <b>Regent Seven Seas</b>	
	Dec-07
LTM Revenues (\$mm)	533.4
LTM EBITDA (\$mm)	113.9
Net Debt / LTM EBITDA	5.18x

Company name: **Universal Ensco, Inc. / Pegasus International Inc.**  
 Investment date: February-08  
 Business description: Leading pipeline engineering services firm / engineering project and construction management consulting firm  
 Invested capital (\$mm): 45.0  
 Short-term outlook: Stable  
 Long-term outlook: Stable  
 Commentary: LBGMP invested \$40.0mm in Senior Subordinated Notes along with a \$5.0mm equity co-investment. The transaction closed on February 8, 2008. Integration is proceeding as planned. Total backlog is at 84% of 2008 budget and 55% of 2009 budget. Universal is ahead of target while Pegasus is behind. Overall, the Company is ahead of its YTD revenue budget, but behind its EBITDA budget. Management for both Universal and Pegasus believe they will either meet or exceed the 2008 budget.

Company: <b>Universal / Pegasus</b>			
	Dec-07	Mar-08	
LTM Revenues (\$mm)	316.2	331.8	
LTM EBITDA (\$mm)	72.0	76.8	
Net Debt / LTM EBITDA	3.70x	3.58x	
	YTD	Budget	% of YTD
	Mar-08	Mar-08	to Budget
YTD Revenues (\$mm)	96.8	92.4	104.8%
YTD EBITDA (\$mm)	21.1	21.6	97.5%

**Global Mezz Commentary (continued)**

Company name: Press Ganey  
 Investment date: March-08  
 Business description: Leading provider of patient satisfaction measurement and quality / performance improvement solutions to Acute Care Hospitals and other health care providers  
 Invested capital (\$mm): \$3.6  
 Short-term outlook: Stable  
 Long-term outlook: Stable  
 Commentary: LBGMP invested \$30mm in Senior Subordinated Notes along with a \$3mm equity co-investment. The transaction closed on March 12, 2008. The company is performing in line with budget.

Company:		Press Ganey		
		Dec-07	Apr-08	
LTM Revenues (\$mm)		130.7	139.9	
LTM EBITDA (\$mm)		51.9	53.6	
Net Debt / LTM EBITDA		5.78x	5.54x	
		YTD Apr-08	BUDGET Apr-08	% of YTD to Budget
YTD Revenues (\$mm)		97.8	99.6	96.3%
YTD EBITDA (\$mm)		37.9	38.1	98.6%

Loan Opportunity Fund						
Description	Loan Type	Quantity	Cost	Last Bid Price at 4/30/08	Market Value	Unrealized Gain/ (Loss)
<b>Advanced Medical Optics, Inc.</b> Advanced Medical Optics, Inc.	Term Loan B	13,961,009	13,066,201	92.6250	12,931,384	(134,816)
<b>Allison Transmission Inc.</b> Allison Transmission Inc.	Term Loan B	50,767,481	48,315,196	93.8040	47,621,928	(693,268)
<b>Alltel Communications, Inc.</b> Alltel Communications, Inc. Alltel Communications, Inc. Alltel Communications, Inc.	Term Loan B1 Term Loan B2 Term Loan B3	9,987,469 9,974,937 71,644,988	9,031,347 9,029,812 68,764,226	91.5180 91.4880 92.0630	9,140,332 9,125,871 65,958,525	108,984 96,059 (2,805,701)
<b>Audio Visual Group, Inc.</b> Audio Visual Group, Inc.	Tranche B Term Loan	8,955,000	8,596,800	88.0000	7,880,400	(716,400)
<b>Bausch and Lomb, Inc.</b> Bausch and Lomb, Inc. Bausch and Lomb, Inc.	Delayed Draw Term Loan	5,200,000 20,748,000	5,120,000 20,428,800	98.5750 98.7630	5,125,900 20,491,347	5,900 62,547
<b>Brickman Group, Inc.</b> Brickman Group, Inc. Brickman Group, Inc.	Term Loan Tranche B Term Loan	1,994,962 12,914,786	1,835,365 12,194,424	93.0000 93.0000	1,855,315 12,010,751	19,950 (183,673)
<b>Capital Automotive</b> Capital Automotive	Term Loan B	2,000,000	1,820,000	97.0000	1,940,000	120,000
<b>Catalina Marketing Corporation</b> Catalina Marketing Corporation Catalina Marketing Corporation	Term Loan Term Loan B	17,902,519 13,432,500	17,125,281 13,080,519	95.1250 95.1250	17,029,771 12,777,666	(95,510) (302,853)
<b>Cengage Learning, Inc.</b> Cengage Learning, Inc.	Term Loan B	52,739,987	50,858,914	92.3890	48,725,947	(2,132,967)
<b>Charter Communications Holdings LLC</b> Charter Communications Holdings LLC Charter Communications Holdings LLC	Term Loan Term Loan C	46,383,750 5,000,000	44,279,025 4,800,000	88.4130 99.7920	41,009,265 4,989,600	(3,269,760) 189,600
<b>Claire's Stores, Inc.</b> Claire's Stores, Inc.	Term Loan B	14,924,812	14,346,476	79.6110	11,881,792	(2,464,683)
<b>CW Media Holdings Inc.</b> CW Media Holdings Inc.	Term Loan B	19,454,956	18,616,765	96.5000	18,774,033	157,268
<b>DaimlerChrysler Financial Services</b> DaimlerChrysler Financial Services DaimlerChrysler Financial Services DaimlerChrysler Financial Services	Term Loan B First Lien Term Loan Second Lien Term Loan	6,965,000 50,779,912 21,850,000	6,965,000 49,592,620 21,160,250	90.9530 90.9530 79.4170	6,334,876 46,185,854 17,352,614	(630,124) (3,406,767) (3,807,635)

Loan Opportunity Fund (continued)						
Description	Loan Type	Quantity	Cost	Last Bid Price at 4/30/08	Market Value	Unrealized Gain/ (Loss)
<b>Dana Holding Corporation</b> Dana Holding Corporation	First Lien Term Loan	29,925,000	26,932,500	96.4380	28,859,071	1,926,571
<b>Dealer Computer Services, Inc.</b> Dealer Computer Services, Inc.	Second Lien Term Loan	31,927,205	30,319,753	93.0000	29,692,301	(627,452)
<b>Dean Foods Company</b> Dean Foods Company	New Term Loan	25,153,451	23,835,668	95.1940	23,944,576	108,908
<b>Education Management LLC</b> Education Management LLC	Term Loan C	2,567,502	2,293,571	88.3210	2,267,643	(25,928)
<b>First Data Corporation</b> First Data Corporation	Term Loan B1	39,800,000	38,164,469	93.9660	37,398,468	(766,001)
First Data Corporation	Term Loan B2	4,975,000	4,776,000	93.9660	4,674,809	(101,192)
First Data Corporation	Term Loan B3	4,975,000	4,838,188	93.9720	4,675,107	(163,081)
First Data Corporation	Initial Term Loan B - EUR	23,315,835	20,436,743	91.2500	21,275,699	838,957
<b>Firstlight Power Resources, Inc.</b> Firstlight Power Resources, Inc.	Synthetic LC	211,382	187,602	89.0000	188,130	528
Firstlight Power Resources, Inc.	Term Loan B	1,788,618	1,587,398	88.5630	1,584,054	(3,345)
<b>FR Brand Holdings Corp.</b> FR Brand Holdings Corp.	First Lien Term Loan	9,951,798	9,372,920	90.0000	8,956,618	(416,302)
FR Brand Holdings Corp.	Term Loan B	6,906,204	6,623,785	90.0000	6,215,584	(408,201)
FR Brand Holdings Corp.	Term Loan B2	6,934,200	6,830,187	89.0000	6,171,438	(658,749)
FR Brand Holdings Corp.	Term Loan B2 First Lien Add-On	11,303,115	10,689,836	89.0000	10,059,772	(630,064)
<b>Freescale Semiconductor, Inc.</b> Freescale Semiconductor, Inc.	Term Loan	43,473,520	41,235,758	87.3440	37,971,511	(3,264,247)
<b>Frontier Drilling USA</b> Frontier Drilling USA	Term Loan B	18,100,000	17,363,000	93.0000	16,833,000	(530,000)
<b>Gartmore Group</b> Gartmore Group	Term Loan B	34,996,696	33,060,787	84.5000	29,572,208	(3,488,579)
<b>Georgia Pacific Corporation</b> Georgia Pacific Corporation	Term Loan B	5,467,030	5,148,793	95.8500	5,240,148	91,355
Georgia Pacific Corporation	First Lien Term Loan B	34,824,415	33,139,164	95.8500	33,379,201	240,037
<b>Harrah's Entertainment Inc.</b> Harrah's Entertainment Inc.	Term Loan B1	39,655,172	36,426,940	93.7920	37,193,379	766,440
Harrah's Entertainment Inc.	Term Loan B2	8,000,000	7,356,250	93.8890	7,511,120	154,870
Harrah's Entertainment Inc.	Term Loan B3	2,000,000	1,880,000	93.8390	1,876,780	(3,220)
<b>Hawker Beechcraft Acquisition Company LLC</b> Hawker Beechcraft Acquisition Company LLC	Hawker Beechcraft CLN	998,056	924,662	95.1670	949,820	25,158
Hawker Beechcraft Acquisition Company LLC	Term Loan	17,126,647	15,867,202	95.1940	16,303,540	436,338

Loan Opportunity Fund (continued)						
Description	Loan Type	Quantity	Cost	Last Bid Price at 4/30/08	Market Value	Unrealized Gain/ (Loss)
<b>HBI Branded Apparel Limited Inc.</b> HBI Branded Apparel Limited Inc.	Second Lien Term Loan	2,000,000	1,957,500	98.7710	1,975,420	17,920
<b>HCA Inc.</b> HCA Inc. HCA Inc.	Term Loan B Tranche B Term Loan	37,853,790 16,957,071	36,093,544 15,857,355	95.0210 95.0210	35,969,050 16,112,778	(124,494) 255,423
<b>Health Management Associates Inc.</b> Health Management Associates Inc.	Term Loan B	34,694,978	32,357,380	92.2190	31,995,362	(362,018)
<b>Idearc Inc.</b> Idearc Inc.	Term Loan B	19,899,244	18,980,148	82.2500	16,367,128	(2,613,020)
<b>Intelsat Corporation</b> Intelsat Corporation Intelsat Corporation Intelsat Corporation Intelsat Corporation	Panamsat Term Loan A3 Term Loan B2A Add-On Term Loan B2B Add-On Term Loan B2C	7,442,857 3,325,567 3,324,567 3,324,567	7,120,714 3,058,690 3,057,770 3,057,770	95.2080 94.4060 94.4060 94.4060	7,086,195 3,139,534 3,138,590 3,138,590	(34,519) 80,845 80,820 80,820
<b>Jarden Corporation</b> Jarden Corporation Jarden Corporation	Term Loan Term Loan B3	9,655,143 2,992,462	9,206,266 2,917,651	95.2250 96.6670	9,194,110 2,892,724	(12,156) (24,927)
<b>Kronos, Inc.</b> Kronos, Inc. Kronos, Inc.	Term Loan B First Lien Term Loan	20,948,718 9,877,796	20,310,122 9,417,169	89.5000 89.5000	18,749,102 8,840,627	(1,561,020) (576,542)
<b>LPL Financial</b> LPL Financial	Term Loan D	15,614,687	14,887,842	93.2500	14,560,696	(327,146)
<b>Lyondell Chemical Company</b> Lyondell Chemical Company	Term Loan B	70,000,000	64,750,000	99.7500	69,825,000	5,075,000
<b>Macrovision Solutions Corporation</b> Macrovision Solutions Corporation	Term Loan B	13,000,000	12,675,000	99.0000	12,870,000	195,000
<b>Mylan Inc.</b> Mylan Inc.	Term Loan B	24,937,500	24,438,750	98.0830	24,459,448	20,698
<b>Neiman Marcus Group, Inc.</b> Neiman Marcus Group, Inc.	Term Loan	9,000,000	8,325,000	95.5310	8,597,790	272,790
<b>NewPage Corporation</b> NewPage Corporation NewPage Corporation	Term Loan B New Term Loan	4,987,500 32,917,500	4,837,875 31,944,938	99.2500 99.2500	4,950,094 32,670,619	112,219 725,681
<b>Nielsen Finance LLC</b> Nielsen Finance LLC	Term Loan B	13,964,578	12,493,310	94.2660	13,163,849	670,539
<b>Nuveen Investments Inc.</b> Nuveen Investments Inc. Nuveen Investments Inc.	Term Loan Term Loan B	32,500,000 13,000,000	32,156,250 12,640,000	95.3750 95.3750	30,996,875 12,398,750	(1,159,375) (241,250)

**Loan Opportunity Fund (continued)**

Description	Loan Type	Quantity	Cost	Last Bid Price at 4/30/08	Market Value	Unrealized Gain/ (Loss)
<b>Pharmaceutical Technologies &amp; Services Inc. (Cardinal Health)</b>						
Pharmaceutical Technologies & Services Inc. (Cardinal Health)	Term Loan B	37,687,126	36,424,726	89.0000	33,541,542	(2,883,184)
<b>Pinnacle Foods Corp.</b>						
Pinnacle Foods Corp.	New Term Loan	24,937,186	22,374,890	91.7500	22,879,868	504,978
<b>Quintiles Transnational Corp.</b>						
Quintiles Transnational Corp.	Second Lien Term Loan	7,500,000	7,128,750	95.0000	7,125,000	(3,750)
<b>R.H. Donnelley Inc.</b>						
R.H. Donnelley Inc.	Term Loan D1	1,907,140	1,785,560	94.6750	1,805,585	20,025
R.H. Donnelley Inc.	Term Loan D2	12,805,170	11,888,360	94.5830	12,111,514	223,155
<b>Reable Therapeutics Finance LLC</b>						
Reable Therapeutics Finance LLC	Term Loan	3,990,000	3,750,600	96.6250	3,855,338	104,738
<b>Sabre Communications Corporation</b>						
Sabre Communications Corporation	Term Loan B	22,000,000	21,201,250	84.5970	18,611,340	(2,589,910)
Sabre Communications Corporation	New Term Loan B	20,000,000	18,751,250	84.5970	16,919,400	(1,831,850)
<b>Sally Holdings, LLC</b>						
Sally Holdings, LLC	Term Loan B	17,941,962	17,214,434	94.9640	17,038,405	(176,029)
<b>Sequa Corp.</b>						
Sequa Corp.	Term Loan	32,917,500	31,301,550	97.0000	31,929,975	628,425
Sequa Corp.	Term Loan B	16,957,500	16,142,044	97.0000	16,448,775	306,731
<b>Sheridan Healthcare Inc.</b>						
Sheridan Healthcare Inc.	First Lien Term Loan	29,883,183	28,111,211	86.2500	25,774,245	(2,336,966)
<b>Stile Acquisition Corp. (Masonite)</b>						
Stile Acquisition Corp. (Masonite)	Canadian Term Loan	1,988,050	1,878,707	89.7250	1,783,778	(94,929)
Stile Acquisition Corp. (Masonite)	New Canadian Term Loan	10,669,354	10,051,495	89.7250	9,573,078	(478,417)
Stile Acquisition Corp. (Masonite)	US Term Loan	1,991,437	1,881,908	90.2500	1,797,272	(84,636)
Stile Acquisition Corp. (Masonite)	New US Term Loan	10,690,061	10,071,011	90.2500	9,647,780	(423,231)
<b>Sungard Data Systems Inc.</b>						
Sungard Data Systems Inc.	New Term Loan	22,859,372	21,753,722	94.6250	21,630,681	(123,041)
<b>Telesat Canada</b>						
Telesat Canada	Term Loan B	11,946,437	11,785,620	94.0690	11,237,894	(547,726)
Telesat Canada	Term Loan 1 (USD)	35,026,957	34,127,663	94.0690	32,949,508	(1,178,155)
Telesat Canada	Term Loan 2 (USD)	199,584	194,460	94.0690	187,746	(6,713)
Telesat Canada	Delayed Draw Term Loan B	1,023,451	1,009,674	94.0690	962,751	(46,924)
Telesat Canada	Delayed Draw Term Loan 2 (USD)	1,280,538	1,247,661	94.0690	1,204,589	(43,072)
Telesat Canada	Unfunded Commitment	1,520,639	1,481,597	94.0690	1,430,449	(51,148)
<b>Texas Competitive Electric Holdings LLC</b>						
Texas Competitive Electric Holdings LLC	Term Loan B1	6,982,456	6,398,922	95.4790	6,666,779	267,857
Texas Competitive Electric Holdings LLC	Term Loan B2	62,117,900	61,494,590	95.8070	59,513,296	(1,981,294)
Texas Competitive Electric Holdings LLC	Term Loan B3	16,964,875	16,190,299	95.6380	16,224,867	34,568

Loan Opportunity Fund (continued)						
Description	Loan Type	Quantity	Cost	Last Bid Price at 4/30/08	Market Value	Unrealized Gain/ (Loss)
<b>United Air Lines Inc.</b>						
United Air Lines Inc.	Tranche B Term Loan	14,580,181	13,911,974	85.8750	12,520,730	(1,391,243)
United Air Lines Inc.	New Term Loan B	33,787,721	31,926,895	85.8750	29,015,206	(2,911,690)
<b>Univar NV</b>						
Univar NV	Term Loan B	47,880,000	46,836,366	91.0000	43,570,800	(3,265,566)
<b>Univision Communications Inc.</b>						
Univision Communications Inc.	Term Loan B	16,000,000	15,366,250	84.0250	13,444,000	(1,922,250)
<b>UPC Broadband Holding B.V.</b>						
UPC Broadband Holding B.V.	Term Loan M1	23,690,009	20,691,607	90.7210	21,491,813	800,206
UPC Broadband Holding B.V.	Term Loan M4	1,305,192	1,139,835	90.7210	1,184,083	44,249
UPC Broadband Holding B.V.	Term Loan N	15,560,000	14,536,700	93.5000	14,548,600	11,900
<b>US Investigations Services, Inc.</b>						
US Investigations Services, Inc.	Term Loan	34,824,561	33,531,078	91.5000	31,864,474	(1,666,604)
US Investigations Services, Inc.	Term Loan B	19,899,749	19,302,757	91.5000	18,208,271	(1,094,486)
<b>VML US Finance LLC</b>						
VML US Finance LLC	Term Loan B	3,169,344	2,956,998	95.3440	3,021,779	64,781
VML US Finance LLC	Delayed Draw Term Loan B	1,830,656	1,708,002	94.2110	1,724,679	16,677
<b>VWR International Inc.</b>						
VWR International Inc.	Term Loan	5,000,000	4,862,500	92.7500	4,637,500	(225,000)
VWR International Inc.	Term Loan B (USD)	20,000,000	19,307,500	92.7500	18,550,000	(757,500)
VWR International Inc.	Term Loan B (EUR)	15,934,440	14,142,136	85.7500	13,663,782	(478,353)
<b>Wind Telecomunicazioni S.P.A.</b>						
Wind Telecomunicazioni S.P.A.	Term Loan B	2,000,000	1,865,000	98.0000	1,960,000	95,000
Wind Telecomunicazioni S.P.A.	Term Loan B1 (EUR)	5,467,700	5,143,915	97.0830	5,308,207	164,292
Wind Telecomunicazioni S.P.A.	Term Loan C	2,000,000	1,865,000	98.0000	1,960,000	95,000
Wind Telecomunicazioni S.P.A.	Term Loan C1 (EUR)	5,467,700	5,143,915	97.2500	5,317,338	173,423
<b>WM Bolthouse Farms, Inc.</b>						
WM Bolthouse Farms, Inc.	Second Lien Term Loan	2,000,000	1,857,500	92.8750	1,857,500	-
<b>Yell Group plc</b>						
Yell Group plc	Term Loan B	6,029,599	5,206,491	87.3210	5,265,106	58,615
<b>Total</b>		<b>\$ 1,954,391,168</b>	<b>\$ 1,857,803,608</b>		<b>\$ 1,806,994,805</b>	<b>\$ (50,808,803)</b>
<b>Balances as at February 29, 2008</b>		<b>\$ 1,583,548,077</b>	<b>\$ 1,519,427,683</b>		<b>\$ 1,437,035,083</b>	<b>\$ (82,392,599)</b>
<b>Quarterly Change (Q2 2008 vs Q1 2008)</b>		<b>\$ 370,843,090</b>	<b>\$ 338,375,925</b>		<b>\$ 369,959,722</b>	<b>\$ 31,583,797</b>

Lehman Brothers Structured Credit Investments Portfolio Qtr to date

P&L Summary

3/1 - 5/16

<b>Prop Book Positions</b>	
<b>Cash CDO's</b>	
Carry	1,937,174
Gross trading P&L	2,435,972
Financing Charges	(780,874)
Realized P&L	(20,719,578)
Net P&L	(17,127,306)
<b>Index trades</b>	
Carry	(4,216,355)
Gross trading P&L	(34,939,549)
Financing Charges	-
Realized P&L	24,222,145
Net P&L	(14,933,760)
<b>Synthetic CDO's</b>	
Carry	1,637,303
Gross trading P&L	(41,172,118)
Financing Charges	-
Realized P&L	(1,097,737)
Net P&L	(40,632,553)
<b>Options</b>	
Carry	-
Gross trading P&L	(176,000)
Financing Charges	(4,157)
Realized P&L	(6,888)
Net P&L	(187,025)
<b>Fund I Related P&amp;L</b>	
	(472,429)
<b>Fund II Related P&amp;L</b>	
	(623,317)
<b>Advisory Fees</b>	
	1,993,464
<b>Fund I - Principal Protection MTM</b>	
	731,413
<b>Fund II - Principal Protection MTM</b>	
	(63,912)

To be Flashed- 5/28

    LB GP/LP Investment True-up for Q2 (Fund I & II) (10,000,000)

    MTM on BB positions (6,006,092)

(16,006,092)



Lehman Brothers Structured Credit Investments Portfolio  
Commentary- Q2 2008

**CLO Equity**

- CLO equity continues to perform from both a cashflow and fundamental point of view, yet continued to suffer markdowns in value due to the general market malaise and depression in loan prices during the first quarter of 2008.
- During the first quarter of 2008, our CLO equity positions were marked close to absolute lows which cannot be breached because of the strong cashflow nature of the assets, unless real defaults increase significantly from here.
- In April, we saw stabilization across most of the CLO equity positions in the portfolio. In addition, cash flows continue to be strong. As always, the group continues to monitor these positions closely through its surveillance procedures due to their first lost position. Since it is not clear when the markets will ultimately stabilize, the team continues to hedge the funds aggressively.

**CLO Debt**

- After being marked down significantly and widening several hundred basis points over the summer for technical reasons, prices for BBB and BB-rated CLO debt have started to stabilize.
- Unlike the ABS CDO market, which has faced significant cash losses due to the weak nature of underlying subprime RMBS assets, defaults in these portfolios are almost non-existent, and corporate credits are exhibiting excellent economic health. In addition, these transactions are cashflowing as expected to both the debt and equity.
- While the team does not believe that the markdowns are due to any fundamental problems in the credit markets, the group continues to monitor these positions closely through its surveillance procedures. Since it is not clear when the markets will stabilize, the team continues to hedge the funds aggressively.



**Lehman Brothers CDO Opportunity Partners II Series of Funds - Valuation Committee Q2.08**

Issuer Name and Class	CUSIP or Identifier	Curr	Approximate Current Par Amount	Approximate Current Financing Amount	1/31/2008 Estimated Mid Mark	Carrying Value at 3/31/08 Mid Mark	3/31/2008 Precision Mid Mark	Carrying Value at 3/31/08 Mid Mark	4/30/2008 Actual Mid Mark	Carrying Value at 4/30/08 Mid Mark	Price Difference 4/30 - 1/31	Price Difference 4/30 - 3/31	Carrying Value Difference 4/30 - 1/31	Carrying Value Difference 4/30 - 3/31
1 Aerie 2006-1 - Sub Notes	USC01378AB76	USD	20,800,000	-	59.00%	12,272,000	56.00%	11,648,000	56.00%	11,648,000	-3.00%	0.00%	(624,000)	-
2 Ballyrock LTD 2006-2A - Class D Notes	05874GAF3	USD	6,800,000	2,419,560	N/A	N/A	58.35%	1,431,540	63.50%	1,771,440	N/A	5.15%	N/A	339,900
3 Blackrock Senior Income Series 2004-1 - Sub Notes	USG11514AC38	USD	3,500,000	-	48.00%	1,880,000	42.50%	1,487,500	42.50%	1,487,500	-5.50%	0.00%	(192,500)	-
4 Bryant Park CDO Ltd. - Income Notes	USG16521AA71	USD	6,000,000	-	67.00%	4,020,000	60.00%	3,600,000	55.00%	3,300,000	-12.00%	-5.00%	(720,000)	(300,000)
5 Canyon Capital CLO 2006-1, Ltd. - Class E Notes	USG1833QAF30	USD	10,000,000	3,627,290	77.89%	4,141,710	85.33%	2,905,710	62.93%	2,665,710	-14.76%	-2.40%	(1,476,000)	(240,000)
6 Cashel Rock CBO, Ltd - Class A2 Notes	USG19280AB59	USD	1,500,000	-	111.03%	1,666,350	103.66%	1,554,945	103.66%	1,554,900	-7.43%	0.00%	(111,450)	(45)
7 Cashel Rock CBO, Ltd. - Class C1 Notes	USG19280AE98	USD	5,000,000	-	70.00%	3,500,000	55.00%	2,750,000	55.00%	2,750,000	-15.00%	0.00%	(750,000)	-
8 CELF Loan Partners B.V. - E-1 Sub Notes	XS0215477869	EUR	5,000,000	-	48.75%	3,583,125	40.00%	3,124,400	40.00%	3,124,400	-8.75%	0.00%	(458,725)	-
9 Cent CDO 10 Limited - Sub Notes	USG2068PAB07	USD	2,000,000	-	70.00%	1,400,000	63.00%	1,260,000	63.00%	1,260,000	-7.00%	0.00%	(140,000)	-
10 Clydesdale CLO 2005-1X Sub Notes	USG22203AB24	USD	1,000,000	-	70.00%	700,000	67.00%	670,000	64.00%	640,000	-6.00%	-3.00%	(60,000)	(30,000)
11 Clydesdale CLO 2006 - Class D Notes	USG2228MAE89	USD	2,000,000	678,505	66.75%	656,495	67.65%	674,495	61.50%	651,495	-5.25%	-6.15%	(105,000)	(123,000)
12 CSAM Funding I, Ltd. - Pref Shares	KYG2577R2010	USD	14,800,000	-	52.00%	7,592,000	46.00%	6,716,000	46.00%	6,716,000	-6.00%	0.00%	(876,000)	-
13 CSAM Funding I, Ltd. - Pref Shares	US12628W252	USD	2,891,000	-	52.00%	1,487,720	46.00%	1,316,060	46.00%	1,316,060	-6.00%	0.00%	(171,660)	-
14 CVC Cordatus CLO I - Sub Notes	XS0280404079	EUR	10,000,000	-	79.67%	11,711,490	60.00%	9,373,200	59.91%	9,359,140	-19.76%	-0.09%	(2,352,350)	(14,060)
15 Duke Funding XII, Ltd. - Sub Notes	USG28628AA60	USD	25,000,000	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%	-	-
16 ECP CLO 2008-1A Class A2	26828RAC9	USD	16,175,000	11,403,375	N/A	N/A	93.86%	3,778,480	95.62%	4,063,160	N/A	1.76%	N/A	284,680
17 Exum Ridge CBO 2006-2, Ltd. - Pref Shares	KYG328611093	USD	5,000,000	-	66.00%	3,300,000	59.00%	2,950,000	57.00%	2,850,000	-9.00%	-2.00%	(450,000)	(100,000)
18 Flagship CLO VI Ltd. - Pref Shares	USG3529WAC22	USD	28,750,000	-	56.00%	16,100,000	55.00%	15,812,500	50.00%	14,375,000	-6.00%	-5.00%	(1,725,000)	(1,437,500)
19 Fraser Sullivan CLO Ltd. - Class D Notes	USG2860AE91	USD	2,000,000	840,247	73.75%	634,753	62.25%	464,753	71.50%	589,753	-2.25%	8.25%	(145,000)	185,000
20 Fugu Credit Plc - Class C Notes	FUGU	EUR	5,000,000	-	73.95%	5,435,344	60.10%	4,894,426	60.00%	4,686,615	-13.95%	-0.10%	(748,729)	(7,811)
21 Gannett Peak CLO I, Ltd. - Sub Notes	USG37257AA36	USD	9,500,000	-	65.00%	6,175,000	58.00%	5,510,000	55.00%	5,225,000	-10.00%	-3.00%	(950,000)	(285,000)
22 GoldenTree Credit Opportunities Financing I, Ltd. - Class D Note	USG28788AA328	USD	80,000,000	83,294,424	81.30%	21,746,576	71.61%	23,513,976	71.40%	23,238,976	-9.80%	-6.40%	(7,517,000)	(316,000)
23 GoldenTree European Select Opportunities, Ltd. - Class C Share	STEUR0	EUR	20,000,000	-	66.36%	31,152,340	59.69%	29,245,321	57.24%	30,412,047	-6.89%	2.74%	(740,163)	1,166,726
24 GoldenTree Loan Opportunities IV, Ltd. - Sub Notes	USG39607AC37	USD	5,000,000	-	82.00%	4,100,000	60.00%	3,000,000	53.00%	2,650,000	-29.00%	-7.00%	(1,450,000)	(350,000)
25 Green Lane CLO Ltd. - Income Notes	USG4094VAA10	USD	5,000,000	-	76.56%	3,828,000	66.25%	3,325,800	60.91%	3,045,500	-16.65%	-5.15%	(782,500)	(280,300)
26 CSC Investment Corp CLO Ltd Class B Notes	USG4183YA955	USD	9,000,000	6,119,402	98.18%	2,716,799	93.71%	2,314,499	94.13%	2,352,299	-4.95%	0.42%	(354,500)	37,800
27 Gulf Stream - Compass CLO 2002-1, Ltd. - Pref Shares	KYG4209P2071	USD	3,000,000	-	49.72%	1,461,600	40.22%	1,208,630	41.95%	1,258,500	-8.77%	1.73%	(203,100)	51,870
28 Gulf Stream - Compass CLO 2006-1A, Ltd. - Pref Shares	KYG420932066	USD	2,000,000	-	63.71%	1,274,200	44.00%	880,000	44.00%	880,000	-19.71%	0.00%	(394,200)	-
29 Gulf Stream Rashinban CLO 2006-1A - Class D Notes	4025EA5E	USD	4,000,000	1,380,000	N/A	N/A	58.52%	960,800	62.78%	1,131,200	N/A	4.26%	N/A	170,400
30 Harvest CLO I S.A. - Class F Sub Notes	XS0189775835	EUR	5,300,000	-	85.00%	6,622,350	81.50%	6,747,923	76.00%	6,292,542	-9.00%	-5.50%	(329,808)	(455,381)
31 Highland Loan Funding V, Ltd. - Pref Shares	KYG4474O1047	USD	20,000,000	-	56.50%	11,300,000	56.00%	11,000,000	55.00%	11,000,000	-1.50%	0.00%	(300,000)	-
32 Integral Funding Inc. 2007-1A - Class B Notes	US45890BAD55	USD	12,500,000	7,437,500	92.20%	4,087,500	80.65%	2,643,750	83.60%	3,012,500	-8.80%	2.95%	(1,075,000)	368,750
33 Inwood Park CDO, Ltd. - Class E Notes	USG49349AA49	USD	27,000,000	9,087,993	74.47%	11,019,807	65.75%	8,665,407	66.63%	8,903,007	-7.94%	0.98%	(2,116,800)	237,600
34 Inwood Park CDO, Ltd. - Sub Notes	USG49349AB52	USD	53,000,000	-	75.00%	39,000,000	70.00%	36,400,000	65.00%	33,900,000	-10.00%	-6.00%	(5,500,000)	(2,500,000)
35 Jubilee V, B.V. - Sub Notes	USG220312440	EUR	4,000,000	-	65.00%	3,222,000	50.00%	3,134,400	50.00%	3,124,400	-10.00%	0.00%	(697,600)	-
36 KKR Financial CLO Ltd. - Class C	4824CAC8	USD	10,000,000	5,285,000	76.40%	2,355,000	72.00%	1,915,000	70.40%	1,755,000	-6.00%	-1.60%	(600,000)	(160,000)
37 Leopard CLO I, B.V. - Sub Notes	XS0159892960	EUR	11,000,000	-	86.00%	13,906,200	79.00%	13,575,518	79.00%	13,575,518	-7.00%	0.00%	(330,682)	-
38 Leopard CLO II, B.V. - Sub Notes	XS0188819091	EUR	7,000,000	-	85.50%	8,797,950	78.00%	8,529,612	74.00%	8,092,196	-11.50%	-4.00%	(705,754)	(437,416)
39 Leopard CLO III, B.V. - Sub Notes	XS0214075003	EUR	1,000,000	-	87.00%	1,278,900	75.00%	1,234,138	75.00%	1,171,850	-12.00%	-4.00%	(107,250)	(62,488)
40 Madison Park Funding III, Ltd. - Sub Notes	USG67428AA68	USD	12,840,000	-	76.30%	9,599,100	66.00%	8,638,800	62.00%	7,970,500	-16.00%	-6.00%	(1,668,300)	(1,655,300)
41 Oak Hill Credit Partners IV, Limited - Sub Notes	USG67104AA04	USD	2,500,000	-	59.00%	1,450,000	58.00%	1,450,000	58.00%	1,400,000	-2.00%	-2.00%	(50,000)	(50,000)
42 Oak Hill Credit Opportunities Financing, Ltd. - Class D Notes	USG66624F21	USD	38,500,000	16,691,507	76.26%	14,912,243	71.62%	11,676,803	71.92%	11,677,392	-7.43%	0.00%	(2,334,850)	780
43 Oak Hill Credit Opportunities Fund, Ltd. - Class B Shares	USG286683	USD	20,000,000	-	94.35%	18,869,541	90.41%	18,091,796	94.93%	18,286,000	0.88%	4.53%	116,468	906,214
44 Octagon Investment Partners VIII, Ltd. - Income Notes	USG6710AA663	USD	2,500,000	-	75.00%	1,875,000	60.00%	1,800,000	60.00%	1,700,000	-7.00%	-4.00%	(175,000)	(100,000)
45 Rosemont CLO, Ltd. - Pref Shares	USG76404AD74	USD	4,000,000	-	37.00%	1,480,000	30.50%	1,220,000	26.60%	1,060,000	-10.50%	-4.00%	(420,000)	(160,000)
46 Sanitary Credit Opportunities III, L.P. - LP Interests	SANJKT7111	USD	17,000,000	-	96.10%	16,337,400	94.12%	15,999,912	96.23%	16,785,964	2.52%	4.51%	426,585	766,073
47 Static Loan Funding Class C Notes	XS033237351	EUR	10,000,000	5,671,022	94.75%	5,591,848	81.81%	3,921,088	82.01%	3,952,332	-12.74%	0.20%	(1,639,516)	31,244
48 Stone Tower CLO III Ltd. - Sub Notes	USG85143AC23	USD	4,000,000	-	67.00%	2,680,000	63.00%	2,520,000	62.00%	2,480,000	-5.00%	-1.00%	(200,000)	(40,000)
49 Stone Tower CLO IV Ltd. - Sub Notes	USG8514FAA96	USD	5,000,000	-	70.00%	3,500,000	67.00%	3,350,000	62.00%	3,100,000	-8.00%	-5.00%	(400,000)	(250,000)
50 Tara Hill CLO B.V. - Class A Sub Notes	XS012500290	EUR	8,750,000	-	41.00%	5,273,625	35.00%	4,784,238	35.00%	4,784,238	-6.00%	0.00%	(489,388)	-
51 Tralee CDO Limited - Sub Notes	USG9010AAB55	USD	8,100,000	-	59.00%	4,779,000	50.00%	4,050,000	45.00%	3,645,000	-14.00%	-5.00%	(1,134,000)	(405,000)
52 Union Square CDO I - Pref Shares	KYG921942010	USD	6,000,000	-	68.00%	4,080,000	55.00%	3,300,000	56.00%	3,360,000	-12.00%	1.00%	(720,000)	60,000
53 Venture IV CDO Limited - Sub Notes	USG93382AA23	USD	2,000,000	-	70.00%	1,400,000	60.00%	1,200,000	60.00%	1,200,000	-10.00%	0.00%	(200,000)	-
54 Venture V CDO Limited - Sub Notes	USG9337JAF33	USD	1,500,000	-	85.00%	1,275,000	78.00%	1,170,000	74.00%	1,110,000	-11.00%	-4.00%	(165,000)	(60,000)
55 Wind River CLO I Ltd. - Sub Notes	USG9659AB59	USD	3,250,000	-	69.00%	2,242,500	53.00%	1,722,500	53.00%	1,722,500	-16.00%	0.00%	(520,000)	-
<b>TOTAL</b>			<b>607,126,000</b>	<b>103,933,926</b>		<b>369,870,364</b>		<b>329,953,908</b>		<b>319,891,764</b>			<b>(46,944,411)</b>	<b>(4,062,156)</b>

EUR FX Rate Q108: 1.47  
 EUR FX Rate Q208: 1.56

FOIA CONFIDENTIAL TREATMENT REQUESTED  
 BY LEHMAN BROTHERS HOLDINGS INC.

LBHL\_SEC07940\_889486

Structured Credit Investments Balance Sheet Positions- Q2.08

Fund	Security Description	Cusip	Acquisition Date (Trade Date)	Type	Position (11.13.07)	Position (06.19.08)	Acquisition Mark	Proposed Mark (2.29.08)	Proposed Market Value (2.29.08 (USD))	Existing Mark in Queue (5.19.08)	Existing Market Value (5.19.08 (USD))	Q2.08 NTM Change	S&P Rating	Moody's Rating
Bal Sheet	ACA CLO LTD FRN 20171015 SERIE	000821LAD6	5/18/2007	Debt	7,000,000		96.10	79.77					BBB	Baa2
Bal Sheet	ACA CLO LTD FRN 20210120 SERIE	000831AG2	5/24/2007	Debt	2,000,000		94.93	75.05	-		-	-	BBB	Baa2
Bal Sheet	AIMCO CDO FRN 20191020 SERIES#	00689LAJ8	5/18/2007	Debt	5,000,000		97.30	77.18					BBB	Baa2
Bal Sheet	AIRLIE CLO 0.000% 20200520 SER	00936XAB2	12/5/2007	Equity	9,000,000		74.00	74.00					NR	NR
Bal Sheet	AVENUE CLO FUND LTD FRN 201807	05357NAA5	5/24/2007	Debt	1,500,000		99.00	78.20					BB	Ba2
Bal Sheet	AVENUE CLO FUND LTD FRN 201811	05357UAE1	5/24/2007	Debt	2,500,000		95.06	73.42					BBB	Baa2
Bal Sheet	BALLYROCK CDO LTD FRN 20200114	05874GAF3	11/3/2006	Debt	8,000,000		100.00	74.86	-		-	-	BBB	Baa2
Bal Sheet	BATTALION CLO LTD FRN 20220714	G08888AE0	6/15/2007	Debt	7,500,000		98.82	76.62	-		-	-	BBBe	Baa2e
Bal Sheet	CASHEL ROCK CBO LTD FRN 201401	G1928DAC3	4/12/2007	Debt	20,000,000	20,000,000	112.63	112.63	22,525,000	112.63	22,525,000	-	A2	N/A
Bal Sheet	CASHEL ROCK CBO LTD FRN 201401	14755VAD9	4/20/2007	Debt	4,000,000	4,000,000	97.00	96.50	3,860,000	82.57	3,302,800	(557,200)	BBB	N/A
Bal Sheet	FLAGSHIP CLO FRN 20210610 SERI	G3529VAF7	5/2/2007	Debt	20,000,000	10,000,000	98.29	78.23	7,823,000	66.82	6,682,000	(1,141,000)	BBe	Ba2e
Bal Sheet	FLAGSHIP CLO FRN 20210610 SERI	G3529VAA6	5/2/2007	Debt	20,000,000	20,000,000	98.04	79.42	15,884,000	68.00	13,600,000	(2,284,000)	BB	Ba2
Bal Sheet	FRANKLIN CLO LTD FRN 20180615	352569AE7	5/24/2007	Debt	5,000,000		97.63	77.32	-		-	-	BBB	Baa2
Bal Sheet	FRANKLIN CLO LTD FRN 20190809	USG36592AA40	6/29/2007	Debt	7,500,000		100.00	77.70	-		-	-	BB	Ba2e
Bal Sheet	FRANKLIN CLO LTD FRN 20190809	USG36593AD61	6/29/2007	Debt	7,500,000		100.00	78.46	-		-	-	BBB	Baa2e
Bal Sheet	FRASER SULLIVAN CLO LTD FRN 20	35552QAE0	12/4/2006	Debt	7,000,000		100.00	75.50	-		-	-	BBB	Baa2e
Bal Sheet	INWOOD PARK CDO LTD FRN 202101	46186GAL7	11/20/06	Debt	23,000,000		99.63	74.77	-		-	-	BBB	Baa2
Bal Sheet	MOUNTAIN CAPITAL CLO LTD FRN 2	62388TAG3	8/10/2007	Debt	4,500,000		98.00	78.87	-		-	-	BBB	Baa2
Bal Sheet	OCTAGON INVT PARTNERS VIII LTD	67572EAL0	5/18/2007	Debt	1,300,000		97.35	79.16	-		-	-	BBBe	Baa2
Bal Sheet	PROSPECT FUNDING LLC FRN 20120	74348UAM1	6/28/2007	Debt	7,500,000		100.00	87.24	-		-	-	BBBe	Baa2e
Bal Sheet	SAN GABRIEL CLO LTD FRN 202109	79776LAA7	5/30/2007	Debt	3,000,000		100.00	77.66	-		-	-	BB	Ba2
Bal Sheet	TRALEE CDO LTD FRN 20220416 SE	89288BAG6	5/18/2007	Debt	3,000,000	3,000,000	93.40	73.07	2,192,100	62.12	1,863,600	(328,500)	BBB	Baa2
					175,800,000	57,000,000			52,284,100		47,973,400	(4,310,700)		

Mark-To-Market Summary for Balance Sheet Structured Credit Positions - May 16, 2008

BLN#	CD#	ISIN#	Structure Name	Type	Notional (\$)	Par Value (\$)	Yield (%)	Yield (%)	Yield (%)	MTM (\$)	MTM (\$)	Orig. YFP4 (\$)	Trade Date
00082YAF3		734456	ACA CLO 2007-1	Syn	\$ 7,000,000	0.0	375	525	750	(1,132,295)	(1,721,929)	(589,634)	6/18/2007
00175EAD0		701853	AMMC VII, Corp.	Syn	\$ 10,000,000	0.0	375	525	750	(1,431,083)	(2,136,198)	(705,115)	5/14/2007
00889VAD9		880762	AIMCO CLO, Series 2006-A	Syn	\$ 7,500,000	0.0	375	525	750	(1,247,192)	(1,807,946)	(560,754)	6/20/2007
03761LAE6		701743	Apidos CDO IV	Syn	\$ 10,000,000	0.0	375	525	750	(1,608,738)	(2,376,513)	(767,774)	5/14/2007
05357TAE4		701887	Avenue CLO III	Syn	\$ 10,000,000	0.0	375	525	750	(1,596,374)	(2,349,979)	(753,605)	5/14/2007
05616CAE8		701869	Babson CLO 2006-I	Syn	\$ 5,000,000	0.0	375	525	750	(795,436)	(1,172,274)	(376,839)	5/10/2007
05616XAN2		880752	Babson CLO 2007-I	Syn	\$ 7,500,000	0.0	375	525	750	(1,282,616)	(1,896,732)	(614,116)	6/20/2007
07783NAF4		701792	Belhurst CLO	Syn	\$ 10,000,000	0.0	375	525	750	(1,499,467)	(2,251,602)	(752,136)	5/10/2007
108124AG3		701849	Bridgeport CLO	Syn	\$ 5,000,000	0.0	375	525	750	(855,974)	(1,249,694)	(393,720)	5/10/2007
13875TAE1		701861	Canyon Capital CLO 2006-1	Syn	\$ 10,000,000	0.0	375	525	750	(1,529,505)	(2,299,124)	(769,619)	5/14/2007
14309DAF7		701786	Carlyle High Yield Partners X	Syn	\$ 10,000,000	0.0	375	525	750	(1,651,390)	(2,479,301)	(827,911)	5/10/2007
149548AL3		880779	Cavalry CLO I	Syn	\$ 7,500,000	0.0	375	525	750	(1,093,105)	(1,656,310)	(563,205)	8/3/2007
149548AL3		847815	CAVY 2006-1A C	Syn	\$ 5,000,000	0.0	375	525	750	(160,633)	(615,572)	(454,939)	8/3/07
16208NAD7		759532	Chatham Light II	Syn	\$ 5,000,000	0.0	375	525	750	(676,343)	(1,012,229)	(335,886)	6/26/2007
26358BAL2		701778	Duane Street CLO III	Syn	\$ 5,000,000	0.0	375	525	750	(1,515,369)	(1,153,254)	362,115	5/10/2007
30605KAF8		741920	Fairway Loan Funding Company	Syn	\$ 5,000,000	0.0	375	525	750	(772,602)	(1,159,626)	(387,025)	6/20/2007
33842RAD5		701880	Flagship CLO V	Syn	\$ 10,000,000	0.0	375	525	750	(1,717,676)	(2,509,461)	(791,785)	5/10/2007
355524AE9		701886	Fraser Sullivan CLO I	Syn	\$ 10,000,000	0.0	375	525	750	(1,530,232)	(2,270,510)	(740,278)	5/14/2007
36318NAH3	701803/701912		Galaxy VIII	Syn	\$ 10,000,000	0.0	375	525	750	(1,610,459)	(2,402,972)	(792,512)	5/10/2007
38136BAQ5		759531	GoldenTree Loan Opportunities II	Syn	\$ 5,000,000	0.0	375	525	750	(830,470)	(1,217,093)	(386,623)	6/26/2007
38136BAQ5		847807	GOLD3 2007-3A C	Syn	\$ 5,000,000	0.0	375	525	750	(271,411)	(721,729)	(450,318)	8/3/07
40256EAJ5		701870	Gulf Stream-Rashiban CLO 2006	Syn	\$ 10,000,000	0.0	375	525	750	(1,734,829)	(2,530,394)	(795,566)	5/14/2007
482474AE3		701768	KKR Financial CLO 2005-1	Syn	\$ 5,000,000	0.0	375	525	750	(579,753)	(946,805)	(367,052)	5/11/2007
48247MAD5	701891/701889		KKR Financial CLO 2006-1	Syn	\$ 10,000,000	0.0	375	525	750	(1,225,693)	(2,033,499)	(807,807)	5/10/2007
49638NAF3		701872	Kingsland II	Syn	\$ 10,000,000	0.0	375	525	750	(1,505,022)	(2,311,991)	(806,969)	5/11/2007
49834YAE4		701807	KKR Financial CLO 2005-2	Syn	\$ 5,000,000	0.0	375	525	750	(592,663)	(976,480)	(383,817)	5/10/2007
55817MAF5		701835	Madison Park Funding III	Syn	\$ 10,000,000	0.0	375	525	750	(1,607,004)	(2,422,968)	(815,964)	5/10/2007
57060NAC0		701852	Market Square CLO	Syn	\$ 10,000,000	0.0	375	525	750	(1,353,236)	(2,058,527)	(705,291)	5/10/2007
578470AF3		701805	Mayport CLO I	Syn	\$ 10,000,000	0.0	375	525	750	(1,646,443)	(2,375,204)	(728,761)	5/14/2007
62388XAG4		701702	Mountain Capital CLO VI	Syn	\$ 5,000,000	0.0	375	525	750	(801,293)	(1,198,143)	(396,850)	5/10/2007
67085XAE4		751752	Oak Hill Park Avenue CLO	Syn	\$ 5,000,000	0.0	375	525	750	(760,953)	(1,159,109)	(398,156)	6/26/2007
67085XAE4		847802	OHAPA 2007-1 C	Syn	\$ 5,000,000	0.0	375	525	750	(281,701)	(750,233)	(468,532)	8/3/07
67085XAE4		847800	OHAPA 2007-1 C	Syn	\$ 7,500,000	16.3	375	525	750	(1,512,850)	(2,055,544)	(542,694)	8/3/07
675726AG8		701809	Octagon Investment Partners IX	Syn	\$ 5,000,000	0.0	375	525	750	(844,832)	(1,234,916)	(390,084)	5/10/2007
67572WAI5		741909	OCT10 2006-10A D	Syn	\$ 5,000,000	0.0	375	525	750	(828,786)	(1,231,747)	(402,961)	8/3/07
67572WAI5		847804	Octagon Investment Partners X	Syn	\$ 5,000,000	0.0	375	525	750	(314,337)	(796,803)	(482,466)	6/20/2007
743520AE8		751751	Prospect Park CDO	Syn	\$ 5,000,000	0.0	375	525	750	(788,944)	(1,192,472)	(403,528)	6/26/2007
743520AE8		847797	PRSP 2006-1A C	Syn	\$ 5,000,000	0.0	375	525	750	(293,890)	(772,545)	(478,655)	8/3/07
803440AC0		745629	SARA 2006-1A C	Syn	\$ 5,000,000	0.0	375	525	750	(675,740)	(1,050,455)	(374,715)	8/3/07
803440AC0		847799	Saratoga CLO Ltd	Syn	\$ 5,000,000	0.0	375	525	750	(168,104)	(612,897)	(444,793)	6/22/2007
82017RAF6	701867/701865		Shasta CLO I	Syn	\$ 10,000,000	0.0	375	525	750	(1,657,929)	(2,464,570)	(806,642)	5/10/2007
82626QAF1		741918	Sierra CLO II	Syn	\$ 7,500,000	0.0	375	525	750	(1,186,705)	(1,774,467)	(587,762)	6/20/2007
89288BAG6		701799	Tralee CDO I	Syn	\$ 5,000,000	0.0	375	525	750	(879,247)	(1,284,703)	(405,456)	5/14/2007
896223AJ3	701862/701840		Trimaran CLO V	Syn	\$ 10,000,000	0.0	375	525	750	(1,598,487)	(2,383,963)	(785,475)	5/10/2007
89622HAE3		741917	Trimaran CLO VI	Syn	\$ 7,500,000	0.0	375	525	750	(1,177,595)	(1,718,749)	(541,154)	6/20/2007
92345JAL3		701888	Veritas CLO II	Syn	\$ 10,000,000	0.0	375	525	750	(1,521,841)	(2,284,568)	(762,727)	5/14/2007
96174QAG5		701770	Westwood CDO I, Ltd.	Syn	\$ 10,000,000	0.0	375	525	750	(1,656,630)	(2,478,138)	(821,508)	5/10/2007
Sub Total					\$ 347,000,000		375	525	750	(52,002,873)	(78,559,932)	(26,557,060)	

FOIA CONFIDENTIAL TREATMENT REQUESTED  
BY LEHMAN BROTHERS HOLDINGS INC.

LBHL\_SEC07940\_889488

Mark-To-Market Summary for Balance Sheet Structured Credit Positions - May 16, 2008

BIS	CRS	CUSIP	Transaction Name	Type	Notional (\$)	Positions			MTM 05/20/08	MTM 05/21/08	Q2008 Net Change	Trade Date				
						Upfront	05/20/08	05/21/08								
		149548AQ2	Cavalry CLO I	Syn	\$ 7,500,000	0.0	700	775	1,000	(7,307)	(653,128)	(645,821)	7/23/2007			
		149548AQ2	CAVY 2006-1A D	Syn	\$ 5,000,000	13.5	700	775	1,000	(607,348)	(958,090)	(350,742)	7/31/07			
		16208NAE5	CHAT 2005-2A D	Syn	\$ 5,000,000	20.0	700	775	1,000	(715,072)	(1,040,301)	(325,228)	7/26/07			
		16208NAE5	CHAT 2005-2A D	Syn	\$ 5,000,000	14.4	700	775	1,000	(658,614)	(991,379)	(332,765)	7/31/07			
		16208NAE5	Chatham Light II	Syn	\$ 5,000,000	0.0	700	775	1,000	(658,614)	(991,379)	(332,765)	5/14/2007			
		18972AAE3	CLYDS 2006-1A D	Syn	\$ 5,000,000	0.0	700	775	1,000	(79,224)	(455,383)	(376,159)	8/8/07			
		26248YAA0	Dryden XVI-Leveraged Loan CD	Syn	\$ 5,000,000	0.0	700	775	1,000	(814,450)	(1,156,572)	(342,122)	5/24/2007			
		26357NAA1	Duane Street CLO II	Syn	\$ 5,000,000	0.0	700	775	1,000	(798,872)	(1,085,869)	(286,997)	5/16/2007			
		36317KAA5	Galaxy VIII	Syn	\$ 5,000,000	0.0	700	775	1,000	(828,800)	(1,174,199)	(345,400)	5/24/2007			
		38136AAA2	GOLD3 2007-3A D	Syn	\$ 5,000,000	0.0	700	775	1,000	(182,388)	(638,265)	(455,877)	7/26/07			
		38136AAA2	GOLD3 2007-3A D	Syn	\$ 10,000,000	0.0	700	775	1,000	560,121	(488,696)	(1,048,816)	7/30/07			
		38136AAA2	GOLD3 2007-3A D	Syn	\$ 5,000,000	20.0	700	775	1,000	160,873	(345,873)	(506,746)	7/31/07			
		38136AAA2	GoldenTree Loan Opportunities II	Syn	\$ 5,000,000	0.0	700	775	1,000	(1,090,598)	(1,411,887)	(321,288)	7/23/2007			
		38136EAA4	GOLD4 2007-4A D	Syn	\$ 5,000,000	21.9	700	775	1,000	(859,538)	(1,166,539)	(307,002)	7/26/07			
		38136EAA4	GOLD4 2007-4A D	Syn	\$ 5,000,000	15.0	700	775	1,000	(859,538)	(1,166,539)	(307,002)	7/31/07			
		46186FAA3	INWD 2006-1A E	Syn	\$ 5,000,000	0.0	700	775	1,000	(949,478)	(1,272,704)	(323,225)	7/26/07			
		46186FAA3	INWD 2006-1A E	Syn	\$ 5,000,000	20.0	700	775	1,000	(949,478)	(1,272,704)	(323,225)	7/31/07			
		46186FAA3	Inwood Park CDO	Syn	\$ 5,000,000	0.0	700	775	1,000	209,516	(275,904)	(485,421)	7/23/2007			
		46186FAA3	Inwood Park CDO	Syn	\$ 5,000,000	0.0	700	775	1,000	(949,478)	(1,272,704)	(323,225)	7/23/2007			
		62388UAA3	Mountain Capital CLO IV	Syn	\$ 7,500,000	0.0	700	775	1,000	22,710	(626,791)	(649,501)	7/23/2007			
		67085AAA2	Oak Hill Park Avenue CLO	Syn	\$ 5,000,000	0.0	700	775	1,000	(996,921)	(1,313,945)	(317,024)	7/26/2007			
		67085AAA2	Oak Hill Park Avenue CLO	Syn	\$ 5,000,000	0.0	700	775	1,000	(125,650)	(563,091)	(437,442)	7/26/2007			
		67085AAA2	OHAPA 2007-1 D	Syn	\$ 5,000,000	27.6	700	775	1,000	(996,921)	(1,313,945)	(317,024)	7/26/07			
		67085AAA2	OHAPA 2007-1 D	Syn	\$ 5,000,000	20.2	700	775	1,000	(996,921)	(1,313,945)	(317,024)	7/31/07			
		67085AAA2	OHAPA 2007-1 D	Syn	\$ 7,000,000	16.6	700	775	1,000	(1,395,689)	(1,839,523)	(443,833)	8/3/07			
		67572EAN6	OCTS 2005-8A E	Syn	\$ 5,000,000	14.0	700	775	1,000	(697,994)	(1,024,440)	(326,447)	7/26/07			
		67572EAN6	OCTS 2005-8A E	Syn	\$ 5,000,000	11.5	700	775	1,000	(704,304)	(1,029,935)	(325,630)	7/31/07			
		67572EAN6	OCTS 2005-8A E	Syn	\$ 5,000,000	9.3	700	775	1,000	(582,296)	(923,715)	(341,419)	8/3/07			
		67572EAN6	Octagon Investment Partners VIII	Syn	\$ 10,000,000	0.0	700	775	1,000	(1,164,593)	(1,847,430)	(682,837)	5/10/2007			
		803442AC6	SARA 2006-1A D	Syn	\$ 10,000,000	26.5	700	775	1,000	(1,747,318)	(2,366,771)	(619,453)	7/26/07			
		803442AC6	SARA 2006-1A D	Syn	\$ 10,000,000	18.0	700	775	1,000	(1,747,318)	(2,366,771)	(619,453)	7/31/07			
		803442AC6	Saratoga CLO Ltd	Syn	\$ 7,500,000	0.0	700	775	1,000	(72,484)	(699,145)	(626,662)	7/23/2007			
		82626RAA0	SIERA 2006-2A B2L	Syn	\$ 5,000,000	0.0	700	775	1,000	(49,333)	(499,665)	(450,332)	8/10/07			
Sub Total					\$	194,500,000		700	775	1,000	\$	(21,333,317)	\$	(35,547,224)	\$	(14,213,907)
Total					\$	541,500,000					\$	(73,336,190)	\$	(114,107,156)	\$	(40,770,967)

FOIA CONFIDENTIAL TREATMENT REQUESTED BY LEHMAN BROTHERS HOLDINGS INC.

LBHL\_SEC07940\_889489

Structured Credit Investments Portfolio  
Hedge Positions  
Q2.08 Valuation Committee

Index	Risk
ABX HE AAA071	Short
<b>Subtotal:</b>	
Index	Risk
CDX.NA.HY.10	LONG/SHORT
LCDX_S10	LONG/SHORT
<b>Subtotal:</b>	
Index	Risk
Ambac Financial Group, Inc. (AA)	SHORT
Ambac Assurance Corp (AAA)	SHORT
<b>Subtotal:</b>	

5/16/08		
Trade Type	Notional	Net MV
Trade Type	Notional	Net MV
Short	(275,000,000)	(11,543,998)
Long	250,000,000	6,748,540
<b>Subtotal:</b>		<b>(4,795,457)</b>
Trade Type	Notional	Net MV
Short	(5,000,000)	(191,447)
	-	-
<b>Subtotal:</b>		<b>(191,447)</b>
<b>Total</b>	<b>(30,000,000)</b>	<b>(4,986,905)</b>

5/16/08		
Trade Type	Notional	Net MV
Trade Type	Notional	Net MV
Short	(275,000,000)	(11,543,998)
Long	250,000,000	3,470,589
<b>Subtotal:</b>		<b>(8,073,409)</b>
Trade Type	Notional	Net MV
Short	(5,000,000)	(191,447)
<b>Subtotal:</b>		<b>(191,447)</b>
<b>Total</b>	<b>(30,000,000)</b>	<b>(8,264,856)</b>

5/16/08		
Trade Type	Notional	Net MV
Trade Type	Notional	Net MV
Long	10,000,000	(930,200)
<b>Subtotal:</b>		<b>(930,200)</b>
Trade Type	Notional	Net MV
Short	(605,000,000)	(25,396,796)
Long	455,000,000	12,390,544
<b>Subtotal:</b>		<b>(13,006,252)</b>
Trade Type	Notional	Net MV
Short	(72,500,000)	(7,310,988)
Short	(7,500,000)	(683,332)
<b>Subtotal:</b>		<b>(7,994,320)</b>
<b>Total</b>	<b>(220,000,000)</b>	<b>(21,930,772)</b>

Structured Credit Investments Portfolio  
 Q2.08 Valuation Committee  
 Open Positions - Put Options

Index	NAME	Option Ticker	# Contracts (100 units)	Option Cost	Mark	Mark	DT	PX	# Contracts (100 units)	MTM	MTM	Q2 P&L	# Contracts (100 units)	MTM	MTM	Q2 P&L	# Contracts (100 units)	MTM	MTM	Q2 P&L
					2.29.08	05.16.08				02.29.08	05.16.08			02.29.08	05.16.08					
RTY	RUSSELL 2000 INDEX	RUT+RT		45.77	44.40	7.50	06/21/2008	700.0	50	222,000	37,500	(184,500)	50	222,000	37,500	(184,500)	50	222,000	37,500	(184,500)
RTY	RUSSELL 2000 INDEX	YOV+XR		57.40	68.00	41.30	12/20/2008	700.0	66	448,800	272,580	(176,220)	67	455,600	276,710	(178,890)	67	455,600	276,710	(178,890)
Subtotal:			0						116	670,800	310,080	(360,720)	117	677,600	314,210	(363,390)	117	677,600	314,210	(363,390)



**Lehman Brothers MLP Opportunity Fund L.P.**

**Summary of Investments**

May 16, 2008

	Cost	Fair Value
Public Investments	168,776,767	155,856,458
Options (Written and Purchased)		2,963,700
PIPE Investments	602,780,837	516,190,315
Private Investments	37,561,660	38,214,313
<b>Total</b>	<b>809,139,264</b>	<b>713,224,787</b>

**Public Investments**

May 16, 2008

Description	Quantity	Cost	Last Close Price	Market Value
Alliance Holdings GP LP	370,164	10,754,224	26.95	9,975,920
Boardwalk Pipeline Partners LP	(100,000)	(2,459,191)	26.18	(2,618,000)
Breitbart Energy Partners LP	54,300	1,529,290	20.35	1,105,005
Calumet Specialty Products Partners LP	(318,647)	(4,034,488)	11.56	(3,683,559)
Capital Product Partners LP	366,500	10,631,523	21.80	7,989,700
Copano Energy LLC	210,000	7,377,834	36.21	7,603,050
Eagle Rock Energy Partners LP	229,515	5,163,514	17.00	3,901,755
El Paso Pipeline Partners LP	(96,850)	(2,221,874)	23.03	(2,230,456)
Energy Transfer Equity LP	696,608	26,608,918	33.63	23,426,927
Energy Transfer Partners LP	762,700	40,710,615	50.22	38,302,794
Enterprise GP Holdings LP	555,000	18,953,930	31.11	17,266,050
Kinder Morgan Management LLC	156,728	8,018,197	56.40	8,839,459
Legacy Reserves LP	231,000	5,345,625	22.83	5,273,730
Magellan Midstream Holdings LP	70,000	1,769,884	25.11	1,757,700
Markwest Energy Partners LP	399,200	12,337,205	35.98	14,363,216
Martin Midstream Partners LP	115,000	4,460,850	36.00	4,140,000
Natural Resource Partners LP	(53,016)	(2,012,773)	38.25	(2,027,862)
Navios Maritime Partners LP	546,035	10,008,600	15.02	8,201,446
Penn Virginia Resource Partners LP	200,000	5,471,000	27.43	5,486,000
Pioneer Southwest Energy Partners LP	69,445	1,202,607	19.27	1,338,205
Quicksilver Gas Services LP	(49,926)	(1,221,507)	25.26	(1,261,131)
Regency Energy Partners LP	(162,826)	(4,327,489)	26.48	(4,311,632)
Semgroup Energy Partners LP	179,429	4,967,971	26.62	4,776,400
Spectra Energy Partners LP	381,370	10,397,707	24.99	9,530,436
Targa Resources Partners LP	269,300	6,918,995	25.25	6,799,825
Teekay LNG Partners LP	175,000	5,617,838	29.61	5,181,750
TEPPCO Partners LP	(386,419)	(13,507,022)	35.25	(13,621,270)
Vanguard Natural Resources LLC	20,000	314,786	17.55	351,000
<b>Total Public Investments</b>		<b>168,776,767</b>		<b>155,856,458</b>

**Lehman Brothers MLP Opportunity Fund L.P. (continued)**

Options (Written and Purchased)	Quantity	Market Value
Calumet Specialty Products Partners LP (Aug 08 10 Puts)	1,500	135,000
Calumet Specialty Products Partners LP (Aug 08 12.5 Puts)	500	111,250
Copano Energy LLC (Aug 08 40 Calls)	23,000	1,265,000
Magellan Midstream Holdings LP (Jun 08 22.5 Puts)	(15,010)	(75,050)
Nustar Energy LP (Jun 08 45 Puts)	(1,700)	(42,500)
Targa Resources Partners LP (Sept 08 30 Calls)	15,000	525,000
Williams Partners LP (Sep 08 40 Calls)	22,000	1,045,000
		<b>2,963,700</b>

**PIPE Investments**

May 16, 2008

Description	Quantity	Cost	Price	Structural Discount	Foregone Dividend	Current Structural Discount	Marked Price	Fair Value
Abraxas Petroleum Corporation (Unregistered Common Stock)	1,305,484	5,000,004	4.44	0.00%	-	0.00%	4.4400	5,796,349
Abraxas Petroleum Corporation (Warrants)	261,097	-	0.61	0.00%	-	0.00%	0.6100	159,269
Altas Pipeline Holdings, LP (Common Units)	55,555	1,514,427	29.16	4.90%	-	0.00%	29.1600	1,619,984
Atlas Pipeline Partners, LP (Common Units)	193,182	8,387,962	42.60	8.33%	-	0.00%	42.6000	8,229,553
BreitBurn Energy Partners LP (Common Units) PIPE #1	781,250	23,580,078	20.35	7.75%	-	0.00%	20.3500	15,898,438
BreitBurn Energy Partners LP (Common Units) PIPE #2	575,035	16,780,959	20.35	7.55%	-	0.00%	20.3500	11,701,962
BreitBurn Energy Partners LP (Common Units) PIPE #3	2,037,037	52,158,332	20.35	14.34%	-	0.00%	20.3500	41,453,703
Constellation Energy Partners LLC (Class E Units) PIPE #1	22,594	583,829	20.35	7.08%	-	0.00%	20.3500	459,788
Constellation Energy Partners LLC (Common Units) PIPE #1	551,921	14,416,177	20.35	6.08%	-	0.00%	20.3500	11,231,592
Constellation Energy Partners LLC (Class F Units) PIPE #2	58,463	2,012,881	20.35	3.62%	-	0.00%	20.3500	1,189,722
Constellation Energy Partners LLC (Common Units) PIPE #2	555,571	19,583,878	20.35	3.62%	-	0.00%	20.3500	11,305,870
Copano Energy LLC (Class E Units)	1,337,740	42,500,000	36.21	13.95%	1.05	0.00%	35.1550	47,028,250
Crosstex Energy LP (Senior Subordinated Series D Units)	968,835	25,000,012	32.23	13.15%	1.68	5.57%	28.8495	27,950,421
DCP Midstream Partners LP	1,655,548	66,702,029	30.90	4.44%	-	0.00%	30.9000	51,156,433
Eagle Rock Partners, LP (Common Units) PIPE #1	1,098,901	18,326,921	17.00	9.95%	-	0.00%	17.0000	18,681,317
Eagle Rock Partners, LP (Common Units) PIPE #2	2,262,443	46,555,421	17.00	7.43%	-	0.00%	17.0000	38,461,531
Enterprise GP Holdings, LP (Common Units)	402,680	14,351,515	31.11	3.74%	-	0.00%	31.1100	12,527,375
EV Energy Partners, LP (Common Units)	478,262	15,409,602	32.22	5.97%	-	0.00%	32.2200	15,409,602
Linn Energy LLC (Common Units) PIPE #1	2,050,000	68,675,000	23.07	9.92%	-	0.00%	23.0700	47,293,500
Linn Energy LLC (Common Units) PIPE #2	606,666	19,413,312	23.07	3.32%	-	0.00%	23.0700	13,995,785
Linn Energy LLC (Class D Units) PIPE #2	1,633,193	50,586,683	23.07	3.32%	-	0.00%	23.0700	37,677,763
Magellan Midstream Holdings, LP (Common Units)	2,040,817	47,560,220	25.11	8.89%	-	0.00%	25.1100	51,244,915
Magellan Midstream Holdings, LP (Common Units)	1,020,408	23,780,098	25.11	8.89%	-	0.00%	25.1100	25,622,445
Vanguard Natural Resources LLC	1,145,000	19,901,497	17.55	7.08%	-	0.00%	17.5500	20,094,750
<b>Total PIPE Investments</b>		<b>602,780,837</b>						<b>516,190,315</b>

**Lehman Brothers MLP Opportunity Fund L.P. (continued)**

**Private Investments**

May 16, 2008

Description	Quantity	Cost	Fair Value
Abraxas Energy Partners, L.P.	1,200,481	19,367,360	20,000,013
M2 Midstream LLC (Sidepocket 2)	25,000	2,500,000	2,500,000
M2 Midstream LLC (Sidepocket 3)	157,143	15,714,300	15,714,300
<b>Total Private Investments</b>		<b>37,581,660</b>	<b>38,214,313</b>

**Abraxas Energy Partners, L.P.:**

We invested \$20 million in a private upstream MLP formed by Abraxas Petroleum Corporation in May 2007. Our investment was priced at \$16.67 per share, which represented a yield of 9.0% on the annual distribution of \$1.50 per share. The intent was to take the MLP public by the end of 2007 at an expected yield of approximately 7.50%. From our original investment date through year end 2007, two meaningful events occurred. First, the public market for upstream MLPs deteriorated substantially. This caused the expected yield of the MLP IPO to increase. Wachovia, the lead underwriter for the Abraxas IPO, estimated in December that the IPO would price at a yield of 10.0% given the then-current market conditions. The second important event was Abraxas MLP's announcement of the acquisition of \$140 million of oil and gas properties on December 11, 2007. As a result of this transaction, Abraxas intends to increase its distribution from \$1.50 per share to up to \$2.00 per share. An initial distribution increase to an annualized rate of \$1.60 per share was made for the first quarter of 2008, with subsequent increases expected in upcoming quarters. We believe the distribution increases and the deterioration of market conditions roughly counterbalance each other and recommend maintaining the investment at its original cost of \$16.67 per share.

**M2 Midstream LLC:**

We funded two investment rounds into M2 Midstream LLC: \$2,500,000 on October 4, 2007 and \$15,714,300 on December 3, 2007. The investments were used to establish the company's operations and to purchase midstream assets in East Texas from a privately-owned seller. Without a firm sale offer or other indication of a change in fair value we recommend maintaining the investment at its original cost.

**Lehman Brothers MLP Partners, L.P. (Prop Fund)**

**Summary of Investments**

May 16, 2008

	Cost	Fair Value
Public Securities	121,534,316	125,052,700
Options (Written and Purchased)		390,000
PIPE Investments	346,514,370	328,401,808
<b>Total</b>	<b>468,048,685</b>	<b>453,844,508</b>

**Public Investments**

May 16, 2008

Description	Quantity	Cost	Last Close Price	Market Value
Alliance Holdings GP LP	446,000	9,925,368	26.95	12,019,700
BreitBurn Energy Partners LP	64,000	1,912,186	20.35	1,302,400
Calumet Specialty Products Partners LP (Short)	(50,000)	(579,647)	11.56	(578,000)
Capital Products Partners LP	340,000	7,415,985	21.80	7,412,000
Copano Energy Partners LP	198,600	6,965,192	36.21	7,190,313
Eagle Rock Energy Partners LP	295,220	5,947,682	17.00	5,018,740
Energy Transfer Equity LP	331,600	11,008,489	33.63	11,151,708
Energy Transfer Partners LP	243,933	12,444,633	50.22	12,250,315
Enterprise GP Holdings LP	62,500	2,281,557	31.11	1,944,375
EV Energy Partners, LP	5,000	163,054	32.22	161,100
Kinder Morgan Management LLC	314,472	17,114,537	56.40	17,736,221
Legacy Reserves LP	310,000	6,642,972	22.83	7,077,300
Magellan Midstream Holdings LP	70,000	1,881,661	25.11	1,757,700
MarkWest Energy Partners LP	409,800	10,508,895	35.98	14,744,604
Navios Maritime Partners LP	449,900	8,100,629	15.02	6,757,498
Semgroup Energy Partners LP	75,948	2,194,772	26.62	2,021,736
Spectra Energy Partners LP	100,000	2,790,795	24.99	2,499,000

**Lehman Brothers MLP Partners, L.P. (Prop Fund) (Continued)**

**Public Investments (continued)**

May 16, 2008

Description	Quantity	Cost	Last Close Price	Market Value
Targa Resources Partners LP	550,000	14,195,155	25.25	13,887,500
Vanguard Resources Partners LLC	39,800	620,402	17.55	698,490
<b>Total Public Investments</b>		<b>121,534,316</b>		<b>125,052,700</b>

**Options (Written and Purchased)**

DCP Midstream Partners LP (October 35 calls)	500,000	490,000
Magellan Midstream Holdings LP (June 22.5 puts)	(500,000)	(25,000)
NuStar GP Holdings LLC (June 22.5 puts)	(500,000)	(75,000)
		<u>390,000</u>

**Summary of PIPE Investments**

May 16, 2008

Description	Quantity	Cost	Market Price	Initial Structural Discount	Foregone Dividend	Current Structural Discount	Marked Price	Fair Value
BreitBurn Energy Partners LP (Common Units)	1,111,103	29,999,781	20.35	14.34%	-	0.00%	20.3500	22,610,946
Copano Energy LLC (Class E Units)	1,022,978	32,500,011	36.21	13.95%	1.05	0.00%	35.1550	35,962,792
Crosstex Energy LP (Senior Subordinated Series C Units)	1,496,790	42,014,551	32.23	8.88%	-	0.00%	32.2300	48,241,542
Eagle Rock Partners LP (Common Units)	1,085,973	24,000,003	17.00	7.43%	-	0.00%	17.0000	18,461,541
EV Energy Partners LP (Common Units)	682,731	17,000,002	32.22	5.75%	-	0.00%	32.2200	21,997,593
Linn Energy LLC (Class B Units Converted to Units 1/18/07)	1,385,424	28,470,463	23.07	6.80%	-	0.00%	23.0700	31,961,732
Linn Energy LLC (Class C Units Converted to Units 4/5/07)	1,036,936	25,985,616	23.07	14.47%	-	0.00%	23.0700	23,922,114
Linn Energy LLC (Class D Units Converted to Units 11/1/07)	1,866,506	57,813,343	23.07	3.32%	-	0.00%	23.0700	43,060,293
Linn Energy LLC (Units purchased 10/24/06)	834,740	17,529,540	23.07	4.76%	-	0.00%	23.0700	19,257,452
Linn Energy LLC (Units purchased 2/1/07)	923,631	24,014,406	23.07	11.26%	-	0.00%	23.0700	21,308,167
Linn Energy LLC (Units purchased 8/31/07)	693,333	22,186,656	23.07	3.32%	-	0.00%	23.0700	15,995,192
Magellan Midstream Holdings LP (Common Units)	1,020,408	24,999,996	25.11	8.89%	-	0.00%	25.1100	25,622,445
<b>Total PIPE Investments</b>		<b>346,514,370</b>						<b>328,401,808</b>

	Cost	Fair Value
<b>Total MLP (Opportunity Fund &amp; Prop Fund)</b>	<b>1,277,187,949</b>	<b>1,167,069,294</b>

Infrastructure Fund							
Investment Name	Initial Investment Date	Remaining Cost	Fair Value February 29, 2008	New and Follow On Investments	Q2 Fair Value Changes	Fair Value May 31, 2008	Notes
Skypower	6/11/2007	122,450,500	122,450,500	16,112,500	-	138,563,000	
F2i	2/1/2007	3,458,397	3,790,539		- 191,880	3,982,419	Effect of FX changes
Total		<b>125,908,897</b>	<b>126,241,039</b>	<b>16,112,500</b>	<b>191,880</b>	<b>142,545,419</b>	

## Lehman Brothers Co-Investment Partners - Portfolio Summary

Company	Date Acquired	Remaining Cost on Inv	29-Feb-08 Carrying Value	New Investments	Change in Fair Value	31-May-08 Carrying Value	31-May Cost Based Valuation				
							Realized	Unrealized	Total Value	D/PI	TV/PI
<b>Fully Realized Investments</b>											
Firth Rixson Limited	Sep-06	\$84.7	-		0.0	-	\$373.0	0.0	\$373.0	4.4x	4.40x
<b>Partially Realized Investments</b>											
Infiltrator Systems, Inc	Sep-05	\$14.0	\$17.7		\$0.0	\$17.7	\$13.8	\$17.7	\$31.5	1.0x	2.25x
Walton Street Golf Partners	Nov-05	22.7	22.7	-	4.5	27.1	9.9	27.1	36.0	0.4x	1.55x
TPF Genco (Constellation Energy Group Assets)	Dec-06	92.8	97.2	-	43.2	110.4	7.1	119.4	112.5	0.0x	2.25x
<b>Subtotal</b>		<b>\$171.2</b>	<b>\$107.6</b>	<b>\$0.0</b>	<b>\$47.7</b>	<b>\$155.2</b>	<b>\$397.8</b>	<b>\$155.2</b>	<b>\$553.0</b>	<b>2.3x</b>	<b>3.23x</b>
<b>Publicly Traded Investments</b>											
Flagstone Reinsurance (NYSE: FSR)	Dec-05	\$50.0	\$66.4		(\$6.1)	\$60.3	0.6	\$60.3	\$60.9	0.0x	1.22x
Buckeye GP Holdings L.P. (NYSE: BGH) <sup>3</sup>	Jun-07	19.6	24.5		(4.8)	29.5	-	29.5	20.5	0.0x	1.08x
Linn Energy, LLC (NYSE: LINE) <sup>3</sup>	Aug-07	36.0	23.1	-	12.9	36.9	-	36.9	36.0	0.0x	0.64x
Mobile Storage Group	Jul-06	10.0	16.9		1.8	11.9	-	11.9	11.0	0.0x	1.10x
<b>Subtotal - Realized &amp; Partially Realized + Public</b>		<b>\$296.2</b>	<b>\$221.6</b>	<b>\$0.0</b>	<b>\$51.4</b>	<b>\$283.0</b>	<b>\$398.4</b>	<b>\$283.0</b>	<b>\$681.4</b>	<b>1.3x</b>	<b>2.30x</b>
<b>Unrealized Investments</b>											
MW Brands <sup>2</sup>	Mar-06	\$20.0	\$24.5		\$18.1	\$34.7	-	\$34.7	\$34.7	0.0x	1.73x
The Sports Authority	Apr-06	9.0	9.0		0.0	9.0	-	9.0	9.0	0.0x	1.00x
Suddenlink	May-06	46.5	51.2		0.0	51.2	-	51.2	51.2	0.0x	1.10x
BHM Technologies	Jul-06	23.0	-		0.0	0.0	-	0.0	0.0	0.0x	0.00x
General Motors Acceptance Corporation	Nov-06	48.0	49.9		(12.8)	35.5	0.2	35.5	35.7	0.0x	0.74x
Freescale Semiconductor, Inc.	Nov-06	70.0	59.5		0.0	59.5	-	59.5	59.5	0.0x	0.85x
Ironshore, Inc.	Jan-07	47.0	47.0		0.0	47.0	-	47.0	47.0	0.0x	1.00x
Mattress Firm, Inc.	Feb-07	19.5	19.5	0.8	0.0	20.3	-	20.3	20.3	0.0x	1.00x
Sabre Holdings Corporation	Mar-07	50.0	50.0		0.0	50.0	-	50.0	50.0	0.0x	1.00x
Group Ark Insurance Holdings Limited	Mar-07	30.6	30.6		0.0	30.6	-	30.6	30.6	0.0x	1.00x
Dresser, Inc.	May-07	50.0	89.0		56.9	109.9	-	109.9	100.0	0.0x	2.00x
BAWAG P.S.K. <sup>2</sup>	May-07	67.5	72.7		5.1	77.9	-	77.8	77.8	0.0x	1.15x
Modern Luxury Media, LLC	Jun-07	37.0	37.0		0.0	37.0	-	37.0	37.0	0.0x	1.00x
AmerCable Inc.	Jun-07	2.4	2.4		0.0	2.4	-	2.4	2.4	0.0x	1.00x
Chrysler	Jun-07	30.0	30.0		0.0	30.0	0.0	30.0	30.0	0.0x	1.00x
First Data Corp	Sep-07	50.0	50.0		0.0	50.0	-	50.0	50.0	0.0x	1.00x
TXU Corp	Oct-07	75.0	75.0		0.0	75.0	-	75.0	75.0	0.0x	1.00x
Avaya, Inc.	Oct-07	25.0	25.0		0.0	25.0	-	25.0	25.0	0.0x	1.00x
Kyobo Life Insurance Co., Ltd. <sup>2</sup>	Dec-07	27.7	26.4		(1.3)	24.1	-	24.1	24.1	0.0x	0.87x
Universal Enseo / Pegasus International	Feb-08	21.6	-	21.6	0.0	21.6	-	21.6	21.6	0.0x	1.00x
Bank Tabungan Pensiunan Nasional in Indonesia <sup>2</sup>	Mar-08	12.1	-	12.1	(6.2)	11.8	-	11.8	11.8	0.0x	0.97x
Press Ganey Associates	Mar-08	18.0	-	18.0	0.0	18.0	-	18.0	18.0	0.0x	1.00x
<b>Subtotal Unrealized Inv.</b>		<b>\$779.9</b>	<b>\$707.9</b>	<b>\$52.5</b>	<b>\$50.1</b>	<b>\$810.5</b>	<b>\$0.2</b>	<b>\$810.5</b>	<b>\$810.7</b>	<b>0.0x</b>	<b>1.04x</b>
<b>Total</b>		<b>\$1,076.1</b>	<b>\$929.5</b>	<b>\$52.5</b>	<b>\$101.6</b>	<b>\$1,093.6</b>	<b>\$398.6</b>	<b>\$1,093.6</b>	<b>\$1,492.1</b>	<b>0.4x</b>	<b>1.39x</b>
<b>Pre-Fund Investments</b>											
MC Communications	Aug-04	\$5.0	\$5.0		\$0.0	\$5.0	-	\$5.0	\$5.0	0.0x	1.00x
AerCap Holdings N.V. (NYSE: AER) <sup>1</sup>	Apr-06	2.5	6.7	-	(6.5)	6.2	13.9	6.7	17.2	2.2x	3.44x
<b>Subtotal - Pre-Fund Investments</b>		<b>\$7.5</b>	<b>\$11.7</b>	<b>\$0.0</b>	<b>(\$0.5)</b>	<b>\$11.2</b>	<b>\$11.0</b>	<b>\$11.2</b>	<b>\$22.2</b>	<b>1.5x</b>	<b>2.96x</b>

1. Discount of 15% due to investment structure  
 2. FX change during the quarter using 5/20/08 FX rates  
 3. Net of Leverage BGH \$17.0mm and LINE \$31.0m

FOIA CONFIDENTIAL TREATMENT REQUESTED BY LEHMAN BROTHERS HOLDINGS INC. LBHI\_SEC07940\_889497

Lehman Brothers Private Equity  
Public Positions Summary: PE Business\*  
04/30/2008

Company Name	Valuation Method	Current Discount	Freely Tradeable ?	Lock Up Expiration	USD Equiv Cost Basis	USD Equiv Market Price	Current Lehman PE B/S Value (PE Direct + Indirect)	P&L Region	
<b>Merchant Banking</b>									
Blount Intl. (Fund II)	P x Q	0%	Yes		\$ 15.11	\$ 12.29	\$ 21,645,037	Americas	
Flagstone Reinsurance (Fund III)	P x Q	0%	Yes		\$ 10.00	\$ 12.20	\$ 26,497,937	Americas	
Medi Clinic (Fund IV)	P x Q	0%	Yes		\$ 2.90	\$ 1.55	\$ 15,992,693	Europe	
<b>IBM JV</b>									
Kingdee - Restricted shares	P x Q less discount	5.0%	No	6/2008	\$ 0.49	\$ 1.00	\$ 11,983,312	Asia	
Kingdee - Unrestricted Shares	P x Q	0%	Yes		\$ 0.49	\$ 1.00	\$ 4,905,449	Asia	
<b>Venture Capital</b>									
Anesiva	P x Q	0%	Yes		\$ 6.62	\$ 3.47	\$ 688,786	Americas	
Auxilium Pharmaceuticals, Inc.*****	See ***** below	0%	Yes		*****	\$ 30.75	\$ 474,662	Americas	
Benchmark Electronics	P x Q	0%	Yes		\$ 34.51	\$ 17.75	\$ 11,064,643	Americas	
Comscore Networks***	P x Q	0%	Yes		NA	\$ 18.86	\$ -	Americas	
Isilon Systems	P x Q	0%	Yes		\$ 2.53	\$ 4.81	\$ 1,979,567	Americas	
Jazz Pharmaceuticals	P x Q	0%	Yes		\$ 15.09	\$ 8.97	\$ 1,951,407	Americas	
Regeneration Technologies	P x Q	0%	Yes		\$ 1.86	\$ 10.12	\$ 15,089,608	Americas	
ShoreTel	P x Q	0%	Yes		\$ 2.93	\$ 4.62	\$ 21,658,073	Americas	
Silanis Technologies	P x Q less discount	31.5%	No	06/25/09	\$ 0.88	\$ 0.22	\$ 645,065	Americas	
Theravance	P x Q	0%	Yes		\$ 9.98	\$ 12.46	\$ 12,431,185	Americas	
Transwitch	P x Q	0%	Yes		\$ 23.51	\$ 0.67	\$ 76,500	Europe	
<b>PFIG: Co-Investment Fund</b>									
Buckeye GP Holdings	P x Q	0%	Yes		\$ 24.26	\$ 25.22	\$ 6,852,672	Americas	
Flagstone Reinsurance	P x Q	0%	Yes		\$ 10.46	\$ 12.20	\$ 11,170,453	Americas	
Linn Energy, LLC	P x Q	0%	Yes		\$ 31.25	\$ 21.91	\$ 11,554,438	Americas	
<b>PFIG: Crossroads Funds/Dallas</b>									
Flagstone Reinsurance (Funds XVII and XVIII)	P x Q	0%	Yes		\$ 10.00	\$ 12.20	\$ 293,152	Americas	
LB Private Equity Partners (COPA) - IPO sha	P x Q	0%	No	7/31/2010	\$ 10.00	\$ 8.81	\$ 127,745,000	Americas	
LB Private Equity Partners (COPA)- Principal	P x Q	0%	Yes		Various	\$ 8.81	\$ 5,495,599	Americas	
<b>MLP Prop Fund (Long) - refer to separate MLP pages included herein for individual positions</b>							\$	127,601,006	Americas
<b>MLP Prop Fund (PIPE's)- refer to separate MLP pages included herein for individual positions</b>							\$	318,015,370	Americas
<b>MLP Prop Fund (Options)- refer to separate MLP pages included herein for individual positions</b>							\$	(202,500)	Americas
<b>MLP Prop Fund (Public Short)- refer to separate MLP pages included herein for individual positions</b>							\$	-	Americas

Company Name	Valuation Method	Current Discount	Freely Tradeable ?	Lock Up Expiration	USD Equiv Cost Basis	USD Equiv Market Price	Current Lehman PE B/S Value (PE Direct + Indirect)	P&L Region
Alliance Holdings GP LP		0%	Yes		\$ 22.25	\$ 25.00	\$ 11,150,000	Americas
BratBum Energy Partners LP		0%	Yes		\$ 29.88	\$ 20.38	\$ 1,304,320	Americas
Capital Products Partners LP		0%	Yes		\$ 21.81	\$ 20.00	\$ 6,800,000	Americas
Copano Energy Partners LP		0%	Yes		\$ 35.07	\$ 37.08	\$ 7,364,088	Americas
Eagle Rock Energy Partners LP		0%	Yes		\$ 20.15	\$ 17.02	\$ 5,024,644	Americas
Energy Transfer Equity LP		0%	Yes		\$ 33.20	\$ 34.33	\$ 11,383,828	Americas
Energy Transfer Partners LP		0%	Yes		\$ 51.02	\$ 50.53	\$ 12,325,934	Americas
Enterprise GP Holdings LP		0%	Yes		\$ 36.50	\$ 30.17	\$ 1,885,625	Americas
EV Energy Partners, LP		0%	Yes		\$ 32.61	\$ 26.72	\$ 133,600	Americas
Kinder Morgan Management LLC		0%	Yes		\$ 55.39	\$ 54.50	\$ 16,840,500	Americas
Legacy Reserves LP		0%	Yes		\$ 21.43	\$ 21.66	\$ 6,714,600	Americas
Magellan Midstream Holdings LP		0%	Yes		\$ 26.88	\$ 24.80	\$ 1,736,000	Americas
MarkWest Energy Partners LP		0%	Yes		\$ 25.64	\$ 35.70	\$ 14,629,860	Americas
Navios Maritime Partners LP		0%	Yes		\$ 18.01	\$ 16.09	\$ 7,238,891	Americas
Semgroup Energy Partners LP		0%	Yes		\$ 28.90	\$ 26.10	\$ 1,982,243	Americas
Spectra Energy Partners LP		0%	Yes		\$ 27.91	\$ 24.36	\$ 2,436,000	Americas
Targa Resources Partners LP		0%	Yes		\$ 25.81	\$ 24.17	\$ 13,293,500	Americas
Vanguard Resources Partners LLC		0%	Yes		\$ 15.59	\$ 16.14	\$ 642,372	Americas
Williams Partners LP		0%	Yes		NA	\$ -	\$ -	Americas
Williams Pipeline Partners LP		0%	Yes		\$ 20.58	\$ 18.86	\$ 4,715,000	Americas
BratBum Energy Partners LP (Units 11/1/07 - PIPE)		0%	Yes		\$ 27.00	\$ 20.38	\$ 22,644,279	Americas
Copano Energy Partners, LP (Class E Units 10/19/07 - PIPE)		0%	Yes		\$ 31.77	\$ 36.03	\$ 36,857,897	Americas
Crosstex Energy LP (Senior Subordinated Series C Units 5/16)		0%	Yes		\$ 28.07	\$ 32.60	\$ 48,795,354	Americas
Eagle Rock Energy Partners LP (Units 7/31/07 - PIPE)		0%	Yes		\$ 22.10	\$ 17.02	\$ 18,483,260	Americas
EV Energy Partners, LP (Units 2/27/07 - PIPE)		0%	Yes		\$ 24.90	\$ 26.72	\$ 18,242,572	Americas
Linn Energy LLC (Class B Units 10/24/06-Converted to Units		0%	Yes		\$ 20.55	\$ 21.91	\$ 30,354,640	Americas
Linn Energy LLC (Class C Units 2/1/07-Converted to Units 4/		0%	Yes		\$ 25.06	\$ 21.91	\$ 22,719,268	Americas
Linn Energy LLC (Class D Units 8/31/07-Converted to Units		0%	Yes		\$ 30.97	\$ 21.91	\$ 40,895,146	Americas
Linn Energy LLC (Units 08/31/07 - PIPE)		0%	Yes		\$ 32.00	\$ 21.91	\$ 15,190,926	Americas
Linn Energy LLC (Units 10/24/06 - PIPE)		0%	Yes		\$ 21.00	\$ 21.91	\$ 18,289,153	Americas
Linn Energy LLC (Units 2/1/07 - PIPE)		0%	Yes		\$ 26.00	\$ 21.91	\$ 20,236,755	Americas
Magellan Midstream Holdings, L.P. (Units 4/3/07 - PIPE)		0%	Yes		\$ 24.50	\$ 24.80	\$ 25,306,118	Americas
Regency Energy Partners LP (Units 9/21/06 - PIPE)		0%	Yes		NA	\$ -	\$ -	Americas
DCP Midstream Partners LP (Oct 35 Calls)		0%	Yes		\$ 1.68	\$ 0.80	\$ 400,000	Americas
Energy Transfer Equity LP (Apr 30 puts)		0%	Yes		NA	\$ -	\$ -	Americas
Magellan Midstream Holdings LP (June 22.50 puts)		0%	Yes		\$ 0.39	\$ 0.28	\$ (137,500)	Americas
NuStar GP Holdings LLC (June 22.5 puts)		0%	Yes		\$ 1.32	\$ 0.33	\$ (165,000)	Americas
Plains All American Pipeline LP (May 45 puts)		0%	Yes		\$ 0.60	\$ 0.25	\$ (62,500)	Americas
Regency Energy Partners LP (May 25 puts)		0%	Yes		\$ 0.24	\$ 0.25	\$ (125,000)	Americas
Regency Energy Partners LP (May 35 calls)		0%	Yes		\$ 0.59	\$ 0.15	\$ (112,500)	Americas
Kinder Morgan Energy Partners LP (Short)		0%	Yes		NA	\$ -	\$ -	Americas
<b>Total</b>							<b>\$ 755,609,115</b>	

\* Excludes MLP Opportunity Fund.

\*\* Includes Onshore/ Offshore Partnership Account and DPEF.

\*\*\* Fully sold April 2008

\*\*\*\* No discount taken because market price is below cost.

\*\*\*\*\* Warrants only. Current Value comp

Closing Price	\$	30.75	x
Strike Price	\$	5.63	y
# of shares exer		18,892	z
<b>Current B/S V</b>	\$	474,662	(x-y)*z



Lehman Brothers Private Equity  
Public Positions Summary: LB Corporate\*  
04/30/2008

Company Name	Valuation Method	Current Discount	Freely Tradeable ?	Lock Up Expiration	USD Equiv Cost Basis	USD Equiv Market Price	Current LB Corporate B/S Value (PE Direct + Indirect)	P&L Region
<b>Merchant Banking</b>								
Blount Intl. (Fund II)		0%	Yes		\$ 15.11	\$ 12.29	\$ -	Americas
Flagstone Reinsurance (Fund III)		0%	Yes		\$ 10.00	\$ 12.20	\$ -	Americas
<b>Venture Capital</b>								
Anesiva	P x Q	0%	Yes		\$ 6.62	\$ 3.47	\$ 1,003,906	Americas
Auxilium Pharmaceuticals, Inc.***	See *** below	0%	Yes		***	\$ 30.75	\$ 908,470	Americas
Benchmark Electronics	P x Q	0%	Yes		\$ 34.51	\$ 17.75	\$ -	Americas
Comscore Networks**	P x Q	0%	Yes		NA	\$ 18.86	\$ -	Americas
Isilon Systems	P x Q	0%	Yes		\$ 2.53	\$ 4.81	\$ 981,995	Americas
Jazz Pharmaceuticals	P x Q	0%	Yes		\$ 15.09	\$ 8.97	\$ 2,844,172	Americas
Regeneration Technologies	P x Q	0%	Yes		\$ 1.86	\$ 10.12	\$ -	Americas
ShoreTel	P x Q	0%	Yes		\$ 2.93	\$ 4.62	\$ 6,690,933	Americas
Silanis Technologies	P x Q less discount	31.5%	No	06/25/09	\$ 0.88	\$ 0.22	\$ -	Americas
Theravance	P x Q	0%	Yes		\$ 9.98	\$ 12.46	\$ 1,709,537	Americas
Transwitch	P x Q	0%	Yes		\$ 23.51	\$ 0.67	\$ 77,999	Europe
<b>Total</b>							<b>\$ 14,217,012</b>	

\* Includes PA Pre-Tax Plan positions only. All investment gains/losses go to LB Corporate (not PE Business).

\*\* Fully sold April 2008.

\*\*\* Warrants only. Current Value computed as:

Closing Price	\$ 30.75	x
Strike Price	\$ 5.63	y
# of shares exercisable	36,158	z
<b>Current B/S Value</b>	<b>\$ 908,470</b>	<b>(x-y)*z</b>