

LPG Weekly Review

Private and Confidential

June 29, 2007

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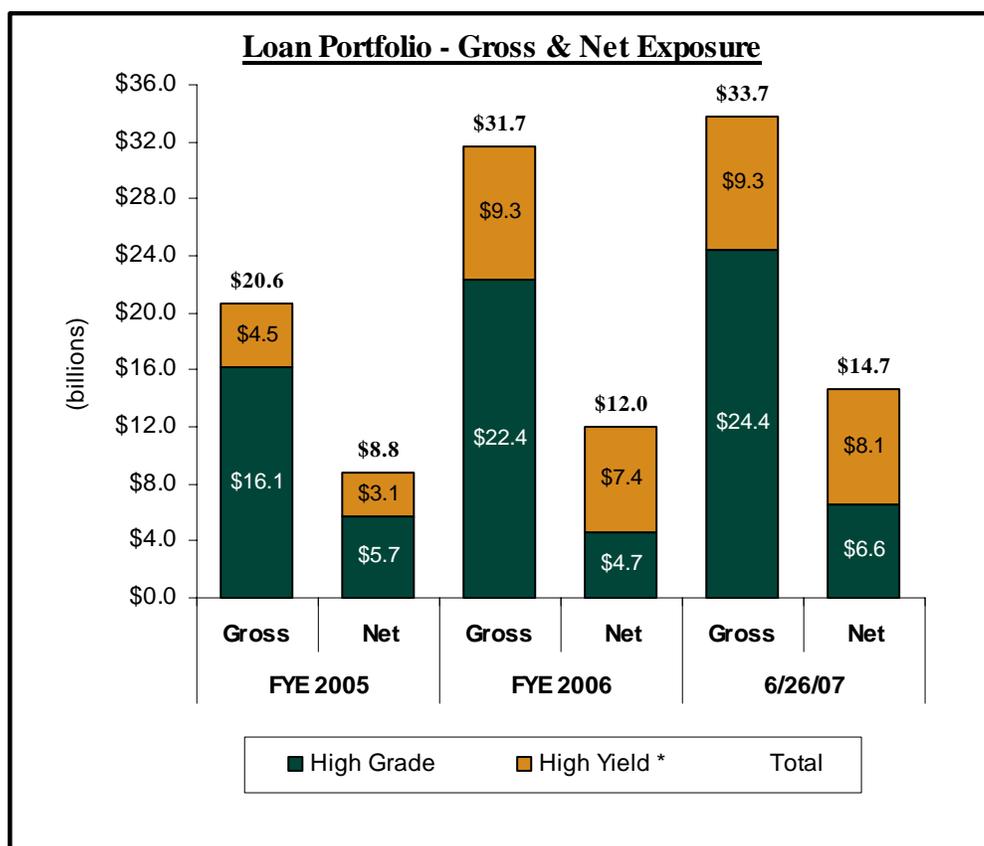
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*Includes European deals that have closed but are still in syndication.

Loan Portfolio Summary

| (mm) | FYE 2005 | | | FYE 2006 | | | 6/26/07 | | |
|---------------------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|
| | HG | HY | TOTAL | HG | HY | TOTAL | HG | HY | TOTAL |
| Gross Exposure | \$16,144 | \$4,483 | \$20,627 | \$22,387 | \$9,313 | \$31,700 | \$24,407 | \$9,304 | \$33,711 |
| Structured Participations | (3,310) | (250) | (3,560) | (4,172) | (131) | (4,303) | (4,497) | (137) | (4,634) |
| CDS/Bond Shorts | (7,122) | (1,110) | (8,232) | (13,554) | (1,814) | (15,368) | (13,324) | (1,034) | (14,358) |
| Net Exposure | \$5,712 | \$3,123 | \$8,835 | \$4,661 | \$7,368 | \$12,029 | \$6,586 | \$8,133 | \$14,719 |
| Macro & Other Hedges | 0 | 0 | 0 | (683) | (100) | (783) | (1,307) | (125) | (1,432) |
| | \$5,712 | \$3,123 | \$8,835 | \$3,978 | \$7,268 | \$11,246 | \$5,279 | \$8,008 | \$13,287 |

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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 | | | | | | | |
| Duke Energy Corporation | FRL | Revolver | \$2,650.0 | \$100.0 | \$100.0 | 6/21/07 | 6/28/07 |
| iStar Financial Inc. | FRL | Revolver | \$1,000.0 | \$70.0 | \$60.0 | 6/15/07 | 6/27/07 |
| Man Group plc | FRL | Revolver | \$2,275.0 | \$150.0 | \$100.0 | 6/20/07 | 6/28/07 |
| SL Green Operating Partnership, L.P. | FRL | Revolver | \$1,000.0 | \$50.0 | \$40.0 | 6/22/07 | 6/28/07 |
| Thomson Corporation, The | FRL | Revolver | £4,800.0 | £192.0 | £191.7 | 6/18/07 | 6/27/07 |
| Transamerica Asset Funding Corporation | FRL | Revolver | \$1,700.0 | \$100.0 | \$100.0 | 5/14/07 | 6/22/07 |
| XL Capital Ltd. | FRL | Revolver | \$2,500.0 | \$150.0 | \$135.0 | 5/25/07 | 6/21/07 |
| HIGH GRADE TOTAL | | | | \$1,005.1 | \$919.5 | | |
| HIGH YIELD | | | | | | | |
| Liberty Global Inc. | FRL | Revolver | \$250.0 | \$25.0 | \$9.7 | 5/18/07 | 6/25/07 |
| Midwest Generation, LLC | FRL | Revolver | \$500.0 | \$43.8 | \$43.8 | 4/26/07 | 6/29/07 |
| HIGH YIELD TOTAL | | | | \$68.8 | \$53.5 | | |
| LPG TOTAL | | | | \$1,073.9 | \$973.0 | | |

Italics=European or Asian deal.

Bold = Closed and currently being syndicated.

PSYND (Issued Commitments)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|--|--------|--------------------|---------------|------------------------------|--------------------|--------------------------|
| HIGH GRADE | | | | | | |
| Alcoa Holdco Canada ULC | BL | Term | \$30,000.0 | \$1,000.0 | 5/24/07 | 7/11/07 |
| American International Group, Inc. | FRL | Revolver | \$2,125.0 | \$80.0 | 6/21/07 | 7/11/07 |
| Biogen Idec Inc. | FRL | Revolver | \$400.0 | \$40.0 | 6/13/07 | 6/29/07 |
| CenterPoint Energy, Inc. | FRL | Revolver | \$1,200.0 | \$44.0 | 6/11/07 | 6/29/07 |
| CenterPoint Energy Houston Electric, LLC | FRL | Revolver | \$300.0 | \$11.0 | | |
| CenterPoint Energy Resources Corp. | FRL | Revolver | \$950.0 | \$34.8 | | |
| | | | \$2,450.0 | \$89.8 | | |
| Chicago Mercantile Exchange Holdings, Inc. | BL | Bridge | \$3,000.0 | \$3,000.0 | 5/10/07 | Mid-July |
| Coventry Healthcare, Inc. | FRL | Revolver | \$850.0 | \$100.0 | 6/29/07 | 7/11/07 |
| Discover Financial Services | FRL | Revolver | \$1,750.0 | \$75.0 | 5/22/07 | 3Q07 |
| FCAR Owner Trust | FRL | Revolver | \$8,410.0 | \$95.0 | 6/21/07 | 6/29/07 |
| The Home Depot, Inc. | FRL | Revolver | \$2,500.0 | \$60.0 | 6/29/07 | 6/29/07 |
| iStar Financial Inc. | FRL | Bridge | \$2,000.0 | \$100.0 | 6/15/07 | 7/07 |
| 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 | Early August |
| | FRL | Term | \$1,600.0 | \$160.0 | | |
| | | | \$2,000.0 | \$200.0 | | |
| Man Group Finance Inc. | FRL | Revolver | \$1,500.0 | \$60.0 | 5/23/07 | 7/9/07 |
| | BL | Bridge | \$1,400.0 | \$50.0 | | |
| | | | \$2,900.0 | \$110.0 | | |
| OZ Management, LLC | BL | Term | \$500.0 | \$250.0 | 6/11/07 | 6/29/07 |
| PHH Mortgage Corporation | BL | Warehouse Facility | \$4,000.0 | \$1,200.0 | 3/15/07 | 9/30/07 |
| Principal Financial Group, Inc. | FRL | Revolver | \$600.0 | \$28.0 | 6/13/07 | 6/29/07 |
| <i>Qatar Liquefied Gas Company Limited 4</i> | FRL | Revolver | \$2,800.0 | \$85.8 | 9/8/06 | 7/07 |
| Reynolds American Inc. | FRL | Revolver | \$550.0 | \$52.0 | 6/12/07 | 6/28/07 |
| Southern Company, The | FRL | Revolver | \$500.0 | \$50.0 | 6/14/07 | 7/6/07 |
| Alabama Power Company | FRL | Revolver | \$600.0 | \$25.0 | | |
| | | | \$1,100.0 | \$75.0 | | |
| Spectra Energy Operating, L.P. | FRL | Revolver | \$250.0 | \$15.5 | 4/25/07 | 7/3/07 |
| | FRL | Term | \$250.0 | \$15.5 | | |
| | | | \$500.0 | \$31.0 | | |
| 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 | | |
| HIGH GRADE TOTAL | | | | \$7,508.0 | | |

Italics=European or Asian deal.

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 | 8/15/07 |
| | BL | 1st Lien Term | C\$ 450.0 | C\$ 450.0 | | |
| | BL | 2nd Lien Term | <u>C\$ 225.0</u> | <u>C\$ 225.0</u> | | |
| | | | \$680.0 | \$680.0 | | |
| 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> | | |
| | | | \$808.4 | \$289.1 | | |
| 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> | | |
| | | | \$6,610.0 | \$1,322.0 | | |
| 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> | | |
| | | | \$4,600.0 | \$1,533.3 | | |
| 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> | | |
| | | | \$945.0 | \$472.5 | | |
| Asurion Corporation | BL | Revolver | \$100.0 | \$30.0 | 4/16/07 | 7/2/07 |
| | BL | 1st Lien Term | \$1,755.0 | \$553.5 | | |
| | BL | 2nd Lien Term | <u>\$580.0</u> | <u>\$174.0</u> | | |
| | | | \$2,435.0 | \$757.5 | | |
| BCE, Inc. | BL | Term | C\$ 12,500.0 | C\$ 1,526.5 | 6/29/07 | TBD |
| | BL | Sr. Bridge | C\$ 6,000.0 | C\$ 750.0 | | |
| | BL | Sub. Bridge | <u>C\$ 2,750.0</u> | <u>C\$ 343.8</u> | | |
| | | | \$19,931.9 | \$2,457.7 | | |
| Bell Canada | BL | Term | C\$ 5,250.0 | C\$ 656.3 | 6/29/07 | TBD |
| | BL | Revolver | <u>C\$ 1,000.0</u> | <u>C\$ 125.0</u> | | |
| | | | \$5,862.3 | \$732.8 | | |
| Biomet Inc. | BL | Revolver | \$400.0 | \$30.0 | 1/17/07 | 6/30/07 |
| | BL | ABL Revolver | \$350.0 | \$26.3 | | |
| | BL | Tender Offer Facility | <u>\$6,165.0</u> | <u>\$462.4</u> | | |
| | | | \$6,915.0 | \$518.7 | | |
| 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> | | |
| | | | \$4,900.0 | \$1,960.0 | | |
| DAE Aviation Holdings (Dubai Aerospace) | BL | Sr. Bridge | \$300.0 | \$150.0 | 4/2/07 | 8/07 |
| <i>Debitel Konzernfinanzierungs GmbH</i> | BL | Revolver | €150.0 | €150.0 | 5/31/07 | 8/01 |
| | BL | Term | €1,275.0 | €1,275.0 | | |
| | BL | 2nd Lien Term | <u>€150.0</u> | <u>€150.0</u> | | |
| | | | \$2,128.9 | \$2,128.9 | | |
| Dollar General Corp. | BL | Revolver | \$1,000.0 | \$200.0 | 3/11/07 | 7/6/07 |
| | BL | 1st Lien Term | <u>\$2,500.0</u> | <u>\$500.0</u> | | |
| | | | \$3,500.0 | \$700.0 | | |

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>Endemol/Edam Acquisition BV (Project Echo)</i> | BL | HoldCo Revolver | €100.0 | €15.0 | 5/11/07 | 7/2/07 |
| | BL | OpCo Revolver | €100.0 | €15.0 | | |
| | BL | Capex/Acquisition Facility | €300.0 | €45.0 | | |
| | BL | Earn-Out Facility | €200.0 | €30.0 | | |
| | BL | Term B1 | €650.0 | €97.5 | | |
| | BL | Term B2 | €80.0 | €12.0 | | |
| | BL | Term C1 | €650.0 | €97.5 | | |
| | BL | Term C2 | €80.0 | €12.0 | | |
| | BL | 2nd Lien Term | €275.0 | €41.3 | | |
| | BL | Mezzanine | €410.0 | €61.5 | | |
| | | \$3,845.6 | \$576.8 | | | |
| 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> | | |
| | | \$2,080.0 | \$832.0 | | | |
| 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> | | |
| | | \$24,000.0 | \$3,120.0 | | | |
| Goodyear Engineered Products | BL | Revolver | \$100.0 | \$33.3 | 2/20/07 | 7/2/07 |
| | BL | 1st Lien Term | \$650.0 | \$216.7 | | |
| | BL | 2nd Lien Term | <u>\$410.0</u> | <u>\$136.7</u> | | |
| | | \$1,160.0 | \$386.7 | | | |
| Guitar Center, Inc. | BL | ABL Revolver | \$375.0 | \$375.0 | 6/20/07 | 3Q07 |
| | BL | Term Loan | \$675.0 | \$675.0 | | |
| | BL | Sr. Bridge | \$425.0 | \$425.0 | | |
| | BL | Sub. Bridge | <u>\$200.0</u> | <u>\$200.0</u> | | |
| | | \$1,675.0 | \$1,675.0 | | | |
| Great Atlantic & Pacific Tea Co. | BL | Sr. Bridge | \$780.0 | \$312.0 | 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> | | |
| | | \$5,190.0 | \$1,146.5 | | | |
| 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> | | |
| | | \$454.9 | \$454.9 | | | |
| HD Supply | BL | Revolver | \$200.0 | \$66.6 | 6/19/07 | 8/07 |
| | BL | Synthetic LC | \$200.0 | \$66.6 | | |
| | BL | Term Loan | \$3,750.0 | \$1,250.0 | | |
| | BL | ABL Revolver | \$2,000.0 | \$666.7 | | |
| | 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> | | |
| | | \$9,951.0 | \$3,317.0 | | | |

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>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 | €32.5 | €32.5 | | |
| | | | \$1,207.9 | \$1,207.9 | | |
| Jarden Corporation | BL | Term | \$750.0 | \$750.0 | 4/24/07 | 8/07 |
| <i>Klöckner Pentaplast Luxembourg S.à.r.l</i> | BL | Capex/Acquisition Facility | €125.0 | €41.7 | 4/12/07 | 7/07 |
| | | | \$169.0 | \$56.3 | | |
| Krueger International | BL | Revolver | \$50.0 | \$50.0 | 5/31/07 | 7/31/07 |
| | BL | Term Loan | \$170.0 | \$170.0 | | |
| | BL | 2nd Lien Term | <u>\$85.0</u> | <u>\$85.0</u> | | |
| | | | \$305.0 | \$305.0 | | |
| LKQ Corporation | BL | Revolver | \$150.0 | \$150.0 | 6/15/07 | 9/07 |
| | BL | Term | <u>\$850.0</u> | <u>\$850.0</u> | | |
| | | | \$1,000.0 | \$1,000.0 | | |
| Macerich Partnership, L.P., The | FRL | Revolver | \$1,500.0 | \$50.0 | 6/27/07 | 7/3/07 |
| Metavante Corporation | BL | Revolver | \$250.0 | \$50.0 | 5/2/07 | 10/07 |
| | BL | Term | <u>\$1,750.0</u> | <u>\$350.0</u> | | |
| | | | \$2,000.0 | \$400.0 | | |
| Nuance Communications, Inc. | BL | Term | \$225.0 | \$56.3 | 6/11/07 | 7/2/07 |
| PharMerica Corporation | FRL | Revolver | \$100.0 | \$8.0 | 6/14/07 | 6/29/07 |
| | FRL | Term | <u>\$275.0</u> | <u>\$22.0</u> | | |
| | | | \$375.0 | \$30.0 | | |
| 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> | | |
| | | | \$2,100.0 | \$630.0 | | |
| PQ Corporation | BL | Revolver | \$200.0 | \$67.0 | 6/22/07 | 7/9/07 |
| | BL | 1st Lien Term | \$805.0 | \$267.0 | | |
| | BL | 2nd Lien PIK Toggle Term | <u>\$460.0</u> | <u>\$153.0</u> | | |
| | | | \$1,465.0 | \$487.0 | | |
| R.J. O'Brien | BL | Revolver | \$50.0 | \$25.0 | 5/13/07 | 7/3/07 |
| | BL | Term | \$385.0 | \$192.5 | | |
| | BL | 2nd Lien Term | <u>\$150.0</u> | <u>\$75.0</u> | | |
| | | | \$585.0 | \$292.5 | | |
| Safari Ventures, LLC (Dupont Fabros) | FRL | Revolver | \$275.0 | \$43.4 | 6/26/07 | 7/18/07 |
| | FRL | Term Loan | <u>\$200.0</u> | <u>\$31.6</u> | | |
| | | | \$475.0 | \$75.0 | | |
| SemGroup Energy Partners, L.P. | FRL | Revolver | \$250.0 | \$20.0 | 4/25/07 | 7/16/07 |
| Sequa Corp. | BL | Revolver | \$150.0 | \$150.0 | 6/18/07 | 9/07 |
| | BL | Term Loan | \$1,200.0 | \$1,200.0 | | |
| | BL | Sr. Bridge | <u>\$700.0</u> | <u>\$700.0</u> | | |
| | | | \$2,050.0 | \$2,050.0 | | |
| Standard Aero Holdings, Inc. | BL | Term Loan | \$280.0 | \$112.0 | 5/1/07 | 7/2/07 |
| 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> | | |
| | | | \$489.0 | \$293.4 | | |

Italics=European or Asian deal.

PSYND (cont'd.)

| (mm) Borrower | FRL/BL | Facility Type | Facility Size | Current Lehman Commitment | Commitment Date | Expected Closing Date |
|---|--------|---------------------------|-------------------|------------------------------|--------------------|--------------------------|
| 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 | \$350.0 | \$78.8 | | |
| | | | \$2,475.0 | \$556.9 | | |
| <i>Top Tour Corporation (CCMP Asia)</i> | BL | Revolver B | ¥2,000.0 | ¥2,000.0 | 5/25/07 | 6/30/07 |
| | 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> | | |
| | | | \$116.0 | \$116.0 | | |
| 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> | | |
| | | | \$4,205.0 | \$51.5 | | |
| TXU Corporation | BL | Sr. Bridge | \$2,000.0 | \$235.2 | 2/25/07 | 3Q07 |
| | BL | Sr. PIK Toggle Bridge | <u>\$2,500.0</u> | <u>\$294.0</u> | | |
| | | | \$4,500.0 | \$529.2 | | |
| TXU Electric Delivery Company | BL | Revolver | \$2,000.0 | \$235.2 | | |
| TXU Energy Company (Luminant Energy) | BL | Revolver | \$2,500.0 | \$294.0 | | |
| | BL | Synthetic LC | \$1,250.0 | \$147.0 | | |
| | BL | Term | \$18,250.0 | \$1,887.5 | | |
| | BL | DD Term | \$1,900.0 | \$482.2 | | |
| | BL | Sr. Bridge | \$5,000.0 | \$588.0 | | |
| | BL | Sr. PIK Toggle Bridge | <u>\$1,750.0</u> | <u>\$205.8</u> | | |
| | | | \$30,650.0 | \$3,604.4 | | |
| 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> | | |
| | | | \$1,255.0 | \$815.8 | | |
| 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> | | |
| | | | \$660.0 | \$396.0 | | |
| Winstream Regatta Holdings, Inc. | BL | Revolver | \$20.0 | \$4.0 | 3/15/07 | 9/07 |
| | BL | Term | <u>\$46.0</u> | <u>\$9.2</u> | | |
| | | | \$66.0 | \$13.2 | | |
| HIGH YIELD TOTAL | | | | \$39,656.9 | | |
| LPG TOTAL | | | | \$47,164.9 | | |

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 | | | | | | | |
| | 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 | 7/6/07 |
| | Lea Power Partners, LLC (Hobbs Generating) | BL | Construction LC | \$307.0 | \$153.5 | 4/11/07 | 6/29/07 |
| HIGH GRADE TOTAL | | | | | \$398.8 | | |

| | | | | | | | |
|-------------------------|--|-----|--------------|-------------------|------------------|---------|---------|
| HIGH YIELD | | | | | | | |
| | 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 | €750.0 | €150.0 | | |
| | | 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 | €7,792.0 | €3,518.0 | | |
| | | | | \$29,042.6 | \$8,457.6 | | |
| | 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 | 6/07 |
| | | 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 | | |
| HIGH YIELD TOTAL | | | | | \$8,701.6 | | |
| LPG TOTAL | | | | | \$9,100.4 | | |

Italics=European or Asian deal.

Portfolio Exposure Changes

| (mm) Borrower | FRL/BL | Increase / (Decrease) | Explanation |
|----------------------------------|--------|--------------------------|----------------------|
| HIGH GRADE | | | |
| Transamerica Asset Funding Corp. | FRL | \$100.0 | New Commitment |
| XL Capital Ltd | FRL | \$77.0 | New Commitment |
| Metlife, Inc. | FRL | \$35.0 | New Commitment |
| United States Steel Corporation | FRL | (\$15.0) | Assignment Sale |
| Pactiv Corporation | BL | (\$24.8) | Commitment Reduction |
| Kinder Morgan, Inc. | FRL | (\$31.7) | Commitment Reduction |
| Tyco International Finance S.A. | BL | (\$33.8) | Commitment Reduction |
| Tyco Electronics Group S.A. | BL | (\$34.7) | Commitment Reduction |
| Covidien Ltd. | BL | (\$36.2) | Commitment Reduction |
| HIGH GRADE TOTAL | | \$35.9 | |

| | | | |
|-------------------------------|-----|------------------|----------------------|
| HIGH YIELD | | | |
| Sheridan Healthcare | BL | \$25.5 | Increased Commitment |
| DCP Midstream Operating LP | FRL | \$12.6 | New Commitment |
| <i>Lavena Holdings 4 GmbH</i> | BL | (\$306.1) | Syndication |
| HIGH YIELD TOTAL | | (\$268.0) | |
| FX Changes | | \$19.4 | |
| LPG TOTAL | | (\$212.7) | |

Italics=European or Asian deal.

Bold = Closed and currently being syndicated.

PORTFOLIO SNAPSHOT

| % Drawn | FYE 2005 | FYE 2006 | 6/26/07 |
|---------|----------|----------|---------|
| HG | 4% | 9% | 11% |
| HY | 42% | 35% | 32% |

| Maturities | < 1 year | 1– 2 years | 2– 4 years | > 4 years | Weighted Average Maturity |
|--------------------|----------|------------|------------|-----------|---------------------------|
| HG Loans | 17% | 3% | 33% | 47% | 3.0 years |
| HG CDS/Bond Shorts | 14% | 14% | 43% | 28% | 2.9 years |
| HY Loans | 26% | 3% | 13% | 58% | 4.3 years |
| HY CDS/Bond Shorts | 8% | 3% | 48% | 40% | 3.6 years |

Top Exposures

The following table lists our 10 largest **HG Net Exposures** as of 6/26/07.

| | Company Name | Moody's/S&P/Fitch/Internal | Net Exposure (mm) | % of Total Net Exposure | Gross Exposure (mm) | % of Total Gross Exposure |
|--------------|--------------------------------------|----------------------------|-------------------|-------------------------|---------------------|---------------------------|
| 1. | Ford Motor Company | Ba3/B+/BB/-- | \$477.0 | 7.2% | \$800.0 | 3.3% |
| 2. | GMAC LLC | Ba1/BB+/BB+/- | 425.0 | 6.5% | 425.0 | 1.7% |
| 3. | NYSE Euronext, Inc. | A1/AA/-/- | 250.0 | 3.8% | 250.0 | 1.0% |
| 4. | FCAR Owner Trust | -/-/-/AA | 238.0 | 3.6% | 238.0 | 1.0% |
| 5. | Tyco International Finance S.A. | Baa1/BBB/-/- | 200.0 | 3.0% | 200.0 | 0.8% |
| 6. | Carlyle Group (The) | -/-/-/- | 183.3 | 2.8% | 183.3 | 0.8% |
| 7. | Exelon Corporation | Baa1/BBB▼/BBB+/- | 175.5 | 2.7% | 340.5 | 1.4% |
| 8. | TXU Energy Company LLC | Baa2▼/BB-▼/BBB/- | 154.2 | 2.3% | 262.2 | 1.1% |
| 9. | Wal-Mart Stores, Inc. | Aa2/AA/AA/- | 150.1 | 2.3% | 698.1 | 2.9% |
| 10. | General Electric Capital Corporation | Aaa/AAA/-/- | 149.0 | 2.3% | 1,375.0 | 5.6% |
| Total | | | \$2,402.1 | 36.5% | \$4,772.1 | 19.6% |

The following table lists our 10 largest **HY Net Exposures** as of 6/26/07.

| | 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- | \$1,673.2 | 20.6% | \$1,673.2 | 18.0% |
| 2. | EPCO Holdings, Inc. | Ba2/BB-▼/-/- | 696.4 | 8.6% | 31.3 | 0.3% |
| 3. | <i>Alpha III (Formula One)</i> | -/-/-/BB- | 610.7 | 7.5% | 610.7 | 6.6% |
| 4. | <i>Klockner Pentaplast Luxembourg Sarl</i> | -/-/-/B | 560.0 | 6.9% | 560.0 | 6.0% |
| 5. | <i>Lavena Holdings 4 GmbH</i> | Ba1*/-/BBB*/- | 543.6 | 6.7% | 543.6 | 5.8% |
| 6. | <i>Lloyds TSB Registrars</i> | -/-/-/BB | 527.9 | 6.5% | 527.9 | 5.7% |
| 7. | <i>Merlin Entertainments Group</i> | -/-/-/BB- | 491.8 | 6.0% | 491.8 | 5.3% |
| 8. | <i>Danish HoldCo A/S (Dako)</i> | -/-/-/B | 216.9 | 2.7% | 216.9 | 2.3% |
| 9. | <i>Sisal Spa</i> | -/-/-/B | 165.2 | 2.0% | 57.0 | 0.6% |
| 10. | Tesoro Corp. | Baa1/BBB/-/- | 70.0 | 0.9% | 85.0 | 0.9% |
| Total | | | \$5,555.6 | 68.3% | \$4,797.3 | 51.6% |

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

Italics=European deal.

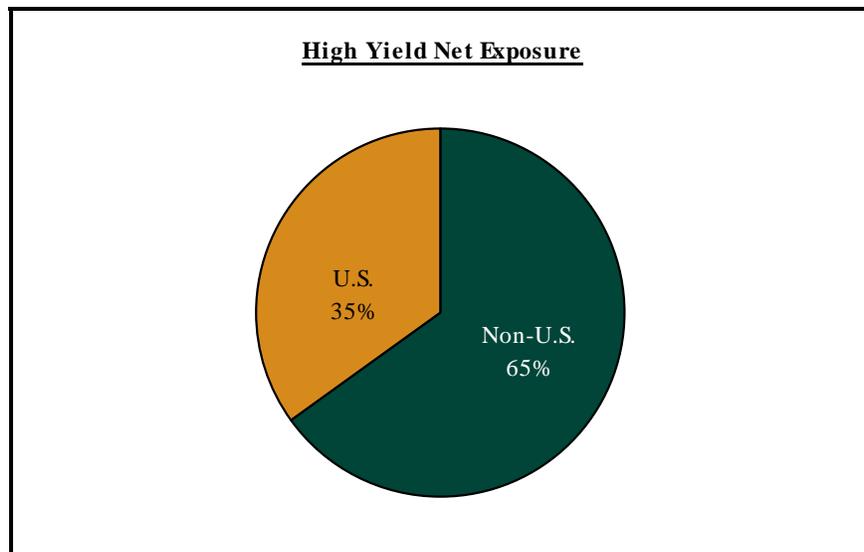
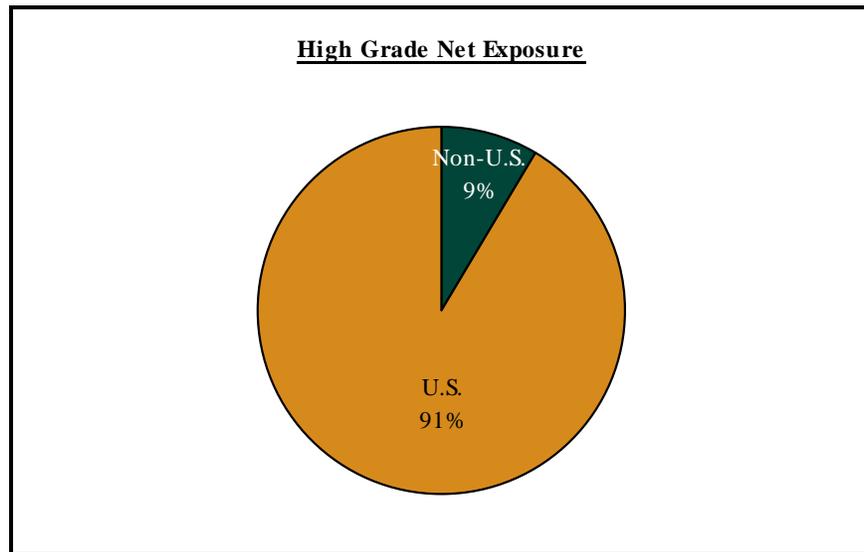
Bold=Closed & currently being syndicated.

June 29, 2007

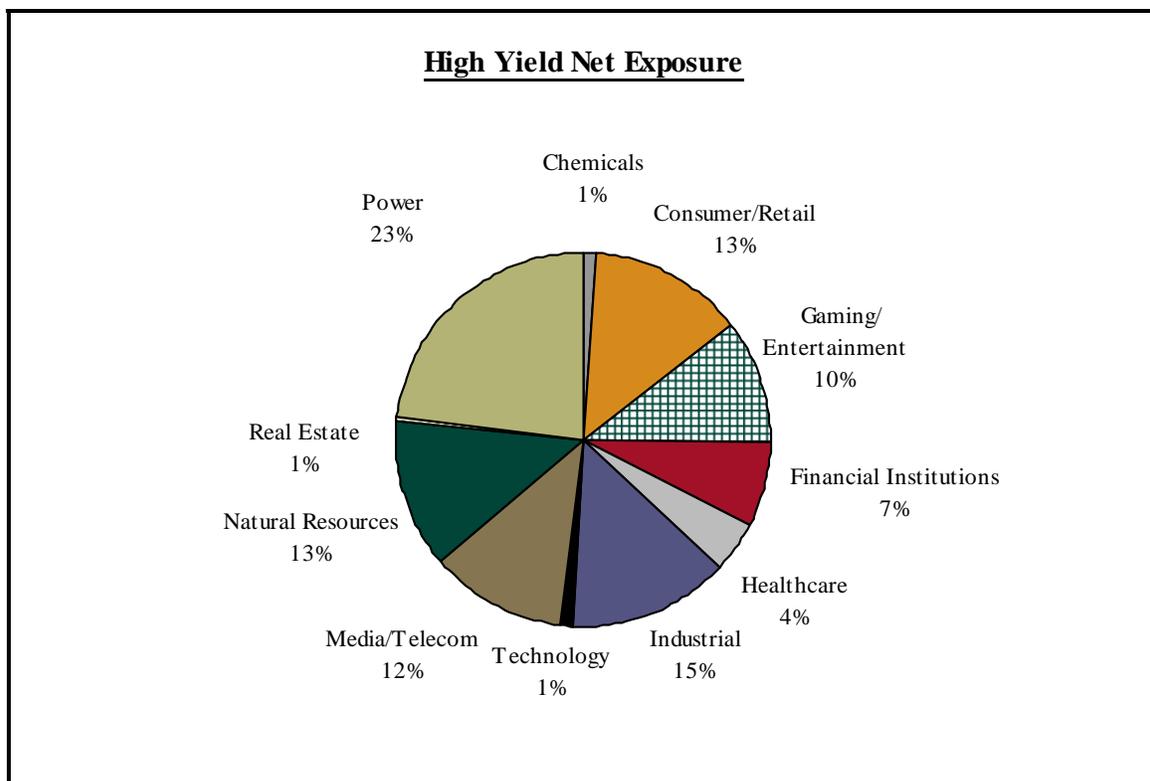
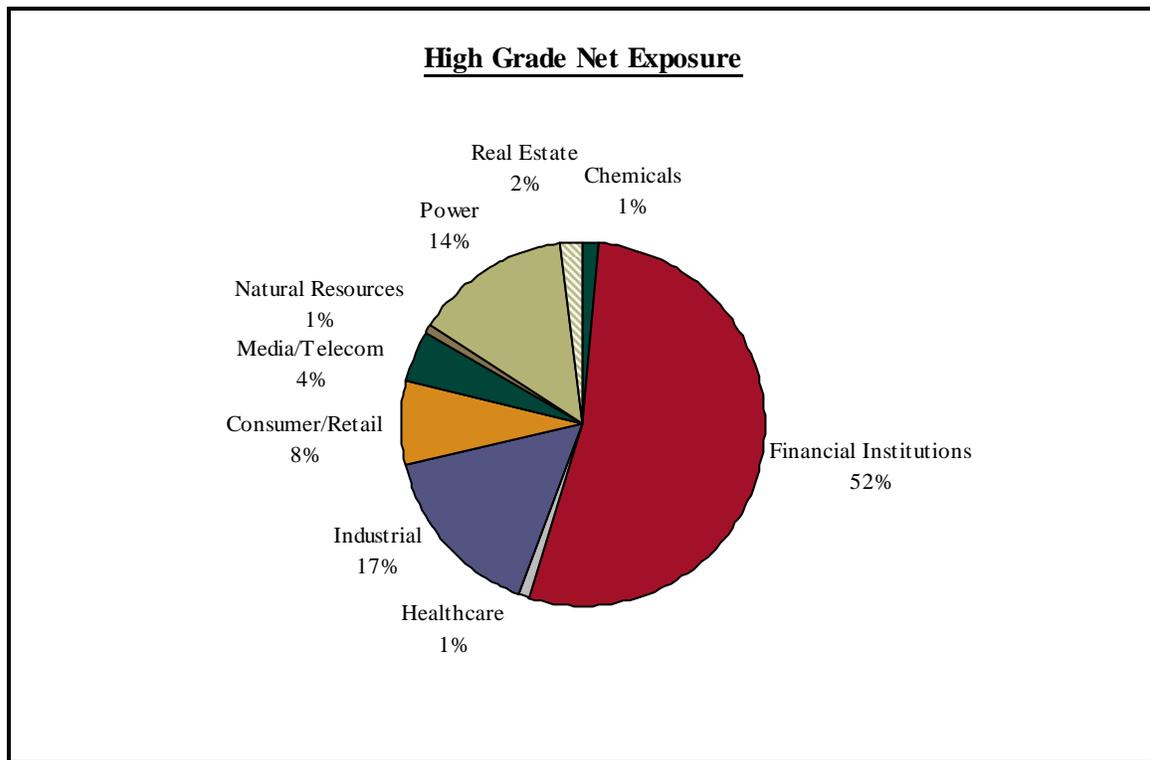
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Exposure by Geography

| (mm) | HG | % | HY | % |
|--------------|----------------|---------------|----------------|---------------|
| Non-U.S. | 561 | 9% | 5,279 | 65% |
| U.S. | 6,025 | 91% | 2,854 | 35% |
| Total | \$6,586 | 100.0% | \$8,133 | 100.0% |



Exposure by Sector



CREDIT/COMPANY NEWS

Ratings Recap

| Company Name | Date | Agency | Rating | Action | From | To |
|--|---------|---------|---------------|---------------------|---------------|-----------------|
| Aquila, Inc. | 6/22/07 | Moody's | Sr. Secured | Upgrade | Ba1 ▲ | Baa2 ▲ |
| K&F Industries, Inc. | 6/25/07 | S&P | Sr. Secured | Withdrawn | B+ ▲ | -- |
| Nevada Power Company | 6/25/07 | S&P | Sr. Secured | Outlook Raised | BB-* (stable) | BB-* (positive) |
| Sierra Pacific Power Company | 6/25/07 | S&P | Sr. Secured | Outlook Raised | BB+ (stable) | BB+ (positive) |
| Fidelity National Information Services, Inc. | 6/27/07 | S&P | Sr. Unsecured | Watch for Downgrade | BB+(positive) | BB+ ▼ |
| Fidelity National Information Services, Inc. | 6/27/07 | Fitch | Sr. Unsecured | Watch for Downgrade | BB+ (stable) | BB+ ▼ |
| Fidelity National Information Services, Inc. | 6/27/07 | Moody's | Sr. Unsecured | Watch for Downgrade | Ba1 | Ba1 ▼ |
| Great Lakes Dredge & Dock Corporation | 6/27/07 | S&P | Sr. Secured | Withdrawn | BB- (stable) | -- |
| Northern Rock plc | 6/27/07 | S&P | Sr. Unsecured | Outlook Revised | A+ (stable) | A+ (negative) |
| Chart Industries, Inc. | 6/29/07 | S&P | Sr. Secured | Upgrade | B+ (stable) | BB (stable) |
| Lanxess AG | 6/29/07 | S&P | Sr. Unsecured | Watch Positive | BBB- (stable) | BBB- ▲ |
| Tyco International Ltd. | 6/29/07 | S&P | Sr. Unsecured | Outlook Revised | BBB- ▼ | BBB-(stable) |

Italics=European or Asian deal.

Company News

Consumer/Retail

- **Reynolds American Inc. (RAI): Positive** – On 6/26/07, a federal judge ruled in favor of RAI in a patent dispute case with smokeless tobacco developer, Star Scientific Inc. The 6 year old dispute began when Star sued RAI's subsidiary, R.J. Reynolds Tobacco Co, claiming infringement on its patents of a process that reduces certain cancer causing toxins in tobacco. This is the second ruling against Star with respect to the patent dispute. (*Ahuva Schwager*)

Financial Institutions

- **Northern Rock plc (NRK): Negative** – On 6/27/07 S&P downgraded NRK's bank loan rating outlook from A+ (stable) to A (negative). The action follows management's announcement of a downward revision in profit growth for 2007 to 15%, as a result of weaker than expected net interest income. NRK's share price fell 12.0% on the announcement of the revision in profit forecast. (*Patrick Marshall*)

Industrial

- **Fidelity National Information Services, Inc. (FIS): Negative**– On 6/27/07, FIS announced plans to acquire eFunds Corp (EFD) for \$1.8 billion, a 5.5% premium over EFD's closing 6/26/07 share price. EFD, which processes financial transactions, will expand FIS's distribution capabilities and product offerings. FIS expects to realize approximately \$65 million in annual cost saving post the acquisition. FIS plans to finance the acquisition with cash on hand and debt commitments. The deal is expected to close at the end of 3Q07. Following the announcement, S&P placed its BB+ (positive) senior unsecured credit ratings for FIS on CreditWatch with negative implications. The agency noted that despite the benefits of increase scale and distribution channel expansion EFD can provide, leverage could rise from current levels. Any potential downgrade, however, would likely be limited to one notch. Moody's followed on 6/28/07 and placed its Ba1 (stable) corporate credit rating on review for downgrade citing similar leverage concerns. (*Ahuva Schwager*)

Media/Telecom

- **OTE plc (OTE): Neutral** – On 6/28/07 the Greek government announced that it had reduced its stake in OTE to 28.0% from 38.7%. The shares were sold to institutional investors at the high end of the original €20.80 - €21.40 price range, generating €1.1 billion proceeds for the government. (*Patrick Marshall*)

Natural Resources

- **Spectra Energy Partners, L.P.: Positive** – On 6/26/07, **Spectra Energy Operating, L.P.**'s parent, **Spectra Energy Partners, L.P.** announced that it has priced its IPO of 10 million limited partner common units at \$22.00 per unit. The common units, which represents approximately 14.8% of the outstanding equity interests in Spectra Energy Partners, L.P., will be listed on the NYSE and trade under the symbol SEP. The underwriters, which include **Lehman**, have been granted a 30-day over allotment option to purchase 1.5 million additional common units, which would raise the outstanding interests to 17%. Spectra Energy Corp., SEP's indirect parent, will own the remaining equity interest. (*Adrian de Lagarde*)

Real Estate

- **Developers Diversified Realty Corporation (DDR): Positive** - On 6/28/07, DDR reached an agreement to sell 63 noncore retail assets for \$603 million aggregating 5.7 million square feet. The portfolio is 93% leased and located across 15 states; 30% of the value is comprised of 21 assets acquired from Inland Retail Real Estate Trust Inc. The sale proceeds will be used to repay the bridge financing associated with the Inland acquisition. **Lehman Brothers** acted as exclusive financial adviser to DDR in connection with the asset sales. (*Rohit Nair*)

Power

- **Nevada Power Company (NPC); Sierra Pacific Power Company (SPPC): Positive** – On 6/25/07, S&P affirmed the senior secured ratings of NPC and SPPC at BB+ and changed its outlook to positive from stable. The change in outlook was driven by the significant strength of the regulatory climate in Nevada, which currently affords NPC and SPPC some of the most credit-supportive protections of any western state. S&P views this support as a compensating factor for the consolidated financial profile of NPC and SPPC's parent, Sierra Pacific Resources, which is expected to deteriorate with the build out of several large generation projects.

Positive – On 6/26/07, SPPC and NPC (the "Subsidiaries") sold \$675 million in two-part (NPC - \$350million and SPPC - \$325 million), 30-year General and Refunding Mortgage Notes. The two issues will carry a coupon of 6.75% and mature on 7/1/2037. Net proceeds from the transaction will be used to fund the purchase of the Subsidiaries' tender offer for certain mortgage notes outstanding. **Lehman** served as a joint book running manager on the SPPC issue. (*Adrian de Lagarde*)

APPENDIX

PORTFOLIO DETAILS

HG LOAN PORTFOLIO

| 6/26/07 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-▼ | -- | \$80.0 | \$40.0 | (\$15.0) | FRL | 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 | (17.5) | 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 | 10.0 | 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 | -- | 90.1 | 90.1 | 7.1 | FRL | Industrial | Patrick Marshall |
| Banca Intlease S.p.A. | | Baa1▼ | -- | A-▼ | -- | 134.6 | 134.6 | 60.6 | FRL | Financial Institutions | Patrick Marshall |
| 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 | -- | 20.0 | 20.0 | 10.0 | 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- | -- | 86.8 | 86.8 | 25.8 | 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- | -- | 75.0 | 75.0 | 17.0 | 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 | (8.0) | FRL | Power | Adrian de Lagarde |
| Countrywide Financial Corporation | CFC | A3▲ | A | A | -- | 400.0 | 350.0 | 124.0 | FRL | Financial Institutions | Rohit Nair |
| Coventry Health Care, Inc. | CVH | Ba1 | BBB | BBB | -- | 12.2 | 12.2 | 2.2 | FRL | Healthcare | Ahuva Schwager |
| Coviden Ltd. | | Baa1 | A- | -- | -- | 56.3 | 56.3 | 56.3 | 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/BL | 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 | -- | -- | 67.3 | 67.3 | 33.3 | FRL | Industrial | Patrick Marshall |
| Deutsche Telekom AG | DT | A3 | A- | A- | -- | 807.8 | 538.5 | 52.5 | 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 | 35.0 | FRL | Consumer/Retail | Patrick Marshall |
| 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▲ | -- | 76.0 | 39.3 | (10.7) | 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▼ | -- | 97.8 | 74.0 | (94.0) | 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▲ | -- | -- | -- | 67.3 | 67.3 | (13.7) | 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+▼ | -- | 47.1 | 47.1 | 13.1 | FRL | Power | Patrick Marshall |
| Enron Corp. | ECSPO | -- | -- | -- | 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 | 80.0 | 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 deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

| 6/26/07 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. | | 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 | 54.0 | FRL | Power | Adrian de Lagarde |
| General Electric Capital Corporation | | Aaa | AAA | -- | -- | 1,375.0 | 1,375.0 | 149.0 | 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 | 37.7 | 37.7 | 37.7 | FRL | Chemicals | Patrick Marshall |
| GlaxoSmithKline plc | GSK | Aa2 | 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 | 425.0 | FRL | Financial Institutions | Rohit Nair |
| Gulf Stream Asset Management LLC | | -- | -- | -- | BB | 6.3 | 6.3 | 6.3 | FRL | Financial Institutions | Rohit Nair |
| Halliburton Company | HAL | A2 | BBB+ ▲ | BBB+ | -- | 50.0 | 50.0 | 5.0 | 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 ▼ | A+ ▼ | A- | -- | 165.0 | 165.0 | 20.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Husqarna AB | HUSQA.SS | -- | -- | -- | BBB | 39.2 | 39.2 | 39.2 | FRL | Industrial | Patrick Marshall |
| Infineon Technologies AG | IFX | -- | -- | -- | BB | 46.7 | 46.7 | 12.7 | 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 | -- | 95.0 | 95.0 | 20.0 | FRL | 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 | -- | 26.9 | 26.9 | 6.9 | 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 | (1.7) | 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 | (29.0) | 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- | 204.1 | 204.1 | 92.1 | FRL | Financial Institutions | Rohit Nair |
| Lanxess AG | LXS.DE | Baa3 | BBB- | -- | -- | 87.5 | 87.5 | 47.5 | FRL | Chemicals | Patrick Marshall |
| Legal & General Group Plc | LGEN.L | A1 | AA- | AA- | -- | 80.0 | 80.0 | 6.0 | 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 |
| Marathon Oil Corporation | MRO | Baa1 | BBB+ | BBB+ | -- | 85.0 | 40.0 | (13.0) | 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 | | 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- | -- | -- | 126.9 | 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 | (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 | -- | 134.6 | 134.6 | 47.6 | FRL | Financial Institutions | Patrick Marshall |
| Nokia Corporation | NOK | A1 | A | A+ | -- | 77.0 | 77.0 | (22.0) | FRL | Industrial | Patrick Marshall |
| Northeast Utilities | NU | Baa2 | BBB- | BBB | -- | 85.9 | 35.9 | (19.1) | FRL | Power | Adrian de Lagarde |
| Northern Rock PLC | NRKL | Aa3 | A+ | A+ | -- | 72.0 | 12.0 | 12.0 | FRL | Financial Institutions | Patrick Marshall |
| Novartis Finance Corporation | NVS | -- | -- | -- | AAA | 25.0 | 25.0 | (3.0) | 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+ | -- | -- | 24.6 | 24.6 | 6.6 | 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 |
| PG&E Corporation | PCG | Baa3 ▲ | -- | -- | -- | 180.0 | 81.0 | 11.0 | FRL | Power | Adrian de Lagarde |
| Philip Morris International Inc. | | -- | -- | BBB+ | -- | 54.6 | 54.6 | 54.6 | 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 |

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

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

| 6/26/07 Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/BL | Sector | Portfolio Manager |
|--|---------------|---------|-------|-------|----------|-------------------|-------------------|------------------|----------|------------------------|-------------------|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| Portland General Electric Company | POR | Baa2 | BBB | -- | -- | 55.0 | 30.0 | 30.0 | FRL | Power | Adrian de Lagarde |
| PPL Corporation | | -- | -- | -- | -- | 185.0 | 185.0 | 145.0 | FRL | Power | Adrian de Lagarde |
| Principal Financial Services, Inc. | PGF | A2 | A | A | -- | 28.0 | 7.0 | 7.0 | 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- | -- | 47.5 | 47.5 | 47.5 | FRL | Financial Institutions | Patrick Marshall |
| <i>Reuters Group PLC</i> | RTRSY | A3▼ | BBB+ | BBB+ | -- | 48.0 | 48.0 | (1.0) | FRL | Media/Telecom | Patrick Marshall |
| Reynolds American Inc. | RAI | Ba2 | BBB | BBB | -- | 50.0 | 15.0 | 1.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Rockies Express Pipeline, LLC | | -- | -- | -- | BBB | 141.0 | 41.0 | (4.0) | FRL | Natural Resources | Adrian de Lagarde |
| <i>Royal & Sun Alliance Insurance Group plc</i> | RSA | Baa2 | BBB | BBB | -- | 91.0 | 91.0 | 14.0 | FRL | Financial Institutions | Patrick Marshall |
| <i>SABMiller plc</i> | SAB.L | Baa1 | BBB+ | BBB+ | -- | 119.6 | 119.6 | 8.6 | 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 |
| <i>Siemens Aktiengesellschaft</i> | SI | Aa3 | AA- | AA- | -- | 134.0 | 84.0 | (45.0) | FRL | Industrial | Patrick Marshall |
| SL Green Operating Partnership,L.P. | SLG | -- | -- | -- | BBB- | 34.0 | 34.0 | 34.0 | FRL | Real Estate | Rohit Nair |
| SLM Corporation | SLM | A2▼ | BBB+▼ | A+▼ | -- | 327.8 | 252.8 | 80.8 | FRL | Financial Institutions | Rohit Nair |
| Southern Company (The) | SO | A3 | A | A | -- | 74.3 | 36.5 | (40.5) | FRL | Power | Adrian de Lagarde |
| Spectra Energy Capital LLC | 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> | SL.L | A3 | A- | -- | -- | 25.0 | 25.0 | 5.0 | FRL | Financial Institutions | Patrick Marshall |
| Staples, Inc. | SPLS | Baa1 | BBB+ | BBB+ | -- | 25.0 | 25.0 | 5.0 | FRL | Consumer/Retail | Ahuva Schwager |
| Sunoco Logistics Partners Operations L.P. | 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 |
| <i>Swiss Reinsurance Company</i> | RUKN.SWX | Aa2 | AA- | AA- | -- | 200.0 | 200.0 | 51.0 | 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 | 2.0 | FRL | Consumer/Retail | Ahuva Schwager |
| <i>Telecom Italia S.p.A.</i> | TI | Baa2 | BBB+ | BBB+ | -- | 216.6 | 216.6 | 28.6 | FRL | Media/Telecom | Patrick Marshall |
| <i>Telefónica, S.A.</i> | TEF | Baa1 | BBB+ | BBB+ | -- | 256.0 | 256.0 | 10.0 | FRL | Media/Telecom | Patrick Marshall |
| <i>Telekom Austria Finance B.V.</i> | TKA | -- | BBB+ | -- | BBB+ | 49.8 | 49.8 | (4.2) | FRL | Media/Telecom | Patrick Marshall |
| TEPPCO Partners, L.P. | TPP | Baa3 | BBB- | -- | -- | 35.0 | 35.0 | 25.0 | FRL | Natural Resources | Adrian de Lagarde |
| TIAA-CREF Funds | | -- | -- | -- | AA- | 0.0 | 0.0 | 0.0 | FRL | Financial Institutions | Rohit Nair |
| Time Warner Inc. | TWX | Baa2 | BBB+ | BBB | -- | 225.0 | 225.0 | 32.0 | 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 | 154.2 | FRL/BL | Power | Adrian de Lagarde |
| Tyco Electronics Group S.A. | | Baa2 | BBB | -- | -- | 144.1 | 144.1 | 144.1 | FRL/BL | Industrial | Ahuva Schwager |
| Tyco International Finance S.A. | | Baa1 | BBB | -- | -- | 200.0 | 200.0 | 200.0 | 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 |
| <i>Vodafone Group Public Limited Company</i> | VOD | Baa1 | A- | A- | -- | 375.0 | 325.0 | 6.0 | 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> | WOS | -- | -- | -- | BBB | 67.3 | 67.3 | 67.3 | FRL | Industrial | Patrick Marshall |
| <i>Wolters Kluwer n.v.</i> | WKL.AS | Baa1 | BBB+ | BBB | -- | 96.9 | 96.9 | 22.9 | 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 | 12.0 | FRL | Financial Institutions | Patrick Marshall |
| High Grade Total | | | | | | \$24,406.9 | \$19,910.0 | \$6,586.0 | | | |

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

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

HY LOAN PORTFOLIO

| 6/26/07 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 | Craig Malloy |
| 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- | 610.7 | 610.7 | 610.7 | 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 | Diane Albanese |
| 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+ | 9.8 | 9.8 | 9.8 | BL | Industrial | Patrick Marshall |
| Avio SpA | -- | -- | -- | -- | B+ | 27.4 | 27.4 | 27.4 | 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+ | -- | 30.5 | 15.4 | (9.1) | FRL | Industrial | Diane Albanese |
| 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 | (6.1) | FRL | Consumer/Retail | Ritam Bhalla |
| Cableuropa SA | -- | -- | B* | BB- | -- | 6.7 | 6.7 | 6.7 | 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 | B+ | B-* | -- | 0.0 | 0.0 | 0.0 | FRL | Media/Telecom | Frank Turner |
| Cenveo Corporation | -- | Ba3 | BB- | -- | -- | 27.5 | 27.5 | 19.5 | FRL | Industrial | Diane Albanese |
| Chart Industries, Inc. | GTLS | Ba2 | B+ | -- | -- | 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+* | -- | -- | 14.1 | 14.1 | 14.1 | 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 | Diane Albanese |
| Convenience Food Systems | -- | -- | -- | -- | B+ | 6.0 | 6.0 | 6.0 | 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. | CKK | Baa3 | BB-* | -- | -- | 51.6 | 51.6 | 2.6 | 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 | 216.9 | 216.9 | 216.9 | 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+ | 8.8 | 8.8 | 8.8 | BL | Media/Telecom | Patrick Marshall |
| Del Monte Foods Company | DLM | Ba2 | BB | BB+ | -- | 2.0 | 2.0 | 2.0 | BL | Consumer/Retail | Ritam Bhalla |
| Delek US Holdings Inc. | -- | -- | -- | -- | BB- | 48.8 | 48.8 | 48.8 | BL | Consumer/Retail | Ritam Bhalla |

*Rating = Issuer Rating, does not necessarily represent a senior secured rating.

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

| 6/26/07 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+ | -- | 14.5 | 14.5 | (13.5) | BL | Media/Telecom | Mike Masters |
| Dex Media West, Inc. | -- | Ba1 | BB+ | BB+ | -- | 4.8 | 4.8 | 4.8 | BL | Media/Telecom | Mike Masters |
| Digicel Group Ltd. | -- | B3* | -- | B | -- | 30.0 | 30.0 | 30.0 | FRL | Media/Telecom | Frank Turner |
| Dobson Cellular Systems, Inc. | DCEL | Ba2 | B+ | BB- | -- | 6.3 | 6.3 | 1.3 | BL | Media/Telecom | Frank Turner |
| 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 | Frank Turner |
| Eagle Rock Energy Partners, L.P. | EROC | -- | -- | -- | B+ | 12.5 | 12.5 | 12.5 | FRL | Natural Resources | Maria Lund |
| 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- | 40.3 | 40.3 | 40.3 | FRL | Media/Telecom | Patrick Marshall |
| El Paso Corporation | EP | Ba1 | BB | -- | -- | 1.0 | 1.0 | 1.0 | FRL | Natural Resources | Maria Lund |
| Eno France SAS | -- | -- | -- | -- | BB- | 37.4 | 37.4 | 37.4 | 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 | Frank Turner |
| EPCO Holdings, Inc. | -- | Ba2 | BB- | -- | -- | 31.3 | 31.3 | 696.4 | BL | Natural Resources | Adrian de Lagarde |
| EXCO Resources Inc. | XCO | B2▼* | B*▼ | -- | -- | 5.5 | 5.5 | 5.5 | 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 |
| Ferrelgas, LP | FGP | Ba3* | B+* | -- | -- | 20.0 | 20.0 | 20.0 | FRL | Natural Resources | Maria Lund |
| First Chemical Holdings (Borsod) | -- | -- | -- | -- | B | 60.9 | 60.9 | 60.9 | BL | Chemicals | Patrick Marshall |
| Firth Rixson Group | -- | -- | -- | -- | B | 10.0 | 10.0 | 10.0 | BL | Industrial | Patrick Marshall |
| Freescall 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 |
| Gala Group Holdings Plc | -- | -- | -- | -- | BB- | 47.8 | 47.8 | 33.3 | BL | Gaming/Entertainment | Patrick Marshall |
| Gaming Invest Sarl | -- | -- | -- | -- | B | 33.5 | 33.5 | 33.5 | BL | Gaming/Entertainment | Patrick Marshall |
| General Growth Properties, Inc. | GGP | Ba2 | BB+ | BB | -- | 33.1 | 33.1 | (3.9) | FRL | Financial Institutions | Craig Malloy |
| 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 | -- | 45.5 | 45.5 | 6.5 | FRL | Industrial | Diane Albanese |
| Global Cash Access Holdings, Inc. | GCA | -- | B+* | -- | -- | 18.0 | 18.0 | 18.0 | FRL | Consumer/Retail | Mike Masters |
| Globe Pub Co. | -- | -- | -- | -- | BB- | 40.0 | 40.0 | 40.0 | 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 | 0.3 | 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 |
| Idearc Inc. | IAR | Ba2 | BBB- | -- | -- | 13.0 | 13.0 | (14.9) | FRL | Media/Telecom | Mike Masters |
| Iglo Birds Eye | -- | -- | -- | -- | B | 8.0 | 8.0 | 8.0 | 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 | (4.1) | 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 |
| Kion Group GmbH | -- | -- | -- | -- | B | 55.1 | 55.1 | 55.1 | BL | Industrial | Patrick Marshall |
| Klockner Pentaplast Luxembourg Sarl | -- | -- | -- | -- | B | 560.0 | 560.0 | 560.0 | BL | Industrial | Patrick Marshall |
| L-3 Communications Corporation | LLL | Ba3* | BBB-* | BBB- | -- | 25.0 | 25.0 | 6.0 | FRL | Industrial | Diane Albanese |
| Las Vegas Sands, Inc. | LVS | Ba3 | BB | -- | -- | 25.0 | 25.0 | 15.0 | FRL | Gaming/Entertainment | Diane Albanese |
| Lavena Holdings 4 GmbH | -- | Ba1* | -- | BBB* | -- | 543.6 | 543.6 | 543.6 | BL | Media/Telecom | Patrick Marshall |
| Linn Energy, LLC | LINE | -- | -- | -- | BB- | 10.0 | 10.0 | 10.0 | 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 | 527.9 | 527.9 | 527.9 | BL | Financial Institutions | Patrick Marshall |

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

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

| 6/26/07 Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|--|---------------|---------|------|-------|----------|---------------|---------|--------|---------|------------------------|-------------------|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| 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 | -- | -- | -- | -- | -- | 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 |
| MEG Energy Corporation | -- | Ba3 | BB | -- | -- | 0.0 | 0.0 | 0.0 | BL | Natural Resources | Maria Lund |
| Merlin Entertainments Group | -- | -- | -- | -- | BB- | 491.8 | 491.8 | 491.8 | BL | Gaming/Entertainment | Patrick Marshall |
| 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 | Frank Turner |
| 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 |
| Omicare, 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- | -- | 47.5 | 47.5 | 8.1 | FRL | Industrial | Diane Albanese |
| PagesJaunes Groupe SA | -- | -- | -- | -- | B+ | 14.2 | 14.2 | 14.2 | 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- | ▼ | -- | 22.3 | 22.3 | (3.9) | BL | Gaming/Entertainment | Diane Albanese |
| Pinnacle Entertainment, Inc. | PNK | B1 | BB | BB | -- | 56.0 | 45.0 | 0.0 | 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+ | -- | -- | 55.2 | 55.2 | 55.2 | 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 | Craig Malloy |
| Qwest Communications International Inc. | Q | Ba3 | BBB- | BBB- | -- | 60.0 | 60.0 | 32.0 | FRL | Media/Telecom | Frank Turner |
| 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. | RCTI | Ba2 | BB+ | -- | -- | 55.3 | 18.0 | (0.4) | 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 |
| Saga Ltd | SGA | -- | -- | -- | BB- | 5.5 | 5.5 | 5.5 | 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 | Craig Malloy |
| 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+ | -- | -- | 10.0 | 10.0 | 10.0 | FRL | Media/Telecom | Mike Masters |
| Sisal SpA | -- | -- | -- | -- | B | 165.2 | 165.2 | 165.2 | 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 | Mike Masters |
| Sports Authority, Inc. (The) | -- | -- | B* | -- | -- | 5.0 | 5.0 | 5.0 | BL | Consumer/Retail | Ritam Bhalla |
| Stahl Acquisition BV | -- | -- | -- | -- | B+ | 10.8 | 10.8 | 10.8 | 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 | -- | B1 | 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 | Kristin Mckee |
| 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 |
| 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 | Frank Turner |
| Tishman Speyer Real Estate Services, L.P. | -- | Ba2 | BB- | -- | -- | 7.5 | 7.5 | 7.5 | BL | Financial Institutions | Craig Malloy |

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

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

| 6/26/07 Company | Equity Ticker | Ratings | | | | Exposure (mm) | | | FRL/ BL | Sector | Portfolio Manager |
|---|---------------|---------|------|-------|----------|-------------------|-------------------|-------------------|---------|----------------------|-------------------|
| | | Moody's | S&P | Fitch | Internal | Gross | Current | Net | | | |
| TPF Generation Holdings LLC | -- | Ba3 | BB- | -- | -- | 0.0 | 0.0 | 0.0 | FRL | Power | Frank Turner |
| 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 | 35.0 | 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- | 22.6 | 22.6 | 22.6 | 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? | -- | -- | 25.0 | 25.0 | (2.0) | BL | Industrial | Diane Albanese |
| Wartsila Corporation | WRTBK.PK | -- | -- | -- | BB- | 1,673.2 | 1,673.2 | 1,673.2 | BL | Power | Patrick Marshall |
| Waste Services, Inc. | WSII | Ba3 | BB- | -- | -- | 5.0 | 5.0 | (1.0) | BL | Industrial | Frank Turner |
| 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 | Diane Albanese |
| 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 |
| High Yield Total | | | | | | \$9,304.4 | \$9,167.5 | \$8,133.4 | | | |
| Loan Portfolio Total | | | | | | \$33,711.3 | \$29,077.4 | \$14,719.4 | | | |

*Rating = Issuer Rating, does not necessarily represent a senior secured rating.

Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

LOAN PORTFOLIO GROUP

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