LEHMAN BROTHERS | Loan Portfolio Group

# *LPG Weekly Review*

*Private and Confidential*

**August 10, 2007**

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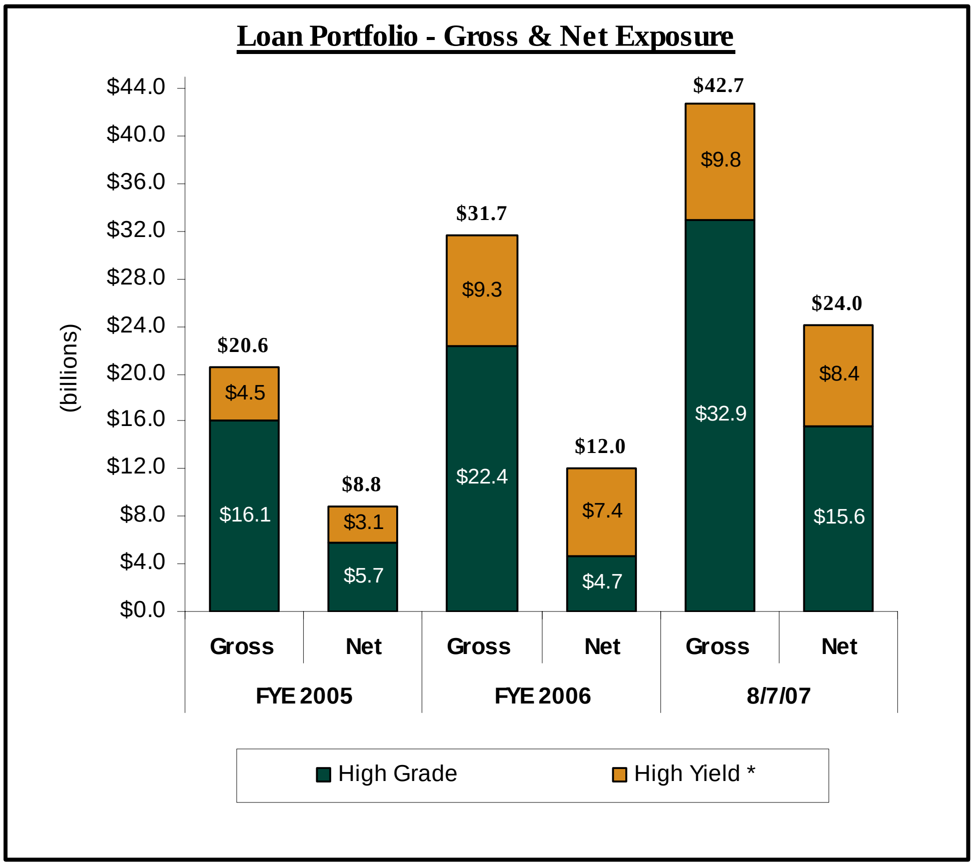


**Includes European deals that have closed but are still in syndication.*

**Loan Portfolio Summary**

| (mm) | FYE 2005 | | | FYE 2006 | | | 8/7/07 | | |
|---|---|---|---|---|---|---|---|---|---|
| | HG | HY | TOTAL | HG | HY | TOTAL | HG | HY | TOTAL |
| **Gross Exposure** | **$16,144** | **$4,483** | **$20,627** | **$22,387** | **$9,313** | **$31,700** | **$32,948** | **$9,812** | **$42,760** |
| Structured Participations | (3,310) | (250) | (3,560) | (4,172) | (131) | (4,303) | (4,280) | (133) | (4,414) |
| CDS/Bond Shorts | (7,122) | (1,110) | (8,232) | (13,554) | (1,814) | (15,368) | (13,087) | (1,231) | (14,318) |
| **Net Exposure** | **$5,712** | **$3,123** | **$8,835** | **$4,661** | **$7,368** | **$12,029** | **$15,581** | **$8,447** | **$24,029** |
| Macro & Other Hedges | 0 | 0 | 0 | (683) | (100) | (783) | (1,238) | (43) | (1,281) |
| | **$5,712** | **$3,123** | **$8,835** | **$3,978** | **$7,268** | **$11,246** | **$14,343** | **$8,405** | **$22,748** |

*Internal Use Only*

*This is a product of the Loan Portfolio Group and is neither Lehman Brothers research nor a research report.*

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## PORTFOLIO ACTIVITY

**Recently Closed Commitments**

| (mm) Borrower | FRL/ BL | Facility Type | Facility Size | Original Lehman Commitment | Final Allocation | Commitment Date | Closing Date |
|---|---|---|---|---|---|---|---|
| ***HIGH GRADE*** | | | | | | | |
| *Qatar Liquefied Gas Company Limited 4* | FRL | Revolver | **$2,800.0** | **$85.8** | **$85.8** | 9/8/06 | 7/26/07 |
| Chicago Mercantile Exchange Holdings, Inc. | BL | Bridge | **$3,000.0** | **$1,550.0** | **$1,550.0** | 5/10/07 | 7/27/07 |
| Constellation Energy Group, Inc. | FRL | Revolver | **$3,750.0** | **$150.0** | **$150.0** | 7/23/07 | 7/31/07 |
| American Express Company | FRL | Revolver | $2,000.0 | $30.0 | $30.0 | 7/11/07 | 8/1/07 |
| | FRL | Revolver | $3,000.0 | $45.0 | $45.0 | | |
| | | | **$5,000.0** | **$75.0** | **$75.0** | | |
| eBay, Inc. | FRL | Revolver | **$2,000.0** | **$175.0** | **$160.0** | 7/23/07 | 8/2/07 |
| Entergy Corporation | FRL | Revolver | **$3,500.0** | **$135.0** | **$135.0** | 7/20/07 | 8/2/07 |
| The Hartford Financial Services Group, Inc. | FRL | Revolver | **$2,000.0** | **$125.0** | **$100.0** | 8/2/07 | 8/9/07 |
| Sunoco LogisticsPartners Operations L.P. | FRL | Revolver | **$400.0** | **$30.0** | **$27.0** | 7/25/07 | 8/8/07 |
| *Telecom Italia S.p.A.* | FRL | Revolver | € 8,000.0 | € 13.0 | € 6.0 | 7/18/07 | 8/6/07 |
| | | | **$11,005.4** | **$17.9** | **$8.3** | | |
| TIAA-CREF Funds | FRL | Revolver | **$1,500.0** | **$125.0** | **$75.0** | 7/24/07 | 8/6/07 |
| Wyeth | FRL | Revolver | **$3,000.0** | **$100.0** | **$60.0** | 7/27/07 | 8/2/07 |
| **HIGH GRADE TOTAL** | | | | **$2,568.7** | **$2,426.1** | | |

## Recently Closed Commitments (cont'd.)

| (mm) Borrower | FRL/ BL | Facility Type | Facility Size | Original Lehman Commitment | Final Allocation | Commitment Date | Closing Date |
|---|---|---|---|---|---|---|---|
| ***HIGH YIELD*** | | | | | | | |
| Allison Transmission | BL | Revolver | $400.0 | $100.0 | $100.0 | 6/26/07 | 8/7/07 |
| | BL | 1st Lien Term | $3,100.0 | $775.0 | $775.0 | | |
| | BL | Bridge | $1,100.0 | $275.0 | $275.0 | | |
| | | | **$4,600.0** | **$1,150.0** | **$1,150.0** | | |
| ***Chevron Global Energy, Inc. (Delek Group)*** | BL | Revolver | € 50.0 | € 50.0 | € 50.0 | 6/24/07 | 8/8/07 |
| | BL | Synthetic LC | € 120.0 | € 120.0 | € 120.0 | | |
| | BL | Term B | € 100.0 | € 100.0 | € 100.0 | | |
| | BL | Term C | € 100.0 | € 100.0 | € 100.0 | | |
| | BL | 2nd Lien Term | € 40.0 | € 40.0 | € 40.0 | | |
| | | | **$564.0** | **$564.0** | **$564.0** | | |
| ***Debitel Konzernfinanzierungs GmbH*** | BL | Revolver | € 150.0 | € 25.0 | € 25.0 | 5/31/07 | 7/26/07 |
| | BL | Term | € 1,125.0 | € 187.5 | € 187.5 | | |
| | BL | Bridge | € 225.0 | € 37.5 | € 37.5 | | |
| | | | **$2,063.5** | **$343.9** | **$343.9** | | |
| Dollar General Corp. | BL | 1st Lien Term | **$600.0** | **$24.5** | **$24.5** | 3/11/07 | 8/8/07 |
| ***Icopal A/S (Project Aztec)*** | BL | Revolver | € 100.0 | € 100.0 | € 30.0 | 6/11/07 | 7/31/07 |
| | BL | Acquisition Facility | € 100.0 | € 100.0 | € 30.0 | | |
| | BL | Term B | € 220.0 | € 220.0 | € 65.9 | | |
| | BL | Term C | € 220.0 | € 220.0 | € 65.9 | | |
| | BL | 2nd Lien Term | € 100.0 | € 100.0 | € 30.0 | | |
| | BL | Mezzanine | € 80.0 | € 80.0 | € 24.0 | | |
| | BL | PIK Facility | € 30.0 | € 30.0 | € 9.0 | | |
| | | | **$1,169.3** | **$1,169.3** | **$350.5** | | |
| InterGen N.V. | BL | Revolver | $720.0 | $0.0 | $0.0 | 6/14/07 | 7/31/07 |
| | BL | GBP Term | £390.2 | £36.6 | £36.6 | | |
| | | | **$1,513.0** | **$74.4** | **$74.4** | | |
| Jarden Corporation | BL | Term | **$700.0** | **$700.0** | **$700.0** | 4/24/07 | 8/8/07 |
| Orbitz Worldwide, Inc. | BL | Alt. Currency LC | $35.0 | $5.1 | $5.1 | 6/25/07 | 7/25/07 |
| | BL | US Revolver | $50.0 | $7.4 | $7.4 | | |
| | BL | Term | $600.0 | $0.0 | $0.0 | | |
| | | | **$685.0** | **$12.5** | **$12.5** | | |
| PQ Corporation | BL | Revolver | $200.0 | $66.7 | $66.7 | 6/22/07 | 7/30/07 |
| | BL | 1st Lien Term | $805.0 | $268.3 | $268.3 | | |
| | BL | 2nd Lien PIK Toggle Term | $460.0 | $153.3 | $153.3 | | |
| | | | **$1,465.0** | **$488.3** | **$488.3** | | |
| PharMerica Corporation | FRL | Revolver | $100.0 | $8.3 | $8.3 | 6/14/07 | 7/31/07 |
| | FRL | Term | $275.0 | $15.2 | $15.2 | | |
| | | | **$375.0** | **$23.5** | **$23.5** | | |
| Primedia Inc. | FRL | Term | $250.0 | $37.5 | $36.0 | 7/11/07 | 8/1/07 |
| | FRL | Revolver | $100.0 | $15.0 | $12.0 | | |
| | | | **$350.0** | **$52.5** | **$48.0** | | |
| Safari Ventures (DuPont Fabros Realty) | FRL | Revolver | $275.0 | $27.5 | $27.5 | 6/25/07 | 8/7/07 |
| | FRL | Term | $200.0 | $20.0 | $20.0 | | |
| | | | **$475.0** | **$47.5** | **$47.5** | | |
| Syniverse Holdings, Inc. | BL | EUR Revolver | $20.0 | $12.0 | $9.0 | 3/20/07 | 8/9/07 |
| | BL | USD Revolver | $42.0 | $25.2 | $19.2 | | |
| | BL | Term Loan B | $112.0 | $178.2 | $0.0 | | |
| | BL | USD DD Term Loan | $160.0 | $0.0 | $87.4 | | |
| | BL | EUR DD Term Loan | $130.0 | $78.0 | $76.2 | | |
| | | | **$464.0** | **$293.4** | **$191.8** | | |
| Targa Resources, Inc. | BL | Holdco PIK Loan | **$450.0** | **$101.3** | **$101.3** | 6/21/07 | 8/9/07 |
| Veyance Technologies (Goodyear Engineered Prod) | BL | Revolver | $100.0 | $16.7 | $16.7 | 2/20/07 | 7/31/07 |
| | BL | 1st Lien Term | $700.0 | $233.3 | $0.0 | | |
| | BL | DD Term | $100.0 | $33.0 | $0.0 | | |
| | BL | 2nd Lien Term | $360.0 | $16.7 | $0.0 | | |
| | | | **$1,260.0** | **$299.7** | **$16.7** | | |
| **HIGH YIELD TOTAL** | | | | **$5,344.8** | **$4,136.9** | | |

| | | | | |
|---|---|---|---|---|
| **LPG TOTAL** | | **$7,913.6** | **$6,563.0** | |

*Italics=European or Asian deal*

**Bold = Closed and currently being syndicated.**

## PSYND (Issued Commitments)

| (mm)<br>Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| ***HIGH GRADE*** | | | | | | |
| Best Buy Co., Inc | FRL | Revolver | **$2,000.0** | **$200.0** | 8/10/07 | 8/28/07 |
| Buckeye Partners, L.P. | BL | Bridge | **$450.0** | **$165.0** | 7/24/07 | 12/31/07 |
| Cisco Systems, Inc | FRL | Revolver | **$3,000.0** | **$120.0** | 7/3/07 | 8/16/07 |
| Florida Gas Transmission Company | FRL | Revolver | $300.0 | $21.0 | 8/8/07 | 8/13/07 |
| Citrus Corp. | FRL | Revolver | $200.0 | $14.0 | | |
| | | | **$500.0** | **$35.0** | | |
| Genworth Financial, Inc. | FRL | Revolver | **$1,000.0** | **$70.0** | 8/2/07 | 8/13/07 |
| The Home Depot, Inc. | BL | Bridge | **$10,000.0** | **$2,500.0** | 7/6/07 | 8/15/07 |
| International Business Machines Corporation | FRL | Revolver | **$10,000.0** | **$250.0** | 7/25/07 | 8/13/07 |
| ITC Holdings, Inc. | BL | Bridge | **$750.0** | **$750.0** | 1/18/07 | 12/07 |
| Petroleós Mexicanos/PEMEX | FRL | Revolver | **$1,250.0** | **$50.0** | 8/2/07 | 8/14/07 |
| PHH Mortgage Corporation | BL | Warehouse Facility | **$4,000.0** | **$1,200.0** | 3/15/07 | 9/28/07 |
| Symetra Financial Corporation | FRL | Revolver | **$200.0** | **$20.0** | 8/2/07 | 8/20/07 |
| TC Group Investment Holdings, L.P. (Carlyle) | FRL | Revolver | $300.0 | $60.0 | 6/29/07 | 8/17/07 |
| | FRL | Term | $1,000.0 | $200.0 | | |
| | FRL | DD Term | $500.0 | $100.0 | | |
| | | | **$1,800.0** | **$360.0** | | |
| Transocean, Inc. | BL | Bridge | **$15,000.0** | **$4,000.0** | 7/21/07 | 12/31/07 |
| **HIGH GRADE TOTAL** | | | | **$9,720.0** | | |

## PSYND (cont'd.)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| ***HIGH YIELD*** | | | | | | |
| Air Canada Technical Services L.P. | BL | Revolver | C$ 50.0 | C$ 50.0 | 5/11/07 | 8/31/07 |
| | BL | 1st Lien Term | C$ 450.0 | C$ 450.0 | | |
| | BL | 2nd Lien Term | C$ 225.0 | C$ 225.0 | | |
| | | | **$689.3** | **$689.3** | | |
| Alliance Data Systems Corporation | BL | Revolver | $500.0 | $100.0 | 5/31/07 | 9/30/07 |
| | BL | Term | $3,900.0 | $780.0 | | |
| | BL | Sr. PIK Toggle Bridge | $1,800.0 | $360.0 | | |
| | BL | Sub. Bridge | $410.0 | $82.0 | | |
| | | | **$6,610.0** | **$1,322.0** | | |
| ARINC, Inc. | BL | Revolver | $75.0 | $37.5 | 6/4/07 | 10/15/07 |
| | BL | Synthetic LC | $65.0 | $32.5 | | |
| | BL | Term B | $375.0 | $187.5 | | |
| | BL | Sr. Bridge | $215.0 | $107.5 | | |
| | | | **$730.0** | **$365.0** | | |
| Biomet Inc. | BL | Revolver | $400.0 | $30.0 | 1/17/07 | 9/30/07 |
| | BL | ABL Revolver | $350.0 | $26.3 | | |
| | BL | Term B | $3,600.0 | $270.0 | | |
| | BL | Bridge | $1,550.0 | $51.4 | | |
| | BL | Sub. Bridge | $1,015.0 | $29.1 | | |
| | | | **$6,915.0** | **$406.8** | | |
| CDW Corporation | BL | ABL Revolver | $700.0 | $210.0 | 5/29/07 | 9/30/07 |
| | BL | Term B | $2,200.0 | $660.0 | | |
| | BL | Sr. Bridge | $520.0 | $156.0 | | |
| | BL | Sr. PIK Toggle Bridge | $520.0 | $156.0 | | |
| | BL | Sub. Bridge | $940.0 | $282.0 | | |
| | | | **$4,880.0** | **$1,464.0** | | |
| CCS Medical Holdings Inc. | FRL | Revolver | $50.0 | $10.0 | 6/27/07 | 8/21/07 |
| | FRL | Term | $380.0 | $76.0 | | |
| | | | **$430.0** | **$86.0** | | |
| Cenveo Corporation | BL | Sr. Bridge | **$175.0** | **$175.0** | 8/8/07 | 9/1/07 |
| CW Media (Alliance Broadcasting) | BL | Revolver | C$ 50.0 | C$ 15.0 | 1/10/07 | 8/15/07 |
| | BL | 1st Lien Term | C$ 535.0 | C$ 161.0 | | |
| | BL | Sr. Bridge | C$ 315.0 | C$ 142.0 | | |
| | | | **$855.6** | **$302.3** | | |
| Enterprise GP Holdings L.P. | BL | Revolver | $300.0 | $80.0 | 5/1/07 | 8/23/07 |
| EPCO Holdings, Inc. | BL | Revolver | $200.0 | $30.0 | | |
| | | | **$500.0** | **$110.0** | | |
| Exterran Holdings, Inc. | FRL | Revolver | $850.0 | $38.5 | 7/26/07 | 8/20/07 |
| | FRL | Term | $800.0 | $36.5 | | |
| | | | **$1,650.0** | **$75.0** | | |
| FairPoint Communications, Inc. | BL | Revolver | $200.0 | $80.0 | 1/15/07 | 1/31/08 |
| | BL | DD Term | $200.0 | $80.0 | | |
| | BL | Term | $1,680.0 | $672.0 | | |
| | | | **$2,080.0** | **$832.0** | | |
| First Data Corp. | BL | Revolver | $2,000.0 | $191.1 | 4/1/07 | 9/30/07 |
| | BL | Term Loan | $14,000.0 | $1,705.6 | | |
| | BL | Sr. Bridge | $2,750.0 | $343.2 | | |
| | BL | Sr. PIK Toggle Bridge | $2,750.0 | $343.2 | | |
| | BL | Sub. Bridge | $2,500.0 | $312.0 | | |
| | | | **$24,000.0** | **$2,895.1** | | |
| Frontier Drilling ASA | FRL | 2nd Lien Term | $125.0 | $25.0 | 7/5/07 | 8/13/07 |
| | | | **$125.0** | **$25.0** | | |
| Great Atlantic & Pacific Tea Co. | BL | Sr. Bridge | **$780.0** | **$118.0** | 3/4/07 | 9/15/07 |
| Harman International Industries Inc. | BL | Revolver | $550.0 | $121.5 | 4/25/07 | 9/24/07 |
| | BL | Term Loan | $2,900.0 | $640.6 | | |
| | BL | Sr. PIK Toggle Bridge | $1,160.0 | $256.2 | | |
| | BL | Sub. Bridge | $580.0 | $128.1 | | |
| | | | **$5,190.0** | **$1,146.5** | | |

*Italics=European or Asian deal.*

## PSYND (cont'd.)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| Hawaiian Telcom Yellow Pages | BL | Revolver | $5.0 | $5.0 | 4/26/07 | 11/07 |
| | BL | Term Loan | $260.0 | $260.0 | | |
| | BL | 2nd Lien Term | $61.8 | $61.8 | | |
| | BL | Sr. Bridge | $128.1 | $128.1 | | |
| | | | **$454.9** | **$454.9** | | |
| HD Supply | BL | ABL Revolver | $2,000.0 | $666.7 | 6/19/07 | 8/16/07 |
| | BL | Revolver | $200.0 | $66.6 | | |
| | BL | Synthetic LC | $200.0 | $66.6 | | |
| | BL | Term | $3,750.0 | $1,250.0 | | |
| | BL | Sr. Bridge | $1,313.0 | $437.7 | | |
| | BL | Sr. PIK Bridge | $1,313.0 | $437.7 | | |
| | BL | Sub. Bridge | $1,175.0 | $391.7 | | |
| | | | **$9,951.0** | **$3,317.0** | | |
| Houghton-Mifflin Riverdeep Group | BL | Revolver | $500.0 | $150.0 | 7/16/07 | 1Q08 |
| | BL | 1st Lien Term | $4,941.7 | $1,482.5 | | |
| | BL | 2nd Lien Term | $1,681.9 | $504.6 | | |
| | BL | PIK Term | $868.7 | $260.7 | | |
| | | | **$7,992.3** | **$2,397.8** | | |
| LKQ Corporation | BL | Revolver | $100.0 | $50.0 | 7/16/07 | 10/07 |
| | BL | Term B | $840.0 | $420.0 | | |
| | BL | 2nd Lien Term | $150.0 | $75.0 | | |
| | | | **$1,090.0** | **$545.0** | | |
| McJunkin Corporation | BL | ABL Revolver | $600.0 | $210.0 | 7/6/07 | 9/3/07 |
| | BL | Term | $1,025.0 | $358.8 | | |
| | | | **$1,625.0** | **$568.8** | | |
| Metavante Corporation | BL | Revolver | $250.0 | $50.0 | 5/2/07 | 10/07 |
| | BL | Term | $1,750.0 | $350.0 | | |
| | | | **$2,000.0** | **$400.0** | | |
| Nuance Communications, Inc. | BL | Term | **$225.0** | **$56.3** | 6/11/07 | 8/31/07 |
| PHH Mortgage Corporation | BL | MSR Revolver | $800.0 | $180.0 | 3/15/07 | 9/28/07 |
| | BL | MSR Term | $800.0 | $180.0 | | |
| | BL | Receivables Facility | $100.0 | $22.5 | | |
| | BL | 2nd Lien Bridge | $300.0 | $90.0 | | |
| | BL | 2nd Lien DD Bridge | $100.0 | $30.0 | | |
| | | | **$2,100.0** | **$502.5** | | |
| PQ Corporation | BL | DD Term Loan | **$435.0** | **$145.0** | 7/13/07 | 11/15/07 |
| Sequa Corp. | BL | Revolver | $150.0 | $60.0 | 6/18/07 | 10/1/07 |
| | BL | Term | $1,200.0 | $480.0 | | |
| | BL | Sr. Bridge | $700.0 | $280.0 | | |
| | | | **$2,050.0** | **$820.0** | | |
| Tenaska Inc. (ArcLight Capital) | FRL | Term | **$245.0** | **$146.3** | 7/26/07 | 9/30/07 |
| *Territory Resources Limited* | BL | Bridge | AUD 320.0 | AUD 320.0 | 7/17/07 | 10/07 |
| | | | **$274.8** | **$274.8** | | |
| Tribune Company | BL | Incremental Term | $2,368.0 | $20.0 | 5/16/07 | 11/07 |
| | BL | Bridge | $2,100.0 | $31.5 | | |
| | | | **$4,468.0** | **$51.5** | | |
| TXU Corporation | BL | Sr. Bridge | $2,000.0 | $144.4 | 6/29/07 | 11/07 |
| | BL | Sr. PIK Toggle Bridge | $2,500.0 | $180.6 | | |
| | | | **$4,500.0** | **$325.0** | | |
| TXU Electric Delivery Company (Oncor) | BL | Revolver | **$2,000.0** | **$144.5** | 6/29/07 | 11/07 |
| TXU Energy Company (Luminant Energy) | BL | Revolver | $2,700.0 | $238.3 | 6/29/07 | 11/07 |
| | BL | Synthetic LC | $1,250.0 | $90.3 | | |
| | BL | Term | $16,050.0 | $1,155.6 | | |
| | BL | DD Term | $4,100.0 | $295.8 | | |
| | BL | Sr. Bridge | $5,000.0 | $361.1 | | |
| | BL | Sr. PIK Toggle Bridge | $1,750.0 | $126.4 | | |
| | | | **$30,850.0** | **$2,267.6** | | |

*Italics=European or Asian deal.*

## PSYND (cont'd.)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| United Rentals, Inc. | BL | ABL Revolver | $1,500.0 | $225.0 | 7/22/07 | 11/07 |
| | BL | ABL Term B | $1,000.0 | $150.0 | | |
| | BL | 2nd Lien Bridge | $2,350.0 | $352.5 | | |
| | BL | Sr. Bridge | $1,650.0 | $247.5 | | |
| | | | **$6,500.0** | **$975.0** | | |
| U.S. Investigations Services Inc. | BL | Revolver | $90.0 | $58.5 | 5/9/07 | 8/21/07 |
| | BL | Term | $725.0 | $471.3 | | |
| | BL | Sr. Bridge | $250.0 | $162.5 | | |
| | BL | Sub. Bridge | $190.0 | $123.5 | | |
| | | | **$1,255.0** | **$815.8** | | |
| Vertrue Incorporated | BL | Revolver | $30.0 | $18.0 | 3/22/07 | 8/16/07 |
| | BL | 1st Lien Term | $430.0 | $258.0 | | |
| | BL | 2nd Lien Term | $200.0 | $120.0 | | |
| | | | **$660.0** | **$396.0** | | |
| Windstream Regatta Holdings, Inc. | BL | Revolver | $20.0 | $4.0 | 3/15/07 | 9/30/07 |
| | BL | Term | $46.0 | $9.2 | | |
| | BL | Sub. Notes | $230.0 | $46.0 | | |
| | | | **$296.0** | **$59.2** | | |
| **HIGH YIELD TOTAL** | | | | **$24,674.6** | | |
| | | | | | | |
| **LPG PSYND TOTAL** | | | | **$34,394.6** | | |

*Italics=European or Asian deal.*

## Other Approved Transactions (Commitments Not Issued)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Lehman Commitment | Approval Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| ***HIGH GRADE*** | | | | | | |
| *Landesbank Hessen-Thuringen Girozentrale* | FRL | Revolver | **€ 15.0** | **€ 15.0** | 12/19/06 | 7/07 |
| **HIGH GRADE TOTAL** | | | | **$20.6** | | |

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Lehman Commitment | Approval Date | Expected Closing Date |
|---|---|---|---|---|---|---|
| ***HIGH YIELD*** | | | | | | |
| Chembulk Tankers LLC | BL | Term | $400.0 | $21.0 | 6/11/07 | 8/13/07 |
| | BL | LC Facility | $30.0 | $0.0 | | |
| | | | **$430.0** | **$21.0** | | |
| **HIGH YIELD TOTAL** | | | | **$21.0** | | |
| **LPG TOTAL** | | | | **$41.6** | | |

*Italics=European or Asian deal.*

*Italics=European or Asian deal.*

## Portfolio Exposure Changes

| (mm)<br>Borrower | FRL/BL | Increase / (Decrease) | Explanation |
|---|---|---|---|
| ***HIGH GRADE*** | | | |
| Chicago Mercantile Holdings Inc. | BL | $1,550.0 | New Commitment |
| eBay, Inc. | FRL | $160.0 | New Commitment |
| Entergy Corporation | FRL | $135.0 | New Commitment |
| *Qatar Liquefied Gas Company Ltd (4)* | FRL | $85.8 | New Commitment |
| TIAA-CREF Funds | FRL | $75.0 | New Commitment |
| Wyeth | FRL | $60.0 | New Commitment |
| Constellation Energy Group, Inc. | FRL | $40.0 | New Commitment |
| American Express Company | FRL | $35.0 | New Commitment |
| HighMount Exploration & Production LLC | FRL | $30.4 | New Commitment |
| Tyco International Finance S.A. | BL | $26.4 | Increased Commitment |
| Tyco Electronics Group S.A. | BL | $25.9 | Increased Commitment |
| Covidien Ltd. | BL | $25.0 | Increased Commitment |
| State Bank of India | FRL | $25.0 | New Commitment |
| Sunoco Logistics Partners Operations L.P. | FRL | $25.0 | New Commitment |
| Discover Financial Services | FRL | ($20.0) | Assignment Sale |
| Consolidated Edison, Inc. | FRL | ($25.0) | Assignment Sale |
| Marathon Oil Corporation | FRL | ($40.0) | Assignment Sale |
| *Telecom Italia S.p.A.* | FRL | ($46.4) | Reduced Commitment |
| Ameren Corporation | FRL | ($50.0) | Participation Sale |
| *Electrabel S.A.* | FRL | ($68.5) | Reduced Commitment |
| The Carlyle Group | FRL | ($90.0) | Reduced Commitment |
| International Business Machines Corporation | BL | ($127.5) | Reduced Commitment |
| Kimberly-Clark Corporation | FRL | ($550.0) | Reduced Commitment |
| **HIGH GRADE TOTAL** | | **$1,281.0** | |

## Portfolio Exposure Changes (cont'd.)

| (mm) Borrower | FRL/BL | Increase / (Decrease) | Explanation |
|---|---|---|---|
| ***HIGH YIELD*** | | | |
| InterGen N.V. | BL | $75.0 | New Commitment |
| Primedia Inc. | FRL | $48.0 | New Commitment |
| PharMerica Corporation | FRL | $23.5 | New Commitment |
| ***Edam Acquisition BV (Endemol)*** | BL | $21.2 | Increased Commitment |
| Cooper Standard Automotive, Inc. | BL | $5.0 | Increased Commitment |
| Allison Transmission | BL | $1,150.0 | New Commitment |
| Verint Systems Inc. | BL | ($1.0) | Assignment Sale |
| Magnum Coal Co | BL | ($2.5) | Reduced Commitment |
| K&F Industries, Inc. | BL | ($8.0) | Reduced Commitment |
| RJO Holdings Corp. | BL | ($70.0) | Assignment Sale |
| *Gala Group Holdings Plc* | BL | $12.4 | Assignment Sale |
| ***Icopal A/S (Aztec)*** | BL | $306.8 | New Commitment |
| *Klockner Pentaplast Luxenbourg Sarl* | BL | ($177.0) | Syndication |
| ***PHS Group PLC*** | BL | ($64.5) | Reduced Commitment |
| ***Debitel AG*** | BL | $334.3 | New Commitment |
| Dex Media East, Inc. | BL | ($13.6) | Participation Sale |
| Dex Media West, Inc. | BL | ($4.3) | Participation Sale |
| Orbitz Worldwide, Inc. | FRL | $12.5 | New Commitment |
| Rent-A-Center, Inc. | FRL | ($5.0) | Assignment Sale |
| Delek US Holdings Inc. | BL | ($25.0) | Participation Sale |
| Las Vegas Sands LLC | FRL | ($9.5) | Participation Sale |
| ***Merlin Entertainment Group*** | BL | ($14.9) | Reduced Commitment |
| Standard Aero Holdings Inc. | BL | ($15.0) | Reduced Commitment |
| Vanguard Car Rental Holdings Inc. | FRL | ($17.0) | Reduced Commitment |
| TRW Automotive Inc. | FRL | ($19.7) | Assignment Sale |
| Penn National Gaming Inc. | BL | ($20.0) | Assignment Sale |
| Georgia-Pacific Corporation | FRL | ($24.6) | Participation Sale |
| L-3 Communications Corporation | FRL | ($25.0) | Reduced Commitment |
| Midwest Generation LLC | FRL | ($43.8) | Participation Sale |
| Boyd Gaming Corporation | FRL | ($88.0) | Participation Sale |
| **HIGH YIELD TOTAL** | | **$1,340.4** | |
| ***FX Changes*** | | **($66.8)** | |
| **LPG TOTAL** | | **$2,554.7** | |

*Italics=European or Asian deal.*

**Bold = Closed and currently being syndicated.**

## PORTFOLIO SNAPSHOT

| % Drawn | FYE 2005 | FYE 2006 | 8/7/07 |
|---|---|---|---|
| HG | 4% | 9% | 10% |
| HY | 42% | 35% | 46% |

| Maturities | < 1 year | 1– 2 years | 2– 4 years | > 4 years | Weighted Average Maturity |
|---|---|---|---|---|---|
| HG Loans | 25% | 8% | 26% | 41% | 3.2 years |
| HG CDS/Bond Shorts | 16% | 16% | 40% | 27% | 2.7 years |
| HY Loans | 7% | 6% | 12% | 75% | 5.6 years |
| HY CDS/Bond Shorts | -32% | 5% | 72% | 55% | 4.5 years |

## Top Exposures

The following table lists our 10 largest **HG Net Exposures** as of 8/7/07.

| | Company Name | Moody's/S&P/Fitch/Internal | Net Exposure (mm) | % of Total Net Exposure | Gross Exposure (mm) | % of Total Gross Exposure |
|---|---|---|---|---|---|---|
| 1. | *Imperial Tobacco Finance PLC* | *Baa3/--/--/--* | *$4,272.1* | *27.4%* | *$4,272.1* | *13.0%* |
| 2. | Chicago Mercantile Exchange Holdings Inc. | --/--/--/AA | 1,550.0 | 9.9% | 1,550.0 | 4.7% |
| 3. | Alcoa Inc. | A2▼/BBB+/A-/-- | 1,385.0 | 8.9% | 1,480.0 | 4.5% |
| 4. | Ford Motor Company | Ba3/B+/BB/-- | 477.0 | 3.1% | 800.0 | 2.4% |
| 5. | GMAC LLC | Ba1/BB+/BB+/-- | 415.0 | 2.7% | 425.0 | 1.3% |
| 6. | Tyco International Finance S.A. | Baa1/BBB/--/-- | 260.0 | 1.7% | 260.0 | 0.8% |
| 7. | OZ Management, LLC | --/--/--/BB | 250.0 | 1.6% | 250.0 | 0.8% |
| 8. | NYSE Euronext, Inc. | A1/AA/--/-- | 250.0 | 1.6% | 250.0 | 0.8% |
| 9. | FCAR Owner Trust | --/--/--/AA | 238.0 | 1.5% | 238.0 | 0.7% |
| 10. | The Thomson Corporation | A3▼/A-▼/--/-- | 202.1 | 1.3% | 202.1 | 0.6% |
| | **Total** | | **$9,299.1** | **59.7%** | **$9,727.1** | **29.5%** |

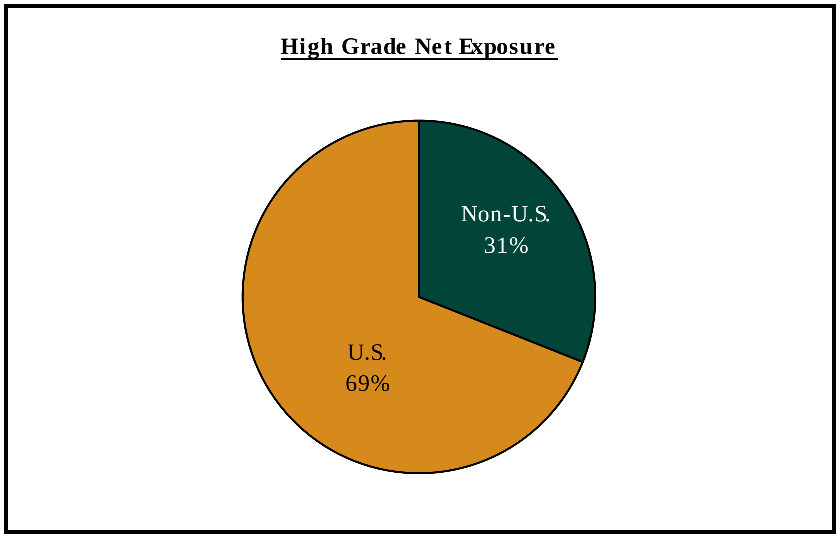
The following table lists our 10 largest **HY Net Exposures** as of 8/7/07.

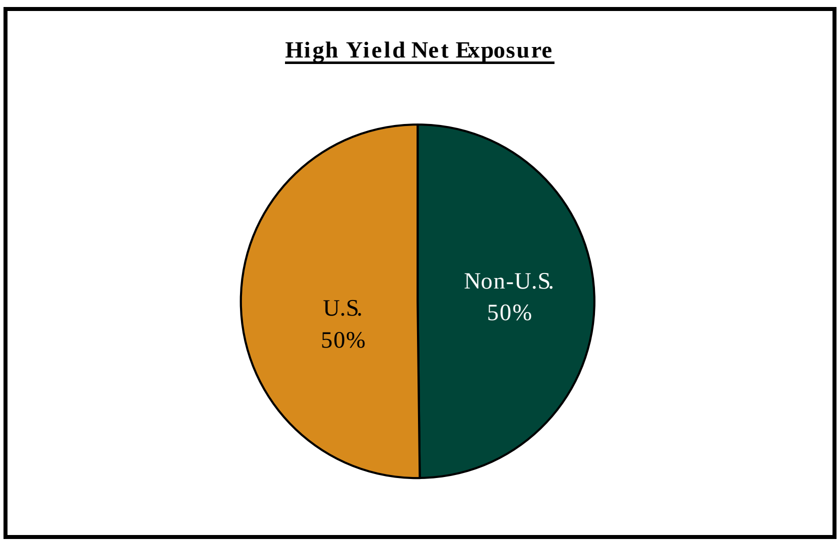
| | Company Name | Moody's/S&P/Fitch/Internal | Net Exposure (mm) | % of Total Net Exposure | Gross Exposure (mm) | % of Total Gross Exposure |
|---|---|---|---|---|---|---|
| 1. | Allison Transmission, Inc. | --/BB-/--/-- | $1,150.0 | 13.6% | $1,150.0 | 11.7% |
| 2. | ***Edam Acquisition BV (Endemol)*** | ***--/--/--/B*** | ***891.9*** | ***10.6%*** | ***891.9*** | ***9.1%*** |
| 3. | ***PHS Group PLC*** | ***--/--/--/BB-*** | ***675.8*** | ***8.0%*** | ***675.8*** | ***6.9%*** |
| 4. | *Lloyds TSB Registrars* | ***--/--/--/BB*** | ***534.3*** | ***6.3%*** | ***534.3*** | ***5.4%*** |
| 5. | Biomet Inc. | B1/BB-/--/-- | 447.4 | 5.3% | 447.4 | 4.6% |
| 6. | *Debitel AG* | *--/--/--/B+* | *343.8* | *4.1%* | *343.8* | *3.5%* |
| 7. | ***Merlin Entertainments Group*** | ***--/--/--/BB-*** | ***318.1*** | ***3.8%*** | ***318.1*** | ***3.2%*** |
| 8. | *Icopal A/S (Aztec)* | *--/--/--/B+* | *309.1* | *3.7%* | *309.1* | *3.1%* |
| 9. | *Lavena Holdings 4 GmbH (ProSieben)* | *Ba1*/--/BBB*/--* | *246.9* | *2.9%* | *57.0* | *0.6%* |
| 10. | EPCO Holdings, Inc. | Ba2/BB-/--/-- | 246.4 | 2.9% | 31.3 | 0.3% |
| | **Total** | | **$5,163.6** | **61.1%** | **$4,758.5** | **48.5%** |

*Rating=Issuer Rating; does not necessarily represent senior secured rating.
*Italics=European or Asian deal*
**Bold=Closed & currently being syndicated.**

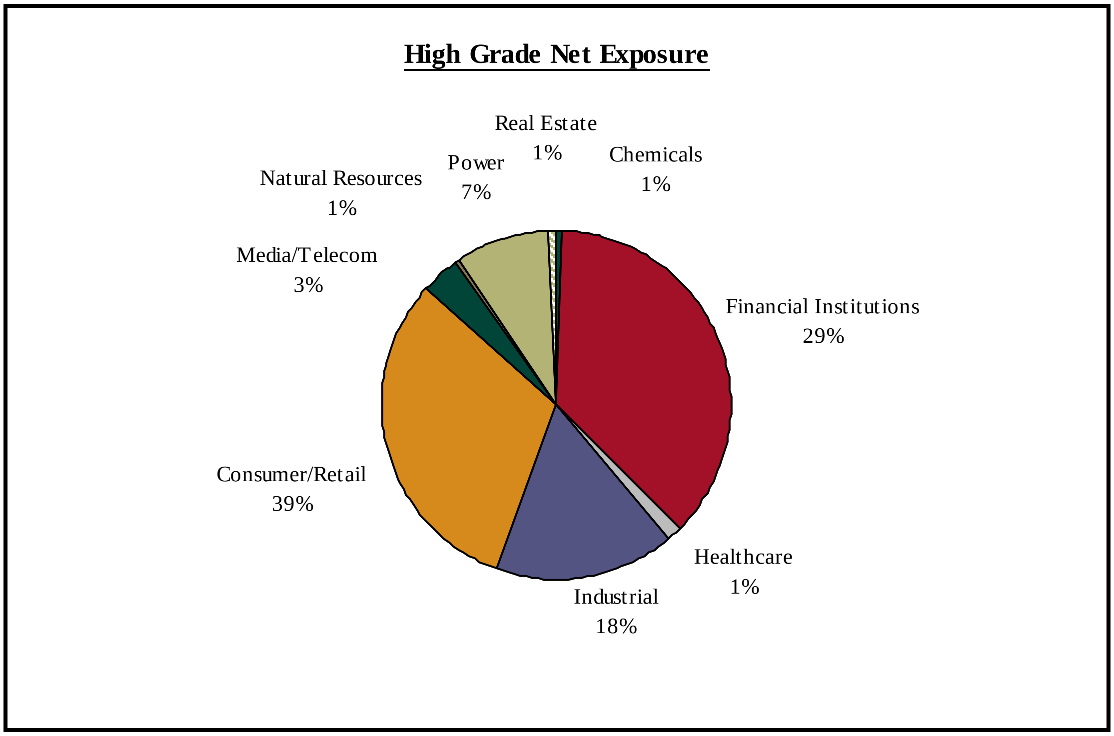
## Exposure by Geography

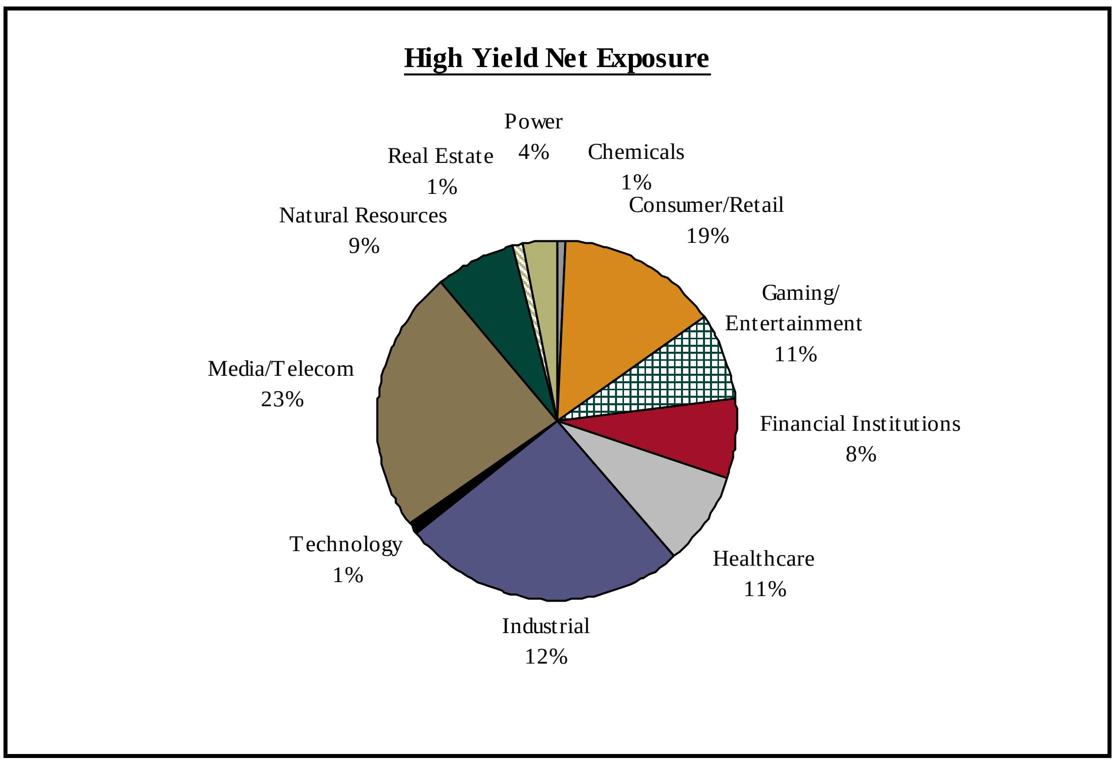
| (mm) | HG | % | HY | % |
|---|---|---|---|---|
| **Non-U.S.** | 4,851 | 31% | 4,195 | 50% |
| **U.S.** | 10,730 | 69% | 4,252 | 50% |
| **Total** | **$15,581** | **100.0%** | **$8,447** | **100.0%** |



## Exposure by Sector



## CREDIT/COMPANY NEWS

### Ratings Recap

| Company Name | Date | Agency | Rating | Action | From | To |
|---|---|---|---|---|---|---|
| Block Financial Corporation | 7/31/07 | Fitch | Sr. Unsecured | Downgrade | A (stable) | A- ▼ |
| *Lanxess AG* | 7/31/07 | S&P | Bank Loan | Upgrade | BBB-▲ | BBB (stable) |
| Magellan Midstream Partners, L.P. | 7/31/07 | Moody's | Sr. Unsecured | Upgrade | Baa3 ▲ | Baa2 (stable) |
| Marathon Oil Corporation | 7/31/07 | Fitch | Sr. Unsecured | Outlook Lowered | BBB+ (stable) | BBB+ (negative) |
| Ameren Corporation | 8/1/07 | Fitch | Sr. Unsecured | Outlook Raised | BBB+ ▼ | BBB+ (stable) |
| Countrywide Financial Corporation | 8/2/07 | Moody's | Sr. Unsecured | Outlook Raised | A3 ▲ | A3 (stable) |
| Kraft Foods, Inc. | 8/2/07 | Moody's | Sr. Unsecured | Downgrade | Baa1 (stable) | Baa2 (stable) |
| *Wolters Kluwer n.v.* | 8/2/07 | Moody's | Sr. Unsecured | Outlook Raised | Baa1(negative) | Baa1 (stable) |
| General Mills, Inc. | 8/6/07 | Fitch | Sr. Unsecured | Outlook Lowered | BBB+ (stable) | BBB+ (negative) |
| Allegheny Energy Supply Company, LLC | 8/8/07 | Moody's | Sr. Secured | Watch for Upgrade | Baa3 (stable) | Baa3▲ |
| *NIBC Bank N.V.* | 8/9/07 | Moody's | Sr. Unsecured | Downgrade | A3 (stable) | Baa1 ▼ |
| *NIBC Bank N.V.* | 8/9/07 | S&P | Sr. Unsecured | Outlook Lowered | A- (stable) | A- ▼ |
| U.S. Shipping Partners L.P. | 8/10/07 | S&P | Sr. Secured | Watch for Downgrade | BB- (stable) | BB-▼ |
| Allison Transmission Inc. | 8/10/07 | S&P | Sr. Secured | Outlooked Lowered | BB- (stable) | BB- (negative) |

*Italics=European or Asian deal.*

### Company News

***Chemcials***

- **Georgia Gulf Corporation (GGC):** ***Negative*** **–** On 5/11/2007, Georgia Gulf reported 1Q07 sales and EBITDA of $851.9 million and $70.6 million, respectively. Legacy Georgia Gulf revenue was down 13.5% y-o-y as the Company has been negatively impacted by the slowdown in the housing construction. 2Q07 EBITDA decreased 22.8% y-o-y attributable to a 12.6% decline in the Chlorovinyls segment operating margin. LTM revenue and EBITDA were $2,823.3 million and $301.9 million, respectively. At 6/30/2007 cash was $4.9 million and total debt was $1,516.1 million: senior secured leverage was 2.3x, total leverage was 5.0x vs. covenant of 8.50x, and pro forma interest coverage was 2.3x vs. covenant of 1.50x. Enterprise Value is $2,204.7 million, representing and EBITDA multiple of 7.3x. Current loan-to-value is 26.8%. *(Randall Braunfeld)*

***Consumer/Retail***

- **AlixPartners, LLP:** ***Positive*** **–** On 7/31/2007, AlixPartners delivered 2Q07 results. 2Q07 revenue was $133.1 million, a 48.3% increase y-o-y and flat q-o-q. 2Q07 EBITDA was $31.4 million, a 36.0% increase y-o-y. At 6/30/2007 cash was $54.2 million and total debt was $383.1 million. Based on an LTM EBITDA of $118.4 million, total leverage was 3.2x vs. covenant of 5.50x. *(Randall Braunfeld)*

- **Campbell Soup Company (CPB):** ***Neutral*** **–** On 8/9/07, CPB announced it was exploring alternatives for Godiva Chocolatier, including selling the brand. CPB stated that the Godiva brand doesn't fit with its strategic focus of simple meals including soups, bakes snacks and vegetable-based beverages. Analysts have valued Godiva at over $1.0 billion. *(Ahuva Schwager).*

- **Corrections Corporation of America (CXW):** ***Positive*** **-** On 8/6/07, Corrections Corporation of America (CCA) reported 2Q07 revenue of $362.8 million, an 11.6% increase versus the prior year period. 2Q07 adjusted EBITDA was $84.8 million, an 18.4% increase versus the prior year period. LTM adjusted EBITDA was $325.9 million. Sales growth is primarily attributed to higher occupancy rates in Colorado, Wyoming and California. Portfolio occupancy increased from 94.9% in 2Q06 to 99% during 2Q07, allowing the Company to benefit from scale as fixed costs are spread over increased capacity. At quarter end, total leverage was 3.0x and interest coverage was 5.75x. Enterprise value is $4,211.3 million, representing an EBITDA multiple of 12.9x. *(Brian McNany)*

- **DealerTrack Holdings, Inc. (TRAK):** ***Positive*** **-** DealerTrack reports strong 2Q07 financial results. 2Q07 revenue was $58.5 million, an increase of 35% y-o-y. The growth in revenue is attributable to an increase in the average number of subscriptions per dealer, resulting from more cross-selling of products. 2Q07 EBITDA was $18.9 million, an increase of 40% y-o-y and 29.5% q-o-q. LTM revenue and EBITDA was $202.2 million and $57.3 million, respectively. At quarter-end, total leverage was approximately 0.10x. *(Ritam Bhalla)*

- **Dresser Inc.:** ***Positive*** - June 2007 monthly revenues were $175.9 million, an increase of 9.3% y-o-y; EBITDA was $29.1 million, up 69.2% y-o-y. YTD revenues were $966.7 million, up 8.5% y-o-y; EBITDA for the same period was $138.2 million, up 8.3% y-o-y. *(Maria Lund)*

- **General Nutrition Centers, Inc. (GNC):** ***Positive*** **-** GNC reports positive 2Q07 financial results. 2Q07 revenue was $389.5 million, an increase of 1.8% y-o-y, driven by comparable store sales growth of 1.6% for company-owned domestic stores and 11.0% for Canadian stores. 2Q07 Adjusted EBITDA was $46.9 million, an increase of 15.8% y-o-y from $40.5 million. LTM revenue and EBITDA was $1498 million and $186.9 million, respectively. At quarter-end, total leverage was approximately 5.8x. *(Ritam Bhalla)*

- **Global Cash Access, Inc. (GCA):** ***Neutral*** – On 8/9/07, GCA reported mixed 2Q07 results. Core operations remained strong, but the Company lowered FY07 guidance because of an unanticipated contract loss and delays in expected new business. Quarterly revenues were $151.5 million, up 1.9% q-o-q and 13.4% y-o-y. Quarterly adjusted EBITDA was $28.7 million, up 6.3% q-o-q and 14.7% y-o-y. As of 6/30/07, total debt was $264.0 million and cash was $61.7 million. Total and senior leverage were 2.41x and 1.01x, respectively; interest coverage was 2.73x. *(Andrew Milanez)*

- **The Home Depot Inc. (HD):** ***Negative*** – On 8/9/07, HD cut the price range on its proposed 250 million share buyback, citing current financing market conditions, HD is now planning to buy back the stock at $37.00-$42.00/sh compared to the $39.00-$44.00/sh announced last month. The company also extended the tender offer's deadline to 8/31/07 from 8/16/07. HD also stated that talks are ongoing with the consortium of private equity firms who have agreed to acquire Home Depot Supply about restructuring the deal. Details were not provided, however, HD noted that discussions could results in material changes to the terms and financing of the transaction, including a reduction in the $10.3 billion purchase price. HD reaffirmed that its share buyback is not contingent upon the Home Depot Supply sale and that the company remained committed to its overall $22.5 billion recapitalization program. *(Ahuva Schwager)*

- **Iconix Brand Group, Inc. (ICON):** ***Positive*** **-** Iconix reports positive 2Q07 financial results. 2Q07 licensing revenue was $39.1 million, an increase of 112.2% y-o-y. 2Q07 EBITDA was $31.2 million, an increase of 173.3% y-o-y from $11.4 million. LTM revenue and EBITDA was $118.9 million and $90.8 million, respectively. At quarter-end, total net consolidated leverage was 4.1x. *(Ritam Bhalla)*

- **Kraft Foods Inc. (KFT):** ***Negative*** - On 8/2/07, Moody's lowered its senior unsecured credit rating for KFT one notch to Baa2. The downgrade was based upon the negative impact on credit metrics that will result from KFT's plans to finance its $7.2 billion acquisition of Groupe Danone's biscuit business entirely with debt as well as ongoing operating pressures and a shift in financial policy in favor of shareholders. *(Ahuva Schwager)*

- **Wal-Mart Stores, Inc. (WMT):** ***Neutral*** **–** On 8/7/07, WMT announced it had reached an agreement with Indian conglomerate, Bharti Enterprises, to form a joint venture in India to supply goods to small business owners. The venture is expected to include 10-15 stores over the next seven years. *(Ahuva Schwager)*

- **Yankee Holding Corporation:** ***Positive*** - Yankee Candle reports positive 2Q07 financial results. 2Q07 revenue was $133.4 million, an increase of 14.8% y-o-y, driven by sales growth and revenues from new stores. 2Q07 Adjusted EBITDA was $22.6 million, an increase of 15.3% y-o-y from $19.6 million. LTM revenue and EBITDA was $713.8 million and $190.0 million, respectively. At quarter-end, total leverage was approximately 6.4x. *(Ritam Bhalla)*

***Financial Institutions***

- **Apollo Management Holdings, L.P. (Apollo):** ***Positive*** - On 8/6/07, *Bloomberg* reported that Apollo is planning to sell about $1.1 billion of shares for $27 to $30 each through a private sale. Goldman Sachs, JPMorgan and Credit Suisse are arranging the sale. *(Rohit Nair)*

- **Countrywide Financial Corporation (CFC) / Washington Mutual , Inc. (WM):** ***Negative*** - On 8/9/07, CFC and WM reported that their ability to raise liquidity through sale of mortgage loans in the secondary market will be adversely affected by current market conditions. Prolonged period of secondary market illiquidity could reduce loan production volumes and put pressure on future results. The companies expect to retain a larger portion of mortgage loans and mortgage-backed securities than they otherwise would, but reiterated that their capital and liquidity positions were strong. *(Rohit Nair)*

- **Residential Capital, LLC (ResCap):** ***Negative*** - On 8/7/07, ResCap disclosed finding material weaknesses in the design and operations of its internal controls. Should remediation efforts fail, it could result in material misstatements in it's financial statements in future periods. The deficiencies relate specifically to change management processes and review of account reconciliations, where operational changes were made to the processing related to repurchases of certain sold whole loans not serviced by ResCap. The changes were implemented outside ResCap's established processes and controls were not effective due to lack of adequate managerial oversight of account reconciliations. The company has subsequently reconciled and recorded the items in the second quarter. *(Rohit Nair)*

***Industrial***

- **TransDigm (TDG):** ***Positive*** **-** Transdigm reports positive 3Q07 financial results. 3Q07 net sales were $157.6 million, an increase of 42.2% y-o-y. 3Q07 EBITDA as defined by the credit agreement was $73.6 million, an increase of 49.4% y-o-y from $49.3 million. LTM revenue and EBITDA was $540.6 million and $250.4 million, respectively. At quarter-end, total net consolidated leverage was 4.9x. *(Diane Albanese)*

***Media/Telecom***

- **American Cellular Systems:** ***Positive*** - On 8/8/2007, American Cellular reported 2Q07 revenue of $147.6 million, an increase of 18.0% y-o-y and up 6.5% q-o-q. 2Q07 EBITDA was $50.6 million, up 16.7% y-o-y and 8.7% sequentially. The y-o-y increase in revenue and EBITDA are attributable to 2006 acquisitions and higher ARPU. LTM revenue and EBITDA were $563.3 million and $193.0 million, respectively. As of 2Q07, total subscribers using GSM were 93.5% vs 91.5% in 1Q07 and 81.8% at 2Q06. At 6/30/2007, cash was $23.3 million and total debt was $1,099.8 million: senior secured leverage was 4.7x, total leverage was 5.7x and pro forma interest coverage was 2.1x. *(Randall Braunfeld)*

- **Centennial Communications Corporation (CYCL) :** ***Positive*** - Centennial reports 4Q07 revenue (FYE is 5/31) of $228.2 million an increase of 3.1% y-o-y and flat q-o-q. 4Q07 EBITDA was $98.1 million, up 8.6% y-o-y and 9.0% q-o-q. For 2007, revenue increased 5.4% to $911.9 million and EBITDA grew 4.0% to $365.1 million. For the year, revenue growth was led by the US wireless and Puerto Rico broadband segments which offset weaker Puerto Rican wireless results. At 5/31/2007, cash was $94.7 million and total debt was $2,046.5 million. Total net leverage was 5.3x, senior secured leverage was 1.5x, interest coverage was 2.8x, and fixed charge coverage was 1.2x. Enterprise value is $2,906.3 million, representing an EBITDA multiple of 8.0x. *(Randall Braunfeld)*

- **Dobson Cellular Systems (DCEL):** ***Positive*** – On 8/8/2007 Dobson Cellular reported 2Q07 revenue of $215.9 million, an increase of 13.3% y-o-y and 8.4% q-o-q. EBITDA was $81.7 million, up 27.9% y-o-y and 17.6% sequentially. The y-o-y growth in revenue and EBITDA reflects increased subscribers and higher ARPU as well as improved operating performance. LTM revenue and EBITDA were $816.6 million and $293.4 million, respectively. As of 2Q07, total subscribers using GSM were 93.5% vs 91.5% in 1Q07 and 81.8% at 2Q06. As of 6/30/2007, cash was $115.6 million and total debt was $1,564.7 million: total leverage was 5.3x, senior leverage was 2.8x and interest coverage was 1.9x. Enterprise Value of Dobson Communications is $4,666.9 million, representing a 9.6x EBITDA multiple. *(Randall Braunfeld)*

- **Rural Cellular Corporation (RCCC):** ***Positive*** **–** On 5/4/2007 Rural reported 2Q07 revenue of $157.7 million, a 12.5% increase y-o-y and q-o-q. The increase in revenue is due to subscriber growth attributable to the Minnesota acquisition which was completed in April 2007. 2Q07 EBITDA was $63.2 million, up 14.1% y-o-y and 7.1% q-o-q. LTM revenue and EBITDA were $589.1 million and $235.8 million, respectively. At 3/31/2006 cash was $26.4 million and total debt was $1,435 million: total leverage was 6.1x, senior secured leverage was 2.2x, interest coverage was 1.8x, and fixed charge coverage was 1.4x. Enterprise value is $2,062.6 million representing an EBITDA multiple of 8.7x. On July 30, 2007, Verizon announced that it will acquire Rural Cellular for $45 per share or $2.6 billion. *(Randall Braunfeld)*

- **Time Warner Telecom (TWTC):** ***Positive*** – On 8/8/2007, Time Warner Telecom (TWTC) reported 2Q07 revenue of $268.0 million, an increase of 2.5% q-o-q and 40.1% y-o-y attributable to the Xspedius acquisition which contributed $44.9 million to revenue in 2Q07. Core TWTC grew 16.6% y-o-y. 2Q07 EBITDA was $83.0 million, up 8.8% q-o-q and 19.3% y-o-y. The q-o-q increase in EBITDA reflects improved operating margins due to the achievement of synergies from the Xspedius acquisition. LTM revenue and EBITDA were $964.3 million and $310.7 million, respectively. At 3/31/2007 cash was $299.2 million and total debt was $1,379.7 million: senior secured leverage was 1.9x, total leverage was 4.4x and interest coverage was 4.3x. Enterprise value is $4,007.8 million representing an EBITDA multiple of 13.6x. *(Randall Braunfeld)*

***<u>Natural Resources</u>***

- **Inergy, L.P. (NRGY):** ***Positive*** – On 8/8/07 Inergy, L.P. reported 3Q07 revenue of $246.8 million, an increase of 14.5% y-o-y. Adjusted EBITDA for 3Q07 was $13.4 million, more than double the $6.5 million of adjusted EBITDA of 3Q06. LTM revenues and adjusted EBITDA were $1,452 million and $207.5 million, respectively. Credit statistics at 6/30/2007: total debt was $636.3 million, total leverage was 3.1x vs. 4.2x in 3Q06 and interest coverage was 4x vs. 2.9x in 3Q06. Enterprise Value is $2,244.1 representing a multiple of 10.8x. *(Brian McNany)*

***<u>Power</u>***

- **TXU Corp. (TXU):** ***Negative*** – On 8/7/07, TXU reported 2Q07 operating earnings per share of $0.93 vs. $1.40 for the prior period and below analysts' estimate of $1.17. TXU's performance for the quarter was attributed to cooler than normal weather and abnormally high rainfall, which negatively affected fuel costs and electricity sales, the planned outage at the Comanche Peak nuclear generation plant and lower average pricing. *(Adrian de Lagarde)*

***<u>Technology</u>***

- **Syniverse Holdings Inc. (SVR):** Positive (TK: SVR) – On 7/31/2007, Syniverse reported net revenue of $89.8 million, an increase of 10.5% q-o-q and 13.7% y-o-y. 2Q07 EBITDA was $37.1 million up 20.8% q-o-q and 26.7% y-o-y. The Technology Interoperability Services segment was the main driver of y-o-y growth. LTM revenue and EBITDA were $358.4 million and $139.4 million, respectively. At 6/30/2007 cash was $48.2 million and total debt was $310.9 million: senior leverage was 1.0x, total leverage was 2.2x, and interest coverage was 5.6x. Enterprise value was $1,178.3 million representing an EBITDA multiple of 8.5x. *(Randall Braunfeld)*

## APPENDIX: PORTFOLIO DETAILS (as of 8/7/07)

## PORTFOLIO DETAILS

### *HG LOAN PORTFOLIO*

| | | Ratings | | | | Exposure (mm) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Equity Ticker | Moody's | S&P | Fitch | Internal | Gross | Current | Net | FRL/ BL | Sector | Portfolio Manager |
| Alcoa Inc. | AA | A2▼ | BBB+ | A- | -- | $1,480.0 | $1,440.0 | $1,385.0 | FRL / BL | Industrial | Ahuva Schwager |
| Alenco Inc. | ECA | -- | -- | -- | BBB+ | 35.0 | 35.0 | 1.0 | FRL | Natural Resources | Adrian de Lagarde |
| AllianceBernstein Funds | -- | A1 | AA- | A+ | -- | 15.0 | 15.0 | 15.0 | FRL | Financial Institutions | Rohit Nair |
| Alliant Energy Corporation | LNT | -- | BBB | -- | -- | 27.0 | 27.0 | (0.0) | FRL | Power | Adrian de Lagarde |
| Allstate Corporation (The) | ALL | A1 | A+ | A+ | -- | 80.0 | 80.0 | 21.0 | FRL | Financial Institutions | Rohit Nair |
| Altria Group, Inc. | MO | Baa1 | BBB | BBB+ | -- | 180.4 | 180.4 | 18.4 | FRL | Consumer/Retail | Ahuva Schwager |
| Ameren Corporation | AEE | Baa2▼ | BB+▼ | BBB+ | -- | 120.9 | 120.9 | 75.9 | FRL | Power | Adrian de Lagarde |
| América Móvil, S.A. de C.V. | AMX | A3▼ | BBB+ | A- | -- | 25.0 | 0.0 | 0.0 | FRL | Media/Telecom | Ahuva Schwager |
| American Electric Power Company, Inc. | AEP | Baa2 | BBB | BBB | -- | 111.5 | 61.5 | (14.5) | FRL | Power | Adrian de Lagarde |
| American Express Company | AXP | A1 | A+ | A+ | -- | 175.0 | 155.0 | 65.0 | FRL | Financial Institutions | Rohit Nair |
| American International Group, Inc. | AIG | Aa2 | AA | AA | -- | 57.5 | 57.5 | 37.5 | FRL | Financial Institutions | Rohit Nair |
| American Transmission Company LLC | -- | A1 | A+ | A+ | -- | 35.0 | 10.0 | 10.0 | FRL | Power | Adrian de Lagarde |
| AmerisourceBergen Corporation | ABC | Ba1 | BBB- | BBB | -- | 55.0 | 55.0 | 20.0 | FRL | Healthcare | Ahuva Schwager |
| Apollo Management Holdings, L.P. | -- | -- | -- | -- | B | 140.9 | 140.9 | 135.9 | FRL | Financial Institutions | Rohit Nair |
| Assurant, Inc. | AIZ | Baa1 | BBB+▼ | BBB | -- | 30.0 | 10.0 | 0.0 | FRL | Financial Institutions | Rohit Nair |
| AT&T Inc. | T | A2 | A | A | -- | 535.0 | 410.0 | 85.0 | FRL | Media/Telecom | Ahuva Schwager |
| Atmos Energy Corporation | ATO | Baa3 | BBB | BBB+ | -- | 50.0 | 50.0 | 35.0 | FRL | Natural Resources | Adrian de Lagarde |
| Axon Financial Funding Ltd. | | Aaa | AAA | AAA | -- | 50.0 | 50.0 | 50.0 | FRL | Financial Institutions | Rohit Nair |
| *BAE Systems plc* | BA.L | Baa2 | BBB | BBB | -- | 91.1 | 91.1 | 6.1 | FRL | Industrial | Patrick Marshall |
| *Banca Italease S.p.A.* | BIL | Baa3▼ | -- | BBB- | -- | 136.8 | 136.8 | 74.8 | FRL | Financial Institutions | Patrick Marshall |
| Biogen Idec Inc. | BIIB | -- | BBB | -- | -- | 40.0 | 40.0 | 40.0 | FRL | Healthcare | Ahuva Schwager |
| Blackstone Capital Partners V L.P. | -- | -- | -- | -- | BB | 56.0 | 56.0 | 56.0 | FRL | Financial Institutions | Rohit Nair |
| Block Financial Corporation | HRB | A3 | BBB+▼ | A-▼ | -- | 50.0 | 0.0 | (13.0) | FRL | Financial Institutions | Rohit Nair |
| *British Sky Broadcasting Group plc* | BSY | Baa2 | BBB | BBB | -- | 20.2 | 20.2 | 10.2 | FRL | Media/Telecom | Patrick Marshall |
| Buckeye Partners, L.P. | BPL | Baa2 | BBB | -- | -- | 12.0 | 12.0 | 2.0 | FRL | Natural Resources | Adrian de Lagarde |
| Campbell Soup Company | CPB | A3 | A | A- | -- | 56.5 | 56.5 | 7.5 | FRL | Consumer/Retail | Ahuva Schwager |
| Capmark Financial Group Inc. | -- | Baa3 | BBB- | BBB | -- | 85.0 | 85.0 | 60.0 | FRL | Financial Institutions | Rohit Nair |
| *Carlsberg Breweries A/S* | CARL.CO | Baa3 | -- | BBB- | -- | 88.2 | 88.2 | 26.2 | FRL | Consumer/Retail | Patrick Marshall |
| Carlyle Group (The) | -- | -- | -- | -- | BB | 60.0 | 60.0 | 60.0 | FRL | Financial Institutions | Rohit Nair |
| CBS Corporation | CBS | Baa3 | BBB | BBB | -- | 95.0 | 35.0 | (5.0) | FRL | Media/Telecom | Ahuva Schwager |
| CenterPoint Energy, Inc. | CNP | Ba1 | BBB- | BBB- | -- | 90.0 | 90.0 | 32.0 | FRL | Power | Adrian de Lagarde |
| CenturyTel, Inc. | CTL | Baa2 | BBB | BBB | -- | 37.0 | 17.0 | (18.0) | FRL | Media/Telecom | Ahuva Schwager |
| Chevron Corporation | CVX | Aa2 | AA | AA | -- | 75.0 | 40.0 | (17.0) | FRL | Natural Resources | Adrian de Lagarde |
| Chicago Mercantile Exchange Holdings Inc. | -- | -- | -- | -- | AA | 1,550.0 | 1,550.0 | 1,550.0 | BL | Financial Institutions | Rohit Nair |
| CIT Group Inc. | CIT | A2 | A | A | -- | 240.0 | 200.0 | 90.0 | FRL | Financial Institutions | Rohit Nair |
| CITIC International Financial Holdings Limited | -- | -- | BBB- | -- | -- | 111.1 | 111.1 | 111.1 | FRL | Financial Institutions | Rohit Nair |
| Comcast Corporation | CMCSA | Baa2 | BBB+ | BBB+ | -- | 185.0 | 185.0 | (1.0) | FRL | Media/Telecom | Ahuva Schwager |
| ConAgra Foods, Inc. | CAG | Baa2 | BBB+ | BBB | -- | 50.0 | 0.0 | (10.0) | FRL | Consumer/Retail | Ahuva Schwager |
| ConocoPhillips | COP | A1 | A- | A- | -- | 155.2 | 95.2 | (29.8) | FRL | Natural Resources | Adrian de Lagarde |
| Consolidated Edison, Inc. | ED | A2 | A- | A | -- | 100.0 | 75.0 | (10.0) | FRL | Power | Adrian de Lagarde |
| Constellation Energy Group, Inc. | CEG | Baa1 | BBB+ | BBB+ | -- | 150.0 | 110.0 | 33.0 | FRL | Power | Adrian de Lagarde |
| Countrywide Financial Corporation | CFC | A3 | A | A | -- | 400.0 | 350.0 | 122.0 | FRL | Financial Institutions | Rohit Nair |
| Coventry Health Care, Inc. | CVH | Ba1 | BBB | BBB-▼ | -- | 80.0 | 80.0 | 60.0 | FRL/BL | Healthcare | Ahuva Schwager |
| Covidien Ltd. | COV | Baa1 | A- | -- | -- | 126.3 | 126.3 | 100.3 | FRL/BL | Industrial | Ahuva Schwager |
| Cox Enterprises, Inc. | -- | Baa3 | BB+ | BBB- | -- | 370.0 | 313.7 | (14.3) | FRL | Media/Telecom | Ahuva Schwager |
| CVS/Caremark Corporation | CVS | Baa2 | BBB+ | BBB | -- | 217.0 | 217.0 | 77.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Danaher Corporation | DHR | A2 | A+ | -- | -- | 45.0 | 45.0 | 10.0 | FRL | Industrial | Ahuva Schwager |
| *Deutsche Lufthansa AG* | LHA.DE | Baa3 | BBB | -- | -- | 68.4 | 68.4 | 33.4 | FRL | Industrial | Patrick Marshall |
| *Deutsche Telekom AG* | DT | A3 | A- | A- | -- | 820.6 | 547.0 | 14.0 | FRL | Media/Telecom | Patrick Marshall |
| *Developers Diversified Realty Corporation* | DDR | Baa2 | BBB | BBB | -- | 20.0 | 20.0 | 5.0 | FRL | Real Estate | Rohit Nair |
| *Diageo Finance plc* | DEO | A3 | A- | -- | -- | 250.0 | 250.0 | 32.0 | FRL | Consumer/Retail | Patrick Marshall |
| Discover Financial Services | DFS | Baa3 | BBB- | -- | -- | 55.0 | 55.0 | 55.0 | FRL | Financial Institutions | Rohit Nair |
| Dominion Resources, Inc. | D | Baa2 | BBB | BBB+ | -- | 181.0 | 81.0 | (3.0) | FRL | Power | Adrian de Lagarde |
| Duke Energy Corporation | DUK | Baa2 | BBB | BBB▲ | -- | 100.0 | 100.0 | 100.0 | FRL | Power | Adrian de Lagarde |
| Duncan Energy Partners, L.P. | -- | -- | -- | -- | BB+ | 8.0 | 8.0 | 8.0 | FRL | Natural Resources | Adrian de Lagarde |
| *E.ON AG* | EON | A2 | A | AA▼ | -- | 99.8 | 75.2 | (97.8) | FRL | Power | Patrick Marshall |
| eBay Inc. | EBAY | A3* | -- | A-* | -- | 160.0 | 160.0 | 160.0 | FRL | Media/Telecom | Ahuva Schwager |
| Edison International | EIX | Baa2 | BBB- | BBB- | -- | 280.0 | 230.0 | 135.0 | FRL | Power | Adrian de Lagarde |
| Embarq Corporation | EQ | Baa3 | BBB- | BBB- | -- | 48.4 | 0.0 | (31.0) | FRL | Media/Telecom | Ahuva Schwager |
| *Enbridge Inc.* | ENB | Baa1 | A- | -- | -- | 152.5 | 102.5 | 27.5 | FRL | Natural Resources | Adrian de Lagarde |
| *Enel S.p.A.* | EN | Aa3▼ | A▼ | A+▼ | -- | 47.9 | 47.9 | 12.9 | FRL | Power | Patrick Marshall |
| Enron Corp. | ECSPQ | -- | -- | -- | D | 12.2 | 12.2 | 12.2 | FRL | Power | Tucker Hackett |
| Entergy Corporation | ETR | Baa3 | BBB | BBB- | -- | 220.0 | 174.6 | 127.6 | FRL | Power | Adrian de Lagarde |
| Enterprise Products Operating L.P. | EPD | Baa3 | BBB- | BBB- | -- | 26.0 | 26.0 | (4.0) | FRL | Natural Resources | Adrian de Lagarde |
| EOG Resources, Inc. | EOG | A3 | A- | -- | -- | 30.0 | 12.5 | (2.5) | FRL | Natural Resources | Adrian de Lagarde |
| Equitable Resources, Inc. | EQT | A2▼ | A-▼ | -- | -- | 95.0 | 95.0 | 70.0 | FRL | Natural Resources | Adrian de Lagarde |
| ERP Operating Limited Partnership | | Baa1 | A- | A- | -- | 75.0 | 75.0 | 35.0 | FRL | Real Estate | Rohit Nair |
| Exelon Corporation | EXC | Baa1 | BBB▼ | BBB+ | -- | 340.5 | 340.5 | 175.5 | FRL | Power | Adrian de Lagarde |
| FCAR Owner Trust | -- | -- | -- | -- | AA | 238.0 | 238.0 | 238.0 | FRL | Financial Institutions | Rohit Nair |
| Fidelity Funds | | -- | -- | -- | AA | 0.0 | 0.0 | 0.0 | FRL | Financial Institutions | Rohit Nair |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Fidelity National Information Services, Inc. | FIS | Ba1▼ | BB+▼ | BB+▼ | -- | 24.8 | 24.8 | 24.8 | FRL | Industrial | Ahuva Schwager |
| FirstEnergy Corp. | FE | Baa3 | BBB- | BBB | -- | 90.0 | 40.0 | (15.0) | FRL | Power | Adrian de Lagarde |
| Ford Motor Company | F | Ba3 | B+ | BB | -- | 800.0 | 800.0 | 477.0 | FRL | Industrial | Rohit Nair |
| Fortress Investment Group LLC | FIG | -- | -- | -- | BBB- | 95.3 | 95.3 | 95.3 | FRL | Financial Institutions | Diane Albanese |
| FPL Group, Inc. | FPL | A2 | A- | A | -- | 135.0 | 135.0 | 43.0 | FRL | Power | Adrian de Lagarde |
| General Electric Capital Corporation | -- | Aaa | AAA | -- | -- | 1,375.0 | 1,375.0 | 88.0 | FRL | Financial Institutions | Rohit Nair |
| General Mills, Inc. | GIS | Baa1 | BBB+ | BBB+ | -- | 115.0 | 55.0 | 0.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Genworth Financial, Inc. | | A2 | A | A | -- | 145.0 | 37.5 | (7.5) | FRL | Financial Institutions | Rohit Nair |
| *Givaudan SA* | -- | -- | -- | -- | BBB | 38.8 | 38.8 | 38.8 | FRL | Chemicals | Patrick Marshall |
| GlaxoSmithKline plc | GSK | A1 | AA | AA | -- | 100.0 | 100.0 | (1.0) | FRL | Healthcare | Patrick Marshall |
| Glimcher Properties Limited Partnership | GRT | -- | -- | -- | B+ | 25.0 | 25.0 | 15.0 | FRL | Real Estate | Rohit Nair |
| GMAC LLC | -- | Ba1 | BB+ | BB+ | -- | 425.0 | 425.0 | 415.0 | FRL | Financial Institutions | Rohit Nair |
| Gulf Stream Asset Management LLC | -- | -- | -- | -- | BB | 5.8 | 5.8 | 5.8 | FRL | Financial Institutions | Rohit Nair |
| Halliburton Company | HAL | A2 | BBB+▲ | BBB+ | -- | 70.0 | 70.0 | 15.0 | FRL | Natural Resources | Adrian de Lagarde |
| Hawaiian Electric Industries, Inc. | HE | Baa2 | BBB | -- | -- | 15.0 | 15.0 | 15.0 | FRL | Power | Adrian de Lagarde |
| Henry Schein, Inc. | HSIC | -- | -- | -- | BBB- | 30.0 | 0.0 | 0.0 | FRL | Healthcare | Ahuva Schwager |
| Hewlett-Packard Company | HPQ | A2 | A | A | -- | 75.0 | 75.0 | 20.0 | FRL | Technology | Ahuva Schwager |
| HighMount Exploration & Production LLC | LTR | -- | -- | -- | BB | 30.4 | 30.4 | 30.4 | FRL | Industrial | Adrian de Lagarde |
| Home Depot, Inc. (The) | HD | Baa1▼ | BBB+ | BBB+ | -- | 200.0 | 200.0 | 55.0 | FRL | Consumer/Retail | Ahuva Schwager |
| *Husqvarna AB* | HUSQA.SS | -- | -- | -- | BBB | 40.3 | 40.3 | 40.3 | FRL | Industrial | Patrick Marshall |
| *Imperial Tobacco Finance PLC* | IMT.L | Baa3 | -- | -- | -- | 4,272.1 | 4,272.1 | 4,272.1 | BL | Consumer/Retail | Patrick Marshall |
| *Infineon Technologies AG* | IFX | -- | -- | -- | BB | 47.2 | 47.2 | 12.2 | FRL | Technology | Patrick Marshall |
| International Business Machines Corporation | IBM | A1 | A+ | A+ | -- | 855.8 | 225.0 | (15.0) | FRL / BL | Technology | Ahuva Schwager |
| International Lease Finance Corporation | -- | A1 | AA- | A+ | -- | 217.5 | 197.5 | 7.5 | FRL | Financial Institutions | Rohit Nair |
| Investcorp S.A. | -- | Baa2 | -- | BBB | -- | 25.0 | 25.0 | 25.0 | FRL | Financial Institutions | Rohit Nair |
| iStar Financial Inc. | SFI | Baa2 | BBB | BBB | -- | 250.0 | 250.0 | 170.0 | FRL / BL | Financial Institutions | Rohit Nair |
| ITC Holdings Corporation | ITC | Baa3 | BBB-▲ | -- | -- | 42.0 | 42.0 | 42.0 | FRL | Power | Adrian de Lagarde |
| *Kaupthing Bank hf* | KAUP | Aa3 | -- | A | -- | 27.4 | 27.4 | 6.4 | FRL | Financial Institutions | Patrick Marshall |
| Kimberly-Clark Corporation | KMB | Aa3 | A+ | AA | -- | 44.0 | 44.0 | (16.0) | FRL | Consumer/Retail | Ahuva Schwager |
| Kinder Morgan Energy Partners, L.P. | KMP | Baa2 | BBB | BBB | -- | 63.3 | 63.3 | 3.3 | FRL | Natural Resources | Adrian de Lagarde |
| KKR PEI Investments, L.P. | | -- | -- | -- | BB | 75.0 | 75.0 | 75.0 | FRL | Financial Institutions | Rohit Nair |
| *Koninklijke Philips Electronics N.V.* | PHG | A3 | A- | A- | -- | 48.0 | 48.0 | (10.0) | FRL | Industrial | Patrick Marshall |
| Kraft Foods Inc. | KFT | Baa2 | A- | BBB+ | -- | 136.3 | 64.9 | 2.9 | FRL | Consumer/Retail | Ahuva Schwager |
| *KRIBHCO Shyam Fertilizers Limited* | -- | -- | -- | -- | BB+ | 5.8 | 5.8 | 5.8 | FRL | Industrial | Patrick Marshall |
| *Landale Asset Purchasing Company No. 2 Limited* | -- | -- | -- | -- | AA- | 206.4 | 206.4 | 92.4 | FRL | Financial Institutions | Rohit Nair |
| *Lanxess AG* | LXS.DE | Baa2 | BBB | -- | -- | 88.9 | 88.9 | 47.9 | FRL | Chemicals | Patrick Marshall |
| *Legal & General Group Plc* | LGEN.L | A1 | AA- | AA- | -- | 80.9 | 80.9 | 4.9 | FRL | Financial Institutions | Patrick Marshall |
| Liberty Mutual Group Inc. | LMGI | Baa2 | BBB | BBB- | -- | 30.0 | 5.0 | (20.0) | FRL | Financial Institutions | Rohit Nair |
| Lincoln National Corporation | LNC | A3 | A+ | A | -- | 130.0 | 105.0 | 15.0 | FRL | Financial Institutions | Patrick Marshall |
| Magellan Midstream Partners, L.P. | MMP | Baa2 | BBB | -- | -- | 30.0 | 0.0 | 0.0 | FRL | Natural Resources | Adrian de Lagarde |
| Man Group Finance Inc. | -- | -- | -- | A- | Baa1 | 125.0 | 125.0 | 125.0 | FRL / BL | Financial Institutions | Rohit Nair |
| Man Group Finance Limited | | -- | -- | -- | BBB+ | 70.0 | 70.0 | 70.0 | FRL | Financial Institutions | Rohit Nair |
| Marathon Oil Corporation | MRO | Baa1 | BBB+ | BBB+ | -- | 45.0 | 0.0 | (50.0) | FRL | Natural Resources | Adrian de Lagarde |
| Marriott International, Inc. | MAR | Baa2 | BBB+ | BBB | -- | 96.0 | 96.0 | 21.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Massachusetts Mutual Life Insurance Company | Copr | Aa1 | AAA | AAA | -- | 22.0 | 0.0 | 0.0 | FRL | Financial Institutions | Rohit Nair |
| MetLife, Inc. | MET | A2 | A | A | -- | 150.0 | 150.0 | 65.0 | FRL | Financial Institutions | Rohit Nair |
| MidAmerican Energy Holdings Company | | Baa1 | BBB+ | BBB+ | -- | 110.0 | 60.0 | (5.0) | FRL | Power | Adrian de Lagarde |
| Mohawk Industries, Inc. | MHK | Baa3 | BBB- | -- | -- | 127.4 | 100.0 | 25.0 | FRL | Industrial | Ahuva Schwager |
| Montpelier Reinsurance Ltd. | -- | Baa1 | A- | BBB▼ | -- | 42.0 | 42.0 | 42.0 | FRL | Financial Institutions | Rohit Nair |
| *Mubadala Development Company, PJSC* | -- | Aa3 | -- | -- | -- | 95.2 | 95.2 | 75.2 | FRL | Financial Institutions | Patrick Marshall |
| *Nakilat Inc.* | -- | Aa3 | A+ | A+ | -- | 69.7 | 69.7 | (20.3) | FRL | Natural Resources | Patrick Marshall |
| National Rural Utilities Cooperative Finance Corporation | -- | A2 | A | A | -- | 209.7 | 159.7 | (2.3) | FRL | Financial Institutions | Rohit Nair |
| Nelnet, Inc. | NNI | Baa2 | BBB+ | -- | -- | 52.5 | 52.5 | 52.5 | FRL | Financial Institutions | Rohit Nair |
| New England Power Company | -- | A1▼ | A▼ | -- | -- | 35.0 | 35.0 | 7.0 | FRL | Power | Adrian de Lagarde |
| New York Life Insurance Company | -- | Aaa | AA+ | AAA | -- | 55.0 | 35.0 | 25.0 | FRL | Financial Institutions | Rohit Nair |
| Newell Rubbermaid Inc. | NWL | Baa2 | BBB+ | BBB | -- | 60.0 | 10.0 | (5.0) | FRL | Consumer/Retail | Ahuva Schwager |
| *NIBC Bank N.V.* | -- | Baa1▼ | A-▼ | A | -- | 136.8 | 136.8 | 74.8 | FRL | Financial Institutions | Patrick Marshall |
| *Nokia Corporation* | NOK | A1 | A | A+ | -- | 77.0 | 77.0 | (23.0) | FRL | Industrial | Patrick Marshall |
| Northeast Utilities | NU | Baa2 | BBB- | BBB | -- | 85.9 | 35.9 | (19.1) | FRL | Power | Adrian de Lagarde |
| *Northern Rock PLC* | NRK.L | Aa3 | A+ | A+ | -- | 72.8 | 12.1 | 12.1 | FRL | Financial Institutions | Patrick Marshall |
| *Novartis Finance Corporation* | NVS | -- | -- | -- | AAA | 25.0 | 25.0 | (4.0) | FRL | Healthcare | Patrick Marshall |
| NuStar Logistics, L.P. | -- | Baa3 | BBB- | BBB- | -- | 34.1 | 16.6 | (3.4) | FRL | Natural Resources | Adrian de Lagarde |
| NYSE Euronext, Inc. | NYX | A1 | AA | -- | -- | 250.0 | 250.0 | 250.0 | FRL | Financial Institutions | Rohit Nair |
| OGE Energy Corp. | OGE | Baa1 | BBB | A | -- | 40.0 | 15.0 | 15.0 | FRL | Power | Adrian de Lagarde |
| Oracle Corporation | ORCL | A2 | A | A | -- | 100.0 | 50.0 | 10.0 | FRL | Technology | Ahuva Schwager |
| *OTE PLC* | OTE | Baa1 | BBB+ | -- | -- | 25.0 | 25.0 | 6.0 | FRL | Media/Telecom | Patrick Marshall |
| Owens & Minor Distribution, Inc. | OMI | -- | -- | -- | BBB- | 44.0 | 24.0 | 24.0 | FRL | Healthcare | Ahuva Schwager |
| OZ Management, LLC | -- | -- | -- | -- | BB | 250.0 | 250.0 | 250.0 | BL | Financial Institutions | Rohit Nair |
| PartnerRe Ltd. | PRE | A2 | A | AA- | -- | 40.0 | 40.0 | 40.0 | FRL | Financial Institutions | Rohit Nair |
| Pepsi Bottling Group, Inc. (The) | PBG | A3 | A | A+ | -- | 103.1 | 63.1 | 15.1 | FRL | Consumer/Retail | Ahuva Schwager |
| Petróleos Mexicanos | -- | Baa1 | BBB | BBB- | -- | 15.0 | 0.0 | 0.0 | FRL | Natural Resources | Adrian de Lagarde |
| PG&E Corporation | PCG | Baa3▲ | -- | -- | -- | 180.0 | 81.0 | 11.0 | FRL | Power | Adrian de Lagarde |
| Philip Morris International Inc. | -- | -- | -- | BBB+ | -- | 55.5 | 55.5 | 55.5 | FRL | Consumer/Retail | Ahuva Schwager |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Pinnacle West Capital Corporation | PNW | Baa3 | BB+ | BBB- | -- | 51.0 | 41.0 | 36.0 | FRL | Power | Adrian de Lagarde |
| PNM Resources, Inc. | PNM | Baa3 | BBB- | -- | -- | 55.0 | 32.0 | 32.0 | FRL | Power | Adrian de Lagarde |
| Portland General Electric Company | POR | Baa2 | BBB | -- | -- | 55.0 | 30.0 | 30.0 | FRL | Power | Adrian de Lagarde |
| PPL Corporation | PPL | Baa2 | BBB- | -- | -- | 185.0 | 185.0 | 145.0 | FRL | Power | Adrian de Lagarde |
| Principal Financial Services, Inc. | PFG | A2 | A | A | -- | 28.0 | 28.0 | 28.0 | FRL | Financial Institutions | Rohit Nair |
| Progress Energy, Inc. | PGN | Baa2 | BBB | BBB | -- | 50.0 | 15.0 | (15.0) | FRL | Power | Adrian de Lagarde |
| Prudential Financial, Inc. | PRU | A3 | A+ | A | -- | 160.0 | 110.0 | 45.0 | FRL | Financial Institutions | Rohit Nair |
| PSEG Energy Holdings L.L.C. | -- | Ba3 | BB- | BB | -- | 14.0 | 14.0 | 14.0 | FRL | Power | Adrian de Lagarde |
| Public Service Enterprise Group Incorporated | PEG | Baa2 | BBB- | BBB | -- | 150.0 | 150.0 | 27.0 | FRL | Power | Adrian de Lagarde |
| Puget Sound Energy, Inc. | PSD | Baa3 | BBB | -- | -- | 70.0 | 45.0 | 25.0 | FRL | Power | Adrian de Lagarde |
| *Qatar Liquefied Gas Company Limited (4)* | -- | -- | -- | -- | -- | 85.8 | 85.8 | 85.8 | FRL | Power | Patrick Marshall |
| *Qatar Liquefied Gas Company Limited (II)* | -- | -- | -- | -- | A | 15.4 | 15.4 | 5.4 | FRL | Natural Resources | Patrick Marshall |
| QVC, Inc. | -- | -- | -- | -- | BB+ | 121.3 | 121.3 | 93.3 | FRL | Media/Telecom | Ahuva Schwager |
| *Ras Laffan Liquefied Natural Gas Company Limited (II) and (3)* | -- | A1 | A | A+ | -- | 26.2 | 26.2 | (23.8) | FRL | Natural Resources | Patrick Marshall |
| Reinsurance Group of America, Incorporated | RGA | Baa1 | A- | A | -- | 12.5 | 0.0 | 0.0 | FRL | Financial Institutions | Rohit Nair |
| Residential Capital, LLC | -- | Baa3 | BBB- | BBB | -- | 150.0 | 150.0 | 130.0 | FRL | Financial Institutions | Rohit Nair |
| *Resolution plc* | RSL.L | -- | BBB+▲ | A- | -- | 48.0 | 48.0 | 48.0 | FRL | Financial Institutions | Patrick Marshall |
| *Reuters Group PLC* | RTRSY | A3▼ | BBB+ | BBB+ | -- | 48.6 | 48.6 | (1.4) | FRL | Media/Telecom | Patrick Marshall |
| Reynolds American Inc. | RAI | Ba2 | BBB | BBB | -- | 52.0 | 52.0 | 37.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Rockies Express Pipeline, LLC | -- | -- | -- | -- | BBB | 141.0 | 41.0 | (4.0) | FRL | Natural Resources | Adrian de Lagarde |
| *Royal & Sun Alliance Insurance Group plc* | RSA | Baa2 | BBB | BBB | -- | 92.0 | 92.0 | 13.0 | FRL | Financial Institutions | Patrick Marshall |
| *SABMiller plc* | SAB.L | Baa1 | BBB+ | BBB+ | -- | 119.6 | 119.6 | 6.6 | FRL | Consumer/Retail | Patrick Marshall |
| Sealed Air Corporation | SEE | Baa3 | BBB | -- | -- | 28.0 | 28.0 | 18.0 | FRL | Industrial | Ahuva Schwager |
| Sears Holdings Corporation | SHLD | Baa3 | BBB | BBB- | -- | 207.2 | 207.2 | 72.2 | FRL | Consumer/Retail | Ahuva Schwager |
| Security Capital Assurance Ltd. | SCA | -- | -- | -- | BBB+ | 50.8 | 50.8 | 30.8 | FRL | Financial Institutions | Rohit Nair |
| *Siemens Aktiengesellschaft* | SI | Aa3 | AA- | AA- | -- | 134.0 | 84.0 | (46.0) | FRL | Industrial | Patrick Marshall |
| SL Green Operating Partnership,L.P. | SLG | -- | -- | -- | BBB- | 40.0 | 40.0 | 40.0 | FRL | Real Estate | Rohit Nair |
| SLM Corporation | SLM | A2▼ | BBB+▼ | BBB▼ | -- | 327.8 | 252.8 | 55.8 | FRL | Financial Institutions | Rohit Nair |
| Southern Company (The) | SO | A3 | A | A | -- | 99.3 | 61.5 | (16.5) | FRL | Power | Adrian de Lagarde |
| Spectra Energy Corp | SE | -- | BBB+ | -- | -- | 106.0 | 78.7 | 38.7 | FRL | Natural Resources | Adrian de Lagarde |
| Sprint Nextel Corporation | S | Baa3 | BBB | BBB | -- | 50.0 | 0.0 | (6.0) | FRL | Media/Telecom | Ahuva Schwager |
| *Standard Life Bank Limited* | SL.L | A3 | A- | -- | -- | 25.3 | 25.3 | 4.3 | FRL | Financial Institutions | Patrick Marshall |
| Staples, Inc. | SPLS | Baa1 | BBB+ | BBB+ | -- | 25.0 | 25.0 | 5.0 | FRL | Consumer/Retail | Ahuva Schwager |
| State Bank of India | SBIN IN | Baa2 | BBB- | BBB- | -- | 25.0 | 25.0 | 25.0 | FRL | Financial Institutions | Rohit Nair |
| Sunoco Logistics Partners Operations L.P. | SXL | Baa2 | BBB | -- | -- | 27.0 | 27.0 | 17.0 | FRL | Natural Resources | Adrian de Lagarde |
| Sunoco, Inc. | SUN | Baa2 | BBB | BBB | -- | 45.0 | 15.0 | 0.0 | FRL | Natural Resources | Adrian de Lagarde |
| *Swiss Reinsurance Company* | RUKN.SWX | Aa2 | AA- | AA- | -- | 200.0 | 200.0 | 49.0 | FRL | Financial Institutions | Patrick Marshall |
| Symetra Financial Corporation | -- | Baa2 | BBB- | BBB+ | -- | 4.7 | 4.7 | 4.7 | FRL | Financial Institutions | Rohit Nair |
| Target Corporation | TGT | A1 | A+ | A+ | -- | 115.0 | 100.0 | 12.0 | FRL | Consumer/Retail | Ahuva Schwager |
| *Telecom Italia S.p.A.* | TI | Baa2 | BBB+ | BBB+ | -- | 173.7 | 173.7 | (19.3) | FRL/BL | Media/Telecom | Patrick Marshall |
| *Telefónica, S.A.* | TEF | Baa1 | BBB+ | BBB+ | -- | 259.1 | 259.1 | 7.1 | FRL/BL | Media/Telecom | Patrick Marshall |
| *Telekom Austria Finance B.V.* | TKA | -- | BBB+ | -- | BBB+ | 50.6 | 50.6 | (11.4) | FRL | Media/Telecom | Patrick Marshall |
| TEPPCO Partners, L.P. | TPP | Baa3 | BBB- | -- | -- | 35.0 | 35.0 | 25.0 | FRL | Natural Resources | Adrian de Lagarde |
| The Thomson Corporation | TOC | A3▼ | A-▼ | -- | -- | 202.1 | 202.1 | 202.1 | FRL | Media/Telecom | Ahuva Schwager |
| TIAA-CREF Funds | -- | -- | -- | -- | AA- | 75.0 | 75.0 | 75.0 | FRL | Financial Institutions | Rohit Nair |
| Time Warner Inc. | TWX | Baa2 | BBB+ | BBB | -- | 225.0 | 225.0 | 57.0 | FRL | Media/Telecom | Ahuva Schwager |
| Transamerica Asset Funding Corp. I | -- | -- | -- | -- | A+ | 100.0 | 100.0 | 100.0 | FRL | Financial Institutions | Rohit Nair |
| Travelers Companies, Inc. (The) | TRV | A3 | A- | A | -- | 60.0 | 60.0 | 20.0 | FRL | Financial Institutions | Rohit Nair |
| Tri-State Generation and Transmission Association | | Baa1 | A- | A- | -- | 50.0 | 50.0 | 50.0 | FRL | Power | Adrian de Lagarde |
| TXU Energy Company LLC | TXU | Baa2▼ | BB-▼ | BBB | -- | 262.2 | 237.2 | 157.2 | FRL | Power | Adrian de Lagarde |
| Tyco Electronics Group S.A. | TEL | Baa2 | BBB | -- | -- | 215.0 | 215.0 | 189.0 | FRL / BL | Industrial | Ahuva Schwager |
| Tyco International Finance S.A. | TYC | Baa1 | BBB | -- | -- | 260.0 | 260.0 | 260.0 | FRL / BL | Industrial | Ahuva Schwager |
| United States Steel Corporation | X | Baa3 | BB+ | BBB- | -- | 32.5 | 32.5 | 17.5 | FRL | Industrial | Adrian de Lagarde |
| UnitedHealth Group Incorporated | UNH | A3 | A | A | -- | 100.0 | 100.0 | 15.0 | FRL | Healthcare | Ahuva Schwager |
| USAA Capital Corporation | | Aa1 | AAA | AA+ | -- | 50.0 | 50.0 | 50.0 | FRL | Financial Institutions | Rohit Nair |
| Valero Energy Corporation | VLO | Baa3 | BBB | BBB | -- | 51.4 | 51.4 | (38.6) | FRL | Natural Resources | Adrian de Lagarde |
| Verizon Communications Inc. | VZ | A3 | A | A+ | -- | 230.0 | 130.0 | 38.0 | FRL | Media/Telecom | Ahuva Schwager |
| *Vodafone Group Public Limited Company* | VOD | Baa1 | A- | A- | -- | 375.0 | 325.0 | 2.0 | FRL | Media/Telecom | Patrick Marshall |
| Vornado Realty L.P. | VNO | Baa2 | BBB | BBB | -- | 35.0 | 35.0 | 10.0 | FRL | Real Estate | Rohit Nair |
| Wal-Mart Stores, Inc. | WMT | Aa2 | AA | AA | -- | 698.1 | 398.1 | 150.1 | FRL | Consumer/Retail | Ahuva Schwager |
| Walt Disney Company (The) | DIS | A2 | A-▲ | A- | -- | 50.0 | 5.0 | (30.0) | FRL | Media/Telecom | Ahuva Schwager |
| Warburg Pincus Funds | -- | -- | -- | -- | BB | 65.0 | 65.0 | 65.0 | FRL | Financial Institutions | Rohit Nair |
| Washington Mutual, Inc. | WM | A2 | A- | A | -- | 30.0 | 10.0 | (7.0) | FRL | Financial Institutions | Rohit Nair |
| WellPoint, Inc. | WLP | Baa1 | BBB+ | A- | -- | 108.0 | 108.0 | 13.0 | FRL | Healthcare | Ahuva Schwager |
| Westar Energy, Inc. | WR | Baa2 | BBB | BBB-▲ | -- | 20.0 | 20.0 | 20.0 | FRL | Power | Adrian de Lagarde |
| Westfield Group | WDC.ASX | A2 | A- | A- | -- | 200.0 | 200.0 | 35.0 | FRL | Real Estate | Rohit Nair |
| White Mountains Insurance Group, Ltd. | WTM | -- | BBB | -- | -- | 65.0 | 65.0 | 65.0 | FRL / BL | Financial Institutions | Rohit Nair |
| Wisconsin Energy Corporation | WEC | A3 | BBB+ | A- | -- | 85.0 | 70.0 | 30.0 | FRL | Power | Adrian de Lagarde |
| *Wolseley plc* | WOS | -- | -- | -- | BBB | 68.4 | 68.4 | 68.4 | FRL | Industrial | Patrick Marshall |
| *Wolters Kluwer n.v.* | WKL.AS | Baa1 | BBB+ | BBB | -- | 98.5 | 98.5 | 22.5 | FRL | Media/Telecom | Patrick Marshall |
| Wyeth | WYE | A3 | A+ | A- | -- | 60.0 | 60.0 | 60.0 | FRL | Healthcare | Ahuva Schwager |

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*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Xcel Energy Inc. | XEL | Baa1 | BBB- | BBB+ | -- | 80.0 | 50.0 | 10.0 | FRL | Power | Adrian de Lagarde |
| Xerox Corporation | XRX | Baa3 | BBB- | BBB- | -- | 90.0 | 52.5 | 2.5 | FRL | Technology | Michael Masters |
| XL Capital Ltd | XL | A3 | A- | A | -- | 235.0 | 235.0 | 135.0 | FRL | Financial Institutions | Rohit Nair |
| *Zurich Insurance Company* | -- | A1 | A+ | A | -- | 200.0 | 200.0 | 7.0 | FRL | Financial Institutions | Patrick Marshall |
| **High Grade Total** | | | | | | **$32,948.3** | **$28,668.3** | **$15,581.3** | | | |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

### *HY LOAN PORTFOLIO*

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Accellent Inc. | -- | B1 | BB- | -- | -- | $8.0 | $8.0 | $8.0 | FRL | Healthcare | Randall Braunfeld |
| Accuride Corporation | ACW | Ba3 | BB- | -- | -- | 24.2 | 24.2 | 2.8 | BL | Industrial | Diane Albanese |
| ACS Media LLC | -- | B2 | B+ | -- | -- | 3.3 | 3.3 | 3.3 | BL | Media/Telecom | Craig Malloy |
| Activant Solutions Inc. | -- | B1 | B+ | -- | -- | 7.0 | 7.0 | 7.0 | BL | Technology | Randall Braunfeld |
| AES Corporation | AES | B1* | BB- | B+ | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Frank Turner |
| AGA Medical Corporation | -- | B1 | BB- | -- | -- | 9.5 | 9.5 | 9.5 | BL | Healthcare | Craig Malloy |
| AlixPartners, LLP | -- | B1 | BB- | -- | -- | 30.0 | 30.0 | 30.0 | BL | Consumer/Retail | Craig Malloy |
| Allegheny Energy Supply Company, LLC | AYE | Baa3▲ | BBB | BBB- | -- | 29.0 | 29.0 | 11.0 | FRL | Power | Randall Braunfeld |
| Alliance Imaging, Inc. | AIQ | Ba3 | BB- | -- | -- | 15.0 | 15.0 | 1.6 | BL | Healthcare | Craig Malloy |
| Alliance Laundry Systems LLC | -- | Ba3 | BB- | -- | -- | 9.0 | 9.0 | 5.0 | BL | Industrial | Diane Albanese |
| Alliance Resource Operating Partners, L.P. | ARLP | -- | -- | -- | BB- | 5.0 | 5.0 | 5.0 | FRL | Natural Resources | Maria Lund |
| Allison Transmission, Inc. | -- | -- | BB- | -- | -- | 1,150.0 | 1,150.0 | 1,150.0 | BL | Industrial | Diane Albanese |
| ***Alpha III (Formula One)*** | **--** | **--** | **--** | **--** | **BB-** | **64.1** | **64.1** | **64.1** | **BL** | **Consumer/Retail** | **Patrick Marshall** |
| Altivity Packaging LLC | -- | Ba3 | BB | -- | -- | 30.0 | 30.0 | 1.0 | FRL | Industrial | Diane Albanese |
| American Cellular Corp. | -- | B1 | B-▲ | B+ | -- | 20.0 | 20.0 | 20.0 | FRL | Media/Telecom | Randall Braunfeld |
| AMI Semiconductor, Inc. | -- | Ba3 | BB- | -- | -- | 5.0 | 5.0 | 5.0 | FRL | Technology | Andrew Milanez |
| Antero Resources Corporation | -- | -- | -- | -- | B+ | 0.0 | 0.0 | 0.0 | BL | Natural Resources | Maria Lund |
| Aquila, Inc. | ILA | Baa2▲ | BB▲ | BB+▲ | -- | 5.0 | 5.0 | 5.0 | FRL | Power | Randall Braunfeld |
| ArvinMeritor, Inc. | ARM | Baa3 | BB+ | BB+ | -- | 45.9 | 45.9 | 12.9 | FRL | Industrial | Randall Braunfeld |
| Ashmore International Energy Ltd. | -- | Ba3 | B+ | BB | -- | 50.0 | 50.0 | 50.0 | FRL | Power | Adrian de Lagarde |
| Aspect Software, Inc. | -- | Ba3 | BB- | -- | -- | 5.0 | 5.0 | 5.0 | BL | Technology | Daniel Haykin |
| Asurion Corp. | -- | B2 | B- | -- | -- | 86.7 | 86.7 | 86.7 | BL | Media/Telecom | Ritam Bhalla |
| Audio Visual Services Group, Inc. | -- | Ba3 | B+ | -- | -- | 13.1 | 13.1 | 13.1 | BL | Consumer/Retail | Ritam Bhalla |
| Avago Technologies Holdings Pte. Ltd. | -- | Ba2 | BB- | -- | -- | 35.0 | 35.0 | 1.0 | BL | Technology | Daniel Haykin |
| ***Avio Holding SpA*** | **--** | **--** | **--** | **--** | **B+** | **9.3** | **9.3** | **9.3** | **BL** | **Industrial** | **Patrick Marshall** |
| ***Avio SpA*** | **--** | **--** | **--** | **--** | **B+** | **28.0** | **28.0** | **28.0** | **BL** | **Industrial** | **Patrick Marshall** |
| B&G Foods, Inc. | BGF | Ba2 | BB- | -- | -- | 3.1 | 3.1 | 3.1 | BL | Consumer/Retail | Ritam Bhalla |
| Ball Corporation | BLL | Ba1 | BB+ | BB+ | -- | 30.8 | 15.7 | (8.8) | FRL | Industrial | Randall Braunfeld |
| Berry Plastics Holding Corporation | -- | Ba3 | BB- | -- | -- | 28.3 | 28.3 | 18.3 | FRL | Industrial | Diane Albanese |
| BHM Technologies, LLC | -- | B1 | B | -- | -- | 38.5 | 38.5 | 31.5 | BL | Industrial | Maria Lund |
| Biomet Inc. | BMET | B1 | BB- | -- | -- | 447.4 | 447.4 | 447.4 | BL | Healthcare | Craig Malloy |
| Boise Cascade, LLC | -- | Ba2 | BB+ | -- | -- | 9.5 | 9.5 | 3.5 | BL | Industrial | Diane Albanese |
| Bonten Media Group LLC | -- | Ba3 | BB- | -- | -- | 7.0 | 7.0 | 7.0 | BL | Media/Telecom | Ritam Bhalla |
| Boyd Gaming Corporation | BYD | Ba1 | BB* | BB | -- | 0.0 | 0.0 | 0.0 | FRL | Gaming/Entertainment | Diane Albanese |
| Brickman Group Holdings, Inc. | -- | B1 | -- | -- | -- | 12.5 | 12.5 | 12.5 | BL | Industrial | Ritam Bhalla |
| Broadway Generating Company LLC | -- | B1 | BB- | -- | -- | 25.0 | 25.0 | 25.0 | BL | Power | Randall Braunfeld |
| Brookdale Senior Living Inc. | BKD | -- | -- | -- | BB- | 0.0 | 0.0 | 0.0 | BL | Healthcare | Craig Malloy |
| BRSP, LLC | -- | -- | -- | -- | B+ | 10.1 | 10.1 | 10.1 | BL | Power | Randall Braunfeld |
| Bucyrus International Inc. | -- | Ba3 | BB- | -- | -- | 22.5 | 22.5 | 22.5 | BL | Industrial | Craig Malloy |
| Burger King Corporation | BKC | Ba2 | BB+ | BB | -- | 3.8 | 3.8 | 0.8 | FRL | Consumer/Retail | Ritam Bhalla |
| ***Cableuropa SA (Grupo Ono)*** | **--** | **--** | **B*** | **BB-** | **--** | **6.9** | **6.9** | **6.9** | **FRL** | **Media/Telecom** | **Patrick Marshall** |
| Capital Automotive REIT | -- | Ba1 | BB+ | -- | -- | 35.3 | 35.3 | (4.1) | BL | Real Estate | Craig Malloy |
| Caribe Information Investments Incorporated | -- | B1? | B+ | -- | -- | 3.4 | 3.4 | 3.4 | BL | Media/Telecom | Craig Malloy |
| *Carlson Wagonlit BV* | -- | Ba2 | BB- | -- | -- | 25.0 | 25.0 | 25.0 | BL | Consumer/Retail | Craig Malloy |
| CBD Investor Inc. | -- | B3* | -- | -- | -- | 25.7 | 25.7 | 25.7 | BL | Media/Telecom | Craig Malloy |
| CBD Media LLC | -- | Ba3 | -- | -- | -- | 2.0 | 2.0 | 2.0 | BL | Media/Telecom | Craig Malloy |
| Centennial Communications Corporation | CYCL | Ba2 | BB- | B-* | -- | 0.0 | 0.0 | 0.0 | FRL | Media/Telecom | Randall Braunfeld |
| Cenveo Corporation | -- | Ba3 | BB- | -- | -- | 27.5 | 27.5 | 19.5 | FRL | Industrial | Diane Albanese |
| Chart Industries, Inc. | GTLS | Ba2 | BB | -- | -- | 5.0 | 5.0 | 5.0 | FRL | Natural Resources | Randall Braunfeld |
| Chesapeake Energy Corporation | CHK | Baa3 | BB* | BB | -- | 0.0 | 0.0 | 0.0 | FRL | Natural Resources | Maria Lund |
| Cinemark, Inc. | -- | Ba3 | B▲ | -- | -- | 28.5 | 28.5 | 7.5 | BL | Gaming/Entertainment | Craig Malloy |
| CKX, Inc. | CKXE | -- | -- | -- | BB- | 25.0 | 25.0 | 25.0 | FRL | Media/Telecom | Andrew Milanez |
| Claire's Stores Inc. | -- | B1 | B | -- | -- | 33.0 | 33.0 | 33.0 | BL | Consumer/Retail | Ritam Bhalla |
| ***Clondalkin Industries BV*** | **--** | **B1*** | **B+*** | **--** | **--** | **2.1** | **2.1** | **2.1** | **BL** | **Industrial** | **Patrick Marshall** |
| CMP Fiber Farm LLC | -- | -- | -- | -- | BB- | 7.5 | 7.5 | 7.5 | FRL | Industrial | Diane Albanese |
| Coinstar, Inc. | CSTR | Ba2 | BB+ | -- | -- | 5.0 | 5.0 | 5.0 | BL | Consumer/Retail | Ritam Bhalla |
| Conseco, Inc. | CNO | Ba3 | BB- | BBB- | -- | 5.0 | 5.0 | 5.0 | FRL | Financial Institutions | Randall Braunfeld |
| ***Convenience Food Systems*** | **--** | **--** | **--** | **--** | **B+** | **6.1** | **6.1** | **6.1** | **BL** | **Industrial** | **Patrick Marshall** |
| Cooper-Standard Automotive Inc. | -- | Ba3 | B+ | -- | -- | 15.0 | 15.0 | 10.0 | BL | Industrial | Diane Albanese |
| Corrections Corporation Of America | CXW | Ba1 | BB* | -- | -- | 20.0 | 20.0 | 18.0 | FRL | Consumer/Retail | Ritam Bhalla |
| Covanta Energy Corporation | CVA | Ba2 | BB | -- | -- | 28.3 | 28.3 | 13.3 | FRL | Power | Ritam Bhalla |
| Crown Castle Operating Co | -- | Ba3 | BBB- | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Business Services | Ritam Bhalla |
| Crown Holdings, Inc. | CCK | Baa3 | BB-* | -- | -- | 51.8 | 51.8 | 2.8 | BL | Industrial | Diane Albanese |
| CSG Systems International, Inc. | CSGS | -- | -- | -- | BB+ | 10.5 | 10.5 | 0.5 | FRL | Consumer/Retail | Daniel Haykin |
| CSK Auto, Inc. | CAO | Ba3 | B+▼ | -- | -- | 1.0 | 1.0 | 1.0 | BL | Industrial | Ritam Bhalla |
| ***Danish HoldCo A/S (Dako)*** | **--** | **--** | **--** | **--** | **B** | **42.8** | **42.8** | **42.8** | **BL** | **Healthcare** | **Patrick Marshall** |
| DCP Midstream Partners, LP | DPM | -- | -- | -- | BB | 52.0 | 52.0 | 52.0 | FRL | Natural Resources | Adrian de Lagarde |
| DealerTrack Holdings, Inc. | TRAK | -- | -- | -- | BB | 10.0 | 10.0 | 10.0 | FRL | Consumer/Retail | Ritam Bhalla |
| ***Debitel AG*** | **--** | **--** | **--** | **--** | **B+** | **343.8** | **343.8** | **343.8** | **BL** | **Media/Telecom** | **Patrick Marshall** |
| Del Monte Foods Company | DLM | Ba2 | BB | BB+ | -- | 2.0 | 2.0 | 2.0 | BL | Consumer/Retail | Ritam Bhalla |

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*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Delek US Holdings Inc. | -- | -- | -- | -- | BB- | 23.8 | 23.8 | 23.8 | BL | Consumer/Retail | Ritam Bhalla |
| Delta Air Lines Inc. | DAL | Ba2 | BB- | -- | -- | 85.7 | 85.7 | 55.7 | FRL | Consumer/Retail | Craig Malloy |
| Dex Media East, Inc. | -- | Ba1 | BB+ | BB+ | -- | 0.0 | 0.0 | 0.0 | BL | Media/Telecom | Ahuva Schwager |
| Dex Media West, Inc. | -- | Ba1 | BB+ | BB+ | -- | 0.0 | 0.0 | 0.0 | BL | Media/Telecom | Ahuva Schwager |
| Digicel Group Ltd. | -- | B3* | -- | B | -- | 30.0 | 30.0 | 30.0 | FRL | Media/Telecom | Randall Braunfeld |
| Dobson Cellular Systems, Inc. | DCEL | Ba2▲ | B+▲ | BB- | -- | 6.3 | 6.3 | 1.3 | BL | Media/Telecom | Randall Braunfeld |
| ***Dockwise Transport BV*** | **--** | **--** | **--** | **--** | **B** | **17.1** | **17.1** | **17.1** | **BL** | **Industrial** | **Patrick Marshall** |
| Dresser Inc. | -- | B2 | B+ | -- | -- | 34.5 | 34.5 | 34.5 | BL | Natural Resources | Maria Lund |
| Dynegy Holdings Inc. | DYN | Ba1 | BB- | BB | -- | 70.0 | 30.0 | 7.0 | FRL | Power | Randall Braunfeld |
| Eagle Rock Energy Partners, L.P. | EROC | -- | -- | -- | B+ | 12.5 | 12.5 | 12.5 | FRL | Natural Resources | Maria Lund |
| ***Edam Acquisition BV (Endemol)*** | **--** | **--** | **--** | **--** | **B** | **891.9** | **891.9** | **891.9** | **BL** | **Media/Telecom** | **Patrick Marshall** |
| Edgen Murray Corp. | -- | B3 | B | -- | -- | 1.0 | 1.0 | 1.0 | BL | Natural Resources | Maria Lund |
| Edison Mission Energy | -- | Ba3* | BB-* | BB-* | -- | 36.3 | 36.3 | 31.3 | FRL | Power | Adrian de Lagarde |
| *Editis SA* | -- | -- | -- | -- | BB- | 40.8 | 40.8 | 40.8 | FRL | Media/Telecom | Patrick Marshall |
| Edwards (Cayman Islands II) Ltd. (BOC Edwards) | -- | Ba1 | BB+ | -- | -- | 21.0 | 21.0 | 21.0 | FRL | Technology | Diane Albanese |
| El Paso Corporation | EP | Ba1 | BB | -- | -- | 1.0 | 1.0 | 1.0 | FRL | Natural Resources | Maria Lund |
| ***Eno France SAS (Numericable/ YPSO/Altice)*** | **--** | **--** | **--** | **--** | **BB-** | **38.3** | **38.3** | **38.3** | **BL** | **Media/Telecom** | **Patrick Marshall** |
| Entegra TC LLC | -- | B3 | B+ | -- | -- | 0.0 | 0.0 | 0.0 | BL | Power | Frank Turner |
| EnviroSolutions, Inc. | -- | B1 | B-* | -- | -- | 11.0 | 11.0 | 0.0 | BL | Industrial | Randall Braunfeld |
| EPCO Holdings, Inc. | -- | Ba2 | BB- | -- | -- | 31.3 | 31.3 | 246.4 | BL | Natural Resources | Adrian de Lagarde |
| EXCO Resources Inc. | XCO | B2▼* | B*▼ | -- | -- | 0.6 | 0.6 | 0.6 | FRL | Natural Resources | Maria Lund |
| Extendicare Holdings, Inc. | EXE | Ba3* | -- | -- | -- | 20.0 | 20.0 | 20.0 | FRL | Healthcare | Craig Malloy |
| Fairchild Semiconductor International, Inc. | FCS | Ba2 | BB- | -- | -- | 10.0 | 10.0 | 0.0 | FRL | Technology | Andrew Milanez |
| Ferrellgas, LP | FGP | Ba3* | B+* | -- | -- | 20.0 | 20.0 | 20.0 | FRL | Natural Resources | Maria Lund |
| ***First Chemical Holdings (Borsod)*** | **--** | **--** | **--** | **--** | **B** | **62.3** | **62.3** | **62.3** | **BL** | **Chemicals** | **Patrick Marshall** |
| ***Firth Rixson Group*** | **--** | **--** | **--** | **--** | **B** | **10.1** | **10.1** | **10.1** | **BL** | **Industrial** | **Patrick Marshall** |
| Freescale Semiconductor, Inc. | -- | Baa3 | BB+ | -- | -- | 60.0 | 60.0 | 35.0 | BL | Technology | Ahuva Schwager |
| Frontier Drilling USA, Inc. | -- | B2 | B | -- | -- | 7.1 | 7.1 | 7.1 | BL | Natural Resources | Maria Lund |
| ***Gala Group Holdings Plc*** | **--** | **--** | **--** | **--** | **BB-** | **48.1** | **48.1** | **33.4** | **BL** | **Gaming/Entertainment** | **Patrick Marshall** |
| ***Gaming Invest Sarl*** | **--** | **--** | **--** | **--** | **B** | **34.3** | **34.3** | **34.3** | **BL** | **Gaming/Entertainment** | **Patrick Marshall** |
| General Growth Properties, Inc. | GGP | Ba2 | BB+ | BB | -- | 33.1 | 33.1 | (3.9) | FRL | Financial Institutions | Randall Braunfeld |
| General Nutrition Centers, Inc. | -- | Ba3 | B- | -- | -- | 6.3 | 6.3 | 6.3 | BL | Consumer/Retail | Ritam Bhalla |
| Gentiva Health Services, Inc. | GTIV | Ba3 | BB- | -- | -- | 12.5 | 12.5 | 0.0 | BL | Healthcare | Craig Malloy |
| Georgia Gulf Corporation | GGC | Ba2 | BB | BB+ | -- | 37.5 | 12.5 | 12.5 | FRL | Chemicals | Maria Lund |
| Georgia-Pacific Corporation | -- | Ba2 | BB+ | BB | -- | 20.0 | 20.0 | 5.7 | FRL | Industrial | Diane Albanese |
| Global Cash Access Holdings, Inc. | GCA | -- | B+* | -- | -- | 18.0 | 18.0 | 18.0 | FRL | Consumer/Retail | Andrew Milanez |
| *Globe Pub Co.* | -- | -- | -- | -- | BB- | 40.4 | 40.4 | 40.4 | FRL | Consumer/Retail | Patrick Marshall |
| Graham Packaging Company | -- | -- | B+ | B | -- | 0.0 | 0.0 | 0.0 | FRL | Industrial | Diane Albanese |
| Great Lakes Dredge & Dock Corporation | GLDD | Ba3 | B* | -- | -- | 10.0 | 10.0 | 10.0 | BL | Industrial | Maria Lund |
| Hanger Orthopedic Group, Inc. | HGR | Ba3 | B+ | -- | -- | 22.8 | 22.8 | 22.8 | BL | Healthcare | Craig Malloy |
| Hawaiian Telcom Communications, Inc. | -- | Ba3▼ | B- | -- | -- | 8.0 | 8.0 | (2.4) | BL | Media/Telecom | Frank Turner |
| Hawker Beechcraft Acquisition Co. LLC | -- | Ba3 | BB | -- | -- | 35.0 | 35.0 | 23.0 | BL | Industrial | Diane Albanese |
| HCA, Inc. | -- | B2 | BB | BB | -- | 0.0 | 0.0 | 0.0 | FRL | Healthcare | Craig Malloy |
| HealthSouth Corporation | HLS | B2 | BB- | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Healthcare | Craig Malloy |
| Herbst Gaming, Inc. | -- | Ba3 | BB | -- | -- | 19.0 | 19.0 | 19.0 | FRL | Gaming/Entertainment | Diane Albanese |
| Hertz Corporation (The) | HTZ | Ba1 | BB+ | BBB | -- | 15.0 | 15.0 | 0.0 | BL | Consumer/Retail | Ritam Bhalla |
| ***Honsel GmbH & Co KG*** | **--** | **--** | **--** | **--** | **CCC** | **0.0** | **0.0** | **0.0** | **BL** | **Consumer/Retail** | **Patrick Marshall** |
| Iasis Healthcare Corporation | -- | Ba2 | CCC+ | -- | -- | 20.0 | 20.0 | 20.0 | BL | Healthcare | Craig Malloy |
| Iconix Brand Group, Inc. | ICON | Ba2 | BB- | -- | -- | 0.0 | 0.0 | 0.0 | BL | Consumer/Retail | Ritam Bhalla |
| ***Icopal A/S (Aztec)*** | **--** | **--** | **--** | **--** | **B+** | **309.1** | **309.1** | **309.1** | **BL** | **Industrial** | **Patrick Marshall** |
| Idearc Inc. | IAR | Ba2 | BBB- | -- | -- | 13.0 | 13.0 | (15.0) | FRL | Media/Telecom | Ahuva Schwager |
| ***Iglo Birds Eye*** | **--** | **--** | **--** | **--** | **B** | **8.1** | **8.1** | **8.1** | **BL** | **Consumer/Retail** | **Patrick Marshall** |
| Inergy, L.P. | NRGY | Ba3* | B+ | -- | -- | 25.0 | 25.0 | 5.0 | BL | Natural Resources | Maria Lund |
| InfoNXX, Inc. | -- | B1 | B | -- | -- | 11.7 | 11.7 | 11.7 | FRL | Media/Telecom | Randall Braunfeld |
| Intelsat Corporation | -- | Ba2▼ | BB▼ | BB | -- | 29.7 | 29.7 | 29.7 | BL | Media/Telecom | Daniel Haykin |
| Intelsat Subsidiary Holding Company, Ltd. | -- | Ba2▼ | BB+▼ | BB | -- | 37.3 | 37.3 | (4.2) | BL | Media/Telecom | Daniel Haykin |
| InterGen N.V. | -- | Ba3 | BB- | -- | -- | 75.0 | 75.0 | 75.0 | BL | Power | Ahuva Schwager |
| Interline Brands, Inc. | IBI | Ba2 | BB+ | -- | -- | 17.0 | 17.0 | 17.0 | FRL | Industrial | Maria Lund |
| Interstate Hotels & Resorts, Inc. | IHR | B1* | B* | -- | -- | 0.0 | 0.0 | 0.0 | BL | Real Estate | Craig Malloy |
| Intrawest Corporation | -- | -- | -- | -- | B | 0.0 | 0.0 | 0.0 | BL | Gaming/Entertainment | Craig Malloy |
| Iowa Telecommunications Services Inc. | IWA | Ba3 | BB- | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Media/Telecom | Randall Braunfeld |
| Iridium Satellite LLC | -- | B2 | B- | -- | -- | 5.0 | 5.0 | 5.0 | BL | Media/Telecom | Diane Albanese |
| Iron Mountain Inc. | -- | Ba2 | BB+ | -- | -- | 40.0 | 40.0 | 25.0 | FRL | Consumer/Retail | Ritam Bhalla |
| Jarden Corporation | JAH | Ba2? | BB- | -- | -- | 20.0 | 20.0 | 9.0 | FRL | Consumer/Retail | Craig Malloy |
| K&F Industries, Inc. | KFI | Ba3 | B+▲ | -- | -- | 0.0 | 0.0 | 0.0 | BL | Industrial | Maria Lund |
| KBR Holdings, LLC | KBR | -- | -- | -- | BB- | 32.0 | 32.0 | 32.0 | FRL | Natural Resources | Maria Lund |
| Key Energy Services, Inc. | KEGS | -- | -- | -- | BB | 10.0 | 10.0 | 5.0 | BL | Natural Resources | Maria Lund |
| Keystone Group, L.P. | -- | -- | -- | -- | BB | 25.0 | 25.0 | 25.0 | FRL | Financial Institutions | Frank Turner |
| ***Kion Group GmbH*** | **--** | **--** | **--** | **--** | **B** | **53.6** | **53.6** | **53.6** | **BL** | **Industrial** | **Patrick Marshall** |
| ***Klockner Pentaplast Luxenbourg Sarl*** | **--** | **--** | **--** | **--** | **B** | **158.3** | **158.3** | **158.3** | **BL** | **Industrial** | **Patrick Marshall** |
| Las Vegas Sands, Inc. | LVS | Ba3 | BB | -- | -- | 25.0 | 25.0 | 15.0 | FRL | Gaming/Entertainment | Diane Albanese |
| *Lavena Holdings 4 GmbH (ProSieben)* | -- | Ba1* | -- | BBB* | -- | 246.9 | 246.9 | 246.9 | BL | Media/Telecom | Patrick Marshall |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Liberty Global Inc. | LBTYA | Ba3* | B | -- | -- | 9.7 | 9.7 | 9.7 | FRL | Media/Telecom | Ahuva Schwager |
| Linn Energy, LLC | LINE | -- | -- | -- | BB- | 10.6 | 10.6 | 10.6 | FRL | Natural Resources | Maria Lund |
| Lion Gables Realty L.P. | -- | -- | BB+ | -- | -- | 10.0 | 10.0 | 10.0 | BL | Real Estate | Craig Malloy |
| ***Lloyds TSB Registrars*** | **--** | **--** | **--** | **--** | **BB** | **534.3** | **534.3** | **534.3** | **BL** | **Financial Institutions** | **Patrick Marshall** |
| LSP-Kendall Energy, LLC | -- | -- | B+ | -- | -- | 2.0 | 2.0 | 2.0 | BL | Power | Randall Braunfeld |
| M/C Communications, LLC | -- | B2 | B | -- | -- | 10.0 | 10.0 | 8.0 | BL | Healthcare | Craig Malloy |
| Macerich Partnership | MAC | -- | -- | -- | BB+ | 25.0 | 25.0 | 25.0 | FRL | Real Estate | Rohit Nair |
| Magnum Coal Company | -- | B3 | B | -- | -- | 17.5 | 17.5 | 12.5 | BL | Natural Resources | Craig Malloy |
| Manitowoc Company, Inc. (The) | MTW | Ba2* | BBB- | -- | -- | 10.0 | 10.0 | 10.0 | FRL | Industrial | Randall Braunfeld |
| Mapco Express, Inc. | -- | B2 | BB- | -- | -- | 12.0 | 12.0 | 12.0 | BL | Consumer/Retail | Ritam Bhalla |
| Maquire Properties | -- | -- | -- | -- | BB | 0.0 | 0.0 | 0.0 | BL | Real Estate | Craig Malloy |
| Marina District Finance Company, Inc. | -- | -- | -- | -- | BB | 5.0 | 5.0 | 5.0 | FRL | Gaming/Entertainment | Diane Albanese |
| McJunkin Corp. | -- | B2▼ | B+ | -- | -- | 0.0 | 0.0 | 0.0 | BL | Natural Resources | Maria Lund |
| MEG Energy Corporation | -- | Ba3 | BB | -- | -- | 0.0 | 0.0 | 0.0 | BL | Natural Resources | Maria Lund |
| ***Merlin Entertainments Group*** | **--** | **--** | **--** | **--** | **BB-** | **318.1** | **318.1** | **318.1** | **BL** | **Gaming/Entertainment** | **Patrick Marshall** |
| Midwest Generation, LLC | -- | Baa3 | BB | BB | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Adrian de Lagarde |
| Mirant North America, LLC | MIR | Ba3 | BB-▼ | -- | -- | 70.0 | 70.0 | 12.1 | FRL | Power | Randall Braunfeld |
| Mobile Storage Group, Inc. | -- | -- | B+* | -- | -- | 3.0 | 3.0 | 3.0 | BL | Industrial | Ritam Bhalla |
| MRO Acquisition LLC | -- | B1▼ | B+▼ | -- | -- | 15.0 | 15.0 | 15.0 | BL | Consumer/Retail | Craig Malloy |
| National Cinemedia, Inc. | -- | B1 | B+ | -- | -- | 20.0 | 20.0 | 13.0 | FRL | Gaming/Entertainment | Craig Malloy |
| Nevada Power Company | -- | Ba1▲ | BB-* | BBB- | -- | 10.9 | 10.9 | 6.9 | FRL | Power | Randall Braunfeld |
| NRG Energy, Inc. | NRG | Ba1 | BB | BB | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Randall Braunfeld |
| NSG Holdings LLC | -- | Ba2 | BB | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Frank Turner |
| Oceania Cruises, Inc. | -- | B2* | B* | -- | -- | 14.5 | 14.5 | 14.5 | BL | Consumer/Retail | Ritam Bhalla |
| OCM Mezzanine Fund II, LP | -- | -- | -- | -- | BB | 5.0 | 5.0 | 5.0 | FRL | Financial Institutions | Andrew Milanez |
| Omnicare, Inc. | OCR | B2 | BB- | -- | -- | 26.7 | 26.7 | 10.3 | FRL | Healthcare | Craig Malloy |
| Orbitz Worldwide, Inc. | OWW | B1 | BB- | -- | -- | 12.5 | 12.5 | 12.5 | FRL | Consumer/Retail | Ahuva Schwager |
| Orchard Supply Hardware Stores Corporation | -- | B1 | -- | -- | -- | 13.5 | 13.5 | 13.5 | FRL | Consumer/Retail | Ritam Bhalla |
| Owens-Illinois Group, Inc. | -- | Ba2 | BB▲ | BB- | -- | 46.8 | 46.8 | 7.4 | FRL | Industrial | Diane Albanese |
| ***PagesJaunes Groupe SA*** | **--** | **--** | **--** | **--** | **B+** | **13.2** | **13.2** | **13.2** | **BL** | **Media/Telecom** | **Patrick Marshall** |
| Parker Drilling Company | PKD | B1 | B* | -- | -- | 20.0 | 20.0 | 6.0 | BL | Natural Resources | Ritam Bhalla |
| Peabody Energy Corporation | BTU | Ba1 | BB | BB+ | -- | 16.9 | 16.9 | (3.1) | FRL | Natural Resources | Craig Malloy |
| Penn National Gaming, Inc. | PENN | Ba2▼ | BBB-▼ | -- | -- | 2.3 | 2.3 | (23.9) | BL | Gaming/Entertainment | Diane Albanese |
| PharMerica Corp. | PMC | -- | -- | -- | BB | 23.5 | 23.5 | 23.5 | FRL | Healthcare | Ahuva Schwager |
| ***PHS Group PLC*** | **--** | **--** | **--** | **--** | **BB-** | **675.8** | **675.8** | **675.8** | **BL** | **Consumer/Retail** | **Patrick Marshall** |
| Pinnacle Entertainment, Inc. | PNK | B1 | BB | BB | -- | 48.1 | 37.1 | (7.9) | FRL | Gaming/Entertainment | Diane Albanese |
| Pinnacle Foods Finance LLC | -- | B2 | B | -- | -- | 25.0 | 25.0 | 17.0 | BL | Consumer/Retail | Ritam Bhalla |
| Precision Partners, Inc. | -- | B2 | B+ | -- | -- | 45.7 | 45.7 | 45.7 | BL | Industrial | Diane Albanese |
| Pregis Corporation | -- | Ba2 | BB- | -- | -- | 5.0 | 5.0 | 5.0 | BL | Industrial | Diane Albanese |
| Primedia Inc. | PRM | Ba3 | BB | -- | -- | 48.0 | 48.0 | 48.0 | FRL | Media/Telecom | Daniel Haykin |
| Primus Telecommunications Group Inc. | PRTL.OB | Caa3* | -- | -- | -- | 0.0 | 0.0 | 0.0 | BL | Media/Telecom | Frank Turner |
| Protection One, Inc. | PONN | Ba3 | BB | -- | -- | 2.5 | 2.5 | 2.5 | BL | Consumer/Retail | Ritam Bhalla |
| Psychiatric Solutions, Inc. | PSYS | Ba3 | BB- | -- | -- | 25.0 | 25.0 | 25.0 | FRL | Healthcare | Randall Braunfeld |
| Qwest Communications International Inc. | Q | Ba3 | BBB- | BBB- | -- | 60.0 | 60.0 | 32.0 | FRL | Media/Telecom | Randall Braunfeld |
| Reddy Ice Group, Inc. | -- | Ba3▼ | BB-▼ | -- | -- | 10.0 | 10.0 | 10.0 | FRL | Industrial | Ritam Bhalla |
| Regal Cinemas, Inc. | RGC | Ba2* | BB- | BB | -- | 5.0 | 5.0 | 5.0 | FRL | Gaming/Entertainment | Craig Malloy |
| Regency Energy Partners LP | -- | Ba1 | B*? | -- | -- | 16.5 | 16.5 | 14.5 | FRL | Power | Maria Lund |
| Renal Advantage, Inc. | -- | -- | -- | -- | B | 13.0 | 13.0 | 0.2 | BL | Healthcare | Craig Malloy |
| Rent-A-Center, Inc. | RCII | Ba2 | BB+ | -- | -- | 50.1 | 12.7 | (5.7) | FRL | Consumer/Retail | Ritam Bhalla |
| Rexnord Corporation | -- | Ba2 | BB- | -- | -- | 17.5 | 17.5 | 17.5 | BL | Industrial | Diane Albanese |
| RJO Holdings Corp. | -- | B2 | B- | -- | -- | 45.7 | 45.7 | 45.7 | BL | Financial Institutions | Maria Lund |
| Robert M. Bass | -- | -- | -- | -- | BB | 4.7 | 4.7 | 4.7 | FRL | Financial Institutions | Frank Turner |
| Rural Cellular Corporation | RCCC | Ba3▼ | B+ | B | -- | 16.8 | 16.8 | 9.8 | BL | Media/Telecom | Frank Turner |
| ***Saga Ltd*** | **SGA** | **--** | **--** | **--** | **BB-** | **5.6** | **5.6** | **5.6** | **BL** | **Financial Institutions** | **Patrick Marshall** |
| SemGroup Energy Partners LP | -- | Ba3* | -- | -- | -- | 17.0 | 17.0 | 17.0 | FRL | Natural Resources | Maria Lund |
| Serena Software, Inc. | -- | B1 | B+ | -- | -- | 10.0 | 10.0 | 0.0 | BL | Technology | Diane Albanese |
| Service Corporation International | SCI | Baa3 | BB* | -- | -- | 20.0 | 20.0 | 5.0 | FRL | Consumer/Retail | Ritam Bhalla |
| SGS International, Inc. | -- | Ba2 | BB | -- | -- | 8.9 | 8.9 | 8.9 | BL | Industrial | Diane Albanese |
| Sheridan Healthcare, Inc. | -- | B1 | B | -- | -- | 25.5 | 25.5 | 25.5 | BL | Healthcare | Craig Malloy |
| SHPS, Inc. | -- | -- | -- | -- | B- | 19.9 | 19.9 | 19.9 | FRL | Healthcare | Craig Malloy |
| Sierra Health Services, Inc. | SIE | Ba1 | BB+▲ | BBB- | -- | 10.0 | 5.0 | 5.0 | FRL | Healthcare | Randall Braunfeld |
| Sierra Pacific Power Company | SRP | Ba1▲ | BB+ | BBB- | -- | 17.6 | 17.6 | 0.6 | FRL | Power | Randall Braunfeld |
| Sinclair Television Group, Inc. | SBGI | Baa3 | BB+ | -- | -- | 9.9 | 9.9 | 9.9 | FRL | Media/Telecom | Binita Parmar |
| ***Sisal SpA*** | **--** | **--** | **--** | **--** | **B** | **169.5** | **169.5** | **169.5** | **BL** | **Gaming/Entertainment** | **Patrick Marshall** |
| Six Flags, Inc. | SIX | Ba3 | B+ | B-* | -- | 47.5 | 47.5 | 51.5 | BL | Gaming/Entertainment | Craig Malloy |
| SOURCECORP, Inc. | -- | Ba3 | BB- | -- | -- | 5.5 | 5.5 | 5.5 | FRL | Consumer/Retail | Ritam Bhalla |
| Spanish Broadcasting System, Inc. | SBSA | B1 | B- | -- | -- | 10.0 | 10.0 | 6.7 | BL | Media/Telecom | Ritam Bhalla |
| Sports Authority, Inc. (The) | -- | -- | B* | -- | -- | 5.0 | 5.0 | 5.0 | BL | Consumer/Retail | Ritam Bhalla |
| ***Stahl Acquisition BV*** | **--** | **--** | **--** | **--** | **B+** | **5.9** | **5.9** | **5.9** | **BL** | **Chemicals** | **Patrick Marshall** |
| Stallion Oilfield Services Ltd. | -- | Ba2 | BB- | -- | -- | 15.0 | 15.0 | 15.0 | FRL | Natural Resources | Maria Lund |
| Suncal Companies | -- | B2 | B- | -- | -- | 65.0 | 65.0 | 25.6 | BL | Real Estate | Craig Malloy |
| Suncom Wireless Inc | SCWH.OB | B2 | B | -- | -- | 0.0 | 0.0 | 0.0 | BL | Media/Telecom | Frank Turner |
| SunPower Corporation | SPWR | -- | -- | -- | BBB- | 0.0 | 0.0 | 0.0 | FRL | Technology | Randall Braunfeld |
| Synatech Inc. | SYGR | -- | BB- | -- | -- | 11.0 | 11.0 | 9.0 | BL | Industrial | Ritam Bhalla |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

## PORTFOLIO DETAILS (cont'd.)

| Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Syniverse Technologies, Inc. | SVR | Ba1 | BB+ | -- | -- | 10.0 | 10.0 | (2.4) | BL | Technology | Ritam Bhalla |
| Targa Resources Partners, L.P. | -- | -- | -- | -- | BB- | 14.0 | 14.0 | 14.0 | FRL | Natural Resources | Maria Lund |
| Targa Resources, Inc. | -- | Ba3 | B+▼ | -- | -- | 10.2 | 10.2 | 0.2 | FRL | Natural Resources | Maria Lund |
| Team Health Holdings, L.L.C. | -- | B2 | BB- | -- | -- | 15.0 | 15.0 | 0.0 | BL | Healthcare | Craig Malloy |
| Telcordia Technologies, Inc. | -- | Ba3 | B+ | -- | -- | 11.0 | 11.0 | 0.0 | BL | Technology | Daniel Haykin |
| Tesoro Corp. | -- | Baa1 | BBB | -- | -- | 85.0 | 85.0 | 70.0 | BL | Natural Resources | Maria Lund |
| Thermal North America Inc. | -- | B1▲ | BB▲ | -- | -- | 0.0 | 0.0 | 0.0 | BL | Natural Resources | Maria Lund |
| Time Warner Telecom Inc. | TWTC | Ba2 | B | -- | -- | 20.0 | 20.0 | 2.0 | FRL | Media/Telecom | Randall Braunfeld |
| Tishman Speyer Real Estate Services, L.P. | -- | Ba2 | BB- | -- | -- | 7.5 | 7.5 | 7.5 | BL | Financial Institutions | Craig Malloy |
| TPF Generation Holdings LLC | -- | Ba3 | BB- | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Randall Braunfeld |
| TransDigm, Inc. | -- | Ba3 | BB- | BB- | -- | 5.0 | 5.0 | 5.0 | BL | Industrial | Diane Albanese |
| Travelport Ltd. | -- | Ba3 | BB- | -- | -- | 30.0 | 30.0 | 8.0 | BL | Technology | Ahuva Schwager |
| Tribune Company | TRB | Ba2▼ | BB-▼ | BB▼ | -- | 50.0 | 50.0 | 15.0 | FRL | Media/Telecom | Randall Braunfeld |
| Tronox Inc. | TRX | -- | BB-* | -- | -- | 0.0 | 0.0 | 0.0 | BL | Chemicals | Maria Lund |
| TRW Automotive Holdings Corp. | TRW | Baa3 | BBB | BB+ | -- | 48.0 | 48.0 | 43.8 | FRL | Industrial | Diane Albanese |
| U.S. Shipping Partners L.P. | USS | B1 | BB-▼ | -- | -- | 17.5 | 17.5 | 17.5 | BL | Natural Resources | Maria Lund |
| United Components, Inc. | -- | Ba3 | BB- | -- | -- | 8.5 | 8.5 | (0.0) | FRL | Industrial | Maria Lund |
| United Surgical Partners International Inc. | USPI | Ba3 | B | -- | -- | 15.0 | 15.0 | 15.0 | BL | Healthcare | Craig Malloy |
| Universal Compression, Inc. | UCO | Ba1▼ | BB | -- | -- | 5.0 | 5.0 | 5.0 | FRL | Natural Resources | Maria Lund |
| Univision Communications Inc. | UVN | Ba3 | B+ | -- | -- | 45.0 | 45.0 | 35.0 | FRL | Media/Telecom | Ritam Bhalla |
| US Investigations Services, Inc. | -- | B1▼ | B+▼ | -- | -- | 30.7 | 30.7 | 10.3 | FRL | Consumer/Retail | Craig Malloy |
| USPF Holdings, LLC | -- | Ba2 | BB+ | -- | -- | 0.0 | 0.0 | 0.0 | BL | Media/Telecom | Frank Turner |
| Vanguard Car Rental USA Holdings Inc. | -- | Ba3 | BB▲ | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Consumer/Retail | Ritam Bhalla |
| Venetian Macau Limited | -- | B1 | BB-* | -- | -- | 15.4 | 15.4 | 1.2 | BL | Gaming/Entertainment | Diane Albanese |
| Venoco, Inc. | VQ | B3* | B | -- | -- | 14.3 | 14.3 | 14.3 | BL | Natural Resources | Maria Lund |
| Verifone, Inc. | PAY | B1 | BB | -- | -- | 15.0 | 15.0 | 15.0 | BL | Technology | Andrew Milanez |
| Verint Systems, Inc. | -- | -- | B+? | -- | -- | 10.0 | 10.0 | 10.0 | BL | Technology | Maria Lund |
| Verso Paper Holdings LLC | -- | Ba2 | BB- | -- | -- | 15.8 | 15.8 | 15.8 | BL | Industrial | Diane Albanese |
| Vought Aircraft Industries, Inc. | -- | Ba2 | B? | -- | -- | 15.0 | 15.0 | (12.0) | BL | Industrial | Diane Albanese |
| Waste Services, Inc. | WSII | Ba3 | BB- | -- | -- | 5.0 | 5.0 | (1.0) | BL | Industrial | Ritam Bhalla |
| Wesco Aircraft Hardware Corp. | -- | B1 | BB- | -- | -- | 20.0 | 20.0 | 20.0 | BL | Industrial | Diane Albanese |
| West Corporation | -- | B1 | BB- | -- | -- | 48.1 | 48.1 | 26.1 | BL | Consumer/Retail | Ritam Bhalla |
| Williams Companies, Inc. (The) | WMB | Ba2▲* | BB+*▲ | BB+* | -- | 70.0 | 70.0 | 19.6 | FRL | Natural Resources | Maria Lund |
| Williams Scotsman International, Inc. | WLSC | B1▼ | BB+? | -- | -- | 10.0 | 10.0 | 10.0 | FRL | Industrial | Randall Braunfeld |
| WMG Holdings Corp. | WMG | Ba2? | BB-▼ | BB-* | -- | 35.0 | 35.0 | 7.0 | BL | Media/Telecom | Ritam Bhalla |
| Worldspan Technologies Inc. | -- | Ba3 | B+ | -- | -- | 9.8 | 9.8 | 1.9 | BL | Technology | Ahuva Schwager |
| Yankee Holding Corp. | -- | Ba3 | BB- | -- | -- | 15.0 | 15.0 | 15.0 | BL | Consumer/Retail | Ritam Bhalla |
| Young Broadcasting Inc. | YBTVA | Ba3 | B | -- | -- | 5.0 | 5.0 | 0.0 | BL | Media/Telecom | Binita Parmar |
| **High Yield Total** | | | | | | **$9,811.6** | **$9,678.2** | **$8,447.4** | | | |
| **Loan Portfolio Total** | | | | | | **$42,759.9** | **$38,346.4** | **$24,028.7** | | | |

*Rating = Issuer Rating; does not necessarily represent a senior secured rating.
*Italics = European or Asian Deal*
**Bold = Closed and currently being syndicated.**

Source: Lehman Brothers

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