

LPG Weekly Review

Private and Confidential

June 8, 2007

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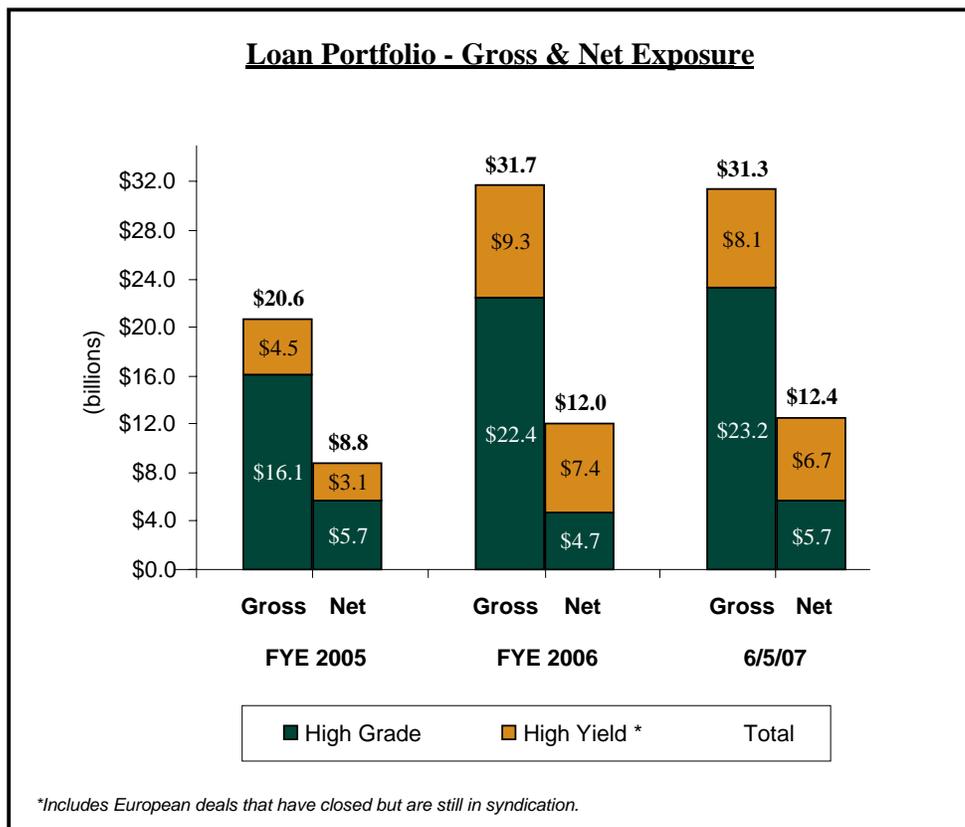
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Loan Portfolio Summary

(mm)	FYE 2005			FYE 2006			6/5/07		
	HG	HY	TOTAL	HG	HY	TOTAL	HG	HY	TOTAL
Gross Exposure	\$16,144	\$4,483	\$20,627	\$22,387	\$9,313	\$31,700	\$23,281	\$8,084	\$31,366
Structured Participations	(3,310)	(250)	(3,560)	(4,172)	(131)	(4,303)	(3,643)	(133)	(3,776)
CDS/Bond Shorts	(7,122)	(1,110)	(8,232)	(13,554)	(1,814)	(15,368)	(13,886)	(1,212)	(15,098)
Net Exposure	\$5,712	\$3,123	\$8,835	\$4,661	\$7,368	\$12,029	\$5,752	\$6,739	\$12,491
Macro & Other Hedges	0	0	0	(683)	(100)	(783)	(1,394)	(107)	(1,501)
	\$5,712	\$3,123	\$8,835	\$3,978	\$7,268	\$11,246	\$4,358	\$6,632	\$10,990

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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							
AAA Investments, L.P.	FRL	Revolver	\$750.0	\$75.0	\$75.0	05/23/2007	6/4/07
Pactiv Corporation	BL	Bridge	\$1,000.0	\$50.0	\$42.5	5/23/07	6/5/07
<i>State Bank of India</i>	FRL	Tranche A	\$215.0	\$30.0	\$25.0	5/24/07	6/6/07
HIGH GRADE TOTAL				\$155.0	\$142.5		
HIGH YIELD							
Hawaiian Telcom Communications, Ir	BL	Revolver	\$200.0	\$0.0	\$8.0	5/16/07	6/1/07
	BL	Term C	<u>\$860.0</u>	<u>\$559.0</u>	<u>\$4.0</u>		
			\$1,060.0	\$559.0	\$12.0		
Tribune Company	FRL	Revolver	\$750.0	\$50.0	\$50.0	5/16/07	6/4/07
	BL	Term Loan X	\$1,500.0	<u>\$125.0</u>	<u>\$0.0</u>		
				\$175.0	\$50.0		
HIGH YIELD TOTAL				\$734.0	\$62.0		
LPG TOTAL				\$889.0	\$204.5		

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	05/24/2007	07/11/2007
Chicago Mercantile Exchange Holdings, Inc.	BL	Revolver	\$3,000.0	\$3,000.0	5/10/07	6/21/07
Discover Financial Services	FRL	Revolver	\$1,750.0	\$100.0	5/22/07	3Q07
GMAC LLC	FRL	Revolver	\$6,000.0	\$100.0	5/31/07	6/11/07
ITC Holdings, Inc.	BL	Bridge	\$750.0	\$750.0	1/18/07	12/07
KKR PEI Investments, L.P.	FRL	Revolver	\$1,000.0	\$75.0	5/16/07	6/5/07
Man Group Finance Inc.	FRL	Revolver	\$1,500.0	\$150.0	5/23/07	7/9/07
	BL	Bridge	<u>\$1,400.0</u>	<u>\$200.0</u>	5/23/07	7/9/07
			\$2,900.0	\$350.0		
MidAmerican Energy Company	FRL	Revolver	\$500.0	\$30.0	5/31/07	5/31/07
MidAmerican Energy Holdings Company	FRL	Revolver	\$600.0	\$40.0		
PacifiCorp	FRL	Revolver	<u>\$800.0</u>	<u>\$40.0</u>		
			\$1,900.0	\$110.0		
Montpelier Reinsurance Ltd.	FRL	Revolver	\$250.0	\$41.7	5/30/07	6/7/07
	FRL	Revolver	<u>\$50.0</u>	<u>\$8.3</u>		
			\$300.0	\$50.0		
New Center Asset Trust (GMAC)	FRL	Revolver	\$12,000.0	\$375.0	5/31/07	6/11/07
PHH Mortgage Corporation	BL	Warehouse Facility	\$4,000.0	\$1,200.0	3/15/07	6/07
Portland General Electric Company	FRL	Revolver	\$400.0	\$55.0	6/6/07	6/11/07
<i>Qatar Liquefied Gas Company Limited 4</i>	FRL	Revolver	\$2,800.0	\$85.8	9/8/06	7/07
Residential Capital, LLC	FRL	Revolver	\$875.0	\$75.0	5/31/07	6/11/07
	FRL	Revolver	<u>\$875.0</u>	<u>\$75.0</u>		
			\$1,750.0	\$150.0		
Spectra Energy Operating, L.P.	FRL	Revolver	\$250.0	\$15.5	4/25/07	6/26/07
	FRL	Term	<u>\$250.0</u>	<u>\$15.5</u>		
			\$500.0	\$31.0		
Transamerica Asset Funding Corporation I	FRL	Revolver	\$1,700.0	\$100.0	5/14/07	6/22/07
United States Steel Corporation	FRL	Term	\$500.0	\$23.0	4/19/07	6/11/07
Wal-Mart Stores, Inc.	FRL	Revolver	\$4,500.0	\$264.0	6/6/07	6/15/07
	FRL	Revolver	\$4,500.0	\$264.0		
	FRL	LC Facility	<u>\$3,200.0</u>	<u>\$222.0</u>		
			\$12,200.0	\$750.0		
White Mountains Insurance Group, Ltd.	BL	Revolver	\$400.0	\$65.0	4/16/07	6/19/07
XL Capital Ltd.	FRL	Revolver	\$2,500.0	\$150.0	5/25/07	6/18/07
HIGH GRADE TOTAL				\$8,519.8		

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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>		
			\$654.9	\$654.9		
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 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	\$400.0	5/21/07	8/07
	BL	Term	\$3,000.0	\$3,000.0		
	BL	2nd Lien Term	<u>\$1,000.0</u>	<u>\$1,000.0</u>		
			\$3,400.0	\$3,400.0		
ARINC, Inc.	BL	Revolver	\$70.0	\$50.0	6/4/07	TBD
	BL	Term B	\$375.0	\$375.0		
	BL	2nd Lien PIK	\$215.0	\$185.0		
	BL	Sr. Bridge	<u>\$215.0</u>	<u>\$215.0</u>		
			\$875.0	\$825.0		
Asurion Corporation	BL	Revolver	\$100.0	\$33.3	4/16/07	7/2/07
	BL	1st Lien Term	\$1,755.0	\$585.0		
	BL	2nd Lien Term	<u>\$675.0</u>	<u>\$225.0</u>		
			\$2,530.0	\$843.3		
Biomet Inc.	BL	Revolver	\$300.0	\$22.5	1/17/07	6/30/07
	BL	ABL Revolver	\$450.0	\$33.8		
	BL	Term	\$3,600.0	\$270.0		
	BL	Sr. Bridge	\$775.0	\$29.9		
	BL	Sr. PIK Bridge	\$775.0	\$29.9		
	BL	Sub. Bridge	<u>\$1,015.0</u>	<u>\$39.1</u>		
			\$6,915.0	\$425.2		
CDW Corporation	BL	ABL Revolver	\$700.0	\$280.0	5/29/07	9/07
	BL	Term B	\$2,200.0	\$880.0		
	BL	Sr. Bridge	\$520.0	\$208.0		
	BL	Sr. PIK 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	7/07
<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>		
			\$2,134.6	\$2,134.6		

Italics=European or Asian deal.

PSYND (cont'd.)

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
Midwest Generation, LLC	FRL	Revolver	\$500.0	\$43.8	4/26/07	6/07
PHH Mortgage Corporation	BL	MSR Revolver	\$800.0	\$240.0	3/15/07	6/07
	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		
R.J. O'Brien	BL	Revolver	\$40.0	\$40.0	5/13/07	6/28/07
	BL	Term	\$375.0	\$375.0		
	BL	2nd Lien Term	<u>\$160.0</u>	<u>\$160.0</u>		
			\$575.0	\$575.0		
River Holding LP (Archstone-Smith)	BL	Term	\$1,710.0	\$8,550.0	5/28/07	9/07
Rydex Investments, Inc.	BL	Revolver	\$20.0	\$20.0	5/24/07	9/07
	BL	Term	\$260.0	\$260.0		
	BL	2nd Lien Term	\$110.0	\$110.0		
	BL	Bridge	<u>\$60.0</u>	<u>\$60.0</u>		
			\$450.0	\$450.0		
SemGroup Energy Partners, L.P.	FRL	Revolver	\$250.0	\$20.0	4/25/07	7/07
Sheridan Healthcare, Inc.	BL	Revolver	\$75.0	\$25.5	5/1/07	6/8/07
	BL	Term B	\$395.0	\$134.3		
	BL	2nd Lien Term	<u>\$150.0</u>	<u>\$51.0</u>		
			\$620.0	\$210.8		
Standard Aero Holdings, Inc.	BL	Term	\$280.0	\$112.0	5/1/07	6/07
Syniverse Holdings, Inc.	BL	EUR Revolver	\$20.0	\$12.0	3/20/07	7/07
	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		
Top Tour Corporation (CCMP Asia)	BL	Revolver B	¥2,000.0	¥2,000.0	5/25/07	6/30/07
	BL	Bridge D	¥4,000.0	¥4,000.0		
	BL	Term A1	¥4,100.0	¥4,100.0		
	BL	Term A2	¥2,700.0	¥2,700.0		
	BL	Term C	<u>¥1,500.0</u>	<u>¥1,500.0</u>		
			\$118.7	\$118.7		
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	Sub. Bridge	\$2,000.0	\$235.2	2/25/07	3Q07
	BL	Sub. 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	\$16,050.0	\$1,887.5		
	BL	DD Term	\$4,100.0	\$482.2		
	BL	Sr. Bridge	\$5,000.0	\$588.0		
			<u>\$1,750.0</u>	<u>\$205.8</u>		
			\$30,650.0	\$3,604.4		

Italics=European or Asian deal.

PSYND (cont'd.)

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Current Lehman Commitment	Commitment Date	Expected Closing Date
U.S. Investigations Services Inc.	BL	Revolver	\$90.0	\$58.5	5/9/07	7/2/07
	BL	Term	\$725.0	\$471.3		
	BL	Sr. Bridge	\$250.0	\$162.5		
	BL	Sub. Bridge	\$190.0	\$123.5		
			\$1,255.0	\$815.8		
Vertrue Incorporated	BL	Revolver	\$30.0	\$18.0	3/22/07	7/16/07
	BL	1st Lien Term	\$430.0	\$258.0		
	BL	2nd Lien Term	\$200.0	\$120.0		
			\$660.0	\$396.0		
<i>Wartsila Corporation (Project Mega)</i>	BL	Revolver	€1,000.0	€386.3	6/1/07	9/30/07
	BL	Revolver	€1,000.0	€406.6		
	BL	Term	€1,370.0	€406.6		
	BL	Bridge	€800.0	€487.9		
			\$5,651.6	\$2,286.9		
HIGH YIELD TOTAL				\$40,281.8		
LPG TOTAL				\$48,801.6		

Italics=European or Asian deal.

Other Approved Transactions (Commitments Not Issued)

(mm) Borrower	FRL/BL	Facility Type	Facility Size	Lehman Commitment	Approval Date	Expected Closing Date
HIGH GRADE						
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	TBD
Lea Power Partners, LLC	BL	Construction LC	\$307.0	\$153.5	4/11/07	6/11/07
HIGH GRADE TOTAL				\$428.6		
HIGH YIELD						
Liberty Global Inc.	FRL	Revolver	\$250.0	\$25.0	5/18/07	6/07
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		
HIGH YIELD TOTAL				\$25.0		
LPG TOTAL				\$453.6		

Italics=European or Asian deal.

Portfolio Exposure Changes

(mm)	Borrower	FRL/BL	Increase / (Decrease)	Explanation
HIGH GRADE				
	Apollo Management Holdings, L.P.	FRL	\$50.0	New Facility
	Duquesne Light Company	FRL	\$0.7	Decreased Commitment
	Pactiv Corporation	FRL	\$42.5	New Facility
	Duquesne Light Holdings, Inc.	FRL	(\$27.0)	New Commitment
HIGH GRADE TOTAL			\$66.2	
HIGH YIELD				
	Boyd Gaming Corporation	FRL	(\$62.0)	Participation Sale
	Bonten Media Group LLC	BL	\$10.5	New Commitment
	Claire's Stores Inc	FRL	\$33.0	New Commitment
	Hawaiian Telcom Communications, Inc.	BL	(\$20.0)	Decreased Commitment
	Dockwise Transport BV	BL	\$24.7	Assignement
HIGH YIELD TOTAL			(\$13.9)	
FX Changes			\$29.7	
LPG TOTAL			\$82.0	

Italics=European or Asian deal.

Bold = Closed and currently being syndicated.

PORTFOLIO SNAPSHOT

% Drawn	FYE 2005	FYE 2006	6/5/07
HG	4%	9%	12%
HY	42%	35%	40%

Maturities	< 1 year	1– 2 years	2– 4 years	> 4 years	Weighted Average Maturity
HG Loans	16%	4%	33%	47%	2.9 years
HG CDS/Bond Shorts	12%	12%	38%	38%	3.0 years
HY Loans	9%	3%	15%	73%	5.2 years
HY CDS/Bond Shorts	7%	4%	40%	50%	3.7 years

Top Exposures

The following table lists our 10 largest **HG Net Exposures** as of 6/5/07.

	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	8.3%	\$800.0	3.4%
2.	GMAC LLC	Ba1/BB+/BB+/-	350.0	6.1%	600.0	2.6%
3.	NYSE Euronext, Inc.	A1/AA/-/-	250.0	4.3%	250.0	1.1%
4.	FCAR Owner Trust	--/--/AA	238.0	4.1%	238.0	1.0%
5.	Tyco International Finance S.A.	Baa1/BBB/-/-	233.8	4.1%	233.8	1.0%
6.	Covidien Ltd.	Baa1/A/-/-	212.5	3.7%	212.5	0.9%
7.	General Electric Capital Corporation	Aaa/AAA/-/-	199.0	3.5%	1,375.0	5.9%
8.	Tyco Electronics Group S.A.	Baa2/BBB/-/-	178.8	3.1%	178.8	0.8%
9.	Exelon Corporation	Baa1/BBB▼/BBB+/-	175.5	3.1%	340.5	1.5%
10.	PPL Corporation	--/--/AA	145.0	2.5%	185.0	0.8%
Total			\$2,459.5	42.8%	\$4,413.5	19.0%

The following table lists our 10 largest **HY Net Exposures** as of 6/5/07.

	Company Name	Moody's/S&P/Fitch/Internal	Net Exposure (mm)	% of Total Net Exposure	Gross Exposure (mm)	% of Total Gross Exposure
1.	<i>Lavena Holdings 4 GmbH</i>	Ba1*/-//BBB*/--	\$855.7	12.7%	\$855.7	10.6%
2.	EPCO Holdings, Inc.	Ba2/BB/-/-	696.4	10.3%	31.3	0.4%
3.	<i>Alpha III (Formula One)</i>	--/--/BB-	610.7	9.1%	610.7	7.6%
4.	<i>Klockner Pentaplast Luxembourg Sarl</i>	--/--/B	563.5	8.4%	563.5	7.0%
5.	<i>Lloyds TSB Registrars</i>	--/--/BB	527.3	7.8%	527.3	6.5%
6.	<i>Merlin Entertainments Group</i>	--/--/BB-	503.9	7.5%	503.9	6.2%
7.	<i>Dockwise Transport BV</i>	--/--/B	229.1	3.4%	229.1	2.8%
8.	<i>Danish HoldCo A/S (Dako)</i>	--/--/B	217.5	3.2%	217.5	2.7%
9.	<i>Sisal SpA</i>	--/--/B	166.3	2.5%	57.0	0.7%
10.	Tesoro Corp.	Baa1/BBB/-/-	85.0	1.3%	85.0	1.1%
Total			\$4,455.3	66.1%	\$3,680.9	45.5%

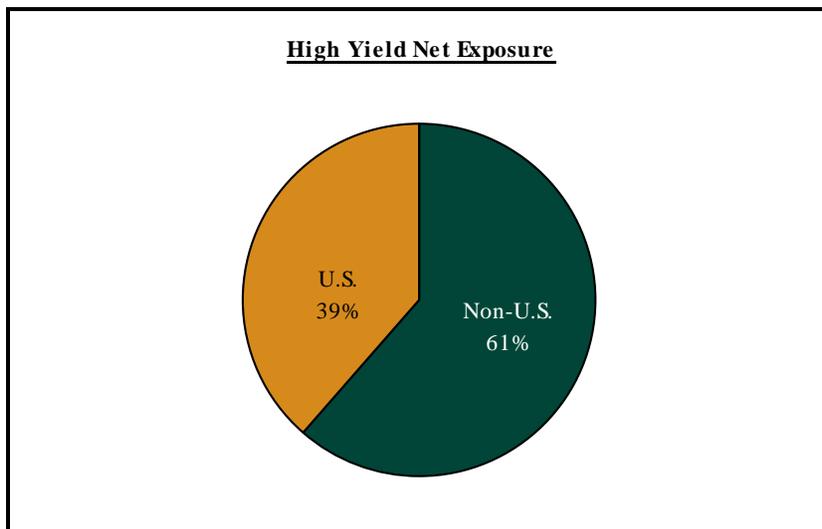
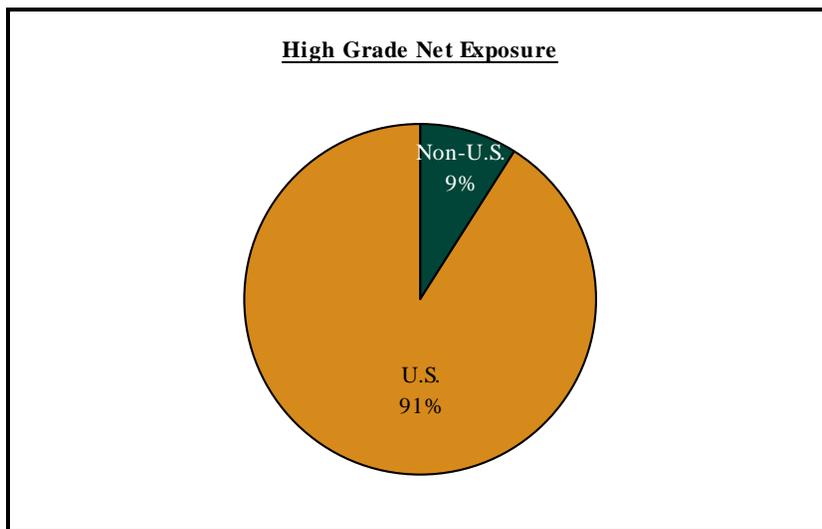
*Rating=Issuer Rating; does not necessarily represent senior secured rating.

Italics=European deal.

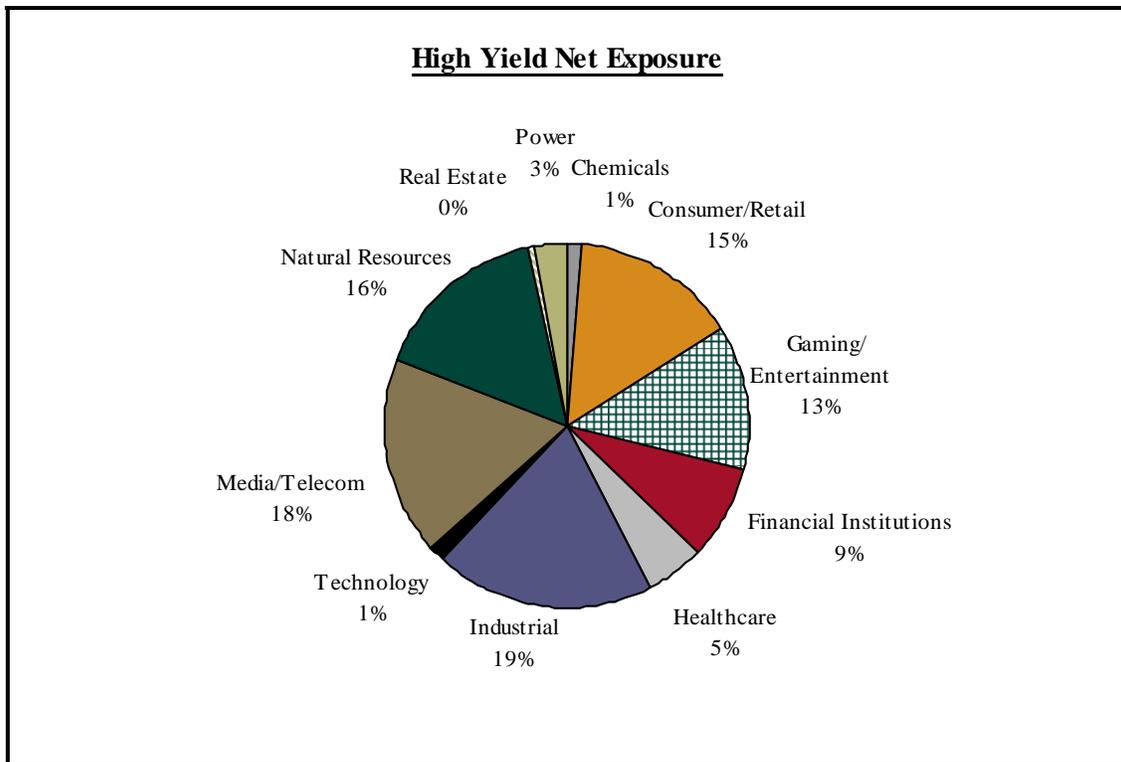
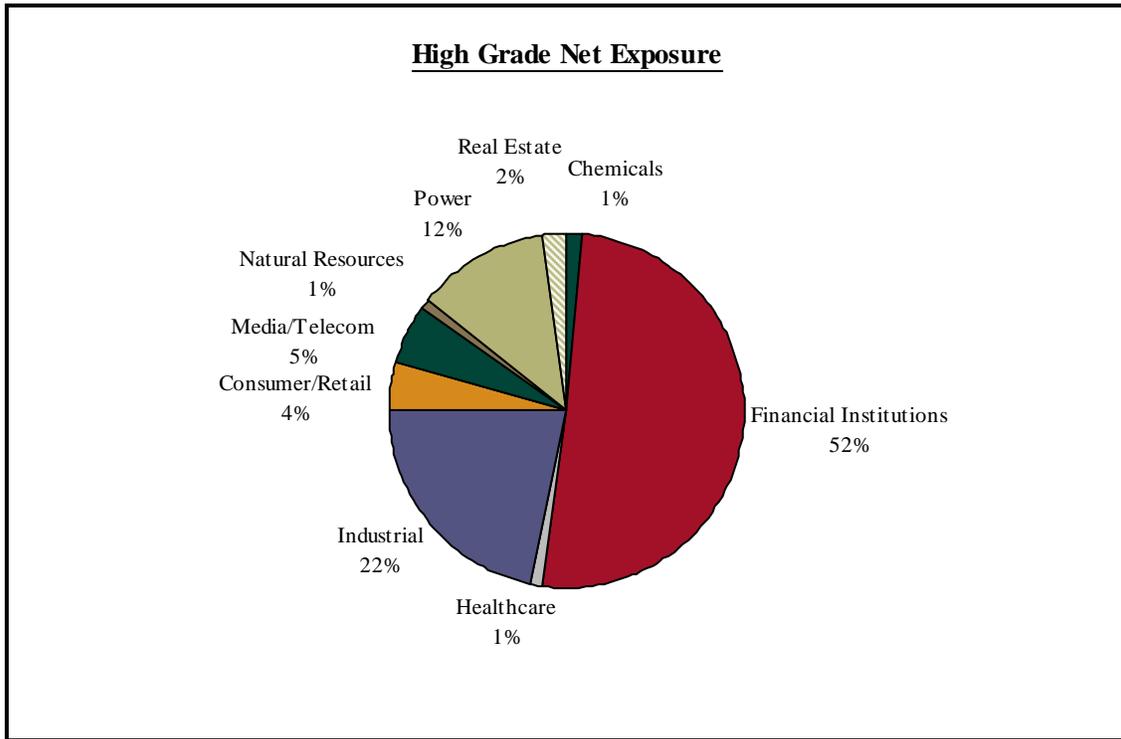
Bold=Closed & currently being syndicated.

Exposure by Geography

(mm)	HG	%	HY	%
Non-U.S.	510	9%	4,136	61%
U.S.	5,242	91%	2,603	39%
Total	\$5,752	100.0%	\$6,739	100.0%



Exposure by Sector



CREDIT/COMPANY NEWS

Ratings Recap

Company Name	Date	Agency	Rating	Action	From	To
Commonwealth Edison Company	6/4/07	S&P	Sr. Secured	Downgrade	BBB ▼	BBB- ▼
Entergy Corporation	6/4/07	S&P	Sr. Unsecured	Outlook Raised	BBB (negative)	BBB (stable)
Wellpoint, Inc.	6/5/07	Moody's	Sr. Unsecured	Outlook Raised	Baa1 (positive)	Baa1 (stable)
Qwest Communications International Inc	6/7/07	S&P	Sr. Unsecured	Upgrade	BB+ (stable)	BBB- (stable)

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Company News

Consumer

- **Wal-Mart Stores, Inc. (WMT): Neutral** – On 6/1/07, WMT announced it would cut back on growth plans and return more money to shareholders. The company is reducing the number of new Supercenters it plans to open in FY2008 from 265-270 to 190-200 and capex projections from \$17.0 billion to \$15.5 billion. WMT also announced it will increase its share repurchase program to \$15.0 billion. The company currently has \$3.3 billion remaining under its current program. *(Ahuva Schwager)*
- **Marriott International Inc. (MAR): Neutral** – On 6/8/07, MAR said it reached a \$220 million settlement with the IRS and Department of Labor over the company's revision of one aspect of their retirement plan. The settlement will result in an after-tax charge of \$0.13/share and the reduction of \$114 million in shareholders' equity for 2Q07. The payments reflect taxes and interest charges; no penalties were assessed. MAR also noted that it fully resolved IRS issues related to audited tax returns for 2000 through 2002 concerning \$1 billion in deductions the company took for its pension plan. *(Ahuva Schwager)*

Financial Institutions

- **SLM Corporation (SLM): Negative** - On 6/1/07, S&P lowered SLM's senior unsecured ratings to BBB+ from A, the ratings remain on CreditWatch negative. S&P noted that the additional financing information SLM provided further increases risk for all classes of existing debt-holders. S&P also predicted that the ratings of the merged company will fall below investment grade. If the transaction does not occur, the revised BBB+ rating would accurately reflect the stand-alone creditworthiness of SLM. *(Rohit Nair)*

Industrial

- **BAE Systems plc (BA.L): Negative** – On 6/05/07, the *BBC* claimed that BA.L had paid “a £120 million a year for more than a decade” to Prince Bandar bin Sultan, the Saudi ambassador to the U.S., for helping broker the £40 billion Al-Yamamah defence agreement between BA.L and the Kingdom of Saudi Agreement. These payments were subject to an investigation by the British Serious Fraud Office that was halted by the Prime Minister on grounds of national security.
- **Tyco International Ltd. (TYC): Neutral** – On 6/7/07, the TYC Board formally approved its separation into three publicly traded companies through a dividend distribution to shareholders on 6/29/07. TYC also filed letters with the SEC saying they were withdrawing plans to proceed with registered public offerings of the health care and electronics unit. The new units may proceed with a private offering. *(Ahuva Schwager)*

Natural Resources

- **Dresser, Inc. Positive** – On 6/5/07, Dresser reported April 2007 monthly and YTD (4-month) results: YTD revenues were \$624.4 million, up 9.7% from the same period last year. YTD EBITDA was \$85.8 million, up 13.8% y-o-y. YTD EBITDA margin was 13.7%, up 50bps y-o-y, reflecting a 100bps improvement in gross profit margin offset by increased SG&A. (Kristin McKee)

Power

- **Exelon Corporation (EXC); Ameren Corporation (AEE): Neutral/Positive** – On 6/7/07, the Illinois House of Representatives adjourned without a vote on Senate Bill 1592 during the extended session, leaving attempts to roll back and freeze electric rates incomplete. The bill may not be dead yet, as the House is expected to meet for an abbreviated session on June 8. (Adrian de Lagarde)
- **FPL Group, Inc. (FPL): Positive** – On 6/6/07, FPL's subsidiary, FPL Group Capital Inc., announced the sale of \$400 million Series C Junior Subordinated Debentures due June 15, 2067. The debentures will initially bear interest at 6.65% per year payable semiannually and will then switch to a floating rate note based on three month Libor plus a margin of 212.5 basis points, resetting quarterly. Proceeds from the transaction will be used to repay outstanding short-term debt. Lehman served as a joint-bookrunner on this transaction. (Adrian de Lagarde)

APPENDIX

PORTFOLIO DETAILS

HG LOAN PORTFOLIO

6/5/07		Ratings				Exposure (mm)			FRL/		
Company	Equity Ticker	Moody's	S&P	Fitch	Internal	Gross	Current	Net	BL	Sector	Portfolio Manager
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	18.0	FRL	Financial Institutions	Rohit Nair
Altria Group, Inc.	MO	Baa1	BBB	BBB+	--	180.4	180.4	14.4	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	(20.5)	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	84.0	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	--	89.0	89.0	6.0	FRL	Industrial	Patrick Marshall
Banca Intlease S.p.A.		A3	--	A-▼	--	134.3	134.3	33.3	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	--	19.8	19.8	9.8	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	(0.5)	FRL	Consumer/Retail	Ahuva Schwager
Carpark 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-	--	86.6	86.6	25.6	FRL	Consumer/Retail	Patrick Marshall
Carlyle Capital Corporation		--	--	--	--	33.3	33.3	33.3	Business L	Financial Institutions	Rohit Nair
Carlyle Loan Investment Ltd.		--	--	--	AAA	100.0	100.0	100.0	FRL	Financial Institutions	Rohit Nair
CBS Corporation	CBS	Baa3	BBB	BBB	--	95.0	35.0	5.0	FRL	Media/Telecom	Ahuva Schwager
CenterPoint Energy, Inc.	CNP	Baa3	BBB-	BBB-	--	75.0	75.0	12.0	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	88.0	FRL	Financial Institutions	Rohit Nair
CITIC International Financial Holdings Limited		--	BBB-	--	--	111.4	111.4	111.4	FRL	Financial Institutions	Rohit Nair
Comcast Corporation	CMCSA	Baa2	BBB+	BBB+	--	185.0	185.0	(11.0)	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	(11.0)	FRL	Power	Adrian de Lagarde
Countrywide Financial Corporation	CFC	A3▲	A	A	--	400.0	350.0	120.0	FRL	Financial Institutions	Rohit Nair
Coventry Health Care, Inc.	CVH	Ba1	BBB	BBB	--	12.2	12.2	2.2	FRL	Healthcare	Ahuva Schwager
Covidien Ltd.		Baa1	A-	--	--	212.5	212.5	212.5	BL/FRL	Industrial	Ahuva Schwager
Cox Enterprises, Inc.		Baa3	BB+	BBB-	--	370.0	313.7	(16.3)	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	--	--	67.1	67.1	33.1	FRL	Industrial	Patrick Marshall
Deutsche Telekom AG	DT	A3	A-	A-	--	805.6	537.1	49.1	FRL	Media/Telecom	Patrick Marshall
Developers Diversified Realty Corporation	DDR	Baa2	BBB	BBB	--	20.0	20.0	5.0	FRL	Real Estate	Rohit Nair
Diageo Finance plc	DEO	A3	A-	--	--	250.0	250.0	32.0	FRL	Consumer/Retail	Patrick Marshall
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
Duquesne Light Company	DQE	Baa2▼	BBB-	BBB-	--	0.0	0.0	(0.0)	FRL	Power	Adrian de Lagarde
E.ON AG	EON	A2	AA-▼	AA▼	--	97.5	73.8	(129.2)	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▲	--	--	--	67.1	67.1	(13.9)	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+▼	--	47.0	47.0	13.0	FRL	Power	Patrick Marshall
Enron Corp.	ECSPQ	--	--	--	D	12.2	12.2	12.2	FRL	Power	Tucker Hackett
Entergy 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

*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.)

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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
Fidelity National Information Services, Inc.		Ba1	BB+	BB+	--	24.9	24.9	24.9	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
FPL Group, Inc.	FPL	A2	A-	A	--	135.0	135.0	51.0	FRL	Power	Adrian de Lagarde
General Electric Capital Corporation		Aaa	AAA	--	--	1,375.0	1,375.0	199.0	FRL	Financial Institutions	Rohit Nair
General Mills, Inc.	GIS	Baa1	BBB+	BBB+	--	115.0	55.0	(5.0)	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	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+	--	600.0	600.0	350.0	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
Husqvarna AB	HUSQA.SS	--	--	--	BBB	39.1	39.1	39.1	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+	--	250.0	225.0	(15.0)	FRL	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
Kinder Morgan, Inc.	KMI	Ba2	BB-	BB	--	31.7	31.7	(3.3)	FRL	Natural Resources	Adrian de Lagarde
Koninklijke Philips Electronics N.V.	PHG	A3	A-	A-	--	48.0	48.0	(30.0)	FRL	Industrial	Patrick Marshall
Kraft Foods Inc.	KFT	Baa1	A-	A-	--	136.3	64.9	(2.1)	FRL	Consumer/Retail	Ahuva Schwager
KRIBHCO Shyam Fertilizers Limited		--	--	--	BB+	5.7	5.7	5.7	FRL	Industrial	Patrick Marshall
Landale Asset Purchasing Company No. 2 Limited		--	--	--	AA-	201.7	201.7	89.7	FRL	Financial Institutions	Rohit Nair
Lanxess AG	LXS.DE	Baa3	BBB-	--	--	87.3	87.3	46.3	FRL	Chemicals	Patrick Marshall
Legal & General Group Plc	LGEN.L	A1	AA-	AA-	--	79.1	79.1	5.1	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	--	115.0	115.0	28.0	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	5.0	FRL	Industrial	Ahuva Schwager
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	(6.3)	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	--	134.3	134.3	46.3	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	NRK.L	Aa3	A+	A+	--	71.2	11.9	11.9	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+	--	--	24.5	24.5	5.5	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	--	--	42.5	42.5	42.5	Business L	Industrial	Ahuva Schwager
PartnerRe Ltd.	PRE	A2	A	AA-	--	40.0	40.0	40.0	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.)

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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+	--	54.5	54.5	54.5	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		--	--	--	--	185.0	185.0	145.0	FRL	Power	Adrian de Lagarde
Principal Financial Services, Inc.	PFG	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	33.0	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	24.0	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	76.3	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	RGA	Baa1	A-	A	--	12.5	0.0	0.0	FRL	Financial Institutions	Rohit Nair
Residential Capital, LLC		Baa3	BBB-	BBB	--	150.0	150.0	130.0	FRL	Financial Institutions	Rohit Nair
<i>Resolution plc</i>	RSL.L	--	BBB+	A-	--	46.9	46.9	46.9	FRL	Financial Institutions	Patrick Marshall
<i>Reuters Group PLC</i>	RTRSY	A3▼	BBB+	BBB+	--	47.4	47.4	(1.6)	FRL	Media/Telecom	Patrick Marshall
Reynolds American Inc.	RAI	Baa2	BBB-	BBB-	--	50.0	15.0	(3.0)	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	--	89.9	89.9	11.9	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	--	--	10.0	10.0	0.0	FRL	Industrial	Ahuva Schwager
Sears Holdings Corporation	SHLD	Baa3	BBB-	BBB-	--	207.2	207.2	47.2	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	(41.5)	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>	SLL	A3	A-	--	--	24.7	24.7	4.7	FRL	Financial Institutions	Patrick Marshall
Staples, Inc.	SPLS	Baa1	BBB+	BBB+	--	25.0	25.0	15.0	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+	--	216.0	216.0	68.0	FRL	Media/Telecom	Patrick Marshall
<i>Telefónica, S.A.</i>	TEF	Baa1	BBB+	BBB+	--	253.5	253.5	6.5	FRL	Media/Telecom	Patrick Marshall
<i>Telekom Austria Finance B.V.</i>	TKA	--	--	--	BBB+	49.7	49.7	(4.3)	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	49.0	FRL	Media/Telecom	Ahuva Schwager
Transamerica Asset Funding Corp. I		--	--	--	A+	0.0	0.0	0.0	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	0.2	FRL	Power	Adrian de Lagarde
Tyco Electronics Group S.A.		Baa2	BBB	--	--	178.8	178.8	178.8	BL/FRL	Industrial	Ahuva Schwager
Tyco International Finance S.A.		Baa1	BBB	--	--	233.8	233.8	233.8	BL/FRL	Industrial	Ahuva Schwager
United States Steel Corporation	X	Baa3	BB+	BBB-	--	24.5	24.5	14.5	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	31.0	FRL	Media/Telecom	Ahuva Schwager
<i>Vodafone Group Public Limited Company</i>	VOD	Baa1	A-	A-	--	375.0	325.0	5.0	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	--	393.1	212.1	(35.9)	FRL	Consumer/Retail	Ahuva Schwager
Walt Disney Company (The)	DIS	A2	A-▲	A-	--	50.0	5.0	(32.0)	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	9.0	FRL	Healthcare	Ahuva Schwager
Westar Energy, Inc.	WR	Baa2	BBB	BBB-	--	20.0	20.0	20.0	FRL	Power	Adrian de Lagarde

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Italics = European deal.

Bold = Closed and currently being syndicated.

Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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	--	--	37.9	37.9	37.9	FRL	Financial Institutions	Rohit Nair
Wisconsin Energy Corporation	WEC	A3	BBB+	A-	--	85.0	70.0	15.0	FRL	Power	Adrian de Lagarde
<i>Wolseley plc</i>	WOS	--	--	--	BBB	67.1	67.1	67.1	FRL	Industrial	Patrick Marshall
<i>Wolters Kluwer n.v.</i>	WKL.AS	Baa1	BBB+	BBB	--	96.7	96.7	22.7	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	XXR	Baa3	BBB-	BBB-	--	90.0	52.5	2.5	FRL	Technology	Michael Masters
XL Capital Ltd	XL	A3	A-	A	--	158.0	158.0	58.0	FRL	Financial Institutions	Rohit Nair
<i>Zurich Insurance Company</i>		A1	A+	A	--	200.0	200.0	11.0	FRL	Financial Institutions	Patrick Marshall
High Grade Total						\$23,281.3	\$19,638.4	\$5,752.4			

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

HY LOAN PORTFOLIO

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRI/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
Accellent Inc.	--	B1	BB-	--	--	\$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
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 Co.	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
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
Aquila, Inc.	ILA	Ba1▲	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+	27.5	27.5	27.5	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+	--	30.6	15.4	(9.1)	FRL	Industrial	Diane Albanese
Berry Plastics Holding Corporation	--	Ba3	B+	--	--	28.3	28.3	18.3	FRL	Industrial	Diane Albanese
BHM Technologies, LLC	--	B1	B	--	--	38.5	38.5	38.5	BL	Industrial	Maria Lund
Bluegrass Container Company, LLC	--	Ba3	BB-	--	--	30.0	30.0	1.0	FRL	Industrial	Diane Albanese
Boise Cascade, L.L.C.	--	Ba2	BB+	--	--	9.5	9.5	3.5	BL	Industrial	Diane Albanese
Bonten Media Group LLC	--	Ba3	BB-	--	--	10.5	10.5	10.5	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	B+	--	--	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
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	(41.1)	FRL	Consumer/Retail	Ritam Bhalla
Cableuropa SA	--	--	B*	BB-	--	6.8	6.8	6.8	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 Travel	--	Ba3	BB-	--	--	25.0	25.0	25.0	BL	Consumer/Retail	Craig Malloy
CBD Investor Inc.	--	B3*	B▼*	--	--	25.0	25.0	25.0	BL	Media/Telecom	Mike Masters
CBD Media LLC	--	Ba3	B▼*	--	--	2.0	2.0	2.0	BL	Media/Telecom	Mike Masters
Conveo 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
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.	--	Caa1	CCC+	--	--	33.0	33.0	33.0	BL	Consumer/Retail	Ritam Bhalla
Clondalkin Industries	--	--	B+*	--	--	4.4	4.4	4.4	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 Holdings, Inc.	CCK	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	217.5	217.5	217.5	BL	Healthcare	Patrick Marshall
DCP Midstream Partners, LP	DPM	--	--	--	BB	39.4	39.4	39.4	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+	8.9	8.9	8.9	BL	Media/Telecom	Patrick Marshall
Del Monte Foods Company	DLM	Ba2	BB	BB+	--	2.0	2.0	0.0	BL	Consumer/Retail	Ritam Bhalla
Delek US Holdings Inc.	--	B2	B+	--	--	48.8	48.8	48.8	BL	Consumer/Retail	Ritam Bhalla
Delta Air Lines Inc.	DAL	Ba2	BB-	--	--	85.7	85.7	55.7	FRL	Consumer/Retail	Craig Malloy

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
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	229.1	229.1	229.1	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
Edison Mission Energy	--	Ba3*	BB-*	BB-*	--	36.3	36.3	31.3	FRL	Power	Adrian de Lagarde
Editis SA	--	--	--	--	BB-	40.6	40.6	40.6	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-	37.7	37.7	37.7	BL	Media/Telecom	Patrick Marshall
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
Extencicare 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
First Chemical Holdings (Borsod)	--	--	--	--	B	61.3	61.3	61.3	BL	Chemicals	Patrick Marshall
Firth Rixson Group	--	--	--	--	B	10.0	10.0	10.0	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
Gala Group Holdings Plc	--	--	--	--	BB-	47.7	47.7	33.4	BL	Gaming/Entertainment	Patrick Marshall
Gaming Invest Sarl	--	--	--	--	B	33.7	33.7	33.7	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	(49.8)	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	--	45.6	45.6	6.6	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-	39.9	39.9	39.9	FRL	Consumer/Retail	Patrick Marshall
Great Lakes Dredge & Dock Corporation	GLDD	Ba3	BB-	--	--	5.0	5.0	5.0	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-	--	--	0.0	0.0	(15.4)	BL	Media/Telecom	Frank Turner
Hawker Beechcraft Acquisition Co. LLC	--	Ba3	BB	--	--	35.0	35.0	23.0	BL	Industrial	Diane Albanese
Hayes Lemmerz International, Inc.	HAYZ	B1	B*	--	--	10.0	10.0	10.0	BL	Industrial	Diane Albanese
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	NR	--	--	20.0	20.0	(12.5)	BL	Healthcare	Craig Malloy
Idearc Inc.	IAR	Ba2	BBB-	--	--	13.0	13.0	(24.4)	FRL	Media/Telecom	Mike Masters
Iglo Birds Eye	--	--	--	--	B	8.0	8.0	8.0	BL	0.0	Patrick Marshall
Inergy, L.P.	NRGY	Ba3*	B+	--	--	25.0	25.0	5.0	BL	Natural Resources	Maria Lund
InfoNXX, Inc.	--	B1	B	--	--	20.0	20.0	20.0	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
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	55.4	55.4	55.4	BL	Industrial	Patrick Marshall
Klockner Pentaplast Luxembourg Sarl	--	--	--	--	B	563.5	563.5	563.5	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	(7.0)	FRL	Gaming/Entertainment	Diane Albanese
Lavenna Holdings 4 GmbH	--	Ba1*	--	BBB*	--	855.7	855.7	855.7	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.	--	Ba2	BB+	--	--	10.0	10.0	10.0	BL	Real Estate	Craig Malloy
Lloyds TSB Registrars	--	--	--	--	BB	527.3	527.3	527.3	BL	Financial Institutions	Patrick Marshall
LSP-Kendall Energy, LLC	--	--	B+	--	--	2.0	2.0	2.0	BL	Power	Randall Braumfeld
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	Ba3*	BB+	--	--	10.0	10.0	10.0	FRL	Industrial	Randall Braumfeld
Mapco Express, Inc.	--	B2	B+	--	--	12.0	12.0	12.0	BL	Consumer/Retail	Ritam Bhalla

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Source: Lehman Brothers

PORTFOLIO DETAILS (cont'd.)

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
Marina District Finance Company, Inc.	--	--	--	--	BB	\$5.0	\$5.0	\$5.0	FRL	Gaming/Entertainment	Diane Albanese
Merlin Entertainments Group	--	--	--	--	BB-	503.9	503.9	503.9	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
Nutro Products, Inc.	--	Ba3▲	B▼	--	--	13.0	13.0	13.0	BL	Consumer/Retail	Ritam Bhalla
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
PagesJaunes Groupe SA	--	--	--	--	B+	14.3	14.3	14.3	BL	Media/Telecom	Patrick Marshall
Parker Drilling Company	PKD	B1	--	--	--	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	B+	--	--	5.0	5.0	5.0	BL	Industrial	Diane Albanese
Protection One, Inc.	PONN	Ba3	BB	--	--	2.5	2.5	2.5	BL	Consumer/Retail	Ritam Bhalla
Psychiatric Solutions, Inc.	PSYS	Ba3	B+	--	--	25.0	25.0	25.0	FRL	Healthcare	Craig Malloy
Qwest Communications International Inc.	Q	Ba3	BBB-	BBB-	--	60.0	60.0	12.0	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	3.0	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.	RCII	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	B+	--	--	8.9	8.9	8.9	BL	Industrial	Diane Albanese
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	166.3	166.3	166.3	BL	Gaming/Entertainment	Patrick Marshall
Six Flags, Inc.	SIX	Ba3	B+	B-*	--	47.5	47.5	23.5	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
SunPower Corporation	SPWR	--	--	--	BBB-	8.8	8.8	8.8	FRL	Technology	Kristin Mckee
Synatech Inc.	SYGR	--	B+	--	--	11.0	11.0	3.0	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.	--	--	--	--	--	14.0	14.0	14.0	FRL	Natural Resources	Maria Lund
Targa Resources, Inc.	--	B1	B+▼	--	BB-	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.	--	B1	B	--	--	11.0	11.0	0.0	BL	Technology	Mike Masters
Tesoro Corp.	--	Baa1	BBB-	--	--	85.0	85.0	85.0	BL	Natural Resources	Maria Lund
Time Warner Telecom Inc.	TWTC	Ba2	B	--	--	20.0	20.0	2.0	FRL	Media/Telecom	Frank Turner
Fishman Speyer Real Estate Services, L.P.	--	Ba2	BB-	--	--	7.5	7.5	7.5	BL	Financial Institutions	Craig Malloy
TransDigm, Inc.	--	Ba3	B+	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
TRW Automotive Holdings Corp.	TRW	Ba1	BBB	BB+	--	98.8	98.8	39.4	FRL	Industrial	Diane Albanese
TVSL SA	--	--	--	--	BB-	22.7	22.7	22.7	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	B+	--	--	8.5	8.5	(25.5)	FRL	Industrial	Maria Lund
United Surgical Partners International Inc.	USPI	Ba3	B	--	--	15.0	15.0	15.0	BL	Healthcare	Craig Malloy

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PORTFOLIO DETAILS (cont'd.)

6/5/07 Company	Equity Ticker	Ratings				Exposure (mm)			FRL/ BL	Sector	Portfolio Manager
		Moody's	S&P	Fitch	Internal	Gross	Current	Net			
Universal Compression, Inc.	UCO	Ba1 ▼	BB	--	--	55.0	55.0	55.0	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
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
Waste Services, Inc.	WSII	Ba3	BB-	--	--	5.0	5.0	(1.0)	BL	Industrial	Frank Turner
Wesco Aircraft Hardware Corp.	--	B1	B-	--	--	20.0	20.0	20.0	BL	Industrial	Diane Albanese
West Corporation	--	Ba3	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						\$8,084.4	\$7,950.9	\$6,738.6			
Loan Portfolio Total						\$31,365.8	\$27,589.3	\$12,491.0			

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