

# LPG Weekly Review

Private and Confidential

July 13, 2007

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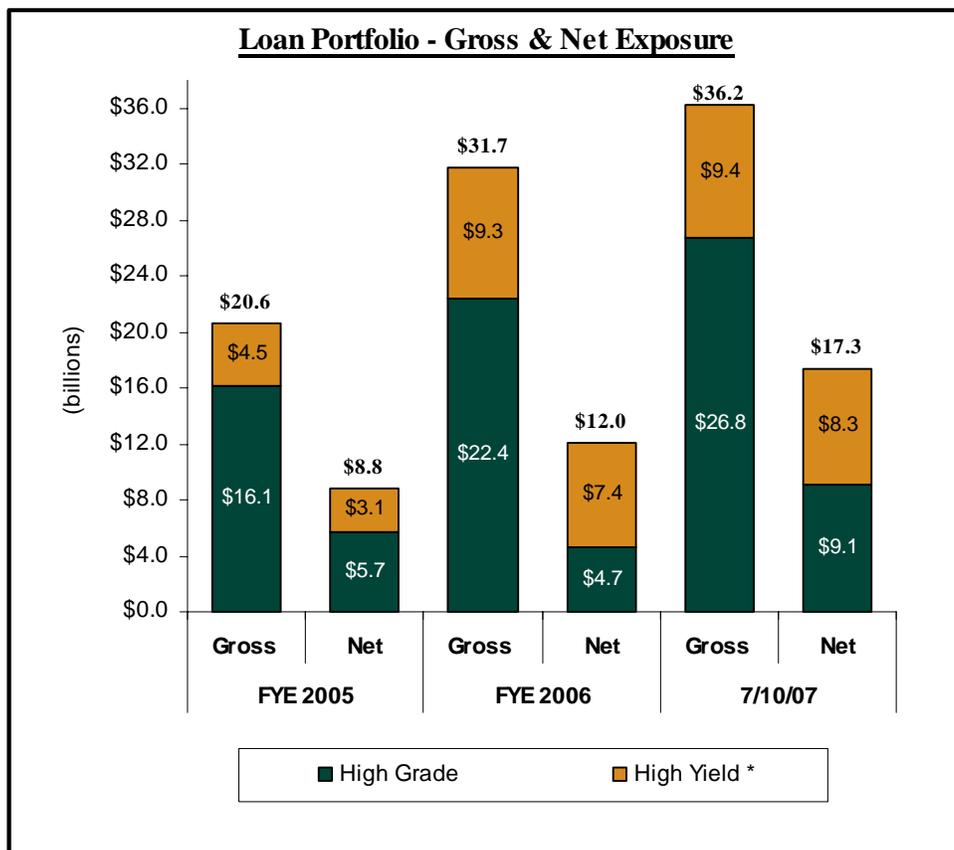
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\*Includes European deals that have closed but are still in syndication.

## Loan Portfolio Summary

(mm)	FYE 2005			FYE 2006			7/10/07		
	HG	HY	TOTAL	HG	HY	TOTAL	HG	HY	TOTAL
<b>Gross Exposure</b>	<b>\$16,144</b>	<b>\$4,483</b>	<b>\$20,627</b>	<b>\$22,387</b>	<b>\$9,313</b>	<b>\$31,700</b>	<b>\$26,786</b>	<b>\$9,428</b>	<b>\$36,214</b>
Structured Participations	(3,310)	(250)	(3,560)	(4,172)	(131)	(4,303)	(4,412)	(137)	(4,549)
CDS/Bond Shorts	(7,122)	(1,110)	(8,232)	(13,554)	(1,814)	(15,368)	(13,311)	(1,032)	(14,343)
<b>Net Exposure</b>	<b>\$5,712</b>	<b>\$3,123</b>	<b>\$8,835</b>	<b>\$4,661</b>	<b>\$7,368</b>	<b>\$12,029</b>	<b>\$9,063</b>	<b>\$8,258</b>	<b>\$17,321</b>
Macro & Other Hedges	0	0	0	(683)	(100)	(783)	(1,307)	(410)	(1,717)
	<b>\$5,712</b>	<b>\$3,123</b>	<b>\$8,835</b>	<b>\$3,978</b>	<b>\$7,268</b>	<b>\$11,246</b>	<b>\$7,756</b>	<b>\$7,848</b>	<b>\$15,604</b>

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**TABLE OF CONTENTS**

---

**Portfolio Activity** ..... 3

    Recently Closed Commitments..... 3

    PSYND..... 4

    Other Approved Transactions ..... 9

    Portfolio Exposure Changes..... 10

**Portfolio Snapshot** ..... 11

    Top Exposures..... 11

    Exposure by Geography ..... 12

    Exposure by Sector ..... 13

**Credit/Company News** ..... 14

    Ratings Recap ..... 14

    Company News ..... 14

**Appendix: Portfolio Details** ..... 16

## PORTFOLIO ACTIVITY

### Recently Closed Commitments

(mm) Borrower	FRL/ BL	Facility Type	Facility Size	Original Lehman Commitment	Final Allocation	Commitment Date	Closing Date
<b>HIGH GRADE</b>							
Alcoa Holdco Canada ULC*	BL	Term	<b>\$30,000.0</b>	<b>\$5,000.0</b>	<b>\$2,500.0</b>	5/24/07	7/11/07
Halliburton Company	FRL	Revolver	<b>\$1,200.0</b>	<b>\$70.0</b>	<b>\$70.0</b>	6/27/07	7/9/07
Man Group Finance Inc.	FRL	Revolver	\$1,500.0	\$150.0	\$75.0	5/23/07	7/9/07
	BL	Bridge	<u>\$1,400.0</u>	<u>\$50.0</u>	<u>\$50.0</u>		
<b>HIGH GRADE TOTAL</b>				<b>\$5,270.0</b>	<b>\$2,695.0</b>		
<b>HIGH YIELD</b>							
Dollar General Corp.	BL	Revolver	\$1,000.0	\$200.0	\$200.0	3/11/07	7/11/07
	BL	1st Lien Term	<u>\$2,500.0</u>	<u>\$500.0</u>	<u>\$475.5</u>		
	<b>\$3,500.0</b>			<b>\$700.0</b>	<b>\$675.5</b>		
R.J. O'Brien	BL	Revolver	\$50.0	\$25.0	\$19.4	5/13/07	7/11/07
	BL	Term	\$435.0	\$192.5	\$180.8		
	BL	2nd Lien Term	<u>\$150.0</u>	<u>\$75.0</u>	<u>\$40.0</u>		
	<b>\$635.0</b>			<b>\$292.5</b>	<b>\$240.3</b>		
Standard Aero Holdings, Inc.	BL	Term Loan	<b>\$280.0</b>	<b>\$112.0</b>	<b>\$0.0</b>	5/1/07	7/2/07
<b>HIGH YIELD TOTAL</b>				<b>\$1,104.5</b>	<b>\$915.8</b>		
<b>LPG TOTAL</b>				<b>\$6,374.5</b>	<b>\$3,610.8</b>		

*Italics=European or Asian deal*

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

\*Alcoa Holdco Canada ULC allocations are as follows:

- \$1,400 allocated to LEH
- \$1,100 allocated to LLF

**PSYND (Issued Commitments)**

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
<b>HIGH GRADE</b>						
Alabama Power Company	FRL	Revolver	\$600.0	\$25.0	6/14/07	7/9/07
AllianceBernstein Funds	FRL	Revolver	\$250.0	\$20.0	7/10/07	7/19/07
American Express Company	FRL	Revolver	\$2,000.0	\$30.0	7/11/07	7/18/07
		Revolver	\$3,000.0	\$45.0		
			\$5,000.0	\$75.0		
American International Group, Inc.	FRL	Revolver	\$2,125.0	\$80.0	6/21/07	7/11/07
Chicago Mercantile Exchange Holdings, Inc.	BL	Bridge	\$3,000.0	\$3,000.0	5/10/07	7/07
Cisco Systems, Inc	FRL	Revolver	\$3,000.0	\$150.0	7/3/07	7/31/07
Coventry Healthcare, Inc.	FRL	Revolver	\$850.0	\$80.0	6/29/07	7/11/07
The Home Depot, Inc.	FRL	Bridge	\$10,000.0	\$5,000.0	7/6/07	TBD
ITC Holdings, Inc.	BL	Bridge	\$750.0	\$750.0	1/18/07	12/07
Loews Oil & Gas Acquisition Corp.	FRL	Revolver	\$400.0	\$40.0	6/22/07	8/07
	FRL	Term	\$1,600.0	\$160.0		
			\$2,000.0	\$200.0		
PHH Mortgage Corporation	BL	Warehouse Facility	\$4,000.0	\$1,200.0	3/15/07	9/30/07
Qatar Liquefied Gas Company Limited 4	FRL	Revolver	\$2,800.0	\$85.8	9/8/06	7/07
Tyco Healthcare (Covidien Ltd.)	FRL	Revolver	\$600.0	\$30.0	12/15/06	9/07
Tyco Electronics Corporation	FRL	Revolver	\$600.0	\$30.0		
Tyco Fire & Security	FRL	Revolver	\$550.0	\$26.4		
			\$1,750.0	\$86.4		
<b>HIGH GRADE TOTAL</b>				<b>\$10,752.2</b>		

**PSYND (cont'd.)**

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
<b>HIGH YIELD</b>						
Air Canada Technical Services L.P.	BL	Revolver	C\$ 50.0	C\$ 50.0	5/11/07	8/15/07
	BL	1st Lien Term	C\$ 450.0	C\$ 450.0		
	BL	2nd Lien Term	<u>C\$ 225.0</u>	<u>C\$ 225.0</u>		
			<b>\$686.6</b>	<b>\$686.6</b>		
Alliance Broadcasting	BL	Revolver	\$43.0	\$12.9	1/10/07	8/15/07
	BL	1st Lien Term	\$455.0	\$136.5		
	BL	Sr. Bridge	\$170.1	\$76.5		
	BL	Sub. Bridge	<u>\$140.3</u>	<u>\$63.1</u>		
			<b>\$808.4</b>	<b>\$289.1</b>		
Alliance Data Systems	BL	Revolver	\$500.0	\$100.0	5/31/07	9/07
	BL	Term	\$3,900.0	\$780.0		
	BL	Sr. PIK Toggle Bridge	\$1,800.0	\$360.0		
	BL	Sub. Bridge	<u>\$410.0</u>	<u>\$82.0</u>		
			<b>\$6,610.0</b>	<b>\$1,322.0</b>		
Allison Transmission	BL	Revolver	\$400.0	\$133.3	6/26/07	7/07
	BL	1st Lien Term	\$3,100.0	\$1,033.3		
	BL	2nd Lien Term	<u>\$1,100.0</u>	<u>\$366.7</u>		
			<b>\$4,600.0</b>	<b>\$1,533.3</b>		
ARINC, Inc.	BL	Revolver	\$75.0	\$37.5	6/4/07	8/07
	BL	Synthetic LC	\$65.0	\$32.5		
	BL	Term B	\$375.0	\$187.5		
	BL	2nd Lien PIK Toggle	\$215.0	\$107.5		
	BL	Sr. Bridge	<u>\$215.0</u>	<u>\$107.5</u>		
			<b>\$945.0</b>	<b>\$472.5</b>		
Biomet Inc.	BL	Revolver	\$400.0	\$30.0	1/17/07	7/23/07
	BL	ABL Revolver	\$350.0	\$26.3		
	BL	Tender Offer Facility	<u>\$6,165.0</u>	<u>\$462.4</u>		
			<b>\$6,915.0</b>	<b>\$518.7</b>		
CDW Corporation	BL	ABL Revolver	\$700.0	\$280.0	5/29/07	8/22/07
	BL	Term B	\$2,200.0	\$880.0		
	BL	Sr. Bridge	\$520.0	\$208.0		
	BL	Sr. PIK Toggle Bridge	\$520.0	\$208.0		
	BL	Sub. Bridge	<u>\$960.0</u>	<u>\$384.0</u>		
			<b>\$4,900.0</b>	<b>\$1,960.0</b>		
DAE Aviation Holdings (Dubai Aerospace)	BL	Sr. Bridge	<b>\$300.0</b>	<b>\$150.0</b>	4/2/07	8/07
<i>Debitel Konzernfinanzierungs GmbH</i>	BL	Revolver	€150.0	€25.0	5/31/07	8/07
	BL	Term	€1,500.0	€250.0		
	BL	2nd Lien Term	<u>€150.0</u>	<u>€25.0</u>		
			<b>\$2,477.2</b>	<b>\$412.9</b>		
Dollar General Corp.	BL	1st Lien Term	<b>\$2,500.0</b>	<b>\$24.5</b>	3/11/07	07/07
DuPont Fabros Realty	FRL	Revolver	\$275.0	\$28.9	6/25/07	7/18/07
	FRL	Term	<u>\$200.0</u>	<u>\$21.1</u>		
			<b>\$475.0</b>	<b>\$50.0</b>		
FairPoint Communications, Inc.	BL	Revolver	\$200.0	\$80.0	1/15/07	1/31/08
	BL	DD Term	\$200.0	\$80.0		
	BL	Term	<u>\$1,680.0</u>	<u>\$672.0</u>		
			<b>\$2,080.0</b>	<b>\$832.0</b>		
First Data Corp.	BL	Revolver	\$2,000.0	\$260.0	4/1/07	8/31/07
	BL	Term Loan	\$14,000.0	\$1,820.0		
	BL	Sr. Bridge	\$2,750.0	\$357.5		
	BL	Sr. PIK Toggle Bridge	\$2,750.0	\$357.5		
	BL	Sub. Bridge	<u>\$2,500.0</u>	<u>\$325.0</u>		
			<b>\$24,000.0</b>	<b>\$3,120.0</b>		

*Italics=European or Asian deal.*

**PSYND (cont'd.)**

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
<i>Flaktwoods Sarl</i>	BL	Revolver	€50.0	€50.0	7/10/07	TBD
	BL	Mezzanine Term	€46.0	€46.0		
	BL	Senior Term B	€120.0	€120.0		
	BL	Senior Term C	€120.0	€120.0		
	BL	2nd Lien Term	€46.0	€46.0		
	BL	Senior Acquisition Facility	<u>€50.0</u>	<u>€50.0</u>		
			<b>\$583.9</b>	<b>\$583.9</b>		
Goodyear Engineered Products	BL	Revolver	\$100.0	\$33.3	2/20/07	7/07
	BL	1st Lien Term	\$650.0	\$216.7		
	BL	2nd Lien Term	<u>\$410.0</u>	<u>\$136.7</u>		
			<b>\$1,160.0</b>	<b>\$386.7</b>		
Great Atlantic & Pacific Tea Co.	BL	Sr. Bridge	<b>\$780.0</b>	<b>\$312.0</b>	3/4/07	4Q07
Harman International Industries Inc.	BL	Revolver	\$550.0	\$121.5	4/25/07	10/07
	BL	Term Loan	\$2,900.0	\$640.6		
	BL	Sr. PIK Toggle Bridge	\$1,160.0	\$256.2		
	BL	Sub. Bridge	<u>\$580.0</u>	<u>\$128.1</u>		
			<b>\$5,190.0</b>	<b>\$1,146.5</b>		
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	<u>\$128.1</u>	<u>\$128.1</u>		
			<b>\$454.9</b>	<b>\$454.9</b>		
HD Supply	BL	ABL Revolver	\$2,000.0	\$666.7	6/19/07	8/07
	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	<u>\$1,175.0</u>	<u>\$391.7</u>		
			<b>\$7,951.0</b>	<b>\$2,650.3</b>		
<i>Icopal A/S (Project Aztec)</i>	BL	Revolver	€100.0	€100.0	6/11/07	TBD
	BL	Acquisition Facility	€100.0	€100.0		
	BL	Term B	€233.0	€233.0		
	BL	Term C	€233.0	€233.0		
	BL	2nd Lien Term	€108.4	€108.4		
	BL	Mezzanine	€86.7	€86.7		
	BL	PIK Facility	<u>€32.5</u>	<u>€32.5</u>		
			<b>\$1,229.8</b>	<b>\$1,229.8</b>		
Jarden Corporation	BL	Term	<b>\$750.0</b>	<b>\$750.0</b>	4/24/07	8/07
<i>Klöckner Pentaplast Luxembourg S.à.r.l</i>	BL	Capex/Acquisition Facility	<u>€125.0</u>	<u>€41.7</u>	4/12/07	7/07
			<b>\$172.0</b>	<b>\$57.3</b>		
Krueger International	BL	Revolver	\$50.0	\$50.0	5/31/07	7/31/07
	BL	Term	\$170.0	\$170.0		
	BL	2nd Lien Term	<u>\$85.0</u>	<u>\$85.0</u>		
			<b>\$305.0</b>	<b>\$305.0</b>		
Metavante Corporation	BL	Revolver	\$250.0	\$50.0	5/2/07	10/07
	BL	Term	<u>\$1,750.0</u>	<u>\$350.0</u>		
			<b>\$2,000.0</b>	<b>\$400.0</b>		
Nuance Communications, Inc.	BL	Term	<b>\$225.0</b>	<b>\$56.3</b>	6/11/07	7/9/07
PharMerica Corporation	FRL	Revolver	\$100.0	\$8.0	6/14/07	7/23/07
	FRL	Term	<u>\$275.0</u>	<u>\$22.0</u>		
			<b>\$375.0</b>	<b>\$30.0</b>		

*Italics=European or Asian deal.*

**PSYND (cont'd.)**

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
PHH Mortgage Corporation	BL	MSR Revolver	\$800.0	\$240.0	3/15/07	9/30/07
	BL	MSR Term	\$800.0	\$240.0		
	BL	Receivables Facility	\$100.0	\$30.0		
	BL	2nd Lien Bridge	\$300.0	\$90.0		
	BL	2nd Lien DD Bridge	<u>\$100.0</u>	<u>\$30.0</u>		
			<b>\$2,100.0</b>	<b>\$630.0</b>		
Primedia Inc.	FRL	Revolver	\$250.0	\$37.5	7/11/07	7/23/07
	FRL	Term	<u>\$100.0</u>	<u>\$15.0</u>		
			<b>\$200.0</b>	<b>\$52.5</b>		
PQ Corporation	BL	Revolver	\$200.0	\$67.0	6/22/07	7/24/07
	BL	1st Lien Term	\$805.0	\$267.0		
	BL	2nd Lien PIK Toggle Term	<u>\$460.0</u>	<u>\$153.0</u>		
			<b>\$1,465.0</b>	<b>\$487.0</b>		
Safari Ventures, LLC (Dupont Fabros)	FRL	Revolver	\$275.0	\$43.4	6/26/07	7/18/07
	FRL	Term	<u>\$200.0</u>	<u>\$31.6</u>		
			<b>\$475.0</b>	<b>\$75.0</b>		
SemGroup Energy Partners, L.P.	FRL	Revolver	<b>\$250.0</b>	<b>\$20.0</b>	4/25/07	7/16/07
Sequa Corp.	BL	Revolver	\$150.0	\$60.0	6/18/07	9/07
	BL	Term	\$1,200.0	\$480.0		
	BL	Sr. Bridge	<u>\$700.0</u>	<u>\$280.0</u>		
			<b>\$2,050.0</b>	<b>\$820.0</b>		
Syniverse Holdings, Inc.	BL	EUR Revolver	\$20.0	\$12.0	3/20/07	7/13/07
	BL	USD Revolver	\$42.0	\$25.2		
	BL	EUR Term	\$130.0	\$78.0		
	BL	USD Term	<u>\$297.0</u>	<u>\$178.2</u>		
			<b>\$489.0</b>	<b>\$293.4</b>		
Targa Resources, Inc.	BL	Revolver	\$300.0	\$67.5	6/21/07	7/23/07
	BL	Synthetic LC	\$300.0	\$67.5		
	BL	1st Lien Term	\$1,525.0	\$343.1		
	BL	2nd Lien Term	<u>\$350.0</u>	<u>\$78.8</u>		
			<b>\$2,475.0</b>	<b>\$556.9</b>		
<i>Top Tour Corporation (CCMP Asia)</i>	BL	Revolver B	¥2,000.0	¥2,000.0	5/25/07	7/31/07
	BL	Sr. Bridge (Tranche D)	¥4,000.0	¥4,000.0		
	BL	Term (Tranche A1)	¥4,100.0	¥4,100.0		
	BL	Term (Tranche A2)	¥2,700.0	¥2,700.0		
	BL	Sub. Facility (Tranche C)	<u>¥1,500.0</u>	<u>¥1,500.0</u>		
			<b>\$117.0</b>	<b>\$117.0</b>		
Tribune Company	BL	Incremental Term	\$2,105.0	\$20.0	5/16/07	11/07
	BL	Bridge	<u>\$2,100.0</u>	<u>\$31.5</u>		
			<b>\$4,205.0</b>	<b>\$51.5</b>		
TXU Corporation	BL	Sr. Bridge	\$2,000.0	\$250.0	2/25/07	3Q07
	BL	Sr. PIK Toggle Bridge	<u>\$2,500.0</u>	<u>\$312.5</u>		
			<b>\$4,500.0</b>	<b>\$562.5</b>		
TXU Electric Delivery Company	BL	Revolver	<b>\$2,000.0</b>	<b>\$250.0</b>		
TXU Energy Company (Luminant Energy)	BL	Revolver	\$2,700.0	\$412.5		
	BL	Synthetic LC	\$1,250.0	\$156.3		
	BL	Term	\$16,050.0	\$2,000.0		
	BL	DD Term	\$4,100.0	\$512.5		
	BL	Sr. Bridge	\$5,000.0	\$625.0		
	BL	Sr. PIK Toggle Bridge	<u>\$1,750.0</u>	<u>\$218.8</u>		
			<b>\$30,850.0</b>	<b>\$3,925.0</b>		

*Italics=European or Asian deal.*

**PSYND (cont'd.)**

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
U.S. Investigations Services Inc.	BL	Revolver	\$90.0	\$58.5	5/9/07	7/15/07
	BL	Term	\$725.0	\$471.3		
	BL	Sr. Bridge	\$250.0	\$162.5		
	BL	Sub. Bridge	<u>\$190.0</u>	<u>\$123.5</u>		
			<b>\$1,255.0</b>	<b>\$815.8</b>		
Vertrue Incorporated	BL	Revolver	\$30.0	\$18.0	3/22/07	7/16/07
	BL	1st Lien Term	\$430.0	\$258.0		
	BL	2nd Lien Term	<u>\$200.0</u>	<u>\$120.0</u>		
			<b>\$660.0</b>	<b>\$396.0</b>		
Windstream Regatta Holdings, Inc.	BL	Revolver	\$20.0	\$4.0	3/15/07	9/07
	BL	Term	<u>\$46.0</u>	<u>\$9.2</u>		
			<b>\$66.0</b>	<b>\$13.2</b>		
<b>HIGH YIELD TOTAL</b>				<b>\$28,800.0</b>		
<b>LPG PSYND TOTAL</b>				<b>\$39,552.2</b>		

*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
<b>HIGH GRADE</b>							
	eBay Inc.	FRL	Revolver	\$2,000.0	\$225.0	5/30/07	7/07
	<i>Landesbank Hessen-Thuringen Girozentrale</i>	FRL	Revolver	€15.0	€15.0	12/19/06	7/07
	Lea Power Partners, LLC (Hobbs Generating)	BL	Construction LC	\$307.0	\$153.5	4/11/07	7/07
<b>HIGH GRADE TOTAL</b>					<b>\$398.8</b>		
<b>HIGH YIELD</b>							
	Chembulk Tankers LLC	BL	Term	\$400.0	\$160.0	6/11/07	8/07
		BL	DD Term	\$55.0	\$22.0		
		BL	LC Facility	\$30.0	\$12.0		
				\$485.0	\$194.0		
	<i>Imperial Tobacco(Project Vancouver)</i>	BL	Term Loan A	€3,500.0	€700.0	5/27/07	1Q08
		BL	Term Loan B	€3,000.0	€600.0		
		BL	Term Loan C	€600.0	€120.0		
		BL	Revolver A	€1,488.0	€298.0		
		BL	Revolver B	€956.0	€191.0		
		BL	Revolver D	€4,000.0	€800.0		
		BL	Sub. Bridge	€7,348.0	€735.0		
			\$28,751.6	\$4,655.3			
	InterGen N.V.	BL	Revolver	\$750.0	\$50.0	6/14/07	7/23/07
		BL	Term	\$800.0	\$0.0		
				\$1,550.0	\$50.0		
	Magnum Coal Company	FRL	Revolver	\$50.0	\$0.0	4/23/07	7/07
		FRL	Synthetic LC	\$50.0	\$0.0		
				\$100.0	\$0.0		
	Orbitz Worldwide, Inc.	BL	Revolver	\$75.0	\$0.0	6/25/07	7/07
		BL	Synthetic LC	\$125.0	\$0.0		
		BL	Term	\$600.0	\$0.0		
				\$800.0	\$0.0		
<b>HIGH YIELD TOTAL</b>					<b>\$4,899.3</b>		
<b>LPG TOTAL</b>					<b>\$5,298.0</b>		

*Italics=European or Asian deal.*

**Portfolio Exposure Changes**

(mm)	Borrower	FRL/BL	Increase / (Decrease)	Explanation
<b>HIGH GRADE</b>				
	Alcoa Inc.	BL	\$1,400.0	New Commitment
	Man Group Finance Inc.	FRL / BL	\$125.0	New Commitment
	Man Group Finance Limited	FRL	\$70.0	New Commitment
	iStar Financial Inc.	FRL	\$55.0	New Commitment
	Home Depot, Inc. (The)	FRL	\$35.0	New Commitment
	Southern Company (The)	FRL	\$25.0	New Commitment
	Halliburton Company	FRL	\$20.0	New Commitment
	SL Green Operating Partnership, L.P.	FRL	(\$19.0)	Reduced Commitment
	The Thomson Corporation	FRL	(\$184.8)	Reduced Commitment
<b>HIGH GRADE TOTAL</b>			<b>\$1,526.2</b>	

<b>HIGH YIELD</b>				
	Pinnacle Entertainment, Inc.	BL	(\$7.9)	Reduced Commitment
	Precision Partners, Inc.	BL	(\$2.4)	Reduced Commitment
	<i>Alpha III (Formula One)</i>	BL	(\$486.9)	Syndication
	<i>Clondalkin Industries BV</i>	BL	(\$12.2)	Reduced Commitment
	<i>Danish HoldCo A/S (Dako)</i>	BL	(\$175.5)	Syndication
	<i>Klockner Pentaplast Luxembourg Sarl</i>	BL	(\$59.7)	Reduced Commitment
	<i>TVSL SA</i>	BL	(\$22.9)	Reduced Commitment
<b>HIGH YIELD TOTAL</b>			<b>(\$767.4)</b>	
<b>FX Changes</b>			<b>\$74.5</b>	
<b>LPG TOTAL</b>			<b>\$833.3</b>	

*Italics=European or Asian deal.*

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

## PORTFOLIO SNAPSHOT

% Drawn	FYE 2005	FYE 2006	7/10/07
HG	4%	9%	11%
HY	42%	35%	27%

Maturities	< 1 year	1– 2 years	2– 4 years	> 4 years	Weighted Average Maturity
HG Loans	18%	4%	32%	46%	2.9 years
HG CDS/Bond Shorts	14%	15%	43%	28%	2.9 years
HY Loans	20%	3%	12%	65%	4.9 years
HY CDS/Bond Shorts	8%	3%	48%	40%	3.5 years

### Top Exposures

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

	Company Name	Moody's/S&P/Fitch/Internal	Net Exposure (mm)	% of Total Net Exposure	Gross Exposure (mm)	% of Total Gross Exposure
1.	Alcoa Inc.	A2?/BBB+?/A-?/--	\$1,385.0	15.3%	\$1,480.0	5.5%
2.	Ford Motor Company	Ba3/B+/BB/--	477.0	5.3%	800.0	3.0%
3.	GMAC LLC	Ba1/BB+/BB+/-	415.0	4.6%	425.0	1.6%
4.	NYSE Euronext, Inc.	A1/AA/--/--	250.0	2.8%	250.0	0.9%
5.	FCAR Owner Trust	--/--/AA	238.0	2.6%	238.0	0.9%
6.	Tyco International Finance S.A.	Baa1/BBB/--/--	233.6	2.6%	233.6	0.9%
7.	The Thomson Corporation	A3?/A-?/--/--	202.9	2.2%	202.9	0.8%
8.	Tyco Electronics Group S.A.	Baa2/BBB/--/--	189.1	2.1%	189.1	0.7%
9.	Carlyle Group (The)	--/--/BB	183.3	2.0%	183.3	0.7%
10.	Exelon Corporation	Baa1/BBB?/BBB+/-	175.5	1.9%	340.5	1.3%
<b>Total</b>			<b>\$3,749.4</b>	<b>41.4%</b>	<b>\$4,342.4</b>	<b>16.2%</b>

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

	Company Name	Moody's/S&P/Fitch/Internal	Net Exposure (mm)	% of Total Net Exposure	Gross Exposure (mm)	% of Total Gross Exposure
1.	<i>Wartsila Corporation</i>	--/--/BB-	\$1,710.9	20.7%	\$1,710.9	18.1%
2.	<i>Edam Acquisition BV (Endemol)</i>	--/--/--	876.0	10.6%	876.0	9.3%
3.	<i>PHS Group PLC</i>	--/--/--	729.4	8.8%	729.4	7.7%
4.	EPCO Holdings, Inc.	Ba2/BB-▼/--/--	696.4	8.4%	31.3	0.3%
5.	<i>Lloyds TSB Registrars</i>	--/--/BB	535.2	6.5%	535.2	5.7%
6.	<i>Klockner Pentaplast Luxembourg Sarl</i>	--/--/B	507.3	6.1%	507.3	5.4%
7.	<i>Merlin Entertainments Group</i>	--/--/BB-	499.8	6.1%	499.8	5.3%
8.	<i>Sisal SpA</i>	--/--/B	169.4	2.1%	169.4	1.8%
9.	<i>Lavena Holdings 4 GmbH (ProSieben)</i>	Ba1*/--/BBB*/--	164.3	2.0%	57.0	0.6%
10.	<i>Alpha III (Formula One)</i>	--/--/BB-	123.5	1.5%	123.5	1.3%
<b>Total</b>			<b>\$6,012.3</b>	<b>72.8%</b>	<b>\$5,239.8</b>	<b>55.6%</b>

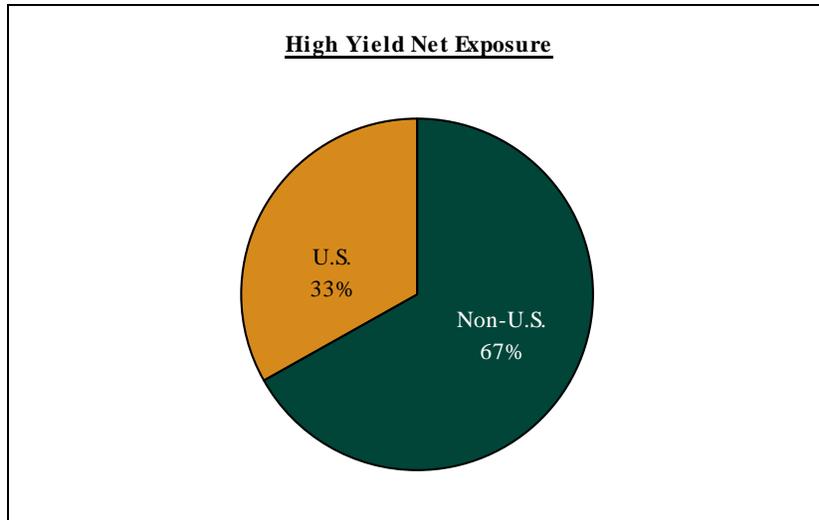
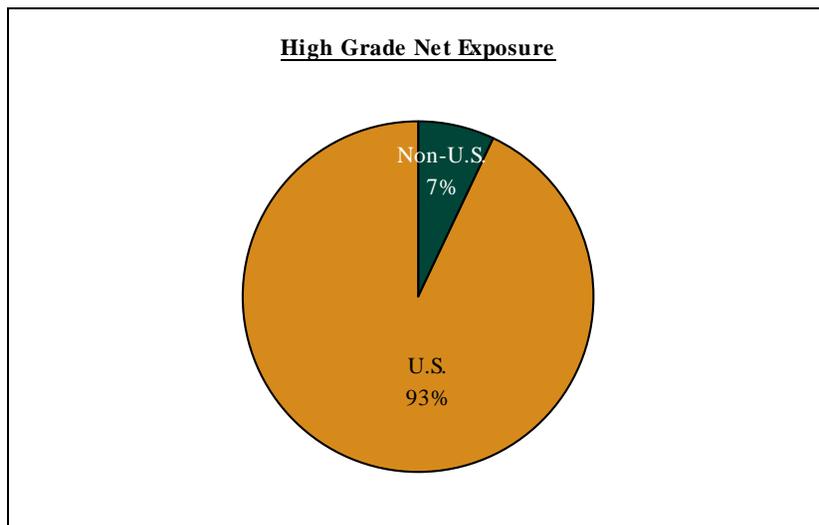
\*Rating=Issuer Rating; does not necessarily represent senior secured rating.

Italics=European or Asian deal

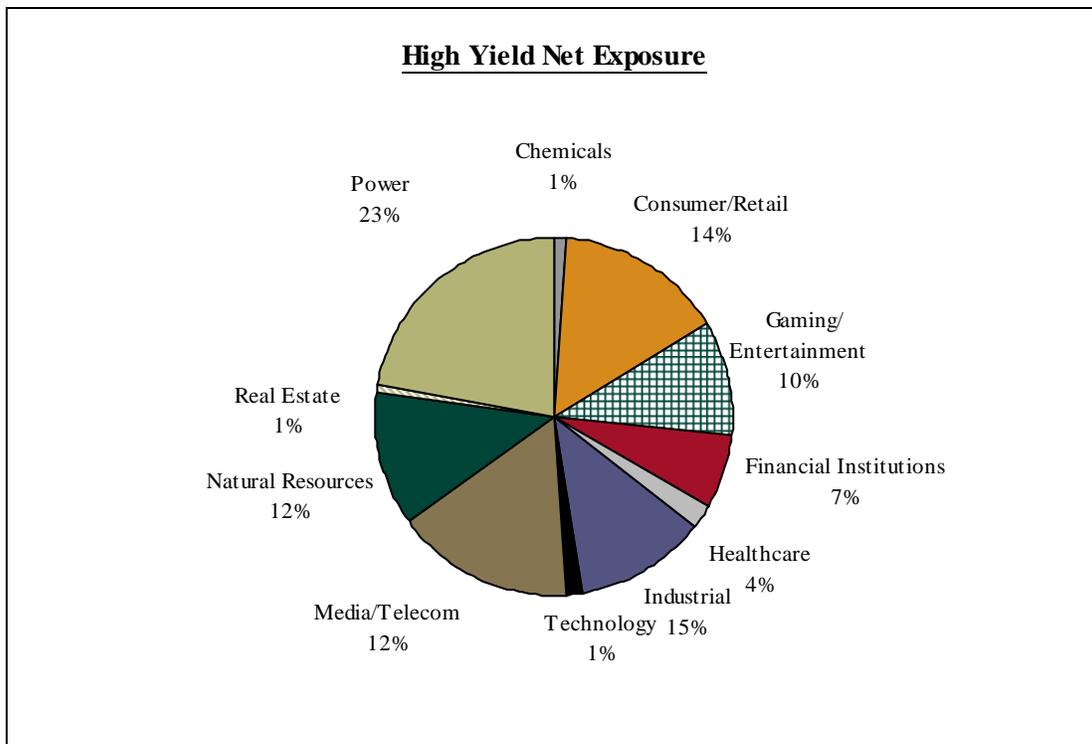
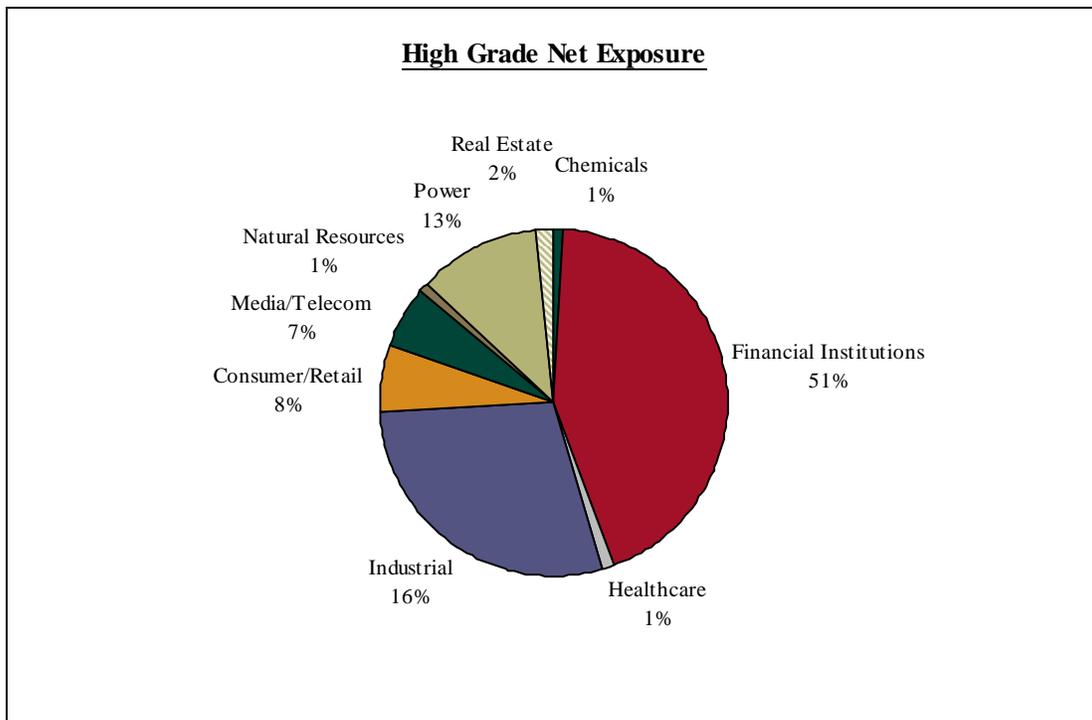
Bold=Closed & currently being syndicated.

**Exposure by Geography**

(mm)	HG	%	HY	%
Non-U.S.	639	7%	5,822	67%
U.S.	8,424	93%	2,887	33%
<b>Total</b>	<b>\$9,063</b>	<b>100.0%</b>	<b>\$8,709</b>	<b>100.0%</b>



**Exposure by Sector**



## CREDIT/COMPANY NEWS

### Ratings Recap

Company Name	Date	Agency	Rating	Action	From	To
Centennial Communications Corporation	7/10/07	S&P	Sr. Secured	Upgrade	B+ (stable)	BB- (stable)
Coventry Health Care, Inc.	7/10/07	Moody's	Sr. Unsecured	Outlook Lowered	Ba1 (positive)	Ba1 (stable)
Coventry Health Care, Inc.	7/10/07	Fitch	Sr. Unsecured	Outlook Lowered	BBB- (stable)	BBB- ▼
Sears Holdings Corporation	7/10/07	S&P	Sr. Secured	Outlook Lowered	BBB (stable)	BBB (negative)
Suncom Wireless Inc	7/10/07	Moody's	Sr. Secured	Upgrade	B2 (stable)	B1 (positive)
Cox Communications, Inc.	7/12/07	Fitch	Sr. Unsecured	Outlook Raised	BBB- (stable)	BBB- (positive)
Cox Enterprises, Inc.	7/12/07	Fitch	Sr. Unsecured	Outlook Raised	BBB- (stable)	BBB- (positive)
Cox Radio, Inc.	7/12/07	Fitch	Sr. Unsecured	Ratings Assigned	---	BBB- (positive)
Home Depot, Inc. (The)	7/12/07	Fitch	Sr. Unsecured	Downgrade	A- (negative)	BBB+ (negative)
Alcoa Inc.	7/13/07	S&P	Sr. Unsecured	Outlook Raised	BBB+ ▼	BBB (stable)
América Móvil, S.A. de C.V.	7/13/07	Fitch	Sr. Unsecured	Upgrade	BBB+ (positive)	A- (stable)
McJunkin Corp.	7/13/07	Moody's	Sr. Secured	Watch for Downgrade	B2 (stable)	B2 ▼

*Italics=European or Asian deal.*

### Company News

#### Consumer/Retail

- **The Home Depot, Inc. (HD): Negative** - On 7/10/07, HD lowered its earnings guidance for the second time in five months, citing the weakening housing industry. HD now sees adjusted EPS dropping 15-18%, down from its May forecast of a 15% decline. The forecast excludes the \$0.18/share of income that will be lost to the sale of Home Depot Supply. HD also announced a 250 million share tender offer at prices ranging from \$39-\$44 per share. The tender, which may cost as much as \$11 billion, represents close to half of the \$22.5 billion share buyback program the board authorized. (*Ahuva Schwager*)

#### Financial Institutions

- **SLM Corporation (SLM): Negative** - On 7/11/07, Moody's said that it is likely to downgrade SLM's senior unsecured rating to B1 upon completion of the sale to a consortium led by J.C. Flowers & Co. LLC. The corporate family rating of SLM's proposed future parent, Mustang Holding Company, Inc., is expected to be Ba3 and its senior secured acquisition debt will likely be one to two notches higher than the corporate family rating. Moody's noted that even if the sale did not occur, SLM's ratings will be under negative pressure.

SLM also announced on 7/11/07 that the consortium led by J.C. Flowers informed SLM that the current legislative proposals pending before the U.S. House of Representatives and U.S. Senate could result in a failure of the conditions to closing the transaction to be satisfied. SLM strongly disagrees with the assertion and intends to proceed towards closing the transaction as rapidly as possible. (*Rohit Nair*)

#### Healthcare

- **AmerisourceBergen Corporation (ABC): Neutral** - ABC and Kindred Healthcare Inc. announced on 7/12/07 that they will be spinning of their respective institutional pharmacy divisions on 7/20/07 to form a new company, PharMerica Corp. The deal was announced in late 2006. (*Ahuva Schwager*)

- **Coventry Health Care, Inc. (CVH): Negative** – On 7/9/07, CVH signed a definitive contract to acquire Vista Healthplans for \$685 million. The acquisition will provide CVH with an entry into the Florida market. Following the announcement, Moody's revised its outlook on CVH's Ba1 senior unsecured credit rating to stable from positive. The action was based on the increased level of debt and integration issues resulting from this acquisition. (*Ahuva Schwager*)

#### Media/Telecom

- **Digicel Limited: Positive** – On 7/12/2007, Digicel held a lender call to discuss FYE 2007 financial results released on Tuesday, 7/9/2007 (FYE is 3/31/2007). At 2007, total restricted group subscribers were 2.8 million, a 45% increase y-o-y which reflects the expansion to 22 markets vs. 13 markets at FYE 2006. As a result, revenue grew 48% to \$938 million and EBITDA increased 34% to \$302 million. At FYE 2007, restricted group cash was \$128 million and restricted group total debt was \$1,067.4 million. At the restricted group, senior secured leverage was 2.0x and total leverage was 3.5x. Total Company debt was \$2,718.2 million and total leverage was 8.3x. (*Randall Braunfeld*)

#### Natural Resources

- **ConocoPhillips (COP): Negative** – On 7/9/07, COP announced that it will repurchase up to \$15 billion of the company's shares through the end of 2008. This amount includes \$2 billion remaining under the \$4 billion program previously announced on 2/9/07. Based upon its current commodity price and operational outlook, COP expects third quarter 2007 purchases of \$2 to \$3 billion, and fourth quarter purchases of a similar range. Given COP's free cash flow generation, and remaining assets sales, **Lehman** research estimates that for the remainder of 2007, COP should have approximately \$4.7 billion of cash available, which should reduce the need for additional leverage to finance the repurchase program. (*Adrian de Lagarde*)

#### Power

- **Dominion Resources, Inc. (D): Negative** – On 7/10/07, D announced that it has commenced its previously announced tender offer to purchase its outstanding common shares. In the tender offer, the company intends to purchase up to 55 million shares (approximately 16 percent of the outstanding shares) in a price range of \$82.00 to \$92.00 per share, which equates to an aggregate purchase price \$5.06 billion. It also reflects a premium of approximately 10 percent relative to the closing share price of \$83.55 on 6/27/07, the day immediately prior to the company's announcement of its intention to tender for its shares. The tender offer is being conducted as part of the company's previously announced plans for the use of proceeds generated from the sales of its natural gas and oil exploration and production assets. (*Adrian de Lagarde*)

**APPENDIX**

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**PORTFOLIO DETAILS**

***HG LOAN PORTFOLIO***

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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
Alliance Funds	--	--	--	--	AA-	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	17.4	FRL	Consumer/Retail	Ahuva Schwager
Ameren Corporation	AEE	Baa2?	BB+?	BBB+	--	170.9	170.9	75.9	FRL	Power	Adrian de Lagarde
América Móvil, S.A. de C.V.	AMX	A3?	BBB+	BBB+	--	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+	--	140.0	90.0	0.0	FRL	Financial Institutions	Rohit Nair
American International Group, Inc.	AIG	Aa2	AA	AA	--	50.0	50.0	10.0	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	100.0	0.0	FRL	Financial Institutions	Rohit Nair
AT&T Inc.	T	A2	A	A	--	535.0	410.0	86.0	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	BAL	Baa2	BBB	BBB	--	91.4	91.4	6.4	FRL	Industrial	Patrick Marshall
Banca Intlease S.p.A.	BIL	Baa3?	--	A-?	--	137.5	137.5	62.5	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	--	20.3	20.3	10.3	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	1.5	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-	--	88.6	88.6	26.6	FRL	Consumer/Retail	Patrick Marshall
Carlyle Group (The)	--	--	--	--	BB	183.3	183.3	183.3	FRL / BL	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
CIT Group Inc.	CIT	A2	A	A	--	240.0	200.0	90.0	FRL	Financial Institutions	Rohit Nair
CITIC International Financial Holdings Limited	--	--	BBB-	--	--	111.3	111.3	111.3	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-	--	161.3	101.3	(23.7)	FRL	Natural Resources	Adrian de Lagarde
Consolidated Edison, Inc.	ED	A2	A-	A	--	125.0	100.0	(5.0)	FRL	Power	Adrian de Lagarde
Constellation Energy Group, Inc.	CEG	Baa1	BBB+	BBB+	--	110.0	70.0	(7.0)	FRL	Power	Adrian de Lagarde
Countrywide Financial Corporation	CFC	A3?	A	A	--	400.0	350.0	122.0	FRL	Financial Institutions	Rohit Nair
Coverity Health Care, Inc.	CVH	Ba1	BBB	BBB-?	--	11.9	11.9	1.9	FRL	Healthcare	Ahuva Schwager
Covidien Ltd.	--	Baa1	A-	--	--	101.3	101.3	101.3	FRL/BL	Industrial	Ahuva Schwager
Cox Enterprises, Inc.	--	Baa3	BB+	BBB-	--	370.0	313.7	(14.3)	FRL/BL	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	--	--	68.7	68.7	34.7	FRL	Industrial	Patrick Marshall
Deutsche Telekom AG	DT	A3	A-	A-	--	825.0	550.0	55.0	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	33.0	FRL	Consumer/Retail	Patrick Marshall
Discover Financial Services	DFS	Baa3	BBB-	--	--	75.0	75.0	75.0	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?	--	100.4	75.6	(96.4)	FRL	Power	Patrick Marshall
Edison International	EIX	Baa2	BBB-	BBB-	--	280.0	230.0	135.0	FRL	Power	Adrian de Lagarde
Electrabel S.A.	SZE	A2?	--	--	--	68.7	68.7	(13.3)	FRL	Power	Patrick Marshall
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+?	--	48.1	48.1	14.1	FRL	Power	Patrick Marshall
Enron Corp.	ECSPQ	--	--	--	D	12.2	12.2	12.2	FRL	Power	Tucker Hackett
Energy Corporation	ETR	Baa3	BBB	BBB-	--	85.0	39.6	(7.4)	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

\*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.)

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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
Fidelity National Information Services, Inc.		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 Operating Entity I LP		--	--	--	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	148.0	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.	GNW	A2	A	A	--	145.0	37.5	(12.5)	FRL	Financial Institutions	Rohit Nair
Givaudan SA	--	--	--	--	BBB	38.1	38.1	38.1	FRL	Chemicals	Patrick Marshall
GlaxoSmithKline plc	GSK	Aa2	AA	AA	--	100.0	100.0	0.0	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	25.0	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
Home Depot, Inc. (The)	HD	Aa3?	BBB+	A-	--	200.0	200.0	55.0	FRL	Consumer/Retail	Ahuva Schwager
Husqvarna AB	HUSQA.SS	--	--	--	BBB	40.1	40.1	40.1	FRL	Industrial	Patrick Marshall
Infineon Technologies AG	IFX	--	--	--	BB	47.3	47.3	13.3	FRL	Technology	Patrick Marshall
International Business Machines Corporation	IBM	A1	A+	A+	--	983.3	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	--	27.5	27.5	6.5	FRL	Financial Institutions	Patrick Marshall
Kimberly-Clark Corporation	KMB	Aa3	AA-	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	(17.0)	FRL	Industrial	Patrick Marshall
Kraft Foods Inc.	KFT	Baa1	A-	A-	--	136.3	64.9	2.9	FRL	Consumer/Retail	Ahuva Schwager
KRIBHCO Shyam Fertilizers Limited		--	--	--	BB+	5.6	5.6	5.6	FRL	Industrial	Patrick Marshall
Landale Asset Purchasing Company No. 2 Limited		--	--	--	AA-	207.2	207.2	94.2	FRL	Financial Institutions	Rohit Nair
Lanxess AG	LXS.DE	Baa3	BBB-?	--	--	89.4	89.4	48.4	FRL	Chemicals	Patrick Marshall
Legal & General Group Plc	LGEN.L	A1	AA-	AA-	--	81.3	81.3	6.3	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	Rohit Nair
Magellan Midstream Partners, L.P.	MMP	Baa3?	BBB	--	--	30.0	0.0	0.0	FRL	Natural Resources	Adrian de Lagarde
Man Group Finance Inc.		Baa1	--	--	--	125.0	125.0	125.0	FRL / BL	Financial Institutions	Rohit Nair
Man Group Finance Limited		--	--	--	--	70.0	70.0	70.0	FRL	Financial Institutions	Rohit Nair
Marathon Oil Corporation	MRO	Baa1	BBB+	BBB+	--	85.0	40.0	(13.0)	FRL	Natural Resources	Adrian de Lagarde
Mariotti International, Inc.	MAR	Baa2	BBB+	BBB	--	96.0	96.0	21.0	FRL	Consumer/Retail	Ahuva Schwager
Massachusetts Mutual Life Insurance Company		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-	--	--	127.5	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, PISC		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	(1.3)	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	8.0	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.		A3	A-	A	--	137.5	137.5	48.5	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+	--	73.1	12.2	12.2	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+	--	--	25.1	25.1	6.1	FRL	Media/Telecom	Patrick Marshall
Owens & Minor Distribution, Inc.	OMI	--	--	--	BBB-	44.0	24.0	24.0	FRL	Healthcare	Ahuva Schwager
Pactiv Corporation	PTV	Baa2?	BBB	--	--	17.7	17.7	17.7	BL	Industrial	Ahuva Schwager
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

\*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.)

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
PG&E Corporation	PCG	Baa3?	--	--	--	180.0	81.0	11.0	FRL	Power	Adrian de Lagarde
Philip Morris International Inc.		--	--	BBB+	--	55.8	55.8	55.8	FRL	Consumer/Retail	Ahuva Schwager
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		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
<i>Qatar Liquefied Gas Company Limited (II)</i>		--	--	--	A	15.4	15.4	5.4	FRL	Natural Resources	Patrick Marshall
QVC, Inc.		--	--	--	BB+	121.3	121.3	108.3	FRL	Media/Telecom	Ahuva Schwager
<i>Ras Laffan Liquefied Natural Gas Company Limited (II)</i>		A1	A	A+	--	26.2	26.2	(23.8)	FRL	Natural Resources	Patrick Marshall
Reinsurance Group of America, Incorporated	RGAA	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
<i>Resolution plc</i>	RSL.L	--	BBB+	A-	--	48.2	48.2	48.2	FRL	Financial Institutions	Patrick Marshall
<i>Reuters Group PLC</i>	RTRSY	A3?	BBB+	BBB+	--	48.8	48.8	(1.2)	FRL	Media/Telecom	Patrick Marshall
Reynolds American Inc.	RAI	Ba2	BBB	BBB	--	52.0	52.0	38.0	FRL	Consumer/Retail	Ahuva Schwager
Rockies Express Pipeline, LLC		--	--	--	BBB	141.0	41.0	(4.0)	FRL	Natural Resources	Adrian de Lagarde
<i>Royal &amp; Sun Alliance Insurance Group plc</i>	RSA	Baa2	BBB	BBB	--	92.3	92.3	13.3	FRL	Financial Institutions	Patrick Marshall
<i>SABMiller plc</i>	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
<i>Sears Holdings Corporation</i>	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
<i>Siemens Aktiengesellschaft</i>	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	80.8	FRL	Financial Institutions	Rohit Nair
Southern Company (The)	SO	A3	A	A	--	99.3	61.5	(16.5)	FRL	Power	Adrian de Lagarde
<i>Spectra Energy Capital LLC</i>	SE	Baa1	BBB	BBB	--	75.0	75.0	35.0	FRL	Natural Resources	Adrian de Lagarde
Sprint Nextel Corporation	S	Baa3	BBB	BBB	--	275.0	225.0	(6.0)	FRL	Media/Telecom	Ahuva Schwager
<i>Standard Life Bank Limited</i>	SLL	A3	A-	--	--	25.4	25.4	4.4	FRL	Financial Institutions	Patrick Marshall
Staples, Inc.	SPLS	Baa1	BBB+	BBB+	--	25.0	25.0	5.0	FRL	Consumer/Retail	Ahuva Schwager
<i>Sunoco Logistics Partners Operations L.P.</i>	SXL	Baa2	BBB	--	--	2.0	2.0	(8.0)	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	50.0	FRL	Financial Institutions	Patrick Marshall
<i>Symetra Financial Corporation</i>		Baa2	BBB-	BBB+	--	4.7	4.7	4.7	FRL	Financial Institutions	Rohit Nair
<i>Target Corporation</i>	TGT	A1	A+	A+	--	115.0	100.0	12.0	FRL	Consumer/Retail	Ahuva Schwager
<i>Telecom Italia S.p.A.</i>	TI	Baa2	BBB+	BBB+	--	221.2	221.2	29.2	FRL	Media/Telecom	Patrick Marshall
<i>Telefonica, S.A.</i>	TEF	Baa1	BBB+	BBB+	--	260.3	260.3	9.3	FRL	Media/Telecom	Patrick Marshall
<i>Telekom Austria Finance B.V.</i>	TKA	--	BBB+	--	BBB+	50.9	50.9	(4.1)	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-?	--	--	202.9	202.9	202.9	FRL	Media/Telecom	Ahuva Schwager
TIAA-CREF Funds		--	--	--	AA-	0.0	0.0	0.0	FRL/BL	Financial Institutions	Rohit Nair
Time Warner Inc.	TWX	Baa2	BBB+	BBB	--	225.0	225.0	57.0	FRL/BL	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.		Baa2	BBB	--	--	189.1	189.1	189.1	FRL / BL	Industrial	Ahuva Schwager
Tyco International Finance S.A.		Baa1	BBB	--	--	233.6	233.6	233.6	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
<i>Valero Energy Corporation</i>	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	3.0	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
<i>Wolseley plc</i>		--	--	--	BBB	68.7	68.7	68.7	FRL	Industrial	Patrick Marshall
<i>Wolters Kluwer n.v.</i>	WKL.AS	Baa1	BBB+	BBB	--	99.0	99.0	24.0	FRL	Media/Telecom	Patrick Marshall
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
<i>Zurich Insurance Company</i>		A1	A+	A	--	200.0	200.0	8.0	FRL	Financial Institutions	Patrick Marshall
<b>High Grade Total</b>						<b>\$26,786.2</b>	<b>\$22,373.8</b>	<b>\$9,062.8</b>			

\*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

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRI/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
Accellent Inc.	--	B1	BB-	--	--	58.0	58.0	58.0	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	Mike Masters
Activant Solutions Inc.	--	B1	B+	--	--	7.0	7.0	7.0	BL	Technology	Mike Masters
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
Alpha III (Formula One)	--	--	--	--	BB-	123.5	123.5	123.5	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	Mike Masters
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	7.9	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	Mike Masters
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	Mike Masters
Avio Holding SpA	--	--	--	--	B+	9.9	9.9	9.9	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
Boise Cascade, LLC	--	Ba2	BB+	--	--	9.5	9.5	3.5	BL	Industrial	Diane Albanese
Bonten Media Group LLC	--	Ba3	BB-	--	--	10.5	7.0	7.0	BL	Media/Telecom	Mike Masters
Boyd Gaming Corporation	BYD	Ba1	BB*	BB	--	88.0	88.0	44.0	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	--	3.9	3.9	0.9	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	Mike Masters
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	Mike Masters
CBD Media LLC	--	Ba3	--	--	--	2.0	2.0	2.0	BL	Media/Telecom	Mike Masters
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	Mike Masters
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+	--	--	10.0	10.0	5.0	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	Mike Masters
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+	9.0	9.0	9.0	BL	Media/Telecom	Patrick Marshall
Del Monte Foods Company	DLM	Ba2	BB	BB+	--	2.0	2.0	2.0	BL	Consumer/Retail	Ritam Bhalla
Delek US Holdings Inc.	--	--	--	--	BB-	48.8	48.8	48.8	BL	Consumer/Retail	Ritam Bhalla

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Italics = European or Asian Deal

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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+	--	13.6	13.6	(14.4)	BL	Media/Telecom	Mike Masters
Dex Media West, Inc.	--	Ba1	BB+	BB+	--	4.3	4.3	4.3	BL	Media/Telecom	Mike Masters
Digicel Group Ltd.	--	B3*	--	B	--	30.0	30.0	30.0	FRL	Media/Telecom	Randall Braumfeld
Dobson Cellular Systems, Inc.	DCEL	Ba2▲	B+▲	BB-	--	6.3	6.3	1.3	BL	Media/Telecom	Randall Braumfeld
Dockwise Transport BV	--	--	--	--	B	20.1	20.1	20.1	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 Braumfeld
Eagle Rock Energy Partners, L.P.	EROC	--	--	--	B+	12.5	12.5	12.5	FRL	Natural Resources	Maria Lund
<b>Edam Acquisition BV (Eendemol)</b>	--	--	--	--	<b>B</b>	<b>876.0</b>	<b>876.0</b>	<b>876.0</b>	<b>BL</b>	<b>Media/Telecom</b>	<b>Patrick Marshall</b>
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
<i>Edvis SA</i>	--	--	--	--	BB-	41.2	41.2	41.2	FRL	Media/Telecom	Patrick Marshall
Edwards (Cayman Islands II) Ltd. (BOC Edwards)	--	Ba1	BB+	--	--	21.0	21.0	21.0	FRL	Technology	Mike Masters
El Paso Corporation	EP	Ba1	BB	--	--	1.0	1.0	1.0	FRL	Natural Resources	Maria Lund
<i>Eno France SAS (Numericable/ YPSO/Altice)</i>	--	--	--	--	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 Braumfeld
EPCO Holdings, Inc.	--	Ba2	BB-▼	--	--	31.3	31.3	696.4	BL	Natural Resources	Adrian de Lagarde
EXCO Resources Inc.	XCO	B2▼*	B+▼	--	--	0.0	0.0	0.0	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	Mike Masters
Ferrellgas, LP	FGP	Ba3*	B+*	--	--	20.0	20.0	20.0	FRL	Natural Resources	Maria Lund
<i>First Chemical Holdings (Borsod)</i>	--	--	--	--	B	62.3	62.3	62.3	BL	Chemicals	Patrick Marshall
<i>Firrh Rixson Group</i>	--	--	--	--	B	10.1	10.1	10.1	BL	Industrial	Patrick Marshall
Freescale Semiconductor, Inc.	--	Baa3	BB+	--	--	60.0	60.0	35.0	BL	Technology	Mike Masters
Frontier Drilling USA, Inc.	--	B2	B-	--	--	7.1	7.1	7.1	BL	Natural Resources	Maria Lund
<i>Gala Group Holdings Plc</i>	--	--	--	--	BB-	48.2	48.2	33.5	BL	Gaming/Entertainment	Patrick Marshall
<i>Gaming Invest Sarl</i>	--	--	--	--	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 Braumfeld
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	--	44.7	44.7	5.7	FRL	Industrial	Diane Albanese
Global Cash Access Holdings, Inc.	GCA	--	B+*	--	--	18.0	18.0	18.0	FRL	Consumer/Retail	Mike Masters
<i>Globe Pub Co.</i>	--	--	--	--	BB-	40.5	40.5	40.5	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	Mike Masters
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
<i>Honsel GmbH &amp; Co KG</i>	--	--	--	--	CCC	0.3	0.3	0.3	BL	Consumer/Retail	Patrick Marshall
Iasis Healthcare Corporation	--	Ba2	CCC+	--	--	20.0	20.0	(12.5)	BL	Healthcare	Craig Malloy
Iconix Brand Group, Inc.	ICON	Ba2	BB-	--	--	0.0	0.0	0.0	BL	Consumer/Retail	Ritam Bhalla
Ideare Inc.	IAR	Ba2	BBB-	--	--	13.0	13.0	(15.0)	FRL	Media/Telecom	Mike Masters
<i>Iglo Birds Eye</i>	--	--	--	--	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	Mike Masters
Intelsat Corporation	--	Ba2▼	BB▼	BB	--	29.7	29.7	29.7	BL	Media/Telecom	Mike Masters
Intelsat Subsidiary Holding Company, Ltd.	--	Ba2▼	BB+▼	BB	--	37.3	37.3	(4.2)	BL	Media/Telecom	Mike Masters
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 Braumfeld
Iridium Satellite LLC	--	B2	B-	--	--	5.0	5.0	5.0	BL	Media/Telecom	Mike Masters
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+▲	--	--	8.0	8.0	4.0	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	Mike Masters
<i>Kion Group GmbH</i>	--	--	--	--	B	56.3	56.3	56.3	BL	Industrial	Patrick Marshall
<i>Klockner Pentaplast Luxembourg Sarl</i>	--	--	--	--	B	57.3	57.3	57.3	BL	Industrial	Patrick Marshall
L-3 Communications Corporation	LLL	Ba3*	BBB-*	BBB-	--	25.0	25.0	6.0	FRL	Industrial	Randall Braumfeld
Las Vegas Sands, Inc.	LVS	Ba3	BB	--	--	25.0	25.0	15.0	FRL	Gaming/Entertainment	Diane Albanese
<i>Lavena Holdings 4 GmbH (ProSieben)</i>	--	Ba1*	--	BBB*	--	164.3	164.3	164.3	BL	Media/Telecom	Patrick Marshall
Linn Energy, LLC	LINE	--	--	--	BB-	10.6	10.6	10.6	FRL	Natural Resources	Maria Lund

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
Lion Gables Realty L.P.	--	--	BB+	--	--	10.0	10.0	10.0	BL	Real Estate	Craig Malloy
<i>Lloyds TSB Registrars</i>	--	--	--	--	<b>BB</b>	<b>535.2</b>	<b>535.2</b>	<b>535.2</b>	<b>BL</b>	<b>Financial Institutions</b>	<b>Patrick Marshall</b>
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
Magnum Coal Company	--	B3	B	--	--	20.0	20.0	15.0	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.	--	<b>B2▼</b>	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
<i>Merlin Entertainments Group</i>	--	--	--	--	<b>BB-</b>	<b>499.8</b>	<b>499.8</b>	<b>499.8</b>	<b>BL</b>	<b>Gaming/Entertainment</b>	<b>Patrick Marshall</b>
Midwest Generation, LLC	--	Baa3	BB	BB	--	43.8	43.8	43.8	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	--	<b>B1▼</b>	<b>B+▼</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	Mike Masters
Omnicare, Inc.	OCR	B2	BB-	--	--	26.7	26.7	10.3	FRL	Healthcare	Craig Malloy
Orchard Supply Hardware Stores Corporation	--	B1	--	--	--	13.5	13.5	13.5	FRL	Consumer/Retail	Ritam Bhalla
Owens-Illinois Group, Inc.	--	Ba2	BB▲	BB-	--	47.6	47.6	8.2	FRL	Industrial	Diane Albanese
<i>PagesJaunes Groupe SA</i>	--	--	--	--	B+	14.5	14.5	14.5	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-▼	--	--	22.3	22.3	(3.9)	BL	Gaming/Entertainment	Diane Albanese
<i>PHS Group PLC</i>	--	--	--	--	--	<b>729.4</b>	<b>729.4</b>	<b>729.4</b>	<b>BL</b>	<b>Consumer/Retail</b>	<b>Patrick Marshall</b>
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
Primus Telecommunications Group Inc.	PRTL.OB	Caa3*	--	--	--	0.0	0.0	0.0	BL	Media/Telecom	Mike Masters
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	16.5	FRL	Power	Maria Lund
Renal Advantage, Inc.	--	--	--	--	B	13.0	13.0	0.2	BL	Healthcare	Craig Malloy
Rent-A-Center, Inc.	RCH	Ba2	BB+	--	--	55.1	17.7	(0.7)	FRL	Consumer/Retail	Ritam Bhalla
Rexnord Corporation	--	Ba2	BB-	--	--	17.5	17.5	17.5	BL	Industrial	Diane Albanese
Robert M. Bass	--	--	--	--	BB	4.7	4.7	4.7	FRL	Financial Institutions	Mike Masters
Rural Cellular Corporation	RCCC	Ba3▼	B+	B	--	16.8	16.8	9.8	BL	Media/Telecom	Frank Turner
<i>Saga Ltd</i>	SGA	--	--	--	BB-	5.6	5.6	5.6	BL	Financial Institutions	Patrick Marshall
Serena Software, Inc.	--	B1	B+	--	--	10.0	10.0	0.0	BL	Technology	Mike Masters
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	Mike Masters
<i>Sisal Spa</i>	--	--	--	--	<b>B</b>	<b>169.4</b>	<b>169.4</b>	<b>169.4</b>	<b>BL</b>	<b>Gaming/Entertainment</b>	<b>Patrick Marshall</b>
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	Mike Masters
Sports Authority, Inc. (The)	--	--	B*	--	--	5.0	5.0	5.0	BL	Consumer/Retail	Ritam Bhalla
<i>Stahl Acquisition BV</i>	--	--	--	--	B+	11.0	11.0	11.0	BL	Chemicals	Patrick Marshall
Stallion Oilfield Services Ltd.	--	Ba2	BB-	--	--	15.0	15.0	15.0	FRL	Natural Resources	Maria Lund
Standard Aero Holdings, Inc.	--	Ba3▼	BB-	--	--	15.0	15.0	0.0	BL	Industrial	Diane Albanese
Suncal Companies	--	B2	BB-▼	--	--	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-	8.8	8.8	8.8	FRL	Technology	Randall Braunfeld
Synatech Inc.	SYGR	--	BB-	--	--	11.0	11.0	9.0	BL	Industrial	Ritam Bhalla
Syniverse Technologies, Inc.	SVR	Ba1	BB+	--	--	10.0	10.0	(2.4)	BL	Technology	Mike Masters
Targa Resources Partners, L.P.	--	--	--	--	BB-	14.0	14.0	14.0	FRL	Natural Resources	Maria Lund
Targa Resources, Inc.	--	B1	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	Mike Masters

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

7/10/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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	Mike Masters
Tribune Company	TRB	Ba2▼	BB-▼	BB▼	--	50.0	50.0	30.0	FRL	Media/Telecom	Mike Masters
Tronox Inc.	TRX	--	BB-*	--	--	0.0	0.0	0.0	BL	Chemicals	Maria Lund
TRW Automotive Holdings Corp.	TRW	Baa3	BBB	BB+	--	98.8	98.8	43.8	FRL	Industrial	Diane Albanese
TVSL SA	--	--	--	--	BB-	(0.0)	(0.0)	(0.0)	BL	Media/Telecom	Patrick Marshall
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	Mike Masters
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▲	--	--	17.0	17.0	0.0	FRL	Consumer/Retail	Ritam Bhalla
Venetian Macau Limited	--	B1*	BB-*	--	--	44.1	44.1	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	Mike Masters
Verint Systems, Inc.	--	--	B+?	--	--	11.0	11.0	11.0	BL	Technology	Mike Masters
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
<b>Wartsila Corporation</b>	<b>WRTBK.PK</b>	--	--	--	<b>BB-</b>	<b>1,710.9</b>	<b>1,710.9</b>	<b>1,710.9</b>	<b>BL</b>	<b>Power</b>	<b>Patrick Marshall</b>
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	0.0	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	Mike Masters
Worldspan Technologies Inc.	--	Ba3	B+	--	--	9.8	9.8	1.9	BL	Technology	Mike Masters
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	Mike Masters
<b>High Yield Total</b>						<b>\$9,427.8</b>	<b>\$9,290.9</b>	<b>\$8,258.5</b>			
<b>Loan Portfolio Total</b>						<b>\$36,214.1</b>	<b>\$31,664.7</b>	<b>\$17,321.2</b>			

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Source: Lehman Brothers

## LOAN PORTFOLIO GROUP

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### HIGH GRADE

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### HIGH YIELD

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