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Sent: Tuesday, June 19, 2007 7:01 PM (GMT)
To: Leng, Manhua <mleng@lehman.com>; Weber, Mark <mark.weber@lehman.com>
Subject: Daily Risk Appetite and VaR Report - 6/18/07
Attach: RiskAppetite_20070618.xls;DailyMarketReport 06192007.DOC

Attachment:

1. Risk Appetite / VaR summary reports
<<RiskAppetite_20070618.xls>>
 2. Detailed daily market risk summary
<<DailyMarketReport 06192007.DOC>>
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The overall Risk Appetite usage as of 6/18/07 was \$3241mm (up \$13mm) vs. \$3300mm limit:

- * Fixed Income - RA \$1922mm (down \$29mm) vs. \$2200mm limit

No major changes.

- * Equity - RA \$792mm (down \$86mm) vs. \$800mm limit

- * Cash - RA \$151mm (down \$26mm)

Net long delta decreased from \$632mm to \$573mm.

- * Volatility Flow - RA \$88mm (down \$32mm)

VaR decreased \$4.2mm as net long gamma increased from \$35mm to \$149mm.

Market Color and Significant PnL

- * Asian stocks rose on June 18th, as prices of metals and crude oil advanced and the yen weakened against the dollar. The Nikkei closed up 1%, and the Hang Seng ended up 2.7%. There were no significant changes in US and European stock indices.

- * There were no significant P/L events on June 18th.

The overall VaR as of 6/18/07 was \$98.7mm (down \$3.9mm), 60-day Moving Average was \$79.6mm and unweighted VaR was \$108.7mm (down \$6.3mm).

COB_DATE	BUSINESS_NAME	SIGNOFF_TIME
6/18/2007	Global Principal Strategies	1:19:33 PM
6/18/2007	Commodities Trading	12:34:45 PM
6/18/2007	CDO	12:02:11 PM
6/18/2007	High Grade	12:00:27 PM

6/18/2007 Municipals 11:51:38 AM
6/18/2007 Equities 11:28:21 AM
6/18/2007 High Yield 11:28:09 AM
6/18/2007 Foreign Exchange 11:10:52 AM
6/18/2007 IR Products 11:09:53 AM
6/18/2007 Securitized Products 10:33:19 AM
6/18/2007 Real Estate 10:33:01 AM
6/18/2007 Liquid Market Prop 10:04:03 AM
6/18/2007 Firm Financing 9:09:46 AM
6/18/2007 FID Corp 8:47:48 AM

Regards,

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