

From: Elagoz, Melda <melda.elagoz@lehman.com>
Sent: Thursday, June 21, 2007 5:47 PM (GMT)
To: Lax, Stephen <slax@lehman.com>
Cc: Li, Joe <joli@lehman.com>
Subject: FW: PE shock
Attach: Stress for Private Equity (4.48 KB).msg

Steve
Paul confirmed that stress testing is not the appropriate place to include the 'classical' private equity positions (Event Risk would be). Clelia already splits out her PE business by regular/trading like positions vs. classical private equity positions.

Thanks,
Melda

> _____
> From: Lax, Stephen
> Sent: Thursday, June 21, 2007 12:24 PM
> To: Bakshi, Kinjal; Anand, Amit; Chung, Hanse; Stegnjajic, Clelia;
> Li, Joe
> Subject: RE: PE shock
>
> The private equity shocks are consistent w/ public equity shocks and
> here is an extract of what we used for May
>
> Bull Steep Bull Flat Bear Flat Bear Steep EMG
> Rating / Default HY / LBO Equity Crash Par Down
> Par up Black Monday Oil Liquidity
> -11.7% 3.5% 8.5% -4.8% -11.1% -2.6% -12.9% -30.2%
> -11.7% 8.5% -20.1% -13.4% -12.1%
>
>
>
> Some figs are approx / wtd avg %, but to give you an idea
>
> Also, here is the last "spec" email on the topic
>
> <<Specs for VaR / Stress for Private Equity>>
> _____
> From: Li, Joe
> Sent: Thursday, June 21, 2007 12:17 PM
> To: Lax, Stephen; Bakshi, Kinjal; Anand, Amit; Chung, Hanse;
> Stegnjajic, Clelia
> Subject: PE shock
>
> Clelia,
>

- > Could you pls let us know PE shock you have for all the stress
- > scenarios? Thanks
- > Joe